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REPORT

OF THE

Bombay Millowners' Association

For the year 1926.

SERVANTS OF INDIA SOCIETY'S
BRANCH LIBRARY
BOMBAY

(Established 1st February 1875.)

**PRESENTED TO THE ANNUAL GENERAL MEETING
HELD ON 3RD MARCH, 1927.**

Bombay :
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THE BOMBAY MILLOWNERS' ASSOCIATION.

REPORT FOR THE YEAR 1926.

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BOMBAY MILLOWNERS' ASSOCIATION.

ESTABLISHED 1st FEBRUARY 1875.

List of Members.

APOLLO MILLS, LIMITED.
ASSUR VERJEE MILLS, LIMITED.
BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED.
BENGAL LAKMI COTTON MILLS, LIMITED.
BENGAL-NAGPUR COTTON MILLS, LIMITED.
BERAR MANUFACTURING COMPANY, LIMITED.
BHAGIRATH SPINNING AND WEAVING COMPANY, LIMITED.
BIRLA MILLS, LIMITED.
BIRLA COTTON SPINNING AND WEAVING MILLS, LIMITED, DELHI.
BRADBURY MILLS, LIMITED.
BURHANPUR TAPTI MILL, LIMITED.
CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING COMPANY, LIMITED.
CENTURY SPINNING AND MANUFACTURING COMPANY, LIMITED.
CEYLON SPINNING AND WEAVING COMPANY, LIMITED.
COLABA LAND AND MILL COMPANY, LIMITED.
COORLA SPINNING AND WEAVING COMPANY, LIMITED.
CRESCENT MILLS COMPANY, LIMITED.
CROWN SPINNING AND MANUFACTURING COMPANY, LIMITED.
CURRIMBOY MILLS COMPANY, LIMITED.
DAVID MILLS COMPANY, LIMITED.
DAWN MILLS COMPANY, LIMITED.
DHARAMSI MORARJI CHEMICAL COMPANY, LIMITED.
DHARAMSI MORARJI WOOLLEN MILLS, LIMITED.
EBRAHIMBOY PABANEY MILLS COMPANY, LIMITED.
EDWARD SASSOON MILLS, LIMITED.
E. D. SASSOON UNITED MILLS, LIMITED.
ELPHINSTONE SPINNING AND WEAVING MILLS COMPANY, LIMITED.
EMPEROR EDWARD SPINNING AND MANUFACTURING COMPANY, LIMITED.
FAZULBOY MILLS, LIMITED.
FINLAY MILLS, LIMITED.
FRAMJEE PETIT SPINNING AND MANUFACTURING COMPANY, LIMITED.
GLOBE MANUFACTURING COMPANY, LIMITED.
GODAVERY VALLEY GINNING AND PRESSING COMPANY, LIMITED.
GOKAK MILLS, LIMITED.
GOLD MOHUR MILLS, LIMITED.
HINDOOSTAN SPINNING AND WEAVING MILLS COMPANY, LIMITED.
HYDERABAD (DECCAN) SPINNING AND WEAVING COMPANY, LIMITED.
INDIAN BLEACHING, DYEING AND PRINTING WORKS, LIMITED.
INDIAN MANUFACTURING COMPANY, LIMITED.
INDIAN WOOLLEN MILLS, LIMITED.
INDORE-MALWA UNITED MILLS, LIMITED.
JAMSHED MANUFACTURING COMPANY, LIMITED.
JAM SHRI RANJITSINGJEE SPINNING AND WEAVING MILLS COMPANY, LIMITED.
JUBILEE MILLS, LIMITED.

KASTOORCHAND MILLS COMPANY, LIMITED.
KHANDEISH SPINNING AND WEAVING MILLS COMPANY, LIMITED.
KHATAU MAKANJI SPINNING AND WEAVING COMPANY, LIMITED.
KILACHAND MILLS LIMITED.
KOHINOOR MILLS COMPANY, LIMITED.
LAKSHMI COTTON MANUFACTURING COMPANY, LIMITED.
MADHOWJEE DHARAMSEY MANUFACTURING COMPANY, LIMITED.
MADHOWRAO SCINDIA MILLS, LIMITED.
MADRAS UNITED SPINNING AND WEAVING MILLS COMPANY, LIMITED.
MADURA MILLS COMPANY, LIMITED (Madura, Tuticorin and Amba³ samudram).
MAHABOOB SHAHI KULBURGA MILLS COMPANY, LIMITED.
MANOCKJEE PETIT MANUFACTURING COMPANY, LIMITED.
MATHRADAS MILLS, LIMITED.
MEYER SASSOON MILLS LIMITED.
MODEL MILLS (NAGPUR), LIMITED.
MOON MILLS, LIMITED.
MORARJEE GOCULDAS SPINNING AND WEAVING COMPANY, LIMITED.
MYSORE SPINNING AND WEAVING COMPANY, LIMITED.
NEW CHINA MILLS.
NEW CITY OF BOMBAY MANUFACTURING COMPANY, LIMITED.
NEW GREAT EASTERN SPINNING AND WEAVING COMPANY, LIMITED.
NEW JAMNER GINNING, PRESSING AND MANUFACTURING COMPANY, LIMITED.
NEW KAISER-I-HIND SPINNING AND WEAVING COMPANY, LIMITED.
P. D. PATEL GIN AND PRESS FACTORY.
PARBHANI GINNING AND PRESSING COMPANY, LIMITED.
PEARL MILLS, LIMITED.
PHENIX MILLS, LIMITED.
PRALHAD MILLS, LIMITED.
PREMIER MILLS, LIMITED.
PULGAON COTTON SPINNING, WEAVING AND MANUFACTURING COMPANY, LIMITED.
RAI BAHADUR BUNSILAL ABIRCHAND SPINNING AND WEAVING MILL.
RAJA BAHADUR MOTILAL BOMBAY MILLS LIMITED.
RAMCHAND GURSAHAI MAL COTTON MILLS COMPANY, LIMITED.
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ASSOCIATION'S REPRESENTATIVES.

Legislative Assembly—SIR VICTOR SASSOON, BART.
Bombay Legislative Council—I. B. PETIT ESQ.,
City of Bombay Improvement Trust—S. D. SAKLATVALA ESQ.,
Bombay Port Trust—A. GEDDIS, ESQ.,
Victoria Jubilee Technical Institute—JEHANGIR B. PETIT, ESQ. AND THE HON'BLE MR. MUNMOHANDAS RAMJI.
Bombay Smoke Nuisances Commission—N. B. SAKLATVALA, ESQ., C.I.E., AND W. A. SUTHERLAND, ESQ.
Sydenham College of Commerce Advisory Board—S. D. SAKLATVALA, ESQ.
Central Cotton Committee—S. D. SAKLATVALA, ESQ.
Empire Cotton Growing Corporation—W. H. BRADY, ESQ.
Development of Bombay—Advisory Committee—JEHANGIR B. PETIT, ESQ.
G. I. P. Railway Advisory Committee—A. GEDDIS, ESQ.
B. B. & C. I. Railway Advisory Committee—THE HON'BLE MR. MUNMOHANDAS RAMJI.
Excise Advisory Committee—A. GEDDIS, ESQ.
Nowrosji Wadia Maternity Hospital Board of Management—A. GEDDIS, ESQ., AND H. P. MODY, ESQ.
Municipal Corporation—H. P. MODY, ESQ.

COMMITTEE FOR 1927.

H. P. MODY, ESQ. (Chairman).
F. STONES, ESQ., O.B.E. (Deputy Chairman).
SIR DINSHAW M. PETIT, BART.
SIR VICTOR SASSOON, BART.
THE HON'BLE SIR DINSHAW E. WACHA, KT.
SIR FAZULBOY CURRIMBOY, KT., C.B.E.
SIR NESS WADIA, K.B.E., C.I.E.
A. GEDDIS, ESQ.
SIR JOSEPH KAY, KT.
LALJI NARANJI, ESQ., M.L.C.

JEHANGIR B. PETIT, ESQ.
THE HON'BLE MR. MUNMOHANDAS RAMJI.
THE HON'BLE MR. RATANSI D. MORARJI.
N. B. SAKLATVALA, ESQ., C.I.E.
S. D. SAKLATVALA, ESQ.
H. H. SAWYER, ESQ.
F. F. STILEMAN, ESQ.
MADHAVJI D. THACKERSEY, ESQ.
C. N. WADIA, ESQ., C.I.E.,
T. WATTS, ESQ.

T. MALONEY, ESQ., M.C., Secretary.
J. P. WADIA, ESQ., Asslt. Secretary.

TRUSTEES OF ASSOCIATION'S FUNDS.

General Fund:—MR. H. P. MODY & MR. RATANSI D. MORARJI,
Provident Fund:—MR. S. D. SAKLATVALA & MR. H. P. MODY,

CHAIRMEN AND SECRETARIES OF THE BOMBAY MILLOWNERS' ASSOCIATION.

Chairmen.

H. MAXWELL, 1875, 1876-77, 1877-78.
J. A. FORBES, 1878-79.
SIR DINSHAW MANECKJI PETIT, 1879-80, 1880-81, 1881-82, 1882-83, 1883-84, 1884-85;
1886-1887, 1888-89, 1889-90, 1891, 1892.
SIR GEORGE COTTON, 1893, 1894, 1895, 1896, 1897, 1898, 1899*, 1900*.
JOHN R. GREAVES, 1899*, 1900*, 1901, 1902.
BOMANJEE DINSHAW PETIT, 1903.
SIR SASSOON J. DAVID, 1904, 1905.
SIR VITHALDAS DAMODHER THACKERSEY, 1906, 1907.
SIR FAZULBHOY CURRIMBHOY, 1908.
MANMOHANDAS RAMJEE, 1909.
HERBERT R. GREAVES, 1910.
SIR NESS. WADIA, 1911.
SIR DINSHAW M. PETIT, 1912.
J. F. BRADBURY, 1913.
NAROTTAM MORARJEE, 1914.
JEHANGIR B. PETIT, 1915.
N. B. SAKLATVALA, 1916.
SIR DINSHAW E. WACHA, 1917.
C. N. WADIA, 1918.
N. G. HUNT, 1919.
RAHIMTOOLA CURRIMBHOY, 1920.
SIR JOSEPH KAY, 1921, 1922.
SIR VICTOR SASSOON, BART., 1923.
S. D. SAKLATVALA, 1924.
SIR NESS. WADIA, 1925*.
A. GEDDIS, 1926.
H. P. MODY, 1927.

Secretaries.

JOHN GORDON, 1875-1884.
DAVID WATSON (Acting), 1881-82.
JOHN MARSHALL, 1884-1898.
FREDERICK NOEL-PATON, 1898-1905.
J. B. LESLIE-ROGERS, 1905-1911.
R. E. GREGOR-PEARSE, 1912-1920.
C. B. SAYER, 1921-1924.
T. MALONEY, appointed 1924.

Bombay Millowners' Association.

Section I.

PROCEEDINGS OF THE ANNUAL GENERAL MEETING
HELD ON 3rd MARCH, 1927.

Bombay Millowners' Association.

Annual General Meeting.

THE ANNUAL GENERAL MEETING of the Members of the Bombay Millowners' Association was held in the rooms of the Association on Thursday, the 3rd March, 1927, at 11 a.m. (S.T.), to transact the following business :—

- (1) To receive the Report of the Committee for the year 1926.
- (2) To sanction the addition of the following words at the end of Rule 94 of the Association's Rules and Regulations :

“ 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 such manner and upon such terms in all respects as they think fit.”

- (3) To amend Rule 20 of the Association's Rules for the Registration of Trade Marks to read as follows :—

“ If any member being the owner of a trade mark which shall have been registered in the Permanent Register shall so alter the trade mark as in the opinion of a majority of the Trade Marks Sub-Committee to render it likely to deceive, or materially different either in name or design from the registered trade mark, and shall use the mark so altered on goods of a class or classes similar to the class or classes of goods for use on which registration of the original marks was obtained, the member concerned may be required to apply in the manner prescribed for registration of the altered trade mark as a new trade mark and in default of compliance with any such requisition within one month after receipt thereof by the member concerned, the altered trade mark shall be deemed an unregistered trade mark. ”

- (4) To appoint Auditors of the Association's Accounts for the current year ; and to transact any other business which may be brought forward.

Present.

A. GEDDIS, Esq., (*Chairman*)

A. M. Green, Esq., M.A., I.C.S., Collector of Customs ; L. W. Hartley, Esq., C.I.E., Commissioner of Income Tax ; Warren G. Patterson, Esq., Assistant Trade Commissioner United States of America, ; Haridass Madhavdas, Esq., G. Boyagis, Esq., and Chunilal B. Mehta, Esq., Director of the East India Cotton Association ; D. E. Mehta, Esq., Secretary, East India Cotton Association ; Walchand Hirachand, Esq., President of the Indian Merchants' Chamber ; Ishwardas Lakmidas, Esq., K. H. Vakil, Esq., and Mavji Govindji Sheth, Committee Members of the Indian Merchants' Chamber ; J. K. Mehta, Esq., Secretary, Indian Merchants' Chamber ; M. A. Hughes, Esq., representing the Bombay Chamber of Commerce ; B. C. Burt, Esq., Secretary, Indian Central Cotton Committee ; G. I. Patel, Esq., M.L.C., of the Ahmedabad Millowners' Association ; H. P. Mody, Esq., of the Century Spg. & Mfg. Co., Ltd. ; F. Stones, Esq., O.B.E., of the Apollo Mills, Ltd., the David Mills Co., Ltd., Edward Sassoon Mills Ltd., E. D. Sassoon United Mills Co., Ltd., Elphinstone Spg. & Wvg. Co., Ltd., and the Meyer Sassoon Mills, Ltd. ; Sir Ness Wadia, K.B.E., C.I.E., of the Bombay Dyeing and Mfg. Co., Ltd. ; Sir Fazulbhoj Currimbhoy, Kt., C.B.E., and T. Watts, Esq., of the Bradbury Mills, Ltd., the Ceylon Spg. & Wvg. Co., Ltd., Crescent Mills Co., Ltd.,

Currimbhoy Mills, Co., Ltd., Ebrahimbhoy Pabaney Mills Co., Ltd., Fazulbhoy Mills, Ltd., Indian Bleaching, Dyeing & Printing Works, Ltd., Indore-Malwa United Mills, Ltd., Kas-torchand Mills Co., Ltd., Madhorao Scindia Mills, Ltd., Mathradas Mills, Ltd., Pearl Mills, Ltd., and Premier Mills, Ltd.; Sir Joseph Kay K., M.L.C., of the Colaba Land & Mill Co., Ltd., New Great Eastern Spg. & Wvg. Co., Ltd., and the New City of Bombay Mfg. Co., Ltd.; Lalji Naranji Esq., and Cowasji C. Dalal, Esq., of the Jam Shree Ranjit Singhji Spg. & Wvg. Mills Co., Ltd., and the Khandesh Spg. & Wvg. Mill Co., Ltd.; N. B. Saklatvala, Esq., C.I.E., and S. D. Saklatvala, Esq., of the Central India Spg., Wvg. & Mfg. Co., Ltd., Standard Mills, Co., Ltd., Swadeshi Mills Co., Ltd., and Tara Mills, Ltd.; H. H. Sawyer, Esq., of the Sassoon & Alliance Silk Mill Co., Ltd., Sassoon Spg. & Wvg. Co., Ltd.; and Union Mills, Ltd., F. F. Stileman, Esq., of the Kohinoor Mills, Ltd.; Madhavji D. Thackersey, Esq., of the Crown Spg. & Mfg. Co., Ltd., Hindoostan Spg. & Wvg. Co., Ltd., Indian Mfg. Co., Ltd., and Western India Spg. & Mfg. Co., Ltd.; Kaikobad Cawsji Dinshaw, Esq. of the Burhanpur Tapti Mills, Ltd.; L. A. Halsall, Esq., of the Hyderabad (Deccan) Spg. & Wvg. Co., Ltd.; D. N. Sirur, Esq., and V. N. Chandavarkar, Esq., of the Mysore Spg. & Wvg. Co., Ltd.; D. J. Registrar, Esq. of the Model Mills, Nagpur, Ltd., and Berar Mfg. Co., Ltd., B. K. Mantri, Esq., Secretary, Millowners' Mutual Insurance Association, Ltd., T. Maloney, Esq., Secretary and J. P. Wadia, Esq., Assistant Secretary.

After the notice convening the meeting was read by the Secretary, Mr. Geddis, in moving the adoption of the Report, said :—

GENTLEMEN,—As the retiring Chairman of the Millowners' Association, it is my privilege to-day to move the adoption of the Annual Report of the Association for the year 1926, which has now been in your hands for some days. Its voluminous nature and the multiplicity of the subjects dealt with in its pages testifies in some measure to the amount of work which membership of the Committee of this Association entails.

The year which has just ended has unfortunately again proved one of unrelieved depression for the industry. Whether the actual trading results are worse than in 1925, when the total losses incurred by the Bombay City and Island mills amounted to nearly Rs. 3 crores, it is not yet possible to say, but that the losses were very heavy indeed is apparent. Again, several mills were forced into liquidation, owing to the extent of their losses, and others only survived a similar fate by securing finance and assistance from their Managing Agents.

The outstanding feature of the year in textile production was the rapid fall in the price of cotton brought about by the production of a record crop in America, and the prospect of cheap raw material for a considerable time ahead. If, as might be expected, the cheaper prices of cloth and yarn now ruling result in an increase in the per head consumption of piece-goods and yarn of all kinds in this country, there is hope that the whole of the spindles and looms in the City and Island will again become active, which would be satisfactory, but that the Cotton Industry of Bombay has to depend on the adventitious aid of particularly low-priced cotton to enable it to run the whole of its spindles and looms does not indicate a really healthy state. No really permanent degree of future prosperity can be expected until the industry re-establishes her competitive ability, and most unfortunately for the Mill Industry and the City of Bombay our competitive ability has been very seriously impaired by two factors both outside the scope of Bombay millowners.

They are first, the decision of the Government of India to fix the exchange value of the rupee at 1/6 gold, and second, the unfair advantage which the Japanese at present enjoy owing to their system of double shift working with a large majority of female employees, in contravention of the spirit and letter of the Washington Conventions.

CURRENCY QUESTION.

With regard to the first, we have been told in the majority report of the Currency Commission and by Sir Basil Blackett that the ratio of value between the rupee and gold is a matter of minor importance, and that the chief reason for the fixation at 1/6 gold was that the rupee had remained at that value for nearly eighteen months when the Currency Report

was published, that prices had adjusted themselves to that ratio and that reversion to 1/4 gold would cause an unwarranted economic disturbance. With this view I and the preponderating majority of my Committee strongly disagree and have, during the last two years, consistently advocated fixation of the value of the rupee at 1/4 gold not only in the interests of the Cotton Industry of this country but in the best interests of India as a whole. I do not now wish to retrace the whole of the arguments put forward by the Association in their representation to the Government of India, and the Association's written and oral evidence before the Currency Commission and the Tariff Board, but in view of the somewhat widespread delusion that the ratio does not matter I wish to state with the greatest emphasis that the cotton manufacturing industry, on which the prosperity of the Bombay Presidency to a very large extent depends, will be very adversely affected in its competitive powers if the 1/6 ratio is adopted in preference to 1/4. It is significant that no recognised authority has ever ventured to deny the truth of that assertion, and I challenge anyone to do so.

It is obvious that imported piecegoods can be sold in India for 12½ per cent. fewer rupees with exchange at 1/6 than they can with exchange at 1/4 or, in other words, the 12½ per cent. advantage is on every item making up the total cost of imported cloth. The Indian manufacturer, on the other hand, can only lower his cost in certain of the items that make up the cost of production, and is disadvantaged owing to the fact that in the remaining items his expenditure is unchanged no matter what the exchange rate.

All other indigenous industries not of a monopolistic nature will be adversely affected in a similar manner. Much of the support which is given to the 1/6 ratio comes from those who are largely interested in imports, but I should like to ask them to consider whether the advantages importers obtain by their being able to sell their goods at lower prices are not more than counterbalanced by the loss in purchasing power suffered by the agriculturists owing to the lower rupee prices which are realised for all exportable crops. The fact that after five favourable monsoons, purchases even of imported cloth are much lower than in pre-war years is an indication that all is not well with the country and it is strongly held by the majority of my Association that this is largely due to the currency policy of the Government of India.

JAPANESE COMPETITION.

In the last two or three years it has been the custom for the Chairman of the Association to dwell at some length on the growing menace to the Textile Industry from Japan. I shall not dilate on this question now except to say that in the year 1926 the competition from that country was very severe in both the home and export markets.

During the year letters were exchanged between the Japanese Cotton Spinners' Association and our Association regarding the unfair competition I have referred to. In the letters of this Association no statement was made and no figures were given regarding Japanese labour and hours of working which we could not substantiate from official Japanese compilations, in some cases the quotations were from records compiled by the Japanese Government and in others from the records of the Japanese Cotton Spinners' Association themselves. Notwithstanding this the Japanese Cotton Spinners' Association denied our statements and their correspondence developed the unfortunate tone which is a generally recognised characteristic of a party with a weak case.

I have only one more word to say on this subject and then leave it to the public of India to judge whether our statements or the Japanese statements are correct. The Tariff Board twice visited Bombay, being in Bombay from 1st July 1926 to 12th September 1926 and from 11th October 1926 to 21st January 1927. During that time everyone with any wish so to do could put in writing before the Board the views they held, and afterwards appear before the Board to substantiate those views. Our Japanese friends on both occasions sent in to the Tariff Board long statements, but they declined to appear before the Tariff Board to permit of their statements being proved correct or incorrect although they were invited to do so. I think I need hardly say more. They stand condemned by their own action.

LABOUR.

I am happy to say that there has been no extensive labour trouble during the year. To the public interested in the welfare of employees, I would recommend a careful perusal of paragraphs 71—75 of the Association's representation to the Tariff Board. I would like to cite a few facts which I mentioned in my speech when a delegation from the International Textile Labour Union under the leadership of the Right Hon'ble Tom Shaw, M.P., visited the Association last November. According to the census of wages taken by the Government of Bombay in 1923 wages were 87 per cent. higher than in 1914. The hours of work were voluntarily reduced from 12 hours to 10 by the Bombay Millowners' Association, three years before the Government of India ratified the Washington Convention regarding hours of labour, without any reduction being effected in the pay of the workers, which means that rates of wages have been increased by about 130 per cent. between 1914 and 1923. Over and above this increase, during five years of prosperity, each year bonuses amounting to one month's wages were given to the operatives. During the last few years many mills have put up substantial buildings at considerable expense for housing their workpeople and the rents charged for these dwellings have generally been far below the economic rent, and bring a mere nominal return on the capital expended. In addition to this, the Bombay Mill Industry makes an annual contribution of Rs. 10 to 12 lacs to the Bombay Government housing schemes for industrial workmen in the City of Bombay. Facilities are given to the operatives for the purchase of food-stuffs and cloth at rates below the market rates and free medicine and free medical attention are given in the dispensaries attached to every mill. Many mills also have established welfare organisations with a view to improving the lot and the social status of the workers.

The Bombay millowners can legitimately claim to have always shown the keenest solicitude for the welfare of their labour during recent years, but I am sorry to say that in my opinion nothing has been received in return from the workpeople. We have the same inefficient work and also in addition increased absenteeism, and when I say that we employ almost four times the number of hands that a similar Lancashire mill would, the inefficiency of our labour will be realised. I have already mentioned two severe handicaps of the Mill Industry, and another handicap is undoubtedly labour. To say anything against labour nowadays is looked upon as something approaching heresy, but the fact remains that our labour with its inefficiency and absenteeism is a serious drag on the industry. As we have repeatedly stated, as an Association we are in favour of Trade Unionism run for the welfare of the workers and not by aspiring politicians and to those gentlemen who are honestly working for the good of the operatives, I would seriously commend for their consideration the advisability of pointing out and impressing on the mill labourers the fact that a duty is also owed by them to their employers.

The most important piece of labour legislation enacted last year was the Trade Union Act. It is very unfortunate, indeed, that this important legislative enactment as originally framed by Government was amended by the Select Committee in a manner which certainly is not calculated to advance the cause of trade unionism on sound and healthy lines. Our thanks are due to Mr. W. S. J. Wilson, the representative of the Associated Chambers of Commerce, for the fight he put up against the reactionary proposals of the Select Committee, and for getting some of those proposals rejected or amended by the Legislative Assembly. The most unfortunate feature of the new Act is that expenditure of Trade Union funds on political objects is to be allowed, subject to the provision that such expenditure should be met not from the general funds, but from a special fund, contributions to which should be optional.

During the year, the Hon. Sir B. N. Mitra, Member for Industries and Labour with the Government of India, paid a visit to the Association in the company of the Hon. Mr. Cowasji Jehangir. We had a very interesting discussion with the Hon. Sir B. N. Mitra regarding the amendments made in the Factory Act in 1925, the fresh amendments proposed to be made this year, and other subjects of mutual interest. As you are aware, Government want provisions to be made in the Factory Act enabling control to be exercised over temperature in factories, and it is proposed to empower Provincial Governments to frame rules regarding standards of temperature. The Committee of the Association have accepted the underlying principle of the Bill but they maintain that it is necessary that while empowering

Provincial Governments to frame rules regarding standards of temperature, the Government of India should ensure that the interests concerned would be consulted by Provincial Governments before laying down these standards. I may add that so far as the Bombay mills are concerned, the rules proposed to be introduced have already been settled by the Chief Inspector of Factories in consultation with the Committee of the Association, and there will be no opposition to these rules so far as Bombay City and Island mills are concerned.

Quite recently the Committee had the pleasure of meeting the Director-General of Commercial Intelligence and Statistics, Dr. Meek. The discussion with Dr. Meek bids fair to be productive of beneficial results. As you are aware, the Association's office during the last year introduced some very desirable and necessary changes in the compilation of statistics for the benefit of the members of the Association, and this result was brought about to a certain extent by the co-operation of the Director-General of Commercial Intelligence and the Collector of Customs, Bombay. The Committee took advantage of the visit of the Director-General of Commercial Intelligence to discuss with him the possibilities of making certain improvements in the statistics compiled by his department so as to make them more serviceable to those connected with the cotton trade, and I trust that the correspondence now going on between the Association and the Director-General of Commercial Intelligence on these subjects will eventually lead to tangible results.

WATER TAX.

Coming now to other subjects dealt with by the Committee during the period of my chairmanship, I must express my keen disappointment at the fact that the year 1926 did not witness any relief for the Cotton Mill Industry from the heavy burden of taxation imposed on it by the Provincial and Imperial Governments and by the Bombay Municipality. However, early this year came the welcome news that the Municipal Water Tax on mills had been reduced from Re. 1 to Annas 12 per 1,000 gallons, a charge which must still be considered as nothing less than exorbitant. Our thanks are due to our representative on the Municipal Corporation, Mr. H. P. Mody, for his unremitting work that secured the reduction for us.

FRESH TAXATION.

Unfortunately what has been given by one hand has been taken away by another. As you are aware, the Government of Bombay have since 1st January 1927 imposed certain heavy charges for the service of Government Electrical Inspectors. I should like to take this opportunity of protesting emphatically against this action of Government. The rules regarding fees for inspection, etc., by Government Electrical Inspectors were first published in May 1925, for the purpose of eliciting public opinion. The Committee of the Association strongly criticised at the time the proposed levy of fees for electrical inspection on the ground that inspection of electrical installations in mills and other factories was already carried on thoroughly by Electrical Inspectors of the Bombay Fire Insurance Association and mills had already to pay heavy fees to the Fire Insurance Association in connection with these inspections. The Government of Bombay sent no reply to the Association's letter, and it was thought that they had wisely dropped the idea of making this fresh levy on industries and the general public. It was therefore a matter of considerable surprise to the Committee that in November last the Government of Bombay published another notification announcing that the proposed fees for electrical inspection would be enforced from 1st January 1927. Government forwarded a copy of this second notification to the Association with a covering letter in which it was stated that a certain scale of fees had been reduced in the hope that these modifications would meet what was perhaps a real and legitimate fear on the part of those that generated, distributed or used electric energy, namely, that the levy of these fees would adversely affect the use of electricity. On comparing the second notification with the first notification issued in May 1925, it was found that the scale of fees referred to as reduced was for inspection of electrical installations in theatres and other places of amusement. Our appreciation of this humour was somewhat damped by the expense still left on the industry. It certainly seemed that Government had given no consideration to the case put forward by the Association in 1925, and the Committee are now endeavouring to get the second notification annulled or modified, at least so far as the cotton mills are concerned. It would be interesting to know if the levy is being made because the inspection is considered necessary

or because the Electrical Department has been found to be costing too much. It seems to me in any case particularly unfortunate that this addition should have been made to our burden of taxation at a time when the industry is fighting for its existence.

FUMIGATION.

Another unnecessary charge on cotton mills to which I must refer is the charge on account of compulsory fumigation of American cotton as a safeguard against possible damage to Indian cotton by the Boll Weevil. American cotton has been imported into India every year for upwards of a quarter of a century and no trace of the insect was ever found in India before 1925, despite the fact that more than 60,000 bales were imported in 1921-22, the year when the damage caused by the boll weevil was more widespread in America than at any other time. The charge for fumigation was estimated at 8 annas per bale when the proposition was first brought forward, but actually it turned out to be seven times that amount with a further additional charge of Rs. 1-8 per bale for the monsoon months. As from 1st June 1926 to 31st May of this year it is estimated that over 2 lacs of bales will have been imported; this fumigation charge will have taken from the Mill Industry more than Rs 7 lacs.

Rs. 7 lacs to the Mill Industry in these times is a matter of serious moment, and it is all the more regrettable as this piece of light-hearted legislation was enacted without it ever having been proved that fumigation was actually necessary. So far from it ever being proved that fumigation was necessary, the best that could be done was an opinion that, given certain favourable circumstances, the boll weevil might be transported to India, I venture to say, surely a far too cursory investigation to justify a burden being put on the industry such as I have mentioned. There is now, I am glad to say, a growing doubt of the necessity of fumigation at all and this is borne out by the reluctance of the various parties concerned to admit the responsibility of getting the fumigation legislation through. The Indian Central Cotton Committee must be held principally responsible. This is a most estimable body who have done and are doing much good work for India, but in the present instance there is no doubt whatever that they were carried away in their zeal to support this unfortunate Act. They have now, as a result of our representation, addressed the Government of India on the advisability of making fresh investigations into the whole question and I hope these investigations will result in the removal of this very unnecessary charge on the Mill Industry.

TARIFF BOARD ENQUIRY.

I now wish to refer to the most important event to the Cotton Textile Industry during the year just closed, *viz.*, the appointment by the Government of India of a special Tariff Board to enquire into the causes of the present depressed state of the industry and to suggest measures whereby the industry might be restored to prosperity. The circumstances which led to the institution of a special Tariff Board are set forth in detail in the Report. The suspension of the Cotton Excise Duty on 1st December 1925, and its abolition at Budget time last year proved entirely inadequate to raise the industry from the slough of depression into which it had fallen. An interesting feature at the time of the abolition of the Excise Duty was that the Japanese at once made a corresponding reduction in the price of their goods. Your Committee, therefore, felt the urgent necessity of moving the Government of India to adopt measures whereby the industry might be saved from the inroads which Japan had been able to make mainly owing to her bad faith in not carrying out her international obligations in respect of hours of work and employment of women at night. I will not here stop to question the wisdom of the Government of India in declining to accede to the Association's original request that there should be an *ad hoc* enquiry into the question of the effects of Japanese competition on the Cotton Industry of this country and the measures necessary to offset their unfair advantages but would remark that it is noteworthy that the Government of India in their letter dated 26th March, 1926, frankly admitted that the Cotton Mill industry of the country had a *prima facie* case for demanding special protection against Japanese competition. The Government of India, however, decided that the enquiry should be as comprehensive as possible, and it therefore became necessary to submit to the Tariff Board a representation dealing with practically every question pertaining to the industry.

A copy of the representation was forwarded to all members of the Association, and I will not take up time by summarising the contents of that document beyond stating that all statistics and information required by the Tariff Board were supplied in the fullest detail by this Association. The mass of statistics required threw much work on to the Secretary who answered every call with a promptitude and thoroughness that calls for the highest commendation and I would also thank the members of the Association for having on every occasion done their best to retabulate their statistics on the lines laid down by the Board and for answering the other calls made upon them.

It was announced in the newspapers that the Tariff Board had signed their Report about the middle of January, and I wish to state that it is most regrettable that the Report should not have yet been published. It cannot be that Government are not aware of the intense anxiety of every one connected with the cotton trade as to what conclusions have been reached by the Tariff Board, and it is surprising that the publication of the Report should have been so inordinately delayed.

PROSPECTS FOR THE FUTURE.

With regard to the future, I am glad to say that prospects for the coming year are not so gloomy as they were twelve months ago. We will learn in due course the opinion of the Tariff Board on this most grievous depression we are suffering from but in my personal opinion it is due to the three causes I have already mentioned: exchange, unfair competition and expensive and inefficient labour. Until those three burdens have been lightened we can never hope to be on a thoroughly competitive basis. There has been a good deal of ill-informed talk on mismanagement and I will leave that subject by merely repeating it is singularly ill-informed as I am confident the report of the Tariff Board will show. There is no imaginable management in this world that would evade the chief handicaps of our industry.

The burden of exchange and unfair competition we must continue to fight until we get justice, but the burden of inefficient labour is one that we can only hope will be lessened as years pass. We cannot force improvement. We must wait and encourage but nothing that we can do will be of much avail unless the desire and effort for improvement come from the employees themselves. The time at my disposal unfortunately does not permit of my saying more, as I would have liked to have done, on this important subject.

The year has been a particularly strenuous one, and I gratefully acknowledge the support accorded to me throughout the year by the Deputy Chairman, members of the Committee and the Secretary. The work of a body like this Association is so various nowadays and opinions have to be expressed after careful consideration on such a multitudinous number of subjects, that it is only by the most loyal co-operation of the gentlemen I have mentioned that the work can possibly be got through, and I cannot retire from office without gratefully acknowledging that I have had that loyal co-operation to the fullest degree. I am sure by specially thanking the Secretary, Mr. Maloney, in my own name and in the name of the Association, I can only be doing the justice to that gentleman that my Committee who have realised his thorough work would desire.

In conclusion, when congratulating Mr. Mody, the incoming Chairman, on his election to that position, I would also congratulate the Association on its good fortune in securing his services. In Mr. Mody's capable hands, I now pass the reins of office with the fullest confidence and the knowledge that in him we have secured a Chairman who will spare no time and trouble for the good of the industry.

In seconding the motion for the adoption of the Report, Mr. Mody said:—

MR. CHAIRMAN AND GENTLEMEN,—In seconding the proposition for the adoption of the Report, I should like, in the first instance, to thank you, gentlemen, for the honour you have done me in electing me Chairman of the Association for the year. My acquaintance with the Textile Industry is much shorter than that of most of you, but I have every hope that with the co-operation of the Committee and the assistance of the very capable Secretary this Association possesses, I may prove not unworthy of the confidence you have reposed in me.

TOWN DUTY ON COTTON.

I shall now refer briefly to some of the activities of this Association which have not been dealt with by the Chairman. The question of the Town Duty of Re. 1 per bale of cotton coming into Bombay is threatening to become one of our hardy annuals. This cess was imposed with the avowed object of meeting the anticipated deficit on the provision of 50,000 tenements for the working classes which the Government had undertaken. As with every other scheme handled by the Development Department, the programme originally laid down has grossly miscarried, and the position now is that after providing some 16,000 tenements at a cost nearly double of what was estimated, Government have now neither the capacity nor the appetite left for more chawls. It is a state of affairs which called for investigation, and the inevitable Committee was appointed and the inevitable majority and minority reports have appeared. As you will have seen from these, the Committee very obligingly have refused to recommend an increase in the Town Duty on cotton. We are very grateful to them for this consideration. What we are fighting for, however, is the abolition, or, at any rate, a substantial reduction of the duty, in view of the fact that the industry has derived little or no benefit from the lakhs which it has poured out into the coffers of Government for this purpose. The Report among other things has recommended the appointment of another Committee for the purpose of ascertaining the effects of the impost on the cotton trade of Bombay. Committees, as you know, however, prove very often a laborious and expensive method of ascertaining obvious facts and arriving at wrong conclusions. We do not want an elaborate investigation for the purpose of finding out what everyone knows. I would suggest instead a round-table conference between the Government of Bombay and the representatives of the cotton trade for a proper settlement of the questions at issue. In the meantime, you may be sure your Committee will continue to agitate for the repeal of a duty which has considerably affected both the cotton trade and the Port of Bombay, on which depend in a large measure the prosperity of this City.

IMPORT DUTY IN GREECE AND TURKEY.

One of the matters dealt with by your Committee during the year under review was in relation to the import duties on Indian goods levied in Greece and Turkey. There are two rates of duties in force in Greece according as the importing country has or has not a commercial convention with Greece. It was brought to the notice of your Committee that in the new Treaty to be concluded between Great Britain and Greece, India was not to have the benefit of the lower duties unless she was a party to the Treaty. The matter was taken up with the Government of India who seemed to be labouring under a misapprehension about the matter. Ultimately through the efforts put forth by the Association an agreement was reached in September 1926, whereby the Greek Government consented to accord to Indian goods the most-favoured-nation treatment. Similarly, in Turkey, it was found that Indian goods had not been receiving the same treatment which was given to countries which had signed a commercial convention with Turkey or had been parties to the Treaty of Lausanne. The Government of India, in this matter as well, were not alive to the situation, and the Association had to agitate the question until in August last intimation was received that the Director-General of Customs in Turkey had given an assurance that the lower rate of duties would be made applicable to Indian goods.

COMPANY SUPER-TAX.

Another matter of importance to the industry which I should like to touch upon is in connection with the continuance of the Super-tax on Companies. It was a measure designed to meet the needs of an abnormal period and there is no justification for the continuance in India of what is a most objectionable system of double taxation. The Government of India are busy finding out how the Indian Income Tax Act can be brought into line with the English law in various particulars, and they might well consider the advisability of copying the excellent example set by England by abolishing the Company Super-tax. Your Association will continue to press for its repeal, but a tax once imposed does not come off very easily in this country—not if the Government can help it, any way!

As you may be aware, the work of your Committee has grown enormously and they have under consideration certain proposals for the improvement of their methods of work. The details have not yet been settled, but when they are, the Committee will find themselves in a better position than ever in dealing with the many and various problems demanding their attention from time to time.

As you are aware, gentlemen, a great deal of legislative activity is going on in this country and we are continually being placed at the mercy of faddists and philanthropists in a hurry to impose Western standards on Eastern conditions. It is therefore very necessary that your Association should have continuous representation on the Legislative Assembly where many subjects vitally concerning its welfare are often dealt with. The system of alternate representation between Bombay and Ahmedabad has been found to be open to serious objections and a joint representation from the two Associations has been forwarded to the Government of India. I trust Government will recognise the importance of the interests represented by the two Associations, and grant each of them a permanent representation on the Assembly.

Gentlemen, I thank you once again for the honour you have done me, and wish to assure you that I shall try to emulate the example of my predecessors and give of my best to the service of the Association.

In supporting the Chairman's resolution, Mr. Stones said :—

In supporting the adoption of the Annual Report, I wish to draw the attention of members of the Association to two minor matters—at least they may possibly be considered minor matters to the world in general, but I personally feel that the utility of the Association will be very much improved in proportion to the attention we give to these two points.

The first refers to the question of Statistics and I am pleased to record that through the efforts of our able Secretary, the scheme for the improvement of the monthly statistics issued by the Association was brought to fruition during this year.

ASSOCIATION'S STATISTICS.

The old import and export statistics which dealt simply with the trade of the port of Bombay were prepared for the Association by the Bombay Chamber of Commerce and were deficient in many ways, the chief objections being that they were in no way comparable with the statistics published by the Government of India and gave absolutely no information with reference to the total import and export trade of the whole country. By an arrangement with the Bombay Customs authorities and the Department of Commercial Intelligence, it has been found possible to publish detailed monthly figures of imports, exports and re-exports of piece-goods and yarn for both Bombay and All-India. The former are issued three weeks after the close of the month to which they relate, and the latter are issued six to eight weeks after the month to which they refer. These statistics are set out in a series of easily intelligible tables and are in considerable demand by importers, exporters, Mills and merchants.

The new arrangement has resulted in a considerable financial saving and has removed unnecessary duplication in the information published by the Chamber of Commerce and this Association. In addition, the new statistics are prepared by the Association's staff, making us now independent of the Chamber in every respect.

Improvements have also been made in the price statistics published by the Association; formerly, the current quotations gave the prices of only three types of grey cloth and two counts of grey yarn. The current quotations published to-day give the average prices of a very much larger number of grey, bleached, dyed and fancy cloths and a wider range of counts.

The changes made in the monthly statistics have made it possible to effect changes in the annual statistics published in the Report and to increase their practical utility. While

some necessary improvements that can only be obtained with the co-operation of the Government of India still remain to be effected, the statistical information already published during the year and to be published in the near future constitutes a great advance over the information previously available.

Direct touch with an increasing number of foreign countries has also made it possible to supply from time to time fairly full information as to the piece-goods and yarn requirements of a number of countries which should prove of material assistance in developing the export trade of Bombay mills.

In this connection, it would not be out of place to mention that the Association recently appointed a special Sub-Committee to study the exact requirements of certain of the more important of our existing and potential export markets and the results of their labours are expected to give beneficial results in the direction of the development of our foreign trade in yarn and piecegoods.

The Committee took advantage of the recent visit of the Director-General of Commercial Intelligence and Statistics to discuss with him the possibilities of making certain improvements in the statistics as compiled by his department, so as to make them more serviceable to those connected with the cotton trade and industry, and it is hoped the correspondence between the Association and the Director-General of Commercial Intelligence on these subjects will soon have tangible results. One suggestion might be made to enhance the utility and scope of the office of the Director-General of Commercial Intelligence for the favourable consideration of Government. It will be generally agreed that one of the chief functions of the office of the Director-General of Commercial Intelligence should be to furnish the indigenous industries of the country with statistical and other information regarding the possibilities of developing export trade in the products of indigenous industries.

If travelling Trade Commissioners were appointed in accordance with the suggestion made by the Association in their representation to the Tariff Board, the difficulty experienced at present would be overcome to some extent but until this is done it should be the duty of the office of the Director-General of Commercial Intelligence to collect information regarding the needs and requirements of different countries in cotton yarn, piecegoods and other commodities produced in this country and to place such information at the disposal of the parties interested.

HEDGE CONTRACTS.

The second small item, but again of extreme importance to the Association, I wish to touch on lightly, is to record with regret that during the year no progress has been made towards the reduction in the number of Hedge Contracts. In season and out of season, your Association has worked with this excellent object in view and for the present our only hope appears to be that our representations to the Tariff Board will result in that body recommending a better form of Hedge Contracts than does exist to-day which adds unnecessary speculative risks to an industry which is already far too speculative, from natural causes.

On a motion made by Sir Ness Wadia and duly seconded by Sir Fazulbhoj Currimbhoj, it was resolved :—

“ That after Rule 94 of the Association's Rules and Regulations, the following words be added :

‘ and, in particular, may from time to time at their discretion raise or borrow or secure repayment of any sum or sums of money in such manner and upon such terms in all respects as they think fit.’ ”

Mr. S. D. Saklatvala proposing and Mr. Madhavji D. Thackersey seconding, it was resolved :—

“ That Rule 20 of the Association's Rules for the Registration of Trade Marks be amended to read as follows :—

‘ If any member, being the owner of a trade mark which shall have been registered in the Permanent Register shall so alter the trade mark as in the opinion of a majority of the Trade Mark Sub-Committee to render it likely to deceive or materially different either in name or design from the registered trade mark, and shall use the mark so altered on goods of a class or classes similar to the class or classes of goods for use on which registration of the original mark was obtained, the member concerned may be required to apply in the manner prescribed for registration of the altered trade mark as a new trade mark and in default of compliance with any such requisition within one month after receipt thereof by the member concerned, the altered trade mark shall be deemed an unregistered trade mark.’ ”

It was further resolved, on a motion by Mr. F. F. Stileman seconded by Mr. T. Watts,

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

It was then proposed by Mr. N. B. Saklatvala and seconded by Mr. H. H. Sawyer :—

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

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

On the motion of Sir Joseph Kay a vote of thanks was accorded to the retiring Chairman for his very able conduct of the Association's affairs during the year.

Bombay Millowners' Association.

Section II.

FOREWORD, PRELIMINARY REPORT AND ACCOUNTS
OF THE ASSOCIATION.

REPORT

OF THE COMMITTEE OF THE

BOMBAY MILLOWNERS' ASSOCIATION

For the Period 1st January to 31st December, 1926.

FOREWORD.

THE Bombay Textile Industry during its 70 years' existence has witnessed many slumps and also many revivals. But the slump and trade depression which had its beginning in 1923 seem to have grown in intensity with each succeeding year whilst signs of a real revival are still not visible. The year 1926 that has just closed has proved in some respects even worse than its predecessor and the Bombay mills have had yet another year of heavy losses. At the beginning of the year the outlook was decidedly better and it was not anticipated that the year after all would prove as disastrous as 1925, during which year our losses were enhanced owing to a prolonged strike. But with the progress of the year it became evident that the expected revival of trade had not materialised. Stocks of cloth and yarn which at the commencement of the year were not extraordinarily heavy and which were further reduced in February began to mount up again and by the end of July cloth and yarn bales very nearly doubled themselves. With increase in stocks came the inevitable reduction in price and goods could only be sold at a loss. But even a drastic reduction in price failed to stimulate demand. The history of the previous two years repeated itself and even the abolition of the unjust Excise Duty proved inadequate to render any appreciable assistance to the industry. The continuance of this trade depression and the downward course of prices was accelerated by unfair Japanese Competition and eventually forced the industry during the year to make a formal application to the Government of India for protection. The appointment of the Tariff Board in June in compliance with the Association's application dated

19th May, 1926, and the subsequent hearing of the evidence of those directly and indirectly connected with the industry are of course the outstanding features of the year under review. The inquiry has necessarily been a prolonged one and the report of the Tariff Board is now anxiously awaited. In the meantime those intimately connected with the cotton mill industry of Bombay can only express the hope that the recommendations of the Tariff Board may be such as to bring it the much-needed relief. Whilst the Tariff Board inquiry was still in progress the cloth market was further demoralized when at the close of the year it became evident that America had produced an unusually bumper harvest of cotton. Having mentioned the general features which characterized the year 1926, the course of prices that obtained in the Cotton, Yarn and Cloth markets may be examined in detail.

The Cotton market opened in January with Broach April/May at Rs. 368 and New York May at about 19½ cents. Up to the end of March prices fluctuated in the local market between Rs. 350 and Rs. 370, while in New York they ranged between 19 and 20 cents till the end of February when they fell to 18 cents. Prices continued to range between 18½ and 19 cents till the end of March when on news of bad weather prices advanced a little only to fall back again. In the local market April saw prices declining continually in the absence of demand for actual cotton, reaching their lowest for the season towards the end of the month when Broach was quoted as low as Rs. 320. The local prices did not, however, remain at this low level, but began a steady recovery with the start of May. This was further helped by the fact that in spite of the General Strike in England at the beginning of May, American prices remained steady. The Oomra position was specially strong, the difference in Oomras and Broach, which was as high as Rs. 30 in April, having narrowed down to Rs. 14 in May. For fear of a squeeze in the July Oomra contract it had been proposed that trading in July Oomra contracts should not be opened, but the trade would not accept the proposal. That these fears were justified is shown by the fact that on 21st July Oomra was quoted only Rs. 2-8 lower than Broach. Broach April/May closed at Rs. 336 with July/August at Rs. 339. Trading in new crop Broach started on 2nd June at Rs. 334, the highest price so far for the season, while New York October was 17.60 cents. Towards the middle of June, on news of favourable weather American cotton lost over 125 points in less than a week, but the local market remained comparatively steady. American prices also kept steady after the decline round 16½ cents level till about the middle of July when on news of bad weather prices reacted by about a cent, the rise being not reflected fully in the local market. The issue of the third estimate on 9th August, however, sent prices down in America to the 16-cent level. But the fourth Bureau estimate sent prices up again to very nearly 18 cents

for October with little effect on local prices, July/August Broach settlement being effected at Rs. 350, new crop being quoted the same day at Rs. 321. With the middle of September, however, there began a sharp decline in American prices, the loss between 7th September and 7th October being nearly 5 cents ; in the meanwhile local markets did not decline to the same extent owing to the scarcity of actual cotton and fear of damage to new crops. Prices continued declining with small reactions until January was quoted in New York at about $12\frac{1}{2}$ cents by the middle of October when a propaganda about a holding movement was started to steady prices. Larger crop estimates sent the prices down, however, until January was quoted at 11.67 cents, the lowest so far for the season in the beginning of December, with Broach at Rs. 236-8. By the end of the month New York recovered over 100 points, and Broach closed on the 30th December at Rs. 254, New York January at 12.67 cents.

Except for a short period in July when New York reached 18 cents, the local market has consistently been costlier and this has been reflected in the smaller purchases made by exporters. Actual consumers of Indian cotton have also found it profitable to cover their requirements to a considerable extent with low grade Americans which have been sold at very tempting prices. Indian mills are reported to have made very large purchases of these cottons.

The position in the Yarn market continued unsatisfactory throughout the year, except for a short period when in the middle of July there was a small demand from exporters for China, and there were hopes of good business being done. These hopes were not realised, and prices continued to decline with very poor off-take of stocks. The prices of 10s. and 20s. yarns which were at the close of 1925, $10\frac{1}{2}$ and $12\frac{1}{2}$ annas per lb. were at the close of 1926, 7 annas and $8\frac{1}{2}$ annas a lb., showing over the year a decline of about 4 annas or nearly 33 per cent. But even this decline did not improve the situation. Stocks reached their highest point in April, since when there has been more or less a decline, which, however, is in great part due to the gradual stoppage of about one-sixth of the total spindles in Bombay.

The situation in the Cloth market was perhaps only a little less gloomy than that of the yarn market, for there were at least two periods when there was a fair inquiry for cloths, though the rates were far from satisfactory. In the month of February there was a fair demand which, however, did not continue and from March onwards stocks began to rise. It was not till September and October that the market again began to move but unfortunately

the decline in prices of American cotton afterwards arrested all further progress. The price of Standard Longcloth which was Rs. 1-1-6 per lb. in the beginning of the year remained fairly steady till about April, though the off-take was not satisfactory except for the month of February as stated above. With the decline in cotton prices in April the hesitancy to purchase cloths became more marked, and it was difficult to move stocks in spite of reduction in rates, Standard Longcloth being then nominally quoted at Rs. 1-0-6. By the middle of October prices had further declined to about 15 annas, in sympathy with cotton which continually declined, when large sales were made at 14½ annas per pound on the Moorat occasion. The fall in prices did not, however, stop here, for, with the continuance of the fall in cotton values on the one hand and imports of cheap Japanese goods on the other, it was difficult to sell cloth. The year closed with Standard Longcloth at 13½ annas per lb. at which unremunerative rate considerable sales were effected.

In conclusion, the Exchange position for the year may be reviewed. With the intentions of Government fixed at stabilising exchange at rs. 6d. fluctuations were not wide. The issue of the report of the Indian Currency Commission was the only event of note, recommending among other things the stability of exchange at rs. 6d. Shortly after the issue of the report exchange began to rise, but this was declared by Government to be due to manipulation by Bombay interests, and Government intervened, preventing exchange from rising over rs. 5¼d. The fixation of the exchange at rs. 6d. was strongly protested against by the Association on the grounds that its fixation at that figure in preference to rs. 4d. adversely affects the indigenous industries of the country including the Cotton Textile Industry. The Association's reasons for this point of view were set forth in detail in the Association's representations to the Royal Commission on Indian Currency and Finance and the Indian Tariff Board (Cotton Textile Industry Enquiry Committee).

STATISTICS PUBLISHED BY THE ASSOCIATION.

For several years past, members were furnished every month with the four statistical returns mentioned below :—

- (1) Movements of Piece-goods and Yarns by Rail.
- (2) Monthly Trade Returns of Principal Imports.
- (3) Exports of Indian Manufactured Piece-goods and Yarns.
- (4) Exports of English and Foreign Manufactured Piece-goods and Yarns.

It appeared to the Committee that these returns did not serve a very useful purpose inasmuch as the information contained therein was limited to Bombay, whereas it was obvious that to serve any really useful purpose statistically or commercially, all-India figures should be published. For other reasons also it appeared very desirable to substitute these returns by other returns which would supply members with detailed and up-to-date information regarding the trade in cotton, yarn and piece-goods.

The monthly Sea-borne Trade Returns published by the Government of India contain the figures of imports, exports, and re-exports of all commodities, and these monthly returns are prepared from detailed statistics furnished by different provinces. The Committee of the Association during the year under review made special arrangements with the Department of Commercial Intelligence, Calcutta, for the supply to the Association of all-India monthly detailed figures of imports, exports and re-exports of cotton, yarn and cloth, and a clear summary in simple tabular form is now supplied to members of the Association in lieu of the statistical returns previously supplied.

As regards the statistics for the City and Island of Bombay, similar arrangements have been made with the Bombay Custom House for the supply of the statistics to the Association at the time these are sent to the Government of India. After being summarised by the Association's staff, these figures are also submitted monthly to members. Both these monthly statistical returns are also sold to non-members.

The Association also published during the year a "Statistical Abstract of Indian Cotton Industry." This brochure consists of 18 tables giving detailed statistics of imports, exports, re-exports of cotton, yarn and piece-goods for the last 18 years, and also statistics of production of yarn and piece-goods by the cotton mills of Bombay and of all-India.

The monthly returns and the statistical abstract were sold to non-members at the following rates :—

- (1) Statistics of Import and Export Trade in
cotton yarn and piecegoods of British
India Rs. 24 per year.

- (2) Statistics of Import and Export Trade in cotton yarn and piecegoods of Bombay Presidency including Sindh Rs. 24 per year.
- (3) Statistical abstract of Indian Cotton Industry Rs. 2-8-0 per copy.

The members were also supplied monthly with figures of production of yarn and piece-goods compiled from the monthly returns published by the Department of Commercial Intelligence and Statistics.

It may be mentioned that the four returns previously supplied to members were prepared by the Bombay Chamber of Commerce under arrangements specially made with them by the Association. Some time back the Chamber expressed their inability to continue this work on existing terms, and this led the Committee to consider the whole question of statistics supplied to members with the results detailed above.

The best thanks of the Association are due to the Chamber for the services they rendered to the Association in this matter for so many years, but it is also a matter for congratulation that the work of the Association is now independently performed by the Association.

The change in the statistics supplied to members is, it will be noticed, reflected in the statistics incorporated in this Report which, the Committee are confident, will be found more useful than the statistics included in the previous annual reports of the Association.

QUOTATIONS OF YARNS AND PIECEGOODS.

As part of the policy of improving the statistics furnished to members, the Committee, during the year under review, gave very careful consideration to the weekly quotations of yarn and piecegoods published by the Association. The general form of this return, the classes of goods included therein and the method of collecting the prices had been determined long ago, and it was felt that the list should be revised with a view to bringing it more in line with the general market requirements.

The whole question was very carefully considered by a Sub-Committee who suggested—

- (1) that the existing Weekly Quotations be replaced by fortnightly quotations ;
- (2) that wholesale prices be quoted for standard types of the better known classes of cloth and for representative counts of yarn ;
- (3) that in each particular class of goods quoted in the half-monthly list the prices be obtained from a number of mills manufacturing that particular class of goods in considerable quantities.

In preparing the list of goods the Sub-Committee had to take into account the fact that in some classes of grey goods there was a wide variation in the dimensions and textures of the goods produced, and therefore it was necessary to lay down the width, length and weight per piece of the goods for which some selected mills would be asked to submit prices. In coloured goods, again, it was necessary to lay down the percentage of colour in addition to width, length and weight. The Sub-Committee further recommended that quotations for bleached, dyed and fancy goods should be given per piece and for grey goods per lb.

The Committee approved of the report of the Sub-Committee and members were furnished with fortnightly quotations on the lines of the Sub-Committee's report instead of weekly quotations. After obtaining quotations for different descriptions of goods from certain selected mills, an average is struck and this average price is given in the fortnightly returns.

STOCKS OF YARN AND CLOTH HELD BY BOMBAY MILLS IN 1926.

The figures in the following tables give a very close approximation of the stocks of yarn and cloth held by all the mills of Bombay City and Island from month to month during 1926. The year opened with a stock of 22,000 bales of yarn and 75,000 bales of piecegoods, while at the end of the year the stock had gone up to 34,000 bales of yarn and 121,000 bales of piece goods.

The average monthly stocks of yarn and piecegoods during the year were respectively 41,500 bales and 116,917 bales against 44,083 bales of yarn and 140,833 bales of piecegoods in 1925. It should be, however, remembered that in 1925 the average number of working spindles per day was 3,181,650 against 2,860,076 in 1926 and the average number of working looms per day in 1925 was 66,328 against 63,403 in 1925.

Following on the reduction in stocks caused by the stoppage of the mills in the last three months of 1925, the heavy accumulation of stocks during the year was of considerable anxiety to the Committee, although happily the position on the whole was not so dismal as in 1925. The advisability of adopting short-time was considered in all its bearings at a General Meeting of members held on 29th September, 1926, but although there appeared to be a general consensus of opinion in favour of curtailment of production, it was found impossible to devise a generally acceptable scheme for organised action.

In September one of the members of the Committee in a letter to the Chairman complained that certain mills were selling their goods at unremunerative prices and the markets were consequently being broken. He suggested that the conditions might be improved if a few of the leading mill-owners got together and decided, say once a week, upon some kind of a basic price on which they would undertake to sell. It was generally felt that something could be done to stop the too rapid downward trend of prices if mills

would agree to fix minimum prices for the more important classes of goods produced in Bombay. A Special Sub-Committee was appointed containing the representatives of all the important groups of mills in Bombay to investigate the possibility of adopting measures to prevent price cutting. Unfortunately the 40 mills represented on the Special Sub-Committee were unable to devise a scheme acceptable to all or even to an adequate majority, and the Committee of the Association regret their efforts in this direction did not bear any tangible results. As a result of this discussion it was decided to ask the mills to mention in the monthly stock returns the number of spindles and looms not working so as to enable the Committee to judge more accurately of the position of the industry.

CLOTH.

TABLE I.

STOCKS IN BALES.

From mills submitting returns.

*Approximation for all
Mills in Bombay City
and Island.*

Date of Return.	No. of looms represented.	Sold but delivery not taken.	Unsold.	Total uncleared.	Sold but delivery not taken.	Unsold.	Total uncleared.
31st Jan.	67,356	23,904	53,954	77,858	25,000	58,000	83,000
28th Feb.	66,446	24,576	47,483	72,059	27,000	52,000	79,000
31st Mar.	69,366	24,528	57,969	82,497	26,000	61,000	87,000
30th Apr.	68,394	29,531	64,718	94,249	31,000	68,000	99,000
31st May	70,845	28,237	78,296	1,06,533	29,000	80,000	1,09,000
30th June	72,266	35,644	90,858	1,26,502	36,000	91,000	1,27,000
31st July	72,266	45,795	98,300	1,44,095	46,000	98,000	1,44,000
31st Aug.	70,266	56,087	98,689	1,54,776	58,000	1,01,000	1,59,000
30th Sept.	71,772	49,813	94,738	1,44,551	50,000	95,000	1,45,000
31st Oct.	70,097	42,917	85,197	1,28,114	44,000	88,000	1,32,000
30th Nov.	71,026	37,198	78,583	1,15,781	38,000	80,000	1,18,000
31st Dec.	71,131	31,569	87,505	1,19,074	32,000	89,000	1,21,000

YARN.

TABLE II.

STOCKS IN BALES.

From mills submitting returns.

*Approximation for all
Mills in Bombay City
and Island.*

Date of Return.	No. of spindles represented.	Sold but delivery not taken.	Unsold.	Total uncleared.	Sold but delivery not taken.	Unsold.	Total uncleared.
31st Jan.	31,85,665	10,283	16,019	26,302	11,000	17,000	28,000
28th Feb.	31,84,845	12,058	22,778	34,836	13,000	25,000	38,000
31st Mar.	32,56,255	11,936	29,897	41,833	13,000	32,000	45,000
30th Apr.	32,86,847	10,271	37,176	47,447	11,000	39,000	50,000
31st May	33,87,625	12,591	32,411	45,002	13,000	33,000	46,000
30th June	34,56,233	17,477	30,296	47,773	18,000	30,000	48,000
31st July	34,56,233	19,647	22,019	41,666	20,000	22,000	42,000
31st Aug.	33,77,103	16,841	25,142	41,983	17,000	26,000	43,000
30th Sept.	34,24,933	13,785	26,500	40,285	14,000	26,000	40,000
31st Oct.	33,66,431	12,703	30,365	43,068	13,000	31,000	44,000
30th Nov.	33,98,017	12,563	26,271	38,834	13,000	27,000	40,000
31st Dec.	32,88,121	8,421	25,209	33,030	9,000	25,000	34,000

RAW COTTON STOCKS HELD BY BOMBAY MILLS.

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

Quantity of Raw Cotton in stock on 31st August, 1926.					
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.)
1,68,648	85,854	36,555	18,891	2,05,203	1,04,745

ELECTION OF CHAIRMAN OF THE ASSOCIATION.

The annual ballot for the office of the Chairman of the Association took place on 3rd January, 1927, and resulted in the election of Mr. H. P. Mody, of the Century Spg., Wvg. & Mfg. Co., Ltd.

ELECTION OF DEPUTY CHAIRMAN OF THE ASSOCIATION.

The annual ballot for election of the Deputy Chairman took place on 10th January, 1927, and resulted in the election of Mr. F. Stones, O.B.E. of Messrs. E. D. Sassoon & Co., Ltd.

ELECTION OF COMMITTEE FOR 1927.

The ballot for the election of the remaining 18 members of the Committee was held on 17th January, 1927, and the following members were duly elected :—

Sir Dinshaw M. Petit, Bart., Sir Victor Sassoon, Bart., Sir Ness Wadia, K.B.E., C.I.E., The Hon'ble Sir Dinshaw E. Wacha, Kt., Sir Fazulbhoj Currimbhoj, Kt., C.B.E., Sir Joseph Kay, Kt., J.P., A. Geddis, Esq., Lalji Naranji, Esq., The Hon'ble Mr. Ratansi D. Morarji, Jehangir B. Petit, Esq., The Hon'ble Mr. Munmohandas Ramji, J.P., N. B. Saklatvala, Esq., C.I.E., S. D. Saklatvala, Esq., H. H. Sawyer, Esq., F. F. Stileman, Esq., Madhavji D. Thackersey, Esq., C. N. Wadia, Esq., C.I.E. and T. Watts, Esq.

ASSOCIATION'S REPRESENTATIVES IN THE LEGISLATIVE COUNCIL AND LEGISLATIVE ASSEMBLY.

In accordance with the prescribed rules, **Mr. C. N. Wadia, C.I.E.**, was elected as the Association's representative on the Legislative Council of the Governor of Bombay and **Sir Victor Sassoon, Bart.**, as the Association's representative on the Legislative Assembly.

BOMBAY MUNICIPAL CORPORATION—ASSOCIATION'S REPRESENTATIVE.

The Municipal elections for the City of Bombay took place in February, and resulted in **Mr. H. P. Mody** being returned unopposed as the Association's representative.

INDIAN CENTRAL COTTON COMMITTEE—ASSOCIATION'S REPRESENTATIVE.

About the end of March, **Mr. J. A. Kay**, the then representative of the Association on the Indian Central Cotton Committee, wrote to the Association saying that his position had become somewhat anomalous inasmuch as he was Chairman of the Chamber of Commerce, Vice-President of the Indian Central Cotton Committee, and also the Association's representative on the Indian Central Cotton Committee. The Chamber of Commerce had just nominated him as their representative on the Indian Central Cotton Committee, and he therefore desired to tender his resignation as the Association's representative on that Committee. The Committee of the Association accepted **Mr. Kay's** resignation with regret and conveyed to him their sincere appreciation of his labours in the Central Cotton Committee on behalf of the Association.

The Committee elected **Mr. S. D. Saklatvala** to represent them on the Indian Central Cotton Committee *vice* **Mr. Kay**. Under Rule 3 (b) of the Indian Central Cotton Cess Rules, **Mr. Saklatvala** will officiate until 31st March, 1927.

VICTORIA JUBILEE TECHNICAL INSTITUTE—ASSOCIATION'S REPRESENTATIVE.

The Hon'ble **Mr. Ratansi D. Morarji**, one of the representatives of the Association on the Committee of the Victoria Jubilee Technical Institute, having resigned his appointment prior to his departure to England, The Hon'ble **Mr. Munmohandas Ramji** was appointed by the Committee of this Association to fill the vacancy.

**G. I. P. RAILWAY LOCAL ADVISORY COMMITTEE—
ASSOCIATION'S REPRESENTATIVE.**

About the middle of May, the Agent to the G. I. P. Railway wrote to the Association that under Rule 9 of the rules and constitution of the G. I. P. Railway Local Advisory Committee, the tenure of office of the members of the Committee expired with the meeting of 6th May, 1926, and it would be necessary to elect a new Committee to serve for a period of two years with effect from June 1926. The Committee of the Association were therefore invited to appoint a representative, and Mr. A. Geddis was re-appointed for a further period of two years.

**THE CITY OF BOMBAY IMPROVEMENT TRUST TRANSFER
ACT, 1925.**

ASSOCIATION'S REPRESENTATIVE ON THE IMPROVEMENTS COMMITTEE.

On 26th March, 1926, the Government of Bombay issued a notification intimating that in exercise of the powers conferred by sub-section (2) of Section 2 of the City of Bombay Improvement Trust Transfer Act, 1925 (Bombay XVI of 1925), they had appointed the 31st March, 1926, as the date with effect from which the said Act should come into operation. Under Section 10 of the Act, this Association is entitled to nominate a representative to act on the Improvements Committee, and the Association elected Mr. C. N. Wadia, C.I.E., M.L.C., to act as the Association's representative.

**RECONSTITUTION OF THE ADVISORY BOARD OF THE SYDENHAM
COLLEGE OF COMMERCE AND ECONOMICS.**

ASSOCIATION'S REPRESENTATIVE.

The Government of Bombay during the year under review revised the constitution of the Advisory Board of the Sydenham College of Commerce and Economics, Bombay, as below :—

- (1) The Director of Public Instruction.
- (2) The Principal, Sydenham College of Commerce and Economics, Bombay.
- (3) A leading Banker.
- (4) A senior Chartered Accountant.
- (5) A senior Incorporated Accountant.
- (6) & (7) Two experts in Mercantile Law.
- (8) A representative nominated by Sir Jagmohandas Varjivandas, Kt.

- (9) A representative nominated by the Trustees of the N. M. Wadia Charities.
- (10) A representative of the late Sir Chinubhai Madhavlal, Bart.
- (11) & (12) Two representatives nominated by the Bombay Chamber of Commerce.
- (13) A representative nominated by the Millowners' Association, Bombay.

The Association was requested to nominate a representative on the new Board, and the Committee decided that Mr. S. D. Saklatvala, who was the Association's representative on the old Board, should continue to represent the Association on the new Board.

NATIONAL BABY WEEK.

Mrs. Cowasji Jehangir, Chairman of the Organising Committee of the National Baby Week, addressed a letter to the Association stating that Baby Week celebrations would be held during the early part of 1927 and requesting the Association to nominate a representative. She recommended that Mr. S. D. Saklatvala who acted as the Association's representative during the previous two years might be re-elected and the Committee accordingly re-nominated Mr. Saklatvala to act as the Association's representative.

CONFERENCE OF COTTON BUYERS AND CO-OPERATIVE COTTON SALE SOCIETIES.

Early in February the Government of Bombay addressed a letter to the Association stating that certain difficulties were experienced by Co-operative Cotton Sale Societies in this Presidency in their dealings with the cotton trade. In order to arrive at a means of removing these difficulties and also to ascertain the difficulties experienced by buyers in dealing with the societies, it was proposed to hold an informal conference of representatives of all the parties concerned on the 16th February. The Committee were invited to send two representatives to attend the conference, and they elected Mr. A. Geddis and Mr. S. D. Saklatvala for the purpose.

From a letter subsequently received from Mr. Saklatvala it appeared that the main object of the meeting was to find out why the merchants and brokers of Gadag had instituted a boycott against these Sale Societies and as to what should be done with a view to induce the merchants to resume their relations with the Societies. In the course of the discussion it was pointed out that the Sale Societies were departing from their original purpose of distributing good seed only and selling the product thereof and were now not only selling member's cotton grown from any seed, whether supplied by the Societies or not, but were also selling non-members cotton or, in other words, were selling any kind of cotton brought to them for sale. They were thus merely acting as merchants and hence the opposition from ordinary traders. Other minor defects were also pointed out and it was resolved to instruct these Societies to stop forthwith selling non-members' cotton and concentrate their attention on selling pure kapas only grown from seed distributed by themselves.

The representatives of the Societies are reported to have given an assurance that they would adhere to the arrangement arrived at at the Conference and would do their utmost to satisfy consumers by selling best qualities only. (*Appendix 1.*)

THE NOWROSJI WADIA MATERNITY HOSPITAL.

ASSOCIATION'S REPRESENTATIVES.

Members of the Association and the public generally are aware of the princely munificence of Mr. (now Sir) N. N. Wadia, C.I.E., in connection with the scheme for the erection of a maternity hospital in the name of his late illustrious father for the benefit of the women employed in the mill industry. Under the Trust Deed proposed to be made by Mr. Wadia with the Government of Bombay and the Municipal Corporation, it is provided that two members of the Board of Management shall be appointed by the Bombay Millowners' Association during the existence of Mr. Wadia's firm and afterwards three. Mr. Wadia accordingly requested the Committee to suggest the names of two members to act as the Association's representatives on the Board of Management. The Committee elected Mr. A. Geddis and Mr. H. P. Mody to act on the Board of Management of the Nowrosji Wadia Maternity Hospital as the representatives of this Association.

The best thanks of the Association are due to Mr. Wadia for the honour he has done the Association by providing for its permanent representation on the Board of Management of this hospital. It would not be out of place to recall the thoroughly deserved tribute which the piece-goods merchants paid to this humanitarian scheme in their address to Mr. Wadia in January 1926.

“ The unostentatious manner in which this humanitarian scheme for the welfare of labour was carried out commands our unqualified admiration and sets a noble example which is worthy of emulation. The hospital will beatify the memory of your illustrious father, one of the greatest pioneers of the Indian cotton industry, who, in his time, was held in the greatest respect and esteem for his outstanding abilities, lofty principles in business and irreproachable character, which qualities have undoubtedly been inherited by you.”

—(Appendix 2.)

SIR LESLIE WILSON'S HOSPITAL FUND FOR BOMBAY.

Consequent on the appeal made by His Excellency Sir Leslie Wilson for subscriptions to the above Fund, a Ladies' General Committee has been organised with Mrs. Palmer as the Chairman, and various sub-committees have been formed, one of which sub-committee is called the “ Mill Committee,” of which Mrs. P. M. Kanga is the convener. The object of this sub-committee is to collect subscriptions from millhands and mill staff for the Hospital Fund. Mrs. Kanga requested the Association to appoint a representative on her Committee, and the Committee of the Association elected Mr. S. D. Saklatvala for the purpose.

Mrs. Kanga with the aid of several helpers succeeded in collecting over Rs. 30,000 from the mill-hands and mill staff on the pay-day in October. The Association afforded her every possible facility in distributing circulars, leaflets, etc., in the Bombay mills.

EXCISE ADVISORY COMMITTEE—ASSOCIATION'S REPRESENTATIVE.

It will be remembered that in August 1921 the Bombay Legislative Council passed a resolution recommending Government to appoint a Committee to consider and report, in all its aspects, upon the question of drink and drug traffic in the Presidency and its total prohibition. In pursuance of this resolution Government appointed a Committee in March 1922, and this Association's answers to the questionnaire framed by this Committee will be found in the Association's Report for 1922 (pages 115—122). Mr. S. D. Saklatvala's oral evidence on behalf of this Association will be found at page 405 of the Association's Report for 1923.

In their Resolution No. 982-24, dated 12th February, 1925, the Government of Bombay while dealing with the report of the Excise Committee expressed their intention to meet liberally the recommendations of the Excise Committee for increasing the number of Excise Advisory Committees, improving their constitution and enlarging their functions. The conclusions reached by the Government of Bombay after holding consultation with the principal officers concerned were embodied in their Resolution No. 4681-24, dated 26th February, 1926. The more important of the conclusions contained in this resolution are enumerated below :—

(1) Advisory Committees should be appointed for all municipal towns and for those taluks and pathas excluding municipal areas, which contained two or more country spirit shops.

(2) The principle of an elected majority for these committees had not so far been accepted ; but Government considered that the main object of the committees being the expression of non-official opinion, there was an advantage in their constitution being predominantly non-official. Government recommended that the committees should ordinarily consist of three official and six non-official members.

(3) The Excise Committee recommended that the Advisory Committees should be empowered to decide on the following questions :—(1) Reduction in the number of shops, (2) fixing the hours of sale, (3) location of shops, and (4) fixing the strength at which liquor should be sold, and further that the decisions of the Advisory Committees on these questions should be carried out. Government have not been able to accept these suggestions on the ground that the responsibility for administration rests with them and it cannot be discharged except through their executive officers, and the committees must remain what they are in name, *i.e.*, Advisory Committees. Subject to this limitation Government saw no objection to the committees being asked to advise on all the four matters suggested by the Excise Committee.

(4) Representation should be given to the liquor trade on these committees.

(5) The term of office of the Committee should be three years.

(6) A meeting of the Committee should be held annually and its recommendations incorporated as far as possible in the proposals for excise arrangements for the ensuing year. Additional meetings might be held whenever necessary in the course of the year.

(7) As regards the Committee for the City of Bombay, Government have fixed the following constitution :—

The Collector of Bombay, *Chairman*.

The Municipal Commissioner for the City of Bombay.

The Commissioner of Police, Bombay.

Four members co-opted by the chairman from those classes of the community which do not regard drinking *per se* as a vice.

Two members elected by the Bombay Licensed Victuallers' Association.

One member elected by the Bombay Millowners' Association.

One member appointed by the G. I. P. and B. B. & C. I. Railways in turn.

One representative of Labour, elected if a suitable constituency can be devised ; if not to be nominated by the Collector.

One representative of the Bombay Temperance Council.

Fourteen municipal representatives, two from the elected representatives of each ward of the City.

The Committee of this Association elected the Chairman, Mr. A. Geddis, to act as the Association's representative on the Excise Advisory Committee for Bombay. (*Appendix 3.*)

THE RAILWAY RATES ADVISORY COMMITTEE.

The following resolution of the Government of India was published in the *Gazette of India* dated the 27th March, 1926 :—

“ No. 606-T.—In pursuance of the recommendation of the Indian Railway Committee the Government of India have decided to appoint a Railway Rates Advisory Committee to investigate and make recommendations on :—

- (1) Complaints of 'undue preference'—Section 42 (2) of the Indian Railways Act ;
- (2) Complaints that rates are unreasonable in themselves ;
- (3) Complaints or disputes in respect of terminals—Section 46 of the Indian Railways Act ;
- (4) The reasonableness or otherwise of any conditions as to packing of articles specially liable to damage to other merchandise ;
- (5) Complaints in respect of conditions as to packing attached to a rate ; and
- (6) Complaints that railways do not fulfil their obligations to provide reasonable facilities under Section 42 (3) of the Indian Railways Act.

2. Sir Narasimha Sarma, lately Law Member of the Executive Council of the Governor-General, has agreed to serve on the Committee as President and there will be two members, one representing Commercial interests and one representing Railway interests. The Railway member will be Mr. S. D. Manson, at present Director of Traffic with

the Railway Board, and it is proposed to select the Commercial representative for individual investigations from panels elected or nominated by the principal Commercial bodies.

3. The headquarters of the Committee will ordinarily be at Calcutta but it may conduct its investigations at other commercial or industrial centres when this is found more convenient.

4. An application for a reference to the Rates Advisory Committee must be in writing or printed and signed by the applicant or his recognised agent and shall be addressed to the Agent of the railway concerned. Each such application must be accompanied by a deposit of Rs. 100.

5. Within three months of the receipt of such application the Agent of the railway shall prepare a statement of the case and submit it with his observations thereon to the Secretary to the Railway Board.

6. After consideration of the application and the Agent's observations thereon, the Government of India will determine whether or not it should be referred to the Rates Advisory Committee for consideration.

7. Should the Government of India be of opinion that the application ought not to be referred to the Rates Advisory Committee, the applicant will be informed accordingly.

8. Should the Government of India be of opinion that the application ought to be referred to the Rates Advisory Committee, the respective parties thereto will be so informed, and the Committee will be instructed to deal with it.

9. If, before the expiry of the said three months, the Agent is able to dispose of the matters raised in the application to the satisfaction of the applicant and the applicant withdraws his application in writing, such application need not be referred to the Government of India and the deposit shall be refunded.

10. After receipt of an application and the observations of the Agent thereon from the Government of India the Rates Advisory Committee may, if they consider it desirable, furnish the applicant with a copy of the observations, and the applicant shall be at liberty within 14 days after he shall have received such copy to reply thereto as he may be advised.

11. The Rates Advisory Committee shall fix the date, time and place for the hearing of each application and notify the same to the parties concerned.

12. The Committee after the case has been heard shall deliver its opinion regarding all the points raised therein and state the grounds on which such opinion is based and forward the opinion for consideration by the Government of India in the Railway Department. The applicant will be notified of the final orders passed on his application.

13. The President of the Committee and the Railway member will begin immediately with the preliminary work of the Committee and notification will be made in due course of the date from which applications for reference to the Committee may be submitted.

The Committee entirely agreed as to the necessity for the appointment of an Advisory Committee, and approved of the functions which it was proposed to assign to it, but in their opinion the constitution suggested left something to be desired. As interpreted by the Committee, paragraph 2 made provision for the appointment of a permanent president, and a permanent member representing railway interests and a second member representing commercial interests co-opted from a panel elected by commercial bodies for each separate investigation. For reasons similar to those which must have led the Government of India to appoint a permanent member representing railway interests, the Committee considered that the best interests of the commercial and industrial communities would not be served unless a permanent member representing commercial and industrial interests were appointed.

The Committee therefore suggested for the consideration of the Government of India that the constitution of the Advisory Committee should be altered so as to provide for a permanent president, permanent representation of railway and commercial interests and one co-opted member representing the special commercial or industrial interests chiefly affected, for each separate investigation. It was also considered that it would be advisable for the Government of India to select the permanent representative of commercial interests from the panels nominated by commercial bodies, and if possible to allow the commercial or industrial body most closely connected with or affected, to select the co-opted members from the panel, for any particular investigation.

The above suggestions were communicated to Government early in April for their sympathetic consideration.

Early in June, two letters were received from the Railway Board, in one of which the Government of India, in reply to the Association's letter referred to above, expressed the view that under the existing circumstances commercial interests would be most suitably represented on the Rates Advisory Committee by selection of a member for individual cases from a panel nominated by the leading commercial bodies in India.

In the other letter, the Railway Board drew attention to the constitution of the Railway Rates Advisory Committee as explained in the resolution of the 27th March, 1926, and invited the Association to nominate five representatives for service on the panel from which the commercial representatives for individual investigations would be selected. The Railway Board

explained that after careful consideration this procedure had been adopted as being the most suitable way of ensuring the adequate representation of commercial interests on the Committee during its investigations. It was also the procedure which was followed in England when additional or temporary members were required for service on the English Rates Tribunal.

The Railway Board laid down that the representatives elected or nominated for the panel should be conversant with commercial practice and the practical effect on commercial work not only of railway rates but of conditions under which goods were accepted and despatched and similar matters which affected the conduct of business. It was not anticipated that they would be required for lengthy periods at a time, as the preliminary work in connection with each case would usually have been completed before its actual hearing by the Committee. In the circumstances the Railway Board thought that the members of the Association nominated would not find service on the Committee detrimental to their other interests.

The Railway Board further added that the Government of India would appoint the Commercial member on each occasion, and in selecting a representative from the panel regard would be had to the particular case or proceedings to be heard, the intention being that selection would be made of the most suitable member of the panel. It was also proposed to allow the representatives so selected a compensatory fee of Rs. 100 per diem while acting on the Committee.

The Committee of the Association, in their reply, regretted that the Government of India had not found it possible to adopt the suggestion put forward in their letter of 8th April for the election of a permanent member of the Advisory Committee to represent commercial interests, in addition to the non-permanent representation provided for in the existing constitution of the Committee, and they hoped that their suggestion would receive further consideration at a later date.

The following gentlemen have been nominated by the Committee of the Association to serve as the Association's representatives on the Commercial Panel of the Railway Rates Advisory Committee :—

Mr. A. Geddis, Chairman of the Bombay Millowners' Association
James Finlay & Co., Ltd., Bombay.

Mr. H. P. Mody, Deputy Chairman of the Bombay Millowners' Association, The Century Spinning and Manufacturing Co., Ltd., Gresham Building, Fort, Bombay.

Mr. Narottam Morarji, The Sholapur Spinning and Weaving Co., Ltd., Sudama House, Ballard Estate, Bombay.

Mr. Lalji Naranji, M.L.C. Ewart House, Tamarind Lane, Bombay.

Mr. S. D. Saklatvala, Messrs. Tata Sons, Ltd., Bruce Street, Fort, Bombay.

(Appendix 4.)

MEMBERSHIP OF THE ASSOCIATION.

The total membership of the Association on 31st December, 1926, was 95 against 91 at the same time in 1925.

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

- (1) Jivraj Balloo Spinning and Weaving Co., Ltd.,
- (2) Diamond Spinning and Weaving Mills, Ltd., and
- (3) New Oil Mills.

and the undermentioned mills were elected members of the Association :—

- (1) Gold Mohur Mills, Ltd. (Bombay).
- (2) Mysore Spinning and Manufacturing Co., Ltd. (Bangalore).
- (3) Simplex Mills, Ltd. (Bombay).
- (4) Birla Cotton Spinning and Weaving Mills, Ltd. (Delhi).
- (5) Kalol Cotton Mills, Ltd. (Kalol).
- (6) Ramchand Gurusahai Mal Cotton Mills, Ltd. (Lucknow).
- (7) Shri Shahu Chatrapati Mills (Shahupuri).

 AUDITORS OF THE ASSOCIATION.

At the Annual General Meeting of the Association held on 4th March, 1926, Messrs. A. F. Ferguson & Co. were again elected as Auditors of the Association's accounts for the current year on the usual terms.

 REPRESENTATION OF THE ASSOCIATION ON THE LEGISLATIVE ASSEMBLY.

(Please see pages 131 & 487 of 1924 Report.)

Members are aware that this Association and the Ahmedabad Mill-owners' Association are entitled to elect alternately a representative on the Legislative Assembly, and both the Associations have felt the urgent necessity for continuous representation in the Assembly. A letter was therefore addressed jointly by the two Associations to the Government of India in which it was stated that this alternate representation was found in practice to be extremely unsatisfactory. The two Associations, on many of the subjects and legislative measures which came up for discussion and decision in the Legislative Assembly, held divergent views, and in such cases, the views of the Association unrepresented in the Assembly for the time being could not adequately be placed before Government. The Committee of the two Associations considered that the vastness of the interests represented by the Associations, in equity, entitled each of them to permanent representation in the Assembly, and felt that the Government of India and the country lost considerably when industrial and labour questions were discussed by not having the benefit of the views of both Associations.

A reply has been received from the Government of India to the effect that the question will be considered when a general redistribution of seats in the Legislative Assembly is undertaken. (*Appendix 5.*)

TRADE MARK RULES OF THE ASSOCIATION.

Certain disputes between members of the Association regarding tickets registered by them led the Committee to give a definite interpretation to Rules 5 and 6 of the Association's Trade Mark Registration Rules which read as below :—

“ Every member shall send to the Secretary an application in writing addressed to the Secretary and signed by the member or some person duly authorised to sign the same on behalf of the member, to register with the Association every trade mark, not already registered by such member with the Association, which is or is to be the property of such member and which such member desires to apply to any produce of the mill or the mills, factory or factories owned by such member.

“Every such application shall specify the name by which the trade mark to which the application relates is intended to be applied and shall be accompanied by one copy of the trade mark for the use of the Association and also by such further number of copies thereof as the Managing Committee may from time to time prescribe in that behalf regard being had to the total number of members.”

Owing to the absence of a definite interpretation as to the exact meaning of this rule different mills adopted different practices in the past. A small number of mills when making application for the registration of a trade mark sent copies of the ticket in the actual or at least the approximate colours in which it was finally to be used, but the majority of mills sent only black and white outline tickets when applying for registration. This practice gave rise to a number of disputes during the year under review which might not have arisen had the tickets been registered in the exact colourings and design which it was intended to adopt.

To obviate any such difficulties of this nature the Committee decided that Rules 5 and 6 should in future be interpreted to mean that all applications for registration of new tickets should be accompanied by the requisite number of copies of the finished ticket in the final colourings which it was intended to adopt and furthermore if it was intended to use the ticket in more than one set of colourings, that separate batches of tickets in the various colourings to be used should be submitted with the application for registration. It was also decided that separate registration should be applied for in cases where the original colourings of a registered ticket were in any way altered.

Members of the Association were informed of this new interpretation of Rules 5 and 6 by a circular letter in April.

It was, however, felt that even this new interpretation of Rules 5 and 6 would not give really adequate protection against infringement without some modifications of Rule 20. The Association's Solicitors were consulted as to the practicability or advisability of adding the words " or general get-up" or other words with a similar meaning after the words " either in name or design " in line 3 of Rule 20. The Solicitors did not favour the words suggested as the general get-up formed no part of the trade mark. (*Vide* Rule 2 of the Rules for registration of Trade Marks, which gives the essentials of a registrable Trade Mark.) The Solicitors suggested for the consideration of the Committee that Rule 20 be altered by adding after the words " to render it materially different either in name or design from the registered Trade Mark " the words " or calculated to deceive."

The adoption of these words, in the opinion of the Solicitors, would enable the Trade Marks Sub-Committee to decide a dispute on the same lines as a Court of Law would decide such a dispute in what is known as a passing off action, that is to say in an action, where there had been no actual infringement of a trade mark, but the get-up of the label or ticket complained of was such as to be calculated to deceive intending purchasers of goods under the genuine mark into purchasing instead goods under the fraudulent mark.

After due consideration the Committee decided to recommend the general body of members to substitute the following rule in place of the existing Rule 20 :—

" If any member, being the owner of a trade mark which shall have been registered in the Permanent Register shall so alter the trade mark as in the opinion of a majority of the Trade Marks Sub-Committee to render it likely to deceive, or materially different, either in name or design, from the registered trade mark, and shall use the mark so altered on goods of a class or classes similar to the class or classes of goods for use on which registration of the original mark was obtained, the member concerned may be required to apply in the manner prescribed for registration of the altered trade mark as a new trade mark and in default of compliance with any such requisition within one month after receipt thereof by the member concerned, the altered trade mark shall be deemed an unregistered trade mark."

The proposed alteration in Rule 20 will be placed before the members at the Annual General Meeting to be held in March 1927.

THE STANDARD CONTRACT FORM AND ARBITRATION RULES.

During the year under review there were prolonged discussions between this Association and the Bombay Country Fancy Piecegoods Merchants' Association regarding the Standard Contract Form and Arbitration Rules of the Association.

The Committee have deemed it desirable to meet the wishes of the Bombay Country Fancy Piecegoods Merchants' Association in certain respects, while certain other points are still under discussion. As soon as these points are settled, members will be advised of the modifications made in the Standard Contract and the Arbitration Rules.

APPRECIATION OF SIR NESS WADIA'S SERVICES TO THE ASSOCIATION.

ADDRESS BY THE BOMBAY COUNTRY FANCY PIECE-GOODS MERCHANTS' ASSOCIATION AND OTHER GREY LOCAL PIECE-GOODS MERCHANTS.

In the Association's Report for last year it was stated that on the suspension of the Cotton Excise Duty in December, the Association sent a telegram to the Chairman, Mr. (now Sir) N. N. Wadia, C.I.E., in England, on the signal success which had attended his strenuous work in England and India to bring about the removal of the duty.

Mr. (now Sir) N. N. Wadia, C.I.E., returned from England in the middle of January, and at the first meeting of the Committee presided over by him he gave a brief account of the work done by him in England. He had interviews with the leading members of the East India Section of the Manchester Chamber of Commerce, the Master Cotton Spinners' Federation and Lord Birkenhead, the Secretary of State for India. After he had convinced the Manchester Chamber of Commerce that there was no real competition between Lancashire and India, the Chamber expressed the view that they would not object to the repeal of the Excise Duty and would even welcome it from the point of view of the happier political and trade relations which would be likely to follow the repeal, and this attitude was reflected in the joint statement which was issued when the duty was suspended. Mr. Wadia also convinced Lancashire, by means of statistics, as to the seriousness of the Japanese menace to the future prosperity of both the British and Indian industries and the necessity of enacting legislation in India on the lines of the Safeguarding of Industries Act or the Australian or South African legislation to overcome the danger of dumping and depreciated exchange. Mr. Wadia also paid a tribute to the help which he received during his stay in England from Mr. C. B. Sayer, late Secretary of the Bombay Chamber of Commerce, and Mr. Brown of the *London Times* and the sympathetic attitude of the Secretary of State for India to whom, in Mr. Wadia's opinion, the suspension of the Excise Duty was largely due.

On the motion of Sir Fazulbhoy Currimbhoy, the Committee decided to address a letter to Mr. Wadia in appreciation of the work accomplished by him on behalf of the Association during his stay in England. In this letter it was stated that ever since his election as Chairman of the Association he had placed the work of the Association and this particular question of the remission of the Cotton Excise Duty before all other considerations. The time and the ability which he had devoted to the work of the Association evoked the Committee's unstinted admiration and set an example of unselfish service for the welfare of the industry as a whole, which would be an ideal towards which all succeeding Chairmen of the Association might well aim.

In conclusion, the Committee stated that they had no doubt that Mr. Wadia's chairmanship of the Association would occupy an almost unique position in the annals of this Association. They hoped that he would be long spared to serve the industry in the same noble and unselfish manner in which he has served it in the past, and that the Association would long continue to have the benefit of his experience as a member of the General Committee,

Mr. Wadia, while thanking the Committee for their letter of appreciation, expressed the hope "that the repeal of the Excise Duty would entirely dispel the bitter feelings it had evoked and which were entertained for the last thirty years by all the nationalities in India, and that now co-operation between Government and all industrial concerns would lead to a healthy progress of the country which they all loved and for which they worked, and also of the industry with which they were all associated."

On 18th January, 1926, the Bombay Country Fancy Piece-goods Merchants' Association and other grey local piece-goods merchants gave a garden party in honour of Mr. (now Sir) N. N. Wadia in the grounds of the residence of His Highness the Maharaja of Bikaner, and presented him with an address in appreciation of his and the Association's services in bringing about the repeal of the Excise Duty. There was a large and cosmopolitan gathering on the occasion, consisting of leading citizens, officials and non-officials, testifying to the high esteem in which Mr. (now Sir) N. N. Wadia is held by all classes. The address, which was read by Mr. Devidas Madhavji Thackersey, Chairman of the Piece-goods Merchants' Association, and Mr. Wadia's reply thereto are reproduced in the Appendix.

At the Annual General Meeting held in March, the incoming Chairman, Mr. A. Geddis, aptly said that "Mr. N. N. Wadia's efficient hard work for the Association for the past year had put the standard of the Chairman's work on a higher level than ever."

About the middle of the year, His Majesty the King-Emperor conferred on Mr. Wadia the high distinction of a Knight Commandership of the British Empire, and the news was received with very genuine gratification by the Association and the public generally. The Association hopes that for very many years to come it will continue to have the benefit of Sir Ness Wadia's valuable service and guidance. (*Appendix 6.*)

APPRECIATION OF SIR JOSEPH KAY'S SERVICES TO THE ASSOCIATION.

Early in January, Mr. (now Sir Joseph) Kay addressed a letter to the Association resigning the seat he occupied as the Association's representative on the Advisory Committee of the Royal College of Science, in view of the heavy work entailed on him by the Presidentship of the Bombay Chamber of Commerce to which he had been elected.

The Association enjoys the right of selecting a representative for the Advisory Committee of the College of Science for three years alternatively with the Ahmedabad Millowners' Association, and from 1926 it was the turn of the latter Association to send its representative to the Advisory Committee. Opportunity, however, was taken by the Committee of this Association to convey to Mr. (now Sir Joseph) Kay their thanks and sense of appreciation for the excellent services rendered by him to the Association in various directions, both as a member of the Committee of this Association and as the Association's representative on different bodies on which he had so far acted. The Committee further stated that they had received with genuine gratification the news of his election to the Presidentship of the Bombay Chamber of Commerce and offered him their sincere congratulations on the high distinction he had achieved. The Committee had no doubt that the appointment of an ex-Chairman of this Association to the Presidentship of the Chamber would further cement the very harmonious relations subsisting between the two bodies and would be particularly helpful in ventilating those matters on which the two bodies held identical views—notably the question of stamping out Japanese competition which was having such disastrous effects not only on the cotton industry of the country which this Association represented, but also on the export trade of Lancashire to this country in which the members of the Chamber had such a large stake.

On 1st January, 1927, the Association received with great gratification the news that a Knighthood was conferred on Mr. Kay, and it offers its most sincere congratulations to Sir Joseph Kay on this very well-merited distinction. (*Appendix 7.*)

MEETING WITH THE HON'BLE SIR B. N. MITRA, K.C.I.E., C.B.E.,
AND THE HON'BLE MR. COWASJI JEHANGIR, C.I.E., O.B.E.

On 13th April, 1926, the Hon'ble Sir B. N. Mitra, K.C.I.E., C.B.E., Member for Industries and Labour, Government of India, and the Hon'ble Mr. Cowasji Jehangir, C.I.E., O.B.E., General Member, Government of Bombay, had a conference with the Committee of the Association, when an interesting discussion took place on various questions. The Chairman, in his introductory speech, referred to the generous attitude adopted by this Association in the past to legislation for the amelioration of working conditions in factories, but pointed out that the Association had perhaps been too ready to give its support to measures for the welfare of mill operatives, with the result that to-day the mill industry of the country was suffering grievously from competition from countries which did not give the same fair conditions of labour, and he further warned Government against the possibility of proceeding too rapidly in regard to labour legislation. He was inclined to think that the Trade Union Registration Act was hardly on the right lines. The Association had always had the same opinion in regard to trade unions and would welcome their development along sound lines, *i.e.* the unions run and managed by the workers and not controlled by outsiders for political and other reasons. The Association regretted that the Act as passed permitted expenditure of trade union funds on political objects subject to certain

conditions, and permitted 50 per cent. of the officers of a union to be outsiders and considered that the utility of the work done for the welfare of the workers would suffer by reason of these two clauses of the Act.

In regard to the recent amendment of the Factories Act, the Association understood that it was the intention of the Government of India to make certain provisions for the regulation of temperatures in factories and requested Sir B. N. Mitra to inform the Committee of Government's intentions in this regard.

In alluding to the subject of Japanese competition, the Chairman referred to the correspondence between the Association and the Department of Industries regarding the Washington Conventions and the Amended Factory Act in Japan, and asked for an assurance that the Government of India would instruct their delegates at the Geneva Conference to support the case to be put forward by the Employers' delegate regarding the ratification of the Washington Conventions by Japan. At the conclusion of his speech the Chairman called on the members present to put forward any further points upon which they desired information.

In the course of the discussion, Mr. N. N. Wadia, referring to the possibility of a further amendment of the Factory Act, emphatically opposed the delegation of powers to Factory Inspectors in regard to temperature regulation. He considered it necessary that a Commission should be appointed to make a further investigation into the needs and possibilities of temperature regulation in factories. Mr. Wadia also touched upon the Maternity Bill recently introduced by Mr. Joshi which the Government of India had opposed and indicated the desirability of maternity benefits being paid by the State and the benefits of the Act not restricted to the industries enumerated in Mr. Joshi's Bill. He supported the Chairman's plea for a halt in labour legislation.

Sir B. N. Mitra in his reply referred to the various points that had been brought about by the Committee, and his remarks are summarised below :—

Temperature Regulation in Factories.—Sir B. N. Mitra explained that although he agreed that the temperature clause in the recent amending Bill was probably unsatisfactory and unfavourable, he (and the Government of India) considered that some provision for regulating temperatures was essential. No Local Government and no commercial organisation had expressed themselves as opposed to the principle of temperature regulation and this being the case, the Government of India proposed to introduce an amending Bill giving Local Governments the same powers in regard to temperatures as they already held in regard to humidity. While most mills in Bombay and Ahmedabad would be unaffected by any regulation which were put into force, he was convinced from personal experience that something needed to be done in the case of the few black sheep who refused to give reasonable working conditions.

Halt in Labour Legislation.—It had been the policy of his Department during his term of office to introduce as little legislation as possible, but a

bare minimum was necessary. In the last 15 months the only labour legislation which had been passed was the Factory Amendment Act and the Trade Union Registration Act.

The Association had supported all the main provisions of the amended Factory Act and he assured the Committee that there was absolutely nothing in the Trade Union Act to which employers could take exception. No labourer would be forced to contribute to the political fund against his will, as the Act was based on the principle of 'contracting in.'

Labour Conventions (Ratification by Japan).—On this point he assured the Committee that if the subject was mooted by the Employers' delegate at Geneva, the Indian Government delegate would give his support as he did last year. Sir B. N. Mitra pointed out that the International Labour Conference could only exert moral pressure on Japan in this matter, and no results could be expected without the goodwill of Japan.

Maternity Bill.—Government had opposed Mr. Joshi's Bill and had no intention of introducing a Government Bill at an early date. He preferred to encourage work in the direction of establishment of creches to a Maternity Bill on the lines of Mr. Joshi's Bill.

DELEGATION FROM THE INTERNATIONAL TEXTILE LABOUR UNION.

A delegation from the International Textile Union under the leadership of the Rt. Hon'ble Tom Shaw, M.P., visited India in November. During their stay in Bombay, the Committee of the Association did all that was possible to ensure that their visit should be pleasurable and profitable and that the delegation should not take away distorted views. The Committee gave them every facility in inspecting different mills in Bombay and placed at their disposal every possible information they required.

On 22nd November, 1926, the Committee of the Association had a conference with the Textile Labour Delegation which consisted of :—

The Rt. Hon'ble Tom Shaw, M.P.,
Mr. Brothers,
Mr. Hindley,
Mr. Furtwaengler,
Mr. Schrader and
Miss Shaw (*Secretary*).

After introducing the delegation, the Chairman of the Association read a short speech outlining the attitude of the Association to their work-people and to trade unionism and offering to place at the disposal of the delegation any information they required.

The Rt. Hon'ble Tom Shaw, after thanking the Association for its courtesy in meeting the delegation, stated that they wanted to know conditions of labour where trade unionism had not acquired a foot-hold. They intended to visit China, Japan and Southern States to get an idea of labour conditions in different countries. He expressed agreement with the remarks of the Labour Office regarding labour conditions in Bombay and wanted to find out what a textile worker on the Continent or in Great Britain would get for the work done by one Indian operative. The delegation did not desire to make any general statement to the Press until they had completed their investigations.

An interesting discussion followed in the course of which members of the Committee expressed their views on the subject of bribes which have to be paid to jobbers which considerably reduced the earnings of the operatives, the causes of mill strikes, welfare work in mills, housing of operatives, absenteeism, etc.

The speech made by Mr. A. Geddis, as the Association's Chairman, at the Conference with the Labour Delegation is reproduced in the Appendix.

On 28th November, 1926, the Rt. Hon'ble Tom Shaw addressed a letter to the Association recording the keen appreciation of the delegation for the courtesy shown to them and for the readiness displayed in giving all the information they required. (*Appendix 8.*)

CRISIS IN THE COTTON MILL INDUSTRY.

UNFAIR COMPETITION FROM JAPAN : REFERENCE TO THE TARIFF BOARD.

The Association in its letter to the Government of India dated 7th October 1925 (*vide* the Association's Report for 1925, page 347) while urging the abolition of the Excise Duty had stated that if after the abolition of the Excise Duty, the cotton mill industry found itself in need of protection against competition from countries which had ignored the Washington Conventions regarding hours of labour, or which enjoyed indirect benefits owing to depreciated exchange or other circumstances, this Association might possibly ask for an enquiry by the Tariff Board. The suspension of the Excise Duty in December 1925, was found insufficient to offset the advantages enjoyed by Japan owing to depreciated exchange, inferior conditions of labour, double shift working, employment of women at night, indirect subsidies, etc., and the Committee of the Association addressed a letter to the Government of India in March setting forth the unfair advantages enjoyed by Japan and contrasting the conduct of Japan and India in regard to the Washington Conventions. The Committee maintained that when the Government of India enforced these two conventions, they took upon themselves the onus of seeing that Indian industries should not be unfairly penalised owing to non-ratification by her industrial competitors, and considered that immediate action should be taken to prevent the continuation of the advantages enjoyed by Japan. The Committee suggested that :—

- (1) So long as Japan did not carry into effect the Washington Conventions regarding hours of work and employment of women and children, Japanese yarn and piecegoods imported into this country should be subjected to additional import duties equivalent to the approximate saving in cost of production which Japanese mills enjoyed owing to not having ratified these conventions.
- (2) An *ad hoc* Committee including a proportion of textile experts should be appointed to determine, in the light of the above principle, what extra duties should be imposed.

The Committee also drew the attention of the Government of India to the difficult position of the cotton textile industry which was proved by the loss of five crores sustained by the cotton mills of Bombay City and Island in the last three years, and the need for early and effective action against Japan if the cotton industry of India was to survive the present crisis.

The Government of India in their reply stated that the Washington Conventions did not make any alteration in the hours of work in Bombay mills for the Factories Act of 1911 prohibited the employment of males under 14 by night in all factories, and it also prohibited the employment of women by night in all factories except cotton ginning and pressing factories. In consequence, the ratification of the Washington Conventions relating to the night work for women and the night work of young persons did not involve any amendment of the Factories Act which regulated the conditions of employment in Bombay mills, and in fact no such amendment was made when the Act was revised in 1922. The Millowners had already reduced the hours of work from 12 to 10 before the Conventions were ratified by the Government of India with the approval of the Legislature in 1921 and some time before the Indian Factories Act was amended in 1922. Moreover, there was no obligation on the Government of Japan to ratify a draft convention adopted by a conference of the International Labour Organisation, even though its representatives at the Conference had agreed to the draft convention. The Government of India further pointed out that the adoption of the proposals put forward by the Committee would mean the denunciation of the Trade Convention with Japan of 1905. The most important paragraph in the Government of India's letter is, however, the one reproduced below. After expressing the views aforementioned, the Government of India went on to say :—

“ At the same time the present difficulties of the Mill industry are a matter of much concern to the Government of India, and they are anxious to do what they can to assist the Millowners to find the right solution of those difficulties. Their position is that they recognise that the Mill industry especially in Bombay City has been passing through a period of depression. They recognise that the import of Japanese yarn and piece-goods has been increasing rapidly. They recognise that Japanese Millowners have an advantage over Indian Millowners in that they work double shifts, and they are willing to believe that the working of double shifts in Japan is facilitated by the fact that the employment

of women at night is not prohibited. They are prepared to admit therefore that there is a *prima facie* case for enquiry. But they hold that the enquiry should be a comprehensive enquiry, and that the whole field should be opened to the body entrusted with it."

Meeting with the Hon'ble Sir Charles Innes.

On 1st and 3rd April, 1926, the Hon'ble Sir Charles Innes, Member for Commerce, Government of India, met the Committee of the Association and had prolonged discussion regarding the correspondence summarised above. The Chairman, Mr. A. Geddis, in his introductory speech effectively disposed of the fallacious argument advanced by the Government of India regarding the adoption of 10 hours by the Bombay millowners long before the Washington Convention.

"A portion of this letter," said Mr. Geddis, "is devoted to fixing accurately the dates on which various factory laws were passed in this country. I would say that I consider this portion of this letter immaterial. It does not matter whether the legislation was brought in 1906 or 1926. The fact remains our home markets are being stolen from us by Japan by unfair methods. No Government in the world, least of all the Japanese Government, would have tolerated the harm that has already been done, and we have every right to demand from the Government the removal of this grossly unfair competition."

The fallacious remarks contained in the Government of India's letter regarding the adoption of the 10 hours day by Bombay mills long before the ratification of the Washington Conventions were further refuted by Mr. (now Sir) N. N. Wadia, K.B.E., C.I.E., in the following words:—

"Sir, this argument will not hold water. In the first place, as you acknowledge, the Millowners agreed to reduce hours when they considered such reduction fair and in the interests of the workers themselves. We distinctly made it clear that such a step would advance the interests of both capital and labour in India. The Millowners then had not to face the severe competition from Japan that they do now. The Millowners agreed to curtail their hours of work and also to support the Acts passed by the Government of India, because they considered it fair in the interests of the mill-workers, and both Government and ourselves were consenting parties to such legislation. But the fact that the Millowners were consenting parties does not absolve the Government from seeing that the competition we may have to face from Japan at any time thereafter was not unfair. The competition has sprung up during the last 4 years very severely. The position has also changed owing to the fact that on account of the earthquake and consequent thereon Japanese sterling exchange fell from 2-0 5/8 to as low as 1-7 15/16 and has now risen again to 1-10. The sterling rupee exchange has risen in the meantime from 1/4 to 1/6, and therefore in consequence the Rupee Japanese Exchange fell from 153 to as low as 110 and is now at 125."

Mr. N. B. Saklatvala recalled the correspondence the Association had with the Collector of Bombay in 1911, when the Committee made it quite clear that in agreeing to the amendments in the Factory Act regarding hours of work, employment of women and children, the Committee fully expected that all the other Asiatic nations would fall in line.

As, however, Sir Charles Innes could not hold out any hope of Government agreeing to an *ad hoc* inquiry regarding the unfair competition from Japan and the measures to be adopted to offset it, the Committee stated they would agree to a comprehensive enquiry provided the general body of members approved of this course. In the course of the discussion, it was urged by the Chairman that :—

- (1) The Committee of Enquiry should be appointed at a very early date.
- (2) The personnel of the Committee and the terms of reference should be settled in consultation with the Committee of the Millowners' Association.
- (3) The enquiry should be limited to the mill industry in Bombay.
- (4) The enquiry should be finished within a reasonable time.
- (5) Government should pledge itself to take action without delay in accordance with the recommendations of the Enquiry Committee.

The above five points were answered as below by the Hon'ble Sir Charles Innes :—

- (1) The Tariff Board which was the proper body for the conduct of enquiries of this kind was just about to embark on the steel enquiry and was not available. It would be necessary, so to speak, to duplicate the Tariff Board, and that might take some time. But every effort would be made to expedite matters.
- (2) The personnel of the Committee must be a matter for the Government of India. Sir Charles, however, would have no objection to sending the draft terms of reference to the Committee for their remarks.
- (3) The object of the enquiry must be to investigate the conditions of the Indian textile industry, but Sir Charles would have no objection to adding the words 'with special reference to the industry in Bombay.' It would be a matter for consideration whether 'and Ahmedabad' should not also be included.
- (4) Sir Charles assured the Committee that as much expedition would be used as was consistent with a careful and thorough examination of the problem.

- (5) It was quite impossible for Government to pledge itself to take action without delay in accordance with the recommendations of the Enquiry Committee. The Tariff Board and any similar Committee of Enquiry could only make recommendations. Those recommendations naturally received the most careful consideration, but Government were free to take their own decisions on the recommendations.

The following points were also discussed and the Hon'ble Sir Charles Innes promised that the Government of India would give due consideration to these points :—

- (1) The Committee suggested that the Government of India might consider whether the Government of Japan might not be addressed either direct or through His Majesty's Government on the subject of their failure to ratify the Washington Convention.
- (2) It was pointed out that His Majesty's Government had just arranged a Conference of European nations to consider the possibility of joint action in regard to hours of work. Could not India arrange a Conference of representatives of the Government of India, China and Japan to consider such questions as hours of work and night work of women and young children?
- (3) At the forthcoming Conference of the International Labour Organisation at Geneva, the Director's report for the year would give an opportunity for raising again the question of Japanese failure to ratify the Washington Convention. Could not the Indian Government representative take that opportunity?

The Hon'ble Sir Charles Innes further expressed the opinion that in case the Association asked for a comprehensive inquiry into the present state of the Cotton Textile Industry, the terms of reference should be as below :—

1. To investigate the condition of the cotton textile industry in India, with special reference to the industry in Bombay and Ahmedabad ;
2. to examine the causes of the depression in the industry and to report whether they are of a temporary or permanent character ;
3. in particular, to consider whether, and if so to what extent, the depression is due to the competition of imported yarn and cloth ;
4. to report whether, having regard (1) to the fact that the industry has long been firmly established in India and (2) to the interest of the consumer and to all other interests affected—
 - (a) the industry is in need of protection, and
 - (b) if so, what modifications are recommended in the existing rates of import duty either generally or in respect of imports from particular countries : and

5. to make any other recommendations that are germane to the subject.

General Meeting of Members.

Subsequently the Committee of the Association carefully considered the whole position in the light of the views expressed by the Hon'ble Sir Charles Innes, and a resolution was passed agreeing to a comprehensive inquiry by the Tariff Board or any other Board appointed by the Government of India into the causes of the present depression of the Bombay cotton textile industry, subject to draft terms of reference being mutually agreed upon. Before communicating this decision to the Government of India, the Committee deemed it advisable to take the sanction of the general body of members, and a general meeting was held on 22nd April, 1926, when the following resolution was passed *nem con.* :—

“ This meeting agrees to request a comprehensive enquiry by the Tariff Board or any other Board appointed by the Government of India into the causes of the present depression in the Bombay Cotton Textile Industry subject to the draft terms of reference being mutually agreed upon.”

Proposed Terms of Reference.

The resolution passed at the general meeting of members was duly communicated to the Government of India who in their reply regretted that they were unable to agree that the terms of reference to the Tariff Board in an enquiry should be mutually agreed upon between the Government and the industry which applied for the enquiry. Government were, however, prepared to send the proposed terms of reference in draft to the Association, and promised to consider any observations that the Association might make before coming to a decision. Government further stated that they were provisionally of opinion that the terms of reference should be the same as those suggested by the Hon'ble Sir Charles Innes when he met the Committee of the Association and which have already been explained above. Government desired to know the Association's views regarding these terms of reference, and the Committee of the Association in their reply stated that since Government wanted a comprehensive inquiry, care should be taken to make the inquiry as wide as possible, so that the Inquiry Committee might take cognisance of all the facts adversely affecting the cotton mill industry of the country or hindering the growth and development of the trade in Indian mill-made goods in foreign markets as well as in the home market. With this object in view, the Committee suggested the undermentioned amendments in clauses 3 and 4 of the proposed terms of reference.

The first clause directed an investigation into the cotton textile industry in India, with special reference to the industry in Bombay and Ahmedabad. The Committee had no criticisms to offer on this clause so far as it related to the industry in Bombay. Clause 2 was also quite acceptable to the Committee.

The Committee considered that the Inquiry Board should be asked to consider the position of the industry not only in regard to the home trade but also to the export trade. Clause 3 as it stood might pin down the Inquiry Committee to a consideration only of the effects of imports on the industry in the Indian market alone, and in order to ensure the export trade being brought within the scope of the terms of reference the Committee suggested that clause 3 be amended as below :—

“ In particular to consider whether and if so to what extent the present depression in the Bombay cotton textile industry is due to competition from foreign countries in the home and export trade.”

The fourth clause as drafted precluded the possibility of the Tariff Board proposing methods other than an increase in the import duties to offset the unfair competition the industry was meeting from other countries. As, in their opinion other methods were possible, the Committee suggested that the proposed clause should be amended as below :—

“ To report whether having regard to (1) the fact that the industry has long been firmly established in India and (2) the interest of the consumers and to all other interests affected—

- (a) the industry is in need of protection, and
- (b) if so what modifications are recommended in the existing rates of import duty either generally or in respect of imports from particular countries or what other means should be adopted to afford the assistance considered necessary for rehabilitation of the industry.

The Committee had no criticisms to make in regard to clause 5 of the terms of reference.

In conclusion, the Committee reiterated their considered opinion that since Government desired a comprehensive enquiry, the enquiry should be comprehensive to the fullest possible extent and the Enquiry Body should not be precluded from examining such questions as freight rates, taxation—Imperial, Provincial and Municipal,—effects of foreign exchange on the home and foreign trade and so forth. In short, the Committee desired that each and every factor which constituted a hardship or acted as a handicap to the growth and development of the indigenous industry should be very fully investigated by the Enquiry Committee, and they requested Government to ensure that the Enquiry Committee were invested with the necessary powers to report on all questions of major importance affecting the industry which might be brought forward in the Association's evidence.

A formal application to the Government of India requesting that an inquiry might be instituted into the present state of the industry was also forwarded along with the letter referred to above.

Appointment of Special Tariff Board.

On 10th June, 1926, the Government of India published a resolution accepting the proposal of the Association that the Tariff Board, or some other Committee similarly constituted with similar powers, might be directed to inquire into the causes of the depression in the cotton textile industry and to suggest the measures which might be taken to restore it to prosperity. The Tariff Board being fully occupied at the time with the statutory inquiry into the steel industry required by the Steel Industry (Protection) Act, 1924, Government appointed a second Tariff Board for the purpose of the enquiry into the cotton textile industry with the following terms of reference :—

- (1) To investigate the condition of the cotton textile industry in India, with special reference to the industry in Bombay and Ahmedabad ;
- (2) to examine the causes of the depression in the industry and to report whether they are of a temporary or permanent character ;
- (3) in particular, to consider whether, and if so to what extent, the depression is due to the competition of other countries in the home and export trade ;
- (4) to report whether, having regard (i) to the fact that the industry has long been firmly established in India, and (ii) to the interests of the consumer and to all other interests affected—
 - (a) the industry is in need of protection, and
 - (b) if so, in what form and for what period protection should be given ; and
- (5) to make any recommendations that are germane to the subject.

The newly appointed Board consisted of the following gentlemen :—

PRESIDENT :

F. Noyce, Esq., C.S.I., C.B.E., I.C.S.

MEMBERS :

Rai Bahadur Pandit Hari Kishan Kaul, C.S.I., C.I.E.

N. S. Subba Rao, Esq., M.A., Bar-at-Law, Principal and Professor of Economics, Maharaja's College, Mysore.

Subsequently Mr. N. G. Muzumdar was appointed Technical Expert and Captain D. F. Keegan, Secretary to the Board.

The Association's Representation to the Tariff Board.

On 17th July, 1926, the Association submitted a statement to the Tariff Board giving a history of the cotton textile industry of this country and the causes of the very depressed state of the industry, and suggesting measures necessary to resuscitate the industry from its present critical condition. A copy of the representation was forwarded to all members of the Association, the Press and leading commercial bodies and has been also reprinted by the Tariff Board. It has therefore not been deemed necessary to reproduce the statement in this report, but a short summary thereof is given below :—

The first cotton mill (The Bombay Spinning and Weaving Co.) was established in the fifties of the last century, and from 1860 to 1865, the growth of the industry in Bombay was rapid, its progress being materially helped by the accession of the wealth accrued to the Bombay commercial interests owing to the very high price that Indian cotton was sold at during the American Civil War, and which found a natural outlet in the promotion of industrial enterprises in the City and Island. Another factor which contributed to the growth of the industry was the beginning of an export trade in yarn with China. During the years 1865 to 1871, the industry suffered a severe check to its prosperity during the financial crash which followed the close of the American Civil War, but the industry successfully weathered that crisis and in the seventies and eighties the mill industry made on the whole satisfactory and favourable progress. Government instead of adopting measures to foster the growth of the industry pursued a policy calculated to hamper the growth of the industry, the most conspicuous instance of which was the abolition of the import duty on cotton piece-goods in order to appease Lancashire.

It was, however, during the closing decade of the last century that seeds were sown for the serious condition of the cotton mill industry which we are witnessing to-day. In 1893, the Indian mints were closed to the free coinage of silver and with disastrous effects on the industry. This event was followed three years later by the imposition of a 3½ per cent. Excise Duty on cloth manufactured in Indian mills for the purpose of countervailing the import duties which had been re-imposed at the end of 1894. Lastly, the decade is notable for the commencement of the growth of the mill industry in Japan with the result that the exports of Indian yarn and piece-goods to that country were gradually cut off, and Japan later on proved a very formidable rival to India in the China market.

The combination of circumstances mentioned above rendered the position of the cotton mill industry of the country not cheering, and for more than 10 years after the closing of the mints the industry passed through a period which was far from prosperous, the plague first and the two severe famines at its heel having aggravated the situation. At times indeed the position of the industry was critical and many mills were forced into liquidation during this period.

The exports of yarn to China showed an increasing tendency during these years but the rates obtained since the currency muddle of 1893 left.

little or no margin of profit. The weaving industry also suffered a setback owing to the imposition of the Excise Duty. It was not till the year 1904 that the industry after a long spell of depression again experienced prosperity, but this prosperous period lasted for only three years. The growth of the *Swadeshi* movement during these years gave a very considerable impetus to the cotton manufacturing industry, and as the yarn trade with China was not found profitable, attention was naturally turned to the installation of more looms so that yarn spun in the mills might be manufactured into piece-goods instead of being exported to China.

From 1907, a period of depression again set in, and continued with brief periods of partial recovery until 1917 when the boom period set in and lasted well on into 1923. The demand in the Indian market coupled with freight difficulties had a regrettable result of great importance, namely, the displacement in China of Indian yarns by those of the Chinese and the Japanese mills.

With the year 1923 commenced that period of unparalleled depression which has continued till to-day.

The Association's statement next dealt in detail with the factors leading to the present depression in the Bombay mill industry, *viz.* :—

- (1) Loss of China trade in yarn.
- (2) The currency policy of Government.
- (3) Unfair competition from Japan in home and foreign markets.
- (4) The increase in costs of manufacture under different heads, *viz.*, labour, stores, power, municipal, provincial and Imperial taxation, insurance, interest, etc.

After commenting on the enormous importance of the cotton mill industry to Government as evidenced by the industry's total contribution to the revenues of the country, the Association summarised its conclusions and set forth the remedies it considered necessary to restore the industry to prosperity in the following words :—

1st. The prosperity of the Bombay mill industry has been seriously affected ever since the Government of India changed the silver basis of the currency by closing the mints in 1893 and tried to work on a gold parity. The closing of the mints in 1893 must be taken as the first legislative measure which really seriously affected the industry ; it directly affected our export trade in yarn to China and encouraged the Japanese to start their own mills in Japan and later on in China itself. Up to that year the Indian mills were chiefly engaged in spinning yarns for the China market and the loss of the export market to China necessitated the installation of more looms from time to time because the export trade in yarns to China became unprofitable. This first currency legislation was the precursor of further currency management by the Government of India in 1919 when the 2s. ratio was adopted and

efforts were made to retain the sterling value of the rupee at that figure. In spite of all Government's efforts in this regard the sterling value of the rupee fell rapidly until it reached 1s. 0½d. gold but during the last two years Government have succeeded in raising it to 1s. 6d. gold. Until four years ago, Japan also having a gold basis, had an exchange parity of 2s. 0 5/8d. per yen which was equivalent to Rs. 153 per 100 yen at 1s. 4d. exchange. After the earthquake of 1922 the Japanese exchange fell from 2s. 0 5/8d. to 1s. 7 3/16d. This reduced the yen exchange in terms of rupees to as low as Rs. 108 per 100 yen, and during the last three years the principal advantage Japan obtained was through this drop in the Rupee-Yen exchange which enabled her to dump down large quantities of piece-goods and yarn in the Indian markets in competition with the Indian mills. We have shown by tables how the yen exchange at any given price of Broach enables the Japanese, even when working single shift, to compete up to the point of 145 Rs. per 100 yen irrespective of all other advantages. Therefore we submit that one of the main causes of our present difficulties can be put down to the depreciated exchanges of foreign countries especially Japan. Italy also, owing to her depreciated exchange, is at present in position to put increased quantities of piece-goods on the Indian market, and in Egypt, the Levant and other markets.

2nd. The second difficulty we have to point out is that the competition the Indian mills are suffering from is not fair owing to the Japanese mills being allowed to work two shifts for 20 hours a day and to employ women and children at night. The Government of India on the other hand have practically restricted the mills to 60 hours working a week by prohibiting the employment of women and children at night, for as there is difficulty of obtaining labour here, it is practically impossible to work double shift in Bombay.

3rd. We have also shown that the wages in the Bombay mills have increased to a greater extent than the cost of living and are in some instances two and half times the pre-war figure. Labour charges in the Bombay mills constitute the largest item in the cost of manufacture, and if this charge be not reduced in conformity with the fall in cost of living then the millowners are at a loss to know how to reduce their manufacturing costs further, having made all other reductions possible.

4th. We have also shown that the development of the industry is being retarded by excessive taxation. Income-tax which used to be levied at 6 pies in the rupee is now charged to companies and individuals over a certain income at the rate of over 1½ annas in the rupee. There was no super-tax in the pre-war days, but in 1919 this tax was levied on a sliding scale on individuals and at a flat rate of one anna on companies. There was also no cotton cess until 1923. Import duties on machinery and stores of cotton weaving mills were not levied until 1918, but in that year the Government of India, owing to the serious deficit, levied duties which have since risen to 2½ per cent. on machinery and 15 per cent. on all stores like sizing ingredients and other accessories.

Up to December 1925, excise duty was levied on the industry and this brought to the Government of India an annual revenue of something like 2 crores of rupees. The industry has to make further contributions to

Provincial revenues in the shape of increased stamp duties and pays a tax of one rupee per bale as town duty on all cotton brought into Bombay. Municipal taxation has been trebled owing to mill assessments having been increased by $87\frac{1}{2}$ per cent. since 1912, the rate of general tax having been increased from $9\frac{7}{8}$ per cent. to $11\frac{1}{2}$ per cent., halalkhore tax at $3\frac{3}{4}$ per cent. being levied on the higher assessment, and an enhancement of the charges for water from 8 annas to 16 annas per 1,000 gallons. Although all these items, of taxation paid to the different bodies may appear to be small, the sum total constitutes an appreciable figure in the cost of manufacture of yarn and cloth.

These, in the opinion of the Association, are the main causes which have led to the present depression in the Bombay industry. In the opinion of the Association they are of a permanent character because as long as the Government of India maintain exchange at 1s. 6d., and foreign countries employ women labour at night and work double shifts of 20 hours a day, and the existing labour charges in India cannot be reduced, and taxation is not reduced, the industry is bound to be affected permanently.

We have shown to what extent the present depression is due to the competition of foreign countries especially Japan in the Indian market and in the export markets which the Indian mills used to enjoy.

We have also endeavoured to show that the industry is of paramount importance to India. The industry has made very large contributions to the revenues of the country in prosperous years and it employs a very large number of people at a rate of wages higher than what is generally prevalent in any other industry in India. The Association therefore maintains that the industry should be protected by Government in some way.

The question, therefore, the Tariff Board will have to consider is what form and to what extent protection should be given to overcome the four main handicaps from which the Indian cotton textile industry is suffering. To overcome the first handicap, *i.e.*, the difficulties brought about by the currency policy, the Association suggests as in certain other civilized countries where competition exists from foreign countries owing to depreciated exchange that a proportionate increased duty be levied on goods from that country equal to the depreciation of exchange of that country. On this basis when the Japanese exchange fell in India from 153 to 108, if our industry had been protected in proportion by the imposition of a 15 per cent. extra import duty the present position would not have arisen. The exchange being 129 instead of 153, the normal exchange before the war, and therefore the protection which ought to be given to the industry should be something like 8 per cent. if we reckon the cost of cotton as 50 per cent. of the cost of manufacture.

Protection against countries where cotton mills work double shifts with female and child labour.—It is very difficult to ascertain the exact advantage the Japanese mills obtain by the employment of women and children at night, which makes double-shift working possible. It has been stated by *competent authorities* that the advantage is something in the neighbourhood of 5 per cent. owing to reduction in interest charges, supervision charges and

general working expenses without taking into account the gain in wages obtained by the employment of females on night work. It can be shown from the table given in para 104 (of the Statement) that in an Indian mill supervision charges of 3.4 pies, fire insurance charges of 1.67 pies, Municipal taxes of 1.57 pies, and half the interest charges amounting to 2.83 pies, can be saved by double-shift working or in all 9.47 pies per pound in a total cost of 97.67 pies per pound, *i.e.*, 10 per cent. approximately or 5% on the whole cost of cloth with cotton at its present price.

The Imperial and Provincial Governments as well as the Municipal authorities should, in the opinion of the Association, make every possible effort to reduce taxation to the lowest possible limit by cutting down their expenditure. As a first step the duties on machinery and mill stores should be abolished. These duties are inconsistent with the dictum of the Fiscal Commission that raw materials should ordinarily be admitted free of duty as this was an obvious principle of general acceptance in protectionist countries. The company super-tax which has been a hindrance to the development of the industry and is a conspicuous form of double taxation should also be abolished. The town duty of Re. 1 per bale should also go. The Government of Bombay have not carried out the undertaking given by them that they would build 50,000 rooms for the millhands of Bombay and let them at Rs. 5-8 per room. The extravagance of the Bombay Development Department in this matter is under investigation, and the Association do not therefore wish to make any further remarks here save to state that the tax is hampering the industry and also making the port of Bombay a very dear port in comparison with other ports. The Government of India, in the opinion of the Association, might further assist the industry to return to prosperity

- (a) By reducing railway freights on Indian mill-made goods to Calcutta, Delhi, Cawnpore, Lahore, Amritsar and other piece-goods and yarn markets.
- (b) By negotiating with the steamship companies with a view to reducing the shipping freights from Bombay to Madras, Calcutta, Singapore, Basra, Zanzibar, Mombasa, Port Said and the Levant and all other export markets. At present, the Association is at the mercy of the shipping lines, and they will not consider any representation by us in this behalf. The Government of India might well follow the example of Japan in this respect and subsidise their shipping lines to enable them to quote cheap rates to the merchants with a view to increasing the export trade.
- (c) By appointing Trade Commissioners, like Japan, in various countries to assist the industry in the export trade.
- (d) And lastly by adopting a scientific tariff so that the goods which Indian mills can manufacture and supply to India shall not be open to unfair competition from foreign competitors.

As was stated above, the industry is handicapped to the extent of 8 per cent. on account of exchange and an additional 5 per cent. on account of double-shift working made possible by the employment of female labour at night in regard to our most serious competitor. The industry thus requires, in order to place it in an equal position with foreign countries in respect of the cost of manufacture, additional protection equivalent to 13 per cent. and further additional protection to enable mills to make the necessary allowance for depreciation to plant and machinery. It may be argued that the raising of the import duties might raise the price to the buyers. The answer to that argument is that there are no less than 337 mills in India to compete against each other and to establish equitable prices. The buyers were satisfied before foreign competition of a cut-throat character stimulated by depreciated exchange came in, and the disappearance or the reduction in the intensity of this competition by an enhancement of the import duties will not overturn the economic laws of supply and demand. This is conclusively proved by the past history of our taxation. The raising of the import duties to 11 per cent. did not raise the price of cloth nor did it in fact check its consumption.

It is the considered opinion of the Association that if the sterling exchange were brought down to 1s. 4d. gold and Japanese mills were made to work one shift not employing women and children at night, then the industry could stand on its own legs and would not require protection. It is a curious phenomenon that all the important industries of this country, *viz.*, Sugar, Cement, Iron and Steel and Leather suffer much from the exchange policy of the Government of India and have asked for protection. In the opinion of the Association, while the Government of India might be able to save three crores of rupees by keeping the exchange at 1s. 6d. they are losing far more by having the industries of the country in a crippled state and not being able to pay income-tax and super-tax, and as long as artificial management of exchange is continued by the Government of India, the industries of the country will have to be protected to get over their difficulties.

In conclusion, we most emphatically state that our industry has been treated as a Cinderella. The slogan of the Government of India during the industry's seventy years' existence has been "when in want of money tax the cotton industry." Acts and measures have been passed and changes in exchange policy have been made without the slightest reference or slenderest regard to their bearing on its well-being till to-day the industry stands in danger of immediate collapse unless needful and speedy succour is rendered. The future of the cotton industry rests on the findings of the Tariff Board and a speedy execution of them by the Government of India. The Association trust that now the hour for action has struck neither will fail them.

The Tariff Board Questionnaire.

Some time after the submission of the Association's statement, the Tariff Board issued an elaborate questionnaire, answers to which were duly sent by the Association. Copies of the Tariff Board's questionnaire and the Association's answers were sent to all members of the Association.

Oral Evidence of the Association.

On 24th, 25th and 26th August and 3rd, 4th and 5th November 1926, the representatives of the Association gave oral evidence before the Tariff Board. (*Appendix 9.*)

JAPANESE COMPETITION.
CONTROVERSY WITH THE JAPAN COTTON SHIPPERS' ASSOCIATION AND THE JAPAN COTTON SPINNERS' ASSOCIATION.

It is the considered opinion of the Committee of the Association that one of the main causes of the present depression of the cotton mill industry of the country is the very unfair competition which the industry is meeting from Japan in the home and foreign markets. The non-ratification by Japan of the Washington Conventions regarding hours of work and employment of women and children at night, coupled with state-aid in a variety of ways and depreciated exchange has conferred very unfair advantages on Japan in her competition with the cotton textile industry of this country with the result that Japanese goods are being sold in the Indian markets at prices which are generally less than what it costs Indian mills to make similar goods. How Japan is cutting into the trade not only of India but also of Lancashire is well brought out in the following extract from the last annual report of the Federation of the Master Cotton Spinners' Association and the Committee of this Association wish to take this opportunity of endorsing the conclusions arrived at by the Federation of the Master Cotton Spinners' Association.

“ This loss of trade to the Empire was due primarily to the competition of Japan, a country which had been able to reduce largely the competition not only of Lancashire but of India itself. As long as Japan was enabled to continue to enjoy the unfair advantage of producing on the basis of a 20-hour day working week it was difficult to see how Lancashire could possibly hope to restore her supremacy in Far Eastern markets. The question of working hours was one that should receive early consideration at the hands of an international tribunal. The Committee were satisfied that if the Washington Convention had been ratified and strictly observed by competitors abroad the prolonged wave of depression which had been encountered at home would not have arisen.”

The question of Japanese competition was exhaustively dealt with by the Association in two articles contributed to the leading newspapers in February which are reproduced in the Appendix. The Japanese Cotton Shippers' Association subsequently wrote a letter to the Association in which they endeavoured to minimise the effects of Japanese competition on the Indian cotton mill industry and to controvert the arguments brought forward by this Association as to the necessity of Government adopting effective measures to meet this competition. The Committee of the Association very carefully considered the statements and the views expressed in the letter from the

Japan Cotton Shippers' Association and in view of the importance of the subject, they deemed it fitting to reply to the letter paragraph by paragraph and to publish in the leading newspapers the Association's answer to each of the contentions made by the Cotton Shippers' Association, *in juxtaposition*.

A second letter was received from the Japan Cotton Shippers' Association, in which an attempt was made to gloss over the salient facts mentioned in this Association's letter in order to make out that Indian mills were not suffering from the effects of Japanese competition to any appreciable extent. The Committee in their reply stated that they had no desire to imitate the tone of the letter from the Japan Cotton Shippers' Association, nor did they desire to add to the categorical answers already given to each of the contentions made in the original letter from the Japan Cotton Shippers' Association. The Committee were content to leave it to the Indian public to form its own conclusions as to the accuracy of the statement and statistics made in their last letter, every one of which was based on unimpeachable information from official or other authoritative sources, either Japanese or Indian.

There was only one statement in the letter from the Japan Cotton Shippers' Association calling for a reply, and that was in connection with the profits made by the Japanese mills. The Committee of this Association had pointed out in their letter that whilst the industry in Bombay suffered heavy losses in 1923 and 1925, exactly opposite conditions existed in Japan as the under-quoted extract from the Japan Financial and Economic monthly proved :—

“ Aside from the future, the results of business of eleven leading spinning companies for the past three half-year terms have been highly satisfactory. Their profits for the first half term of the present year were 38,363,000 yen approximately. Compared with the latter and former halves of last year it shows an increase of Yen 1,730,000 and Yen 8,980,000 respectively.”

The Japan Cotton Shippers' Association in their reply stated that the prosperity of the eleven best mills in Japan did not reflect general prosperity. In reply to this the Committee of this Association pointed out that the 11 mills in question represented 4,074,249 spindles and 41,812 looms. As the total number of spindles and looms in Japan are 5,110,000 and 64,000 respectively, it would be seen that these eleven combinations of which the profits were given represented 79 $\frac{3}{4}$ per cent. of the total spindles and 65 per cent. of the total looms. The Committee left the public to judge whether it was only an insignificant proportion of Japanese mills which made huge profits in 1923, 1924 and 1925, as stated by the Japan Cotton Shippers' Association.

About the same time as this correspondence was going on, an apparently inspired letter appeared in the *Capital* over the pseudonym 'Hard Facts,' endeavouring to dissuade this Association from agitating against Japanese inroads into this country. A crushing reply from the Association was published in the *Capital* of 4th March, 1926.

In the correspondence between the Japanese Cotton Shippers' Association and this Association referred to above, the Japanese Cotton Shippers' Association had promised to furnish to this Association a full statement regarding hours of labour and employment of women at night in Japan. As the Japanese Association failed to furnish this information, a reminder was sent to them in the last week of March, and in reply they drew the Association's attention to a certain communication which appeared in the *Capital* of 25th March and which, according to the Japanese Cotton Shippers' Association, contained reliable information. This communication appeared above the name of the Japan Cotton Spinners' Association, but it was surprising that the statements made therein were not based upon the facts and statistics published by the Japan Cotton Spinners' Association or on any official Japanese publication but upon the unsupported statements, and idyllic illusions of an anonymous individual connected with the Japanese cotton industry. For this reason the communication carried no weight, but nonetheless the Committee sent a full reply to the *Capital* refuting all the mis-statements made by the anonymous correspondent. This reply which was published in the *Capital* of 14th April, is reproduced in full in the Appendix, and it will be seen therefrom that the anonymous correspondent merely made groundless assertions which could be easily falsified by a reference to the standard works of reference and official and demi-official publications of Japan.

After the Japan Cotton Shippers' Association were silenced, the Japan Cotton Spinners' Association came forward with a statement which they published in the *Times of India* of 5th May, 1926, in which an endeavour was made to explain away the facts and figures regarding the unfair Japanese competition and labour conditions prevailing in that country to which this Association had for some time past been drawing the attention of the Government of India and of the public. This was a futile endeavour on the part of the Japan Cotton Spinners' Association, since the criticisms made by this Association against the conditions under which the cotton mill industry of Japan was being carried on had all been based on authoritative sources, and the conclusions reached by this Association regarding the imperative necessity of adopting measures for the safeguarding of the indigenous industry against this unfair Japanese competition had been endorsed by independent bodies and individuals. This Association soon after the publication of the Japan Cotton Spinners' Association's statement—or rather misstatement—in the *Times of India* forwarded to that paper a rejoinder based again on authentic and easily verifiable facts and statistics, and this article was published by the *Times of India* on 8th May, 1926. (*Appendix 10.*)

AMENDED FACTORY ACT OF JAPAN—LABOUR CONDITIONS IN JAPAN.

By a curious coincidence, on the same day that the article appeared in the *Times of India*, the Committee were able to give prominence in all the leading papers of the country to the following information received from an authoritative source by cable:—

“Petition has been presented to Diet by female and juvenile workers in Japanese mills asking for enforcing Act 1923 prohibiting night work

for women and children. Japanese millowners oppose enforcing as necessitate additional 4 million spindles. Since 1923 more than 4 millions have been installed. Working condition alleged to be very bad. Annual labour turnover 80 per cent. to 10 per cent. Forwarding translation complete text."

It was somewhat interesting to learn that efforts were being made to bring about the enforcement of the 1923 Factory Act of Japan, but it should be noted that even when the Act is enforced, Article IV prohibiting the employment of women and children between 10 p.m. and 5 a.m. would not become operative for a further three years after enforcement in mills at present working two shifts per day, for a supplementary clause given at the end of the amended Act says, *inter alia* :—

" In cases where workmen are employed in two or more shifts the provisions of Article IV shall not apply for the three years following the enforcement of the law."

It should be further noted that Article IV also lays down that " When the sanction of the Government Authorities has been obtained operatives may be employed to 11 p.m." It will be thus seen that the enforcement of the amended Factory Act cannot do away with night work for women and children in accordance with the Washington Convention.

It is also noteworthy that the 11-hour day for women and young persons may be extended to 13 hours per day by the competent minister during a period of fifteen years, and even after the expiry of fifteen years factory owners, with the permission of the administrative authority, for " a limited period " may extend the working hours regardless of the provisions of Article 3 of the Act or employ females over 16 regardless of the provisions of Article 4 of the Act.

The important petition presented to the Diet by women and children working in the factories of Japan referred to above is reproduced in full in the appendix. In connection with this petition it is extremely interesting to note the remarks made by the Tokyo correspondent of the *Statesman* while forwarding to the Calcutta paper a copy of the petition. It may be assumed that the Tokyo correspondent of the *Statesman* wrote from first-hand knowledge, and this is what he stated in his article published in the *Statesman* of 23rd May, 1926.

" It is a notorious fact that Japan works her labour to death. This labour often consists of female and juvenile workers who are compelled to do long night shifts, especially in spinning factories, and this despite the fact that Japan is a signatory to the Washington Labour Congress and, in 1923, promulgated a law prohibiting night work on the part of women and children in factories. This law, however, has never been enforced, largely due to the powerful opposition put up by capitalists, who declared that, if such law were to take effect, Japan would never be able to hold her present position in the international markets and this in turn, would be greatly to the detriment of the nation.

“ At the time the capitalists opposed the enforcement of the new law (rendering juvenile and female night labour illegal). It was contended by the moneyed interests that such prohibition would entail the instalment of an additional four million spindles. As a matter of fact, the increase of spindles since 1923, when the old law was amended, has been much more than four millions, so that, as the labour petition maintains, there is no longer any valid reason for further postponement of the enforcement of the prohibition

“ Some of the statistics put forward by the workers are startling. Dr. Ishihara, who made a survey of the conditions, declares that on account of night work, twenty-three out of every thousand women workers die every year. Out of every hundred, he continues, ten suffer from sterility.

“ The total number of women employed in Japanese factories towards the end of 1924 was 857,930. Of these, girls between fifteen and twenty years of age were most numerous ; while those between the ages of 12 and 15 numbered no less than 115,801.

“ The women workers are herded in dormitories and boarding-houses, the expenses of their food varying from 17 sen to 60 sen a day. The average expense of their daily meals is about 32 sen a day, far below the standard rate of 58 sen a day, published by the Government during 1919. The girls are practically in prisons. They cannot leave the factory premises and have to remain within the limits of the stone walls that mark for them, for months, the entire world.” (*Appendix 11.*)

NON-RATIFICATION BY JAPAN OF THE WASHINGTON CONVENTION—
CORRESPONDENCE WITH THE DIRECTOR OF LABOUR—JAPANESE
PROTESTS AGAINST THE POLICY OF THEIR GOVERNMENT.

The so-called amended Factory Act of Japan came into force on 1st July 1926, but as explained above it could not by any ‘stretch of imagination’ be said to “involve the principles laid down by the Washington Conference” as was claimed by the Japanese Delegation to the Governing Body of the International Labour Office in a letter they wrote to the International Labour Office on 25th November, 1925, and reproduced in the issue dated 21st December, 1925, of the International Labour Office’s official organ “Industrial and Labour Information.” The Committee on perusing this letter decided to take up the matter with the Director of the International Labour Office, and in a letter to him written in January they pointed out how the non-ratification by Japan of the Washington Conventions was operating unfairly on the cotton mill industry of this country, and how the so-called amended Factory Act of Japan was a mere eye-wash to explain away Japan’s failure to fulfill her international obligations in respect of the Washington Conventions. A very interesting reply was received from the Director, International Labour Office, stating that he fully realised the importance of the question, and was anxious to do everything in his power to secure its full consideration and to prepare the way towards bringing about a friendly

·solution. The International Labour Office had been closely following the ·developments which had taken place in Japan with reference to labour legisla- tion and the application of the Washington Conventions, and was anxious to do ·everything it could to promote their ratification. They had therefore sent a copy of the Association's letter to the Japanese delegation attached to the International Labour Office at Geneva with a request that they would bring the matter before the Japanese Government. The Director further added that he had reason to believe that steps were now being taken to remove some of the causes of complaint which were mentioned in the Association's letter, in the near future. He drew particular attention to the proceedings in the Japanese Diet in connection with a recent interpellation on the attitude of the Government of Japan towards the Washington Conventions. These very interesting proceedings forwarded by the International Labour Office are reproduced in full in the Appendix, from which it will be noticed that considerable dissatisfaction prevails among responsible Japanese publicists re- ·garding the non-ratification of the Washington Conventions by Japan.

It is pleasant to note that there are other clear indications that the whole conduct of the Government of Japan in regard to labour conditions of the ·country is being vehemently denounced by responsible representatives of labour and other publicists in that country.

About a year ago a " Japanese Association for International Labour Legislation " was formed to support the International Labour Organisation. The weighty and influential character of this Association may be gauged from the fact that amongst its members are Government officials, Municipal officials, members of the Diet, employers, trade unionists, barristers, journal- ists, etc. A Sub-Committee of this Japanese Association submitted the following report to the Executive Council of the Association towards the ·end of 1925 :—

" It is our opinion that among the many Draft Conventions and Recommendations which have been adopted in the seven Conferences the most important and those most in need of our prompt attention in the interest of the amelioration of the working conditions prevailing in our country are those adopted at the First Labour Conference at Washing- ton concerning working hours, the prohibition of night work of women and young persons, protection of women before and after childbirth and the minimum working age.

Almost all of these Draft Conventions were jointly supported by the delegates of our Government, employers and workers who attended the Conference at Washington. Our Government delegate when these ·Conventions were adopted insisted that Japan as a special country, should be exempt, and gave a pledge at the same time that, should this ·demand be accepted, his Government would guarantee upon its own responsibility the enforcement of provisions of the Draft Conventions.

Our Government, however, in violation of this pledge has not yet ratified or enforced these Draft Conventions, and has thus lost the confi- ·dence of foreign countries. At the Seventh Session of the Labour Con-

ference, the Government, employers' and workers' delegates of India criticised severely the unfaithfulness of our Government, particularly in respect of the enforcement of the Draft Conventions concerning working hours and the prohibition of night work of women; the honour of our country has thus suffered in no small measure.

We seriously regret that even the revised Factory Act, which falls far short of the Washington Conventions in respect of such important points as working hours, and night work of women and of young persons, etc., remains unenforced to-day when three years have already elapsed since its enactment.

The Government's first step should be to enforce the Factory Act (Amendment) Act and the Minimum Age (Industrial Workers) Act, and thereby show to the public the sincerity of its intentions; it should then proceed to take definite steps for the enforcement of the aforesaid Draft Conventions.

This Association resolves to make representations to the Government in accordance with the views expressed above and to stimulate interpellations and the adoption of the resolutions in the Imperial Diet; also to arouse public interest by suitable methods."

The first general meeting of the Japanese Association was held in November 1925. Dr. Takano, Director of the Ohara Social Research Institute, presided.

The following telegram from Mr. Albert Thomas, Director of the International Labour Office, was read amid applause:—

"On the occasion of the General Meeting of the Japanese Association for International Labour Legislation, let me congratulate you on the success of the work of your Association. I am convinced that the efforts of your Association will contribute towards the social uplifting of the workers and quicken the ratification of the International Labour Conventions in Japan. In this spirit I rejoice in the collaboration you are offering us in our task."

The following resolutions were adopted unanimously:—

- (1) Concerning the competence of the Imperial Diet in regard to the decisions of the International Labour Conference. (This resolution points out that the Imperial Diet should be considered as at least one of the "competent authorities" to deal with the Draft Conventions and Recommendations adopted by the International Labour Conference.)
- (2) Concerning the hastening of the enforcement and ratification of the Washington Conventions, and concerning the immediate enforcement of certain Acts already passed by Parliament but not yet enforced, such as the Factory Act (Amendment) Act, the Minimum Age (Industrial Workers) Act, and the Health Insurance Act.

- (3) Concerning the relation between the recognition of the workers' freedom of association and the provisions of the Peace Treaty. (This resolution points out that there are some laws in Japan which hinder the workers' freedom of association and which are thus contrary to the provisions of the Peace Treaty, and expresses the desire that the Government should amend or abolish such laws in conformity with the Peace Treaty.)
- (4) Concerning the Trade Union Bill drafted by the Bureau of Social Affairs. (This resolution approves the draft prepared by the Bureau of Social Affairs, though the shortcomings of the Bill are also recognised. At the same time it urges employers' associations to modify their attitude towards the Bill.)
- (5) Concerning the removal from the existing law of the obstacles to freedom of association. (This resolution points out to the existence of many legal provisions which obstructs the free movement of the workers organisations in Japan, and urges the Government to take proper action to abrogate such repressive laws and to prevent the abuse of the law.)
- (6) Concerning the amendment of the Public Peace Preservation Act. (This points out that the Public Peace Preservation Act can be a menace to workers' organisations and recommends the Government to amend it.)
- (7) Concerning the relief of unemployment through the trade unions, (This resolution suggests that the Government and public bodies should grant a subvention to trade union unemployment relief funds, as a means of unemployment relief.)
- (8) Concerning various measures for the relief and prevention of unemployment.

The above-named Association has also appointed a Commission to study Labour Conventions, and a meeting of the Commission was held on 12th December, 1925, at Osaka, when one of the subjects discussed was the question of working hours. The following account of the debate on this question is taken from the issue, dated 8th March, 1926, of *Industrial and Labour Information*, an official organ of the International Labour Office.

Problems of Working Hours.

"In presenting a report on problems relating to the Conventions and Recommendations concerning hours of labour, Mr. Kusama called attention to the relation between the limitation of working hours and the minimum wage system."

Mr. Katoka contended that it was incumbent upon Japan to enforce the draft Convention concerning hours, seeing that Japan was treated as a special country. The reason why this Convention had not yet been enforced in Japan was probably that the demand of the general public was ineffective.

Mr. Nishio observed that the cause of the irregularity of working hours in Japan was the immature development of her industrial system and the haphazard business policies and factory systems adopted by Japanese undertakings. A shortening of working hours would be welcomed by the workers, even if it were not accompanied by provisions for a minimum wage seeing that the workers would naturally organise a movement to adjust wage rates to the new circumstances.

The Chairman said it was plain logic that the provisions specially established for Japan in the Draft Convention should be enforced. "Why is it," he asked, "that these provisions have not so far been enforced in Japan? Is it merely due to the ineffective demand on the part of the general public, or does some specific reason exist in Japanese industry? This seems to be a question to which this Association should give due consideration."

The Commission decided to continue the discussion on this problem at its next meeting."

It is earnestly to be hoped that the efforts of the Japanese Association for International Labour Legislation will before long succeed in bringing that country in line with other industrially advanced countries of the world in respect of general treatment of labour.

The question of Japanese competition has been dealt with very fully in the Association's representation to the Indian Tariff Board (Cotton Textile Industry), and those desiring to have detailed information on the subject are referred to that representation. (*Appendix 12.*)

ADDRESS TO HIS EXCELLENCY LORD READING.

On 1st April, 1926, the representatives of the Bombay Millowners' Association, the Ahmedabad Millowners' Association, the Madras and Southern India Millowners' Association, and the Millowners of Cawnpore presented a joint address to His Excellency Lord Reading on the eve of his departure from India in commemoration of the service Lord Reading rendered to the cotton industry of the country by repealing the Excise Duty. The presentation was made at Government House, Bombay, when the following gentlemen were present :—

Mr. A. Geddis, Mr. H. P. Mody, the Hon'ble Sir Dinshaw E. Wacha, Mr. J. A. Kay, Mr. Lalji Naranji, Mr. J. B. Petit, the Hon'ble Mr. Manmohandas Ramji, Mr. N. B. Saklatvala, Mr. S. D. Saklatvala, Mr. H. H. Sawyer, Mr. F. F. Stileman, Mr. Madhavji D. Thackersey and Mr. T. Maloney (Secretary), representing the Bombay Millowners' Association, and Mr. Chamanlal G. Parekh and Mr. Nanddas Haridas representing the Ahmedabad Millowners' Association.

The full text of the address (which was read by Mr. Geddis, the Association's Chairman) and of Lord Reading's reply will be found reproduced in the appendix. (*Appendix 13.*)

MUNICIPAL WATER-TAX PAYABLE BY MILLS.

(Please see pages 81 & 473 of the 1925 report.)

Members are aware that last year the Committee of the Association had a good deal of correspondence with the Municipal Commissioner on the subject of the heavy taxes payable by mills to the Municipality. Indeed, the grievances of Bombay millowners in this regard have become so extremely acute as to justify thoroughly the following views expressed by the Hon'ble Sir Dinshaw E. Wacha in one of his recent minutes :—

“ My suggestion is that the time is quite ripe to convene a general meeting of the members and there pass a sufficiently vigorous resolution (to be forwarded to the Corporation) pointing out the exceedingly burdensome character of the taxation levied by the Municipality in recent years. Half a dozen influential millowners should be invited to refer to these, each from a different point of view in the speech to be made. It is the only way to rouse public opinion and goad the Municipality. The days for mere representation and deputations are gone and vigorous denunciations of the burdensome character of taxation is needed.”

Another representation was made to the Municipal Commissioner on 10th September 1926 reiterating the arguments advanced in the representations last year on the subject of water-tax. As is well known, the Bombay Municipal Corporation last year kept the rateable value for assessment of water tax at its original level and at the same time increased the charge for water supplied by meter measurement to 14 annas per 1,000 gallons in some cases and in other cases, including cotton mills, to Re. 1 per 1,000 gallons. This Association would not have protested so strongly against the proposed increase if the new scheme of water-supply, which had led to the necessity for enhanced taxation, had been undertaken solely to supply the special needs of the industry or if the industry had been called upon to pay its proper share of the increase. The facts are that the industry which did not require an additional supply of water, as was evidenced from the fact that there was no increase in the number of persons employed in the industry, and which derived little benefit from the extra supply, was made to pay 33½ per cent. more than what it was paying up to the end of 1925-26 while the general consumer would not contribute anything to the increased expenditure incurred by the Municipality.

The Committee also emphasised the fact that in England and other European countries industries were charged for water at a lower rate than other consumers while the Bombay Municipality had departed from this recognised principle of municipal taxation. It was understood that while the Bombay mill industry paid Re. 1 per 1,000 gallons, Lancashire mills paid 6d. per 1,000 gallons or even less where water was taken in large quantities. This charge was less than one-third the rate charged to mills in Bombay.

The enormous increase in the burden of municipal taxation imposed upon the cotton mill industry of Bombay from time to time had been fully dealt with in the Association's letters to the Municipality last year but the Committee emphasised the point that the increased taxation had saddled the industry with an additional burden of Rs. 2,90,000 in respect of water-supply alone at a time when the industry was in the throes of a serious depression.

The Commissioner was next reminded of the meeting between him and the Special Sub-Committee of the Association in September last year. The Commissioner was then good enough to admit that the cotton mills consumed only 1/17th of the total amount of water used but they paid no less than 1/7th of the total revenue derived from water tax. He was also impressed with the facts mentioned by this Association and agreed to place the matter before the Standing Committee for consideration when the budget for 1927-28 came up for discussion. The Association was, however, not aware whether the matter had been brought to the notice of the Standing Committee, and its two letters dated 7th October 1925 and 4th November 1925 inquiring whether any action has been taken in this regard has not unfortunately so far elicited any reply.

In conclusion, the Committee expressed the hope that the claims of the industry for immediate relief would receive due consideration and that the matter would be placed before the Standing Committee with a recommendation to the effect that the increase in the rate enforced for the year 1926-27 should be abandoned forthwith. (*Appendix 14.*)

ASSESSMENT OF MILL PROPERTY BY THE BOMBAY MUNICIPALITY.

The Indian Manufacturing Co., Ltd., addressed a letter to the Association drawing the Association's attention to the inequitable and unfair manner, explained below, in which their mill compound was assessed by the Municipality. Having failed to get justice done to them by the Assessor and Collector of Municipal Taxes, the Indian Manufacturing Co. wrote to the Municipal Commissioner through their Solicitors, Messrs. Payne & Co., but the Municipal Commissioner upheld the action of the Assessor and Collector. The Committee of the Association held that an important principle was involved in the dispute between the Indian Manufacturing Co., Ltd., and the Municipality, and they decided to take up the matter with the Municipal Commissioner.

It appears that in or about 1897, the Municipality acquired a part of the compound of the Indian Manufacturing Co. for the purpose of constructing a public road and the portion so acquired ultimately formed part of the Haines Road, with the result that the mill property was cut into two by the new road running through the property. The main building was left on one side of the road and the vacant land left on the other side.

It is obvious that the vacant land should be assessed like the rest of the mill compound, and any structure erected thereon as an appurtenant to the mill should be assessed on the principle agreed to between this Association and the Municipal Commissioner in 1923.

The Municipality, however, decided to assess the godown on the "letting value principle" on the assumption that it was not part and parcel of the mill premises inasmuch as it lay outside the mill compound. The Committee in their letter to the Municipal Commissioner contended that if

the godown lay outside the mill compound, it was entirely due to the action of the Municipality in acquiring a portion of the original mill compound for the purpose of constructing a public road, and this fact, the Committee submitted, could not possibly justify the Municipality in penalising the Indian Manufacturing Co., Ltd., by calling upon them to pay a higher rate of assesment than what the Municipality were, in equity, entitled to. The Committee further pointed out that the Indian Manufacturing Co., Ltd., had made it quite clear in their correspondence that the godown was built for the use of the mills and had, ever since its erection, been used as appurtenant to the mills, and but for the action of the Municipality in acquiring a portion of the original compound, it would have to-day stood in the mill compound.

In conclusion, the Committee stated that they hoped that on careful consideration the Municipal Commissioner would recognise the inequitable nature of the treatment meted out to the Indian Manufacturing Co., Ltd., and would issue orders for the assessment of the godown on the special basis prevailing in the case of cotton mills.

The Association's letter had the desired effect, and about the middle of December, the Bombay Municipality informed the Indian Manufacturing Co., Ltd., that their godown would be assessed on the constructional cost basis on which all mill properties are assessed. (*Appendix 15.*)

REASSESSMENT OF TOKA LANDS.

Members are probably aware that the previous assessment by Government of Toka lands in Bombay was made in 1879 for 50 years, and these lands become liable to reassessment in 1929. Judging from the compensation Government got for such of the Toka lands as were acquired by the Bombay Improvement Trust during the last ten or twelve years, it would appear that the Toka tenants of Government would have to pay 1,100 per cent. to 3,000 per cent. more as assessment according to the valuation of the lands, than they are paying at present. Messrs. E. D. Sassoon & Co., Ltd., are at present paying an annual assessment of Rs. 251-10-11 on the Toka lands on which some of their mills are situated, whereas the assessment they will have to pay from 1929 is estimated to be in the vicinity of Rs. 60,000. They therefore requested the Association to move in the matter, especially as other mills in Bombay were also situated on Toka lands. The Association has addressed a letter to Government requesting them to state how they propose to reassess the Toka lands in 1929, and pointing out that it would be a very severe hardship on the Toka tenants of Government, if Government were to reassess these lands at the rate which formed the basis of their claims in respect of Toka lands acquired by the Bombay Improvement Trust, and would be a severe blow to the mills concerned at a time when the existence of the cotton mill industry was already threatened.

Early in January, 1927, a reply was received from Government stating that the question of reassessment of mills under Toka tenure will, in due course, be considered by them and that no final orders will be passed without the parties affected being given every opportunity of expressing their views on the proposals. (*Appendix 16.*)

ALLEGED BREEDING OF MOSQUITOES IN MILL TANKS.

In the Association's Report for 1924 (pages 155-156) a summary was given of the correspondence between the Municipal Commissioner and the Association on the above subject. It will be remembered that the Municipal Commissioner maintained that mill tanks were breeding places for mosquitoes, and must be either filled in or covered. The Committee had strongly protested against the threatened action of the Commissioner on various grounds. There was further correspondence on the same subject in 1925, when the Bombay Fire Insurance Association also protested against the filling in or covering of mill tanks on the ground that these tanks provided the chief supply of water for both Sprinkler and Fire Hydrant purposes and if they were to be filled in, the prompt working of the Fire Services would be seriously prejudiced, since the town mains could not be depended upon either for regularity of supply or constant pressure, as had been evidenced on so many occasions. A copy of the letter from the Bombay Fire Insurance Association was sent to the Municipal Commissioner for his careful consideration.

The subject was further discussed at the conference a deputation from the Association had with the Municipal Commissioner on 4th May, 1925 (*vide* Association's Report for 1925, page 484), when it was decided that the Chief Health Officer, Dr. Sandilands, should go into the whole question with Mr. Stones of Messrs. E. D. Sassoon & Co., Ltd., and that pending a report from Dr. Sandilands and Mr. Stones, the Municipal Commissioner should not call upon mills to fill in or cover their tanks. In accordance with this arrangement a series of experiments was made by the medical staff of the Sassoon group of mills, whose conclusions from these experiments were as below:—

1. If a mill is driven by steam power, and if the water of the mill-lodge or tank is being used in the condenser the danger of mosquito breeding is *nil*.
2. In mills with electric drive where the whole body of the water does not get heated, even though steaming water may occasionally be admitted into the tank, mosquito larvæ are able to breed.
3. Mosquito larvæ are susceptible to sudden meteorological and other unknown local influences which must be borne in mind in anti-mosquito work.
4. 'Oiling' by a mixture of three parts of residual oil and two parts of kerosene reinforced by 0.1 to 0.2 per cent. of castor oil at the rate of about one gallon per each 100 square feet of surface may be depended on to control mosquito breeding in mill ponds, and is feasible, cheap, easy to apply and efficient.
5. Such measures, however thorough, cannot by themselves reduce the incidence of malarial fevers in the mill districts unless concerted action against all breeding places in a given locality is taken.

The Municipal Malaria Inspector had been in the closest touch with the medical staff of the Sassoon Mills while these experiments were made. A very important point to note is that the medical staff of the Sassoon Mills tried to breed mosquitoes from the larvæ taken from mill tanks but had only obtained non-malaria carrying varieties. It would therefore appear that filling in of mill tanks was entirely unnecessary and that the breeding of mosquitoes in unused mill tanks or in tanks attached to electrically driven mills could be effectively prevented by oiling with a mixture of three parts of residual oil and two parts of kerosene reinforced by 1 per cent. to 2 per cent. of castor oil at the rate of about one gallon of the mixture per 100 square feet of surface at regular intervals of a duration less than the period of gestation of the mosquito larvæ. (*Appendix 17.*)

Towards the end of the year, Mr. Stones forwarded to the Association a report embodying complete results of the experiments, and this report will be considered by the Committee in 1927.

ANTI-MALARIAL MEASURES RECOMMENDED BY DR. BENTLEY.

Appointment of a Special Committee by Government.

Early in February, the Government of Bombay forwarded to the Association a copy of Government Resolution No. 6073, dated 23rd December, 1925, directing that a conference consisting of the representatives of the various bodies mentioned therein should be convened to discuss ways and means of carrying out the recommendations of Dr. Bentley for adopting anti-malarial measures in the City of Bombay under the Chairmanship of the President of the Municipal Corporation, Bombay. Government invited the Association to nominate a representative to act on this Committee, and Mr. Stones was elected for this purpose by the Committee of the Association. It is understood that this Committee is against any action being taken to compel a mill to fill a tank until a complete malarialogical survey of the Island of Bombay has been made. Mr. Stones, as the Association's representative, will place before this Committee the results of the experiments conducted at the Sassoon group of mills, and the Association is now awaiting with interest the recommendations which this Committee will make after considering Mr. Stones' report. (*Appendix 18.*)

PROVISION OF CRECHES IN THE MILL AREAS IN BOMBAY.

(Please see pages 91 & 504 of the 1925 report.)

It will be remembered that last year the Government of Bombay had placed before the Committee of the Association certain proposals for the provision of creches in the mill area (*see pages 91 et seq and 504 et seq of the Association's Report for 1925*). The Association's considered views on the subject are contained in their letter No. 1358/1115, dated 23rd November, 1925, to the Government of Bombay (*pages 511-513 of the 1925 Report*).

About the middle of August, the Government of Bombay addressed another letter to the Association inquiring how many mills were prepared to provide properly equipped creches in their compounds for the exclusive

use of their women operatives, on condition that Government provided the money required to run these creches exclusive of the cost of renewals of equipment.

The Committee of the Association, in their reply, stated that their views were fully set forth in their letter of 23rd November, 1925, and they had nothing to add to what had already been stated therein. This Association was firmly of the opinion that Government should do everything in their power to preserve the health of the infants of the backward classes of society and was prepared to support Government in this connection, provided the scheme covered the women workers in the city as a whole. However, in view of the present depression in the industry, the Association was unwilling to advise its members to incur further expenditure for the purpose outlined in Government's letter.

Towards the end of November, another letter was received from the Secretary to the Government of Bombay, General Department, requesting the Association to ascertain from each of its members whether they would be prepared to provide properly equipped creches in the compounds of their mills for the exclusive use of their own women operatives on condition that Government provided the money required to run the creches exclusive of the cost of renewals of equipment which was to be borne by the mills.

The Committee decided to forward to the members of the Association a copy of the Government of Bombay's letter with a request for their views thereon. The Government of Bombay's letter was, however, not quite clear as to whether they proposed to run the creches in different mills at their expense through the medium of the Infant Welfare Society, as was their original intention, or whether they proposed that the mills themselves should run the creches in return for a grant from Government to cover the expenses. On receipt of Government's reply members will be requested to express their views on Government's proposals. (*Appendix 19.*)

WELFARE WORK.

(Please see pages 29 & 180 of the 1925 report.)

In the Association's Report for 1925 (page 29) a reference is made to the recommendations adopted by the Sixth Session of the International Labour Conference, one of which was regarding development of facilities for the utilisation of workers' spare time. From a letter received from the Government of India from the Director of the International Labour Office, it appeared that the phrase "measures for the utilisation of spare time" was intended to cover much of what was more familiarly known as welfare work, and more particularly all efforts to ameliorate the conditions under which the workers lived when not actually employed. The Government of India forwarded a copy of the letter of the Director of the International Labour Office to all Provincial Governments with a request to collect all possible information on such subjects as education, health, housing and recreation of the workpeople. The Director of Information and Labour Intelligence, Bombay, forwarded copies of the papers received from the Government of

India to all mills with a request for the requisite information and subsequently requested the Association to ask the mills to expedite their replies. The Committee of the Association were of the opinion that several of the recommendations of the International Labour Office were not suitable for adoption in this country, but they had no objection in asking members who had decided to give the requisite information to the Labour Office to do so without delay. (*Appendix 20.*)

THE DEVELOPMENT DEPARTMENT CHAWLS.

(*Please see pages 73 & 454 of the 1925 Report.*)

NECESSITY FOR ABOLISHING OR REDUCING THE TOWN DUTY ON COTTON.

It was stated in the Association's Report for 1925 that the Committee of the Association had under their consideration the justification or otherwise of the Cotton Trade of Bombay being called upon to pay a Town Duty of Re. 1 per bale for the purpose of meeting the annual loss on the housing scheme for labouring classes which was one of the most important items in the programme of work laid down when the Development Department was launched into existence.

The Preamble to the Act under which the Cotton Duty was levied stated that the revenue from the Town Duty on cotton was required, *inter alia*, for the purpose of establishing 50,000 tenements for the labouring classes, and it was on this understanding that the Association supported the levy of Re. 1 per bale of cotton. Government, however, subsequently decided not to erect more than 16,864 tenements, and under the circumstances the Committee of the Association maintained that it was not fair or equitable to continue this tax.

According to the original estimates, each tenement was expected to cost Rs. 1,100 while the actual cost turned out to be Rs. 2,084 per tenement. Thus in the first place, an important Department of Government were negligent to an almost scandalous extent in estimating the costs of a scheme of very vast magnitude. The second important point to note was that Government went on erecting these chawls even after it was found that the actual costs were far in excess of the original estimates, and the work was stopped only after a huge sum of public money had been squandered. The Committee had during the year under review lengthy correspondence with Government on this subject, but Government failed to give any satisfactory explanation as to why there had been such scandalous negligence in making estimates, or why the work of erecting chawls was not stopped until after a huge waste of public money had been made. The Committee in their letters maintained that the Cotton Trade of Bombay should not be penalised for the colossal blunders made by Government, and they strongly urged the abolition of or, at any rate, a reduction in the Town Duty on cotton.

From the correspondence reproduced in the Appendix, it will be noticed that on the one hand Government gave no satisfactory explanation for the amazing and scandalous bungle made by the Development Department, and on the other hand they contended that the expenditure incurred

on these chawls made it impossible for them to give any relief to the Cotton Trade of Bombay in the direction asked for.

The Committee in their last letter to Government gave it as their considered opinion that a thorough investigation into this particular portion of the Development Department's activities was most necessary and advisable, and they suggested that Government should appoint a special committee for this purpose. This suggestion was turned down by Government on the ground that as the Special Advisory Committee was enquiring into the Industrial Housing Scheme, it was unnecessary to employ any other committee for the same purpose.

As regards the inequity of the Town Duty on cotton, it would not be out of place to reproduce the views expressed by the Bombay Port Trust in their correspondence with the Bombay Chamber of Commerce regarding the heavy costs of handling goods imported and exported *via* Bombay when compared with the costs at other ports. This is what the Bombay Port Trust stated regarding the Town Duty on cotton :—

“ The Town Duty brings in an annual revenue of about Rs. 35 lakhs of which some 20 lakhs goes to the Development Department. The inequity of this tax has frequently been emphasised by the Port Trust and the subject has been referred to in recent speeches by the late Chairman of the Chamber of Commerce and the Chairman of the Millowners' Association. The Trustees are entirely in agreement that in fairness to the cotton industry and in the interests of the trade of the Port some means should be devised by Government to replace this cess by some other form of taxation more evenly distributed over the whole community, or to reduce it in proportion to the curtailment of the labour housing schemes for the partial financing of which the tax was originally imposed by Government. The recent report of the Indian Taxation Enquiry Committee draws particular attention to this tax and stresses the fact that local terminal duties offend against all canons of taxation and are highly detrimental to through trade ; the report further expresses the opinion that it should be the function of Government to protect trade against the imposition of local taxation of this description. The Trustees consider this is a matter in which the Chambers, the Port Trust and the other interests concerned should take joint action.”

The Committee drew Government's attention to the opinion expressed by the Port Trust, but Government's reply was that this was a matter for detailed investigation by the Indian Tariff Board (Cotton Textile Industry Inquiry).

In view of the very evasive and unsatisfactory replies given by Government from time to time, the Committee of the Association have deemed it futile to pursue the matter further until the publication of the Special Advisory Committee's report which is now being awaited. (*Appendix 21.*)

REPEAL OF THE COTTON DUTIES ACT, 1896.

The year 1926 will remain memorable in the history of the Cotton Mill Industry of the country as the year in which the great fiscal injustice perpetrated on the industry in 1896 was finally removed.

Section 3 of the Indian Finance Act, 1926, repealing the Cotton Duties Act, 1896, is reproduced below :—

“ The Cotton Duties Act, 1896, is hereby repealed,

Provided that any person who hereafter exports by sea any goods on which duty has been paid under the said Act may apply, in the manner provided therein, for the repayment as drawback of the duty so paid, and the Customs Collector shall allow such drawback if he is satisfied that such person would have been entitled to receive payment thereof, if the said Act had not been repealed.”

FUMIGATION OF AMERICAN COTTON.

(Please see pages 39 & 221 of the 1925 Report.)

It was stated in the Association's Report for 1925 that the Committee were endeavouring to get the charges for fumigation reduced and the clause regarding minimum charges deleted. The Committee regret their efforts to obtain a reduction in the charges did not bear any fruit but it is understood that the Central Cotton Committee are negotiating for a reduction in the transport charges—which is the heaviest item of expenses in fumigation—and they have addressed the Bombay Port Trust and the Government of India in this connection. The minimum charge for fumigating a consignment was laid down at Rs. 150 under the original rules, but this rule was obviously calculated to operate very unfairly in the case of small consignments consisting of sample bales. On 25th November, 1926, Government issued a notification declaring that in the case of sample bales of American cotton not exceeding six in number in any consignment imported for testing purposes, the consignee should pay a fee of Rs. 10 for fumigating each bale.

During the year under review the Committee also addressed Government on the serious inconvenience caused to the trade by the prohibition against importation of American cotton from 1st June to 14th November owing to the alleged difficulties of fumigation during the monsoon months. Some time after the letter to the Government of India was despatched, the Central Cotton Committee addressed a letter to the Association stating that they had discussed with the Port Trust the possibility of fumigating American cotton during the monsoon months, and the Port Trust had put forward a scheme which would enable American cotton fumigation to be continued during the monsoon by utilising G and H Sheds, Prince's Docks, which could be made available in the monsoon but not during the fair weather. The Port Trust suggested that a charge of Re. 1 per bale should be levied in all cases during the period the monsoon arrangements were in force. In addition

the Haji Bunder charge of 4 annas per bale for docks overhead charges would require to be increased to 6 annas to cover the cost of cranage and handling for a reloading and re-discharging. The Port Trust charge for the monsoon arrangement would therefore be one wharfage plus Re. 1-6-0 per bale in place of the fine weather charge of 4 annas.

The Indian Central Cotton Committee were of opinion that the additional charge required by the Port Trust was reasonable in view of the income which they would surrender by allocating two berths in the Prince's Dock for American cotton throughout the monsoon period. The Indian Central Cotton Committee further approved of the proposal of the Port Trust to charge a fixed rate per bale, whatever the quantity arriving, as this appeared to be the only satisfactory method of estimating, even approximately, what the arrivals might be. Over and above this additional Port Trust charge it would be necessary for the Government charge for actual fumigation to be increased on account of the additional expenditure which would be necessary on fumigating staff for work under monsoon conditions. The Indian Central Cotton Committee wanted to recommend the Government that the additional Government charge should not exceed 6 annas per bale. Hence, if these arrangements were brought into force, the additional cost of importing American cotton during the monsoon would be Re. 1-8-0 per bale over the fair season charges, that is to say, fumigating charges would be Rs. 4-14-0 per bale (as compared to Rs. 3-6-0 at present) and the total charge, including docks import wharfage, Rs. 6 per bale (as compared to Rs. 4-8-0 at present).

The Indian Central Cotton Committee went on to say that they were aware that in the Association's opinion the present charges for fumigating American cotton were too high, and both the Indian Central Cotton Committee and the Government of India had promised that these charges should be reviewed as soon as details of the first season's working expenses were available. The Indian Central Cotton Committee, however, considered that the additional monsoon charge was reasonable and that it would not make the cost of importing American cotton prohibitive. The Indian Central Cotton Committee stated if the Association agreed with them that the facilities now proposed were worth having, they would at once address the Government of India and ask for an immediate amendment of the notification and rules.

The Committee of this Association had not sufficient time at their disposal to go into the matter in very great detail, but they considered that it would be to the interest of the trade, for this season at least, to agree to the extra charge proposed for fumigation during the monsoon rather than forego the advantage of being able to import American cotton. At the same time the Committee made it clear that the extra charge for fumigation should not be required from importers as long as Haji Bunder was used, and that the possibility of reducing the extra charge for fumigation during the monsoon should also be considered when the results of this season's working were reviewed by the Government of India.

The Central Cotton Committee thereafter urged the Government of India to allow importation of American cotton during the monsoon months.

on the conditions explained above and on 19th May, 1926, the Government of India issued a notification sanctioning the importation of American cotton on these conditions during the monsoon.

Towards the end of the year, the Committee of the Association carefully considered the question whether there was any justification for the heavy expenditure entailed on mills by compulsory fumigation of American cotton imported by them. The Committee came to the conclusion that there was no justification for this expenditure, and they set forth their reasons for taking the view in a letter to the Central Cotton Committee, the gist of which is given below :—

The Association's representative on the Central Cotton Committee supported the introduction of fumigation, and also the principle that the costs of fumigation should be borne by importers, but this was partly due to the fact that the cost of fumigation as originally estimated was 8 annas per bale, while actually it had turned out to be nearly seven times that amount. The Committee of the Association, however, had now come to the conclusion that even if it were possible to reduce the cost of fumigation to 8 annas per bale, it would still be an unjustifiable expenditure for reasons set forth below :—

American cotton had regularly been imported into India from America direct for upwards of a quarter of a century, and no trace of the insect had ever been found in India before 1925, despite the fact that more than 60,000 bales were imported in 1921-22 when the damage caused by the boll-weevil was more widespread in America than at any other time. Since fumigation was made compulsory at the end of last year, special inspections had been made whilst the cotton was being treated, but as far as the Committee were aware only one dead boll-weevil had been seen. It was also generally admitted that the pest had almost disappeared in America during the last two years. Col. A. B. Shepperson, a great authority on cotton, stated in his review for 1925-26 : " Damage from boll-weevil during the past season was comparatively light." The size of the crop substantiated this statement. During the growth of the crop of 1926-27, the name of " boll-weevil " had scarcely been heard, which clearly showed that the pest had largely been checked.

The Committee also pointed out that Indian cotton mills were gradually turning to the spinning of finer counts, and for this reason it would be necessary to import long-stapled cotton from America in greater quantities than in the past. The present fumigation charges served to discourage importation of American cotton with prejudicial effects to the development of fine spinning in this country.

It was further pointed out that even assuming that there was a danger of the boll-weevil finding its way into India, fumigation did not prevent the bug from reaching the cotton fields of this country for the following reasons :—

- (a) The weevil, if alive when it reached Bombay, could fly from the ship to baled cargo on land, and escape fumigation ;

- (b) Could transfer its pernicious affections to other parts of the cargo on the boat and escape fumigation in that manner ; and
- (c) Could escape during the process of unloading (join a passing train, alight in a cotton-growing district and proceed to set up a family).

The Committee's views were corroborated by the following extract from the proceedings of the 4th Meeting of the Indian Central Cotton Committee :—

“ To ensure absolute safety, fumigation should be carried out in the hold prior to the discharge of any cargo, but this would probably prove prohibitive on account of (a) the cost of fumigating, (b) delay of the ship and (c) consequent increased harbour dues.”

The Committee, as practical men, considered that the absence of the boll-weevil in India to-day must be attributed to the fact that it could not survive the journey to this country.

In 1922, burning of the blow-room refuse by mills which imported American cotton was deemed adequate by the Central Cotton Committee to destroy the boll-weevil if it survived the journey to Bombay, and so far as the Committee of the Association were aware, the information collected subsequently by the Indian Central Cotton Committee was not such as to justify resort to the very costly luxury of ' fumigation.'

The Committee further pointed out that the Imperial Entomologist inquired of the authorities in America for information as to the chances of the boll-weevil surviving the voyage to India. In the course of the note subsequently submitted by him on receipt of information from America, he stated :—

“ I do not know what proportion of these bales is issued in Bombay City, but certainly some have been sent to Ahmedabad, Cawnpore and other places. The danger in Bombay City is small, comparatively speaking, as it is fairly well isolated from any cotton-growing district. The chief danger is in the risk of the weevil escaping *en route* on the way from Bombay to other places, and this they would be likely to do if the wagons got warmed up in the sun. It might therefore be possible to confine fumigation to bales exported from Bombay City, which could reduce the extent of the operation considerably.”

The Committee maintained that there was considerable force in the view expressed by the Imperial Entomologist and they were not aware of any reasons for departing from the recommendation made by him.

It was also pointed out in the letter to the Central Cotton Committee that the American authorities in their report had stated that the adult boll-weevil rarely lived as long as fifty days in the summer, though in the cooler portions of the year, it had been known to live as long as six months. It was the Committee's considered opinion that there was no possibility of the boll-weevil surviving the long journey from the American cotton fields until it reached Bombay and thereafter the cotton fields of India.

The Committee hoped that for the reasons given above, the Central Cotton Association would take up this question *de novo* and recommend to Government that fumigation of American cotton was unnecessary and should be done away with. (*Appendix 22.*)

FINE OOMRA CONTRACT.

An extraordinary general meeting of the East India Cotton Association was convened on the 4th February 1926 to pass, if approved, the under-mentioned Resolution which had already been passed by the Board :—

“ That under By-law 52, trading in July Fine Oomra contract be prohibited until further notice.”

The Committee of this Association took this opportunity of once more drawing the attention of the Board of the East India Cotton Association to the extreme narrowness of the present Hedge contracts. The proposal to prohibit trading in July Oomras afforded further proof of the necessity of widening the Hedge contracts which the Committee of the Association have constantly urged. Last year the argument was advanced that on account of black leaf the Oomra Hedge contract was not sufficiently protected by actual cotton to prevent manipulation by the speculative element in the market. This year this special difficulty had been removed owing to the prohibition against the tender of black leaf cotton having been raised. But in spite of this it had again been necessary to prohibit trading in July Fine Oomra contract, which fact, in the opinion of the Committee, showed that in any normal year there was always a probability that owing to shortage or other reasons, prohibition would be necessary to protect the Fine Oomra contract. The Board of Directors of the East India Cotton Association had no doubt placed the suggestions of this Association before the General Meeting of the East India Cotton Association, but the bulk of the members of the various panels were not in favour of moving as rapidly as desired by this Association in the matter of widening the various Hedge contracts. The Committee submitted that if it was found difficult to widen all the Hedge contracts the time had now come when the Fine Oomra Hedge contract should be widened so as to allow cotton to be tendered one full class below the basis of the contract as was the case in the Oomra delivery contract.

At the meeting of the East India Cotton Association held on 4th February 1926 the resolution for the suspension of the Fine Oomra contract was rejected.

Subsequently the Board of Directors placed before the general meeting certain amendments in the Articles and By-laws of the Association which were the outcome of the proposals submitted by this Association. These proposals also were not adopted owing to a 75 per cent. majority not having been obtained.

It will be thus seen that however anxious the Board of Directors of the East India Cotton Association may be to introduce necessary reforms in the existing Hedge contracts, they are helpless in the face of the general body, particularly the Muccadam's and Jethawalla's Panel, as pointed out in the Association's Report for 1925 (page 38).

Subsequently, a reply was received from the Board of the East India Cotton Association to this Association's letter summarised above. In this letter the Board of the East India Cotton Association, after referring to the inveterate opposition of the Representative Committee to effecting any reforms in the directions suggested by this Association, stated that this Association's proposals for widening the Hedge contract would not meet with the approval of the trade as a whole until such time as they were further educated to a full significance of and necessity for the proposed changes in the Hedge contracts. The Board, however, pointed out that it was open to members of the Representative Committee of the Millowners' Panel, if they so desired, to move the Board to convene an extraordinary general meeting of the Association by a requisition under Articles 32 and 33 for the purpose of considering specific proposals for widening the Hedge contract.

The Committee of the Association felt that no useful purpose would be served by making a requisition for an extraordinary general meeting of the East India Cotton Association, as their proposals would meet with the same fate as in the previous general meetings. One member of the Committee pertinently remarked, as experience had proved in the past, that no reforms would be carried out until the members of the East India Cotton Association were smarting under the effects of a Bull or Bear raid. (*Appendix 23.*)

TRADING IN NEW CROPS.

One more proof of the helplessness of the Board of the East India Cotton Association in effecting desirable reforms owing to the lack of proper understanding on the part of the Jethawallas' and Muccadams' panel is afforded by the rejection of the very wise proposal of the Board to permit trading in new crops from 1st May, 1926. The following resolution was passed by the Board of Directors at the meeting held on 19th April, 1926 :—

“ That trading in new crops be permitted from 1st May, 1926, under By-law 47, subject to the approval of the Representative Committee”

and an Extraordinary General Meeting of the East India Cotton Association was convened on 25th April, 1926, to pass, if approved, the above resolution. The Committee of this Association sent out instructions to members of the Representative Committee of the Millowners' panel to make a point of attending the meeting and vote in favour of the resolution, but eventually the resolution was lost by a very narrow margin.

COTTON FROM HARDA, BHOPAL AND PAPARIA.

The Bombay Cotton Merchants' and Muccadams' Association addressed a letter to this Association asking for the Association's views on the proposal that cotton from the above stations should be tenderable against Fine M. G. Oomra Contract No. 3. They were informed in reply that in the opinion of this Association, the East India Cotton Association was the only body legally authorised to handle questions such as those which formed the subject-

matter of their letter, and the Committee did not propose to carry on correspondence on such subjects with any other body. The Committee further understood that the proposal contained in the letter from the Bombay Cotton Merchants' and Muccadums' Association, Ltd., had been already considered by the East India Cotton Association. (*Appendix 24.*)

RESULT OF THE APPLICATION OF THE COTTON TRANSPORT ACT ON BOMBAY AND MADRAS COTTONS.

(*Please see pages 39 & 218 of the 1925 Report.*)

On pages 39 and 218 of the Association's Report for 1925 will be found the opinions of different members of the Committee on the effects of the application of the Cotton Transport Act. Early in August, the Secretary to the Indian Central Cotton Committee wrote to the Association asking for further information as to the effect of the application of the Act in Bombay on the quality of the Surat, Kumpta and Dharwar cottons of this season. As the Act had also been in operation in three zones of the Madras Presidency for about one year, the Secretary of the Indian Central Cotton Committee further solicited the opinion of the members of the Committee of this Association on the quality of the current season's Northern, Western, Cambodia and Tinnevely cottons.

In reply, the Indian Central Cotton Committee were informed of the underquoted views expressed by different members of the Committee:—

MR. A. GEDDIS.—The previous improvement in Comptas has been kept up, but I have not seen any improvement in Westerns. We do not use Surats, Dharwar or Cambodias.

SIR NESS. WADIA.—There has been no improvement since last year in Surats. In fact cotton last year was slightly inferior. In Comptas and Dharwar, improvements have been maintained. But the Westerns show no improvement but have gone down in spinning qualities.

MR. N. B. SAHLATVALA.—We see no improvement in Western or Cambodia. We agree with Sir Ness. Wadia's views on Westerns. We do not use Northern or Tinnevellys and are, therefore, unable to express any opinion. Improvement in Comptas and Surats has been maintained.

MR. (NOW SIR) J. A. KAY.—The application of the Act relates to the prevention of mixing with growths of one district with those of another. In the Compta district we have no complaints though some short staple has been mixed with longer staple—but all Comptas. In Surats we experience no mixing though the cotton was not so good as the previous season's—due to this crop generally being poorer. Cambodia and Tinnevellys were, in my opinion, a little better than the previous season's... Westerns—I agree with Sir Ness. Wadia.

SIR VICTOR SASSOON.—The Transport Act is working efficiently. Compta quality this year is the best we have had for several years. Cambodia and Karunganni styles are better than last year. The quality of Surat

styles has been maintained. Westerns are worse than last year, due most probably to unfavourable weather conditions.

MR. LALJI NARANJI.—I agree with Sir Victor Sassoon.

—(Appendix 25.)

COTTON SHIPMENTS TO SHANGHAI—FORMATION OF THE INDIAN COTTON TRANSPORT ASSOCIATION.

The attention of the Association was drawn by a member to a very remarkable circular issued by the local Agent of the Japan Cotton Spinners' Association, from which it appeared that an Association had been formed by cotton millowners and cotton merchants at Shanghai named the "Indian Cotton Transport Association," and that the new Association had entered into an agreement with the Conference Lines of Steamers for the conveyance of cotton from Indian ports to Shanghai at the rates mentioned below

	Gross Rate.	Nett Rate.
From Bombay to Shanghai ..	Rs. 27½	Rs. 15 per ton of 40 cubic feet.
„ Calcutta to „ ..	„ 27½	„ 15 „
„ Tuticorin to „ ..	„ 27½	„ 15 „
„ Colombo to „ ..	„ 26	„ 13½ „
„ Karachi to „ ..	„ 31½	„ 19 „

Rebate.—Rs. 5 to shippers and Rs 7½ to the above Association as rebate is to be paid direct by the steamship companies.

Only the members of the new Association were entitled to ship cotton from Indian ports to Shanghai at the rates mentioned above, with effect from 1st November, 1925. The Agent of the Japan Cotton Spinners' Association had been appointed to make allotments for space.

All parties desirous of shipping cotton to Shanghai at the above-mentioned rates were advised to get their consignees at Shanghai to enroll themselves as members*of the new Association.

The Committee felt that the most objectionable feature about this arrangement was the right given to the Agent of the Japan Cotton Spinners' Association to allocate freight space. In a letter to the Government of India, the Committee urged that :—

- (1) The Government of India should move the Conference Lines to give at least equal rebates and freight rates to shippers of Indian yarn and piece-goods to Hongkong and Shanghai in the interests of the export trade of the Indian textile industry.

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- (2) The Agent of the Japan Cotton Spinners' Association in Bombay should not be given the power to make allotments for space, as there was no guarantee that preference would not be given to Japanese shippers with the definite object of capturing the whole of the trade in raw cotton between India and the Far East. In the Committee's opinion it would be far more equitable if the allotments for space were made by an entirely neutral body such as the East India Cotton Association. If, owing to the International character of the question, the Government of India found themselves unable to take any steps in the matter, then the Committee urged that the Government of India should make a representation to His Majesty's Government to deal adequately with the matter.

Subsequently the Committee had the opportunity of studying the minutes of the inaugural meeting held in Shanghai on 28th November, 1925, and the provisional agreement "with the allied shipping companies for the carriage of cotton from India." From these papers it was noticed that the arrangements made were only of a provisional nature and were to come up for revision in November 1926. The Committee of the Association considered it most advisable that the East India Cotton Association should take up the matter with the new Association in Shanghai suggesting that at the time of renewing the agreement in November 1926, the clause relating to the appointment of the Japan Cotton Spinners' Association in Bombay as the authority for allocating freight space should be substituted by a clause providing that in each of the Indian ports mentioned in the agreement, freight space should be allocated by a Committee of Shippers appointed by the East India Cotton Association, and a letter to this effect was addressed to that Association.

The East India Cotton Association asked for views of exporters and shippers of Indian cotton to Shanghai, but the majority of them held that the Bombay Agent of the Indian Cotton Importers' Association of Shanghai had acted very fairly in the matter of allotment of freight space to shippers of cotton. The East India Cotton Association therefore thought it best not to take any action in the matter.

The Government of India in their reply stated that they sympathised with the desire of the Committee of this Association to obtain the lowest possible rates for shipments of yarn and piece-goods to Hongkong and Shanghai, but they were of opinion that they could not interfere in the matter on the lines suggested by the Association, and they held that it was for shippers of yarn and piece-goods to Hongkong and Shanghai to take up the matter with the Conference Lines, if necessary forming themselves into an Association for the purpose of bargaining with them. Government further stated that the arrangement by which allotments of space were made by the Agent of the Japan Cotton Spinners' Association had been in force for some time and that the fears which were at one time expressed that the allotments would not be fairly made had not materialised. Government, however, suggested that the matter should continue to be watched, and that if any complaints in respect of allotments of space did arrive, they should be taken up by the Association and by the Bombay Chamber of Commerce in combination, either directly with the Japan Cotton Spinners' Association or with the representatives of the Conference Lines in Bombay. (*Appendix 26.*)

SUPPLY OF PURE SEED OF DHARWAR No. 1 TO THE
WHOLE OF THE KUMPTA AREA.

Rao Sahib C. S. Shirahatti, Managing Director, Co-operative Cotton Sale Society, Ltd., addressed a letter to the Association on the necessity of extending the supply of pure Dharwar No. 1 Cotton seed over the Kumpta cotton-growing area and forwarded a scheme he had formulated whereby Government, in his opinion, would be able to supply pure seed in increased quantities. Rao Sahib Shirahatti solicited the Association's support for his scheme. The Committee of the Association thought it best to refer the scheme to the Central Cotton Committee for their views. The Central Cotton Committee forwarded to the Association a summary of the letter written by Dr. Mann, the Director of Agriculture, to Rao Sahib Shirahatti from which it appeared that Dr. Mann considered Rao Sahib Shirahatti's scheme impracticable, and he proposed as an alternative to the scheme that work should be concentrated on a limited area (say, 1-10 of the whole each year) and efforts made to replace all other types in that year in that area by fifth generation seed of pure Dharwar No. 1. This would enable the scheme to be entirely carried out in ten years and would reduce Rao Sahib Shirahatti's proposals to a practical basis.

The present supply and the supply under the Director of Agriculture's new proposals were :—

	<i>Now supplied.</i>	<i>Modified proposed supply.</i>
1st Generation	4 lbs. seed.	60 lbs. seed.
2nd ,, 	1 acre cotton.	15 acres cotton.
3rd ,, 	30 acres cotton.	300 acres cotton.
4th ,, 	600 acres cotton.	6,000 acres cotton.

The Director of Agriculture was prepared to approach the Government of Bombay for the necessary addition to the Cotton Breeder's staff to enable the increase in the production of 1st generation (selfed) seed to be increased from 4 lbs. to 60 lbs. annually and was also willing to extend the area of the production of 2nd generation seed on Dharwar far from one acre to fifteen acres, grown under the strictest conditions.

With regard to the 3rd generation, the Director of Agriculture was of the opinion that the growing, under as strict conditions as possible, of 300 acres of seed farm must be provided by some other agency than Government, and he had enquired whether the Hubli Co-operative Cotton Sale Society, Ltd., or some other society or company organised for the purpose, was prepared to undertake the growing of this generation of the seed. He was prepared to ask the Government of Bombay to add to the roguing staff to such an extent necessary to ensure that this work be done thoroughly well and would arrange for the seed of the 2nd generation from 15 acres on Dharwar farm to be supplied to such a society or company. The 4th generation seed would then be grown under conditions similar to those now employed for the 5th generation seed—at Sharewad or some other area arranged for by the society or company. On receipt of Rao Sahib Shirahatti's assent to these modified

proposals, the Director of Agriculture was prepared to submit the whole matter to Government at once with the request that they should take the part suggested for them in the scheme and provide the necessary finance.

The Secretary of the Indian Central Cotton Committee in conclusion stated that he had no further information at present, but would communicate with the Association again on receipt of further information from the Director of Agriculture. (*Appendix 27.*)

THE GADAG CO-OPERATIVE COTTON SALE SOCIETY.

The Gadag Co-operative Cotton Sale Society addressed a long letter to the Association setting forth the work the Society was doing to encourage cultivators to grow pure cotton and regretting that they did not meet with much encouragement from the members of this Association. The Society was floated in 1917, by the combined efforts of the Agricultural Department and the Co-operative Department of Government, and the membership of the Society is only open to the agriculturists of the Department who send their cotton to the Society for sale. This cotton is graded by an experienced officer of the Agricultural Department, in four or five grades, based according to the merits of the outturn, staple, shade, dirt, etc. On being thus graded the lots of the respective grades are sold by auction or by private treaty according to the convenience of the Society and purchasing customers. The accounts of the Society are regularly audited by the local auditor as well as by the Government auditor of the Co-operative Department.

To develop the qualities of the cotton sold through the Society every year, the selected seed is being distributed among the cultivators by the Agricultural Department. Liberal advances of funds at a low rate of interest are made to member cultivators to improve the economic conditions of the ryots. A yearly distribution of prizes for clean picking is regularly made as a sort of special arrangement. The Society at present handles the cottons in shape of kapas only. The varieties are Villayati (Sawgin) Uplands and Kumptas of best style grown on that side. From this season a gin and press factory has been engaged exclusively for their customers' work and ginning and pressing can be done at an additional expense of Rs. 20 per bale, F.O.R. Gadag. In conclusion, the Society requested the Association to recommend the members to send their purchasing agents to witness their auction sales and make their bids thereon and also to negotiate with the Society for samples and quotations from time to time for purchasing by private treaty if the prices were found suitable.

A copy of the Gadag Co-operative Cotton Sale Society's letter was forwarded to all members for their information. (*Appendix 28.*)

IMPROVED COTTON IN THE SURAT TRACT.

The Cotton Superintendent, Surat, addressed a letter to the Association intimating that the Agricultural Department had been trying for the last eight years to improve the quality of cotton in the Surat tract, and so far had

been successful in spreading the improved type up to the river Narbada with the help of the trade and local merchants. The work of producing more improved types was now systematically being carried on on the Surat Farm, and during this season there will be 2,500 bales of cotton of this type grown under the control of the Department at Surat, Bardoli, and Navsari. The Cotton Superintendent also forwarded to the Association the latest "Spinning Tests" of this type of cotton by the Oldham Cotton Spinners' Association. The Cotton Superintendent requested the Association to bring the matter to the notice of consumers and assist the Department in disposing this cotton at profitable rates so that the cultivators might be induced to produce such cotton in large quantities by spreading and distributing pure seed of the types.

A copy of the letter from the Cotton Superintendent together with the "Spinning Tests" was sent to all members of the Association for their information. (*Appendix 29.*)

MARKING OF BALES AND WEEKLY RETURNS OF COTTON PRESSED.

Early in February a letter was received from the Indian Central Cotton Committee complaining that it had been brought to their notice that certain ginning and pressing factories which were working only for the supply of cotton to spinning mills were not complying with the requirements of the Cotton Ginning and Pressing Factories Act and, in particular, that in certain pressing factories, bales were not being marked in accordance with the Act and Rules, and weekly returns of cotton pressed were not being submitted to the Directors of Agriculture as required. The Indian Central Cotton Committee desired to make it perfectly clear that there were no exemptions under the Act and that all ginning and pressing factories, by whomsoever owned, must comply with the provisions of the Act. It was further pointed out that if presses owned by spinning mills did not make the weekly returns required by the Act, provincial statistics for the commercial cotton crop, on which so much stress had been laid by all sections of the cotton trade, would again be incomplete, thus defeating one of the objects of the Act. The Indian Central Cotton Committee requested the Association to bring this matter to the notice of the members, and accordingly a copy of the letter from the Indian Central Cotton Committee was forwarded to all members for their information. (*Appendix 30.*)

MIXING OF PUNJAB-AMERICAN COTTON.

About the middle of March the Indian Central Cotton Committee forwarded to the Association a statement reproduced in the appendix showing the results of a survey by the Director of Agriculture, Punjab, of over half a million acres of American cotton for purity. This survey was carried out with a view to ascertaining to what extent the mixing of Punjab American with Desi took place in the field and to what extent such mixing took place after picking and in the ginning and pressing factories. The Indian Central

Cotton Committee observed that the statement went to show that over the whole of the province 70 per cent. of the American cotton was grown practically pure and that 82½ per cent. contained less than 10 per cent. of Desi. On the lower Chenab canal colony, which contained rather more than half the total American cotton area, 76 per cent. of the cotton as grown contained less than 10 per cent. Desi. The Indian Central Cotton Committee considered that these figures would be of interest as they clearly demonstrated that there was no comparison between the purity of the Punjab-American cotton as grown and as it left the pressing factories.

A copy of this communication from the Indian Central Cotton Committee was forwarded to all members of the Association. The Bombay Dyeing and Manufacturing Co., Ltd., took exception to the conclusions reached by the Indian Central Cotton Committee, and were of opinion that women who picked cotton in the fields mixed up this cotton with Desi, and that a certain amount of mixing took place before the cotton reached the ginning factories. It was, however, true that after cotton reached pressing factories it was mixed with Desi by ginners pressers and merchants.

The Bombay Dyeing and Manufacturing Co. thought that the Central Cotton Committee should take precautions to see that the cotton was not mixed with Desi in the fields, and that the Punjab-American cotton was kept separate from the Desi cotton at the time of picking. The Bombay Dyeing and Manufacturing Co. also hinted at the possibility of the Punjab-American and Desi cottons being grown side by side in central parts of the Punjab which might lead to mixing.

A copy of the letter from the Bombay Dyeing and Manufacturing Co., Ltd., was sent to the Indian Central Cotton Committee whose Secretary in a letter to this Association pointed out that his first letter dealt with one point only, *viz.*, the purity of the cotton *as grown*. The investigation was undertaken because certain ginners and others who had been making a profit out of mixing had made the statement that Punjab-American cotton was grown mixed in the field.

The Secretary, Indian Central Cotton Committee, admitted that mixing might take place between the field and the gins, but this was not the point at issue. As a matter of fact the Punjab Agricultural Department for several years had made careful enquiries and all the information they had obtained went to show that cultivators did bring their American and Desi kapas into the markets separately. How long they would continue to do so when they saw wholesale mixing going on in the gins was another matter, and it could only be hoped that the cotton trade would take full advantage of the Cotton Ginning and Pressing Factories Act. *Mixed* kapas was comparatively rare and was mainly limited to small lots sold by petty dealers who bought kapas from labourers where picking was paid for in kind instead of in cash.

In conclusion, the Secretary of the Indian Central Cotton Committee enquired if any definite figures could be furnished as to the extent of the mixing during picking. All their information pointed to one conclusion, *viz.*, that the mixing of which the trade complained took place mainly in ginning factories. (*Appendix 31.*)

COTTON WASTE AND COTTON REFUSE.

The railway classification of cotton waste and cotton refuse is as under :—

Cotton waste, 4th class, *i.e.*, 0.62 pie per maund per mile.

Cotton refuse, 2nd class, *i.e.*, 0.42 pie per maund per mile.

In a letter to this Association, the General Traffic Manager, Bombay, Baroda and Central India Railway Co., Ltd., stated that consignments of cotton waste were very often misdeclared as cotton refuse in order to gain the benefit of the lower freight rates chargeable for the latter commodity. It was therefore proposed by the Bombay, Baroda and Central India Railway Co., Ltd., to issue the following notification defining cotton refuse, and the Association was requested to express its opinion regarding this notification :—

“ Numerous instances have come to the notice of the staff treating and charging cotton waste as cotton refuse. Cotton refuse is a mixture of leaves, sand, dust, broken cotton seeds, etc. This stuff is suitable only for use as manure and in paper making and senders must make a declaration on the Consignment Notes to that effect. Consignments of cotton waste, not answering to this definition, should therefore be treated as cotton waste.”

The Committee of the Association saw no objection to a notification being issued as above by the Bombay, Baroda and Central India Railway Co., Ltd., and the General Traffic Manager, Bombay, Baroda and Central India Railway Co., Ltd., was informed accordingly. (*Appendix 32.*)

COTTON INDUSTRY (STATISTICS) ACT, 1926.

The Cotton Industry (Statistics) Act, 1926, which received the assent of the Governor-General on 25th March, 1926, is reproduced in full in the Appendix.

The Bill, as originally framed, had the following statement of Objects and Reasons attached to it :—

“ 1. The Cotton Duties Act, 1896, provides, in addition to the collection of the duty, for the submission of returns of the quantities of cotton goods produced in mills in British India. These statistics of production have been systematically compiled for the last 30 years, and have proved of great assistance in studying the development of vicissitudes of the industry.

“ 2. It is proposed to repeal the Cotton Duties Act of 1896 by a clause in the Finance Bill, and unless the preparation and submission of these statistical returns are provided for by another Act, there will be a break in the continuity of these useful statistics.

“ 3. The Bombay Millowners' Association have been consulted and are in favour of the continuance and preparation of these returns for quantities of yarn and cotton goods manufactured in India.

“ 4. It is, therefore, proposed to render compulsory the preparation and submission of such returns by a Cotton Industry Statistics Bill. This Bill will be proceeded with *pari passu* with the Finance Bill.”

The Committee of the Association recommended that now that the Cotton Excise Duty was abolished, it would be better for Government to obtain from mills statistics regarding goods *manufactured* every month instead of goods delivered out of the mill premises. In the Bill as originally framed by Government, the word 'produced' was used in the same sense as in the repealed Cotton Duties Act, *i.e.*, 'issued out of the premises of a mill.' The Committee recommended that the word 'manufactured' may be substituted in the place of the word 'produced' and they further suggested the following comprehensive definition of the word 'manufactured':—

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

The Association's suggestion to substitute the word 'manufactured' in place of 'produced' was accepted by Government, but unfortunately no definition of the word 'manufactured' was given.

As a result of further correspondence Government informed the Association by wire that they had provisionally accepted the definition, and all members were immediately informed of Government's decision. Subsequently the Collector of Customs, Bombay, forwarded to all mills under his jurisdiction an intimation of Government having accepted the above definition with the words "and the goods are finally stamped and marked" being deleted.

The rules published under the Act are also reproduced in the Appendix. It may be mentioned that in the first instance, Government wanted grey and bleached goods to be shown separately in Form A under the same headings, but the Committee pointed out that this would lead to difficulties owing to varying arrangements which existed in regard to bleaching. Some mills had their own bleaching departments whereas other mills manufactured only in the grey state and sent the goods to other mills for bleaching from which they were often delivered direct to the dealers. Moreover, as bleaching sheds did not come under the scope of the Cotton Duties Act, it would be difficult to obtain returns from them under the Cotton Industry (Statistics) Act. The original rules were accordingly amended by Government so as to make no distinction between grey and bleached piece-goods.

The present classification of goods in Form A does not seem to be quite satisfactory, and it was pointed out to Government that mills might be allowed to use the same classification as they had been hitherto doing under the

Cotton Duties Act. Government, however, decided not to make any other change in Form A for the present. In their letter they stated that they hoped mills would not find any difficulty in completing this form since, as regards classification of cotton goods, it was, but for one item, identical with that adopted in the prescribed form of return required of millowners by Section 8 of the Cotton Duties Act. Government, however, added that if mills for a time found it necessary to send in returns in any form that they might have been using in the past, it would be possible to compile from it the information required for statistical purposes, and the continuity of existing statistics was, in Government's opinion, not likely to suffer. (*Appendix 33.*)

INDIA AND THE SEVENTH INTERNATIONAL LABOUR CONFERENCE.

A report on the Seventh Session of the International Labour Conference, submitted by the delegates to Government of India who attended that session, has been published by the Government in response to a suggestion made in the Legislative Assembly. The report contains an account of the composition and proceedings of the Conference, together with the texts of the Draft Conventions, Recommendations and Resolutions adopted.

Referring to the representation at the Conference, the report says :—

“ One of the most striking features of these annual Conferences has been the growth of the group system. In the case of the Government delegates the group is a loose organism with no common policy, which rarely meets except for the purpose of holding elections. But in the case of the employers' and workers' delegates, the groups meet regularly to discuss questions coming before the Conference and Committees, and in nearly all cases a common policy is decided upon and supported by the delegates belonging to the group.

“ It was perhaps inevitable that this development should take place, and the system may have its advantages ; but there are many who believe that its excessive rigidity is not in the best interests of the Organisation. The independence of the individual is apt to be sacrificed, and that close contact and free interchange of views between the representatives of capital and labour contemplated by the framers of the Labour Covenant become difficult.

“ Reference is made to the discussion, during the debate on the Directors' Report, with regard to the non-ratification by Japan of the Washington Hours Convention.”

“ This part of the debate which was conducted in a very temperate spirit, elicited considerable interest in the Conference. It was not, of course, to be expected that the Government representative of Japan would be in a position to make any declaration, but we trust that the discussion may help towards the ratification of the Washington Conventions by Japan.”

INTERNATIONAL LABOUR CONFERENCE—EIGHTH AND
NINTH SESSIONS.

NON-RATIFICATION OF THE WASHINGTON CONVENTION BY JAPAN.

On 12th March, 1926, the Government of India issued a Press *Com-
munique* intimating that the Indian delegation to the Eighth and Ninth
Sessions of the International Labour Conference to be held at Geneva on
26th May and 7th June, 1926, respectively, would be composed as follows :—

EIGHTH SESSION.

TO REPRESENT THE GOVERNMENT OF INDIA.

Delegates :

- (1) SIR A. C. CHATTERJEE, K.C.I.E., High Commissioner for India.
- (2) SIR L. J. KERSHAW, K.C.S.I., C.I.E., India Office, London.

Adviser :

MR. R. N. GILCHRIST, M.A., I.E.S.

TO REPRESENT THE EMPLOYERS.

Delegate :

THE HON'BLE SIR ARTHUR FROOM, Messrs. Mackinnon, Mackenzie and
Company, Bombay.

TO REPRESENT THE WORKERS.

Delegate :

LALA LAJPAT RAI, M.L.A.

NINTH SESSION.

TO REPRESENT THE GOVERNMENT OF INDIA.

Delegates :

- (1) SIR A. C. CHATTERJEE, K.C.I.E., High Commissioner for India.
- (2) SIR L. J. KERSHAW, K.C.S.I., C.I.E., India Office, London.

Advisers :

- (1) MR. R. N. GILCHRIST, M.A., I.E.S.,
- (2) MR. J. E. P. CURRY, Shipping Master, Bombay.

TO REPRESENT THE EMPLOYERS.

Delegate :

THE HON'BLE SIR ARTHUR FROM, of Messrs. Mackinnon, Mackenzie and Company, Bombay.

Adviser :

CAPTAIN H. J. ROUSE, Marine Superintendent, British India Steam Navigation Co., Ltd., Calcutta.

TO REPRESENT THE WORKERS.

Delegate :

MR. M. DAUD, M.A., B.L., M.L.C., General Secretary, Indian Seamen's Union, Calcutta.

Adviser :

MR. S. MOGHAL JAN, Chief Steward.

Soon after the publication of the above notification the Committee of the Association addressed letters both to Sir Arthur Froom and Lala Lajput Rai urging them to protest against the non-ratification by Japan of the Hours Convention adopted at Washington. All available materials on the question were placed by the Association at the disposal of the two delegates who were respectively to represent the employers and the workers of India.

Agreeably to the Association's request Sir Arthur raised the question at the eighth session of the International Labour Conference and made a very admirable speech criticising the conduct of Japan in not fulfilling their international obligations in respect of the Washington Convention, and explaining how the cotton mill industry of this country was placed at a serious disadvantage through Japan not ratifying the Washington Conventions. Sir Arthur Froom kindly forwarded to the Association a copy of the whole proceedings, and this was passed on by the Association to the Indian Tariff Board (Cotton Textile Industry Enquiry) for their careful consideration. The Association conveyed its thanks to Sir Arthur Froom for the work he had done on behalf of the Association and the Indian Cotton Textile Industry generally at the Eighth International Labour Conference. (*Appendix 34.*)

TENTH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

The following telegram from the Associated Press of India, Simla, appeared in the leading papers of Bombay on 19th May, 1926 :—

“ The Government of India has been informed that the 10th Session of the International Labour Conference will be held at Geneva in 1927. The exact date will be notified later. The items on the

formal agenda of the session are :—(1) Sickness insurance (excluding maternity insurance and the insurance of seamen); (2) freedom of Association (excluding the question of the right to strike); and (3) minimum wage fixing machinery in trades in which the organisation of employers and workers is defective and where wages are exceptionally low with special reference to home working trades.

“Representation of each state should include four delegates of whom two will be Government representatives, one a representative of employers and one a representative of labour. The right of nominating all delegates rests with the Government, but in selecting delegates for employers and labour the Government of India will attach due importance to the recommendations made by organised representative associations of the employers and the employed. All suggestions as to nomination of non-Government delegates should reach the Secretary to the Government of India in the Department of Industries and Labour at the earliest possible date and in any case not later than the 1st January, 1927, in order to enable the Government to make selections, to report them to the International Labour Office and to make adequate arrangements for the journey of the delegates. Allowances (on a scale which can be ascertained by application to the Department of Industries and Labour,) will be granted by the Government to defray the expenses of the delegates finally nominated.”

The Committee of the Association recommended Government to nominate Mr. (now Sir) J. A. Kay as the representative of the employers of India at the forthcoming session of the International Labour Conference. It is understood that several commercial bodies have supported the nomination of Sir Joseph Kay. (*Appendix 35.*)

THE PRESENT SYSTEM OF PAYMENT OF WAGES AND OF INFLICTION OF FINES.

Two Associated Press messages appeared in the newspapers in July and August respectively in regard to proposed Government action in connection with the system of payment of wages and of infliction of fines in industrial concerns in this country. The Association being vitally interested in both these questions, it was a matter of considerable surprise to the Committee that Government should have formulated decided views on these subjects without first ascertaining the views of employers in different important industries. The Committee addressed a letter to the Government of India, Department of Industries and Labour, asking for an assurance that no legislative action would be taken without giving due consideration to the views of those vitally interested in the questions, and inquiring upon what information the Government of India based their conclusions contained in the messages of the Associated Press.

The Government of India, in reply, stated that their two circular letters were issued partly with the express purpose of ascertaining the views of Local Governments and through them, of the interests concerned, on the advisability of legislation on these subjects. They added that before framing

any legislative measures of the kind discussed in the letters they would give full consideration to the replies received, and they had no doubt that copies of their circular letters would be forwarded to the Association by the Government of Bombay.

On a reference being made to the Government of Bombay, the latter stated that they were considering the two communications of the Government of India, and that the Association would be consulted by the Director of Information and Labour Intelligence in due course in the matter before replies were given to the Government of India.

ALLEGED DELAYS IN PAYMENT OF WAGES.

Subsequently, the Director of Information and Labour Intelligence forwarded to the Association a copy of the Government of India's letter for an expression of the Association's views thereon, and in his covering letter he drew the Association's attention to the fact that a very elaborate and extensive inquiry had been conducted by his office in 1924 into Periods of Wage Contracts, the number of days normally elapsing between conclusion of period of work and actual payment and facilities granted by employers for obtaining advances and rations. The complete details of this enquiry for the Bombay Presidency were published in an article on pages 491-502 in the issue of the *Labour Gazette* for January 1925. The results of similar enquiries conducted in various provinces in India, the Director of Information stated, were reproduced from a special Bulletin published by the Government of India on pages 445-459 of the issue of the *Labour Gazette* for January 1926.

The Government of India in their letter stated that the information collected by them regarding the periods by which wages were paid in organised industries and the delays which were associated with their payments could not be regarded as other than unsatisfactory. The time which elapsed between the end of the period by which wages had been earned and the date on which they were paid was longer than was usual in industries in other countries. In Government's opinion, a practice of this kind resulted in considerable hardship to the workers concerned. Government were, however, not inclined to countenance the suggestion that since it was in the case of monthly payments that delays usually occurred, employers should be compelled to adopt shorter periods of payment. What the Government of India proposed was to set statutory limits to the time within which wages must be paid. In the case of wages paid on a monthly system (or any longer basis), Government proposed that payments should ordinarily be made within a week of the close of the month. As regards payments on shorter periods, Government held that evidence available indicated that there was less need for legislation, but they desired to know the views of the Local Governments on the suggestion that corresponding limitations might be imposed, *e.g.*, in the case of fortnightly wages, four days' delay might be allowed, in the case of weekly wages, two days, and in the case of daily wages, one day.

The Government of India also held that, if the enforcement of the proposed legislation was to depend on the initiative of the workmen, the Act would fail to achieve its object, and they therefore recommended that

the power to prosecute should be granted to some external authority, such as an inspecting staff. Lastly, Government maintained that the proposed legislation should be extended only to establishments which were subject to the Factories Act or the Mines Act.

In reply, the Committee stated that Government were aware that this Association was always anxious to support legislation calculated to ameliorate the conditions of the labouring classes, provided such legislation was framed on sound lines with due regard to the needs and requirements of the country and of the different industries affected by such legislation. The Committee, however, had noted with keen regret a tendency on the part of Government to impose on industries legislation for which there would appear to be little or no justification, and which was further calculated to inflict on employers difficulties of a serious nature without any appreciable advantages to the workpeople. The proposals outlined in the Government of India's letter afforded an illustration of the statement just made, and the Committee regretted that for reasons given below they were constrained to lodge an emphatic protest against the proposed legislation.

The Committee pointed out that in the cotton mills of Bombay workmen absented themselves in large numbers on the days following the pay-day. Owing to this tendency on the part of workpeople, the usual rule in Bombay mills was to pay operatives their wages for a particular month on the day preceding a holiday during the second week of the month. The wages were thus usually paid between the 10th and 15th of every month, and this system did not appear to have evoked any dissatisfaction whatever among the workpeople.

If the wages were to be paid by the 7th of each month, musters involving intricate piece-work calculations would have to be completed by the 4th of each month at the latest. This was a sheer impossibility unless extra staff was employed or the existing staff was made to work overtime during these four days. In either case, mills would have to incur extra expenses which they could ill-afford in these times.

Again, a number of mills supplied cheap grain, cloths, etc., to their workmen, and such mills would be placed at a still greater disadvantage, for, they would have to prepare their wages muster even earlier than the 4th of each month, as deductions on account of these supplies could only be made after the wages muster was ready.

The Committee were unable to agree with Government that the information collected in the Bulletin published by them was of a nature to justify the proposed legislation, and their surprise at the views expressed by the Government of India was all the greater in view of the fact that only in February last the Hon'ble Sir B. N. Mitra, Member of Industries and Labour, had expressed himself as below in the course of the debate on Mr. Chaman Lal's "Weekly Payment Bill" :—

“ What Mr. Chaman Lal really wants is not that the wages should be paid weekly but that the wages should be paid quickly. Here

again, Sir, the general practice, according to this Bulletin, seems to be that there is not inordinate delay in payment, that the waiting period is not unnecessarily large. At the same time sporadic cases have occurred in which payments have been unduly delayed."

The Committee submitted that the above-quoted extract from the speech made by the Hon'ble the Member for Industries and Labour very conclusively showed that the proposed legislation was quite uncalled for.

In conclusion, the Committee hoped that in future Government, before deciding to launch upon legislation of this type, would first gather exact information from the different industries to enable them to judge whether there was any necessity for legislation, and in all cases, before coming to any decision, they would show due appreciation of the difficulties likely to be entailed on employers by that decision. In the Committee's opinion there might be some justification for legislation in those cases where monthly wages were paid 3 or 4 weeks or even more after they had become due, and they maintained that looking to the conditions prevailing in this country, the rights of labour would be sufficiently protected if legislation were enacted prohibiting the withholding of wages for more than a fortnight after they had become due. (*Appendix 36.*)

DEDUCTIONS IN WAGES OR PAYMENTS IN RESPECT OF FINES.

The Director of Information and Labour Intelligence also forwarded to the Association a copy of the Government of India's letter on the above subject together with the draft of a questionnaire prepared by his office, which he proposed to send to all known factories in the Presidency and public bodies employing industrial labour. The Director proposed to cover one calendar year for this inquiry and selected the year 1925 for the purpose. The information available on this important subject was so meagre that the Director suggested that it would be best for the Association to express their views on the subject at a later date when detailed information had been collected rather than at the present time. In the meanwhile, the Director requested the Association to favour the Labour Office with their views on the questionnaire, particularly on the following points:—

- (a) The suitability and adequacy or otherwise of the period proposed to be covered by the enquiry, *i.e.*, the year 1925.
- (b) Whether the questionnaire was a fair and reasonable one, calculated to obtain the necessary information having regard to the conditions in the industries of which the Association had special knowledge.
- (c) Whether the subject would be adequately covered if the questionnaire was sent only to establishments coming under the definition of factories or whether in the Association's opinion it should be sent also to large shops and stores, big commercial offices, etc.
- (d) Whether any additional items should be included in the questionnaire or the schedule.

The Committee of the Association expressed their views as below on the four points mentioned above :—

- (a) As regards the adequacy and suitability of the period chosen it was suggested that as far as the Bombay mill industry was concerned the year 1925 would be abnormal owing to the protracted general strike in the last three months of the year.

Another point recommended for the consideration of the Director of Labour was the excessive amount of labour which would be involved in preparing the information required for twelve months, and it was suggested that the figures for six months would be an adequate basis from which to draw conclusions. It was immaterial to members of this Association which months were chosen, but the first six months of 1926 were suggested for the reason that to the best of the Committee's knowledge there were no industrial disturbances of any magnitude or any very abnormal labour conditions in the industry in India during that time.

- (b) The questionnaire in its existing form, in the opinion of the Committee, was too elaborate. They held that at this stage a simpler questionnaire to elicit the main facts would have been of greater utility inasmuch as the number of returns received would depend largely on the ease with which the questionnaire could be answered. For example, if by simplification the percentage of industrial establishments supplying information could be doubled or trebled, the Committee considered that the path of wisdom would be to issue a simpler questionnaire.

At any rate it was held that separate industries should be separately catered for and with that point of view in mind, the Committee suggested certain modifications which might be introduced into the enquiry form sent to cotton textile mills in this Presidency.

- (c) The Committee considered that it would be advisable to issue the questionnaire to workshops, large shops, stores and commercial offices as well as factories. In England the chief offenders, at the date of the introduction of the Truck Acts, in the matter of fines and unfair deductions from wages were not the establishments amenable to the Factory Act of the time but the workshops and shops where the farming out of work and the living-in system existed, respectively. The same state of affairs might exist in India, and the Committee held that any enquiry which was made in regard to fines should be so designed as to give complete information as to the state of affairs in such establishments.

- (d) For the cotton textile industry of the Presidency, a number of new headings might advisably be introduced and others deleted. In particular, simplification was advised by the deletion of the special columns for men, women and children on pages 4 and 5 of the draft questionnaire. Separation of the totals for each class

of persons would, in the Committee's opinion, entail an addition to the work of tabulation out of proportion to the additional value of the statistics which would accrue from inclusion, and might materially reduce the number of returns received from mills.

The Director, in his reply, stated that he much appreciated the care the Committee of this Association had given to the criticisms of the questionnaire and schedule, and if possible the suggestions made would be given effect to, especially that which suggested that a separate form for the mill industry might be advisable. (*Appendix 37.*)

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**BILL TO PROVIDE FOR THE COLLECTION OF STATISTICAL
INFORMATION FOR PUBLIC PURPOSES (BILL No. XII OF 1924).**

(Please see pages 101-388 of 1924 Report.)

The previous history of the legislation for the collection of statistics will be found in the Association's Report for 1924. The amended Bill was on the agenda of the February session of the Bombay Legislative Council, and while withdrawing this Bill, the Hon'ble Mr. Cowasji Jehangir, General Member, made the following statement :—

“ Honourable members will recollect that Sir Maurice Hayward some time ago moved the first reading of this Bill and in view of some of the objections taken to the Bill in this honourable House, he did not continue with the first reading but discussed it very thoroughly with certain honourable members. The result of that discussion was that the Bill was completely redrafted. That redraft has not been published. The Bill that has been published and circulated to this honourable House is the original Bill. A new Bill was submitted to the Government of India for sanction. Sanction has not yet been obtained and, therefore, this Government has been unable to publish it and, naturally, therefore, unable to move it. Therefore, I desire, Mr. President, to withdraw the Bill which is now on the agenda. Government will, if possible before the next session, publish the new Statistical Bill which has been redrafted, as I have already mentioned, in consultation with certain honourable members of this House. I therefore withdraw the Bill.”

It may be surmised that it is extremely doubtful whether the amended Statistics Bill will be introduced in the near future in view of the curtailment of the Labour Office's activities following on the Government's decision not to reappoint a Director of the Labour Office.

**ABOLITION OF THE LABOUR OFFICE—DEBATE IN THE
BOMBAY LEGISLATIVE COUNCIL.**

A Press Note was issued by the Government of Bombay as follows :—

“ The question of the abolition of the post of Director, Labour Office, has for some time past engaged the attention of Government. Government have now decided that the post of the Director should be

abolished from 1st March, 1926, the date from which the leave granted to Mr. G. Findlay Shirras (the incumbent of the post) expired. The work of the Labour Office should be entrusted to the Director of Information who should be styled Director of Information and Labour Intelligence."

The question was discussed in the Bombay Legislative Council in March, and the action of Government was criticised by some members who appeared to be labouring under the delusion that Government by their action only wanted to placate this Association which had taken up strongly with Government the one-sided and misleading evidence given before the McLeod Committee by Mr. Shirras in his official capacity as Director of Labour. Perhaps the most telling speech made on the occasion was that of Mr. C. N. Wadia, C.I.E., the Association's representative on the Legislative Council, which is reproduced below in full :—

"Sir, I am a 'bloated' capitalist, and as a representative of the 'bloated' capitalists I rise to speak a few words with fear and trembling. If one believed the honourable gentlemen speaking about the Labour Office, one would imagine that it was the only office that collects statistics in the world. As a matter of fact, the Labour Office in its initial stages was very useful : it laid down certain tables and collected information on a solid basis. That work being done, I presume that the statistics will be collected as they have been collected for years past by officers of the Government. Whether they are collected by Ganesh or Hari, I do not see that that matters much. If collected and codified as before, the Government and the public should be equally satisfied.

"Sir, the Honourable Member the Deputy President has referred to the McLeod Committee. Perhaps he will be surprised to hear that the evidence given by the Labour Office was a great deal inconsistent with the facts and figures collected by them. The Director had put in fallacious statements and inferences. We addressed him with reference to them, and the only answer we got from him was that he admitted that what he really meant was exactly contrary to what he was supposed to have stated before the McLeod Committee, as a 'not' had been missed out !

"Sir, I have been hearing here many suggestions for economy from Honourable Members. They want to reduce this amount and that amount. Now that Government make a serious effort to reduce expenditure they rise up and say Government should not do so. They do not seem to be logical. I suggest that they should study the rules of logic before they speak about economy."

THE TRADE UNION ACT.

(Please see pages 81-356 of 1924 Report.)

The Trade Union Act passed by the Indian Legislature received the assent of the Governor-General on 25th March, 1926.

The Bill as originally framed and the Committee's views thereon will be found in the Association's Report for 1924. It will be remembered that the Committee's criticisms were mainly levelled in two directions, *viz.*, (1) that registration should be compulsory and not optional, and (2) that some provision should be made against picketing. These views did not meet with the approval of the Select Committee of the two Houses which examined the Bill last September. On the contrary, the Select Committee made other alterations in the Bill which could hardly be said to be on sound lines.

It will be remembered that the Government of India while framing the Bill had expressed themselves against allowing the trade unions to spend any portion of their funds on political objects and in their letter dated the 30th August, 1924, they had made it clear that the conclusion reached by them was based on the great majority of the replies received by them. Nonetheless, the Select Committee by a majority recommended that expenditure of trade union funds on political objects should be allowed, subject to the proviso that such expenditure should be met not from the general funds, but from a special fund, contributions to which should be optional. The Select Committee, therefore, inserted an additional section to this effect, and included a provision therein on the basis of the English law to prevent unfair discrimination against a non-contributing member. In prescribing the political objects also, on which expenditure might be incurred, the Select Committee followed the provision of the English law. This new clause as drafted by the Select Committee is reproduced below :—

16. (1) A trade union may constitute a separate fund, from contributions separately levied for or made to that fund, from which payments may be made, for the promotion of the civic and political interests of its members, in furtherance of any of the objects specified in sub-section (2).

(2) The objects referred to in sub-section (1) are :—

- (a) the payment of any expenses incurred either directly or indirectly by a candidate or prospective candidate for election as a member of any legislative body constituted under the Government of India Act or of any local authority, before, during, or after the election in connection with his candidature or election ; or
- (b) the holding of any meeting or the distribution of any literature or documents in support of any such candidate or prospective candidate ; or
- (c) the maintenance of any person who is a member of any legislative body constituted under the Government of India Act or of any local authority ; or
- (d) the registration of electors or the selection of a candidate for any legislative body constituted under the Government of India Act or for any local authority ; or

- (e) the holding of political meetings of any kind, or the distribution of political literature or political documents of any kind.

(3) No member shall be compelled to contribute to the fund constituted under sub-section (1) ; and a member who does not contribute to the said fund shall not be excluded from any benefits of the trade union, or placed in any respect either directly or indirectly under any liability or at any disadvantage as compared with other members of the trade union (except in relation to the control or management of the said fund) by reason of his not contributing to the said fund ; and contribution to the said fund shall not be made a condition for admission to the trade union.

The Government of India did not desire to oppose the inclusion of this new section in the Bill, though the Hon'ble Sir Bhupendranath Mitra, Member for Industries and Labour, expressed himself strongly against the advisability of accepting the conclusions of the Select Committee. The following extract from Sir Bhupendranath Mitra's speech very ably brings out the undesirable nature of this new section :—

“ Personally I do not like the provisions of the clause, as I am apprehensive that in the present state of education among a large body of workmen, which is far behind the stage that was reached in England in 1913, they may constitute a weapon in the hands of interested persons to exploit the workmen and the effect of such exploitation may not be in the best interests of the latter. I may mention that even in England there is a considerable difference of opinion about the usefulness from a purely trade union point of view of the special political fund ; and in this connection I will quote the following from a recent book on Trade Unionism by Mr. W. A. Appleton, a leading British Trade Unionist, who, I understand, is the General Secretary of the Federation of Trade Unions :—

“ The old trade unionists declared by their methods that they organized to secure the best possible wages and the best possible conditions. ‘ If,’ they said, ‘ we include other objects, we may attempt too much, and we are likely to accomplish too little. While the issues are simple, all our people can understand and voluntarily give their allegiance, but when these issues become complex and demand the sacrifice of traditional beliefs and the acceptance of religious or political dogma, disintegration or compulsory adhesion is invited.’

The old folks were right. They mostly are, because they reason from experience endured, as well as from knowledge acquired. Their policy consciously aimed at missing some of the troubles which beset modern trade unionists. To-day, indeed, there are many thousands who feel that the disintegration which threatens trade unionism is the penalty for having mixed up the issues arising out of employment with those arising out of national and international affairs ; who believe also that it is difficult to obtain the maximum improvement in wages and working conditions if half of one's time and resource is given to promoting internal or external revolution.’

On behalf of Government, I am prepared, however, to let the matter rest where it has been left by the Select Committee and to accept clause 16 without any further amendment, direct or indirect, but subject to a verbal and drafting correction of which I have already given notice."

The verbal correction required by Sir Bhupendranath Mitra in the section as drafted by the Select Committee was the inclusion of the word 'registered' after the word 'trade union,' and the section so amended was eventually passed by the Legislature.

Another drastic alteration which the Select Committee sought to make, but happily failed to accomplish, was in connection with the number of outsiders to be allowed in a trade union. Section 6 of the original Bill enumerated the provisions to be incorporated in the rules of a trade union, and the Select Committee included among these provisions 'the admission of members, including honorary and temporary members, of the trade union,' on the ground that the assistance of experienced labour leaders would be of value to trade unions while the movement was in its infancy and they further recommended that these leaders should have the protection of clauses 17 and 18 of the amended Bill when engaged in an advisory capacity in any industrial dispute. This protection can be given by making them honorary or temporary members of the trade union.

Again, Section 20 of the original Bill laid down that a majority of the officers of every registered trade union should be persons actually engaged or employed in the industry with which the trade union was connected. It will be remembered that the Association had expressed the view that a bare majority was not sufficient, and that it should be provided that not more than one-third of the executive should be drawn from outside. The Select Committee went to the other extreme and recommended in view of the low educational level of the ordinary labourer, the substitution of the words 'not less than one-third' in place of the word 'majority' in the original Bill. The official members of the Select Committee, however, in a dissenting minute took strong exception to the views of the majority. In this minute of dissent, it was well stated :—

"What the clause was intended to secure was that a number of the actual workers obtained the opportunity of education in trade union affairs, and we regard with apprehension any change which may have the effect of restricting these opportunities. The amended clause will in practice give trade union leaders the power to restrict the representation of the workers from among their own ranks to the minimum of one-third of the executive, and it may be a long time in many cases before the workers realize that it is quite permissible for them to obtain more, and still longer before they are able to enforce their rights in this respect."

Eventually, the Legislative Assembly amended the new provision in clause 6 as below :—

“(e) the admission of ordinary members, who shall be persons actually engaged or employed in an industry with which the trade union is connected, and also the admission of the number of honorary or temporary members as officers required under Section 22 to form the executive of the trade union.”

while as regards Section 20 (Section 22 of the amended Bill) the words ‘not less than one-half’ were substituted in place of the words ‘not less than one-third’ recommended by the Select Committee.

It should be added that the amendments of the original reactionary proposals of the Select Committee are due largely to the strong case made out by Mr. W. S. J. Willson, the representative of the Associated Chambers of Commerce, against trade unions being swamped by outsiders. It is very significant that in the course of the debate Mr. N. M. Joshi stated, “Why need we make any distinction between persons who belong to the industry and persons who do not belong to the industry?”—a statement which goes to show how far Mr. Joshi has at heart the development of trade unionism in this country on sound and healthy lines.

In the course of the debate on these clauses, another episode took place which throws some interesting sidelight on the mentality and *bona fides* of the so-called labour leaders and the manner in which they have fathered certain so-called trade unions. The episode is particularly interesting as it relates to the Kamgar Hitwardhak Sabha of Bombay, which played a somewhat prominent part during the last general strike of millhands and which was represented by Mr. S. K. Bole at the conferences the ‘labour leaders’ had with the Committee of this Association. Mr. N. M. Joshi having gone to the length of suggesting that the whole of clause 22 should be deleted, the Hon’ble Sir B. N. Mitra inquired on whose behalf Mr. Joshi spoke when he asked for the deletion of the clause, for the Kamgar Hitwardhak Sabha in their representation to Government had urged that the original clause should be so amended as to insure a minimum number of outsiders taking part in trade unions. Mr. N. M. Joshi interposed with the question ‘how many members has this Sabha got?’ Sir B. N. Mitra replied amid laughter, ‘I have no personal knowledge of the genuineness of these so-called labour leaders or of their associations.’ Then Mr. Chaman Lal, of ‘weekly-wages’ fame, came to the rescue of Mr. Joshi by saying that some of these organisations were good and some bogus, and the Kamgar Hitwardhak Sabha was a bogus association. As a proof of this assertion Mr. Chaman Lal quoted the fact that in their representation the Kamgar Hitwardhak Sabha had favoured the exclusion of politics from the scope of a trade union. Sir B. N. Mitra asked,—‘Is that of a bogus character?’ Mr. Chaman Lal replied with apparently a good deal of table-thumping, ‘It adds to its bogus character. Any legitimate trade unionist who really understands the problem of the future destiny of trade unionism would never put his signature to a document like this.’

The other important amendments made in the Bill are noted below :—

Section 11 of the original Bill laid down that a person aggrieved by any action of the Registrar might appeal to the Local Government or to such

authority as it may appoint in this behalf. The Select Committee recommended that the appeal provided by this clause should be to a judicial officer, and they amended the section accordingly. The section was eventually passed in the following form :—

“ 11. (1) Any person aggrieved by any refusal of the Registrar to register a trade union or by the withdrawal or cancellation of a certificate or registration may, within such period as may be prescribed, appeal to such Judge, not below the grade of an additional or assistant Judge of a principal Civil Court of original jurisdiction, as the Local Government may appoint in this behalf.

“ (2) The Judge may, after such inquiry as he deems necessary, dismiss the appeal, or pass an order directing the Registrar to register the union and to issue a certificate under the provisions of Section 9, or setting aside the order for withdrawal or cancellation of the certificate, as the case may be, and the Registrar shall comply with such order.

“ (3) For the purpose of the inquiry, the Judge may summon and enforce the attendance of witnesses and compel them to give evidence as if he were a Civil Court ; and he may also direct by whom the whole or any part of the costs of the inquiry shall be paid, and such costs shall be recovered as if they had been awarded in a suit under the Civil Procedure Code, 1908 ; the order of the Judge shall be final and shall not be questioned in any Court.”

Section 27 of the original Bill empowered the Governor-General in Council to make regulations, *inter alia*, for ‘ the manner in which and the persons by whom the accounts of registered trade unions shall be audited.’ The Select Committee amended the clause so as to allow of various grades of auditors being prescribed in accordance with the financial position of the trade union. This amendment was accepted by the Legislature.

Section 31 of the original Bill laid down that ‘ No Court shall take cognisance of any offence under this Act, unless complaint thereof has been made within six months of the date on which the offence is alleged to have been committed.’ This section was amended by the Select Committee as below on the ground of preventing unnecessary and vexatious complaints, and this amendment was accepted by the Legislature :

“ 33. (1) No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence under this Act.”

“ (2) No Court shall take cognizance of any offence under this Act, unless complaint thereof has been made by or with the previous sanction of the Registrar, or, in the case of an offence under Section 32, by the person to whom the copy was given, within six months of the date on which the offence is alleged to have been committed.”

With these amendments the Bill was passed by the Legislature, and the Association's views on this latest piece of labour legislation cannot perhaps be better expressed than in the following extract from the speech made by Mr. W. S. J. Willson, during the final debate on the Bill. After refuting the allegation that employers as a class were hostile to this legislation, Mr. Willson went on to say :—

“ I do not know what other class of employers Messrs. Sinha and Goswami had in mind, but I think a gratuitously offensive remark rather out of place in any case in any Select Committee's report.

“ It is true that the employers of labour connected with the Chambers of Commerce were, in the first instance, almost unanimous in considering that this legislation was somewhat in advance of its time. It seemed certainly premature if not indeed undesirable, in the conditions of labour as we know them in India to-day. The conditions prevailing generally, were considered not ripe for the establishment as yet of trade unions, and they really feared that there was some political menace to industrial tranquillity behind the trade union movement. Even now they are in considerable doubt as to whether the provisions of clause 16 are not too wide in this respect, but, Sir, having already addressed you on that clause, there is no occasion for me to repeat myself now. We would, however, really like to see the trade unions proceed upon purely trade union lines in the first instance, so that the workers may have the benefit of a real education in purely trade union purposes.

“ A good deal of surprise has been felt that the Select Committee did not pay more attention to some of the views which were put before it by commercial and industrial people. That opinion was before them in quantity. It had come from men well acquainted with labour conditions in India and directly affected by them, men well experienced in the working of trade unions in England ; men who might be counted amongst the best employers in India, who have always been in the forefront of improvement and in leading improvement amongst their workers. Any one who has large forces of labour will agree that it is not in the interests of the employers themselves to neglect the interests of their workers. The wisest employers know this well and are those who do their best to bring about an improvement in the conditions. A healthy and contented labour force is the great desideratum amongst employers to-day.

“ How to maintain and insure the regular payment of wages is of course a trade union's first consideration, but naturally it is followed by the desire for better wages. I would like to remind leaders that higher wages do not necessarily mean better wages, and that a good way to bring about an improvement in the wages is to bring about a fall in the cost of living, and at the same time give a fillip to the industries upon which both the employers and employees depend.

“ To start the trade unions on right lines I would like to suggest to leaders that they adopt the motto of one of the oldest unions in

Great Britain, which is, ' Give to capital its just rights and to labour its due reward,' Let the leaders in the first instance go slowly with a view to improving the conditions gradually, and not attempt to bring about a hypothetical millenium at a single jump." (*Appendix 38.*)

REDUCTION OF WAGES IN THE KHATAU MAKANJI MILLS.

CORRESPONDENCE WITH THE BOMBAY TEXTILE LABOUR UNION.

The operatives of the Khatau Makanji Mills went on strike on 24th April consequent upon a reduction in the rates of wages effected by the agents. The Bombay Textile Labour Union appeared to have been rather officious before and after this labour dispute, and had voluminous correspondence with the mill agents and subsequently they took up the matter with this Association. Without carefully going into facts and figures the Bombay Textile Union came to the conclusion that the action of the Khatau Makanji Mills was tantamount to contravention of the undertaking given by this Association that the cut of $11\frac{1}{2}$ per cent. would be restored immediately on suspension of the excise duty. The Committee went fully into the matter and were satisfied that there was no foundation for the statements made by the Union, and that the reduction was made for the purpose of bringing the basic rates more in line with other mills in Bombay, and the Khatau Makanji Mill was not in a position in the present state of the industry to continue paying the old rates. Moreover, the revised rates of wages were higher than the rates prevailing in other mills. The Textile Labour Union was informed accordingly. (*Appendix 39.*)

PROVIDENT FUND FOR LABOURING CLASSES.

At a public meeting of the Depressed Classes held on 6th February, 1926, under the auspices of the Depressed Indian Association, a resolution was passed recommending big employers of labour like the Railways, Port Trust, Millowners' Association, etc., to give the benefit of a provident fund to the labouring classes employed under them. The President of the meeting forwarded a copy of the resolution to this Association.

The Committee of the Association in their reply stated that many members of the Association had introduced provident fund schemes in their mills for the benefit of their employees, but owing to the migratory habits of labour those schemes were not generally taken advantage of by workmen. The Committee suggested that the Depressed Indian Association might use their endeavours to get the workers to cultivate the habit of thrift by patronising the provident funds of those mills which had already established them. If their efforts in this direction were successful and a real demand followed from the workers for the general establishment of provident funds by all mills, the matter would be seriously considered by the Committee. (*Appendix 40.*)

WAGE CENSUS.

(Please see page 165 of 1924 Report.)

About the middle of May the Director of Labour Office informed the Association that the Labour Office proposed to hold another enquiry into wages and hours of labour in the cotton mill industry.

In the two previous enquiries the returns were made by employers on schedules compiled by the Labour Office after consultation with this Association. In the 1923 enquiry the returns were received from every mill in the Presidency and the figures therefore covered the whole of the cotton mill industry. The Director, however, stated that there was not the same uniformity of excellence in the filling up of the schedules and he was doubtful whether all of them satisfied that high standard of accuracy so essential in statistical compilation. The schedule itself, carefully as it had been compiled, was found, when analysed, to be unsuitable for the compilation of certain tables and for tabulating information of interest and importance, particularly in connection with frequency tables for wages and absenteeism, median wages and model averages and rates of wages as distinguished from earnings. The Director of Labour Office was of opinion that this schedule method was not the best basis that could be devised and he had expressed the view that the most satisfactory basis for the compilation of wage statistics was the pay-roll wherein was recorded all that concerned every individual worker not groups of workers—such as were dealt with by the schedule method. While there was no standard muster-roll in use in the Bombay mills, provision was made in all muster-rolls for the following information :—

- (1) Name of the worker.
- (2) Ticket or pay-roll number.
- (3) Designation or occupation.
- (4) Daily attendance.
- (5) Total number of days worked.
- (6) Amount of production.
- (7) Rate of wages.
- (8) Earnings.
- (9) Allowances, bonus and overtime pay.
- (10) Gross wages.
- (11) Deductions for spoiled cloth, fines, provident fund, medical, rent, grain supplied, etc., and
- (12) Net or actual amount payable.

A detailed tabulation of the muster-rolls would, therefore, enable statistics to be obtained for—

- (1) Rates of wages.
- (2) Average earnings, monthly and daily.
- (3) Frequency distribution for wages.
- (4) Earnings of full-time workers.
- (5) Total wages bill.
- (6) Average absenteeism.
- (7) Frequency distribution for absenteeism.
- (8) Average production for piece-workers, etc.

The ideal method of conducting a wage census in the cotton mill industry, according to the Director of Labour Office, would be to obtain copies of the muster-rolls for a particular month of every mill in the Presidency. The practical difficulty, however, was that the Labour Office would have to deal with millions of entries which, even with a reasonable increase of staff, was an impossibility. The Director suggested that one way out of the difficulty was the method of sampling which was a recognised method of statistical enquiry provided that the sample was thoroughly representative of the conditions to be studied. The Director suggested that mills might be classified into geographical groups—Dadar, Tardeo, Parel, Colaba, etc.—and instead of procuring returns from all the mills, returns from two or more mills in each group might be used as the basis. The Director further stated that if this could be done, it would enable the Labour Office to use the muster-rolls as their basis and therefore make the information obtainable from the enquiry more accurate than that obtained in the previous enquiry—with a minimum of trouble to the industry itself. The Director desired the co-operation of the Association in this work.

The whole subject was fully discussed by the Technical Sub-Committee of the Association with the Director of Labour Office, and the Technical Sub-Committee recommended that the next enquiry should be conducted in the manner suggested by the Director. As regards the details of the enquiry, the Technical Sub-Committee, after their discussion with the Director of Labour Office, made the following recommendations to the General Committee :—

1. *Absenteeism.*—The importance of obtaining accurate statistics in regard to absenteeism was pointed out to the Director and, as a result of the discussion which took place, a tentative agreement was arrived at providing for a separate enquiry on this subject, on lines to be suggested by the Association. This enquiry to be conducted in the same mills as the wages enquiry.

For the particular month chosen for the enquiry the sample mills would maintain special records on a uniform basis, which would provide for the accurate registration of the number of single and double *budlis* in all departments.

2. *Uniformity of Muster-rolls.*—The Technical Sub-Committee considered that strictly accurate results would be practically impossible in the wage census unless the sample mills recorded the wages paid in exactly the same way, and for this purpose they had framed a standard muster-roll for completion by the sample mills. This form will be printed at the expense of, and be issued by, the Labour Office.

3. *Month of Enquiry.*—The month of June was originally suggested by this Association as the most suitable month in which to conduct an enquiry into wages, owing to the infrequency of special holidays, and the low amount of absenteeism. While the Technical Sub-Committee still held the view that June was probably the best month in which to hold a wages enquiry in the City of Bombay, the preparation of the special muster-rolls which they had suggested would necessitate postponement of the enquiry until July which was a fairly representative month.

4. *Sample Mills.*—The accuracy of an enquiry conducted on the muster-roll method entirely depended on the representative nature of the samples.

After careful consideration, it was decided to select the following mills as samples :—

<i>District</i>	<i>Sample Mills,</i>
Colaba (1 mill)	<i>Nil.</i>
Tardeo (7 mills)	{ Madhowji Dharamsi Mills. Manockji Petit Mills.
Jacob Circle (5 mills)	{ Bradbury Mills. Hindustan Mills.
Chinchpokli (14 mills)	{ Alexandra Mills. New Great Eastern Mills. Western India Spinning and Manufacturing Co., Ltd.
Sewri (6 mills)	Swan Mills.
Parel (19 mills)	{ Jam Manufacturing Co., Ltd. Union Mills. Tata Mills.
Worli (34 mills)	{ Fazulbhoy Mills. Globe Manufacturing Co., Ltd. Jamshed Manufacturing Co., Ltd. Standard Mills. Mathradas Mills. Century Spinning and Weaving Co. New Kaiser-i-Hind Spinning and Weaving Mills.
Coorla (2 mills)	Swadeshi Mills.

To ensure uniformity in the information submitted, a standard muster-roll was drawn up by the Labour Office in conjunction with the Association and copies of these were forwarded to the mills concerned by the Director, Labour Office, with the necessary instructions.

The headings of the muster-roll were so arranged that accurate statistics of absenteeism can also be compiled from the information submitted. The Association is much interested in statistics relating to absenteeism and it was thought that reliable information in this regard would be of immense benefit in connection with the many labour problems with which the industry is confronted to-day.

It was also arranged that the Director of Labour should consult the Technical Advisory Sub-Committee of the Association during the preparation of the report in order to eliminate difficulties regarding designations of the operatives and the grouping of occupations, etc. (*Appendix 41.*)

RULES AND REGULATIONS OF THE NATIVE SHARE AND STOCK BROKERS' ASSOCIATION.

The Bombay Native Share and Stock Brokers' Association applied to the Governor in Council for recognition under Section 4, sub-section (1) of the Bombay Securities Contracts Control Act, 1925 (Bombay VIII of 1925), and also submitted rules for the regulation and control of transactions in securities other than ready delivery contracts for sanction by the Governor in Council. These rules were published in the *Bombay Government Gazette* of 21st January, 1926, for general information as required by Section 4, sub-section (2) and Section 5, sub-section (3) of the said Act and it was further notified that the rules would be taken into consideration by the Governor in Council on or after the expiry of one month from the date of publication thereof. The Government of Bombay addressed a letter to the Association drawing the Committee's attention to these rules and soliciting the Committee's views thereon.

The rules were very carefully scrutinised by a special Sub-Committee and the Sub-Committee's report after being slightly amended by the General Committee formed the basis of the reply sent by the Association to the Government of Bombay.

In their reply the Committee stated that, in their opinion, the interests of the general public and genuine investor would have been more adequately safeguarded had the rules submitted to Government for sanction followed more closely the recommendations of the majority report of the Atlay Committee.

Those rules which, in the Committee's opinion, required to be criticised, are reproduced below together with the Committee's comments thereon:—

Rule 4.—No existing rules shall be altered, amended or repealed nor shall any new or additional rules be enacted except by a resolution passed by a majority of three-fourths of the members present at an Extraordinary General Meeting of the Exchange at which not less than 75 members shall be present and confirmed at another Extraordinary Meeting of the Exchange held not less than 7 days and not more than 14 days from the date of the first meeting at which not less than 50 members shall be present. Provided always that no change or alteration whatever be made in so much of the Rules 73, 92 and 95 as provide that none but members of the Native community of the Bombay Presidency shall be appointed Trustees of these presents or members of the Board.

Notwithstanding the provisions of this rule, the Board may make alterations, amendments or additions to the Constitution and Rules or any part thereof; and such alterations, amendments or additions shall be valid or put into force, if not repealed by a resolution passed by a majority of members present at an Extraordinary General Meeting to be held pursuant to a requisition

Rule 4.—The Committee see no reason why the general body of members should not have the power to make changes in the three rules specifically mentioned, if changes are desired by 75 per cent. of the members of the Association. In any case the proviso to the first part of the rule could be rendered ineffective since Rule 4 itself could be rescinded or altered by the vote of a general meeting. It is therefore suggested that the words "Provided always down to members of the Board" should be deleted from the rule.

The Committee agree as to the necessity of the Board being given the power to alter, amend, or add to, the rules in cases of crisis or emergency, but consider it essential that any such emergent action by the Board should be submitted for approval to an extraordinary general meeting of members within seven days of such emergent action having been taken by the Board. Similarly, it is also considered essential that any emergent action taken by the Board, under Rule 4, should also be submitted to Government for sanction within seven days of approval having been given by the general meeting, if any rule

to be made under Rule 56 within 7 working days from the date of the posting of the resolution on the notice-board and at which meeting not less than 75 members shall be present.

In cases which do not admit of delay three-fourths of the Committee present must concur in favour of the immediate alteration in the rules, and the urgency of the case must be stated upon the minutes.

Rule 10.—A candidate for admission must be recommended by two members of not less than five years' standing.

Rule 20.—Every member shall pay an annual subscription of five rupees or such other amount as may from time to time be fixed by the Exchange. Such subscription shall be payable on the first day of January in each year in advance.

Rule 26.—If any member shall fail to pay the annual subscription or any other money, due from him to the Exchange for two months after the same has become due, the Board of Directors may by notice in writing request him to pay the same. The notice shall appoint a day and place for payment. If the requisitions of such notice are not complied with, the Board of Directors may by notice on the notice board of the Exchange suspend the privilege of such member until the said dues are paid and the member so suspended shall not be entitled to act as a member until the notice of suspension is revoked by further notice put up on the notice board of the Exchange.

If the said dues are not paid by the suspended member within one year after his suspension, another written notice, requiring such member to pay the moneys due within two months of the service of the notice, shall be served to him. If the requisitions of such notice are not complied with, the Board of Directors may, by resolution passed by a majority of three-fourths of the members of the Board for the time being, direct the name of such member to be removed from the list of members of the Exchange and thereupon such member shall cease to be a member and shall be deemed to have been expelled. Notice of such resolution shall forthwith be put on the notice board of the Exchange.

The Board of Directors shall be at liberty on another application of the member whose name is so removed and on proper cause being shown to its satisfaction to rescind such resolution by like majority, within one year after his expulsion.

is suspended for more than one month, if any rule is permanently rescinded or if any rule is made.

Rule 10.—The Committee suggest that a suitably worded addition to Rule 10, be made, providing that the two members recommending a candidate for admission should be made responsible for the 'Exchange' debts of the candidate for a period of two years after his election to membership, up to a substantial amount.

Rule 20.—The amount of the annual subscription is ridiculously low, and should be raised to a figure more in keeping with the dignity and importance of the Association and more in keeping with the entrance fee of Rs. 30,000. It is suggested that the annual subscription be fixed at not less than Rs. 100 and the rule accordingly amended.

Rule 26.—There appears no valid reason why a member should not be suspended, *ipso facto*, if he fails to pay his dues. On payment of dues the suspension could be revoked. If a member fails to pay his subscription for twelve months after having been served by the Secretary, with a notice to pay, he should, *ipso facto*, be expelled. The last clause in the rule always allows the Board to reinstate a member if they think fit.

The intentions of the Committee would be met by substituting the word 'shall' for the word 'may' in lines three and five of the first clause of the rule and deleting all the words following the words 'Board of Directors' in line four of the second clause and substituting therefor the words 'shall direct the name of such member to be removed from the list of members of the Exchange and thereupon such member shall cease to be a member and shall be deemed to have been expelled. The name of the expelled member shall forthwith be put on the notice board of the Exchange.'

Rule 38.—If after the death of a member, his heirs or other near relatives, executors or administrators apply to the Board of Directors to elect and admit one of them or any other person nominated by them as a member in place of the deceased, the Board may elect and admit such person as a member without payment of any entrance fee and confer upon such person the card or seat of the deceased member provided the proposed new member is otherwise qualified to be elected a member.

Rule 50.—If any member is convicted of any criminal offence which renders him in the opinion of the Board of Directors unfit to continue to be a member the Board of Directors may, by resolution passed by a majority of three-fourths present at a meeting of the Board consisting of not less than 12 members, expel such member from the Exchange.

Rule 59.—(l) No member shall be entitled to be present or to vote on any question at any general meeting, if he shall have been declared a defaulter on the Exchange. A member shall not be disentitled to vote because money are due and payable by him to the Exchange in respect of subscription or otherwise.

Rule 60.—Save as otherwise expressly provided as these presents the affairs of the Exchange shall be managed and controlled by Governing Body to be styled the Board of Directors composed of 16 members of the Exchange, being members of the native community of the Bombay Presidency. The Board of Directors shall be elected by a ballot every two years in the month of December in the manner hereinafter provided and such Board shall be at liberty to elect from their own body their President, Vice-President and Honorary Treasurer who shall be *ex-officio* President, Vice-President and Honorary Treasurer respectively of the Exchange.

Rule 73.—No member shall be elected to the Board of Directors who is not a member of the native community of the Bombay Presidency and has not been for at least five years, immediately preceding the day of election, a member of the Exchange.

Rule 84.—(j) The Board may dispense with the strict enforcement of any of the rules and regulations in cases of crisis and panic or under extraordinary or exceptional circumstances. A resolution for this purpose must be carried by a majority of three-fourths of the Board present at a meeting specially summoned and consisting of not less than twelve members.

Rule 38.—In this rule it would be advisable to insert the words 'within twelve months' after the opening word 'If' of the rules as now drafted.

Rule 50.—The Committee see no reason why a person convicted of a criminal offence should not *ipso facto* cease to be a member. If the Board chooses to consider that the crime was not one 'which in their opinion justified his expulsion, they could readmit him to membership under the rule which permits the readmission of bankrupts, if this rule were suitably worded.

Rule 59.—(l) The second sentence of this sub-clause is apparently wrongly worded. The Committee cannot understand why a member should be entitled to vote if his subscription has not been paid. The rule might be amended to make it clear that non-payment of subscription and dues disentitle a member to the privilege of voting at a general meeting.

Rule 60.—The Committee consider that seats on the Board of Directors should be available to any member of substance, integrity, and general suitability. Rule 5 lays down that a British subject of 10 years' residence in India shall be entitled to membership and Rule 73 states that a qualification for Directorship is five years' membership of the Association. These rules in themselves mean that apart from members of the native community, no person of less than fifteen years' residence in India could possibly be elected a member of the Board, and the retention of the words 'being members of the native community of the Bombay Presidency' in the first paragraph of the rule might possibly prevent the election to the Board of an eminently suitable member of the Exchange.

Rule 73.—For reasons similar to those given in the criticism of Rule 60, the words 'is not a member of the native community of the Bombay Presidency and' should be deleted from the rule.

Rule 84.—(j) The Committee consider that the Board should be given the powers sought in this rule, but consider it equally essential that any action taken by the Board under this rule should be submitted for confirmation by the general body of members within seven days of taking of such action.

Rule 85.—A resolution of the Board except that passed under the powers and authorities expressly conferred upon them by these regulations or any other regulations for the time being in force (such as : expulsion and suspension of members and their authorised clerks, declaration of corners and suspension of dealings and buying-in rule, admission of members and their authorised clerks, declaration and re-admission of defaulters, fixing, altering or postponing of settling days and declaring making-up prices, granting or refusing permission for dealings in new shares or of official quotations, appointment of employees, listing and striking out securities from the forward list, shutting of the Exchange, fixing of the scale of brokerage) shall be valid and operative after eight working days from the date of the posting of the resolution on the notice board, if not repealed as provided in Rule 4.

The Committee may in an emergency, by a resolution approved by not less than 9 members of the Committee, order any resolution to come into force immediately ; but such a resolution may be repealed by the members as provided in Rule 4.

Rule 92.—The members of the Exchange at the Annual General Meeting or at special meeting convened for the purpose as occasion shall require, shall from time to time appoint such members, being members of the native community of the Bombay Presidency, as they please, Trustees of the funds and properties of the Exchange and shall have power from time to time to remove such Trustees or one or more of them as they shall see occasion and to appoint another or others in their or his place or stead and all grants, conveyances, and assurances of any immovable property purchased by or out of the funds of the Exchange and all instruments and assurances for the security and indemnity of the Exchange and of the Directors, officers, property, capital, stock, and of acts thereto shall be taken in the names of such Trustees.

Rule 95.—Messrs. D. D. Kanga, Madhavas Luxmidas Kothari, Maneklal Jethabhai and K. R. P. Shroff shall be the Trustees of the Exchange for the several purposes herein expressed, and they shall respectively continue in office, till they or any of them die or become insolvent, or leave Bombay for ever, or be removed or be desirous of withdrawing from the Trusts reposed in him or them and that upon the happening of any of such events, the members of the said Exchange shall at a duly convened annual general or special meeting nominate and appoint a successor or successors, who shall thereupon be and become a Trustee or Trustees in the room of such Trustee or Trustees, so dying, becoming insolvent, leaving Bombay, being removed or relinquishing his Trust as aforesaid : Provided also that none but members of the native community of the Bombay Presidency shall be appointed Trustees under these presents or members of the Board of Directors.

Rule 85.—In the second paragraph of this rule the word 'Committee' has been used instead of the word 'Board.' This mistake also occurs in several subsequent rules, viz., 85 proviso.

Rule 92.—The words 'being members of the native community of the Bombay Presidency' in line 3 should be deleted for similar reasons to those given against Rule 60.

Rule 95.—The Committee consider it advisable that Trustees should be elected for life, or that such office should be limited to the 'native' community! The Committee see no reason why Trustees should not be elected under Rule 92, not necessarily for life, and the power to remove Trustees thus given over to the general body of members. Rule 95 could very well be deleted.

Rule 96.—The Trustees for the time being shall from time to time, on the application of the Board of Directors, invest all moneys belonging to the said Exchange in securities of the Government of India, or any Local Government, Port Trust Bonds, Municipal Bonds, or such other securities authorized by law for investment of Trust Funds as the Board may direct, or in houses and landed property in Bombay or by depositing the same at a fixed rate of interest with any respectable Bank or Joint Stock Company and shall from time to time by the direction of the Board alter and transpose the funds, and securities in or upon which the moneys for the time being shall be invested.

Rule 103.—Whenever any such dispute or difference as aforesaid is referred to the Committee of Arbitration, the Committee shall appoint any two of its members to act as arbitrators with reference to such dispute and difference. Such arbitrators shall give both parties to the dispute or difference not less than two days' notice of the time and place appointed to proceed with the matter and if either party to such dispute or difference fails to appear at such time or place, the arbitrators shall be entitled to proceed with the reference *ex-parte*. If the arbitrators hearing the reference are not agreed as to the decision or award to be made therein they shall refer the matter or such portion thereof as they may not have agreed upon to one of the members of the Committee of Arbitration and they three then shall deal with the matter so referred to.

Rule 105.—If any party to a dispute or difference is dissatisfied with any award made by the arbitrators appointed under Rule 103 then such party may, within seven days of the issue of such award after depositing with the Secretary in cash the full amount he has been directed to pay by the award together with a fee of Rs. 2, state in writing his objection to such award and request the Committee of Arbitration itself to hear and dispose of the matter, by way of appeal and on such request being referred the Committee of Arbitration shall hear and dispose of the matter. The members of the Committee who acted as arbitrators in the first instance shall be entitled to attend such meeting of the Committee but they shall not be entitled to vote. A certificate from the Secretary that the full amount the applicant has been directed to pay by the award has been deposited shall be annexed to such application. No application which is not accompanied with such certificate shall be received or filed.

Rule 137.—If any member of the Exchange becomes or is adjudicated an insolvent, all assets and property of such member which the Committee for Defaulters would be entitled to collect, realise and deal with under these presents shall not on such insolvency be deemed to be a part of the assets of the insolvents for the purposes of

Rule 96.—The words 'with the approval' might advisably be substituted for the words 'on the application of' in line 1.

Rules 103 and 105.—The large experience of members of the Committee leads them to think that for the completion of every stage of an arbitration, a definite time limit should be laid down. In their opinion this should not exceed seven days for each stage.

Rule 137.—The Committee have no objections to this rule if it does not conflict with the bankruptcy law of India.

the Insolvency and shall not vest in the Official Assignee or other Assignee in Insolvency but shall be collected, recovered, realised and dealt with by the Committee in accordance with these presents and the rights of the Official Assignee or Assignee in Insolvency as to such assets and property shall be only to such part of the said assets and property if any as may remain over after the claims of the members of the Exchange in relation to business done on the Exchange or subject to the rules and regulations of the Exchange have been first satisfied in full.

Rule 170.—Proper minutes shall be kept of the proceedings of all meetings of Sub-Committees in Gujarati.

Rule 177.—In all transactions for ready delivery, necessary forms of transfers duly signed by the transferor and witnessed shall be delivered by the seller to the buyer before five o'clock p.m. on any business day or before 3 p.m. on Saturday but not later than seventh day from the date of sale and when such deliveries of transfer forms are not made by that time, shares may be bought-in by the buyer in manner hereinafter provided.

Rule 179.—Delivery of the shares sold must be made by the seller on the 7th day after the day on which the transfer forms were delivered and before 1 p.m. on that date. If delivery of share is not made by that time the shares may be bought-in by the buyer, in the manner hereinafter provided, on the succeeding day or any time thereafter, subject, however, to the provisions of Rule 188.

Rule 186.—The shares of a company shall not be bought-in or sold-out during the period its transfer books are closed for payments of dividend or bonus or the receipt of calls or for any other reason.

Rule 227.—The hours of business on the Exchange shall be from 12 noon to 3 p.m. on all working days and 12 noon to 2 p.m. on all Saturdays or such other hours as may from time to time be fixed by the Board. The opening and closing of the Exchange shall be announced officially by the ringing of a bell. A warning bell shall be rung 15 minutes before the closing.

Rule 231.—The Exchange will be closed on the following days, *viz* :—

All Sundays.

All Bank Holidays (declared by the Government of Bombay under the Negotiable Instruments Act).

Stock Exchange Holidays, namely :—

Holi (1 day besides Bank Holiday for Holi Padwa).

Rule 170.—The words 'and/or English' might advisably be added at the end of this rule. This would not affect present procedure and would allow the Board greater freedom of action. Similar remarks apply to Rule 79.

Rule 177.—Past difficulties caused by non-compliance in this respect make it advisable that this rule should definitely state the obligations of the transferor to insert in the transfer form the number of shares involved in the transfer and the serial number of each share. It is therefore suggested that the words 'particularising the number of shares involved and the individual serial number of each share and' should be inserted after the word 'transfers' in the first line of the rule.

Rule 179.—For the effective protection of members of the general public, a suitably worded clause might be added to this rule making it possible for a buyer to insist on a broker to whom he has sold shares giving him cash on presentation of script.

Rule 186.—In three places the 'Committee's' should be altered to the word 'Board.'

Rule 227.—The hours of business might advisably be made from 12 noon to 4 p.m. to suit the convenience of the general public. (See also Association's written evidence before the Atlay Committee.)

Rule 231.—This formidable list of holidays might advisably be curtailed with beneficial results, if this can be accomplished without offence to the religious susceptibilities of members of the Stock Exchange.

Mahavir Jayanti.
 Chaitri Punam.
 Adar Jasan.
 21st Day of Ramzan.
 Ashadi Ekadashi.
 Ashadi Chomasu (Swetamber) at 2 p.m.
 Ashadi Chomasu (Sthanak Vasi) at
 2 p.m.
 Kadmi Pateti.
 Ramzan Idd (one day extra if it falls on
 day other than Bank Holiday).
 Moharrum (one day extra if it falls on
 day other than Bank Holiday).
 Shri Mahavir Swami's Birthday cele-
 brations (Swetamber).
 Shri Mahavir Swami's Birthday cele-
 brations (Sthanak Vasi).
 Samvatsari (Sthanak Vasi).
 Fourth Gatha.
 Amardad Sal.
 Farvardigan Jassan at 2 p.m.
 Dhanteras.
 Kali Chowdas.
 Kartaki Poonam.
 Solar Eclipses.

Rule 243.—Members shall not transact any speculative business for their Secretary.

Rule 260.—In cases of Bear raids or crisis, it shall be competent and lawful for the Committee to prohibit all further short sales.

Rule 264.—The Board shall at their discretion have power to admit shares of any particular company except banks to the settlement provided that following conditions and requirements are complied with. No shares in banking companies shall be admitted to settlement :—

- (1) Such company undertakes to maintain an office in Bombay for registering the shares in the name of the transferee.
- (2) All the shares are fully paid up.
- (3) The company must have paid to the shareholders dividend for the last three consecutive years.
- (4) The company undertakes to split up a share certificate in lots required by a shareholder who holds a certificate for a larger number of shares.
- (5) The company undertakes to close the transfer book whenever they have an occasion to do so on such days as may be convenient to the Exchange for the settlement of the transactions done.
- (6) The company undertakes to send to the Association a distributory statement in the form noted below as soon as the transfer books are re-opened :—

..... Company, Ltd.
 Distribution of shares, on1925.
 —..... Holders of 1 to 100 shares: Total
 shares

Rule 243.—Obviously the Secretary of the Association is meant. This should be made clear.

Rule 260.—Substitute the word ' Board ' for the word ' Committee.'

Rule 264.—The Committee suggest that an additional paragraph could advisably be inserted at the end of this rule stating that :

“ Any Company which is carrying out the conditions laid down by the Board, but has not been included in the list of companies selected by the Board shall be entitled to be put on the forward list on payment of an annual fee not exceeding Rs. 1,000.” The Board would thus retain the right to choose the companies which shall be put on the forward list free of charge (the number is at present limited to 40) ; but the Committee consider that any company which complies with the general conditions laid down should be entitled to inclusion on payment of a special fee.

Rule 264 (6).—The Committee cannot agree to the inclusion of this clause. No company should be asked to compile such a statement for the benefit of the members of the Stock Exchange. If the Board of the Exchange, in case of emergency require such information, they can always inspect the Share Register of a company under provisions of the Indian Companies Act and on payment of the prescribed fees.

- Holders of 101 to 200 shares. Total shares.....
- Holders of 201 to 300 shares. Total shares.....
- Holders of 301 to 400 shares. Total shares.....
- Holders of 401 to 500 shares. Total shares.....
- Holders of 501 to 1,000 shares. Total shares.....
- Holders of 1,000 and upwards shares. Total shares

The ten highest holders on the above date were as under :

- (1) shares.
- (2) shares.
- (3) shares.
- (4) shares.
- (5) shares.
- (6) shares.
- (7) shares.
- (8) shares.
- (9) shares.
- (10) shares.

A resolution allowing such dealings for settlement must be carried by a majority of three-fourths of the Board present at a meeting specially summoned and consisting of not less than 12 members.

Rule 273.—A member shall not be an employee of any one who is not a member of the Association and the decision of the Committee that the employment exists shall be final and the member shall be liable to expulsion.

Rule 274.—A member authorising a clerk to transact business shall not be held answerable for money borrowed by the clerk with or without security.

Rule 300.—The rates of brokerage to be charged by members for the purchase or sale of shares, debentures or Government and other securities with a minimum charge of Rupee one on each transaction shall be as follows, provided however that this rule shall not apply to cases of underwriting or of the placing of New Issues—

On Government of India securities.	} $\frac{1}{8}$ per cent. on stock.
On Local Government securities.	
On Debentures of Port Trusts, Municipal Corporations, Improvement Trust, etc.	} $\frac{1}{8}$ per cent. on stock.
On Debentures of Railways and other Joint Stock Companies.	
On shares of Joint Stock Companies.	} $\frac{1}{2}$ per cent. on stock.
Contract price not exceeding Rs. 10—	

Re. 0-2 per share.

Rule 273.—Substitute the word 'Board' for 'Committee.'

Rule 274.—The meaning of this rule is not quite clear to the Committee. In their opinion, a member must be held responsible for securities deposited with him for sale or for other purposes, if his authorised clerk commits fraud and pledges his clients' securities.

Rule 300.—The charges levied for brokerage on the shares of joint stock companies under this rule are, in the opinion of the Committee, too high especially on shares of low denominations. In their opinion, a reasonable list would be as follows :—

- Contract price exceeding Rs. 10 but not exceeding Rs. 25—Re. 0-4-0 per share.
- Contract price exceeding Rs. 25 but not exceeding Rs. 50—Re. 0-6-0 per share.
- Contract price exceeding Rs. 50 but not exceeding Rs. 75—Re. 0-8-0 per share.
- Contract price exceeding Rs. 75 but not exceeding Rs. 100—Re. 0-12-0 per share.
- Contract price exceeding Rs. 100 but not exceeding Rs. 250—Re. 1 per share.
- Contract price exceeding Rs. 250 but not exceeding Rs. 500—Rs. 1-4-0 per share.
- Contract price exceeding Rs. 500, brokerage $\frac{1}{4}$ per cent. on value of such shares.

- Contract price exceeding Rs. 10 but not exceeding Rs. 25—Re. 0-4 per share.
- Contract price exceeding Rs. 25 but not exceeding Rs. 50—Re. 0-8 per share.
- Contract price exceeding Rs. 50 but not exceeding Rs. 75—Re. 0-12 per share.
- Contract price exceeding Rs. 75 but not exceeding Rs. 100—Re. 1-0 per share.
- Contract price exceeding Rs. 100 but not exceeding Rs. 250—Rs. 1-4 per share.
- Contract price exceeding Rs. 250 but not exceeding Rs. 750—Rs. 2-8 per share.
- Contract price exceeding Rs. 750 but not exceeding Rs. 2,000—Rs. 5-0 per share.
- Contract price exceeding Rs. 2,000 but not exceeding Rs. 5,000—Re. $\frac{1}{4}$ per cent. on value of such shares.
- Contract price exceeding Rs. 5,000— $\frac{1}{2}$ per cent. on value of such shares.

Rule 367.—Whenever, in the opinion of the Committee (1) a corner has been created or is likely to be created in shares admitted to forward dealings on the Exchange, or (2) a single individual or syndicate of individuals has acquired such control of shares so listed that as a result thereof it appears that the same cannot be obtained for delivery on existing contracts except at prices and on terms arbitrarily dictated or influenced by such interest or group, or (3) there be any fraud connected with the dealings in said shares, or (4) circumstances be of such an exceptional nature as regards dealings in said shares as to call for the special interposition of the Board, it shall be competent and lawful for them to prohibit all further dealings in such shares for the current and following settlements or to remove such shares summarily from the forward list.

Rule 368.—A resolution for suspension of dealings under Rule 367 passed by a majority of the members present at a meeting of the Committee consisting of not less than nine members specially summoned for the purpose shall be final.

Rule 387.—A constituent shall deliver to his broker any security which his broker, having sold for him, is liable to deliver; and such delivery by the constituent to his broker must be made in time to enable the broker to comply with the conditions applicable to the delivery of such security.

If such constituent fails to make such delivery, he shall forthwith pay any loss which his Broker may incur, or be put to, for or on account of any failure to deliver such security.

Appendix A, clause 6.—The Board will grant permission under Rule 263 only when the following conditions are fulfilled and particulars supplied :—

Rule 367.—The Committee would prefer a drastic alteration of this rule more in keeping with the recommendation of the majority report of the Atlay Committee. But they have at present no serious objection to a trial being given to the rule as framed provided that in view of the Atlay Committee's report, especially pages 13 to 17, Government carefully watch its working and if results do not come up to their expectations, the recommendations of the majority report shall be enforced.

Rule 368.—This rule is dependent on Rule 367 and on that account needs revision. In any case, a 75 per cent. majority of the Board should be necessary before dealing is suspended and the action of the Board placed before a general meeting of members for approval within seven days.

Rule 387.—In the Committee's opinion, an additional provision is necessary in this rule to safeguard the general public, to the effect that a constituent on delivery of any security or signed transfer to his broker shall be entitled to demand the full cash value of any security or transfer so delivered.

Appendix A, clause 6 (2).—Substitute the word 'Board' for 'Committee.'

- (a) Articles of Association shall contain the following provisions:—
 (2) That the borrowing powers of the Committee are limited.

Clause 8.—When a company has to close its transfer books, it will not do so during the settlement days of the Exchange, and shall comply with the request of the Exchange, to close them at such time as may be convenient to the Exchange.

Clause 9.—If the Exchange entertains any difficulties in respect of the bargains of a company and consequently makes reasonable suggestions to obviate such difficulties the company shall have to accept such suggestions.

Clause 8.—This clause cannot very well be complied with unless settlement days are specifically laid down by the Stock Exchange and notified to all companies whose shares are on the forward list.

Clause 9.—The opinion as to reasonableness of suggestions might vary considerably and the Committee cannot agree to give an undertaking of so drastic a nature. In any case, the Committee fail to see the necessity of this rule in view of detailed provisions of Rule 264.

Subsequently in June, the Government of Bombay forwarded to the Association a copy of a revised draft of the Rules of the Native Share and Stock Brokers' Association in modification of those published in January and asked for the Association's views thereon. It was noticed that these revised rules with certain exceptions were same as those published in January, except that mere verbal changes had been made and the rules were arranged in more logical order than was the case with the rules published in January. Under the circumstances, the Committee did not deem it necessary to offer detailed criticisms on these rules. The Committee, however, took this opportunity of expressing their views on three important points.

In the first place, the Committee were against forward business being allowed in Government paper and they, therefore, expressed themselves opposed to the new special rules which conferred on the Board of Directors of the Native Share and Stock Brokers' Association the power to admit Government securities to the 'forward list.' The Committee held that business should be on a strict cash basis in the case of Government securities.

The Association, in their written evidence submitted to the Atlay Committee, had strongly urged the discontinuance of the present practice of keeping share transfers blank for extended periods whereby Government were deprived of a considerable share of the revenue due to them under the Stamp Act. The Atlay Committee accorded their entire support to this proposal which had recently also been endorsed by the Taxation Enquiry Committee. The Committee of the Association regretted that the framers of the revised rules had not made any provisions to stop the existing system of blank transfers and they took this opportunity of impressing upon Government the advisability of inserting a provision making blank transfers a 'bad tender.'

The Committee of the Association also strongly criticised the rules regarding cornering which appeared to confer unusual and arbitrary powers on the board of the Stock Exchange. The Atlay Committee had recommended that in case of corners the Stock Exchange should not have any power to intervene between the bull and the bear and things should be allowed to take their course no matter what the consequences might be to individual specu-

lators. The minority report of Mr. B. J. Desai, Advocate, suggested a *via media* whereby the disasters that generally followed in the wake of cornering by individuals or syndicates might be minimised. In the opinion of the Committee of the Association the powers proposed to be conferred on the Board of Directors by Rules 339 *et seq* went far beyond even the recommendations of the minority report, and they apprehended that the rules would prove most prejudicial to public interests. Public opinion had expressed itself unmistakably against these unusual and arbitrary powers, and the Committee of the Association urged that if it be really found impracticable to give effect to the recommendations of the Atlay Committee *in toto*, at least the recommendations of the minority report might be adopted. These recommendations were certainly less harmful than the proposals contained in the draft rules. (*Appendix 42.*)

THE INDIAN FACTORIES (AMENDMENT) ACT, 1926.

This Act received the assent of the Governor-General on 25th March, 1926, and is reproduced in full in the Appendices.

The Association's views regarding the different provisions of the Bill as originally framed will be found in the Association's Report for 1925 (pages 21-24), from which it will be noticed that in the opinion of the Committee of the Association the most objectionable clause in the original Bill was clause 5 which laid down certain provisions regarding temperature regulation. Happily this clause met with strong opposition from the Select Committee and was eventually deleted by the Legislature. The majority of the Select Committee in their report stated that a provision of this kind or even a provision which would enable the Local Government by rules to lay down standards of temperature suitable for business localities and various classes of factories would, until technical investigation and research in regard to this very difficult problem had been completed on a far more thorough scale than before, impose a real burden upon employers with only a problematical advantage to the employee.

Clause 7 of the Bill (*i.e.*, clause 6 of the Act), it will be noticed, has also been amended on the lines of the Association's criticism, which was to the effect that Government should lay down what types of cleaning were to be prohibited in the case of all operations.

The Association had approved of clause 16 of the Bill which laid down that changes in the standing orders of a factory should be posted up before being put into operation and notified to the Factory Inspector within 24 hours. The Select Committee in their report stated that opinions varied as to the time within which the notice in question should be submitted. Some thought twenty-four hours too long; others thought it too short. The Select Committee proposed that it should be thirty-six hours, and this proposal was accepted by the Legislature (clause 15 of the Act).

Clause 20 of the Bill which empowered a Factory Inspector to conduct prosecution for offences under the Act was deleted by the Select Com-

mittee on the ground that it was not in consonance with the principle laid down, as regards police officers, in Section 495 (4) of the Code of Criminal Procedure, 1898. Moreover, there was nothing to prevent a Local Government, if it so desires, from appointing Factory Inspectors to be public prosecutors, for cases under the Act, under Section 492 of the Code.

The Act will come into force on such date as the Governor-General in Council may, by notification in the *Gazette of India*, appoint. (*Appendix 43.*)

A BILL FURTHER TO AMEND THE INDIAN FACTORIES
ACT, 1911, FOR CERTAIN PURPOSES.

It is pointed out above that the Select Committee deleted clause 5 of the Bill to amend the Indian Factories Act introduced in the Legislative Assembly last year, and the clause was finally deleted by the Legislature. The official members of the Select Committee and Mr. Bepin Chandra Pal, however, wrote a separate minute of dissent as below :—

“ We are opposed to the omission of any provision relating to the maintenance of a reasonable temperature in factories. We recognise the force of the main criticisms directed against the terms of clause 5 of the original Bill. There are obvious dangers in leaving it to Inspectors to decide what constitutes a reasonable temperature, and it is probably true that in most factories no restrictions are required, while in others regulations could only be imposed after careful investigations and with full regard to seasonal variations, the nature of the processes and other circumstances. But the main principle of the clause was not opposed by a single Local Government, and we consider that the Select Committee should have recast the clause in such a manner as to meet the criticisms mentioned above. There are factories where unnecessary hardship is at present caused to the operatives by the maintenance of temperatures which could be substantially reduced by simple and inexpensive means, and it is desirable that Local Governments should be in a position to insist on reasonable steps being taken in such cases.”

It was anticipated that fresh legislation would be introduced on the lines of this dissenting minute and on 23rd August, 1926, the Hon'ble Sir B. N. Mitra, Member for Industries and Labour, moved in the Legislative Assembly that a Bill further to amend the Indian Factories Act, 1911, for a certain purpose, be circulated for the purpose of eliciting opinions thereon. The new Bill has the following statement of Objects and Reasons attached to it :—

“ The Indian Factories Amendment Bill as introduced in the Legislative Assembly in September 1925, contained a clause providing for the insertion in the Indian Factories Act, 1911, of the following section :—

9A. (1) In every factory a reasonable temperature shall be maintained.

- (2) In the case of any factory in which, in the opinion of the Inspector, a reasonable temperature is not maintained, the Inspector may serve on the Manager of the factory an order in writing, specifying the measures which he considers necessary to maintain a reasonable temperature, and requiring him to carry them out before a specified date.

The Select Committee appointed to consider the Bill decided by a majority to delete the clause on the ground that in present conditions it would impose a real burden on employers with only a problematical advantage to the operatives. When the Bill as amended by the Select Committee was being considered by the Legislative Assembly, Mr. Joshi moved an amendment for the re-insertion of the original clause, and although the amendment was defeated, it was clear from the discussion that a number of members considered that the Factories Act should contain some provision enabling control to be exercised over temperatures in factories. With this view, the Government of India, who recognised the force of the criticism directed against the proposed section, are in accord and the present Bill represents another possible solution of the difficulty. Clause 2 provides that the temperature shall not be excessive in those parts of the factory where manufacturing processes are being carried on. In order to assist in the determination of what constitutes an excessive temperature, it is proposed in clause 3 that Local Governments should have the power to prescribe standards. This clause will also enable Local Governments to prescribe the methods to be adopted to secure observance of the standards fixed."

The new Bill consists mainly of two provisions, *viz.*, that the "temperature in any part in which any manufacturing process is being carried on shall not be such as to be injurious to the health of the persons employed therein," and secondly, the Bill empowers Provincial Governments to frame rules regulating "artificial humidification and temperature" in factories.

The Committee were in accord with the underlying principle of the Bill under consideration, *viz.*, that a standard should be laid down to regulate temperature in factories, but they did not think the Bill constituted any marked improvement on clause 5 of the Bill introduced in the Legislative Assembly in September 1925, and which clause was deleted by the Select Committee, who in their minute, said :—

"After considerable discussion we have by a majority decided to eliminate this clause. The majority of us are of opinion that a provision of this kind or even a provision which would enable the Local Government by rules to lay down standards of temperature suitable for various localities and various classes of factories would, until technical investigation and research in regard to this very difficult problem has been completed on a far more thorough scale than heretofore, impose a real burden upon employers with only a problematical advantage to the employee."

In the previous Bill power was sought to be given to the Factory Inspector to lay down standards of temperature in factories, while in the Bill under consideration that power was to be given to Provincial Governments. In the extract from the Select Committee's report quoted above, however, it was clearly pointed out that even if Provincial Governments were to be empowered to frame rules regarding standards of temperature, difficulties would arise imposing a real burden upon employers with only a problematical advantage to the employee.

In the Committee's opinion, the only satisfactory solution of the whole problem was that Provincial Governments should not lay down any standards of temperature for particular factories without consulting the interests concerned. So far as the cotton mills of Bombay were concerned, the Chief Inspector of Factories had placed before this Association his suggestions for regulating humidification, temperature, etc., and these, after being carefully considered by the Committee of the Association, were accepted by them with certain modifications. Under the circumstances, if the present Bill was passed into law, no hitch was likely to arise so far as the cotton mills of Bombay were concerned, but this cannot be said of the cotton mills in other parts of the country or of factories pertaining to other industries. The Committee therefore deemed it imperatively necessary that while empowering Provincial Governments to frame rules regarding standards of temperature, the Government of India should ensure that the interests concerned would be consulted by Provincial Governments before laying down these standards. (*Appendix 44.*)

HUMIDIFICATION STANDARDS.

Towards the end of May, the Chief Inspector of Factories, Bombay Presidency, informed the Association that the question of humidification standards was under consideration, and he forwarded to the Association a copy of his tentative proposals in this connection, expressing at the same time a desire to discuss these proposals informally with the Committee. These proposals, on being examined by the Technical Advisory Sub-Committee of the Association, were found in the main to be identical with the recommendations made by the Association in its letter dated 10th September, 1924, to the Secretary to the Government of Bombay, General Department, in connection with Mr. Maloney's report on 'humidification.' The Technical Sub-Committee, however, suggested certain minor modifications. Early in September last a copy of the proposed draft rules as finally agreed upon was forwarded at the request of the Chief Inspector of Factories to all members of the Association to enable those mills which had not yet commenced humidity registers to do so as soon as possible. The attention of members was also drawn to the fact that the type of hygrometer which best complied with the requirements laid down was as illustrated on page C10, Fig. 2 of Lawrence and Mayo's catalogue. (The instrument supplied for India has a different scale to that shown in the illustration.)

One of the original rules as drafted by the Chief Inspector of Factories was as follows :—

“ No steam shall be used for the purpose of producing artificial humidification in any department the temperature of which exceeds 85 degrees Fahrenheit.”

The above rule was entirely deleted from the finally revised rules, but the Chief Inspector of Factories urged that Agents should comply with the principle underlying this rule, in their own interests as well as in the interests of the employees. The Committee had previously supported the underlying principle of this clause (see page 35 of the Association's Report for 1924) and while forwarding a copy of the draft rules to the members of the Association, the Committee requested them to see that, as far as possible, live steam was not introduced when the temperature of the room had already exceeded 85 degrees.

In the *Bombay Government Gazette* of 25th November, 1926, was published the draft of the rules regarding humidification standards for the information of persons likely to be affected thereby, and Government further notified that the draft would be taken into consideration by the Governor-in-Council on or after the 15th day of March, 1927. In the Committee's opinion there was nothing in these rules to take exception to, and therefore they did not make any representation to Government on the subject. (*Appendix 45.*)

AMENDMENTS TO THE INDIAN BOILER REGULATIONS, 1924.

In the *Gazette of India* dated 5th June, 1926, the Government of India, Department of Industries and Labour, published a notification giving a draft of further amendments to the Indian Boiler Regulations, 1924, proposed to be made in exercise of the powers conferred by Section 28 of the Indian Boilers Act, 1923. From enquiries made at the office of the Chief Inspector of Boilers, it appeared that the proposed amendments were only applicable to fittings installed after the enforcement of the regulations and did not apply to apparatus *in situ*. The notification in fact concerned manufacturers of boilers, and the Committee of the Association did not deem it necessary to take any action in the matter.

On 21st December, 1926, the Governor-General in Council, by a notification of the Department of Industries and Labour directed that the amendments previously notified should be made in the Indian Boiler Regulations, 1924.

THE INDIAN TARIFF (AMENDMENT) ACT, 1926.

By this Act, which received the assent of the Governor-General on 25th March, 1926, the second schedule to the Indian Tariff Act, 1894, has been amended in certain respects. So far as the members of this Association are concerned, the only important amendment is the one relating to item 51B which consisted of “ healds, heald cords, heald knitting needles, reeds and shuttles,” all liable to duty at 2½ per cent. *ad valorem*. These articles are now substituted by the following :—

“ Healds, heald cords and heald knitting needles ; reeds and shuttles ; warp and weft preparation machinery and looms ; dobbies ; Jacquard machines ; Jacquard harness linen cards ; Jacquard cards ; punching plates for Jacquard cards ; warping mills ; multiple box sleys ; solid border sleys ; tape sleys ; swivel sleys ; tape looms ; wool carding machines ; wool spinning machines ; hosiery machinery ; coir mat shearing machines ; coir fibre willowing machines ; heald knitting machines ; doobby 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 ; cumbli finishing machinery ; hank boilers ; cotton carding and spinning machines ; mail eyes, lingoos, comber boards and comber board frames ; take-up motions ; temples and pickers ; picking bands and printing machines.”

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT FOR 1927.

For purposes of record, Tariff Schedules II and III of the Indian Tariff Act, VII of 1894 (as subsequently amended), showing the rates of customs duty leviable on goods imported into and exported from British India for the 9 months from 1st April, 1927, to 31st December, 1927, are reproduced in full in the appendix. (*Appendix 46.*)

ASSESSMENT OF CARD CAN BINDERS.

Messrs. W. H. Brady & Co., Ltd., addressed a letter to the Association stating that they had been importing into this country card can binders for the bottoms and tops of card cans for some years and these goods had been assessed at 2½ per cent. A shipment which arrived in May last, however, was assessed at 15 per cent. After prolonged correspondence, Messrs. Brady & Co. succeeded in obtaining a rebate of 5 per cent., which brought the duty down to 10 per cent., the reasons given being that card can binders are entitled to assessment at the same rate as cuttings of sheets under 1/8 inch thickness, *i.e.*, 10 per cent. Messrs. Brady & Co. urged the Association to take up this matter with the Customs authorities, and the Committee of the Association were of the opinion that Messrs. Brady & Co. had a good case in view of the following ruling of the Central Board of Revenue which appeared in the *Indian Trade Journal* of 2nd October 1924 :—

“ Customs ruling No. 19 (1924) of the Central Board of Revenue is as follows :—The Board understands that card cans are essential for the working of power-operated carding machines and drawing frames and are given a special shape and size which would not be essential for their use for any other purpose. They are therefore admissible to the favourable duty prescribed for ‘ component parts of machinery ’.”

The Committee held that since card cans are assessable at 2½ per cent. it was illogical to assess the binders for the bottoms and tops of card cans at a higher rate. A letter was addressed to the Assistant Collector of Customs in support of Messrs. Brady & Co.'s case, but that officer adhered to the ruling previously given by him, and Messrs. Brady & Co. have made an appeal to the Collector of Customs. Pending the result of this appeal, the Committee of the Association decided not to take any further action in the matter. (*Appendix 47.*)

IMPORT DUTY ON SPARE PARTS OF MACHINERY.

About the end of October, the Premier Mills, Limited, wrote a letter to the Association saying that the Assistant Collector of Customs had assessed certain spare parts of whipping and fringing machines at 15 per cent. on the ground that these machines could be worked by manual or steam power. The Premier Mills contended that the whipping and fringing machines at their Mills were worked by power, and therefore the spare parts should be assessed at 2½ per cent., and they requested the intervention of the Association on their behalf. The matter received the careful consideration of the Committee, but it was felt that before the Association took up the matter with the Government of India, the Premier Mills should file an appeal with the Collector of Customs, so that if the decision was unfavourable, the Association might press the Government of India to amend the interpretation of the term "component parts of machinery." The Premier Mills, as advised by the Association, made an appeal to the Collector of Customs who held that both the appellants and the Assistant Collector were wrong, as the whipping and fringing machines, for which the goods imported were spare parts, were in effect cumbl finishing machinery, which was dutiable at 2½ per cent. *ad valorem* under the item 88A of the tariff valuation schedule corresponding with item 51B of the Statutory schedule, which was inserted in the tariff by the Indian Tariff (Amendment) Act, 1926. The Collector, therefore, directed the goods to be assessed at 2½ per cent. *ad valorem* under this item. (*Appendix 48.*)

IMPORT DUTIES IN GREECE.

Members are probably aware that there are two Tariffs in Greece—conventional and general. The conventional rates of import duty are much lower than the general rates and are applicable to goods imported into Greece from countries having a commercial convention with Greece.

Some time back it was brought to the notice of the Committee of the Association that a new treaty was to be concluded between Great Britain and Greece, and that India would not have the benefit of the conventional duties unless she was a party to the treaty.

The Association took up the matter with the Government of India who stated that it was the general practice of His Majesty's Government to insert in commercial treaties concluded by them a clause covering most-favoured-nation treatment for Indian goods, and they expected that the same would be the case with the new treaty.

It, however, transpired that there was no such clause in the new treaty between Great Britain and Greece, and the Association had to put forth persistent efforts to obtain for Indian goods exported to Greece the benefit of the conventional duties, with the result that about the end of September information was received from the Government of India that a *modus vivendi* dated 11th September, 1926, had been concluded with the Greek Government by which Indian goods imported into Greece were entitled to most-favoured-nation treatment. It might be added that under this *modus vivendi* with Greece the Government of India have agreed to exempt currants, under Section 23 of the Sea Customs Act, from so much of the import duty as is in excess of Rs. 1-4-0 per cwt. The present import duty is 15 per cent. calculated on a tariff valuation of Rs. 24 per cwt.

The above information was given to members of the Association by a circular letter on 30th September so that members who are exporting yarn or piece-goods to Greece might know that Indian goods are subject to the lower conventional duties in Greece. (*Appendix 49.*)

CUSTOMS DUTIES IN TURKEY.

In January, it was brought to the notice of the Committee that the Turkish Government had suddenly increased the import tariffs generally, from five times the base to eight times against all countries which had not signed a commercial convention with them or who were not parties to the Treaty of Lausanne. The difference between the old and new tariffs was roughly 6 per cent. of the value of the cotton and it looked as if business with India would stop entirely. On the matter being taken up with the Government of India, the latter stated that India was a party to the Turkish Commercial Convention and also to the Lausanne Treaty of Peace, which was ratified by the British Government on behalf of all parts of the Empire.

Further communications, however, received from different members of the Association were very disquieting, and went to show that the Commerce Department of the Government of India were not quite *au fait* with the situation, for, as a matter of fact, Indian goods were charged the higher import duty, and the export trade with Turkey in Indian mill-made goods suffered a severe check. The Association addressed a number of letters to the Government of India with the result that the Government of India and His Majesty's Government made continuous and insistent representations to the Turkish Government. At last towards the end of August the Association was pleased to receive a communication from the Government of India intimating that a definite assurance had been given by the Acting Director-General of Customs in Turkey that on instruction from the Ministry of Finance he would forthwith issue orders that the co-efficient of five was to be applied to imports from India. (*Appendix 50.*)

IMPORT AND EXPORT PROHIBITIONS AND RESTRICTIONS.

The Fifth Assembly of the League of Nations adopted the following resolution at its meeting on September 25th, 1924 :—

“ With reference to paragraph 3 of Article of the Convention relating to the Simplification of Customs Formalities, which has already been signed by thirty-one States and ratified by six ;

“ The Assembly :

“ Considering that the system of import and export prohibitions and restrictions constitutes a serious impediment to the free development of international trade and also,

“ That the general situation might in future be favourable to action in this sphere :

“ Desires the Council to instruct the Economic Committee to consider the possibility and expediency of an agreement between States members of the League and States non-members with a view to the final suppression of import and export prohibitions and restrictions, and, if necessary, to suggest the most suitable methods of achieving this object. Provisions relating to the protection of the vital interests of States shall not be affected.”

The Economic Committee after considering the views expressed by different Governments and experts, came to the conclusion that there was a sufficient consensus of opinion in favour of abolishing or reducing to a minimum the system of import and export prohibitions to warrant preparatory steps being taken with a view to some form of international action in accordance with the provisions of Article 23 (c) of the Covenant relating to the Equitable Treatment of Commerce. Though not unmindful of the possibility that prohibitions when abolished might in some cases be replaced by prohibitive tariffs, the Economic Committee confining itself to the subject expressly referred to it by the Assembly, drew up a series of ‘ draft articles of an international agreement for the suppression of import and export prohibitions and restrictions.’ The Economic Committee in their report to the Council of the League of Nations stated that the object of the Draft Articles was merely to furnish a basis for further discussion, and urged the desirability of obtaining the views of interested circles, *viz.*, of the big industrial and commercial organisations. The Secretary General of the League of Nations forwarded the report of the Economic Committee with the draft articles to different Governments, and the Government of Bombay forwarded the papers to this Association for an expression of the Association’s views thereon.

The draft articles laid down that each contracting State should reduce all import and export prohibitions to a minimum with a view to their total abolition within six months subject to certain exceptions. The draft articles also prescribed the character and number of the States whose adhesion and participation was regarded as essential before the proposed agreement could take effect and the procedure to be followed if, through subsequent denunciation, the parties to the agreement should be diminished below the minimum. The Economic Committee stated that this provision was deemed necessary in view of the strong representations made to the Committee that the practical possibility of suppressing import and export prohibitions in one country was

vitaly dependent on the corresponding action of the countries with which it had important commercial relations, and that without some such stipulation, it would probably be impossible to make the agreement generally acceptable.

The Committee of this Association, in their reply to the Government of Bombay, stated that they had no objection to the Government of India or India's representatives at the League of Nations participating in the discussion on this subject, but they deemed it desirable that a thoroughly non-committal attitude should be adopted on this question. This country has had to suffer a lot owing to Government's alacrity in ratifying conventions of the International Labour Conference without first ascertaining the intentions of competing countries. The bitter experience the industries of this country are having owing to non-ratification by Japan of the Hours of Labour Convention which this country has faithfully carried out ought, in the Committee's opinion, to deter the Government of India and their representatives from accepting any of these conventions with a view to subsequent ratification. If all the Governments of the world had proved by their past actions that international amity was as important to them as national self-interest, there would be no harm in India becoming a party to this convention. As matters stand, however, this country, in the Committee's opinion, is probably better off by keeping her hands free to adopt whatever policy suits her national interests best. In conclusion, the Committee urged upon the Government of India the advisability of watching which nations accept and ratify particular conventions before they come to any decision as to the line of action India should adopt. (*Appendix 51.*)

PREPARATION AND CONSIGNMENTS OF SHIPPING DOCUMENTS TO BEIRA, PORTUGUESE EAST AFRICA.

Messrs. Allen, Wack and Shepherd, a British firm at Beira, East Africa addressed a letter to the British Consul, Beira, regarding the serious inconvenience caused to firms in Beira owing to full particulars regarding goods shipped not being shown in the shipping documents. The British Consul forwarded a copy of the letter to the Trade Commissioner, Calcutta, who in turn forwarded a copy to this Association. The purport of the letter was that shipments of cotton goods and kaffir truck are carried by steamship companies at measurement rates which is quite proper so far as the steamship company is concerned, freight being charged on measurement weight. It is however necessary to show on the shipping documents the actual avoirdupois weight, and when the latter is not given it is impossible for a forwarding agent to ascertain whether the exact weight shipped is actually received at Beira or whether there has been any pilferage *en route*.

A copy of the letter was forwarded to all members for information. (*Appendix 52.*)

PROTECTION FOR MAGNESIUM CHLORIDE INDUSTRY.

The Union Chemical Agency in a letter to the Association urged the necessity for giving protection to the Magnesium Chloride Industry of this

country. It was stated in their letter that German firms had determined to kill the Magnesium Chloride Industry of Kharagoda by giving special rebates to consumers in Ahmedabad, Sholapur, Delhi, etc., and these rebates enabled the German manufacturers to compete with the Kharagoda stuff. In reply, the Union Chemical Agency was informed that it was for the Magnesium Chloride Industry to apply to the Tariff Board if any need was felt for protection, and the Association would then consider the advisability, or otherwise, of supporting the application. (*Appendix 53.*)

THE INDIAN ECONOMIC ENQUIRY COMMITTEE'S REPORT.

In May last the Government of India addressed a long letter to all Provincial Governments giving a summary of the recommendations and proposals made in the Majority and Minority reports of the Indian Economic Enquiry Committee and soliciting the views of the Provincial Governments thereon. The Government of Bombay forwarded to this Association a copy of the Government of India's letter with a request for the Association's views. The Government of Bombay in their letter laid particular stress on the fact that the acceptance of the Economic Enquiry Committee's proposals was estimated by the Committee themselves to entail on this Presidency an annual recurring cost of 4½ lakhs and an initial non-recurring cost of Rs. 2½ lakhs. The Government of Bombay further urged that these figures should be read with the comment of the Government of India that 'for the work contemplated the estimate seemed exceedingly low.'

The Association in the reply to Government stated that from the very beginning they had grave misgivings as to whether any practical good was likely to result from the formation of the Indian Economic Enquiry Committee with terms of reference which, as Government were aware, were strongly criticised by this Association and other bodies.

When the Committee of the Association received the very formidable questionnaire framed by the Indian Economic Enquiry Committee, they considered that the Indian Economic Enquiry Committee had given too much attention to a study of the conditions prevailing in the advanced countries of the West and too little attention to the peculiar conditions of India. It was anticipated that the Report of the Indian Economic Enquiry Committee would be more of academic than of practical interest, and these anticipations turned out to be correct. The Majority report, in particular, appeared to have been based on a too exclusive study of the conditions prevailing in the advanced countries of the West without due regard to the peculiar conditions prevailing in this country, and the Committee of this Association were glad that Prof. Burnett Hurst, in his Minute of Dissent, had ably disposed of the impracticable and costly proposals put forward by his colleagues. The Committee of the Association were thoroughly alive to the necessity of having reliable and detailed statistics without which an enquiry into the economic condition of the country would be an impossibility. They, however, maintained that there was plenty of room for improvement in the present system of compiling statistics and they would welcome a policy on the part of Government of so improving the existing system as to render such

statistics more up to date, and more useful and serviceable, than they were at present to all interested in the particular branch of trade, commerce, industries, etc., to which the statistics in question relate. The Committee of the Association, however, were strongly against Government launching out on any elaborate scheme of creating large departments or incurring heavy expenditure as recommended by the majority of the Indian Economic Enquiry Committee. The cost that would be entailed on the public exchequer by the acceptance of those recommendations would, in the Committee's opinion, be out of all proportion to the results likely to be achieved, and these results, the Committee apprehended, would not be entirely beneficial to the public and in some respects might even prove harmful.

In the present very depressed state of commerce and industry of this country, the Committee of the Association were strongly against Government making any costly and elaborate experiments by way of improving the present system of compiling statistics, but they were of opinion that Prof. Burnett Hurst's minute offered a good basis for discussion as to the lines on which Government might devise a system suited to the needs and requirements of this country when better times returned.

The Committee of the Association viewed with great disfavour the proposal to form Provincial Statistical Bureaux which had been put forward in both the Majority and Minority reports. It was the Committee's considered opinion that compilation of statistics should be in charge of the Central Government. At the last meeting of the Associated Chambers of Commerce held in Calcutta, a resolution was passed urging that the preparation of industrial statistics should be undertaken by the Central Government, not by Provincial Governments. This resolution had the whole-hearted support of the Committee of the Association. The Committee were of opinion that it was most undesirable that in different provinces there should be different systems of compiling statistics. In order that there might be co-ordination and uniformity, the Committee strongly urged a policy of centralisation and, with this end in view, they supported the proposal for the formation of a Central Statistical Bureau to take the place of the Department of Statistics which was now part of the Commercial Intelligence Department (*vide* para 21 of Prof. Burnett Hurst's minute).

The Committee's views might be summed up as below :—

1. There is plenty of room for improvement in the existing system of compiling statistics, and this improvement can be effected without creating special and costly departments. Government have not paid sufficient attention to the extension and development of existing material.

2. When the commerce and industries of the country are in a more flourishing state than at present, Government might consider the advisability of overhauling the present system, and Prof. Burnett Hurst's Minute of Dissent should then form a basis for discussion.

3. In order that there might be co-ordination and uniformity in statistics relating to different provinces, statistics should be "centralised," *i.e.*, a central authority should control the compilation of statistics in all provinces, instead of different provinces being allowed to compile statistics in any way they like. (*Appendix 54.*)

INCORPORATION OF INFORMATION REGARDING DIVIDENDS IN REPORTS OF JOINT STOCK COMPANIES.

In paragraph 26 of their report, the Indian Economic Enquiry Committee suggested that the report of the joint stock companies published annually should contain information regarding the dividends declared. Government desired to be favoured with the Association's views as to the desirability of adopting the Economic Enquiry Committee's suggestion, pointing out at the same time that this information regarding dividends would probably have to be obtained from companies registered under the Indian Companies Act. Government were informed, in reply, that the Association approved of the suggestion made by the Economic Enquiry Committee. The Committee of the Association did not anticipate that any objections would be made by companies affiliated to this Association, if the Provincial Registrars of joint stock companies made requests to be supplied with the figures desired for the additional information proposed to be incorporated in the annual report of joint stock companies. (*Appendix 55.*)

THE ROYAL COMMISSION ON INDIAN CURRENCY AND FINANCE.

(*Please see pages 106-642 of 1925 Report.*)

The written evidence submitted by the Association to the Currency Commission and summarised in the last Report (pages 106-642) was supplemented by the oral evidence given by Sir Victor Sassoon, Bart., on behalf of the Association. A copy of the *verbatim* report of Sir Victor Sassoon's oral evidence was perused with much interest by the Committee of the Association and the Association's thanks were conveyed to Sir Victor for his masterly exposition of the many thorny points in connection with the currency and exchange problems of the country and for all the labour and erudition he had brought to bear on the subject.

ASSOCIATION'S CRITICISM ON THE REPORT OF THE ROYAL COMMISSION.

The Association in its evidence before the Royal Commission on Indian Currency and also before the Indian Tariff Board (Cotton Textile Industry Enquiry), emphasised the great harm which would be done to the industry if the exchange value of the rupee were fixed at 1s. 6d. gold instead of 1s. 4d. The Royal Commission on Indian Currency, however, recommended the fixation of the exchange rate at 1s. 6d. with the result that protests were made from all parts of the country and this Association also addressed a representation to the Government of India pointing out the disastrous consequences that would ensue from the adoption of this recommendation of the Royal Commission on Indian Currency.

The reasons why the fixing of the exchange value of the rupee at 1s. 6d. in preference to 1s. 4d. would continue to militate severely against the future progress of the Indian cotton textile industry in both the home and export trade were set forth in detail on the two occasions mentioned above and the Committee did not desire to retrace the whole of the arguments previously put forward. The Committee held that the raising of the exchange value of the rupee to 1s. 6d. gold and its maintenance at that figure had been largely responsible for the present depression in the cotton textile industry of Bombay and the industries of the country generally, and they further believed that the development of the indigenous industries of the country had suffered a very severe setback owing to the fixation of the value of the rupee at 1s. 6d. gold in preference to 1s. 4d. gold.

The pointed attention of Government was drawn to the following paragraph from the Association's written evidence before the Tariff Board which epitomised their views in regard to the effect of the 1s. 6d. ratio on the cotton industry :—

“ It is the considered opinion of the Association that if the sterling exchange were brought down to 1s. 4d. gold and Japanese mills were made to work one shift not employing women and children at night, then the industry could stand on its own legs and would not require protection. It is a curious phenomenon that all the important industries of this country, *viz.*, sugar, cement, iron, steel and leather suffer much from the exchange policy of the Government of India and have asked for protection. In the opinion of the Association while the Government of India might be able to save three crores of rupees by keeping the exchange at 1s. 6d. they are losing far more by having the industries of the country in a crippled state and not being able to pay income-tax and super-tax, and as long as artificial management of exchange is continued by the Government of India, the industries of the country will have to be protected to get over the difficulties.”

The Committee of the Association further maintained that the severe blow that would be dealt to the indigenous industry of the country by fixing the exchange ratio at 1s. 6d. instead of 1s. 4d. would mean considerably diminished revenues for the Government of India under the head of income-tax, and would, in a variety of other ways more than counterbalance the saving in “ home charges ” which would be effected by the 1s. 6d. ratio.

The most objectionable feature of the fixation of the exchange ratio at 1s. 6d. instead of 1s. 4d., however, lay not in the detrimental effect it would have on Indian industrial development and future progress which would affect only a small proportion of the population, but in the effect which it would have on the agricultural classes who formed the bulk of the population. In the opinion of the Committee the Government of India had not fully realised that the burden of the rise in value of the rupee fell almost entirely on the cultivators of the soil who were amongst the poorest of the poor, and who consumed practically none of the goods imported into the country which might legitimately be expected to fall in prices with a 1s. 6d. rupee. These people had been for generations past debtors, and would thus be penalised.

not only in regard to interest, but on capital also to the extent of $12\frac{1}{2}$ per cent. in addition to the loss they would incur by reason of the lower rupee price realisable for the produce raised on their lands.

This double blow to the income of the Indian agriculturist would obviously restrict his purchasing capacity with consequently unfavourable effects on the industry and trade of the country.

That the process referred to in the previous paragraphs had already begun to operate, in the opinion of the Committee of the Association, was proved by the fact that in spite of successive good monsoons there had been a substantial decrease in the per head consumption of commodities.

The Committee of the Association trusted that the Government of India, when deliberating the action to be taken in regard to the recommendation of the Currency Commission to fix the exchange ratio at *rs. 6*l.* gold*, would give due weight to their obligations to the Indian agricultural classes and Indian industries, and adopt the ratio recommended in the minute of dissent to the Report. (*Appendix 56.*)

DOUBLE CHARGE OF SUPER-TAX UNDER THE INDIAN INCOME-TAX ACT, 1922.

Early in July, the Burma Indian Chamber of Commerce addressed a letter to the Government of India stating that if Government could not see their way to abolish the super-tax on companies, then the dividends received by the shareholders from companies should be exempted from super-tax. The Burma Chamber forwarded to this Association a copy of their letter with a request for the Association's support.

The Burma Chamber was informed in reply that the Committee of the Association were in sympathy with the views expressed by the Chamber, but in view of the fact that the Association had already advocated the entire abolition of the super-tax, they did not think it worth while to write to Government in support of the Burma Chamber's views. (*Appendix 57.*)

PROPOSED AMENDMENT OF THE INCOME-TAX ACT SO AS TO RESTRICT THE RIGHT OF NON-RESIDENTS TO REFUNDS UNDER SECTION 48—NECESSITY FOR ABOLISHING THE SUPER-TAX.

Towards the end of February, the Government of India addressed a circular letter to all Chambers of Commerce and Associations, asking for their views regarding certain amendments proposed to be made in the Indian Income-tax Act so as to restrict to some extent the right of non-residents to refunds under Section 48 (small incomes relief) in respect of dividends of companies liable to Indian income-tax and interest on Indian securities.

It was proposed that such refunds should be withheld altogether from non-residents who were not British subjects or subjects of Indian States ; while refunds to non-resident British subjects or subjects of Indian States would be allowed and calculated not with reference, as at present, to the claimant's total income taxable in British India, but with reference to his total income wherever derived which would be taxable if it accrued, arose or were received in British India. It would be for the claimant to adduce satisfactory proof of the amount of his income outside British India, and there should be no insuperable difficulty in doing so if it were arranged that certificates granted by appropriate officials in the United Kingdom or a Dominion or Indian States should be accepted as evidence on the point by the taxing authorities in India. It is understood that inspectors of taxes in the United Kingdom would grant such certificates on application by persons assessed to income-tax on that country.

It was pointed out by the Government of India that the proposed amendment was modelled on the law in the United Kingdom and the following three additional reasons were adduced in support of the amendment :—

(1) The present executive arrangements in regard to refunds to residents in the United Kingdom by the High Commissioner for India in London had evoked some unfavourable criticism, and the question of regularising them or making other arrangements in regard to them was under consideration. It had even been suggested that these refunds should be withheld altogether from all non-residents but the Government of India had decided not to take this extreme step.

(2) In regard to non-residents who were not British subjects, there seemed to be no reason why India should be more generous than the United Kingdom (except in regard to subjects of Indian States). Under the existing arrangements large sums were refunded to non-resident shareholders many of whom might be in receipt of considerable incomes in other countries. The non-resident thus enjoyed an unfair advantage over the resident, owing to what could be regarded as a travesty of the principle of 'small incomes relief.'

(3) The third reason for restricting refunds to non-residents as far as possible was that in regard to them the difficulties of checking fraudulent claims are greatly accentuated.

The Committee approved of the suggestions made by Government.

Government's assertion that the proposed amendment was modelled on the law of the United Kingdom gave the Committee an opportunity of urging upon Government the desirability of falling into line with English income-tax law in regard to company super-tax. The company super-tax in India, as in England, was levied as a war measure, and there was no justification for its continuance in India at the present time, especially since it had been abolished in England. It was pointed out that, among other reasons, the company super-tax was objectionable on the grounds that it formed a conspicuous example of double taxation and was a tax on the small share-

holder and deprived him of what would have been ordinarily distributed to him as dividends, thus tending to render investments in joint stock companies less attractive. The company super-tax was abolished in England with the object of rendering some assistance to trade and industries in times of difficulty and the Committee submitted that the Government of India should take similar action in view of the extremely depressed state of the trade and industries of this country. If Government abolished the company super-tax, the Committee believed it would tend to encourage the investment of Indian capital in Indian industrial enterprises and Indian Government securities and would contribute to the realisation of one of the most cherished aims of the present distinguished Finance Member of the Government of India. (*Appendix 58.*)

A BILL TO AMEND THE INDIAN STAMP (BOMBAY AMENDMENT)
ACT, 1922.

This Bill was published in the *Bombay Government Gazette* dated 22nd January, 1926, with the following statement of Objects and Reasons :—

“ The Indian Stamp (Bombay Amendment) Act, 1922, was passed to enhance the Stamp Fees in certain cases for the purpose of increasing the revenue of Government. It was to remain in operation for four years from the 1st April, 1922, and if at the end of that period, the financial position still made it necessary, its life was to be extended. The result of the four years' experience has proved the necessity of the retention of the revised scale of Stamp Fees which is enacted in the measure ; and it is therefore proposed to continue the Act. This will bring the Act into line with similar Acts in Madras, Bengal and the Punjab.”

The Committee held that this statement of Objects and Reasons was most inadequate and that Government should have stated more explicitly the reasons which in their opinion rendered the continuance of the Act necessary. It was the Committee's considered opinion that Government should rather seek to reduce taxation by a more full investigation of the possibilities in the direction of retrenchment than to perpetuate the present burdens of taxation especially in the case of the Stamp Act which was originally intended to operate only for a short time. In communicating these views to Government, the Committee recalled the previous history of this legislation when it was first introduced in 1922—how it evoked opposition in the Legislative Council, and how on Government promising to embark on a policy of retrenchment, the Legislative Council passed the Bill, subject to the proviso that it should remain in force for four years only—a previous amendment to keep it in force for two years only being lost by the casting vote of the President. Under these circumstances, the Committee maintained, it was not right or fair to perpetuate the burdens imposed by this legislation which, it was clearly understood, was to be in force only for four years.

The Bill, in spite of strong opposition from non-official members, was passed by the Bombay Legislative Council. (*Appendix 59.*)

**INDIAN INCOME-TAX ACT—SECTION 19A—RETURN OF DIVIDENDS
BY PRINCIPAL OFFICERS OF THE COMPANY.**

Under Section 2 of the Indian Income-tax Amendment Act, 1926, the following section has been inserted as Section 19A after Section 19 of the Indian Income-tax Act, 1922 :—

“ 19-A. The principal officer of every company shall, on or before the 15th day of June in each year, furnish to the prescribed officer a return in the prescribed form and verified in the prescribed manner of the names and of the addresses as entered in the register of shareholders maintained by the company, of the shareholders to whom a dividend or aggregate dividends exceeding such amount as may be prescribed in this behalf has or have been distributed during the preceding year and of the amount so distributed to each such shareholder.”

The Central Board of Revenue addressed a letter to the Association soliciting the Association's views on the question what amount of dividend should be prescribed under the above section, that is, what should be the minimum amount of dividend (or aggregate dividends) drawn by a shareholder from any company in any year that should render it incumbent on the principal officer of the company to report such dividends to the prescribed officer. The Central Board of Revenue further pointed out that it was obvious that, while the amount must not be pitched so high as to deprive the section of its utility, to pitch it unduly low would give a great deal of unnecessary work both to the principal officers and to the department.

After due consideration the Committee came to the conclusion that Rs. 15,000 would be a suitable amount to prescribe under the new section, and the Central Board of Revenue were informed accordingly. (*Appendix 60.*)

**AMALGAMATION OF INCOME OF HUSBAND AND WIFE
FOR INCOME-TAX PURPOSES.**

The Taxation Enquiry Committee in paragraph 253 of their report recommended that “ for the purpose of charging income-tax and super-tax, the income of a husband and wife living together should be aggregated for the purpose of computing the amount of tax to which they are liable : and the tax on the whole at this rate should be divided between the two in proportion to the amount of their separate incomes.”

The Taxation Enquiry Committee gave the following two reasons in support of this proposal :—

1. It would help to check the avoidance of tax by the formation of bogus firms “ since a wife is the most convenient form of bogus partner,” and

2. It was only just on general grounds that the incomes of married couples living together should be taxed at the rate applicable to their aggregate income which represented their real ability to pay.

The Government of India, while inviting the Association's opinion on the above proposal, pointed out that the Taxation Enquiry Committee proposed to assimilate the Indian to the English law in this respect. The question was whether the suggested amendment was suitable or was susceptible of modification so as to make it suitable to Indian conditions. The Government of India also recalled the fact that a clause in the Income-tax Bill of 1917, similar in effect to the proposed amendment, was deleted by the Select Committee (paragraph 23 of their report) owing apparently to the opposition of the Indian members and of a European member who considered its provisions unsuitable to Burma. The Government of India further pointed out that if any such change in the law was to be made the new section would have to be carefully framed so as to adapt it to the different forms of law prevailing among Hindus, Muhammadans and Buddhists and the varying customs of those and other communities. In regard to a wife's *Stridhan*, in particular, difficulties might arise.

The Government of India desired the Association's opinion on the two questions :—

1. Whether it was desirable to amend the law on the lines suggested by the Taxation Enquiry Committee, and
2. If so, what special provisions were necessary to meet Indian conditions generally or the customs prevalent in particular localities or among particular communities.

The Committee of the Association were strongly opposed to the proposals of the Taxation Enquiry Committee. In view of the difficulties pointed out by Government themselves, of adopting the proposal of the Taxation Enquiry Committee, the Committee of the Association were of the opinion that Government were not well advised in eliciting the opinion of the public bodies on this particular proposal of the Taxation Enquiry Committee who had not offered any solution of the difficulties pointed out by Government in their letter.

In the opinion of the Committee the incidence of taxation was already unduly heavy and further, payment of income-tax and super-tax was evaded in a variety of ways. The Committee, therefore, held that Government for the present should confine their efforts to the prevention of the evasion of the existing law instead of launching out upon new legislation which would inflict further hardships on those who were honestly paying income-tax according to law, but would not do anything towards making the avoidance of the law more difficult by unscrupulous parties.

The Committee next proceeded to give a concrete illustration of the extent of the penalisation that a married couple would have to face if the proposal of the Taxation Enquiry Committee were adopted. Supposing the

income of the husband was Rs. 9,000 and the income of the wife Rs. 3,000 under the existing arrangements, the husband would be paying Rs. 281-14-0 and the wife Rs. 78-2-0 as income-tax. If, however, the incomes were amalgamated, the aggregate would be Rs. 12,000 which will be assessed at 9 pies in the rupee and bring to Government coffers Rs. 202-8-0 more than at present.

After taking all the facts into consideration, the Committee expressed themselves emphatically opposed to the proposal of the Taxation Enquiry Committee. (*Appendix 61.*)

ADVISABILITY OF PERMITTING INCOME-TAX OFFICERS TO DRAW UP LISTS OF PERSONS LIABLE TO LOCAL TAXES.

The Taxation Enquiry Committee in paragraph 250 of their report stated :—

“ The recognition of the importance of complete secrecy in income-tax returns is comparatively recent in India. Until 1918 a provision existed for the publication of notices specifying the tax payable by persons with incomes below Rs. 2,000 and it was not until 1922 that the law provided for complete secrecy. Unless assesses are satisfied that their income-tax returns will be used only for the purpose of assessing them to income-tax, it is impossible to expect them to furnish correct returns, and for this reason the maintenance of secrecy is an important factor in the development of an efficient administration of the income-tax in India.

“In two respects, however, a departure from the present practice may be made without infringing the principle on which it is based. The adoption of the practice of publishing in the annual reports a list of persons penalised for income-tax offences, which is in force in Australia, would possibly operate as a deterrent to the commission of such offences and might be tried.

“In certain provinces where a profession tax or similar local tax exists, the present law makes it impossible for the authorities responsible for its collection to utilise the information in the possession of the income-tax department regarding persons assessable to both taxes. In order to obviate the necessity for a double assessment, the law regarding secrecy might well be amended so as to permit Income-tax Officers to draw up lists of such persons and the sums for which they are liable under local Taxation Acts, and to furnish these to the authorities responsible for collecting the local tax.”

In the above paragraph, while admitting that secrecy in respect of income-tax matters is necessary as laid down in Section 54 of the Indian Income-tax Act, the Taxation Enquiry Committee have recommended that exceptions might be made —

- (a) by publishing in the annual reports the names of persons penalised for income-tax offences, and
- (b) by permitting Income-tax Officers to draw up lists of persons who are liable to local taxes based on income.

About the end of August, the Government of Bombay addressed a letter to the Association asking for the Association's views as to the advisability of adopting the suggestion of the Taxation Enquiry Committee to amend Section 54 of the Indian Income-tax Act so as to permit Income-tax Officers to draw up lists of persons liable to local taxes, such as profession tax, and the sums for which they are liable, and to communicate such lists to the authorities responsible for collecting the local taxes.

The Committee of the Association, in their reply, expressed themselves emphatically opposed to the above proposal of the Taxation Enquiry Committee. They drew Government's particular attention to the fact that the Taxation Enquiry Committee themselves had stated with perfect justice :—

“ Unless assesses are satisfied that their income-tax returns will be used only for the purpose of assessing them to income-tax, it is impossible to expect them to furnish correct returns, and for this reason the maintenance of secrecy is an important factor in the development of an efficient administration of the income-tax in India.”

The Committee of the Association did not think Government would be justified in making a departure from this very salutary principle in order to assist municipal and other local authorities in collecting professional and other taxes dependent on an individual's income. After all, the income-tax authorities had enough work of their own, and it was neither expedient nor conducive to efficiency to saddle them with extra duties in order to facilitate the work of other departments. The Committee of the Association trusted that on careful consideration Government would recognise the inadvisability of giving effect to the suggestion of the Taxation Enquiry Committee.

(Appendix 62.)

PROPOSAL TO REDUCE THE ONE-ANNA STAMP DUTY ON CHEQUES.

In March last the Government of India addressed a letter to all Provincial Governments setting forth at length their views on the above subject and asking for the Provincial Governments' views. The Government of Bombay forwarded to this Association a copy of the Government of India's letter and asked for the Association's views on the subject.

The Government of India in their letter stated that the Hon'ble Mr. (now Sir) P. C. Sethna had raised the question in the Council of State as to the advisability of abolishing the stamp duty on cheques and had subsequently given notice of a resolution in the Council of State recommending a reduction in the rate of stamp duty from one anna to half an anna, but owing to the Hon'ble Member's absence, the resolution could not be moved.

From figures obtained by the Government of India from the Local Governments, the amount of the stamp duty obtained from embossed stamps on cheques had been ascertained to be in the neighbourhood of 7 lakhs a year. The details supplied by the various Provinces are given below :—

Provinces.	Stamp duty on cheques, 1923-24.	Stamp duty on cheques, 1924-25.
	Rs.	Rs.
Madras	77,048	69,252
Bombay	2,41,000	2,50,000
Bengal	2,60,614	2,28,017
United Provinces	48,045	43,477
Punjab and North-West Frontier Province	35,354	35,595
Burma	45,000	46,000
Bihar and Orissa	981	4,526
Central Provinces	7,336	6,100
Assam	1,073	1,031
Total Rs. ..	7,16,451	6,83,998

The above-quoted figures indicate that the use of cheques in India is still on a relatively small scale, and it appeared to the Government of India a matter for serious consideration whether the rate of duty should not be reduced as suggested by the Hon'ble Mr. Sethna with the object of popularising their use and extending banking habits. It was true that in England in 1918 the stamp duty on cheques was raised from one penny to two pence, but a perusal of the report of the debate in the House of Commons on that occasion showed that this proposal met with more active opposition than perhaps any other in the Budget of that year, and Mr. Bonar Law in defending the measure definitely stated that his reason for going with the proposal was that the use of cheques had become so established in England and their convenience was so generally recognised, that it was unlikely that the increased duty would have any effect in reducing the number of cheques used. He added that if he had any fear that their number would be reduced, he would not proceed with the proposal. The position in India was entirely different, where the advantages and convenience of the use of cheques were still imperfectly recognised.

The Government of India called attention to the fact that in 1921 the question of increasing the stamp duty on cheques in India was raised both by the Committee appointed by the Government of Bengal and by the Government of Bombay, but that on further consideration the proposal was dropped with the agreement of all Provincial Governments, since it was felt that it

would constitute an interference with the development of banking. The question, however, of reducing the existing rate had not hitherto been considered.

The view of the Government of India was that the proposal to reduce the rate of stamp duty on cheques was one which deserved careful consideration. They had not sufficient data to decide whether the existing rate of stamp duty actually constituted an obstacle to the development of banking habits, but if it did so, they considered that this was undesirable in the best interests of India and thought that a reduction to $\frac{1}{2}$ anna might be a valuable step forward as well as a valuable proof of the Government's earnestness in desiring to encourage the banking habit. If the reduction of the duty were to result in popularisation of the cheque system, it was possible that reduction in the rate of duty would not in the long run lead to a loss of revenue to Provincial Governments, to whom this revenue of course belonged. The Government of India, however, would not be in favour of any suggestion to abolish the duty altogether, as was originally suggested by the Hon'ble Mr. Sethna. It was true that in the United States of America there was no stamp duty on cheques, but it was believed that banks in that country found means to protect themselves against the excessive use of cheques for petty sums, which naturally would throw considerable extra work on the banks and would tend to clog the machinery of the Clearing Houses. The Government of India would deprecate the introduction into India of any such vexatious restrictions.

After due consideration of the subject, the Committee found themselves in entire agreement with the Government of India regarding the desirability of extending the banking habit in India, in the interests of the country's development, and further considered that all reasonable means should be taken to educate the people to make greater use of the greater banking facilities which were gradually being made available in the country.

Whether or not a reduction in the stamp duty on cheques, as had been proposed, would do a great deal to popularise their use was difficult to forecast, but the Committee felt that as the reduction in duty could not, under any circumstances, lead to a serious diminution in Government revenues, and might possibly advance the habit of banking, the reduction might be tried as an experimental measure for a period of years, and the effects carefully examined. (*Appendix 63.*)

RECOMMENDATIONS OF THE TAXATION ENQUIRY COMMITTEE IN REGARD TO STAMP ACT.

About the middle of July, the Government of India addressed a letter to all Provincial Governments giving their views regarding certain recommendations in connection with revenue from the Stamp Act made by the Taxation Enquiry Committee in paras 284-311 and para 317 of their report and solicited the views of the Provincial Governments thereon. The Government of Bombay forwarded a copy of the Government of India's letter to the

Association for an expression of the Association's views on the different matters dealt with in the above-mentioned paras of the Taxation Enquiry Committee's report.

The Committee of the Association in their reply confined themselves only to the proposals made by the Taxation Enquiry Committee in paragraphs 293, 294 and 304 of their report.

In paragraphs 293 and 294, the Taxation Enquiry Committee proposed that the registration of limited companies should be subjected to an *ad valorem* duty assessed on the nominal capital and that, if this was done, an *ad valorem* scale should be applied to instruments of partnership based on the capital of the partnership. The Government of India in their letter to Provincial Governments expressed the opinion that it was undesirable to impose a new tax on the registration of limited companies so long as the super-tax on companies was retained.

The Committee of the Association in their reply protested emphatically against the above proposal of the Taxation Enquiry Committee, which was calculated to hamper the growth of joint stock companies, which was tantamount to hampering the industrial and material development of this country. The Association regretted that the Government of India instead of unequivocally condemning the proposed levy on capital inclined to the view that it would not be desirable to adopt this proposal so long as the super-tax on companies was retained. The Committee of the Association stated that Government were aware that there was very widespread and justifiable opposition to the continuance of super-tax on companies, which was only imposed as a war measure and which ought to be abolished without delay. The Committee, however, held that Government would be taking a very wrong step if the abolition of the super-tax on companies were to be regarded by them as a suitable opportunity for levying the duty on registration of companies as suggested by the Taxation Enquiry Committee. The Committee urged that in the interests of the trade and industries of the country, Government should unequivocally condemn the proposal of the Taxation Enquiry Committee, whether the super-tax on companies was retained or abolished.

In paragraph 304 of their report, the Taxation Enquiry Committee urged that with the aid of the Stock Exchange authorities, Government should put a stop to the loss of revenue arising from the use of blank transfers. The Atlay Committee made a similar recommendation, and it is a matter of regret to this Association that Government should not have taken steps so far to effect this much-needed reform. The views of Government on this important question are contained in the answer given in the Legislative Assembly to a question put by Sir Darcy Lindsay during the Delhi session of 1926, and reproduced below :—

SIR DARCY LINDSAY :—(a) Are Government aware that owing to non-presentation of transfers for registration the share registers of many limited liability companies are misleading in that they contain the names of a large number of individuals who are no longer

the actual holders of the shares? (b) If the answer is in the affirmative have the Government ever considered or are they prepared to consider the desirability of amending the Indian Companies Act, 1913, to make the dating of the form of transfer compulsory by the seller as also the due registration thereof by the buyer within a period of three months from such date?

THE HON'BLE SIR CHARLES INNES :—The Government are aware that the share registers of many limited liability companies are not up to date and they have frequently considered whether remedial action could not be taken. The question, of course, is mixed up with the difficult question of blank transfers and I place on the table an extract from a letter to the Government of Bombay, dated the 1st December 1924, which contains the latest pronouncement of the Government of India on the subject. The suggestion made by the Hon'ble Member was also considered in 1921 and I place on the table an extract from a letter from the Government of Bombay on the subject. This extract shows some of the difficulties in the way of the Hon'ble Member's suggestion.

Extract from a letter to the Government of Bombay, No. 5781, dated 1st October 1924.

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Legislation prohibiting blank transfers, or rendering Contract Notes obligatory could easily be evaded by devices that would not amount to an infringement of the law, and if the law were actually infringed, it would be difficult to detect such infringement. Even if blank transfers were void regarded as deeds of transfer, they would still—the Governments are advised—remain operative as equitable transfers of ownership subject to any superior equity. Such transfers are not illegal in England, and the Government still adhere to the view that in such matters India should rather follow the lead of England than attempt to show her the way. If the system of blank transfers has not been found to create a necessity for legislation in England it would be difficult to make out a convincing case for suppressing it by law in India.

Extract from a letter from the Government of Bombay, No. 784A, dated 21st September, 1921.

* * * * *

It has been suggested that blank transfers might be regulated and discouraged by a provision that the vendor should be compelled under penalty to note the date of his sale and the company should not be permitted to accept a transfer of longer date than one month. But it is pointed out that this provision would also be easily defeated, for a vendor would be induced to sign a fresh transfer within the period provided for acceptance of registration by the Company; and it is also pointed out that banks frequently hold shares nominally while transfers are in frequent passage between their clients, and that this system could be developed to a very much greater extent than already obtains.

The Committee held that the answer given by the Hon'ble Sir Charles Innes was hardly such as to carry conviction, for, in their opinion, the alleged difficulties in rendering blank transfers illegal were by no means insurmountable. The existing system not only deprived Government of revenue to which they were justly entitled, but sometimes entailed on joint stock companies and individual shareholders difficulties of a serious nature. If the Indian Companies Act were so amended as to make the dating of the form of transfer compulsory by the seller as also the due registration thereof by the buyer within a period of two months from such date, and would empower the companies to refuse to accept transfers not presented within that date, the difficulties attendant on the existing system of "blank transfers passing from hand to hand for months or even years" would be done away with and Government's revenue from the stamp duties would be considerably increased. It was the Committee's considered opinion that legislation on these lines was an urgent necessity, and they commended this proposal to the very earnest consideration of Government.

The Atlay Committee, while urging the total abolition of the blank transfer or as an alternative the limitation of its life to two months recommended a reduction in the duty payable on transfers, and the Committee of the Association expressed themselves to be entirely in agreement with the recommendations of the Atlay Committee.

It was the Committee's considered opinion that legislation rendering blank transfers a bad tender was long overdue, and they earnestly trusted Government would at an early date take the necessary steps to amend the Indian Companies Act on the lines indicated above. (*Appendix 64.*)

STAMP DUTY PAYABLE ON BILLS OF EXCHANGE.

The Indian Chamber of Commerce, Calcutta, addressed a letter to the Government of India, Finance Department, urging a reduction in the stamp duty payable on bills of exchange otherwise than on demand. A copy of this letter was forwarded by the Government of Bombay to this Association for an expression of its views. The Indian Chamber of Commerce pointed out in their letter that in view of the heavy rates of stamp duty, it often happened that though some bills were drawn as payable on demand, a verbal understanding subsisted between the parties as to the period for which credit or accommodation was granted. This practice was at present very widespread and was resorted to by all sections of the commercial public entirely with a view to take advantage of the lower rate of stamp duty payable on demand bills.

The effect of such a practice growing up to a large extent was serious and obvious enough. In the first place it led to the creation of unduly large number of instruments of short-time credit and as such affected adversely expansion of credit. In the second place, under the practice the position of the debtor remained exposed to serious risks, and the creditor who normally occupied a position of advantage, gained further ground over the debtor.

The position described above related no doubt entirely to the internal bills of exchange, but the position of the drawers of the foreign bills was different. They could devise no method to escape the liability to a heavy rate of stamp duty. It was instructive to compare in this connection the rate of duty payable on these instruments in Great Britain. The Indian rate, it appeared, was approximately double the British rate. For instance, in India the usance bills for Rs. 30,000 was subject to a duty of Rs. 27 or 9/100 per cent. of the value of the instrument, whereas in Great Britain the duty payable on a bill of £ 2,000 (corresponding to Rs. 30,000 at the rate of 1s. 4d. per rupee) was £1 only and represented a rate of duty not higher than 1/20 per cent. of the value of the instruments. The Committee of the Indian Chamber, therefore, suggested that the Government should consider at a very early date the question of reduction of stamp duty on the usance bills by at least 50 per cent.

In this connection it is interesting to recall the following paragraph from the Report of the Royal Commission on Currency and Finance advocating the total abolition of the stamp duty on bills of exchange : —

“ It is evident that a limitation of the monetary circulation to the real needs of the country postulates contraction and expansion of the currency in accordance with those needs. In a mainly agricultural country like India those needs fluctuate widely, not merely according to the seasons of the year, but also according to the abundance or otherwise of crops and the prices they command. If that part at any rate of the notes which the bank issues to meet the need of expansion is secured by assets of a character corresponding to this need of expansion that is, if these assets mature and are liquidated when the increased monetary circulation is no longer needed, the process of expansion and contraction becomes almost automatic. The true commercial bill, that is, a bill drawn in respect of a genuine commercial transaction, has these characteristics in a pre-eminent degree. It is a self-liquidating asset in the sense that the liquidation of the commercial transaction liquidates the bill. It is for this reason that the charters of most of the central note-issuing banks provide for their note issues to be secured partly by commercial bills. The charter of the Reserve Bank of India should contain a similar provision. With a view to promote the growth of these commercial bills we recommend that the stamp duty on bills of exchange be abolished. With the same aim, we also recommend the sale by post offices of bill forms in the English language and the vernacular in parallel.”

The Committee of the Association, in their reply, expressed themselves to be in entire accord with the recommendation of the Royal Commission on Currency and Finance that the stamp duty on bills of exchange should be abolished. If, however, considerations of revenue made it difficult for Government to give effect to this recommendation of the Royal Commission, then the Committee of the Association maintained that the present rates of stamp duty on bills of exchange should be substantially reduced, for reasons given in the letter from the Indian Chamber of Commerce, Calcutta. (*Appendix 65.*)

STANDARD TEST FOR EFFICIENCY OF SPRINKLERS.

In the Association's Report for 1925 (pages 113—671) an account is given of the controversy between this Association and the Bombay Fire Insurance Association as to what should be the standard test for efficiency of sprinklers. It will be remembered that the Bombay Fire Insurance Association invited the representatives of this Association to attend a practical demonstration regarding the state of the sprinklers which the Bombay Fire Insurance Association wanted to be replaced in different mills. This suggestion had been accepted by the Committee of this Association and it was expected that it would be possible from the results to lay down a series of tests which should be considered the basis for efficiency.

This demonstration took place on 26th January, 1926, in the presence of the representatives of this Association and of the Bombay Fire Insurance Association and 5 engineers from different mills.

On behalf of this Association, it was urged that the Fire Insurance Association should lay down a definite ruling in regard to what was to constitute an efficiency test as it was felt that the existing arrangements were unsatisfactory. Renewals were being demanded by the Fire Insurance Association in respect of installations declared to be in a bad condition but which, in the opinion of the affected millowners, would function satisfactorily in the event of a fire. Mr. Cheminais, the chairman of the Bombay Fire Insurance Association, stated that it would not be difficult to lay down fixed regulations, but that the Fire Insurance Association had refrained from so doing inasmuch as legislation in this relation might be distinctly prejudicial to the millowners for the reason that under existing conditions each installation is treated on its individual merits, whereas fixed regulations would necessarily have to be applied to the mills as a whole. Only one set of rules could be made applicable, the rules which govern first class installations in the United Kingdom, which are as follows :—

1. That the discharge capacity from a sprinkler head should be a minimum of 12 gallons per minute at 5 lbs. running pressure.
2. That a sprinkler head should be capable of withstanding 300 lbs. working pressure.
3. That a sprinkler head should be capable of withstanding water hammer of a pressure increased from 0 lb. to 300 lbs. at least 500 times.
4. That the fusing point of the solder in a sprinkler head should be not less than 155° F. and not more than 165° F.
5. That a sprinkler head should open without halt or hindrance and that all moving parts should be thrown clear of the sprinkler and not impede the free distribution of water.
6. That a sprinkler should be made of such material as to withstand corrosion and rough handling such as a sharp blow, etc.

7. That a sprinkler head should function without pressure when heated to 155° F.

After a very careful consideration of the whole subject the special Sub-Committee of the Association which had the matter in hand came to the conclusion that the Fire Insurance Association were justified in condemning as inefficient "Witter" sprinklers in certain mills, and the mills concerned and the Bombay Fire Insurance Association were informed accordingly. The only observation the Committee wished to make in regard to replacement was that the time allowed for replacement should not be limited to 4 months as desired by the Bombay Fire Insurance Association, but should be spread over a greater or lesser period according to the number of heads requiring to be changed. The Committee regretted that it had not been found possible by the Fire Insurance Association to lay down a standard of efficiency, but they were glad to note from the letter of the Bombay Fire Insurance Association that such concessions as might be reasonably consistent with general efficiency would invariably be granted. The Committee also reminded the Bombay Fire Insurance Association of the agreement between the two Associations that efficiency should be the sole test of sprinklers and urged that no installation should be condemned in future even though sprinkler heads of the installation were of an obsolete pattern unless the installation failed under a test similar to that to which the Witter sprinklers under reference were subjected.

The Bombay Fire Insurance Association in their reply have assured this Association that they were prepared to agree that efficiency should be the sole test of sprinklers, and have also expressed their willingness to extend the time limit for replacement by such period as may be deemed necessary in each individual case. (*Appendix 66.*)

FIRE BUCKETS AS LUBRICATING OIL CONTAINERS—LETTER FROM THE BOMBAY FIRE INSURANCE ASSOCIATION.

The Bombay Fire Insurance Association addressed a letter to this Association stating that their inspectors had drawn their attention to the undesirable practice which prevailed of using fire buckets as lubricating oil containers. The danger to be apprehended from such action was obvious as apart from any inherent hazard in the liquid itself, it was quite feasible that in the excitement created by an outbreak of fire and the obstruction to vision caused by the smoke on the spur of the moment, oil and not water might be projected on the flames with disastrous consequences. The Committee of this Association forwarded a copy of the Bombay Fire Insurance Association's letter to all members of this Association for their attention and necessary action. (*Appendix 67.*)

WASTE PICKING—LETTER FROM THE BOMBAY FIRE INSURANCE ASSOCIATION.

The Bombay Fire Insurance Association also addressed the Association on the subject of waste picking, a process which evidently appeared to be carried on freely and extensively in many mills. The Bombay Fire Insurance

Association urged that waste picking should be restricted to the department, and/or godowns—if not carried on in the open—set apart for the purposes otherwise the rating of the working blocks was seriously prejudiced. The contents of the Bombay Fire Insurance Association's letter were duly brought to the notice of the members of this Association for their careful attention.

CODE LANGUAGE.

Early in January the Director-General of Posts and Telegraphs addressed a letter to the Association stating that at the last International Telegraph Conference held in Paris during the months of September and October, 1925, several proposals were made by the different administrations to modify Article VIII of the Regulation defining code language. Under the article as it stands at present, code language is composed of words not forming phrases intelligible in any of the eight languages permitted to be used in plain-language telegrams, namely, English, French, German, Spanish, Italian, Dutch, Portuguese and Latin subject to the following conditions :—

- (1) The words whether real or artificial must be formed of syllables capable of being pronounced according to the usage of any of the eight languages.
- (2) The length of the words should not exceed ten letters.
- (3) Accentuated letters are not admissible.
- (4) Artificial combinations of two or more words of plain language, contrary to the usage of the languages, are not admissible.

If the first three conditions are not observed, the telegram is treated as one in cypher language and charged at five letters per word, and a telegram which contains words not fulfilling the fourth condition is refused. The Director-General pointed out that the first of these conditions was very difficult to enforce inasmuch as a counter clerk accepting messages could not be conversant with the eight languages, and words which are not pronounceable, *e.g.*, buplmfopcl, were accepted by him. It was further stated that the signalling and receiving of words which were not pronounceable were more difficult than of words which could be pronounced and kept in memory for a short time. This difficulty, the Director-General stated, cannot be allowed to continue for the system entailed the following disadvantages :—

- (1) The booking of other telegrams is delayed and keeps the public a long time at the counter.
- (2) An excessive strain is imposed on all the staff employed in booking, receiving and signalling such messages.
- (3) Heavy mutilations occur which not only inconvenience the public but give rise to extra unremunerative work to the administrations by way of paid service advices for rectification.

Taking all these facts into consideration, the Conference came to the conclusion that it was advisable to modify the rules and they appointed a Committee to inquire into the question and to suggest modifications in the present rules. This Committee has called for suggestions from different administrations, the public and the code makers. A proposal was made by some of the delegates at the Conference for limiting the code words to five letters instead of ten as at present and for the removal of the present restrictions. This, however, would give rise to difficulties as regards charges for if each code word of five letters were to be charged for as one word under the present rates, senders of telegrams who used the present code split up into two would have to pay double for their telegrams, whereas if the charge was halved the rate for code-language telegrams would compare unfavourably with that of plain-language telegrams. The whole question was an intricate one and the Director-General of Posts and Telegraphs desired to be favoured with the Association's views thereon.

The Committee in their reply stated that while they had no intention of belittling the difficulties which the cable and telegraph companies, and the general public dealing with telegrams in code, experienced, they wished to point out that during recent years the number of mistakes in code messages had been very materially reduced, and considering all the advantages which the ten-letter code words gave to users, they were very strongly opposed to the principle of ten-letter code words being discarded.

The Committee believed that the chief reason for the troubles referred to in the letter from the Director-General was the very general use of private codes of unsuitable construction which did not conform to the conditions laid down in Article VIII of the Telegraph Convention.

After considering the question in detail, the Committee made the following suggestions :—

- (1) That the use of ten-letter words in code telegrams should be allowed to continue.
- (2) That ten-letter words made up of two five-letter words from any of the authorised codes should be permitted without any restrictions.

If, however, Government insisted that code words of not more than five letters, unless taken from authorised code books, should be allowed, then such words should be allowed at half the present rate for ten-letter code words.

- (3) Combinations of two plain-language words should be permitted if the total number of letters in the combined word did not exceed ten in number.

If this facility were given to senders of telegrams there would be a tendency for the use of unsatisfactory private and unrecognised codes to decrease, and a consequent diminution in the number of mistakes in the transmission of telegrams.

(Appendix 68.)

REGISTRATION OF TRADE MARKS IN INDIA.

The advisability or otherwise of having on the Statute Book of this country an Act for the Registration of Trade Marks in India has been frequently discussed during the last fifty years by the Committee of this Association and the Government of India, and hitherto it has been considered that no useful purpose would be served by the enactment of a Trade Marks Registration Act in India (*vide* the Association's Report for 1909, pages 27-96). A letter on this subject addressed to the Association by the Director of Industries, United Provinces, again led the Committee to consider the question carefully in all its bearings.

It appears that recently, the Director of Industries, United Provinces, in consultation with the Board of Industries of that province, requested the Local Government to move the Government of India to enact legislation for the registration of trade marks in India, on the alleged ground that the want of such an Act had been felt by manufacturers and trade mark owners in this country owing to the possibility which the existing conditions afforded to bogus firms of imitating trade marks of established manufacturers. The Director of Industries was subsequently requested by the Local Government to obtain the views of the Board of Industries on the question whether the proposed Trade Marks Registration Act should or should not include cotton marks. Attention was drawn to the fact that the case for exclusion was brought out by the Manchester Chamber of Commerce in a note prepared by them in 1903. The Board of Industries, United Provinces, after considering this question decided to consult important bodies interested in the matter, before coming to any definite decision. The Director of Industries accordingly addressed a letter soliciting this Association's views on the subject.

The Committee after careful consideration decided to adhere to the attitude adopted by them in previous references from the Government of India on the same subject.

It was pointed out in the Committee's letter that it was very doubtful as to whether the proprietary trade marks in use in this country would be as adequately protected under a Trade Marks Act as they were under the existing law. The chief disadvantage caused by the absence of a Trade Marks Registration Act was that existing trade marks were sometimes copied inadvertently, but even in such cases the owner of the trade mark so copied could obtain effective, rapid and ample satisfaction under the provisions of the Merchandise Marks Act, by proving priority of use.

In order to prevent the inadvertent imitation of cotton marks, this Association had for many years adopted a system of registration of the marks, tickets and stamps used by all its members and an extension of this system of private registration would probably be of greater utility and less difficult than the enactment of a Trade Mark Registration Act with necessarily elaborate and cumbersome regulations and an unnecessarily expensive staff.

If, however, in the future India becomes a great exporting country of proprietary brands of goods and it is found that owing to the absence of a

Trade Marks Registration Act, adequate protection against piracy of Indian trade marks is not possible in foreign countries, the position may need re-consideration. (*Appendix 69.*)

REGISTRATION OF TRADE MARKS IN GREECE.

The Swadeshi Mills Co. drew the Association's attention to certain difficulties experienced by them in registering their trade marks in Greece, owing to India not having joined in the International Convention of 1911. As new Conventions regarding trade marks were to be made, the Swadeshi Mills proposed that this Association should take up the matter with the Government of India. A letter was accordingly addressed to the Government of India who, in reply, forwarded to the Association a copy of the Industrial Property Convention, 1911, Articles 6 to 9 of which related to trade marks and trade names, and further stated that it was not possible for them to adhere to the Convention as there was no law in this country for the registration of trade marks. For the same reason they did not participate in the recent Hague Conference at which the revision of the Convention was to have been discussed, and they had not been informed of the result of the deliberations of the Conference. (*Appendix 70.*)

THE POSITION OF JAIL INDUSTRIES IN THE BOMBAY PRESIDENCY WITH SPECIAL REFERENCE TO A PROPOSAL TO INSTAL POWER-DRIVEN MACHINERY IN ONE OF THE JAILS.

About the middle of August the Government of Bombay addressed a letter to the Association saying that they had appointed a Committee to examine the position of jail industries in the Bombay Presidency, with special reference to a proposal to instal power-driven machinery in one of the jails. Government stated that the object of this proposal was two-fold, first to teach long-term convicts a trade so that they might be able to earn a livelihood on release, and secondly to supply Government departments as far as possible with articles (principally textile) they required. Government invited the Association to depute a representative to place the Association's views before the Committee, and Mr. C. N. Wadia, C.I.E., was elected by the Committee of the Association to place the Association's views before the Government Committee.

In connection with this question of installing power-driven machinery in jails, it is interesting to recall the following views expressed by the Industrial Commission which met with the general approval of the Committee of the Association :—

“ In jail industries, only manual labour should, we consider, be allowed and they should be so chosen that the labour put into the finished goods represents the major portion of the cost of production. The establishment of power factories inside jails and the extensive employment of machinery we regard as undesirable, and the complaints

which we have received concerning the competition of the woollen mill in the Bhagalpur jail and the cotton mill in the Coimbatore jail are reasonable."

Mr. C. N. Wadia, as the Association's representative, made a strong and emphatic protest against Government installing power machinery in jails, when the matter was discussed by the Committee referred to in the first paragraph. (*Appendix 71.*)

PROPOSED INTRODUCTION OF THE MESSAGE RATE SYSTEM OF TELEPHONE CHARGES IN BOMBAY.

In the Association's Report for 1925 (pages 118-119) will be found a summary of the correspondence between the Association and the Bombay Telephone Company on the subject of the proposed introduction of the message rate system in Bombay. It will be remembered that on various grounds the Association strongly opposed the proposed innovation.

About the end of October 1926 the Government of Bombay invited the Association to depute a representative at a conference at the Secretariat on 1st November, when a discussion was to take place on this subject between the Hon'ble Mr. J. L. Rieu, Member of Council, and the Hon'ble Sir B. N. Mitra, Member of Council in charge of the Department of Industries and Labour of the Government of India.

Mr. Lalji Naranji represented the Association at the conference, and he subsequently informed the Association that it was decided at the meeting that though the Indian merchants of this Presidency as represented by the Indian Merchants' Chamber and the Millowners' Association opposed the proposed change, the principle of the message rate system of telephone charges should be accepted, and that the Bombay Government should appoint a Committee to go into the question of the rates to be charged. Under the circumstances, the Committee of the Association decided not to take any action pending information as to the scale of charges proposed for adoption. (*Appendix 72.*)

ADMISSION OF BARBERS INTO MILL COMPOUNDS.

Early in October Mr. C. N. Wadia, C.I.E., addressed a letter to the Association suggesting that from 1st December, 1926, all mills which were members of the Association should entirely prohibit barbers in the mill compound, as this evil practice led to a good deal of time being unnecessarily wasted by operatives. Mr. Wadia pointed out that the practice arose when the mills worked 14 hours a day, but now when the operatives worked only 10 hours a day there was no justification for its continuance, as they had ample time to get shaved either before the mill started or after it closed during the mid-day recess. Mr. Wadia thought that joint action on the part of all millowners was necessary to do away entirely with this waste of time.

The Committee were of the opinion that Mr. Wadia's suggestion was an excellent one but at the same time it was felt that the total prohibition of barbers in the mill compound might lead to discontent among the work-people. The Committee held that a beginning might be made by admitting barbers in the mill compound only during the recess hour, and they thought it advisable that all members should give notice to their operatives that from 1st December barbers would be admitted only during that period.

This was, of course, only a recommendation from the Committee but the Committee hoped all members would give effect to this recommendation in the interests of efficiency. (*Appendix 73.*)

AMENDMENT OF DOCKS BY-LAW No. 96.

In order to conform to Customs requirements, the Trustees of the Bombay Port Trust decided with the sanction of Government with effect from 1st August, 1926, that importers when applying for delivery of goods at the Docks Transit Sheds or Bonded Warehouses would be required to present, along with the Customs duplicate Import Bill of Entry, a true copy thereof superscribed in bold type "Bill of Entry for Port Trust use" and this copy would be for the use of the Port Trust and be retained by the Docks Manager, and should be printed in red ink.

The entries of this Port Trust copy will be facsimiles of those of the Customs copy, and both will circulate together till delivery is completed. All Port Trust endorsements will be made on the Port Trust copy, and not on the Customs copy as at present. This procedure, it is expected, will expedite the release of the Customs copy for their audit and accounts purposes, and will enable the Port Trust to dispose of claims for refunds expeditiously.

Docks By-law No. 96 has been amended to give effect to the above decision, *vide* Notification No. 190-867 dated the 23rd June, 1926, published in the *Bombay Government Gazette* (Part I) of the 24th *idem*.

The Bombay Port Trust, while giving the above information to this Association, added that importers who intended to print their own stocks were requested to see that the form corresponded with Customs requirements in size, quality of paper, colour and particulars. The Bombay Port Trust in their letter further recapitulated as below the colour of Bills of Entry for general guidance:—

1.	Bill of Entry for	Consumption	..	..	White.
2.	"	"	"	"	Yellow.
3.	"	"	"	Clearance from Bond	.. .. Blue.
4.	"	"	"	<i>Bona fide</i> Government stores	. Pink.

A copy of the Bombay Port Trust's letter was forwarded to all members for their information. (*Appendix 74.*)

MEASURES FOR THE PREVENTION OF PROFESSIONAL BEGGARY IN BOMBAY.

Towards the end of December, 1925, Mr. O. H. B. Starte, C.S.I., submitted to Government a report on the above subject in accordance with Government Resolution, General Department No. 72, dated the 24th January 1925. Mr. Starte was asked to prepare a rough scheme for establishing and maintaining a beggar settlement in the vicinity of Bombay on the lines of a criminal tribes settlement which should include, *inter alia*—

- (a) An industrial home.
- (b) A work-house for able-bodied beggars.
- (c) An infirmary for those incapable of doing any work.

Mr. Starte submitted a very elaborate report on the subject, a copy of which was forwarded to the Association with a request for the Association's views thereon.

In reply the Committee recorded their appreciation of the great assiduity and erudition which Mr. Starte had brought to bear on his report. Mr. Starte's proposals, however, could not be carried out without a heavy drain on the financial resources of Government, necessitating, in all probability, enhanced taxation. The Committee were emphatically of the opinion that Government's sole care at present should be to reduce the burdens of taxation as much as possible, especially on the industries of the country, and therefore they were strongly opposed to Government launching upon any scheme involving heavy expenditure to be met eventually by enhanced Provincial or Municipal taxation.

The proposals outlined by Mr. Starte had the unqualified approval of the Committee provided Government were in a position to give effect to those proposals without resorting to additional taxation. If this was not possible, then the Committee thought the path of wisdom for the Government of Bombay would be to hold over such ambitious schemes as were outlined in Mr. Starte's report and to confine themselves to more modest and inexpensive measures, whereby the prevailing nuisance of professional beggary might be appreciably reduced if not altogether eradicated. (*Appendix 75.*)

RESULTS OF THE WORKING OF THE COTTON MILLS OF BOMBAY IN 1925.

It was stated in the Association's Report for 1924 that it was decided to prepare an Annual Statement showing the results of the working of the cotton mills of Bombay. A statement prepared accordingly by the Association and audited by Messrs. A. F. Ferguson & Co., was forwarded to all members. 79 mills out of 82 submitted returns, and after making the necessary provision for depreciation, Messrs. Ferguson & Co. estimated that the total loss made by Bombay mills in 1925 was Rs. 2,92,41,816.

DONATIONS.

The following Donations were sanctioned and paid out of the Association's funds during the year under review :—

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

MONTHLY HOLIDAY RETURNS.

Members are aware of the correspondence that took place last year between the Collector of Bombay and this Association on the subject of Holiday Returns to be submitted monthly under the Indian Factories Act. It will be remembered that the Collector, on the strength of this correspondence, had approached the Government of Bombay for sanction to exempt members of this Association from submission of these monthly returns on their undertaking to adhere to the Holiday List prepared annually by the Association and to inform the Factory Inspector in cases when a departure from the Holiday List became necessary for one reason or other (*see Report for 1925—pages 122-714*). The Government of Bombay have now given the necessary sanction by the following notification dated the 1st February, 1926, a copy of which was forwarded to all members for their information :—

“ In exercise of the powers conferred by the proviso to Rule II published under Section 38 of the Indian Factories Act, 1911 (XII of 1911), in Government of India Notification, Department of Industries and Labour, No. L-1250, dated the 4th February, 1925, re-published in Bombay Government notification in the General Department, No. 2343, dated the 11th February 1925, the Governor in Council is pleased to dispense with the monthly return of holidays furnished to the Inspector of Factories in the case of all factories in the Bombay Presidency including Sind, which regularly observe Sundays as holidays, and also in the case of all factories which observe the holiday list published annually by the Bombay Millowners' Association : provided, however, that where the manager of any factory makes any departure from the regular Sunday holiday or from the Bombay Millowners' Association list of holidays, prior intimation shall be given to the Inspector of Factories.”

MILL HOLIDAYS FOR 1927.

The following mill holidays, which are in accordance with the provisions of the Indian Factories Act, have been fixed by the Committee of the Bombay Millowners' Association for adoption by the members of the Association, during the year 1927.

If for any special reasons, it is found necessary to close the mills on days other than those mentioned below, the Chief Inspector of Factories, Old Customs House, Bombay, should be informed accordingly in accordance with Section 22 of the Indian Factories Act and the Association should also be informed at least ten clear days prior to the Holiday concerned.

MONTH.	DATE OF HOLIDAY.	DAY OF WEEK.	FESTIVAL.	* SUGGESTED MONTHLY PAY DAY.	DAY OF WEEK.	
JANUARY	1st-9th	Saturday.....	<i>New Year Day.</i>	} 12th ..	Wednesday.	
	13th	SUNDAY.	<i>Makar Sankranti.</i>			
	23rd	Thursday.....				
	30th	SUNDAY. Do.				
FEBRUARY	6th	} SUNDAYS		} 12th ..	Saturday.	
	13th					
	20th					
MARCH	2nd	Wednesday.....	<i>Maha Shivaratri.</i>	} 12th ..	Saturday.	
	6th	SUNDAY.				
	13th	Do.	} <i>Holi.</i>			
	18th	Friday.....				
	19th	Saturday.....				
	20th	SUNDAY.				
27th	Do.					
APRIL	3rd	SUNDAY.	<i>Gudi Padwa.</i>	} 9th ..	Saturday.	
	10th	Do.	<i>Ram Navmi.</i>			
	17th	Do.				
	24th	Do.				
MAY	1st	} SUNDAYS.		} 14th ..	Saturday.	
	8th					
	15th					
	22nd					
29th						
JUNE	5th	} SUNDAYS.		} 11th ..	Saturday.	
	12th					
	19th					
	26th					
JULY	3rd	SUNDAY.	<i>Ashad Ehadeshi.</i>	} 9th ..	Saturday.	
	10th	Do.				
	17th	Do.				
	24th	Do.				
AUGUST	2nd	Tuesday.....	<i>Nag Panchami.</i>	} 12th ..	Friday.	
	7th	SUNDAY.				
	13th	Saturday.....	<i>Navli Purnima</i>			
	20th	Saturday.....	<i>Gocul Astami.</i>			
	31st	Wednesday.....	<i>Ganesh Chaturthi</i>			
SEPTEMBER	5th	Monday.....	<i>Gowri Visarjan.</i>	} 9th ..	Friday	
	10th	Saturday.....	<i>Anant Chaturdeshi</i>			
	18th	SUNDAY.				
	25th	Do.	<i>Sarva Pitra Amvasa.</i>			
OCTOBER	2nd	SUNDAY.	<i>Dasara.</i>	} 15th ..	Saturday.	
	6th	Thursday.....				
	16th	SUNDAY.				
	25th	Tuesday.....				} <i>Devali.</i>
	26th	Wednesday.....				
	27th	Thursday.....				
NOVEMBER	6th	} SUNDAYS.		} 12th ..	Saturday.	
	13th					
	20th					
	27th					
DECEMBER	4th	SUNDAY.	<i>Lunar Eclipse.</i>	} 15th ..	Thursday.	
	8th	Thursday.....				
	18th	SUNDAY.				
	25th	Do.				

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

BOMBAY MILLOWNERS' ASSOCIATION.

Balance Sheet as at 31st December, 1926.

LIABILITIES.	Rs. a. p.	Rs. a. p.	ASSETS.	Rs. a. p.	Rs. a. p.
SUNDRY CREDITORS—					
For Auditors' Fees, Printing, Stationery, Electric Light and Fans, etc., unpaid .. .. .	....	520 13 0	Interest accrued on Association's Investment of General Fund and Travelling Agency Fund up to 31st December, 1926, but not received .. .. .	....	2,949 1 4
COTTON EXCISE DUTY PROPAGANDA WORK A/c—			Advance payments made on account of Books and Periodicals, Telephone, Salary to Clerk at Calcutta and other sundry items	539 8 7	
Balance as per last account	7,346 15 7		Advance payment to staff	60 0 0	
Less—Expenses incurred during the year	4,425 11 11	2,921 3 8			599 8 7
ASSOCIATION'S ACCUMULATED FUND—			ASSOCIATION'S INVESTMENTS—		
Balance on 31st December, 1925—			Government 3½ per cent Promissory Notes for Rs. 92,000 at cost	67,670 10 0	
Rs. a. p.			Do. 5 per cent. Indian War Loan, War Bonds, 1929-47, for Rs. 25,000 at cost	24,156 4 0	
General Fund	1,31,457 9 0		Do. 5½ per cent. Indian War Loan, War Bonds, 1928, for Rs. 30,000 at cost	30,000 0 0	
Travelling Agency Fund	6,136 1 4	1,37,593 10 4	Do. 6 per cent. Indian War Loan, War Bonds, 1930, for Rs. 15,000 at cost	15,000 0 0	
<i>Add—Interest on Government Paper of Travelling Agency Fund</i>	105 0 0		Do. 6 per cent. Indian War Loan, War Bonds, 1932, for Rs. 5,500 at cost	5,500 0 0	1,42,326 14 0
<i>Add—Excess of Income over Expenditure</i>	14,811 14 7		CASH—		
Rs. a. p.			Cash in the Imperial Bank of India, General Account..	9,100 1 8	
General Fund	1,46,269 7 7		Cash in the Imperial Bank of India, Secretary's Account.	300 0 0	
Travelling Agency Fund	6,241 1 4	1,52,510 8 11		9,400 1 8	
TOTAL Rs.	1,55,952 9 7	Cash in hand	677 0 0	10,077 1 8
			TOTAL Rs. ..		1,55,952 9 7

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Examined and found correct.

A. F. FERGUSON & Co.,

Chartered Accountants,

BOMBAY, 27th January, 1927.

AUDITORS.

T. MALONEY,

Secretary.

Income and Expenditure Account for the Year ended 31st December, 1926.

EXPENDITURE.	Rs. a. p.	Rs. a. p.	INCOME.	Rs. a. p.	Rs. a. p.
To Establishment	42,558 11 2		By Subscriptions for the year ended 31st December, 1926..	81,893 0 0	
Conveyance Allowance to Secretary	1,200 0 0		Miscellaneous Receipts	2,467 9 0	
Contribution to the Bombay Chamber of Commerce for statistical work done up to 31st March, 1926	Rs. a. p. 2,525 0 0		Interest on investments of General Fund	8,576 8 5	
Preparation of Monthly Imports and Export Statistics by the Association	2,136 10 8				92,937 1 5
	4,661 10 8				
Preparation of Statistics for the Bombay Cotton Mill Industry for 1925	575 0 0				
Office rent	3,600 0 0				
Printing Statistical Returns, Mill Statement for 1925 and 1926, Annual Report for 1925, etc.	10,436 3 6				
Stationery	2,257 6 0				
Advertisements	193 0 0				
Books and Periodicals	613 8 0				
Auditors' Fees	200 0 0				
Furniture and Fittings	60 0 0				
Telephone	370 0 0				
Electric Lights and Fans	393 0 6				
Law Charges	284 5 0				
Petty charges, sundry expenses including Postage and Telegrams	1,934 14 10				
Association's contribution to Provident Fund and interest	3,037 7 2				
	72,375 2 10				
ASSOCIATION'S CONTRIBUTION FOR THE YEAR TO—					
	Rs. a. p.				
The Victoria Jubilee Technical Institute.	2,000 0 0				
The Sydenham College of Commerce and Economics	1,000 0 0				
The Police Comforts Fund	1,000 0 0				
The Sir J. J. Hospital Nursing Association Fund	750 0 0				
The Goculdas Tejpal Hospital Nursing Association Fund	250 0 0				
The Adams-Wylie Memorial Hospital Fund	250 0 0				
The Bombay Textile and Engineering Association	500 0 0				
	5,750 0 0				
Balance being excess of Income over Expenditure transferred to Association's Balance Sheet .. .. .	....	78,125 2 10			
		14,811 14 7			
Total Rs. ..		92,937 1 5	Total Rs.	....	92,937 1 5

Examined and found correct. *22*

A. F. FERGUSON & Co.,

Chartered Accountants,

BOMBAY, 27th January, 1927.

AUDITORS.

T. MALONEY,

Secretary

BOMBAY MILLOWNERS' ASSOCIATION PROVIDENT FUND.
Statement of Funds as at 31st December, 1926.

RECEIPTS.	Rs. a. p.	Rs. a. p.	EXPENDITURE.	Rs. a. p.	Rs. a. p.
By Amount of Funds as at 1st January, 1926		12,484 6 9	To claims paid	942 15 1	
Subscriptions paid by the members of the staff during the year	3,001 10 8		Less—Forfeiture	178 15 6	
Association's Contributions	2,976 10 8			763 15 7	
Interest (including interest accrued to date—Rs. 253-1-4)	710 12 0		Add—Expenses incurred during the year	15 10 0	
		6,689 1 4	<i>Investments.</i>		779 9 7
			Government 3½ per cent. Promissory Notes of 1900-01 and 1954-55 for Rs. 2,200 at cost	1,482 4 0	
			Government 5 per cent. Tax Free War Bonds, 1933, for Rs. 5,000 at cost	4,892 8 0	
			Government 5 per cent. Tax Payable Bonds, 1935, for Rs. 9,000 at cost	8,987 8 0	
				15,362 4 0	
			Interest accrued and due on the above securities	253 1 4	
			Refund due for Income-tax paid on the above securities.	11 11 6	
			Cash with the Imperial Bank of India in current account.	2,766 13 8	
					18,393 14 6
Total Rs ..	....	19,173 8 1	Total Rs. ..	....	19,173 8 1

Examined and found correct.

A. F. FERGUSON & Co.,

Chartered Accountants,

AUDITORS.

BOMBAY, 27th January, 1927.

T. MALONEY,
Secretary.

Report for the year 1926.

Section III.

CORRESPONDENCE.

APPENDICES 1—75.

APPENDIX 1.

 CONFERENCE OF COTTON BUYERS AND CO-OPERATIVE COTTON
 SALE SOCIETIES.

No. 5761-A/24.

REVENUE DEPARTMENT,
BOMBAY, 3rd February, 1926.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Conference of Cotton Buyers and Co-operative Cotton Sale Societies.*

I am directed by the Government of Bombay (Transferred Departments) to state that certain difficulties are experienced by Co-operative Cotton Sale Societies in this Presidency in their dealings with the cotton trade. In order to arrive at a means of removing these difficulties and also to ascertain the difficulties, if any, which are experienced by buyers in dealing with the societies it is proposed to hold an informal Conference of representatives of all the parties concerned at 12 a.m. on Tuesday, the 16th February, 1926, in the Committee Room of the Secretariat.

2. I am to state that Government will be pleased if your Association can make it convenient to send two representatives to the above Conference.—I have, etc.

M. R. DAVAR,
for Deputy Secretary to the Government of Bombay.

 No. 210-53 of 1926.
THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th February 1926.S. D. SAKLATVALA, ESQ.,
A. GEDDIS, ESQ.,
BOMBAY.

DEAR SIRs,

I am directed to forward for your information a copy of the letter received from the Government of Bombay, regarding a Conference to be held on the 16th February, 1926, to discuss certain difficulties experienced by Co-operative Cotton Sale Societies in this Presidency, and to state that the Committee have appointed you to act as the Association's representatives at the proposed Conference.—Yours faithfully,

T. MALONEY,
Secretary.

 No. 211/53 of 1926.
THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th February, 1926.THE DEPUTY SECRETARY TO THE GOVERNMENT OF BOMBAY,
REVENUE DEPARTMENT, BOMBAY.

SIR,

Subject :—*Conference of Cotton Buyers and Co-operative Cotton Sale Societies.*

With reference to your letter No. 5761-A/24, dated the 3rd instant, I have the honour to inform you that Mr. A. Geddis of Messrs. James Finlay & Co., Ltd., and Mr. S. D. Saklatvala of Messrs. Tata Sons Ltd., have been appointed by my Committee to represent this Association at the Conference proposed to be held on the 16th February, 1926.—I have, etc.,

T. MALONEY,
Secretary.

No. S/360.

THE STANDARD MILLS CO., LTD.,
BOMBAY, 10th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I had duly attended the Conference convened by Government in connection with the Gadag Co-operative Cotton Sale Societies. The main object of the meeting was to find out why the merchants and brokers of Gadag had instituted a boycott against these Sale Societies and as to what should be done with a view to induce the merchants to resume their relations with the societies. In the course of the discussion it was pointed out that the Sale Societies were departing from their original purpose of distributing good seeds only and selling the product thereof and were now not only selling members' cotton grown from any seeds whether supplied by the societies or not, but were also selling non-members' cotton or, in other words, were selling any kind of cotton brought to them for sales. They were thus merely acting as merchants and hence the opposition from ordinary traders. Other minor defects were also pointed out and it was resolved to instruct these societies to stop forthwith selling non-members' cotton and concentrate their attention on selling pure kapas only grown from seeds distributed by themselves.

It was felt that if the societies did this, consumers might again come forward to make purchases. I might add as far as Messrs. Tata Sons, Limited, are concerned, we have already sent instructions to our purchasing agent to help the Societies as before, provided they adhere to the decision arrived at, *viz.*, not to bring for sale non-members' kapas. Since the Conference, the representatives of the Societies saw me and assured me they would adhere to the arrangement arrived at at the Conference and would do their utmost to satisfy consumers by selling best qualities only.—Yours faithfully,

S. D. SAKLATVALA.

No. 424-53 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 11th March, 1926.

S. D. SAKLATVALA, ESQ.,
THE STANDARD MILLS CO., LTD., BOMBAY.

DEAR SIR,

I write to acknowledge receipt of your letter No. S/360, dated the 10th March, 1926, and to thank you for the information kindly given therein.—Yours faithfully,

T. MALONEY,
Secretary.

APPENDIX 2.

ASSOCIATION'S REPRESENTATIVE ON THE NOWROSJEE WADIA MATERNITY
HOSPITAL BOARD OF MANAGEMENT,

NOWROSJEE WADIA & SONS,
BOMBAY, 2nd February, 1926.

THE COMMITTEE OF THE
BOMBAY MILLOWNERS' ASSOCIATION.

GENTLEMEN,

Re: ' *Nowrosjee Wadia Maternity Hospital.*

I enclose a *copy of the proposed Trust Deed to be made by me with the Government and the Municipal Corporation for the building and maintenance of the above Hospital,

after it is built and going. You will see from clauses 1 and 2 that I have made a provision that two members of the Board of Management should be appointed by the Bombay Millowners' Association during the existence of my firm and afterwards three. I shall be glad if the Committee of the Association will agree to this proposal and arrange to nominate two members to serve on the Board of Management of the above Hospital at an early date.

If you will please notify the names of such men elected by you, I shall do the needful.
—Yours faithfully,

N. N. WADIA.

No. 259-60 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 16th February, 1926.

N. N. WADIA, ESQ., C.I.E.,
BOMBAY.

DEAR SIR,

I am directed to acknowledge the receipt of your letter of the 2nd instants, forwarding a copy of the proposed Trust Deed to be made by you with the Government and the Municipal Corporation for the building and maintenance of the Nowrosjee Wadia Maternity Hospital, and drawing my Committee's attention to clauses 1 and 2 providing for the appointment by the Bombay Millowners' Association of two members of the Board of Management during the existence of your firm and afterwards three.

2. I am directed to state that the Committee very deeply appreciate your munificence and the honour you have done the Association by inviting its representatives on the Board of Management. At their meeting yesterday, my Committee appointed Mr. A. Geddis and Mr. H. P. Mody to act as the Association's representatives on the Board of Management of the new Hospital and I am to request you kindly to communicate direct with these gentlemen in connection with this matter.—Yours faithfully,

T. MALONEY,
Secretary.

(Copies forwarded to Mr. Geddis and Mr. Mody with compliments of the Secretary, Millowners' Association.)

APPENDIX 3.

THE EXCISE ADVISORY COMMITTEE, ASSOCIATION'S REPRESENTATIVE.

No. 4681-C/24.

REVENUE DEPARTMENT,
BOMBAY CASTLE, 20th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

Subject :—*Excise Advisory Committees.—*
Appointment of—and enlargement of their functions and powers.

SIR,

I am directed by the Government of Bombay (Transferred Departments), to forward a copy of their Resolution No. 4681-24, dated 26th February, 1926, on the subject noted above and to invite the attention of your Association to paragraph 13 of it.—I have, etc.,

M. R. DAVAR,
for Deputy Secretary to the Government of Bombay,
Revenue Department.

GOVERNMENT OF BOMBAY.

REVENUE DEPARTMENT.

Resolution No. 4681-24.

BOMBAY CASTLE, 26th February, 1926.

Read the reports of Collectors, the Commissioner of Excise and the Commissioner in Sind with reference to paragraph 21 of Government Resolution No. 982-24, dated 12th February, 1925, containing the orders of Government on the Excise Committee's report.

RESOLUTION.—In paragraph 21 of Government Resolution No. 982-24, dated 12th February, 1925, dealing with the report of the Bombay Excise Committee, Government expressed their intention to meet liberally the recommendations of the Committee for increasing the number of Excise Advisory Committees, improving their constitution and enlarging their functions ; and requested the Commissioner in Sind and the Commissioner of Excise to submit definite proposals for giving effect to them. The reports of the Commissioners have been received and Government are pleased to pass the following orders on the recommendations made by the Committee.

(A) AREAS FOR WHICH COMMITTEES SHOULD BE APPOINTED.

2. Advisory Committees now exist in all important municipal towns and talukas. The Committee recommend that such committees should be appointed for all municipal and rural areas having one or more liquor shops. The Commissioner in Sind does not favour the appointment of Advisory Committees in areas containing one or two shops only ; and recommends that committees should be appointed for sub-divisions of districts, in addition to certain towns in which they exist at present. The Commissioner of Excise recommends the appointment of committees in all municipal towns having more than three, and all talukas or pethas having more than five, country liquor shops.

3. The proposal made by the Commissioner of Excise would have the effect of restricting the appointment of committees to comparatively few areas. Government therefore regret they cannot accept it. The question of appointing Advisory Committees for sub-divisions of districts was considered on a former occasion and Government came to the conclusion that the substitution of the sub-division for the taluka as the jurisdictional area for Advisory Committees was open to objection, as any larger area than the taluka would render it impracticable for members to have that intimate knowledge of local conditions which is necessary for the proper exercise of their functions. This reason is still applicable at the present day. Government therefore consider that so far as rural areas are concerned, the taluka or petha must be retained as the unit for which a Committee should be appointed. They, however, agree with the Commissioner that no useful purpose would be served by appointing committees for rural areas containing only one shop since the questions arising in such an area are seldom of an importance requiring deliberation by a committee. The same considerations do not, however, apply to the more compact urban areas which are constituted into municipalities. Government have therefore come to the conclusion that Advisory Committees should be appointed for all municipal towns and for those talukas and pethas, excluding municipal areas, which contain two or more country spirit shops. Cantonment areas for which Boards have been constituted under Section ix of the Cantonments Act, 1924, should have separate Advisory Committees. Other cantonment areas should, for purposes of these orders, be treated as forming part of the adjoining municipal towns.

(B) CONSTITUTION OF THE COMMITTEES.

4. The committees as now constituted consist of an equal number of official and non-official members, the latter being appointed by Municipalities and Local Boards for their respective areas. The Excise Committee recommend that the committees should consist of two-thirds elected and one-third nominated members. The principle of an elected

majority for these committees has not so far been accepted ; but Government consider that the main object of the committees being the expression of non-official opinion, there is an advantage in their constitution being predominantly non-official. The committees should accordingly consist ordinarily of three official and six non-official members.

5. The Committee propose that the non-official members should be elected by Municipalities, Local Boards and such other public bodies, where they exist, as Temperance and Sanitary Associations, Social Service Leagues, Labour Unions and large employers of labour. The latter bodies do not however appear, except in the City of Bombay, to be so well organised as to merit representation on the committees. Public men of standing are increasingly finding their way into Municipalities and Local Boards and these bodies are now fairly representative of all local interests. Government therefore believe that except in particular instances, *e.g.*, Bombay, it will be sufficient if representation on the committees is confined to those bodies. They are accordingly pleased to direct that except where otherwise stated the non-official representatives should be elected by Municipalities and Taluka Local Boards for their respective areas.

6. At present the chairman of the committee is empowered to co-opt an additional non-official member from those classes of the community which do not regard drinking *per se* as a vice. This power is exercised only when the representation of these classes is not already sufficiently secured by the personnel of the other non-official members. Government consider it desirable that the classes in question should continue to be specially represented on the new Advisory Committees. At the same time, in view of the increased representation given to local bodies, it is desirable that the special representation of the classes in question should be secured through those bodies. Government are therefore pleased to direct that a local body should invariably select as its representative at least one member of the classes in question. Where the local body does not contain a member of the class required, it should be authorised to select a non-member for the purpose. Should the local body fail to send up such a representative, the Collector should be authorised to nominate one. In such a case, the Collector's choice need not be restricted to members of the local body ; and the member appointed by him should be in addition to the official members and should not be taken into account in fixing the two-thirds non-official majority.

7. No representation is at present given to the liquor trade on the committees ; but the necessity for it has been recently urged upon Government by the trade. Government recognise that the trade is vitally interested in all questions which come up before the committees, and that the presence of its representatives on the committees will help towards a better understanding of the difficulties with which licensees and excise officers alike are faced in giving effect to the views of the committees. They are accordingly pleased to direct that in all areas containing three or more country spirit licensees, one representative selected by the latter should be appointed to the committee. In such cases, however, the number of elected representatives should be increased to eight.

8. In accordance with the recommendation of the Committee, the Local Excise Officer should be appointed secretary to the committee. Such officer will not be a member of the committee, but will be at liberty to take part in its deliberations. The officer to be appointed will be the Superintendent of Excise in district headquarter towns, and the Excise Officer in charge elsewhere. In Sind, the Superintendent of Salt and Excise will be the secretary to the committees in Karachi town and cantonment. Elsewhere his place will be taken by the Deputy Superintendent in charge of the district.

9. In accordance with the foregoing orders the constitution of the committees will be as follows :—

(a) District headquarter towns.

Officials.

Collector—*Chairman.*

District Superintendent of Police.

City Magistrate or Huzur Deputy Collector, or the Assistant or Deputy Collector in charge of the taluka, where neither of the first two named officers exist.]

Non-officials.

One representative of the licensees where the number of licensees is three or more. Six representatives elected by the Municipality ; or eight, if the licensees are represented on the committee.

Secretary.

Superintendent of Excise.

- (b) Other municipal towns and talukas or pethas, excluding municipal areas.

Officials.

Assistant or Deputy Collector in charge of the taluka—*Chairman.*

Mamlatdar of the taluka.

The Senior Police Officer having jurisdiction in the area.

Non-officials.

One representative of the licensees where necessary.

Six representatives elected by the Municipality or Taluka Local Board as the case may be ; or eight, if the licensees are represented on the committee.

Secretary.

The Senior Excise Officer having jurisdiction in the area.

- (c) In cantonment areas the constitution of the Committee should be similar to that in district headquarter towns, except that the Executive Officer of the Cantonment should be appointed in place of the City Magistrate and the non-official members should be elected by the Cantonment Board.

(C) FUNCTIONS OF THE COMMITTEES.

10. The Excise Committee recommend that the committee should be empowered to decide on the following questions :—

- (1) Reduction in the number of shops ;
- (2) fixing the hours of sale ;
- (3) location of shops ; and
- (4) fixing the strength at which liquor should be sold.

The Committee further state that the decision of the Advisory Committee on these questions should be carried out ; that if the Collector differs from it, he should refer the matter to Government for their final decision ; and that the number of shops which the committee can close in their triennial term of existence should not exceed one-third of the total number of shops in the area. Government regret that they cannot accept any of the latter recommendations. The responsibility for administration rests with them ; and it cannot be discharged except through their executive officers. It is therefore clear that the actual decision on all matters must rest with the Collector subject to the orders of the Commissioner and Government. The committee must remain what it is in name, an Advisory Committee. Subject to this limitation Government see no objection to the committee being asked to advise on all the four matters suggested by the Excise Committee. The Commissioner of Excise proposes to exclude the hours of sale from the purview of the committee, as uniformity in this respect is desirable and different hours cannot be fixed for different areas if so recommended by the committees. As, however, the committee is to remain advisory, Government see no objection to its being allowed to advise on the question of hours of sale also. General orders for the whole Presidency or large areas will be passed by Government after considering the recommendations of the committees. The same considerations apply in regard to fixing the

strengths at which liquor should be sold. Government therefore do not think it necessary to restrict the committees' choice between any particular strengths as proposed by some of the officers.

11. As regards the location of shops, the orders issued in Government Resolution No. 5940 dated 1st July 1910, require that as a general rule the Collector should consult the committee in regard to the location of liquor shops when it is proposed to transfer them from one locality to another. A narrow interpretation appears to have been put on these orders in the Town and Island of Bombay by which a committee is consulted on transfers from one ward to another, or to a different locality in the same ward ; but not on transfers within the same locality in a ward. Government are now pleased to direct that transfers in the same locality should not be taken out of the purview of the committee and in all cases of transfers the committee should be consulted.

(D) MISCELLANEOUS PROVISIONS.

12. (1) The term of office of the committees should be three years.

(2) An elected member should vacate his seat on the committee on ceasing to be a member of the electing body.

(3) *Holding of meetings.*—Three of the functions assigned to the committees in paragraph 10 *supra*, viz., (1), (2) and (4) can only be exercised at the commencement of the year. No changes can be made therein during the course of the year except perhaps in regard to hours of sale on special occasions. The location of shops, however, may have to be altered during the year. A meeting of the committee should accordingly be held annually and its recommendations incorporated as far as possible in the proposals for excise arrangements for the ensuing year. Additional meetings may be held whenever necessary in the course of the year. They will be called by the Collector as occasion arises, but may also be called on the requisition of one-third of the members of the committee. When such a requisition is received, the meeting should be held as early as possible and within a month at the latest. Half the number of members of the committee excluding the chairman should form a quorum at the meeting. Government understand that some dissatisfaction has been caused by the procedure, sometimes adopted, of ascertaining the opinion of the committee by a circular issued to the members. It is argued with some reason that this procedure deprives the members of knowing each other's reasons and of a free discussion on the subject. It also leaves them in the dark as to the reasons on which the Collector's final decision is based. Government recognise the force of these objections and are pleased to direct that the opinion of a committee should invariably be ascertained at a meeting.

(4) Government desire that the action taken on the recommendations of the committee should in all cases be communicated to it by the Collector.

13. The orders in the foregoing paragraphs apply to all areas in the Presidency except the City of Bombay. As regards the latter, an Advisory Committee has been appointed for the whole City ; and it is understood that the non-official members for each ward sitting with the official members form a sub-committee for local questions appertaining to each ward. There is, therefore, no scope for an increase in the number of committees. As regards the constitution of the committee, Government believe that effect can be given in the City of Bombay to the Excise Committee's recommendation in regard to the representation of special interests. They are, therefore, pleased to fix the following constitution for the committee :—

The Collector of Bombay—*Chairman.*

The Municipal Commissioner for the City of Bombay.

The Commissioner of Police, Bombay.

Four members co-opted by the chairman from those classes of the community which do not regard drinking *per se* as a vice.

- Two members elected by the Bombay Licensed Victuallers' Association.
- One member elected by the Bombay Millowners' Association.
- One member appointed by the G. I. P. and B. B. & C. I. Railways in turn.
- One representative of Labour, elected if a suitable constituency can be devised ; if not, to be nominated by the Collector.
- One representative of the Bombay Temperance Council.
- Fourteen municipal representatives, two from the elected representatives of each ward of the City.

As this would be too large a body for dealing with questions affecting one ward only, a sub-committee consisting of the three official members, the two ward members and four other members to be elected by the committee at the commencement of its term should be appointed for each ward to deal with local questions appertaining to it. The functions assigned to committees in other areas and the miscellaneous provisions relating to them should be made applicable to the committee in Bombay.

14. Government are pleased to direct that new committees should be constituted in accordance with the foregoing orders at an early date and in any case not later than 1st May, 1926 ; and that on their formation all existing committees should be dissolved. In order to facilitate the working of the new committees, it is desirable that rules of procedure should be laid down for their guidance. The Commissioner in Sind and the Commissioner of Excise should be requested to prepare draft rules embodying the orders laid down in this Resolution and submit them for the approval of Government.

15. Government trust that with their improved constitution and enlarged powers Advisory Committees will have ample scope for bringing before the Collectors and Government non-official opinion on all excise matters of any importance. The provisions laid down above provide for advice being offered by these bodies on all such matters and for its due presentation to Government before final orders are passed sanctioning the excise arrangements for each year. On their part, the committees must recognise their advisory character and confine themselves strictly to the functions allotted to them. It must be borne in mind that all questions of excise policy and of further progress therein are for Government to determine and that the proper province of the committees is to give advice on particular questions consistently with that policy. If these principles are observed excise administration will, it is hoped, conform to local public opinion in a greater degree than heretofore.—By order, etc.,

H. K. KIRPALANI,
Deputy Secretary to Government.

No. 21-3.

BOMBAY, 26th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

In view of the recent orders of Government regarding the constitution of the Excise Advisory Committee for the Town and Island of Bombay, I have the honour to request you to kindly take early steps to elect a member of your Association to serve on the Excise Advisory Committee of this City and to let me know the name of the representative so elected on or before the 15th April, 1926.—I have, etc.,

(Sd.) Illegible,
for Collector of Bombay.

No. 575-89 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th April, 1926.

THE COLLECTOR OF BOMBAY,
BOMBAY.

SIR,

I have the honour to acknowledge the receipt of your letter No. 21-3 dated the 26th March, 1926, and to state in reply that my Committee have elected Mr. A. Geddis of the firm of Messrs. James Finlay & Co., Ltd., to act as the Association's representative on the Excise Advisory Committee for the Town and Island of Bombay.

I am to request you kindly to communicate direct with Mr. Geddis in future. His address is given below:—

A. Geddis, Esq., Messrs. James Finlay & Co., Ltd., Bombay.

I have, etc.,

T. MALONEY,
Secretary.

No. 578-89 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th April, 1926.

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

SIR,

Subject:—*Excise Advisory Committee.*

I have the honour to acknowledge the receipt of your letter No. 4681-C/24, dated the 20th March, 1926, forwarding a copy of Government's Resolution No. 4681-24 dated the 26th February, 1926, and inviting the Association's special attention to paragraph 13 thereof.

In reply, I am to state that my Committee have appointed Mr. A. Geddis of the firm of Messrs. James Finlay & Co., Ltd., to act as the Association's representative on the Excise Advisory Committee. The Collector of Bombay has been informed accordingly.—I have, etc.

T. MALONEY,
Secretary.

No. 4681-C/24.

REVENUE DEPARTMENT,
BOMBAY, 26th January, 1927.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject:—*Excise Advisory Committees.*

In continuation of Mr. Kirpalani's letter No. 4681-C/24, dated 20th March, 1926, I am directed by the Government of Bombay (Transferred Departments) to forward a copy of the rules regulating the constitution and functions of Excise Advisory Committees and prescribing the procedure for the transaction of their business.—I have, etc.,

M. R. DAVAR,
for Deputy Secretary to the Government of Bombay.

Rules of procedure for the guidance of Excise Advisory Committees constituted in the Bombay Presidency in accordance with the orders issued in Government Resolution, Revenue Department, No. 4681-24, dated the 26th February, 1926.

I. CONSTITUTION.

A.—Mofussil.

The Excise Advisory Committees shall be constituted as follows :—

(a) District headquarter towns.

Officials.

The Collector.....Chairman.

The District Superintendent of Police.

The City Magistrate or Huzur Deputy Collector, or the Assistant* or Deputy Collector in charge of the taluka, where neither of the first two named officers exists.

Non-officials.

One representative of the licensees where the number of country spirit shops is three or more.

Six representatives elected by the Municipality, or eight if the licensees are represented on the Committee.

Secretary.

The Superintendent of Excise for district headquarter towns in the Presidency proper, the Deputy Superintendent of Salt and Excise, Karachi Town, for Karachi Town, and the Deputy Superintendent in charge of the district for the other district headquarter towns in Sind.

(b) Cantonment areas for which Boards have been constituted under Section 11 of the Cantonments Act, 1924.

Officials.

The Collector:.....Chairman.

The District Superintendent of Police.

The Executive Officer of the Cantonment.

Non-officials.

One representative of the licensees where the number of country spirit shops is three or more.

Six representatives elected by the Cantonment Board, or eight if the licensees are represented on the Committee.

*The Mukhtyarkar of Jacobabad for the Excise Advisory Committee constituted for Jacobabad Town.

Secretary.

The Superintendent of Excise in the Presidency proper and, in Sind, the Deputy Superintendent of Salt and Excise in Sind in charge of the area.

(c) Municipal towns (other than district headquarter towns), and

(d) talukas and petas (exclusive of municipal areas) containing two or more country spirit shops,

provided that in the case of a peta having two or more country spirit shops but no separate Local Board there shall be one Excise Advisory Committee for the taluka and peta combined.

Officials.

The Assistant or Deputy Collector in charge of the taluka or peta Chairman.

The Mamlatdar (or Mukhtyarkar) or Mahalkari in charge of the taluka or peta.

The Senior Local Police Sub-Inspector of a taluka or Municipal town.

Non-officials.

One representative of the licensees where the number of country spirit shops is three or more.

Six representatives elected by the Municipality or Taluka Local Board, or eight if licensees are represented on the Committee.

Secretary.

The Senior Excise Officer having jurisdiction in the area.

(e) Notified areas containing two or more country spirit shops.

Officials.

The Assistant or Deputy Collector in charge of the taluka Chairman.

The Police Sub-Inspector having jurisdiction in the notified area.

Non-officials.

One representative of the licensees where the number of country spirit shops is three or more.

Four representatives elected by the Notified Area Committee, or six if the licensees are represented on the Committee.

Secretary.

The Senior Excise Officer having jurisdiction in the area.

A Municipality, Taluka Local Board, Notified Area Committee or Cantonment Board should invariably select as its representative at least one member from those classes of the community which do not regard drinking *per se* as a vice. Where the local body does not contain a member of the class required, it should select a non-member for the purpose. Should the local body fail to send such a representative, the Collector should nominate one from the members of the local body or from outside. The member so nominated shall be in addition to the other official and non-official members specified above.

B.—Bombay.

The Excise Advisory Committee for the Town and Island of Bombay shall be constituted as under :—

Officials.

The Collector of Bombay.....Chairman.

The Municipal Commissioner for the City of Bombay.

The Commissioner of Police, Bombay.

Non-officials.

Four members co-opted by the Chairman from those classes of the community which do not regard drinking *per se* as a vice.

Two members elected by the Bombay Licensed Victuallers' Association.

One member elected by the Bombay Millowners' Association.

One member appointed by the Great Indian Peninsula Railway and the Bombay, Baroda and Central India Railway in turn.

One representative of Labour, elected, if a suitable constituency can be devised ; if not, to be nominated by the Collector.

One representative of the Bombay Temperance Council.

Fourteen Municipal representatives, two from the elected representatives of each ward in the City.

Secretary.

The Superintendent of Excise, Bombay.

To deal with local questions appertaining to a ward, a sub-committee consisting of three official members, the two ward members and four other members to be elected by the general committee named above shall be appointed for each ward.

The Committee and Ward Sub-Committees in Bombay shall work independently of each other, as their spheres of activities are different.

If the Municipal Commissioner or the Commissioner of Police is unable to attend any meeting of the Committee or Ward Sub-Committee, he may depute a Deputy Commissioner to attend in his place.

2. The Secretary shall not be a member of the Committee, but shall be at liberty to take part in its deliberations.

3. The term of office of the Excise Advisory Committee shall coincide with that of the Municipality, Local Board, Notified Area Committee or Cantonment Board.

4. An elected member shall vacate his seat on the Committee on ceasing to be a member of the electing body. A representative of the licensees shall similarly vacate his seat on his ceasing to hold a licence.

II.—POWERS OF THE COMMITTEES.

5. The Advisory Committee shall advise the Collector on the reduction in the number of, location of, and hours of sale at, liquor shops (country spirit shops, toddy shops, foreign liquor "on" shops, "off" shops, wholesale shops), hotels, permanent bars at theatres and places of amusement and refreshment rooms and on fixing the strength at which country spirit should be sold. In Bombay, the ward sub-committees shall deal with the location of shops only and the general committee shall deal with the reduction in the number of, and hours of sale at, liquor shops and the strength of country spirit. The actual decision on all matters discussed by the committees and sub-committees will rest with the Collector subject to the orders of the Commissioner and Government.

III.—PROCEDURE.

6. The opinion of the Committee should invariably be ascertained at a meeting and not by a circular issued to the members.

7. A meeting of the Committee shall be held annually in the month of September to advise on the reduction in the number of shops, the hours of sale and the strength of country liquor, and its recommendations shall be incorporated, as far as possible, in the Collector's report on Excise arrangements for the ensuing year. A meeting of the Committee in the mofussil, or of the Ward*Sub-Committee in Bombay, shall always be held to consider all questions relating to the proposed transfer or opening of new shops, provided that the Collector has not already refused such proposed transfer or opening as being undesirable.

8. Additional meetings of the Committee may also be held whenever necessary in the course of the year. They will be called by the Chairman but may also be called on the requisition of one-third of the members of the Committee. When such a requisition has been received, the meeting shall be held within one month of the date of requisition.

9. One half of the number of members of the Committee excluding the Chairman will form a quorum at the meeting. In the absence of the Chairman of an Excise Advisory Committee—

- (1) for (a) the Town and Island of Bombay,
- (b) a district headquarter town, and
- (c) a cantonment area,

the senior Government Officer present, and

- (2) for (a) Municipal town, and
- (b) a taluka or peta,

the Mamlatdar, Mukhtyarkar or Mahalkari

shall preside over, and conduct the business of, the meeting.

When the votes are equally divided the Chairman may give his casting vote.

IV.—MISCELLANEOUS.

10. The Collector in all cases shall communicate to the Committee or the Ward Sub-Committees the action taken on their recommendations, and may state his grounds for it.

11. Minutes of proceedings of the Committee or Ward Sub-Committee shall be kept by the Secretary, a copy being sent to the Collector when the Collector himself does not preside. A copy shall also be sent to the Superintendent of Excise in the Presidency proper in cases where the Superintendent is not the Secretary, and to the Superintendent of Salt and Excise in Sind in all cases.

No. 232-89 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 28th January, 1927.

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

SIR,

Subject :—*Excise Advisory Committees.*

I have the honour to acknowledge receipt of your letter No. 4681-C/24, dated 26th January, 1927, enclosing a copy of the rules regulating the constitution and functions of Excise Advisory Committees and prescribing the procedure for the transaction of their business.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 4.

RAILWAY RATES ADVISORY COMMITTEE.

No. 586-90 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th April, 1926.

THE SECRETARY,
THE RAILWAY BOARD, SIMLA.

SIR,

I have the honour, under instructions from my Committee, to address you in regard to the Resolution of the Government, of India No. 606-T dated the 25th March, 1926, published on pages 456 and 457 of Part I of the *Gazette of India*, dated 27th March, 1926. The resolution notifies the appointment of a Railway Rates Advisory Committee, lays down the scope of its functions and outlines its constitution.

2. My Committee entirely agree as to the necessity for the appointment of an Advisory Committee, and approve of the functions which it is proposed to assign to it, but consider that the constitution suggested leaves something to be desired. As interpreted by my Committee, paragraph 2 makes provision for the appointment of a permanent president, and a permanent member representing railway interests and a second member representing commercial interests co-opted from a panel elected by commercial bodies for each separate investigation. For reasons similar to those which must have led the Government of India to appoint a permanent member representing railway interests, my Committee consider that the best interests of the commercial and industrial communities would not be served unless a permanent member representing commercial and industrial interests were appointed.

3. My Committee therefore venture to suggest for the consideration of the Government of India that the constitution of the Advisory Committee should be altered so as to provide for a permanent president, permanent representation of railway and commercial interests, and one co-opted member, representing the special commercial or industrial interests chiefly affected, for each separate investigation. It is also considered that it would be advisable for the Government of India to select the permanent representative of commercial interests from the panels nominated by commercial bodies, and if possible to allow the commercial or industrial body most closely connected with, or affected, to select the co-opted members from the panel for any particular investigation.

My Committee trust that the suggestions made by them will receive sympathetic consideration of Government and request the favour of an early reply.—I have, etc.,

T. MALONEY,
Secretary.

No. 1679-T.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(Railway Board.)

SIMLA, 13th April, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Constitution of the Rates Advisory Committee.*

I am directed to acknowledge the receipt of your letter No. 586-90 of 1926, dated the 8th April 1926, on the above subject.—I have, etc.,

H. SPARKE,
for Secretary, Railway Board.

No. 1679-T.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(Railway Board.)

SIMLA, 28th May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Representation of Commercial interests on the Railway Rates Advisory Committee.*

I am directed to invite your attention to the Government of India, Railway Department (Railway Board), Resolution No. 606-T., of the 25th March, 1926, regarding the formation of a Railway Rates Advisory Committee, a copy of which is enclosed for your perusal. It will be seen from para 2 of the resolution that it is proposed to select the commercial member for individual investigations from panels elected or nominated by the principal commercial bodies. The gentlemen thus elected or nominated will ordinarily be borne on a general panel for a period of two years.

2. I am to explain that after careful consideration this procedure has been adopted as being the most suitable way of ensuring the adequate representation of commercial interests on the Committee during its investigations. It is also the procedure which is followed in England when additional or temporary members are required for service on the English Rates Tribunal.

3. The representatives elected or nominated for the panel should be conversant with commercial practice and the practical effect on commercial work not only of railway rates but of conditions under which goods are accepted and despatched and similar matters which affect the conduct of business. It is not anticipated that they will be required for lengthy periods at a time as the preliminary work in connection with each case will usually have been completed before its actual hearing by the Committee. In the circumstances it is thought that the members of your Association nominated will not find service on the Committee detrimental to their other interests.

4. The Government of India will appoint the Commercial member on each occasion and in selecting a representative from the panel regard will be had to the particular case or proceedings to be heard, the intention being that selection will be made of the most suitable member of the panel. It is proposed to allow the representatives so selected a compensatory fee of Rs. 100 per diem while acting on the Committee.

5. I am accordingly to request that five representatives may kindly be nominated by your Association by the 1st July, 1926, for service on the panel.

6. I am to add that a separate communication will be sent in reply to your letter No. 586-90, dated 8th April, 1926.—I have, etc.,

(Sd.) Illegible,
for Secretary, Railway Board.

No. 1679-T.

GOVERNMENT OF INDIA,
RAILWAY DEPARTMENT. (*Railway Board.*)
SIMLA, 4th June, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Constitution of the Rates Advisory Committee.*

In continuation of this office letter No. 1679-T, dated the 13th April, 1926, I am directed to say that the representation made in your letter No. 586-90 of the 8th April, 1926, has received the consideration of the Railway Board, but it has been decided that under the existing circumstances commercial interests will be most suitably represented on the Rates Advisory Committee by selection of a member for individual cases from a panel nominated by the leading commercial bodies in India. In this connection, I am to refer you to Railway Board's letter No. 1679-T, dated the 28th May, 1926, asking you to nominate representatives for service on the panel.—I have, etc.,

B. MOODY,
for Secretary.

No. 946-90 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 15th June, 1926.

THE SECRETARY,
RAILWAY BOARD, SIMLA.

SIR,

I am directed to acknowledge the receipt of your letters No. 1679-T., dated 28th May and 4th June, respectively. In reply thereto I am directed to inform you that my Committee have pleasure in nominating the undermentioned gentlemen to serve on the Commercial Panel of the Railway Rates Advisory Committee :—

Mr. A. GEDDIS, Chairman of the Bombay Millowners' Association, c/o James Finlay & Co., Ltd., Bombay.

Mr. H. P. MODY, Deputy Chairman, Bombay Millowners' Association, c/o The Century Spinning and Manufacturing Co., Ltd., Gresham Building Fort.

Mr. NAROTTAM MORARJI, c/o The Sholapur Spinning and Weaving Co., Ltd.; Sudama House, Ballard Estate, Bombay.

Mr. LALJI NARANJI, M.L.C., Ewart House, Tamarind Lane, Bombay.

Mr. S. D. SAKLATVALA, c/o Messrs. Tata Sons, Ltd., Bruce Lane, Bombay.

At the same time I am to express my Committee's regret that the Government of India did not find it possible to adopt the suggestion put forward in their letter 586-90 dated 8th April, for the election of a permanent member of the Advisory Committee to represent commercial interests, in addition the non-permanent representation provided for in the present constitution of the Committee; they trust that their suggestion will receive further consideration at a later date.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 5.

REPRESENTATION OF THE ASSOCIATION IN THE LEGISLATIVE ASSEMBLY.

No. 665-77 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22nd April, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
HOME DEPARTMENT, DELHI.

SIR,

On behalf of the Bombay Millowners' Association and the Ahmedabad Millowners' Association, we have the honour to bring to the notice of Government, the urgent necessity of continuous representation of both the Associations in the Legislative Assembly.

Under existing arrangements, the two Associations are entitled to elect a member alternately to the Assembly, and we are instructed to submit respectfully that this alternate representation is found in practice to be extremely unsatisfactory.

The two Associations, on many of the subjects and legislative measures which come up for discussion and decision in the Legislative Assembly, hold divergent views, and in such cases, the views of the Association unrepresented in the Assembly for the time being cannot adequately be placed before Government.

The Committee of the two Associations consider that the vastness of the interests represented by the Associations, in equity, entitle each of them to permanent representation in the Assembly and feel that the Government of India and the country loses considerably when industrial and labour questions are discussed by not having the benefit of the views of both Associations.

It is therefore hoped that Government will be pleased to consider favourably the Associations' request for continuous representation of each body in the Legislative Assembly.—We have, etc.,

T. MALONEY,
Secretary,
Bombay Millowners' Association.

G. I. PATEL,
Hon. Secretary,
Ahmedabad Millowners' Association.

No. D. 2103-Public.

GOVERNMENT OF INDIA,
HOME DEPARTMENT,
SIMLA, 21st May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Representation of the Bombay and Ahmedabad Millowners' Associations in the Legislative Assembly.*

With reference to your letter No. 665-77, dated the 22nd April 1926, on the subject mentioned above, I am directed to say that the question will be considered when a general redistribution of seats in the Legislative Assembly is undertaken.—I have, etc.,

G. M. YOUNG,
Offg. Joint Secretary to the Government
of India.

APPENDIX 6.

APPRECIATION OF SIR NESS WADIA'S SERVICES TO THE ASSOCIATION.

No. 64-36 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th January, 1926.

N. N. WADIA, ESQ., C.I.E.,
BOMBAY.

DEAR SIR,

I am directed to inform you that the Committee of the Bombay Millowners' Association at their last meeting requested me to convey to you a written acknowledgement of their appreciation of the part you have played in helping to bring about the suspension of the Cotton Excise Duty.

Ever since your election as Chairman of the Association you have placed the work of the Association and this particular question of the remission of the Cotton Excise Duty before all other considerations. The time and the ability which you have devoted to the work of the Association evokes our unstinted admiration and sets an example of unselfish service for the welfare of the industry as a whole which will be an ideal towards which all succeeding Chairmen of the Association might well aim.

The Committee are particularly pleased with the very valuable work you recently did in England. If to-day Lancashire has changed its traditional hostility towards the cotton industry of this country, it is almost wholly due to the fact that by placing true facts and figures before important representatives of the cotton industry of Lancashire, you convinced them there was no competition between Lancashire and this country and that the industries of both the countries had a common foe in Japan. Your interviews with Lord Birkenhead were also of great service to the industry.

Your colleagues on the Committee of the Association very gratefully appreciate all your excellent services to the cotton textile industry, and they have no doubt that your Chairmanship of the Association will occupy an almost unique position in the annals of this Association. They trust you will be long spared to serve the industry in the same noble and unselfish manner in which you have served it in the past and that the Association will long continue to have the benefit of your experience as a member of the General Committee.—
Yours faithfully,

T. MALONEY,
Secretary.

NOWROSJEE WADIA & SONS,
BOMBAY, 19th January, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am in receipt of your letter dated 19th January conveying to me the appreciation of the Committee of the Bombay Millowners' Association for the part I was fortunate enough to play in helping to bring about the suspension of the Cotton Excise Duty as their Chairman.

I am indeed greatly honoured that my work as Chairman of the Association had been so very nicely appreciated by my colleagues, and the greatest satisfaction to me as well as to them is and will be that in my time of office the excise duty was taken off. I hope the repeal of this duty will entirely dispel the bitter feelings it had evoked and which was entertained for the last 30 years by all the nationalities in India, and that now co-operation between the Government and all industrial concerns will lead to a healthy progress of the country which we all love and for which we work, and also of the industry with which we all are associated.

I am greatly touched that my colleagues of the Committee should have honoured me by their appreciation. Will you please convey to them my deepest sense of gratitude for same.—I remain, etc.,

N. N. WADIA.

ADDRESS PRESENTED BY THE BOMBAY FANCY PIECE-GOODS MERCHANTS' ASSOCIATION
TO SIR NESS (THEN MR. N. N.) WADIA.

N. N. WADIA, ESQ., C.I.E.,
Chairman, BOMBAY MILLOWNERS' ASSOCIATION.

SIR,

We, the members of the Bombay Country Fancy Piece-goods Merchants' Association and other Local Grey Piece-goods Merchants of Bombay, with the deepest sense of gratitude and appreciation, desire to take this opportunity of welcoming you back to Bombay, and to offer our congratulations to you and your Association as being largely instrumental in bringing about the realisation of the Indian nation's long deferred prayer for release from the burden of the Cotton Excise Duty, an act of fiscal injustice unparalleled in any civilised country of the world.

For 30 years the greatest indigenous industry of this country has been subject to this iniquitous tax which defied all true principles of economics and equity, and which, apart from its serious detrimental effects on the industry, has been looked upon by the people of this country as a humiliating affront to their sense of national dignity and self-respect.

Ever since your election to the Chairmanship of the Bombay Millowners' Association you have worked assiduously to bring about the abolition of the Excise Duty and the public of Bombay have watched with no little admiration the unremitting efforts which you and your Association have made to bring to fruition the nation's desire in this regard.

The very able manner in which you and your Association put the case of the Cotton Industry of this country before the public, the Hon'ble Sir Charles Innes, the Hon'ble Sir Basil Blackett and the Hon'ble Mr. Chadwick, the convincing representations sent to the Government of India and to His Excellency the Viceroy by your Association and your memorable speech in the Bombay Legislative Council in July last, indubitably hastened the end of this iniquitous tax.

Now, sir, at the end of your term of office as Chairman of the Bombay Millowners' Association it must be a matter of supreme gratification to you that your arduous labours have not been in vain and that the very laudable and patriotic end on which you set your heart has been realised.

In paying this tribute of our appreciation to you, sir, we should at the same time like to convey our appreciation of the spade work done by the past Chairmen and Committees of the Bombay Millowners' Association, and particularly we should like to mention the notable part played by your predecessor, Mr. S. D. Saklatvala. We should also be failing in our duty if we omitted to mention the generous help given to you and your predecessors by His Excellency the Governor of Bombay, Sir Purshotamdas Thakordas, Mr. Kasturbhai Lalbhai, Pandit Motilal Nehru, Sir Darcy Lindsay and all those past and present members of the Legislative Assembly, both European and Indian, who, during the last three Assembly sessions and in former years, have advocated and supported the abolition of the Excise Duty.

The suspension of the Cotton Excise Duty brings in its train another event full of happy augury for the future : we refer to the changed angle of vision of Lancashire as manifested in the joint statement issued by the Federation of Master Cotton Spinners' Associations, the Manchester Chamber of Commerce and the Cotton Spinners' and Manufacturers' Association. We have reason to believe that this very happy change in Lancashire's traditional attitude on this question is to a very considerable extent due to the great ability, tact and resourcefulness shown by you in your discussions with important representatives of Lancashire's cotton industry during your recent visit to England.

We wish to record our grateful appreciation of this important phase of your work, the full effects of which will be fully realised in the near future when this country will have to grapple with competition from her Far-Eastern rivals who, through depreciated exchange and sweated labour conditions, have of late years been obtaining an increasing proportion of the Indian Cotton Mill Industry's legitimate markets.

We feel we should be failing in our duty if we did not refer to your scheme for the erection of a maternity hospital in the name of your late lamented father for the benefit of women employed in the mill industry. The unostentatious manner in which this humanitarian scheme for the welfare of labour was carried out commands our unqualified admiration and sets a noble example which is worthy of emulation. The hospital will beatify the memory of your illustrious father, one of the greatest pioneers of the Indian Cotton Industry, who in his time was held in the greatest respect and esteem for his outstanding abilities, lofty principles in business and irreproachable character, which qualities have undoubtedly been inherited by you.

In conclusion, we, the merchants of Bombay, wish to offer our heartfelt gratitude for the uniform courtesy and fairness which we have always received in our dealings with you and your Association.

We humbly hope that you will long be spared to serve India and the Indian Cotton Textile Industry in the noble, generous and unselfish manner which you have done in the past ; and that the coming years may bring you health, prosperity and happiness.

Mr. N. N. Wadia replied as follows :—

LADIES AND GENTLEMEN,—I cannot adequately thank you, Mr. Devidas and the members of the Local Piece-goods Merchants' Association, for the honour you have done me as Chairman of the Bombay Millowners' Association, and you, ladies and gentlemen, in coming here to meet me on my return from England. I thank you for the congratulations which you have offered to the Bombay Millowners' Association and to me as their Chairman for being largely instrumental in bringing about the suspension of the Cotton Excise Duty. This duty had always been regarded as a great historic wrong by all sections of the Indian nation, and I earnestly trust that this suspension is but the prelude to its total abolition in March next. The tardy act of justice to the Cotton Textile Industry of India shows true statesmanship on the part of the Viceroy and the Secretary of State. His Excellency the Viceroy when he returned from London in August last asked for the co-operation of all nationalities in working the Reformed Constitution and by removing this long-standing grievance he has given us an example which we connected with the Textile Industry will not be slow to follow. I take this opportunity also of thanking His Excellency the Governor of Bombay for the strenuous and continuous efforts he made to help forward the repeal of this duty. I trust I am not betraying official secrets when I say that his efforts were not confined solely to the usual official channels and red-tape procedure in the cause of the industry represented by this Association.

I take this opportunity also of thanking my friend Mr. V. A. Grantham, the Chairman of the Bombay Chamber of Commerce, and his Committee for backing up our efforts and pleading for the suspension and repeal of the Excise Duty owing to the serious times through which the industry is now passing. This shows that the Bombay Chamber and the Bombay Millowners' Association can co-operate on great industrial questions affecting the national welfare and will undoubtedly be the forerunner of greater co-operative efforts in the interests of India in the future. I join with you in the tribute you pay to Sir Purshotamdas Thakurdas, Mr. Kasturbhai Lalbhai, Pandit Motilal Nehru and Sir Darcy Lindsay for the able way in which they placed our case before the Legislative Assembly.

Ladies and gentlemen, what I personally have done to merit my being asked to receive this address I do not know. I only continued the discussions with the Government of India and the work my predecessors have already so ably initiated, and the credit for the suspension of this obnoxious duty is as much due to my predecessors as to me.

The sustained efforts of the Association have now been crowned with success, but the position of the Textile Industry, of the shareholders of various textile concerns as well as of labour still will continue to be serious owing to conditions over which we have no control. You gentlemen, members of the Local Piece-goods Merchants' Association, have also owing to the same conditions of severe competition which the industry has been facing had to suffer losses in common with the industry on account of the heavy cut in rates which had to be made, and therefore I am particularly glad that our efforts have resulted in help being given to you as the duty thus remitted will be refunded to you on existing contracts made before 1st December last, and the prices of future contracts will be regulated accordingly, which will mean that you will to some extent be able to meet the competition which we jointly have to face.

Ladies and gentlemen, when at the last Annual General Meeting of the Bombay Millowners' Association, I spoke at length about the unfair competition that we had been subjected to from one particular country, *viz.*, Japan, everybody thought that I was making mountains out of molehills and that there was no real need for alarm. I am now glad to see that to-day not only the Millowners' Association but the general public in India as well as in England realise the seriousness of the position, and the causes which have brought it about. I drew attention in my speech last March to this unfair competition which enabled Japan to sell goods in India at a cheaper rate than either Lancashire or we could put them on the

market, and I then gave four principal causes for this, *viz.*, the conditions of Japanese labour, double shift working, depreciated exchange and indirect subsidies. At the International Labour Conference held at Washington in 1919, it was resolved that in the East a working week of 60 hours should be observed and that women and children should not be employed at night. Japan was a party to that Convention and her representatives at Washington agreed to it. Nearly seven years have elapsed since then, and although the Government of India, in strict observance of the Convention, in 1922 amended the Indian Factory Act so as to embody the Conventions which she had agreed to, Japan so far has neither ratified the Convention nor passed a Factory Act which will to any extent comply with these conventions. They have certainly passed what may be called an apology for an Act, but even that they have not enforced at present. Japan still employs women and young persons at night, still works her factories 20 to 22 hours a day and for 28 days in a month. If they were to strictly observe the Convention of not employing women at night which they agreed to at Washington, they could not work their mills more than 10 hours per day. In my opinion, they have deliberately refrained from observing the conditions to which they agreed at the Washington Conference. The double shift working and the employment of women and young persons at night, gives them an unfair advantage when competing against all other countries in the world, and is the paramount reason why the Japanese are able to undersell Lancashire and India in practically all the markets of the East.

Mr. Mayeda, the Japanese Government Delegate at the last International Conference at Geneva in 1925, said—here I quote his words—“That the proposed amendment of the Japanese Factory Act provides that after 3 years from its enforcement, night work for women and young persons shall be entirely prohibited. This 3 years' preparation may be justified by the necessity of extending equipment and general facilities to cope with the diminution of output consequent upon the abolition of night shifts.” This in the first place is official proof that they have not yet enforced the so-called Factory Act which they passed in 1923. It is impossible to prophesy or even give the remotest idea as to when the Japanese intend to prohibit the employment of women and children at night. The last portion of Mr. Mayeda's statement is most significant and it would seem that the policy of the Japanese Privy Council must have been dictated by the Japanese Master Cotton Spinners' Federation which evidently aims at building up a cotton industry double the size of that which at present exists in Japan so that when eventually Japan is forced to resort to single-shift working, they will be in a position to retain the great export trade in cotton yarn and piecegoods which they are now able to build up by these unfair working conditions, a parallel of which does not exist in any other textile country in the world. Gentlemen, this statement of Mr. Mayeda at the Geneva Conference gives the show away, and I am surprised that the Government of India, who are supposed to look after the welfare of the industries of this country, are apparently unaware of the true significance of this statement made by the Japanese Government representative.

Earlier in my remarks I referred to the depreciated Japanese exchange as one of the main factors contributing to the strong position of Japan when competing with Lancashire and India in the Eastern markets. In terms of the rupee it has depreciated from a par value of 100 Yen for Rs. 153 to a value round about of 100 Yen for Rs. 120 and has been as low as Rs. 110. This has given them a tremendous advantage in their piece-goods and yarn trade. It may be asked how, in face of the fact that the Japanese have to import their cotton from India and America they can get any advantage because of the fall in their exchange, but I would remind you that raw cotton at to-day's prices only constitutes about 50 per cent., of the cost of piece-goods, which means that while they are at a disadvantage in the purchase of raw cotton, they have the advantage of the exchange on the full price of the finished product.

I also referred to the question of subsidies which the Japanese Cotton Industry enjoys. The full extent of these subsidies are most difficult to ascertain, but I would call the attention of those interested in it to a recent Conference of importers of Indian cotton into Shanghai when special freight conditions were framed and very high rebates arranged for the carriage of Indian cotton, and ask them to compare the new rates for carriage of cotton to Shanghai with the corresponding freight rates charged by either the British or Japanese lines for the carriage of Indian yarn or cloth into China and Japan, and they will then see how the Japanese manipulate freights to serve their own ends.

These, ladies and gentlemen, are the chief causes which have brought about the present serious position of the Mill Industry in India, and it is a very small consolation to know that the Government of India have at long last thought it fit to afford our industry some little relief by the repeal of the Excise Duty. It does not do away with the competition which I have referred to, nor will it greatly help us unless the Government of India take steps to safeguard our industry by the enactment of a measure on the lines of the English Safeguarding of Industries Act, or the South African Anti-Dumping Bill. Both the English Act and the South African Bill are intended to meet unfair competition arising from any of the causes which I have mentioned. If England in her own interests has had to take steps to protect her industries from unfair competition, then I do not see why the Government of India should not take similar action. I wish to make it clear that we do not ask for protection as it is generally understood all over the world or for import duties to be levied to encourage the Indian Textile Industry. What our Association demands is that we should be adequately guarded from unfair competition by countries who do not observe the International Conventions to which they have agreed, and because of their sweated labour condition, can undersell their trade competitors. This question was lately discussed at a Labour Conference in England and I was surprised to see that the Labour Party advocated that goods coming from countries which did not observe the Washington Convention should be totally boycotted. It emphatically shows that in Great Britain they are becoming alive to the situation. But the Government of India are still thinking about a solution, and unless the seriousness of the situation is realised by them, will only arrive at a solution when it will be too late to save the industry. It is no use asking our Association to go before the Tariff Board and wait for months until a decision is arrived at which might or might not be acted upon by the Government. The procedure adopted in Great Britain is to make prompt departmental enquiry and afford relief. In South Africa, the Cabinet acts without any special enquiry, the Governor-General being authorised to take steps when he considers it necessary by an Ordinance. Similarly in Australia they have acted promptly to save their industries. Therefore I ask, why should not the Government of India, now if it is alive to the situation, act on the example set by the Dominions. I am sorry I have had to labour this point in reply to the kind address which you have presented to me, but you gentlemen, members of the Local Piece-goods Merchants' Association who have to dispose of the goods which our Mills produce, are equally affected with us.

I repeat that if Japan observed the Washington Conventions which India had enforced three years ago, and if their depreciated exchange were righted, then the cotton industry of India would not be likely to ask the Government of India to give them further protection against Japanese competition. We can stand on our own legs and are prepared to face fair competition.

In your address you have referred to the changed angle of vision of Lancashire as manifested in the statement issued by the Master Cotton Spinners' Federation on the day when the Excise Duty was suspended by the Government. In Lancashire, I think they have begun to realise in the first place that there is no serious competition between Indian and Lancashire mills, and that the chief danger to both countries is the competition from Japan and Italy. If towards the realisation of that position and their consequent changed angle of vision towards the Indian mills as manifested in the resolution, I have contributed anything in however a small measure, I have achieved the purpose for which I went to England last year. I take this opportunity of thanking Dr. Ree, President, Mr. Charles Behrens, Sir Edward Rhodes, Sir William Clare Lees and Mr. Streat of the Manchester Chamber of Commerce and Mr. Holroyd, President, and Col. Seddon Brown of the Manchester Cotton Spinners' Federation for their courtesy in receiving me and so ably considering the facts I had to place before them.

You have kindly referred to the scheme for the erection of the Maternity Hospital established for the benefit of women employed in the Mill Industry. As I said at the laying of the foundation stone of the Hospital by His Excellency the Governor in June last, the time was due for such a scheme being started, and I am very grateful to Col. Liston and Dr. Mehta for convincing me that the women in mill districts would take advantage of such a hospital if conducted on proper lines.

Ladies and gentlemen, I am proud that the efforts of our Association in this and other matters for the prosperity of the Textile Industry of India and the welfare of the workers employed therein, has been appreciated, and I am sure the Association will continue to carry out any further duties which it may be called upon to perform in the future with even greater vigilance than in the past. I also thank you for the very kind personal references which you have made in your address.

In conclusion, may I be allowed to hope that the joint endeavours of your Association and the Bombay Millowners' Association will bring back prosperity to our industry, and that the remission of the Excise Duty will be but the forerunner of similar acts of justice for the advancement of the greatest indigenous Indian industry.

Mr Devidas, I again thank you and the members of your Committee for the honour you have done the Millowners' Association and me as Chairman of that Association by giving me this address and asking all friends of the industry in meeting me at this great gathering.

APPENDIX 7.

APPRECIATION OF SIR JOSEPH KAY'S SERVICES.

KP-10/424.

BOMBAY, 28th December, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

As the work in connection with the Presidentship of the Bombay Chamber of Commerce, to which I have been recently elected in the coming year, will be somewhat heavy, I find I am reluctantly compelled to resign several appointments which I hold, and I therefore desire to tender my resignation as your representative on the Advisory Committee of the Royal College of Science.—Yours faithfully,

J. A. KAY.

No. 37-22 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 12th January, 1926.

J. A. KAY, Esq., M.L.C.,
BOMBAY.

DEAR SIR,

I am directed to acknowledge the receipt of your letter No. KP-10/424, dated the 28th December, 1925, resigning the seat you occupy as the Association's representative on the Advisory Committee of the Royal College of Science, in view of the heavy work entailed on you by the Presidentship of the Bombay Chamber of Commerce to which you have been recently elected.

My Committee received with genuine gratification the news of your election to the Presidentship of the Bombay Chamber of Commerce, and I am to convey to you their sincere congratulations on the high distinction which you have achieved. They have no doubt that the appointment of an ex-Chairman of this Association to the Presidentship of the Chamber will further cement the very harmonious relations subsisting between the two bodies and will be particularly helpful in ventilating those matters on which the two bodies

hold identical views—notably the question of stamping out Japanese competition which is having such disastrous effects not only on the cotton industry of this country which this Association represents but also on the export trade of Lancashire to this country in which the members of the Chamber have such a large stake.

My Committee quite appreciate your inability to continue to hold some of your previous appointments in view of the onerous nature of the duties and responsibilities of your new office, though it may be pointed out that so far as the Royal College of Science is concerned, the Association enjoys the right of electing a representative for three years alternatively with the Ahmedabad Millowners' Association, and from the current year it is the turn of the latter Association to send its representative to the Advisory Committee.

My Committee wish to take this opportunity of putting on record their thanks and sense of appreciation for the excellent services rendered by you to the Association in various directions, both as a member of the Committee of the Association and as the Association's representative on different bodies on which you have so far acted.—Yours, etc.,

T. MALONEY,
Secretary.

No. 64-4 of 1927.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 11th January, 1927.

SIR JOSEPH KAY, KT.,
BOMBAY.

DEAR SIR,

I am directed by the Chairman and the Committee of the Association to offer you their sincere congratulations on the well-merited distinction conferred on you by His Majesty the King-Emperor on the New Year's day. It is indeed very gratifying to the Committee that your very meritorious services on behalf of the trade and industries of the country has met with recognition from Government and they feel His Majesty has paid a compliment to the Association by the honour he has conferred on one of the most distinguished members of the Committee and an ex-Chairman of the Association.—Yours faithfully,

T. MALONEY,
Secretary.

CALCUTTA, 14th January, 1927.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am very grateful to you for your letter of the 11th instant which has been sent on to me from Bombay, as I am just doing a tour of inspection of our Branch offices, and I hasten to write to thank your Chairman and the Committee for their sincere congratulations. It has always been a great pleasure to me to be connected with the Millowners' Association and I only hope that before long I shall again be able to take a little more active part in your work than I have been able to do during the last 12 months owing to my heavy responsibilities connected with the Chamber of Commerce.—Yours very truly,

JOSEPH A. KAY,

APPENDIX 8.

DELEGATION FROM THE INTERNATIONAL TEXTILE UNION.

The Committee of the Association met the International Textile Labour Delegation on the 22nd November, 1926, and in welcoming the visitors, the Chairman, Mr. Geddis, said :

In your name I would welcome the Right Hon'ble Tom Shaw and his colleagues to this city and assure them that the Association will only be too pleased to give them all possible assistance in their investigation in this country.

I have before me a letter from Mr. Shaw to the Secretary outlining information that he wishes to gather. Mr. Shaw writes that his programme is ambitious but I know I can assure him on behalf of this Association that no matter what the information is that is required, if it is in our possession, we will gladly give it to him and if it is not in our possession we will as gladly procure it for him if possible. I think I might take the opportunity to mention that there is no instance in the past where our Association has not rendered every assistance to Government, anybody or any individual to procure information of the nature such as Mr. Shaw now seeks. We have always even welcomed such enquiries but unfortunately in the past on too many occasions the enquirer has been willing to look at one side of the question only, and has not been willing to consider how the industry is hampered by lack of support from the workpeople. Inefficiency, absenteeism, the fact that we employ four times the number of workmen as a Lancashire mill, the hours per day spent in the compound of mills in talking, smoking and even sleeping are all more or less glossed over and we are told that still higher wages is the only remedy for all these evils. I think that Mr. Shaw with his knowledge will be able to appreciate what the position is, and will not only give us credit for what we have done, but will recognise that it cannot be a question of "giving" always from the one side only but the employees themselves must exert themselves and with the self-respect that emanates from good and hard work give some return for what is done for them.

I do not wish to be misunderstood or to give a wrong impression in the slightest degree and therefore would emphasise that the Bombay Mill Agents are sympathetic and have been so to the welfare of their employees. I cannot do better to show what has been always done than quote from a letter written by this Association in 1925, wherein we reply to allegations made by the International Federation of Trade Unions. We wrote :—

"The allegation which is made by the International Federation of Trade Unions and which the Association wish specifically to contradict is that the workmen in the Indian Textile Industry receive 'starvation wages' and that their conditions of living are so bad that 'it would have been no wonder if the half-starved wretches had not been able to summon up enough energy to defend themselves.'

The real facts are as follows :—

Wages.—(1) Wages are 93 per cent. higher than in 1914 (*vide* the 1923 Census of Wages taken by the Government of Bombay) Hours of work were voluntarily reduced from 12 to 10 by the the Bombay Millowners' Association three years before the Government of India ratified the Washington-urs of Labour Convention without any reduction being effected in the pay of the workers, which means that rates of wages have been increased by more than 130 per cent. between 1914 and 1923. Over and above this increase during five years of prosperity, each year, bonuses amounting to one month's wages were given to the operatives.

(2) *Housing.*—During the last few years many mills have put up substantial buildings at considerable expense for housing their operatives. The rents charged for these dwellings have been greatly below the economic rent, and bring a merely nominal return on the capital expended.

In addition to this, the Bombay Mill Industry makes an annual contribution of 10 to 12 lakhs (nearly £90,000) to the Bombay Government housing schemes for industrial workmen in the City of Bombay.

(3) Facilities are given to the operatives for the purchase of food-stuffs and cloth at rates below the market rates.

(4) Free medicine and free medical attention are given to operatives in the Dispensaries attached to every mill.

(5) In addition many mills have established welfare organisations with a view to improving the lot and the social status of the workers.

In regard to the general conditions of work obtaining in the Textile Industry of Bombay, the Association need only quote the following extract from the *Bombay Labour Gazette*, which is the official publication of the Bombay Government on Labour matters :—

‘ As to the conditions under which they work, this country possesses an efficient and active body of Factory Inspectors and the conditions in mills are supervised closely under a detailed Factories Act which has been in existence for many years and kept up-to-date by amendments and rules.

In considering the conditions under which Indian workmen live, it is not legitimate to compare them with the conditions under which English workmen or English middle class families live in England. They can only be compared with (i) the conditions of living in the village homes from which the workmen or their ancestors came, or (ii) the conditions of living of Indian middle classes in Bombay. The homes both of Indian villagers and middle class families in Bombay are small in floor space and bare of furniture. It is hoped that the Labour Office may some day be able to present accurate statistics of these phenomena. In the meanwhile it is only necessary to emphasise that the improvement of Indian working class conditions, for which all the better employers as well as Government and various charitable organisations are continually striving, depends partly on creating first a desire for that improvement.”

The best commentary that can be made with reference to the accusation of ‘starvation wages being paid in the Bombay Textile Mills is that there is a very considerable amount of absenteeism in the mills which has been officially estimated in a special Government Enquiry at more than 11 per cent. and much of this absenteeism has been admitted on all hands as voluntary. Besides, there is not the slightest doubt that if he were so inclined, the Bombay textile operative could earn a substantially higher wage than he does at present by greater regularity in attendance. One of the effects of this absenteeism is that the efficiency of Indian labour, poor as it is, is further lowered both as regards quality and output. As a matter of fact, Indian labour, taking into consideration the number of hands which have to be employed, and the quality of the output, is relatively extremely expensive.

The wages paid in the Bombay Mill Industry are higher than those obtaining in other parts of India and in other Indian industries, and it may be stated that the Mill Industry of Bombay is the best paid industry in India.

In conclusion, the Bombay Millowners' Association feel that they cannot do better than quote from the statement issued by the Director of Labour with the Government of Bombay in the official *Labour Gazette* for September 1924, when, in answer to certain statements made to the meeting of the British Trade Union Congress in London, after giving figures showing wages of millworkers and clerks in the three chief industrial centres of the Bombay Presidency, the Director concludes :—

These figures show that the millhands are able to command wage, which compare very favourably with the wages of clerks. And the clerical classes in India are of the same type which emanate lawyers and Members of the Legislative Councils. When the wages of the least skilled class of millhands vary from a little over half to nearly the same as those of the clerical class, it cannot be said that the millhands are at all down-trodden."

I would now turn to the points raised in Mr. Shaw's letter.

The first thing is the hours, wages, conditions and the number of the machines run by the Indian workmen and would say that I think this question might be gone into and the full information supplied by the Sub-Committee that has been appointed to supply Mr. Shaw with such information. As regards compensation for accidents the same Sub-Committee will supply a copy of the recent Act and gladly give information as regards its working.

The next question is how conditions of cotton mill operatives compare with other classes of labour and in Native States and this, I think, I have answered in the extract I quoted from our letter to the Federation of Trade Unions in Amsterdam. The extract I now refer to is the paragraph reading. "The wages paid in the Bombay Mill Industry are higher than those obtaining in other parts of India and in other Indian industries, and it may be stated that the Mill Industry of Bombay is the best paid industry in India."

Mr. Shaw also asks for information regarding the relations between the employers and the employed and particularly between the employers and the new organisation of workmen. In reply to the first portion of this question I would say that in the mills under our agency any workman, no matter of what rank, who has a grievance can go, and does go, direct to the Manager with it. Our workmen have always been encouraged to do so. In other mills, there is a system whereby meetings are periodically held by the workpeople, jobbers and management at which any grievance can be gone into, and perhaps some gentleman who has this system might kindly give particulars of it later. As regards the new organisation of workers, I would say that our Association has always definitely stated that a Union run on proper lines by the workpeople for the benefit of the workpeople would have its recognition and support. In the past unfortunately there have been self-seekers who, for political reasons, have posed as leaders of the workpeople and such persons we have refused to recognise.

I have taken up a good deal of time and have only touched on the very important subject in a general way. It is much too big a question to deal with in the time at our disposal, and I would again assure Mr. Shaw that we are anxious to help him in every way and would welcome any comments he wishes to make.

TAJ MAHAL HOTEL,
BOMBAY, 28th, November, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

May I ask you to express to the Millowners' Association of Bombay the keen appreciation we have of the courtesy extended to our delegation and the readiness which we have found to give all the information that we needed.

If you will convey our thanks to Mr. Geddis and the rest of the Committee, I shall be much obliged.—Yours, etc.

T. SHAW.

APPENDIX 9.

CRISIS IN THE MILL INDUSTRY.

THE APPOINTMENT OF THE TARIFF BOARD (COTTON TEXTILE INDUSTRY INQUIRY.)

No. 388-32/C. of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th March, 1926.THE SECRETARY TO THE GOVERNMENT OF INDIA,
COMMERCE DEPARTMENT, DELHI.

SIR,

In continuation of Mr. N. N. Wadia's letter* of the 22nd February and as requested in your D. O. No. 341-T. (9), I have the honour to submit for the consideration of the Hon'ble Member of the Commerce Department of the Government of India, a concise statement of my Committee's views in regard to the competition which India is at present meeting from Japan.

My Committee's views can be stated in a very few lines. They maintain that the Indian Cotton Textile Industry is suffering from unfair competition from Japan by reason of the fact that Japan has not carried out the International Labour Conventions regarding hours of work and weekly holiday and the employment of women and young persons at night. In 1919, an International Labour Conference was held at Washington. The object of that Conference and the annual International Labour Conferences which have since taken place was the improvement of the conditions of labour for the working classes of countries, members of the League of Nations, by the institution of an International Labour Code for the regulation of labour. One of the essentials for the successful inauguration and application of such a Code is that the chief industrial nations of the world should put into operation the Conventions passed at these International Conferences for unless this is done, those countries which put into operation any conventions for improving labour conditions will be adversely affected when competing against countries which fail to improve their labour conditions in the same manner.

By far the most important Conventions passed at these International Conferences are those relating to hours of work and the non-employment of women at night.

These two Conventions were passed at the Washington Conference in 1919. The Hours Convention lays down a sixty-hour working week for workers in India and a fifty-seven-hour working week for workers in Japan. The Convention relating to women's employment lays down that women shall not be employed during the night in any public or private industrial undertaking. Japan and India were both represented at the Washington Conference and all the representatives of both the countries agreed to these two Conventions.

After the results of the Conference had been conveyed to them, the Government of India took immediate action and the Factories Amendment Act of 1922 fulfilled India's obligations in respect of the two Conventions referred to above. Japan, on the other hand, has failed so far to carry out these two Conventions and has apparently no intention of doing so till 31st August, 1931, at the earliest, with the result that her textile mills have an unfair advantage when competing against Indian textile mills owing to the fact that women are employed on night work, and working hours are longer than in Indian mills. Chiefly by reason of these unfair advantages, Japan has been able to place increased quantities of yarn

and piecegoods in India and in Indian export markets at prices to compete against which, Indian mills have had to run at a loss. My Committee maintain that when the Government of India enforced these two Conventions, they thereupon took upon themselves the onus of seeing that Indian industries should not be unfairly penalised owing to non-ratification by her industrial competitors, and consider that immediate action should be taken to prevent the continuation of the advantages Japan at present enjoys.

Since it is not possible to take effective steps against Japan through the International Labour Office, owing to the Conventions not being of a mandatory nature, my Committee consider in the interests of Indian Labour and the Indian Textile Industry, that additional duties should be imposed upon the imports of piecegoods and yarn from Japan into India until Japan prohibits the employment of women at night, and reduces the length of the working week per operative to conform with the Hours Convention.

The extra import duty which should be imposed on Japanese piecegoods and yarn, my Committee maintain, should be equivalent to the approximate saving in cost of production which Japanese mills enjoy owing to not having ratified these Conventions. This could be estimated by calculating the saving in cost of production which Indian mills would have obtained if run under the same conditions as regards hours of labour and night work for women. My Committee are fully aware that double-shift working is ostensibly permissible in countries, but if night work for women were prohibited in Japan, double-shift working for the textile industry would be just as impossible there as it has proved in Bombay owing to the insufficiency of male labour. This fact is borne out by the statistics of the Japanese Master Cotton Spinners' Association which show that 80 per cent. of the total workers employed in the cotton mills of Japan are women. The true gain to the Japanese cotton Industry by the employment of women at night does not therefore only amount to the difference in the cost of female labour as against male labour on night work, but to the reduction in cost of production obtained by working double shifts as compared with single shifts.

My Committee suggest that for the specific purpose outlined in the preceding para an *ad hoc* committee, including a proportion of Textile experts, should be immediately appointed and asked to report without delay. If the Government of India are prepared to agree to this suggestion, this Association would be prepared to render every assistance in order to enable the Committee to arrive at accurate conclusions as to the extent of the extra import duty which should be imposed, provided any evidence they give is considered confidential.

Though for the past two or three years the textile industry of India has been very adversely affected owing to the depreciating value of the yen, the appreciating value of the rupee and other reasons, my Committee do not, at the present juncture, wish to make any claim for general protection. They consider that if safeguarded from unfair competition, the Indian Textile Industry will at least be able to retain its home market.

Finally, my Committee wish to draw the attention of the Government of India to the difficult position of the cotton textile industry which is proved by the loss of five crores sustained by the cotton mills of Bombay City and Island in the last three years, and the need for early and effective action against Japan if the cotton industry of India is to survive the present crisis.

My Committee understand that the Hon'ble Sir Charles Innes will be in Bombay on the 1st April, 1926, and they will be very pleased if he, and if possible, the Hon'ble Mr. Chadwick will kindly make it convenient to meet them in the afternoon on that day to discuss the points raised in this letter, and in the Commerce Department's reply.—I have, etc.,

T. MALONEY,
Secretary.

No. 341-T. (9).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
DELHI, 26th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to reply to your letter No. 388-32/C. of the 9th March, 1926. This letter contains a concise statement of the views of your Committee in regard to the competition from Japan which the Indian Mill Industry is now experiencing, and the Government of India will endeavour to be equally concise in their reply.

2. Your Committee makes it clear that at present it does not think it necessary to make any request for what is called in your letter 'general protection'. But it considers that the competition from Japan is in some respects unfair. It considers it unfair because whereas India has ratified and carried into effect the Conventions adopted by the International Labour Office at the Washington Conference in 1919 concerning hours of work in industrial undertakings, the employment of women during the night and the night work of young persons employed in industries, Japan, on the other hand, though its representatives at the Conference agreed to the above Conventions, has neither ratified them nor carried them into effect. The result is, in the opinion of your Committee, that Japanese millowners have an unfair advantage over millowners in India, and it is mainly owing to this unfair advantage that they have been able to increase the sale of Japanese yarn and cloth in India. The further point is made that the Government of India cannot disclaim responsibility for this state of things. "My Committee maintain," the letter states, "that when the Government of India enforced these two Conventions, they took upon themselves the onus of seeing that Indian industries should not be unfairly penalised owing to non-ratification by her industrial competitors, and consider that immediate steps should be taken to prevent the continuation of the advantages Japan at present enjoys." Your Committee therefore holds that it is incumbent on the Government of India to "safeguard the Indian textile industry from this unfair competition" and with this object in view it suggests —

- (1) that so long as Japan does not carry into effect the Conventions mentioned above, Japanese yarn and piecegoods imported into India should be subjected to additional import duties.
- (2) that the amount of these additional duties should be roughly equivalent to the reduction in the cost of production which Indian mills would be able to secure if they also were enabled to work double shifts by employing women at night; and
- (3) that an *ad hoc* Committee should be appointed to determine, in the light of the above principle, what extra duties should be imposed.

3. The case as stated above clearly raises issues of grave importance. For the proposals which have been submitted for the consideration of the Government of India, contemplate the imposition of differential duties on yarn and piecegoods imported from Japan. If therefore they were accepted, they would involve the denunciation by the Government of India of the Trade Convention with Japan of 1905. For under that Convention, Japanese goods enjoy on importation into India 'the lowest customs duties applicable to similar products of any other foreign origin' and the same treatment is secured to Indian goods on importation into Japan. Your Committee will readily agree that it would be a most serious step to denounce the Convention, and if the Government have felt compelled to subject the reasons advanced in support of this step to the closest scrutiny, they are confident that your Committee will recognise that they have done so not in any contentious spirit, but merely, because it is essential that in a matter of such importance, they should be sure of their ground.

4. I am first therefore to make it clear that the Government of India are unable to accept the implied assumption in your letter that by ratifying and carrying into effect the Conventions concerning hours of work, the employment of women at night and the nightwork of young persons, they placed at any rate the Bombay mill industry in a worse position *vis-a-vis* Japan than it had been before. Government do not consider that this statement corresponds with the history of events. The Factories Act of 1911 prohibited the employment of males under 14 by night in all factories and it also prohibited the employment of women by night in all factories except cotton ginning and pressing factories. In consequence, the ratification of the two Conventions relating to the night work of women and the night work of young persons did not involve any amendment of those provisions of the Factories Act which regulate the conditions of employment in the Bombay mills, and in fact no such amendment was made when the Act was revised in 1922. It is true that the ratification of the Convention concerning hours of work did necessitate an amendment of the Indian Factories Act in 1922. But that amendment did not alter the position for the mill industry of Bombay. For the millowners had already reduced the hours of work from 12 to 10 before the Convention was ratified by the Government of India with the approval of the Legislature in 1921 and long before the Indian Factories Act was amended in 1922. In this connection I am to remind you of the memorial submitted by your Committee to His Excellency the Viceroy in March, 1920. In that memorial your Committee stated that one of the principal demands made by the millhands when they went on strike in January 1920., was a reduction of daily hours of work from 12 to 10. Your Committee said that it had agreed to the demand which it considered to be fair, and it went on to ask that a similar limitation should be enforced by law on textile mills in other parts of India. And while the Convention was cited in support of the prayer contained in your memorial, Government were urged to establish a ten-hours' day in Indian factories on the ground that such a step would advance the interests of both capital and labour in India. The passing of the Factories Act of 1922 did not involve a reduction of the hours of work in the Bombay cotton mills, so that it is clear that the ratification of the three Conventions cited by your Committee did not effect any material alteration in the law applicable to employment in the cotton mills. It therefore follows that the basis for the case of your Committee, as it is stated in your letter, disappears.

5. This being so, the Government of India do not propose to comment at length on the implications of your argument that because the Government of Japan has not ratified the Conventions, the Government of India would be justified in imposing additional duties on yarn and piecegoods imported from Japan. But they must point out that there is no obligation on any Government to ratify a draft Convention adopted by a Conference of the International Labour Organisation, even though its representatives at the Conference may have agreed to the draft Convention. The whole basis of these Conferences is that merely draft Conventions are adopted. Under Article 405 of the Peace Treaty, each State which is a member of the International Labour Organisation undertakes to bring the draft Convention within one year before the competent authorities for the enactment of legislation or other action. If no legislation or other action to make a recommendation effective follows, or if a draft Convention fails to obtain the consent of the competent authorities concerned, no further obligation rests on the State in question. In this connection, I am to refer you for a discussion of the whole question to Chapter II of the Report of the Commission on International Labour Legislation printed in *Bulletin of Indian Industries and Labour* No. 4, 1921. The suggestion of your Committee, therefore, involves the conclusion that the exercise by the Government of Japan of discretion expressly given to it in a treaty to which both Japan and India were parties should be regarded as justifying the Government of India in denouncing another treaty between the two countries. Your Committee will realise that when it is put in this form the conclusion is one which it is scarcely possible for the Government of India to accept and which, if it were adopted, might have far-reaching consequences.

6. For these reasons the Government of India regret that they cannot accept as valid the statement of the case contained in your letter, and they must make it quite clear that they are unable to agree to your Committee's proposal that the case for safeguarding duties (as opposed to 'general protection') should be accepted as established, and that a Committee should forthwith be appointed merely for the purpose of determining the amount of those duties. At the same time, the present difficulties of the mill industry are a matter of much concern to the Government of India, and they are anxious to do what they can to assist the

millowners to find the right solution of those difficulties. Their position is that they recognise that the Mill industry, especially in Bombay City, has been passing through a period of depression. They recognise that the import of Japanese yarn and piecegoods has been increasing rapidly. They recognise that Japanese millowners have an advantage over Indian millowners in that they work double shifts, and they are willing to believe that the working of double shifts in Japan is facilitated by the fact that the employment of women at night is not prohibited. They are prepared to admit therefore that there is a *prima facie* case for enquiry. But they hold that the enquiry should be a comprehensive enquiry, and that the whole field should be opened to the body entrusted with it for protection, whether it be called protection or merely safeguarding, must enhance the price of cotton goods (which is still exceptionally high) for the Indian consumer, and the Government of India are unable to agree to any course that would have this result unless and until the necessity of that course is established by a comprehensive impartial enquiry. In their view, diagnosis must precede the prescription of remedies, and they are not yet satisfied that the present condition of the Mill industry in Bombay is solely due to competition from Japan.

7. Mr. Chadwick will have left for England before you receive this letter but I am to say that the Hon'ble Sir Charles Innes will be in Bombay from 1st to 4th April, 1926, and will be pleased to arrange an interview with your Committee.—I have, etc.,

N. J. ROUGHTON,
Offg. Secretary to the Government of India.

DELHI, 6th April, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

At the meeting with your Committee on Saturday I said that I would send you demi-officially a copy of the note of my two meetings with the Committee. I send a copy herewith. You will understand that it merely purports to give my own version of the discussion with the Committee. I am sending it to you primarily with reference to paragraph 11 of the note.

Yours faithfully,
C. A. INNES.

I met the Committee of the Bombay Millowners' Association on April 1st, and the Government of India's letter of 26th March was discussed.

2. There was some resentment at paragraph 4 of the letter, the implication being that it made merely a debating point. I contested this argument. The Millowners had asked the Government to take a most serious step, and the main argument they had put forward was that the difficulty of the mill industry had been caused by the ratification of the Washington Conventions. This argument was not in our view correct, and we had no option but to challenge it. For in a matter of such importance, one must be sure of one's ground.

3. In this connection, two points were made which are worth noticing. Mr. Saklatwala made the point that the Washington Convention had influenced the Millowners in agreeing to reduce the hours of labour in 1920. Mr. Petit and others pointed out that, as the result of the Washington Conference, we had altered the law, so that the Millowners could not go back to a 12-hours day, even by agreement with the operatives.

My reply was that law or no law, it was not practical politics to talk of re-introducing a 12-hour day. But even if it were possible, it would not help the millowners. What they wanted in order to compete on level terms with Japan was a double shift, and that in India, or at any rate in Bombay, was not possible.

4. The next point made by the Millowners was that Washington Conventions apart, Japanese competition was not fair. For they were able to work double shifts because they employed women at night. It was this advantage that enabled them to compete successfully in India, and Indian mills were 'fast losing their trade.' Government admitted that the Indian Mill Industry had been passing through difficult times. They admitted that Japanese competition had been increasing. They admitted that Japan had an advantage in working double shifts and that they owed this advantage to night work of women. Since they admitted so much, why would they not carry their admissions to their logical conclusions? Why would they not apply the remedy to the disease which they admitted to exist instead of laying it down that they must search about to see whether there were other diseases. The Millowners were not concerned with the question whether the Trade Convention had to be denounced. All they could do was to place their disabilities before Government and to ask Government to find the remedy. That was Government's business. But when they did place their disabilities before Government, all they got from the Commerce Department, were arguments why Government should do nothing. It was up to the Commerce Department to take the initiative, not to spend their time in controverting the Millowners' contentions.

5. At the same time, in view of the Government's letter, the Committee had decided that they would agree to a full enquiry. But they would have to get the consent of the Association, and before they could approach the Association, certain important preliminary points must be settled. They must make certain stipulations, namely:—

- (1) The Committee of Enquiry should be appointed at a very early date.
- (2) The personnel of the Committee and the terms of reference should be settled in consultation with the Committee of the Bombay Millowners' Association.
- (3) The enquiry should be limited to Bombay—if it were extended to the mill industry all over India, it would take too long.
- (4) The enquiry must be finished within a reasonable time: and
- (5) Finally—and this was the point which almost every speaker stressed—Government should pledge themselves to take action without delay in accordance with the recommendations of the Enquiry Committee. If the Millowners agreed to accept the findings of the Committee, so must the Government.

6. I dealt first with the points in paragraph 4. I pointed out that in August last, the Government of India had offered a Tariff Board enquiry, and it was not our fault that the Millowners had refused the offer. I was prepared to admit that the Japanese millowner had an advantage in that he worked double shifts. Our information went to show that in Japanese spinning mills the proportion of women to men was as 3 to 1 and that on an average 26 days per month and 19 hours per day were worked. There were two shifts. The result was that in 1923 the output per spindle was more than 200 lbs. of yarn. In India in 1924-25 the output per spindle was 87 lbs. of yarn. Thus, the Japanese clearly got the advantage of large-scale production. Similarly, certain facts had come to our knowledge about the weaving mills. The ratio of women to men was 5 to 1. Particulars of 19 big mills showed that they worked 26 days per month and an average of 14 hours per day. The output of cloth per loom was 19,000 yards in a year. In India it was 13,000 yards. But though Japanese competition was increasing, I did not think it could be said that it was threatening the very existence of the Indian Textile Industry, and the real question for decision was whether the depression of the Indian industry was due to Japanese competition or to other causes, and whether Japanese competition was the sole factor or merely one of many factors contributing to the depression,

7. I took yarn first and I pointed out that statistics showed that, as regards 30s and below, Japanese competition was not only negligible in itself, but was decreasing. I admitted that as regards yarn above 30s, Japanese competition had increased rapidly in the last two years. But yarn above 30s represented only 3½ per cent. of gross Indian pro-

duction of yarn. Thus, the field of competition was restricted. Moreover, it did not appear that Indian yarn was meeting more competition from imported yarn than before. It was true that imports of Japanese yarn were increasing, but it was at the expense of Lancashire rather than India.

8. The Millowners' reply was :—

(1) that it was unfair to compare imports with total production in India. They should be compared with the amount of Indian yarn available for sale in the Indian market ;

(2) that however small imports from Japan might be, they depressed the price of Indian yarn ; and

(3) that even if competition were most severe in higher counts, that competition prevented the expansion of the manufacture of higher counts in India.

9. As regards cloth, I said that it was true that Japan's share of the import trade was increasing. Before the war, she did not figure, in 1924-25 she had 8 per cent. of it and in the first 9 months of 1925-26 her share had increased to 14 per cent. She had obtained this share mainly at the expense of the United Kingdom. In the aggregate, however, imports were much less than before the war. Mill production, on the other hand, had greatly increased, and this mill production consisted almost entirely of the coarser qualities of cloth. One possible view was that the Indian millowners were now fighting to maintain the position they had won during the war. During the war, imports of finer qualities had been greatly restricted, and Indian cloth had captured a great part of the market. Now finer cloth was again coming in, and the question was whether Indian consumers would still continue to buy the coarser Indian cloth in the same quantities, or whether they would revert to the finer imported cloth. That was one aspect of the problem. Another was presented by the following figures :—

Taking the average of the three years 1912-13 to 1914-15 Indian mill production less exports had been 1,092 million yards, and imports less re-exports had amounted to 2,834 million yards. Thus apart altogether from hand loom production, the total amount of cloth placed in the Indian market was 3,926 million yards. In 1924-25 mill production, less exports was 1,789 million yards, imports less re-exports were 1,769 million yards. Thus, the amount placed in the market was 3,558 million yards, or under 400 million yards less than in the pre-war years. But taking 1914 as 100, the price index figures in December 1924 were :—

<i>Raw cotton.</i>	<i>Cotton cloth.</i>	<i>All commodities.</i>
219	269	176

While therefore the Indian market was being asked to absorb nearly as much cloth as in the pre-war years, the price of that cloth was 169 per cent. higher. This seemed to be the real trouble, and it looked as if there was over-production of the coarser kinds of cloth. 700 million yards more of that cloth were being made now than before the war. If there was over-production, higher import duties would not help. What was really wanted before the industry could get into a really healthy condition was a reduction in the price of cloth so that it might be more in relation to the general level of prices. There had been a reduction as shown by the index figures for December 1925 :—

<i>Raw cotton.</i>	<i>Cotton cloth.</i>	<i>All commodities.</i>
158	323	163

But even so, the price of cloth was still much too high, and since the effect of higher duties would be to send it higher still, it was doubtful whether those higher duties would be to the real advantage of the industry in the long run. All this indicated the need for a comprehensive enquiry into the whole problem.

10. In the discussion that followed, it was made clear that the Millowners did not accept the accuracy of the index figures. They said that the price of cotton cloth had come down in proportion to the fall in the price of cotton. And they disputed the assumption that imports from Japan had merely displaced equivalent imports from the United Kingdom. Certain lines of Japanese imports, sheetings, drills, jeans, long-cloth and the like entered into direct competition with Indian cloth. It was true that Japanese exchange had gone up. In January 1925 it was Rs. 107=100 Yen. Now it was Rs. 127=100 Yen. The rise helped the Millowners a bit, but it did not mean that Bombay mills were making a profit now. It had merely reduced their losses. Stocks were still high. According to the Millowners' estimates, stocks at the end of February 1926 compared with stocks at the end of September 1925, as below :—

		<i>Cloth</i> (Bales.)	<i>Yarn</i> (Bales.)
September 1925	..	159,000	40,000
February 1926..	..	79,000	38,000

The strike of course had helped in this matter. Four 4 miles were now closed. The maximum number closed at any one time since the strike had been 8.

11. The meeting was continued on April 3rd, and I proceeded to deal with the stipulations regarding the Committee of Enquiry referred to in paragraph 5 above. I gave the following replies to each point made by the Chairman :—

(1) *The Committee of Enquiry should be appointed at a very early date.*

Answer.—The Tariff Board which is the proper body for the conduct of enquiries of this kind is just about to embark on the steel enquiry and is not available. It will be necessary, so to speak, to duplicate the Tariff Board, and that may take some time. But every effort will be made to expedite matters.

(2) *The personnel of the Committee and the terms of reference should be settled in consultation with the Committee of the Millowners' Association.*

Answer.—The personnel of the Committee must be a matter for the Government of India. I should have no objection to sending the draft terms of reference to the Committee for their remarks.

(3) *The enquiry should be limited to the Mill industry in Bombay.*

Answer.—The object of the enquiry must be to investigate the conditions of the Indian textile industry, but I should have no objection to adding the words 'with special reference to the industry in Bombay.' It would be a matter for consideration whether 'and Ahmedabad' should not also be included.

(4) *The enquiry must be finished within a reasonable time.*

Answer.—I had no doubt that as much expedition would be used as was consistent with a careful thorough examination of the problem.

(5) *Government should pledge itself to take action without delay in accordance with the recommendations of the Enquiry Committee.*

Answer.—It was quite impossible for Government to give any such pledge. The Tariff Board and any similar Committee of Enquiry can only make recommendations. Those recommendations naturally receive the most careful consideration, but nothing can absolve the Government from the responsibility of taking its own decision on the recommendations.

12. I was then asked whether I could give any indication of the terms of reference. I replied that I could not give a final answer. The terms of reference would be a matter for the Government of India, but without binding myself or the Government of India, I thought that they would be on the following lines :—

- (1) To investigate the condition of the textile industry in India with special reference to the industry in Bombay (and Ahmedabad);
- (2) to examine the causes of the depression in the industry and to report whether they are of a temporary or permanent character ;
- (3) in particular, to consider whether, and if so to what extent, the depression is due to the competition of imported yarn and cloth ;
- (4) to report whether, having regard (i) to the fact that the industry has long been firmly established in India and (ii) to the interest of the consumer and to all other interests affected,
 - (a) the industry is in need of protection, and
 - (b) if so, what modifications are recommended in the existing rates of import duty either generally or in respect of imports from particular countries ; and
- (5) to make any other recommendations that are germane to the subject.

13. The question of procedure was next discussed. I said that we should require a formal application from the Committee of the Millowners' Association for a full and comprehensive enquiry. Some doubt was expressed whether the Association would agree. It was decided that a copy of this memorandum should be sent to the Committee confidentially in order that they may consider the matter further.

14. It was agreed that the Millowners' letter and our reply of 26th March should not be published, at any rate at present. If the Millowners decided to ask for a full enquiry, it might be unnecessary even to publish the above correspondence. It was further suggested that it might help if the expression ' Tariff Board enquiry ' could be avoided.

15. The Committee doubted whether a deputation to Japan would serve any useful purpose. The Japanese were not likely to give away anything which they did not want us to know.

16. Other points discussed were the following :—

- (1) The Committee suggested that the Government of India might consider whether the Government of Japan might not be addressed either direct or through His Majesty's Government on the subject of their failure to ratify the Washington Convention ;
- (2) It was pointed out that His Majesty's Government had just arranged a Conference of European nations to consider the possibility of joint action in regard to hours of work. Could not India arrange a Conference of representatives of the Government of India, China and Japan to consider such questions as hours of work and night work of women and young children ?
- (3) At the forthcoming Conference of the International Labour Organization at Geneva, the Directors' Report for the year would give an opportunity of raising again the question of Japan's failure to ratify the Washington Conventions. Could not the Indian Government representatives take that opportunity ?

I promised that Government would consider all these suggestions.

C. A. INNES,

6th April, 1926.

No. 676-102 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22nd April, 1926.

THE HON'BLE MEMBER FOR COMMERCE,
GOVERNMENT OF INDIA, SIMLA.

SIR,

I am directed to inform you that a general meeting of the Bombay Millowners' Association was held on the 22nd April, 1926, and the following resolution was passed unanimously :—

“ This meeting agrees to request a comprehensive enquiry by the Tariff Board or any other Board appointed by the Government of India, into the causes of the present depression in the Bombay Cotton Textile Industry, subject to the draft terms of reference being mutually agreed upon.”

I am also to request you to be good enough to indicate the manner in which formal application should be made to the Government of India.

The next meeting of my Committee will be held on Monday, May 3rd, and I should be glad to receive your reply before that date.—I have, etc.,

T. MALONEY,
Secretary.

No. 341-T (9).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE.
SIMLA, 27th April, 1926.

THE SECRETARY,
THE BOMBAY MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter, No. 676-102, dated the 22nd April, 1926.

2. The Government of India have carefully considered the resolution passed at the general meeting of the Bombay Millowners' Association on the 22nd instant, and they regret that they are unable to agree that the terms of reference to the Tariff Board in any enquiry should be mutually agreed upon between the Government and the industry which applies for the enquiry. The Government of India, however, have no objection to sending the proposed terms of reference in draft to your Committee, and they will carefully consider any observations that your Committee may make before coming to a decision.

3. The Government of India, are provisionally of opinion that the terms of reference for an enquiry into the Cotton Textile Industry should follow the lines indicated by the Hon'ble the Commerce Member at his meeting with your Committee on the 3rd instant, namely :—

- (1) To investigate, the condition of the cotton textile industry in India, with special reference to the industry in Bombay and Ahmedabad ;
- (2) to examine the causes of the depression in the industry and to report whether they are of a temporary or permanent character ;
- (3) in particular, to consider whether, and if so to what extent, the depression is due to the competition of imported yarn and cloth ;

(4) to report whether, having regard (i) to the fact that the industry has long been firmly established in India and (ii) to the interest of the consumer and to all other interests affected,

(a) the industry is in need of protection, and

(b) if so, what modifications are recommended in the existing rates of import duty either generally or in respect of imports from particular countries ; and

(5) to make any other recommendations that are germane to the subject.

Before coming to a decision, the Government of India would be glad of the observations of your Committee.

4. With reference to the second paragraph of your letter under reply, I am to say that an application for an enquiry should state briefly the grounds on which an enquiry is considered to be necessary.—I have, etc.,

G. L. CORBETT,
Secretary to the Government of India.

No. 816-102 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th May, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
COMMERCE DEPARTMENT, SIMLA.

SIR,

I have the honour to acknowledge the receipt of your letter No. 341-T. (9), dated the 27th April, 1926.

2. My Committee, after the discussion with Sir Charles Innes on the 1st and 2nd April last, are agreeable to the Government of India's proposals that a comprehensive enquiry into the causes of the severe depression in the Bombay Cotton Mill Industry should be undertaken. My Committee hold that as the enquiry is to be a comprehensive one, it should be as wide as possible and should take cognisance of all the factors adversely affecting the cotton mill industry of the country or hindering the growth and development of the trade in Indian mill-made goods in foreign markets as well as in the home market. With this object in view, my Committee suggest below certain amendments to clauses 3 and 4 of the proposed terms of reference and they trust Government will see their way to accept these amendments.

3. The first clause directs an investigation into the condition of the cotton textile industry in India, with special reference to the industry in Bombay and Ahmedabad. My Committee have no criticisms to offer on this clause as far as it relates to the industry in Bombay. Clause 2 is also quite acceptable to my Committee.

4. It is my Committee's considered opinion that the Enquiry Board should be asked to consider the position of the industry not only in regard to the home trade but also to the export trade. Clause 3 as it stands at present might pin down the Enquiry Committee to a consideration only of the effects of imports on the industry in the Indian market alone, and in order to ensure the export trade being brought within the scope of the terms of reference, my Committee respectfully suggest that clause 3 be amended as below :—

“ In particular to consider whether and if so to what extent the present depression in the Bombay cotton textile industry is due to competition from foreign countries in the home and export trade.”

5. The fourth clause as drafted at present precludes the possibility of the Tariff Board proposing methods other than an increase in the import duties to offset the unfair competition the industry is meeting from other countries. As, in my Committee's opinion other methods are possible, they desire that the proposed clause should be amended as below :—

“ To report whether having regard to (1) the fact that the industry has long been firmly established in India and (2) the interest of the consumers and to all other interests affected :

(a) the industry is in need of protection, and

(b) if so what modifications are recommended in the existing rates of import duty either generally or in respect of imports from particular countries or what means should be adopted to afford the assistance considered necessary for rehabilitation of the industry.”

6. My Committee have no criticisms to make in regard to clause 5 of the terms of reference.

7. In conclusion, I am directed to reiterate my Committee's considered opinion that since Government desire a comprehensive enquiry, the enquiry should be comprehensive to the fullest possible extent and the Enquiry Body should not be precluded from examining such questions as freight rates, taxation—Imperial, Provincial and Municipal—effects of foreign exchange on the home and foreign trade and so forth. In short, my Committee desire that each and every factor which constitutes a hardship or acts as a handicap to the growth and development of the indigenous industry should be very fully investigated by the Enquiry Committee and they request Government to ensure that Enquiry Committee are invested with the necessary powers to report on all questions of major importance affecting the industry which may be brought forward in the Association's evidence.

A formal application for an enquiry is forwarded under separate cover.—I have, etc.,

T. MALONEY,
Secretary.

No. 817-102 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th May, 1926.

THE HON'BLE SIR CHARLES INNES, K.C.S.I., C.I.E., I.C.S.,
DEPARTMENT, OF COMMERCE, GOVERNMENT OF INDIA, SIMLA.

SIR,

Arising out of the representations made to the Government of India by this Association during the last two years, and as a direct result of the two conferences which took place on the 1st and 3rd April between yourself and the Committee of the Bombay Mill-owners' Association, I am instructed to request that the Government of India may be pleased to direct the Tariff Board or some other Committee similarly constituted, and with similar powers, to enquire into the causes of the present severe depression in the Bombay Cotton Textile Industry and to suggest the measures which might be taken to restore this important indigenous industry to prosperity,

2. In the Association's letter No. 1168-118, dated the 7th October, 1925, the Government of India were urged to abolish the Excise Duty and it was further stated if after the abolition of the Excise Duty the Cotton Mill Industry found itself in need of

protection against competition from countries which had ignored the Washington Conventions regarding hours of labour, or which enjoyed indirect benefits owing to depreciated exchange or other circumstances, this Association might possibly ask for an enquiry.

3. The abolition of the Excise Duty has unfortunately been insufficient to offset the advantages enjoyed by other countries owing to depreciated exchange, inferior conditions of labour, double shift working, employment of women at night, indirect subsidies, etc., and the Association therefore request that Government will be pleased to institute an early and comprehensive enquiry as indicated in the first paragraph of this letter.—I have, etc.,

T. MALONEY,
Secretary,

No. 820-102 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th May, 1926.

THE SECRETARY,
THE AHMEDABAD MILLOWNERS' ASSOCIATION.
THE MADRAS AND SOUTHERN INDIA MILLOWNERS' ASSOCIATION,
THE UPPER INDIA CHAMBER OF COMMERCE.

DEAR SIR,

I am directed to inform you that this Association has just made a formal application to the Government of India, Commerce Department, requesting that the Government of India may be pleased to direct the Tariff Board, or some other Committee similarly constituted and with similar powers, to enquire into the causes of the present severe depression in the Bombay Cotton Textile Industry and to suggest the measures which might be taken to restore this important indigenous industry to prosperity. A copy of the application is forwarded herewith for your information.

2. In this connection I may state that my Committee first desired that there should be an *ad hoc* enquiry into the nature and effects of the competition which the cotton mill industry of this country is meeting from Japan. The Hon'ble Sir Charles Innes, however, with whom my Committee had a long discussion last month, did not favour the idea of the *ad hoc* enquiry proposed by my Committee but he expressed himself in favour of instituting a comprehensive enquiry into the causes of the present depression of the cotton mill industry of this country. My Committee accepted this proposal which was subsequently endorsed by the members of the Association at a general meeting.

3. I forward herewith for your information copies of the correspondence that has taken place between my Committee and Government subsequent to the general meeting of the members of the Association.

4. In case your Committee make any representation in connection with this matter, my Committee will feel much obliged if you will kindly forward to this Association a copy of your representation as soon as it is despatched to Government.—Yours faithfully,

T. MALONEY,
Secretary.

No. 341-T. (9).

GOVERNMENT OF INDIA.
DEPARTMENT OF COMMERCE.
SIMLA, 10th June, 1927.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Cotton Textile Industry Enquiry.*

I am directed to refer to the correspondence ending with your letter No. 817-102, dated the 19th May, 1926, and to forward herewith a copy of this Department Resolution No. 341-T (9), dated the 10th June, 1926.—I have, etc.,

N. J. ROUGHTON,
Deputy Secretary to the Government of India.

No. 341-T (9).

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

SIMLA, 10th June, 1926.

Resolution.

The Government of India have received an application from the Bombay Millowners' Association requesting that the Tariff Board, or some other Committee similarly constituted and with similar powers, may be directed to enquire into the causes of the present depression in the Bombay cotton textile industry and to suggest the measures which might be taken to restore it to prosperity.

2. The Government of India agree that this enquiry should be made, and consider that it should be held as soon as possible. The Tariff Board is, however, at present fully occupied with the statutory enquiry into the steel industry required by the Steel Industry (Protection) Act, 1924. The Government of India have, therefore, decided to appoint a second Tariff Board for the purpose of the enquiry into the cotton textile industry, with the following terms of reference :—

- (1) to investigate the condition of the cotton textile industry in India, with special reference to the industry in Bombay and Ahmedabad ;
- (2) to examine the causes of the depression in the industry and to report whether they are of a temporary or permanent character ;
- (3) in particular, to consider whether, and if so to what extent, the depression is due to the competition of other countries in the home and export trade ;
- (4) to report whether, having regard (i) to the fact that the industry has long been firmly established in India, and (ii) to the interests of the consumer and to all other interests affected,
 - (a) the industry is in need of protection, and
 - (b) if so, in what form and for what period protection should be given ;
 and (5) to make any other recommendations that are germane to the subject.

3. The following gentlemen have agreed to serve on the Board :—

President.

F. Noyce, Esq., C.S.I., C.B.E., I.C.S.

Members.

Rai Bahadur Pandit Hari Kishan Kaul, C.S.I., C.I.E.

N. S. Subba Rao, Esq., M.A., Bar-at-law.
(Principal and Professor of Economics, Maharajah's College, Mysore.)

4. The headquarters of the Board will be at Bombay, but it will also visit such other places as it thinks necessary for the purpose of the enquiry. It will assemble at once and report to the Government of India at the earliest possible date. Commercial bodies, firms or persons interested in the enquiry should address their representations direct to the President, Tariff Board (Cotton Textile Industry Enquiry).

5. The Government of India trust that local Governments and Administrations will afford the Board all the assistance which it may require and will comply with any request for information which may be addressed to them by it.

6. The * appended correspondence is published for general information.

Order :—

Ordered that a copy of the above Resolution be communicated to all local Governments and Administrations, all Departments of the Government of India, the Director-General of Commercial Intelligence and Statistics, the Indian Trade Commissioner in London, the Secretary, Tariff Board, and the President and Members, Tariff Board (Cotton Textile Industry Enquiry).

Ordered also that it be published in the *Gazette of India*.

G. L. CORBETT,
for Secretary to the Government of India.

APPENDIX 10.

**CONTROVERSY WITH THE JAPAN COTTON SHIPPERS' ASSOCIATION AND
THE JAPAN COTTON SPINNERS' ASSOCIATION.**

JAPANESE COMPETITION.

" This article is authorised by and is published with the sanction of the Bombay Millowners' Association."

A serious question which is engaging the attention of the Bombay Millowners' Association at the present moment is the very rapid growth of the imports of Japanese yarn and piecegoods into this country and the very detrimental effects thereof on the indigenous industry.

Judging from the statistical and other official publications it would appear that this very serious menace to the cotton industry of the country is frankly recognised by

Government. For the last two or three years, the annual official publication of the Government of India known as "*Review of the Trade of India*" contains frank admissions by Government of the severity of Japanese competition. Again, in the *Report on the Seaborne Trade and Customs Administration of the Bombay Presidency for 1924-25*, published some time back, it was stated :—

" Japanese competition was severe and in certain instances Japanese goods were offered at prices lower than the cost price of similar goods manufactured in India. The Mill Industry is suffering from the unfavourable rate of exchange with Japan and highly organised Japanese competition. The Japanese mill-worker appears more efficient than the Indian mill-hand, while the system of night and day working of their mills combined with factory law restrictions, believed much less strict in application than those of India, reduces cost of production. These and other factors counterbalance the advantages which $7\frac{1}{2}$ per cent. net protection and the absence of the double freight charges give the Indian mills. The abolition of the small cotton excise duty of $3\frac{1}{2}$ per cent. would probably not make much difference as regards the competition of Japan."

What strikes one most in considering the growth of Japanese competition is the amazing rapidity with which her imports into this country have gone up. It is not proposed to over-burden this article with statistics but it may be broadly stated that in 1914-15 the total imports of Japanese yarn into India were less than a million pounds while in 1924-25, *i.e.*, about ten years later, the quantity imported was *more than 32 times* the figure of 1914-15. Again, in piecegoods, the quantity imported in 1914-15 was about 16,000,000 yards, while in 1924-25 it was about ten times that figure.

The under-quoted figures of imports of Japanese piecegoods into this country during the last five years show how rapidly these imports are increasing :—

Year.	Quantity in thousands of Yards.	Value in thousands of Rupees.
1921-22	90,275	36,702
1922-23	107,778	42,490
1923-24	121,902	45,945
1924-25	155,302	57,463
1925-26 (9 months) ..	154,910	49,980

It is this almost staggering rise every year in Japanese imports which fills with dismay the minds of everybody who has a stake in the cotton mill industry of the country. If the Japanese imports go on increasing at the present rate one cannot contemplate with equanimity the plight in which the cotton mill industry of the country will find itself in about five or six years' time.

It has, however, been alleged that the competition which the Indian Cotton Industry is meeting from Japan is insignificant, and in support of this statement statistics are adduced to show that the imports of Japanese goods into this country form a small percentage of the quantities produced by Indian mills, and it is stated that this small percentage cannot have any appreciable effect on the indigenous industry. There is a three-fold fallacy underlying this argument. The first fallacy is pointed out in the following extract from the *London Times* :—

The question of Japanese competition cannot be judged by a mere mention of her present proportion of the total Indian cotton trade. Her advance is best estimated by considering the remarkable progress made since pre-war years."

If the present imports be not deemed sufficiently large to have any detrimental effects on the cotton industry of this country, an altogether erroneous assumption as pointed out further on in this article, still can it be maintained, in the face of the tremendous increases in the imports every year, that no action is called for to check this annually increasing growth? Can it be maintained that no action should be taken until the imports have become sufficiently large to kill the indigenous industry?

The second fallacy underlying the argument quoted above is that it takes no count of the effects of Japanese competition on the export trade of this country. It is forgotten that not only is Japan dealing severe blows to Indian manufactures in Indian markets, but she is making rapid inroads in the foreign markets of the production of the mills of this country. Japan has already ousted India from the Chinese markets with which India was doing a great and profitable trade in yarn. Similarly, the Chinese market is practically lost for Indian piecegoods. In the words of the *Administration Report of the Bombay Presidency* for 1923-24 :—

" Since 1917, China has been practically a closed market for Indian piecegoods owing mainly to the expansion of the indigenous textile industry and to the rigour of Japanese competition."

India has practically lost her export trade in yarn, and since this yarn has to be necessarily utilized in manufacturing cloth, it is of the utmost importance to develop the foreign trade in Indian mill-made cloth, but here again Japan with the unfair advantages she is enjoying over India is proving a very formidable rival, for not only has she ousted India from the Chinese market but is rapidly capturing the other foreign markets of India, *e.g.*, Egypt, South Africa, etc.

But the greatest fallacy underlying the argument that Japanese imports are too insignificant to have any adverse effects on the indigenous industry is that it entirely overlooks the all-important question of the prices at which the Japanese goods are sold in this country. It is a well-known fact—endorsed by the *Report of the Sea-borne Trade of the Bombay Presidency* quoted previously—that Japanese goods are being sold in the Indian markets at prices which are very often less than what it costs Indian mills to manufacture identical goods. The result is that Indian mills find it impossible to sell their production at a profit. Whether 'dumping' in the usual sense of the term is taking place or not it is difficult to prove but there can be no doubt that 22 hours' working in double shifts, depreciated exchange, etc., enable Japanese manufacturers to sell their goods in this country at or below the cost of manufacture in Indian mills. It is these unfair conditions of Japanese trading that are sapping the life-blood of the indigenous industry, and that call for immediate remedial measures if the indigenous industry is to be saved from ultimate ruin.

One of the most characteristic features regarding Japanese competition is that the Japanese select particular descriptions of goods which are manufactured in India in comparatively small quantities. This serves to lower the prices of those particular descriptions and this reacts on prices all round. This accounts for the fact that although Japanese imports are a small percentage of the quantity manufactured in Indian mills, the competition is none the less extremely acute. At present the very great bulk of the Japanese importations is confined to three particular classes of grey goods, namely, drills, a special type of grey longcloth, and sheetings, and in these lines the competition is severe enough to kill the market for Indian and English goods of like quality.—(5th February, 1926.)

In the previous article we saw how the imports of Japanese yarn and piecegoods into this country were going up by leaps and bounds and with very detrimental effects on the indigenous industry.

If the cotton mill industry is to be saved from being ruined by Japan, there are two directions in which the Government of India should bend their energies. In the first place Government should use their best endeavours in making Japan carry out her international obligations in respect of the Washington Convention. It is by working twenty-two hours a day in double shifts and by employing women and children at night on very low wages that the Japanese are able to turn out goods much in excess of their home requirements and at a cost which is necessarily less than the cost of manufacturing similar goods in countries which have complied with the Washington Convention. This surplus production Japan is able to export to India and India's foreign markets at prices at which Indian mills cannot afford to sell their production. The twenty-two hours working in double shift and employment of women and children at night make Japanese competition in India grossly unfair, and it is imperative that until Japan fulfils her international obligations in respect of the Washington Convention, the Government of India should adopt measures to preserve the indigenous industry from being crippled by importations of 'sweated goods' from Japan to this country. Sir Arthur Steel-Maitland, the Minister of Labour, recently said with perfect justice :—

“ It was very vital at present, with the existing critical condition of industry, that we should aim at getting hours of work to decent length and really endeavour to get similar hours of work adopted in those countries which competed against us. It would only be by getting better conditions adopted abroad that we should be safeguarded against those countries which would take advantage of our better conditions and seek to undercut us.”

The depreciated exchange of Japan is another factor which confers a considerable advantage on the export trade of Japan, and the Government of India should make it their business—as most other Governments, including the British Government have done—to devise means to safeguard the indigenous industries of this country from the unfair competition of countries with depreciated exchange. When the Fiscal Commission wrote their report, they had not had the benefit of the study of the effects of depreciated exchange which the world of to-day has had ; yet the Fiscal Commission recommended the Government of India to arm themselves with powers to protect the indigenous industries of the country from unfair competition from countries with depreciated exchanges. It is a matter for great regret that the Government of India should not have taken any steps in this direction so far.

As regards the advantages which Japan enjoys owing to this depreciated exchange it would be perhaps best to quote the opinion of an independent and authoritative journal like the *Financial Times* of London. In an article in the issue of the 9th November, 1925, it was stated :—

“ Owing to the appreciation of the rupee-sterling exchange to a fraction over 1s. 6d. and the depreciation of the sterling-yen exchange from the 2s. par value to 1s. 8d. (approximately), the rate of the rupee-yen exchange is now Rs. 110 : 100 yen, as compared with the pre-war ratio of Rs 150 : 100 yen, a depreciation of the yen in terms of the rupee of over 27 per cent. Although it may be argued that the Japanese exporter has to pay more proportionately for the raw cotton which he largely purchases from India, the latter represents only about 80 per cent. and 55 per cent. of the value of the finished products in the case of yarn and piecegoods respectively. Proof of alleged rebates and subsidies is obviously difficult to obtain, but the fact remains that exemption from the 10 per cent. consumption tax leviable on all textile manufactures in Japan is allowed if and when the goods are subsequently exported. That rebate and the exchange advantage are important factors in the successful competition of Japanese goods in the Indian market, in spite of the incidence of the present rates of import duty on yarn and cloth.”

It may be further recalled that another independent authority, the British Trade Commissioner in India, Mr. Ainscough, in his last annual report stated :—

"The Japanese have been greatly assisted by the fall in the yen exchange. They were able to buy cotton in India, early in 1924, on the basis of Rs. 130-150 for 100 yen. They have since been making large shipments of both yarn and cloth on a basis of Rs. 115-120 per 100 yen, thus securing an advantage of 10-20 per cent."

Then there are other indirect subsidies in Japan which give further advantage to Japanese exports in competition with the manufactures of this country. The 10 per cent. consumption tax on Japanese manufactures is remitted when the goods are exported which is equivalent to an export bounty of 10 per cent. Again, recently there have been legislative enactments in Japan exempting export combinations from income-tax and business tax.

The cotton industry of this country cannot possibly be expected to hold its own against such grossly unfair competition. The measures which should be adopted to combat this unfair competition is a question which should engage the most vigilant attention of the Government of India. The Hon'ble Sir Charles Innes, the Commerce Member of the Government of India, was good enough to say in the Legislative Assembly that this Japanese competition required 'watching.' The contention of the Millowners' Association is that it requires *not* merely 'watching' but very prompt and effective action. It is hoped that the Government of India will not fail to recognise this very grave menace to the greatest indigenous industry of the country and will with the utmost promptitude possible place before the country the line of action they propose to take to ward off this menace—(9th February, 1926.)

THE JAPANESE COTTON SHIPPERS' ASSOCIATION OF BOMBAY,
C o JAPAN COTTON TRADING CO., LTD.,
MENKWA BUILDING, OUTRAM ROAD, FORT,
BOMBAY, 28th January, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

On behalf of Japanese Cotton Shippers' Association, I am directed to express their desire to elucidate the facts and figures including the real condition of the imports of our Japanese cotton goods into India, as manifesting itself quite clearly that there is practically no menace of their competition against the Bombay mill industry at the present time.

According to the latest statistics published by the Japanese Cotton Merchants' Union, which will be subsequently confirmed by the Custom authority here, it is most remarkable to see that during the eleven months from January to November 1925, the export of Cotton yarn constitutes 12 $\frac{3}{4}$ per cent. below 30 counts and 87 $\frac{1}{4}$ per cent. above 30 counts, as per particulars given below :—

14s and below	..	..	..	..	136 $\frac{1}{2}$ bales (400 lbs. each).
16s ..	..	..	..	..	206 $\frac{1}{2}$ "
20s ..	..	..	..	..	8,660 "
32s ..	..	..	..	..	10,190 $\frac{1}{2}$ "
42s ..	..	..	..	..	43,051 "
43s and above	..	..	..	..	8,578 $\frac{1}{2}$ "
Total ..					70,823 bales.

As admitting that cotton yarn above 30s cannot economically be produced in India, and its supply is to be obtained from abroad, the major portion of import of Japanese cotton yarn does in no way stand in competition with Bombay mills in the least, but on the other hand is very much helpful to the important handloom industry of this country, by supplying the cheap and good material. As for lower counts than 30s, Japanese yarn is absolutely im-

possible to compete with local yarn ; for example, the local yarn of 20s, 16s, 14s is quoted at 13 annas, 12½ annas and 10 annas per lb., against Japanese yarn of 14 annas, 13½ annas and 12½ annas respectively. Hence, I think, the import of those classes will sooner or later disappear entirely from Indian markets.

As regards cotton-cloth, I regret that statistics are not complete to give you the total imports into India, but according to the import into Bombay where it is said so bitterly, to face keen Japanese competition, the figures of imports during 1925 are as follows :—

Sheeting	..	..	..	..	..	18,648 bales.
Drill	..	..	..	..	..	9,240 "
Shirting	..	..	..	..	..	26,886 "
Fancy	..	..	..	..	..	7,397 "
Total ..						62,171 bales.

Out of the above, shirting and fancy are mostly of finer goods, which do not conflict with the interest of local mills, while 90 per cent. of sheeting and 45 per cent. of drill are for re-export. Thus, the portion of Indian consumption will hardly be 6,900 bales, namely, 11 per cent. of the total imports. As a matter of fact, Japanese goods cannot compete with Indian in low class cloth such as sheeting and drills and only we can get an outlet for finer goods both in yarn and cloth.

Under such circumstances, who can say emphatically that there exists a strong competition from Japan menacing Indian industry ? Is it a fair play to propose to terminate the Japanese Convention of 1905, and thereby hurting the friendly good relations so closely tied together between these two great countries all these years ? I doubt if there is any benefit to be obtained from the alleged proposal to break the Indo-Japanese Convention of 1905, as it will simply result in the forced supply of fine yarn at higher prices which is so detrimental to the handloom industry and on the other hand the loss of good regular markets for raw cotton, thereby totally injuring the interests of Indian ryots. On the part of Bombay Mills also, I think there will be no appreciable benefit therefrom, as the less prosperity of agriculturists will certainly be reflected on their demand for the country-made cloth.

However, if they allude to competition in foreign markets where free trade is to be observed, as a principle after the great war, there will perhaps be some friction conceivable against their interest, but unquestionably it is beyond the sphere of the Indo-Japanese Convention whatsoever. Really, the termination of the said Convention has nothing to do with India but to spoil her own interest in future.

By the way, I think it would be appropriate to give some elucidation in response to the alleged unfair Japanese competition, for which your Chairman has frequently cited the so-called three items, namely :

(1) *Depreciated Currency.*—Recently with the favourable trend of trade conditions, Japanese exchange has conspicuously appreciated in value, and at present quoting Rs. 122 per yen 100—which is about Rs. 15 advance from the bottom and it is now only Rs. 10 to get back the par value, which is Rs. 132 instead of Rs. 153 as given publicity by him. Anyhow, the wild fluctuation is causing her trade a considerable loss as clearly shown by the fact that Japanese mills have been very severely hit by the recent sharp advance in exchange on account of their heavy purchases of American and Indian cotton as they have to buy cotton in stock a few months ahead before their sales of cotton goods. In the present case, depreciated currency cannot be said to be any advantage to her. Really, in order to cultivate the healthy growth of the trade, Japan is constantly aiming and striving to stabilise Yen value at the earliest possible time.

(2) *Indirect Subsidy.*—I need not speak anything further as the question has been fully dealt with by the representatives of the Japanese Cotton Spinners' Association in their evidence of January 1922 placed before the Indian Fiscal Commission, and I repeat with emphasis that there is no subsidy from the Government directly or indirectly.

(3) *Sweated Labour*.—Owing to meagre informations at my disposal, I am not in a position to discuss the matter exactly to satisfy you, but as far as I am aware, Japan has raised no objection in following the spirit and principle laid down by the Washington or Geneva Conference. It is only to be noted that in consideration of her special circumstances, she seems to be allowed some period of grace to enable her to prepare the necessary arrangements, and I have every reason to believe that all signatory Powers have willingly agreed to such a postponement. The chief point under this subject seems to be the night work of women, which is only used for spinning, and I do not think there will be such a great difference arising therefrom on cost calculation as to provoke the present agitation against her. Nevertheless, the female night work in Japan will be entirely stopped from 31st August, 1931, loyally adhering to the Conference decision. Therefore, she cannot be condemned as a violator in such a strong sense, as alleged here, while I would like to ascertain how the working time is observed in the Indian Native States and what labour conditions exist there? Simultaneously, I would have to impress upon you that the decision of the Japanese Government to postpone the increase of import duty on pig-iron, is a plain proof to show her sincere wish to maintain the smooth and amicable connections so long fostered by us. I cannot too much emphasise that the independence of the iron industry is so essential for her national defence, and the concession is certainly unbearable sacrifice on her part, as there is every prospect of increasing production of pig-iron in her adjacent region.

After all, in my gathering, the criticism prevailing here, is mostly superfluous, and it is my deepest anxiety that the campaign of this sort misleading the public, would very badly reflect on the cordial relations existing between these two countries, only leaving the evil and unpleasant feeling behind, which will have no gain to either of them whatsoever.

In this respect, I have most sincerely to request your careful consideration for the sake of the future welfare of both the nations.—Yours truly,

THE JAPANESE COTTON SHIPPERS' ASSOCIATION OF BOMBAY,
U. SANAOH,
Hon. Secretary.

No. 226-28 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 12th February, 1926.

THE HONORARY SECRETARY,
THE JAPANESE COTTON SHIPPERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to acknowledge the receipt of your letter dated the 28th January, 1926. My Committee have carefully considered the statements and the views expressed therein and in view of the importance of the subject have deemed it fitting to reply to the letter paragraph by paragraph. In the enclosure you will find my Association's answers to each of the contentions made by you in juxtaposition.

I am also directed to inform you that, unless I hear from you within two days of receipt of this letter, my Committee will understand that you have no objection to the publication of the correspondence.—Yours faithfully,

T. MALONEY,
Secretary.

According to the latest statistics published by the Japanese Cotton Merchants' Union, which will be subsequently confirmed by the Custom Authorities here, it is most remarkable to see that during the eleven months from January to November 1925, the export of cotton yarn constituted $12\frac{3}{4}$ per cent. below 30 counts and $87\frac{1}{4}$ per cent. above 30 counts, as per particulars given below :—

14s and below	..	136 $\frac{1}{2}$	bales.
16s	206 $\frac{1}{2}$	„
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42s	43,051	„
43s	8,578 $\frac{1}{2}$	„
<hr/>			
Total	..	70,823	bales.

(Bales 400 lbs. each.)

As admitting that cotton yarn above 30s cannot economically be produced in India, and its supply is to be obtained from abroad the major portion of import of Japanese cotton yarn does in no way stand in competition with Bombay mills in the least, but cut on the other hand is very much helpful to the important handloom industry of this country, by supplying the cheap and good material. As for lower counts than 30s Japanese, yarn is absolutely impossible to compete with local yarn ; for example, the local yarn of 20s, 16s and 14s is quoted at 13 annas, $12\frac{1}{2}$ annas and 10 annas per lb. against Japanese yarn of 14 annas, $13\frac{1}{2}$ annas and $12\frac{1}{2}$ annas respectively. Hence, I think, the import of these classes will sooner or later disappear entirely from Indian market.

According to the figures published by the Government of India, the imports of yarn have been considerably under-estimated. The Government of India figures show importations of nearly 74,000 bales of yarn from Japan in the period named.

Leaving aside this inaccuracy, from your own figures, the importation of 32 counts and below is not $12\frac{3}{4}$ per cent. but nearly 25 per cent.

The Bombay Millowners' Association do not admit that yarn above 30s counts cannot be economically produced in India. The official figures of production show that in the last completed financial year, the equivalent of no less than 63,000 bales of counts above 30s were produced in Indian mills. This yarn is used chiefly in the weaving departments of the mills which produce it ; but if yarn produced under sweated labour conditions, and in countries with depreciated exchanges are not permitted to compete unfairly, Indian mills would supply the great bulk of the yarn of all counts below 40s used by the handlooms of India. It is a natural aspiration of every self-respecting nation, and it is its duty to supply its own requirements rather than to send its raw products 3,000 miles to another country and bring back manufactured goods produced from those raw products to compete against its own industries.

As to whether the imports of Japanese yarn of lower counts will eventually disappear from the Indian market, my Committee consider that it would be a grave mistake to leave this to chance, or the pleasure of a foreign country. They wish them to disappear at once and for all time.

Your letter quotes certain prices. These may represent the rates at which Japanese yarns are now being sold, but my Committee would point out that during the greater part of last year, Japanese yarn practically drove 20s yarn produced by Bombay mills

As regards cotton cloth, I regret that statistics are not complete to give you the total imports into India, but according to the import into Bombay where it is said so bitterly to face keen Japanese competition, the figures of imports during 1925 are as follows :—

Sheeting	18,648	bales.
Drill	9,240	„
Shirting	26,886	„
Fancy	7,397	„
Total	62,171	„

Out of the above, shirting and fancy are mostly of finer goods, which do not conflict with the interests of local mills, while 90 per cent. of sheeting and 45 per cent. of drill are for re-exports. Thus the portion of Indian consumption will hardly be 6,900 bales, namely, 11 per cent. of the total imports. As a matter of fact, Japanese goods cannot compete with Indian in low class cloth such as sheeting and drills and only we can get an outlet for finer goods both in yarn and cloth.

out on the market. It should also be borne in mind that the prices for Japanese yarn have only been raised to their present level because of the recent rise in the value of the Yen which has to some extent adversely affected the prices paid for cotton bought some months ago, when exchange was in the region of 110.

My Committee would also like to point out to you that whilst the industry in Bombay suffered heavy losses in 1923, 1924 and 1925, exactly opposite conditions existed in Japan as the under-quoted extract from the Japan Financial and Economic Monthly prove.

“ Aside from the future, the results of business of eleven leading spinning companies for the past three half-year terms have been highly satisfactory. Their profits for the first half term of the present year were 38,363,000 Yen approximately. Compared with the latter and former halves of last year it shows an increase of Yen 1,730,000 and Yen 8,980,000 respectively.”

One hardly need seek further for the reason of the lack of prosperity of Bombay and Lancashire mills.

My Committee are in a position to supply the all-India figures which you say are not complete.

These figures show that 112,000 bales of piecegoods were imported from Japan in the eleven months ending November 1925. Although this may not seem a very great quantity compared with the total productions of Indian mills, it must be remembered:

(1) That a survey of the last ten years shows ever-increasing exports from Japan, and my Committee do not wish to await the entire destruction of our home and foreign trade before taking action.

(2) That owing to Japan selling small quantities at low prices, the higher production costs in Indian mills due to shorter hours of work, and high exchange, the whole of the Indian textile industry has been forced to sell at unremunerative rates.

(3) That Japan's unfair competition, has paralysed our export trade to the Persian Gulf and East Africa.

Under such circumstances, who can emphatically say that there exists a strong competition from Japan menacing Indian industry? Is it a fair play to propose to terminate the Japanese Convention of 1905 and thereby hurting the friendly good relations so closely tied together between these two great countries, all these years? I doubt if there is any benefit to be obtained from the alleged proposal to break the Indo-Japanese Convention of 1905 as it will simply result in the forced supply of fine yarn at higher prices which is so detrimental to the handloom industry and on the other hand the loss of good regular market for raw cotton thereby totally injuring the interests of Indian ryots. On the part of Bombay mills also, I think there will be no appreciable benefit therefrom as the less prosperity of agriculturists will certainly be reflected on their demand for the country-made cloth.

However, if they allude to competition in foreign markets where free trade is to be observed, as a principle after the great war, there will perhaps be some friction conceivable against their interest, but unquestionably it is beyond the sphere of the Indo-Japanese Convention whatsoever. Really, the termination of this said Convention has nothing to do with India, but to spoil her own interests in future.

By the way, I think, it would be appropriate to give some elucidation in response to the alleged unfair Japanese competition, for which your Chairman has frequently cited the so-called three items, namely :—

(1) *Depreciated Currency.* — Recently with the favourable trend of trade conditions, Japanese exchange has conspicuously appreciated in value, and at present quoting Rs. 122 per Y 100, which is about Rs. 15 in advance from the bottom and it is now only Rs. 10 to get back to par value, which is Rs. 132 instead of Rs. 153 as given publicly by him. Anyhow, the wild fluctuation is causing her trade a considerable loss as clearly shown in the fact that Japanese mills have been very severely hit by the recent sharp advance in exchange on account of their heavy purchases of American and Indian cotton as they have to buy cotton in stock a few months ahead before their sales of cotton goods. In the present case, depreciated currency cannot be said to be of any advantage to her. Really, in order to cultivate the healthy

As to the statement that 90 per cent. of the sheetings and 45 per cent. of the drills sent to Bombay are re-exported, the figures are entirely incorrect unless you are in a position to prove that the Government of India statistics are inaccurate.

The official returns show that from January to November 1925, the equivalent of 21,500 bales of piecegoods were re-exported from all India, including the re-exports of English and all other piecegoods.

From your statement we are asked to infer that hardly a bale of any other country's piecegoods are re-exported from any part in India and that the whole of India's re-export trade in piecegoods is confined to re-exports of Japanese grey sheetings and drills from Bombay.

The other eleemosynary remarks in this paragraph bear their own refutation, but my Committee would like to point out that it has for many years been considered an axiom in civilized countries that labour shall not be sweated but shall be permanently benefited.

Under a policy of Free Trade or Protection, to have the sweated goods driving out goods made under proper and safeguarded labour conditions cannot be tolerated.

You point out that Japanese mills are at no advantage owing to the depreciated value of the Yen at the present time and this may be, to some extent, correct because a large weight of cotton was purchased at 110 and exchange has since risen to 122. This disadvantage is, however, only temporary and if the Yen remains at its present level, it is certain, labour conditions remaining the same, that Japanese mills will be able to under-sell Indian mills. It also should not be forgotten that throughout 1925, Japanese mills had the great advantage of a constantly depreciating exchange.

The contention that the normal exchange rate is Rs. 132 per Yen 100, is most misleading. In arriving at this figure of parity only the sterling value of the Yen has been considered and apparently no consideration

growth of the trade, Japan is constantly aiming and striving to stabilise Yen value at the earliest possible time.

(2) *Indirect Subsidies*.—I need not speak anything further as the question has been fully dealt with by the representatives of the Japanese Cotton Spinners' Association in their evidence of January 1922 placed before the Indian Fiscal Commission and I repeat with emphasis that there is no subsidy from the Government directly or indirectly.

(3) *Sweated Labour*.—Owing to meagre information at my disposal, I am not in a position to discuss the matter exactly to satisfy you, but as far as I am aware, Japan has raised no objection to follow the spirit and the principle laid down by the Washington or Geneva Conference. It is only to be noted that in consideration of her special circumstances, she seems to be allowed some period of grace to enable her to prepare the necessary arrangements, and I have every reason to believe that all signatory powers have willingly agreed to such a postponement. The chief point under this subject seems to be the night work of women which is only used for spinning and I do not think there will be such a great difference arising therefrom on cost calculation as to provoke the present agitation against her. Nevertheless, the female night work in Japan will be entirely stopped from the 31st August 1931, loyally adhering to the Conference decision. Therefore she cannot be condemned as a violator in such strong sense, as alleged here while, I would like to ascertain how the working time is observed in the

has been given to the fact that sterling has depreciated in value in terms of the rupee. The rupee now has a value of 1s.6d. against a pre-war par value of 1s. 4d. sterling. The pre-war par value of the Yen was 2s. 0½d. it depreciated to 1s. 7½d. and now stands at 1s.10d. If both exchanges are taken into consideration, as they certainly should be, when estimating the depreciation of the Yen in terms of the rupee, it will be found that the normal exchange is 155 and not 132 as estimated by you.

In lightly dismissing this subject you apparently forget that on all goods exported, the Consumption Tax on piecegoods is remitted. This is equal to an export bounty of 10 per cent.

Nor do you make any mention of the recent law whereby export combinations are exempted from income-tax and business tax.

Again, my Committee would remind you of the Government subsidies given to the Japanese Steamship Lines, ostensibly for carrying Mails, but which enable them to charge ridiculously low freights for the carriage of cotton from India to Japan and for yarn and cloth from Japan to India.

As your information seems to be meagre regarding the sweated labour conditions in your own country, my Committee would refer you to the Japan Year Book of 1924, Earthquake Edition—Chapter 13—(which my Committee believe has now been withdrawn) for further information. After perusal you will be more enlightened as to the labour conditions in Japan.

Secondly my Committee would draw your attention to the statement of Mr. Mayeda, the Japanese Government Representative at the last International Labour Conference :—

“The proposed amendment of the Japanese Factory Act provides that after three years from its enforcement night work for women and young persons will be prohibited. This three years' preparation may be justified by the necessity of extending equipment and general facilities to cope with the diminution of output consequent on the abolition of night-shifts.”

Indian Native States and what labour conditions exist there ?

Simultaneously, I would have to impress upon you that the decision of the Japanese Government to postpone the increase of import duty on pig-iron is a plain proof to show her sincere wish to maintain the smooth and amicable connection so long fostered by us. I cannot too much emphasise that the independence of the iron industry is so essential for her national defence, and the concession is certainly unbearable sacrifice on her part, as there is every prospect of increasing production of pig-iron in her adjacent region.

After all, in my gathering the criticism prevailing here, is mostly superfluous, and it is my deepest anxiety that the campaign of this sort misleading the public would very badly reflect on the cordial relations existing between these two countries, only leaving the evil and unpleasant feeling behind, which will have no gain to either of them whatsoever.

In this respect I have most sincerely to request your careful consideration for the sake of the future welfare of both the nations.

It will be noticed that the three years he mentions as the period of grace after which the night work of women and young persons will be abolished, has been extended, under the beneficent auspices of the Japan Spinners' Association, until the 31st August, 1931.

There is no reason to suppose, judging from past experience, that such harmonic progression will even stop at 1931.

Even if it does, it means that Japan is asking for 12 years' grace to put into force legislation which India put into operation in two years.

In the opinion of my Committee, it is obvious that Japan is using the unfair advantages which she now enjoys owing to non-ratification of the Washington Convention, to build up her textile industry at the expense of other countries, and does not intend to alter the labour conditions until she has sufficient spindles and looms to retain the markets she has unfairly filched from her competitors.

My Committee are equally at one with you in the desire that no misleading statements should be made. They are, however, equally desirous that no facts should be suppressed. As regards pig-iron, no country, except at its own expense, can afford to levy duties on raw products of which it has insufficient supplies. You might as well talk of levying a duty on raw cotton entering Japan, and my Committee think that such a threat will leave both the Indian and Washington Governments unperturbed.

The Government of India will eventually decide this case upon its merits but my Committee wish to impress upon you that legislation conforming to the Washington Conventions have been enforced in India since 1922, and when this legislation was passed the Government of India necessarily took upon itself the onus of seeing that the indigenous industries of this country should be protected against unfair competition from countries which do not conform to the same high standards in labour legislation.

Having replied to all your contentions, my Committee would like to draw your attention to the methods of your countrymen in regard to the shipment of cotton from India to Shanghai. A shipper or a manufacturer of cotton in Shanghai is compelled to join the Indian Cotton Transport Association which is, to all intents and purposes, a subsidiary section of the Japan Cotton Spinners' Association, if he wishes to ship goods to Shanghai at the lowest rates. A further remarkable feature of this arrangement is, that in spite of protests from British shippers, this so-called Indian Cotton Transport Association has laid it down that the *Agent of the Japan Cotton Spinners' Association in Bombay* shall allocate the freight space allowed to *British and Indian exporters even in the British ships of the Conference Line*. In the interests of future harmonious relations, which you state Japan is so anxious to foster, allocation of freight space for cotton exports from Indian ports to the international port of Shanghai should be made either by an impartial authority appointed by the Government of India, or, alternatively, all shippers should be allowed freedom to make their own arrangements.

Lastly, my Committee would draw your attention to the methods adopted for protecting Japanese industries against competition from other nations.

Article V of the Japanese Tariff Law states :—

“ When important industries in Japan are threatened by the importation of unreasonably cheap articles, or the sale of imported articles at unreasonably low prices, the Government may, under the regulations provided by Imperial Ordinance, specify such articles, after submitting the matter to investigation by the Anti-dumping Committee, and impose upon them during a certain fixed period of time, duties not exceeding in amount their proper prices in addition to the duties provided in the annexed tariff.”

My Committee, under existing circumstances, commend to the scrutiny of the Government of India this and the many other methods adopted by Japan to foster Japanese industries, and in particular the export trade in manufactured goods.

THE JAPANESE COTTON SHIPPERS' ASSOCIATION OF BOMBAY,
BOMBAY, 13th February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

In reply to your letter of the 12th instant, together with the enclosures, I am directed to express my thanks for your careful consideration being amply paid to my statement. As to the publication of the correspondences my Association not only have no objection to your doing so, but also desire to do so, as it will make the matter more clear to the public, provided that you pledge yourself to publish my counter letter for the same, which will be given in due course for rectifying some misapprehensions casually contained therein as well as all subsequent correspondences exchanged between both of us by your hand.—Yours faithfully,

THE JAPANESE COTTON SHIPPERS' ASSOCIATION OF BOMBAY,
(Sd.) Illegible,
Honorary Secretary.

No. 249-28 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 15th February, 1926.

THE HONORARY SECRETARY,
THE JAPANESE COTTON SHIPPERS' ASSOCIATION OF BOMBAY,
BOMBAY.

DEAR SIR,

I am directed to acknowledge your letter of the 13th instant. In reply I am to say that my Committee will have no objection to future official correspondence between our respective Associations being published when of sufficient importance and public interest.—
Yours faithfully,

T. MALONEY,
Secretary.

THE JAPANESE COTTON SHIPPERS' ASSOCIATION OF BOMBAY,
C/o MESSRS. JAPAN COTTON TRADING CO., LTD.,
MENKWA BUILDING, OUTRAM ROAD, FORT,
BOMBAY, 20th February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

In continuation of my letter of 13th instant, I am directed to transmit the attached statements to you as reply, which has been carefully considered in view of its importance. As regards the publication, I would like to mention that all the correspondence, including my first letter, should be given publicity by the Press.—Yours faithfully,

THE JAPANESE COTTON SHIPPERS' ASSOCIATION OF BOMBAY,
(Sd.) Illegible,
Honorary Secretary.

To begin with I am afraid I cannot accept the accuracy of your figures. I also re-affirm that exports from Japan of 30s and under barely constitute 12½ per cent. Due note is to be taken that ours are export figures from Japan during the eleven months from January to November 1926, while you showed the figures of imports during the same period here. Hence naturally they do not coincide.

It is very pleasing to know that the Bombay Millowners' Association think that yarn above 30s can be economically produced in India ; but unless the proposition can be proved with facts and figures, the mere assertion of it is ineffective. Examining the statistics, one will see that Japanese yarns have begun to be imported more freely only during the last 8 or 10 years. Prior to that the bulk of trade went to Lancashire. In recent years Indian production of 30s and above somewhat increased (although it is still 9 per cent. of the total, a fact which vitiates by itself your argument) ; so have Japanese imports ; but both have gained at the expense of Lancashire and as India cannot possibly increase her production to any considerable extent in the near future Japanese imports should all the more be welcome as the hand-loom industry is hereby enabled to get its requirements at a cheaper rate than from Lancashire. Moreover, as you admit the whole of the Indian yarn production of 30s is consumed in the weaving departments of the mills, none could be spared for the hand-loom industry ; and as the best impartial critics are unanimous that India cannot increase her production effectively within a short time, one cannot say too much of the necessity of the supply of such kind yarn for the hand-loom industry either from the East or the West, whichever is cheaper and better.

Your remarks regarding "Sweated Labour" are so rooted in pre-conceived prejudice and you are so obsessed with your own pet theories about it that I refuse to be "sweated" into any attempt to remove the thick mist of bias that befores your vision. Your criticism on exchange must also be deemed puerile inasmuch as you ought to be convinced by this time that Japan is in no way responsible for her depreciated exchange. The earthquake did that and if Japan derived any advantage from it which I have demonstrated as being open to grave doubt—it is altogether adventitious. You ought also to know that the Yen is recovering very rapidly. Your reference to the "natural aspirations of every self-respecting nation" evokes my warm admiration, but what I fail to understand is why this commendable aspiration should be sullied and rendered futile by discriminating against Japan only leaving the door open to other countries. I cannot see much self-respect in such an unfair attitude.

In the following paragraph you only dogmatise because you fail to convince. Moreover, the latter portion of your remarks bear their own refutation.

In the next paragraph you go on to say that whereas the Bombay mills made heavy losses in 1923, 1924, 1925, eleven leading spinning companies in Japan have made good

profits. We wish the comparison had been more straight forward and less misleading. If it is to carry conviction the basis of comparison must be the same. Why should the results of the best eleven spinning companies be singled out for comparison, not with the eleven best mills of India, nor even of Bombay, but with the all and sundry worst-managed mills of Bombay City alone. Is that fair? Why not compare the result with the Sholapur Mills, the Vishnu and Laxmi Mills, the Indore-Malwa and the Central India Mills and a dozen others which have all along been paying very handsome dividends? Most of the up-country mills (Ahmedabad, Madras, Cawnpore, Nagpur, Sholapur, Indore and others) are doing quite well, perhaps more than well even in these bad days. Bombay alone grumbles. Moreover, let it not be forgotten that the prosperity of the eleven best spinning mills in Japan does not reflect general prosperity. There are many third class mills which are losing very heavily to-day, and some of them are being forced into liquidation; while amongst the second class mills a good many of them are making very modest profits only. In this connection, I may justly point out that the Japanese Mill Industry has long since tided over the special difficulties created by the post-war conditions, having made the necessary adjustments to restore the industry to a healthy condition. The Indian industry, however, has not yet passed that stage and hence its present difficulties.

Regarding cotton cloth, I regret I cannot accept your figures as final, for the present. Moreover, your first argument is entirely hopeless. Mere catchwords and fine phrases serve no purpose except to mislead public opinion. Japan may be said to have entered the Indian market seriously enough since the last eight years only. It is natural, therefore, that her trade during these few years should have gradually increased; but the all-important fact to remember and digest is that the increase has not been at the expense of India but of Lancashire. Lancashire imports have fallen off by more than 40 per cent. during the last 15 years whereas Indian production has almost doubled. It is also significant to note that Japan has acquired only a very small fraction of the trade that Lancashire has lost. Hence the net result is that foreign imports has declined very considerably while Indian production has made tremendous headway. And when it is further remembered that Japanese imports constitute only 5 per cent. of the total quantity of cloth available for consumption in India and also that they are of a class which compete with Lancashire goods, it becomes apparent that all the talk about the "entire destruction of our Home Trade" is a piece of calculated exaggeration. As regards India's "foreign trade" the question does not arise as the matter lies outside the scope of the Indo-Japanese Convention. Your second argument is much too preposterous to merit serious criticism. We might, however, just point out that while Japan imports only three or four varieties of goods, Indian mills produce more than a hundred varieties and, the competition, if any at all, is confined to the one or two varieties forming less than one-third of the total imports (*i.e.*, less than 2 per cent. of India's total cloth consumption). To argue therefore that on account of Japan's low prices (for one or two varieties which form less than 2 per cent. of the total consumption) "the whole of the Indian Textile Industry has been forced to sell at unremunerative rates" is to insult the intelligence of the public. Your third argument is quite beside the point. Whether Japan's competition is fair or unfair, the question of Indo-Japanese competition in the neutral export markets falls outside the sphere of the Indo-Japanese Convention. Regarding my statement on re-export I must at once confess that the figure 90 per cent. is erroneous. It is a typist's error and should be read as 60 per cent. Accordingly the portion of Indian consumption will be 46,000 bales, *i.e.*, 74 per cent. of the total Bombay imports; and shirtings and fancy goods constitute nearly three-fourths of it.

As regards your high sounding platitude about its being "an axiom in civilised countries that labour shall not be sweated but shall be permanently benefited," as I have said before, it is a matter of opinion as to what constitutes "sweated labour." I will only add, with all the emphasis at my command, that far from Japanese labour being "sweated" its condition is immeasurably superior to that of the Indian labour. The treatment of labour, especially by the famous Kanegafuchi group of mills, leaves nothing to be desired and is worthy of imitation by the rest of the world. And it is a significant fact that this group which spends most on labour-welfare, pays the most handsome dividends also. I am convinced that if you would only visit Japan and see things for yourselves, instead of relying on wild and mischievous reports, you would return satisfied and would change your views.

Your handling of the " depreciated exchange " question leaves much to be desired and certainly I fail to follow your specious reasonings. The Sterling exchange for all practical purposes must be taken on the basis of 1s. 6d. and calculations must therefore be made accordingly. I might only add that there is no fear, as you seem to think, of the Yen sticking at 122 to disturb your equanimity. It is already 126 and is making constant progress towards recovery to par value.

" Indirect subsidies " is another of those misapprehensions entertained by you which have no foundation whatsoever. I can quite understand that through constant repetition of it, the idea has so grown upon you that you have almost come to believe on it, but that does not help to prove your case. I am amazed at your description of the remission of 10 per cent. Consumption Tax on exports as so much export bounty. Does not the same practice obtain in your own country too? I am glad to inform you that 10 per cent. consumption tax will be most probably abolished from the next year, as suggested by our Government, just as the Excise Duty is suspended here, and so there will be no cause for you to make such misleading statements in the future. Your suggestion also that export combinations are exempted from Income Tax and Business Tax was entirely misleading, for you might take it for the various trade guilds that do not deal in any business, and exporting houses derive no relief whatsoever.

As to " Sweated labour," I have already given you my views but the subject will be dealt with later more fully. Your suggestion that past experience of Japan is not satisfactory enough to convince you of its acting upto its promise to return to single shift from September 1931 is not only highly provocative but wantonly insulting. The undertaking was to return to single shift three years after the enforcement of the Factory Act but no date was promised as to the introduction of Factory Act legislation. Hence there is no violation of any pledge to justify your unfair remarks. We quite agree with you that it will be the Government of India and not the Bombay Millowners' Association that will be eventually called upon to decide this question on its merits, and I have ample confidence that the Government of India will not be misled by your one-sided criticism.

In this connection, Mr. Ley has already replied to the question put by Sir Dinshaw Wacha in the Council of State, as per the abstract of the *Times of India*, as follows :—

LABOUR HOURS IN JAPAN.

NO COMPLAINT POSSIBLE.

DELHI, 10th February, 1926.

" In the Council of State to-day Sir Dinshaw E. Wacha asked :—

Has the Japanese Government failed hitherto to give legislative effect to certain resolutions of the Geneva Labour Conference passed some time since regarding shorter hours of labour, the non-employment of children and women at night and other kindred matters? If so, do Government propose drawing the attention of the coming Labour Conference to this failure?

The Hon'ble Mr. A. H. Ley replied :—

The Hon'ble Member is presumably referring to the draft conventions adopted at the first session of the International Labour Conference, held at Washington in 1919, relating to hours of work, night work for women and night work for young persons. As considerable misapprehension appears to exist on the subject of these Conventions and the obligations involved in them, I am glad to have this opportunity of explaining the position. No country is obliged to enforce any draft convention adopted by an International Labour Conference unless and until it has ratified that convention, and the question whether a convention shall or shall not be ratified is a matter for the authorities within the country to decide. Should the competent authority decide that the convention shall not be ratified no legal obligation rests on that country to secure

the enforcement of the convention. If a member fails to secure the effective observance of any convention, which it has ratified, any other member ratifying that convention is entitled to file a complaint with the International Labour Office under Article 411 of the Treaty of Versailles. As, however, Japan has not ratified any of the conventions, to which I have referred, no question of such a complaint can arise."—
(Associated Press.)

Your reference to the formation of the Indian Cotton Transport Association in Shanghai and the remarks in connection therewith display some ignorance. The Association is formed with a view to protect the interests of the importers of cotton in Shanghai, and as those interests represent the welfare of the Chinese Cotton Mill Industry, we in Japan rather stand to suffer from the activities of this body instead of gaining anything, as you seem to suggest. The Association has been formed by the unanimous wish of all importers and mills in Shanghai, regardless of any nationality, and as a matter of fact, English and Indian merchants have all willingly supported the scheme, as for the attached statement of the Indian Cotton Importers' Association of Shanghai, a perusal of it will satisfy you that this Association is not a subsidiary body under the controlling influence of the Japan Cotton Spinners' Association. Nevertheless, if you have any grievance as to allocation of freight in India for cotton shipments to Shanghai you would do well to ventilate it to the Shanghai headquarters.

No. 360-28 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 4th March, 1926.

THE HONORARY SECRETARY,
THE JAPAN COTTON SHIPPERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to acknowledge the receipt of your letter dated the 20th February, 1926.

As desired by you, I am sending your letter to the Press.

We have no desire to imitate the tone of your reply, and except in regard to the one point of profits made by Japanese mills in 1925, my Committee have nothing further to add to the categorical answers already given to each of the contentions made in your original letter. My Committee are content to leave it to the Indian public to form its own conclusions as to the accuracy of the statement and statistics made in their last letter, every one of which was based on unimpeachable information from official or other authoritative sources, either Japanese or Indian.

In regard to your contention that the Bombay Millowners' statement regarding profits was misleading, since the information related *only to eleven spinning companies*, my Committee wish to point out for the information of your Association that the eleven Japanese companies referred to in my letter represent 40,74,249 spindles and 41,812 looms. As the total number of spindles and looms in Japan are 51,10,000 and 64,000 respectively, it will be seen that these eleven combinations of which the profits were given, represent 79½ per cent. of the total spindles and 65 per cent. of the total looms. The public may judge whether it is only an insignificant proportion of Japanese mills which made huge profits in 1923, 1924 and 1925, as you state.

My Committee await with considerable interest the fuller statement you have promised regarding hours of labour and employment of women at night.—Yours faithfully,

T. MALONEY,
Secretary.

No. 526-28 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th March, 1926.

THE SECRETARY,
THE JAPANESE COTTON SHIPPERS' ASSOCIATION,
BOMBAY.

DEAR SIR,

In continuation of my letter No. 360-28, dated the 4th instant, I am directed by my Committee to enquire whether you have as per your letter dated the 20th February, 1926, obtained more detailed particulars regarding hours of labour and employment of women at night in Japan and if so, when this information will be made available for the perusal of my Committee.—Yours faithfully.

T. MALONEY,
Secretary.

THE JAPANESE COTTON SHIPPERS' ASSOCIATION OF BOMBAY,
C/O MESSRS. JAPAN COTTON TRADING CO., LTD.,
MENKWA BUILDING, OUTRAM ROAD, FORT,
BOMBAY, 29th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am in receipt of your letter of the 26th instant. In reply, I would refer you to the issue of the *Capital* of the 25th instant, which contains all that is required by you *re.* hours of labour and employment of women at night in the Japanese Mills. So far as my information goes the contents of the article could be taken as reliable.

As a general rule, I should be quite willing to furnish you with any information but it has to be made clear that I shall have to do so with very great reluctance because as you are aware when I first agreed to our correspondence being published I expected fairplay and took it for granted that my letters would be published in their original form. I was much pained to find, however, that my previous letters as published by the *Times of India* have been mangled and maimed so as to detract from their value. If it is the Press that is responsible for this then I have to request you not to publish our correspondence or any information that I may furnish in future unless the Press undertakes to do so word for word as per our originals.—Yours faithfully,

THE JAPANESE COTTON SHIPPERS' ASSOCIATION, OF BOMBAY,
(Sd.) Illegible,
Honorary Secretary.

("Capital," 18th February, 1926.)

JAPANESE COMPETITION IN THE COTTON TRADE.

TO THE EDITOR OF "CAPITAL."

SIR,

I shall feel obliged if you will kindly insert this letter in your esteemed paper at an early date. The question of Japanese competition with our Mill Industry has been agitating our minds so long—thanks to the clever propaganda of our Millowners—that an impartial survey becomes imperative. A close study of the statistics of Indian production (hand and

power loom) and foreign imports of cloth reveals the facts in the first place, that Japanese imports hardly constitute 10 per cent. of the total cloth imported, and secondly the actual quantity of Japanese cloth consumed in India (after deducting the re-exports) barely amount to 3 per cent. of the total quantity of cloth consumed in India. So much for the *extent* of the competition. As regards the *nature* of it, it is even less baneful. After allowing for re-exports, one-third of the total is composed of drills and sheetings and the balance of shirtings. Those in the trade know full well that the sheetings and drill business (Japanese) is already doomed. These lines never competed very easily with Indian products of the same class in the home market, the prices of Japanese goods being always 5 to 7 per cent. higher. A very slight superiority in quality served just to keep them going ; but since the suspension of the Excise Duty the difference in price has become so effective that Japanese makers cannot possibly compete with the Ahmedabad mills in sheetings or with the Bombay Mills in drills. Those in the trade know this thoroughly well. Now turning to two-thirds the quantity of shirtings what do we find ? The nature of the competition is practically *nil*, as the major portion of these goods is manufactured out of 36 to 42 counts of yarn ; whereas the vast bulk of Indian shirtings and longcloth are made from 24s and under. Japanese shirtings compete, if at all, with Lancashire goods only and, that too, in the solitary line of grey shirtings. And it is further limited to shirtings up to 44 ins. width only as Japan has not got wider looms. Lancashire, therefore, has the sole monopoly of widths ranging from 44 to 60 ins. and upwards in fine counts cloth. From these simple facts it will be obvious that the mischievous agitation against Japan is only an attempt to make a mountain out of a mole-hill so as to side-track the main issue, namely, the organisation of the home industry along sound and proper lines and the systematic organisation of markets abroad.

Let us now analyse quite dispassionately the patriotism of our Millowners—the prophets who “ see ” in the imports of Japanese goods the ruination of the Indian industry—and its possible effects upon the welfare of the grinding ryot of India. The pre-war consumption of cloth per head in India was a little over 13 yards ; whereas in recent years the buying capacity has been reduced to as low as 8 to 9 yards per head. This is entirely due to the high prices which are beyond the reach of the average consumers. Now, what remedy do the patriotic Millowners propose for the amelioration of the wretched conditions of the ryot who cannot sufficiently clothe himself ? They want to shut out Japanese goods because (it is said) they are cheap and they want to form a holy alliance with Lancashire—yes, with Lancashire above all. And for what purpose ? To keep up the prices of cloth so as to assure fat profits for themselves. And all this, of course, is to be in the supreme interests of the ryot, for the greatest good of the greatest number in whose name our friends, the Millowners, pretend to speak. It is the Chairman of the Millowners' Association, if we are not mistaken, who has been endeavouring to sponsor this policy of “ you scratch my back, I scratch yours.” If we are not mistaken again it was he who said on a recent occasion that with Japan removed from the field, there would be no competition with Indian products as Lancashire would confine itself to the manufacture of fine counts goods only which would not conflict with India's production of coarser stuff and as Lancashire would not be obliged to sell cheap (in the absence of similar grades of Japanese cloth and having the field all to herself), both Lancashire and the Indian mills would be able to name their own prices. The prospect painted by the worthy Chairman is golden enough for the millowners ; but how about the poor ryot for whom Lancashire and our Mills have always affected so much grave concern ? The upshot of this happy family arrangement between Indian and Lancashire manufactures can only mean still higher prices, and, therefore, a further reduction of their sufficiently low consuming power to-day. The issue is therefore graver than appears on the surface. Let the ryots remember that this false and artificial agitation against Japan will almost certainly recoil on them with boomerang effect. Let our public men and our legislators arouse themselves to the gravity of the situation. Let them not be carried off their feet by the perfervid eloquence of half-backed patriots whose ideal is not the greatest good of the greatest number, but of the microscopic minority of their class only. Let them be forewarned ; for history will repeat itself relentlessly. Let them recall the shabby advantage taken by the Indian manufacturers in the days of the *Swadeshi* movement of 1908 and 1921-22. The patriotism of the ryot was rewarded with cruel extortion by some of these millowners who pretend to-day to speak in the name of the poor of India. And they so far forgot themselves in their greed for making the most of the *Swadeshi* movement that they neglected their export markets altogether ; and when the movement waned owing to their unlimited rapacity and

their greed for making the most of the Swadeshi movement that they neglected their export the consequent hardships it entailed upon the consumers, they began to fret and foam against the foreign nations who, in the meantime, had captured the neutral export markets. This is the sordid history in a nutshell of the service that the Millowners have rendered to the groaning millions of India. And they have now the effrontery to appeal to the long-suffering and long-deceived people of India in the sacred name of patriotism. Let the country place a proper value on the clever camouflage of those persons and answer them unequivocally and finally that it fails to see the case that they have tried to make out against Japan, and that it does not believe in it because it does not exist, and that it will not be bamboozled and side-tracked into a false and dangerous move through the Millowners' attempt to cloud the issue with a view to covering up their own shortcomings.

There is still a graver issue that must be considered by the Indian consumer, before coming to an easy decision on this vital question. The worthy Chairman of the Millowners' Association would have us believe that there is no competition at present between India and Lancashire and there will be none in the future as their classes of production vary. Does this simple gentleman expect us to be such utter simpletons as to swallow this twaddle? He wants to oust Japan and usher in Lancashire. Does he realise that in doing so, as the Indian proverb goes, he is letting in the camel while expelling the sheep from the orchard? Has he any guarantees to offer against the possibility of Lancashire entering into cut-throat competition with India once Japan is removed? And the further possibility of Lancashire driving the local industry to complete ruination with a view to acquiring the Indian mills at a throw-away price when they go a-begging? If there be anybody so rash as to ridicule these possibilities, let him refer to the advice recently given to Lancashire. Urging Lancashire to start extensive production of cotton cloth of coarser grades, Sir William Clare-Lees, ex-President of the Manchester Chamber of Commerce, in a speech said that the growth of cotton in India and China was a factor that would have to be reckoned with. So long as Eastern people were ready to buy cloth made from that cotton, Britain should strive for a share in the business. And this advice was given no sooner Mr. Wadia's back was turned from Lancashire and immediately after the understanding that we suppose he arrived at with the Manchester Chamber of Commerce. Should these possibilities be realised, and they are bound to be realised, India's last position will be worse than her first and her economic subjection and dependence will be perpetuated to her lasting shame and sorrow. India will make herself the laughing stock of the world by inviting, and knowingly too, Lancashire domination.

Apart from the clamour of a handful of the millowners who have their own axes to grind and whose vision is therefore perverted, does thinking India, looking at the *whole* problem from a detached standpoint, realise the seriousness of the broader issues involved in any discriminative measure against Japan? And is she prepared to take courage in both hands and to throw her whole weight against the insidious propaganda that is waged seemingly against Japan but which will react upon herself with the most dreadful consequences? Or will she supinely allow herself to be made a fool of for the benefit of Lancashire and fall a prey to that false vanity which while losing the substance gloats in morbid satisfaction over the acquisition of the shadow?

One last thought, one final appeal, one solemn warning to our public men and legislators. We are hopelessly disunited and with the least provocation turn into squabbling factions in our own country. This shameful state of affairs we attribute, in our charity, to our Government's policy of divide and rule. We realise our helplessness, our woeful helplessness in this shameful condition of discord and disunion. Is the experience not bitter and galling enough that we should further allow ourselves to be torn asunder from the family of Asiatic nations? Quite apart from the advisability or otherwise of provoking Japan's hostility towards India and of retaliatory action on her part—which would set the white world laughing against us—let India ponder and reflect deeply over the far-reaching consequences of a split between Asiatic countries, especially at a time when white arrogance and colour prejudice run riot all over the world. Let us therefore march forward—despite our petty trade jealousies and rivalries insidiously fomented by our "well-wishers"—shoulder to shoulder, hand in hand with Japan, for united we stand, divided we fall. *Verbum sap!*

No. 320 '30 A of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 24th February, 1926.THE EDITOR,
"CAPITAL," CALCUTTA.

SIR,

In the last issue of your paper you published a letter headed "Japanese Competition in the Cotton Trade" under the excellent sounding but most inappropriate pseudonym 'Hard Facts.'

In view of my Committee's letter of the 12th instant to the Japanese Cotton Shippers' Association which has already been forwarded to you for favour of publication, my Committee do not consider it necessary to refute in detail, the grossly inaccurate statistics and conclusions contained in "Hard Facts" letter. The most significant factor about "Hard Facts" letter, and all the statements issued on behalf of, or by the Japanese Cotton Industry, is that no denial is forthcoming of the undisputed fact that female labour is employed at night in contravention of the practice of all civilized nations. If Japan will immediately put an end to the night work of women, and conform to the Washington Conventions which India put into force by the Factory Act of 1922, then, provided the value of the Yen in terms of the rupee remains at a level somewhere near the pre-war level, the Bombay Millowners' Association will have little reason to agitate for special action against the competition which she is now meeting, or is in future likely to meet, from Japan. Given the same conditions of labour, India can stand competition from Japan or any other country in the home market, but as long as the Japanese cotton mills compete unfairly against Indian mills by working longer hours and employing women at night, the Bombay Millowners' Association will consider themselves justified in demanding that additional import duties shall be imposed on piece-goods and yarn imported into India from Japan.

My Committee very much regret that the weakness of the case stated by "Hard Facts" necessitated the extraneous support of an appeal to political prejudices and anti-British feeling in favour of his policy of supporting Japanese rather than Indian industries and somewhat regret that the non-political policy which has always been followed by the Millowners' Association precludes their participating in an acrimonious political discussion. They are content that the justice of the cotton industry's demand for fair competition should be judged upon its economic merits.—Yours faithfully,

T. MALONEY,
Secretary.

LABOUR CONDITIONS IN JAPAN.

TO THE EDITOR OF "CAPITAL."

SIR,

A representative of a cotton mill in Japan, a friend of mine, who recently visited India to study the conditions of Indian labour, writes me from Japan, as follows, regarding the labour conditions in cotton mills in Japan:—

In reply to the charge of "Sweated Labour" of females he declares that in his frank opinion Japanese labour was not sweated in any sense of the word and he desires to make a fervent appeal to Indian millowners to visit Japan and satisfy themselves personally as to the labour conditions obtaining there instead of drawing their information from mischievous sources.

The following details are about first and second class mills which employ more than 60 per cent. of the total female labour in Japanese mills, and while admitting that small differences, here and there, in the treatment of labour, may be found in individual mills, he

pledges his word that his information on the whole is broadly true ; and casually mentions the following ten mills, employing 83,569 female hands, as representing the better class of mills who are very particular about the welfare of their workers. They are :—

Kanegafuchi Mills	..	..	employing	14,428	femlaes.
Dai Nippon Mills	..	..	"	20,092	"
Toyo Mills	..	..	"	17,032	"
Fujigas Mills	..	..	"	1,725	"
Nisshin Mills	..	..	"	7,305	"
Kurashiki Mills	..	..	"	4,761	"
Naigai Mills	..	..	"	917	"
Wakayya Mills	..	..	"	2,733	"
Fukushika Mills	..	..	"	5,235	"
Godoh Mills	..	..	"	9,341	"

83,569 females.

It may be added here that the total number of female workers in Japanese mills is 138,277.

A general description of the condition and treatment of Female Labour in Japan.

1. *Age.*—15 to 20 years.

2. Average number of years for which they work is about three years (running), *i.e.*, generally until the age of matrimony is attained. After marriage the bulk of female workers give up factory work.

3. *Education.*—All millhands have to undergo a course of compulsory education for six years. Labourers with even middle and high school education are not rare.

4. *Working hours.*—The nett working hours in single shift are ten and an additional hour reserved for rest. It is only the Spinning Departments of mills that work double shift, the Weaving Departments working only one shift, *i.e.*, in day time. It is hardly necessary to add that the labour employed in double shifts is separate in each shift. The standard daily routine in dormitories, family quarters and factories is as follows :—

Day Labourers :—

Breakfast	..	..	6-30 a.m.
Work begins	..	..	7 a.m.
Rest for $\frac{1}{4}$ hour	..	..	9 a.m. to 9-15 a.m.
Tiffin	..	..	Noon.
Rest for $\frac{1}{4}$ hour	..	..	Noon to 12-30 p.m.
Rest for $\frac{1}{4}$ hour	..	..	3 to 3-15 p.m.
Day work closes	..	..	6 p.m.
Bath	..	..	6-15 p.m.
Dinner	..	..	6-30 p.m.
Bed	..	..	9 p.m.

Night Workers :—

Dinner	..	..	6-30 p.m.
Night shift begins	..	..	7 p.m.
Rest $\frac{1}{4}$ hour	..	..	9 p.m. to 9-15 p.m.
Meals	..	..	Midnight.
Rest for $\frac{1}{2}$ hour	..	..	Midnight to 12-30 a.m.
Rest for $\frac{1}{4}$ hour	..	..	3 to 3-15 a.m.
Night shift ends	..	..	6 a.m.
Bath	..	..	6-30 a.m.
Breakfast	..	..	7 a.m.
Rest and Bed	..	..	7-30 to 5-30 p.m.

5. *Holidays*.—The holidays observed in Japanese mills are all Sundays and three National Holidays and five local Festival Holidays per annum.

6. *Wages*.—Allowances, bonus and compensation.

- (a) Daily wages—Y. 1.20 (female).
- (b) Board allowance—Y. 0.28.
- (c) Summer wages—4 days' extra salary is given during summer over and above the ordinary monthly salary.
- (d) Absenteeism arising from illness or accident is allowed for on full pay.
- (e) Bonus is distributed twice a year, each bonus being equal to one month's salary.
- (f) Retiring allowance.—On the expiration of the term of service (generally two or three years) more than one month's salary is given as retiring bonus.
- (g) In event of any accident to an operative reasonable compensation is enforced by legislation. Moreover, the mill staff and labourers have their own " Mutual Aid Funds " which are utilised for giving relief to any member afflicted with domestic misfortune or catastrophe.

7. *The Dormitory System*.—

- (a) Unmarried labourers are housed in dormitories which are and have proper sanitary and hygienic arrangements. Family men are provided separate private quarters which are also in the mill compound. The individual millhand pays less than the actual boarding charges incurred by the mills, *i.e.*, he pays 12 sens against the actual expenses of 40 sen, thus receiving a benefit of 28 sen or nearly 5 annas per day.
- (b) The dormitories are effectively supervised, each block being under the charge of a dormitory keeper and each room under the supervision of a senior hand. The strict discipline enforced by these supervisors serves to maintain complete morality among the male and female workers.

8. Provision for medical aid, Gymnastics and recreation for the labourers is also receiving the constant care and attention of the employers as they consider the health, comfort and happiness of the operatives essential to efficient production.

- (a) Every mill has its own hospital and provides 50 to 60 beds with 7 or 8 doctors and a dozen nurses. Medical help and treatment are of course gratis and an average of 15 patients per mill of a complement of 3,000 hands take advantage daily.
- (b) Sanatoriums for convalescents are provided at sea-side resorts and in the vicinity of hot springs.
- (c) Every mill has its own gymnasium and pleasure hall where provision is made for indoor games and pastimes. In addition to this cinema and theatrical entertainment is provided once a week. The hall referred to can accommodate 2,000 persons. Provision for outdoor games is also made and tennis-courts, base-ball grounds and wrestling arenas are available for the men.
- (d) Athletic meetings are held twice every year and the workers are also taken out occasionally on sight-seeing excursions and these are much enjoyed by the young workers as these events revive the happy memories of their school days.
- (e) *Education*.—The mill authorities are equally anxious about the mental cultivation of the young generation of workers and besides providing libraries, regular courses of instruction are given. Young females are afforded every possible opportunity of acquiring training in domestic economy and household management. Instruction is given in needlework and embroidery, cookery and music.

Even such liberal accomplishments as the arts of "tea-ceremony" and flower decoration, and accomplishments which cannot be bestowed even on the daughters of the petit-bourgeois, before marriage, are imparted to the humblest of labourers who care to avail themselves of the opportunity.

9. *Compulsory Savings and Bargain Sales.*—The mill authorities are very anxious that labourers should cultivate the habit of thrift and save as much as possible of their earnings "for a rainy day." Board and lodging being free of cost (save for a very nominal contribution), the authorities provide cloth and miscellaneous stores and articles of personal use at the lowest cost price. Thus the labourers are enabled to save on an average as much as 70 per cent. of their income; and if we make allowance for their remittances to their family homes, their nett savings range from 30 to 40 per cent. The management further encourage the habit of saving by offering attractive rates of interest (higher than bank rates) on deposits so that it is not uncommon for the labourers to take away with them the handsome sum of Y1,000 to Y2,000 when they leave the mills after two or three years' work.

THE JAPAN COTTON SPINNERS' ASSOCIATION.
BOMBAY, 19th March, 1926.

No. 585-67 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th April, 1926.

TO THE EDITOR,
THE "CAPITAL" CALCUTTA.

DEAR SIR,

The attention of the Committee of the Bombay Millowners' Association has been drawn to a letter in the correspondence columns of your issue of the 27th March which purports to throw light on labour conditions in Japan. The article paints a pleasant picture of the seemingly Utopian conditions under which the Japanese textile labourer toils, but it is, to say the least, surprising that although the article appears above the name of the Japan Cotton Spinners' Association, the statements made are not based upon the facts and statistics published by the Japan Cotton Spinners' Association, or on any official Japanese publication but upon the unsupported statements and idyllic illusions of an anonymous individual connected with the Japanese Cotton Industry, and for this reason carry no weight.

My Committee, however, deem it desirable to point out a few of the inaccuracies contained in the letter.

From the Twenty-fifth Financial and Economic Annual of Japan, it appears that out of a total of 938,842 operatives employed in Japanese textile factories, 177,048 are males and 761,794 are females. Of the total number of females employed, 197,834 are under sixteen years of age, and 563,960 are above sixteen years of age. If no females below 15 years of age were employed in Japanese mills, as is sought to be made out by your correspondent, then the Financial and Economic Annual would hardly contain particulars regarding the number of females under 16 employed in the textile factories of Japan.

The average number of years for which the female operatives work, is set down by your correspondent to be three years, after which period it is represented that the female operatives return to their homes to get married, having accumulated savings which would compare favourably with those of workers in any other part of the world. The best answer to this is afforded by the under-quoted extract from the article on "Labour Recruitment in Japan" which appeared some time back in the *International Labour Gazette* from the pen of no less a person than Shunzo Yoshiseka, Director of Factory Inspection. After referring to excessive hours of work, low wages, night work, congestion, restricted freedom, etc., as hampering the recruitment of female operatives, that officer goes on to say:—

“ Again, the country folk see many sudden changes in their friends and receive bitter disillusionments ; they hear of the risks to life and health in factory work ; an innocent country girl, who left home full of health and vigour soon returns with wrecked health and haggard face, or news come of her utter moral ruin and degradation.”

The remark that double shift is being worked only in the spinning department and not in the weaving department is contradicted by the annual statistics issued by the Japan Cotton Spinners' Association themselves, from which it is clear that double shifts are worked in a considerable number of weaving and in practically all spinning mills. The following examples are taken from the statistics published by the Japan Cotton Spinners' Association :—

	<i>Working hours per day.</i>	
	<i>Yarn.</i>	<i>Cloth.</i>
Hattori Shoten Spg. & Wvg. Co., Ltd.	22	22
Kikui Boshoku Spg. & Wvg. Co., Ltd.	22	22
*Nagai Wata Kaisha Spg. & Wvg. Co., Ltd. . . .	22	20½
Osaka Meriyasu Spg. & Wvg. Co. Ltd.,	21	20½
Toyoda Boshoku Spg. & Wvg. Co., Ltd.	20	20

As regards holidays, it may be mentioned that even the amended Factory Act of Japan, makes no provisions for holidays for adult males, and only two holidays in a month for youths under sixteen and females. If the Japanese mills are really kept closed on all Sundays, as your correspondent has tried to make out, then one wonders why a proviso to that effect is not inserted in the Factory Act instead of the existing proviso.

As regards the dormitory system, your correspondent may be referred to the Japan Year Book (Earthquake Edition) where a reference is made to an inquiry made by the Department of Agriculture and Commerce into the living and dietary conditions of operatives in spinning and weaving factories. We there read :—

“ Workshops have generally come to be better equipped from the hygiene point of view but the condition of dormitories is as bad as before, except in some large factories. Small factories have no special accommodation for lodging and the workers are made to live and sleep in a part of the factory building or in attics destitute of sanitary devices such as ventilation, sunshine, etc. For instance, the dormitories covering a small area of 79.463 tsubo † are made to accommodate 84.327 men and women, 0.94 tsubo per operative. Bed-rooms are in defiance of hygienic rules. In most cases only .5 to 1 tsubo are allotted to one person while in some cases two to ten persons are compelled to lie down in a space of 1 tsubo. *What is much worse, 357 factories are not provided with a sick room. When a worker is taken ill, he or she is confined in the ordinary bed rooms and when the case turns out to be serious the patient is sent home or to the hospital under special contract. Only in 8 factories are there physicians in attendance.*”

The sentences which are printed in italics are an excellent commentary on your correspondent's statement that :—

“ Every mill has its own hospital and provides 50 to 60 beds with 7 or 8 doctors and a dozen nurses. Medical help and treatment are of course gratis and an average of 15 patients per mill of a complement of 3,000 hands take advantage daily.”

*The name of this mill is included in the list given in the article and the figures of working hours effectively refutes the contention that only one shift is worked in the weaving departments, even in the selected mills enumerated by your correspondent. In the case of Kanegafuchi Mills and the Dai Nippon Mills mentioned in the list of mills quoted in the article, the working hours per day in the weaving departments are 14½ and 15 respectively.

†A Tsubo is approximately equal to a space 6 feet long and 3 feet wide.

It is further stated by your correspondent that "In the event of any accident to an operative reasonable compensation is enforced by legislation." So far as my Committee are aware, there is no Workmen's Compensation Act in Japan. Had there been any such legislation in existence, there would have been no occasion for inserting Article XV in the amended Factory Act which says that the compensation to be given to a workman who suffers injuries or dies in the performance of his duty, is to be determined by Imperial Ordinance. But the nature of the Imperial Ordinance, or whether one really exists, is not known.

My Committee do not wish to disturb the happy effect of the idyllic picture drawn by your correspondent of mill life in Japan—with its hospitals, sanatoriums, gymnasiums, pleasure halls, cinema and theatrical entertainments, tennis courts, base-ball grounds, wrestling arenas, etc. My Committee would only state that the official and demi-official publications of Japan, including those from which extracts have been quoted above, bear ample evidence to the harrowing conditions of mill life in Japan, in striking contrast with the imaginative masterpiece drawn by your correspondent.—Yours faithfully,

T. MALONEY
Secretary.

APPENDIX 11.

LABOUR CONDITIONS IN JAPAN.

JAPANESE MILL CONDITIONS.

WORKERS' PETITION.

EMPLOYMENT OF WOMEN AND CHILDREN AT NIGHT.

The following is the full text of the petition presented to the last session of the Diet regarding the prohibition of night work for women and children in Japan's factories. It is set down in full, because of its obvious importance, not merely to Great Britain, America, and the Far East, but to the entire industrial world.

THE PETITION.

"It is hereby petitioned that the additional articles attached to the Amended Factory Law (namely, Law No. 23, promulgated on May 29, 1923) be struck out, and that articles providing for boarding-houses be added to the said law, to be enforced immediately."

Here, it must be pointed out that the amendment refers to the prohibition of night work for women and juvenile workers of either sex, the enforcement of which was postponed by the Government at the pressing request of the capitalists.

"The prohibition of night work, hereby petitioned for, was legislated in accordance with the principles of the International Treaty concluded at the first Labour Congress called at Washington in 1919. From Japan Mr. Eikichi Kamada (an Imperial appointee to the House of Peers and also President of Keis University, one of the largest private educational institutions in Japan, and once Minister of Education) was despatched as the Government's delegate, and Mr. Sanji Muto, multi-millionaire and principal shareholder in the vast Kanegafuchi spinning interests, was sent by the capitalists. Both supported the prohibition.

"Four years later, the Government enacted a new Factory Law and amended the old one. The new law, which was promulgated in 1923, included articles prohibiting night work, but, in the additional articles, enforcement of the prohibition it was stated, would be done three years after the enforcement of the law itself.

“ The new (amended Factory Law, which was promulgated three years ago, is not yet enforced owing to the opposition on the part of the capitalists. Although the evil of night work is recognized by both the Government and the capitalists, the enforcement of the law is indefinitely put off. In order to understand this state of things correctly, we must go back to the time of the enactment of the new Factory Law, when the Federation of Spinning Companies started an opposition movement, and succeeded in persuading the Government and the Imperial Diet to attach the additional articles whereby enforcement of prohibition of night work by women and juveniles was postponed for three years from the enforcement of the Law itself.”

“ The reason given by the spinning trade was that the prohibition would necessitate the installation of four million additional spindles in order to secure and maintain normal production. In fact, however, the increase of spindles since 1923 has been more than four millions, so that there is no longer any valid reason for further postponement of enforcement of the prohibition. It is, therefore, only right and proper that the Government should strike out these additional articles, and thereby enforce the prohibition of night work immediately.

EFFECT UPON HEALTH.

“ In making this petition, however, we give other important reasons than the one mentioned hereinbefore, and these are :—

“(1) Night work is pernicious to the workers' health ; (2) the work, as now enforced, is not fair when the scale of wages and the manner of living of the workers is taken into consideration ; (3) it affects the social and moral life of the worker ; (4) the work necessitates boarding-houses where young girls, maidens, are cruelly wronged ; (5) night work is a breach of international fidelity ; and (6) in the long run, it is disadvantageous to the nation's industries.

“According to investigations made by the Government at a certain spinning factory where eighty-one women were employed, the average weight of the worker decreased by 170 *momme* (about one-and-a-half pounds) per week on account of night work, whereas when they were subsequently employed on day shifts, the weight increased by only 69 *momme*, the women losing about 100 *momme* permanently. In other words, they never recovered.

“ Women and juvenile workers on night shifts are prone to tuberculosis, indigestion and sterility. According to investigations made by Dr. Ishihara, twenty-three out of every one thousand women employed on night shifts are dying every year. In other words, out of a grand total of 857,000 women workers, employed in factory labour, 19,550 are dying annually. He further declared that out of every hundred such women workers, ten suffer from sterility.

“ Night work reduced the power of attention and caused many accidents. At a certain factory which employed 8,000 workers of both sexes, night and day alternately, 1,573 were injured accidentally within a period of twenty-three months. The percentage, according to the hours, shows that accidents in the afternoon were as 5.8 when compared with 2.7 in the morning, the climax being reached at night with 10.3 per cent.

“At the end of 1924, the women employed in factories totalled 857,930. Of these those between 15 and 20 years of age were most numerous ; those between 12 and 15 years of age totalled 115,801, most of whom were employed on both night work and day work alternatively. Women employed in spinning mills, which work for twenty-four hours, total 184,178.

“Night labour affects women as a mother and impairs her health most seriously. On account of night labour, factory workers are constantly changing. Some are disabled, others have to discontinue employment after they are married, and there are those who dislike life in the factory boarding-house. Such changes are about eighty per cent. in Tokyo territory and about one hundred per cent. in Osaka territory. Thus, in the commercial metropolis, there is practically an entire renewal of the personnel every year.

“Under such circumstances, it goes without saying that it is absolutely impossible to secure skilled workers. On account of low wages, too, the factory operatives do not care to stay long. Between July 1923 and February 1924, the average wage of a woman employee in a fibre factory was 86 sen a day.

BOARDING-HOUSE EVILS.

“These girls and women are compelled to remit almost their entire earnings to their parents. The expenses of the boarding-house are deducted before their wages are given to them. The food and accommodation at such boarding-houses are extremely poor.

“At the end of 1924, there were 25,559 factories under the control of the Government in accordance with the provisions of the Factory Law. Out of these 10,570 were provided with boarding-houses. Such factories employ night labour, and this naturally affects the character and morale of the women very seriously. Their life is similar to that of convicts in prison. They are cut off from all social intercourse, and indescribable tyranny, wrong and cruelty are constantly reported as being committed by the capitalists or their henchmen against these poor women.

“We therefore also petition that some additional articles be attached to the Amended Factory Law, providing for governmental supervision over these boarding-houses, until the system of boarding-houses is entirely eliminated by another amendment.

“Spinning is the most important industry in Japan, and its operation and management will have a great deal to do with national economy. In China, India and other Eastern lands, the spinning industry is growing apace and Japan already is feeling the pinch. The only way to save our spinning industry from collapse and failure is superior workmanship.

“There are only two policies, by either of which this remedy can be effected—the reduction of wages to the level of those in less advanced countries or changing the factories from inferior to superior ones by training the employees to become skilled workers. Needless to say, the former policy will be suicidal to Japan because it will be absolutely impossible for our workers to compete with China, India and other oriental lands which are able to pay smaller wages. Such a policy will drive our workers to hunger and to despair.

“It will thus be seen that the only workable plan is to train our workers better. Such training will be impossible so long as the personnel in the factories change so constantly. Improvement of the terms and conditions in factories is the only way to induce employees to remain.

“The policy hitherto employed by the capitalists to use men and women as so many machines is a fundamental mistake. Technical skill and good training alone will help our industries to improve, and for that purpose night work should be first abolished. This will be a distinct advantage for the capitalists too. In advanced countries, this problem was solved many years ago.

“Japan shouldered the responsibility of abolishing night work at the first International Labour Congress. If she does not perform the duties she accepted by international agreement, she will be also guilty of neglecting a most important matter—not observing her pledged word. Any further delay in enforcement of a law already promulgated is a violation of justice and humanity.”

APPENDIX 12.

 NON-RATIFICATION OF THE WASHINGTON CONVENTION REGARDING HOURS OF LABOUR BY JAPAN—CORRESPONDENCE WITH THE INTERNATIONAL LABOUR OFFICE.

No. 184-35 of 1926.

 THE MILLOWNERS' ASSOCIATION,
 BOMBAY, 5th February, 1926.

 THE DIRECTOR,
 THE INTERNATIONAL LABOUR OFFICE, GENEVA.

SIR,

The attention of the Committee of the Bombay Millowners' Association has been drawn to the letter dated 25th November, 1925, from the Japanese Delegation to the Governing Body of the International Labour Office summarised in the issue dated 21st December, 1925, of your official periodical known as *Industrial and Labour Information*.

2. It appears from the letter of the Japanese Delegation that the Draft Ordinance for the enforcement of the Amended Factory Act has been under the consideration of the Administrative Investigation Commission, that the attitude which the Commission will adopt has still to be decided, and in due course their conclusions will be placed before the Cabinet for consideration by that body. The Japanese Delegation add that the Draft Ordinance "which involves the principles laid down by the Washington Conference" was adopted without amendment by the Sub-Committee of the Administrative Investigation Commission.

3. I am directed to state that in 1924, the Government of India at the request of this Association inquired of your office as to when the Amended Factory Act would come into operation in Japan, and the Government of India were informed by your office that owing to the disastrous earthquake, the examination of the Draft of the Ordinance for the enforcement of the amended Factory Act had been delayed and that the pre-occupation of the Privy Council with the Universal Suffrage Bill might cause further delay. You further informed the Government of India that you had been assured that the Government of Japan would make every effort to bring the Amended Factory Act into force. I am directed to draw your attention to the fact that there has been inordinate delay on the part of the Japanese Government in bringing the Amended Factory Act into force in Japan and it is hoped that you have drawn the attention of the Japanese Government to this fact.

4. What is most surprising to this Association, however, is that the Japanese Delegation speaks of the Amended Factory Act as "involving the principles laid down by the Washington Conference." It would be difficult to imagine a more ridiculous travesty of the true facts. The so-called Factory Act of Japan even in its amended form does not deal with adult labour at all, and even in the case of children, Government have reserved the right to exempt factories from the operation of the provisions of the Act by an Ordinance. It may be also pointed out that night work by women and children is to be prohibited three years after the Act has come into force. The Act, therefore, cannot by any stretch of imagination be said to embody the principles underlying the Washington Convention.

5. You are no doubt aware that the non-ratification by Japan of the Washington Convention is one of the chief grievances of the Cotton Mill Industry of this country which has faithfully carried out the provisions of that Convention. Japan after agreeing to the Conventions passed at Washington, has not yet ratified them, and even at this late stage she has framed what may be called only an apology for a Factories Act. But apparently she has no intention of even bringing this Act into operation within any measurable period.

6. In conclusion, I am directed to draw your attention to Article 409 of the Peace Treaty reproduced below :—

“ In the event of any representation being made to the International Labour Office by an Industrial Association of employers or of workers that any of the members has failed to secure in any respect the effective observance within its jurisdiction of any convention to which it is a party ; the Governing Body may communicate this representation to the Government against which it is made and may invite that Government to make such statement on the subject as it may think fit.”

and to request you kindly to state whether it is permissible for this Association to make a representation to the International Labour Office under the above-quoted Article, so that the International Labour Office might take up the matter with the Government of Japan. There appears to be some difference of opinion as to when a member-state can be said to be a party to a Convention, whether an acceptance of the Convention or ratification thereof makes a member a “ party ” thereto, and before this Association makes a representation on the subject, it would like to be enlightened on this point. If it be held that Japan is not a “ party ” to the Washington Convention because she has not ratified it, then the above article would not be helpful to this Association, and in that case I am directed to inquire of you whether there is any other procedure which this Association might adopt in order that pressure might be officially brought to bear on Japan to fulfill her international obligations in respect of the Washington Convention.—I have, etc.,

T. MALONEY,
Secretary.

No. D. 601-2300-35-4.

INTERNATIONAL LABOUR OFFICE,
GENEVA, 15th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to acknowledge your letter of February 5th, in which you call attention to the position with regard to the ratification of the Washington Conventions by Japan and ask whether it is possible for the Bombay Millowners' Association to make a formal representation to the International Labour Office under Article 409 of the Treaty of Peace.

I fully realize the importance of the question which you have raised, and am anxious to do anything in my power to secure their full consideration and to prepare the way towards bringing about a friendly solution. The Office has been closely following the developments which have taken place in Japan with reference to labour legislation and the application of the Washington Conventions, and is anxious to do everything it can to promote the ratification of them.

I am therefore sending a copy of your letter to the Japanese Delegation attached to the International Labour Office at Geneva with a request that they will bring the matter before the Japanese Government ; and as soon as I have received a reply I will not fail to communicate it to you promptly. It is, however, impossible for any action to be taken under Article 409 in regard to Conventions which Japan has not ratified. This is, I believe, made clear by the English text, but if there was any doubt as to its meaning it is removed by reference to the French text, which is also authentic and which runs as follows :—

“ Toute réclamation adressée au Bureau international du Travail par une organisation professionnelle ouvrière ou patronale et aux termes de laquelle l'un quelconque des Membres n'aurait pas acsuré d'une manière satisfaisante l'exécution d'une convention a laquelle ledit Membre a adhere, pourra être transmise... ” etc.

I may add that the English text was the original and that the French text was drawn up in collaboration with the draftsmen responsible for the English text and may therefore be presumed to express what the latter had in mind.

As regards the alternative question put in your letter as to what other procedure the Association might adopt in order to bring pressure to bear on Japan, I think it would be perhaps better if I deferred any attempt to answer it until I have heard from the Japanese Government, as I have reason to believe that steps are now being taken to remove some of the causes of complaint which are mentioned in your letter in the near future. It may, however, be of interest to your Association to see the enclosed copy of the report of the proceedings in the Japanese Diet in connection with a recent interpellation on the attitude of the Government towards the Washington Conventions. It will be seen that the matter is by no means being lost sight of and that the attention drawn to it by the debate which occurred at the last session of the Annual Conference has not been without influence on Japanese opinion.

As soon as I have received a reply from the Japanese Government I will communicate with you further on the matter.—I have, etc.,

ALBERT THOMAS.

TRANSLATION OF THE TEXT OF MR. KIYOSE'S INTERPELLATION AND THE REPLY THERETO
OF MR. WAKATSUKI, THE MINISTER OF HOME AFFAIRS AND AT THE
SAME TIME ACTING PRIME MINISTER.

MR. KIYOSE:—The second point is the relation of the International Labour Conference to this Imperial Diet. The reason why I raise this point particularly at the present moment is that in this session of the Diet the Prime Minister stated in his opening speech that the present Government considers labour legislation as one of the most important policies. In deliberating labour legislation it must not be forgotten that there is a limit which must not be surpassed, that is the decisions of the International Labour Conference, in which the Japanese Government participates. Since the first conference held at Washington in the United States of America in the eighth year of Taisho (1919), seven sessions have already been held, but up to the present nothing has been reported, no vote has been requested regarding the results of the International Labour Conference. The House has voted on the expenses needed for the presence of the delegates to the Conference, but nobody knows what were its results.

There is here an important question—the decisions of this International Labour Conference, in my opinion, are to be brought before the competent authority of each country. Needless to say, this Conference was constituted as a result of the Peace Conference held in 1919, by Part XIII—Labour, as one of the organs of the International Labour Organisation. Article 405 of that Part prescribes that “each of the members undertakes that it will, within the period of one year at most from the closing of the session of the Conference, or if it is impossible to do so within the period of one year, then in eighteen months from the closing of the session of the Conference, bring the recommendation or draft convention before the authority within whose competence the matter lies for the enactment of legislation or other action.” To what organ in Japan shall this authority within whose competence the matter lies for the enactment of legislation or other action correspond? This is a legal question. Hitherto the Government construed this to correspond to the Sumitsuin, the Privy Council. The Sumitsuin is the competent authority regarding the ratification, but not the competent authority regarding the enactment of legislation. Under any circumstances the competent authority regarding the enactment of legislation must be this Diet, and the correctness of this interpretation is most eloquently justified by the discussion of Minister Ochiai who, in the capacity of Japanese delegate, took part in Paris in the drafting of the constitution.

The original draft of Article 405 read —“ The convention should be brought before the legislature of each country within a period of one year after the closure of the Conference.” Mr. Ochiai insisted that this period should be prolonged to one year and a

half, on the ground that the Japanese Diet opens only once a year and its session lasts for only three months. Therefore it is difficult, in the case of Japan, to bring the decisions before the competent authority within a period of one year after the closure of the Conference. The delegates from other countries perceived that Mr. Ochiai's contention was reasonable, and accordingly it was added in the draft that "if it is impossible, owing to exceptional circumstances, to do so within the period of one year, then within eighteen months from the closing of the session of the Conference." The Japanese delegates refrained from voting because they were unable to obtain instructions from the Government, but finally the Peace Treaty, including this clause, was approved without reserve by the Japanese Government delegates.

The Japanese Government thus promised to bring the decisions of the International Labour Conference before the competent authority within a period of one year and a half, so no matter what changes have arisen since that time, it is still reasonable to deem that the decisions should be brought before this house. At this very moment the budgetary estimate of the expenses for sending the delegates to the eighth and ninth sessions of the Conference is being discussed in the Budget Room, but here in this house, in no form, not in the form of a speech, not in the form of documents, and not in the form of printed matter, have explanations regarding the change agenda of the coming sessions been given to the members.

At the last session of the Diet I questioned on this point, through a letter addressed to the Minister of Foreign Affairs, and the Minister replied that the documents were distributed to those to whom the distribution was considered necessary. I have occupied a seat in this house since the year 1920, but not once have I received these documents, and perhaps the same will be true in respect of all of you. The decisions of the International Labour Conference which should be brought before the competent authority for the enactment of legislation, the decisions which should constitute the base of labour legislation, were not brought to the notice of the members of the legislature. Without considering these members as persons to whom such distribution is necessary, whom then does the Government consider to be the persons necessary to receive these? It is useless to distribute these documents to the subordinate clerks and the messenger boys of the Department of Foreign Affairs.

I do not make reproaches for things already done in the past, but as this is the session when this Diet is going to deliberate on the Labour Union Bill and the Bill for the Arbitration of Labour Disputes, I sincerely desire that the results of the International Labour Conference in the past should be reported to this Diet in some form or other, and should be brought up for discussion and vote in a certain form so that we may be able to deliberate on the enactment of labour legislation on a common standard, common to all civilised nations. Therefore I should like to ask whether the Government has the intention of bringing the decisions of the International Labour Conference before the house during this session of the Diet. I am simply asking a question, so please do not be cross with what I say. Kindly consider the matter calmly, in the light of the welfare of the nation: let me have an adequate reply, and take adequate measures. I sincerely hope for this, both in the interest of the working classes of Japan and in the interest of the whole nation of Japan.

As I have explained, there has been up to now no connection between the decisions of the International Labour Conference and the Japanese Imperial Diet. The most important of these decisions are those made at the first session held at Washington in the eighth year of Taisho, and the conventions regarding hours of work, prohibition of night work of women, prohibition of night work for young persons, protection of women before and after child-birth, the fixing of the minimum age, have not yet been ratified. Unlike other sessions of the Conference, at that first session the Japanese delegates requested that certain exceptions be made in the case of Japan, and promised that Japan would carry out the decisions if such exceptions were granted. In the Hours Convention it is stated that the convention should be put into effect as from July 1st, 1922; in the convention fixing the minimum age, that it should be put into effect as from 1st July, 1925. The time flew quickly, and July 1925 has already passed, but the conventions remain unratified. Even

the amended Factory Act has not been brought into effect. Kindly consider the matter with unbiassed generosity, and take the necessary measures to ratify these conventions expeditiously.

What happened in the seventh session of the International Labour Conference? The Indian delegates, who belong as we do to the non-white race, pitifully stated: "Owing to the non-ratification by Japan of the labour conventions, the Indian Government is also obliged to refrain from ratifying. If India does not ratify, then China will also remain inactive. The hesitation of Japan, which is considered the most advanced nation in Asia, is causing millions of workers there to remain in their present state of misery." I should like the details in this respect, which I omit here, to be included, with the permission of the chairman, in the parliamentary record.

When I read of this I sincerely regretted this state of things. I hope that these conventions will be ratified by this country, and that by doing so we shall contribute to the liberty and progress of our brethren in the East.

In the twelfth year of Taisho (1923) this Diet passed the Amendment of the Factory Act and the Minimum Wage of Industrial Workers Act, and these Acts were promulgated in March of the twelfth year of Taisho. This amended Factory Act is not the result of the adoption of all the provisions of the Washington conventions. It is a half coloured legislation, and even this half coloured legislation was not put into force in the twelfth year or the thirteenth or the fourteenth, and not even this fifteenth year of Taisho. There is a queer fact—the question of the prohibition of late night work. The amended Factory Act contains a provision that late night work of women and young persons—the work from 10 p.m. to 5 a.m.—should be forbidden after three years from the time of the coming into force of the Act. The Act itself gave three years' grace and entirely forbids late night work after that period. These three years have already elapsed since the enactment of the Act. The Act told a lie in this case, and the Government took advantage of the "Utility of Lies." According to the former Factory Act there remained another eight years in the eleventh year of Taisho regarding the prohibition of late night work, but it was considered that the time should be shortened from eight to three years. The Government of that time insisted on this as one of the realisations of social policy, and it was Mr. Mizuno, the then Minister of Home Affairs, who said so. But three years have already elapsed, and the Act still remains without being put into effect. In this respect, too, I request that the Government take quickly the necessary measures for the enforcement of the Act.

The exportation of goods manufactured under bad conditions of labour gives rise to bad feeling in importing countries. I read in a periodical † that a commission of the British Labour Party made a proposal regarding the prohibition of the "sweating" system, that goods manufactured under labour conditions inferior to those prescribed in the Washington conventions, and especially as regards hours of labour, should be boycotted. The Labour party is at present the minority party in Great Britain, so I do not know whether this proposal can be carried out, but in proposing this, what countries had they in mind? They pointed their fingers to the East, to Japan, when they said so. We must feel great indignity through this. At present this country is suffering from the excess of labour supply, from unemployment, and the limitation of hours of work will enable those who are unemployed to find work; therefore it is the best moment for the enforcement of the limitation of hours of work, and I sincerely desire that the Government will endeavour to effect a speedy ratification of the Washington conventions, together with the enforcement of the Factory Act. The point of my question, therefore, is, whether the Government has the intention of taking such measures. This is the question I put to the Minister of Commerce and Industry.

Reference :—

‡ A passage from the speech made by Sir Thomas Smith, the Indian Employers' delegate to the 7th session of the International Labour Conference :—

* "Utility of Lies"—a well-known book written by Dr. Suyehiro.

† *Tokyo Office Bulletin*.

‡ This passage, which was quoted from the *Tokyo Office Bulletin*, was omitted in the speech of Dr. Kiyose, but was given in full in the parliamentary record as well as the official *Gazette*.

" At the Washington Conference in 1919, the hours of work for Japan were specified and agreed to ; but for reasons best known to itself, Japan has not ratified. It has prepared an amended Factories Act ; but even if this were passed, it would hardly alter the situation at all, for the simple reason that it does not conform to the hours specified at Washington, and in particular, it contains no provision regarding adult labour, while the Government retains the power of making wholesale exemptions. The hours specified for Japan at Washington were 60 hours per week in the raw silk industry, and in other industries 57 hours per week. But, sir, as I have said, in the amended Factories Act no mention is made of hours of adult labour, while in the case of women and lads under sixteen, permission is given to work 11 hours per day. Night work of women still goes on, and so far as I can see it will go on for three years after the Factories Act may be passed, which may be this year, next year, sometime, never.

" Now, sir, the failure of Japan to ratify, places India, which was prompt to ratify, at a great disadvantage. The longer hours worked by the cotton operatives in Japan give Japanese manufacturers a material advantage in competing in the Indian market, and that is one of the reasons—I do not say the only reason—why Japanese manufactures can be and are being dumped in Bombay at prices with which the Bombay manufacturers cannot compete. It comes to this : Japan takes her cotton from India to Japan, manufactures it, sends it back, and is able to undersell Bombay, which has cotton at its doors."

" The cotton industry in India has been and is still going through a period of grave stress, and it cannot regard with equanimity the unfair advantage taken by Japan. It therefore calls upon Japan to ratify the Hours Convention, and it asks this Conference to ensure by its moral support that Japan shall fulfil the undertaking which she entered into at Washington.

" Unless Japan ratifies, I can foresee retaliation by India in other directions, which I need not speak of here. But I equally foresee a more deplorable thing, and that is that India will have nothing more to do with ratifications. India will look askance at Geneva—will be distrustful of Geneva. She has moved and is moving in the improvement of labour conditions ; but unless Japan ratifies she will be compelled to stand still, in self-defence against a neighbouring power which will not ratify, and, Sir, the effect of that will be that the interests of the worker will suffer. The progress of the worker in India—as, indeed, in course of time, the progress of the worker in China also—will be measured, will be limited, by Japan. That, Sir, is a serious thought. It is a great responsibility. On the decision of Japan rests the fate of countless labouring thousands in the Far East. Let me, as one who has spent thirty years of his life in India, and has in some small measure sought to advance the aims of labour urge Japan not to provoke India to anger, but rather to good works."

REPLY OF MR. WAKATSUKI, MINISTER OF HOME AFFAIRS AND AT THE SAME TIME
ACTING PRIME MINISTER.

..... It was questioned, in connection with the problem of bringing the decisions of the International Labour Conference to the competent authority, why the Government does not bring these before the Imperial Diet. Is it not reasonable at least to report the results of the International Labour Conference to the Imperial Diet? It was questioned if the Government had not the intention of bringing the decisions before this Diet, since they are the results of the conference in respect of which the Diet gives approval of budgetary estimates. It is prescribed, as the speaker has said, that the decisions of the International Labour Conference, and especially those of the Washington session, should be brought before the competent authority, but the Cabinet of that time construed that the " competent authority " should correspond in Japan to the Sumitsuin, the Privy Council. Mr. Kiyose might disagree on this point—might have an opinion different from that—and if one seeks a doubt it might be said that there is a doubt as to the correctness of that interpreta-

tion. But at any rate the Cabinet of that time, construing the competent authority to correspond to the Sumitsuin, brought the decisions before the Sumitsuin. I am not able to explain on what grounds that Cabinet so construed, since I know nothing about it.

Regarding the reporting of the results of the International Labour Conference, there are so many international conferences, conferences on science, conferences on sanitation, and so on, and in all these cases delegates have attended them by virtue of the expenses approved by the Diet in the form of budgetary estimates. All the same, it is not customary that results of these conferences should be reported to the Imperial Diet. Therefore, although the Government has no intention of keeping secret any results, be they decisions of the first session or decisions of the later sessions of the International Labour Conference, and accordingly is ready to give replies if demanded, it is not particularly in the case of the International Labour Conference alone that the results have not been reported to the Diet. There is no instance of the result of any such international conference being reported to the Diet. I should like, however, to add this, since it will naturally constitute a part of the reply to the question raised : though the results have not been reported to the Diet, in so far as the decisions of the International Labour Conference are practicable in accordance with Japanese economic conditions, the Government has proposed Bills to the Diet with a view to giving effect to the principles contained in these decisions. This measure was taken gradually by successive Cabinets, and though it cannot be said to be entirely as a result of the Washington Conference, the Government of the time proposed bills compatible with the Japanese economic condition, embodying as far as possible the spirit of the decisions of the International Labour Conference, as you will see from the amendment of the Factory Act and the Enactment of the Labour Exchange Act. Only I share the sincere regret of Mr. Kiyose that the enforcement of the Factory Act has been delayed.

At present the draft of the regulations for the enforcement of the Factory Act is being submitted by the Emperor to the Privy Council and I believe that the decision of the Council in this connection will soon be made. If so, the amended Factory Act will naturally be put into force. It is not exactly in conformity with the decisions of the Washington Conference, but it can be said that the spirit of the decisions has been included to a considerable extent. Moreover, unless my memory is incorrect—according to what I recollect as to whether the states which took part in the Washington Labour Conference have carried out the decisions exactly or not—I recall that these states did not carry into effect these decisions exactly as they stand. As far as I remember these states did not carry out the decisions exactly, because, in my opinion, the circumstances are different in each country and therefore whatever decisions were made, if they were not compatible with the economic conditions of the countries, the states concerned considered it disadvantageous to the economic circles of those countries to carry the decisions into effect exactly. Accordingly, if Japan has not yet carried into effect exactly all these decisions, I desire you to understand that in so far as parts of the decisions not yet carried into effect in this country are concerned, there exist circumstances which do not permit this, in view of the present situation of the country.

(Applause.)

MR. KIYOSE :—I have no intention of discussing the reply of the Minister..... Only regarding the question of the International Labour Conference there is one point on which this conference should receive discrimination from other international conferences, of which I know abundant examples, such as the Communications Conference, Red Cross Conference. The point is that in Article 405 it is prescribed that the decisions of the International Labour Conference should be brought before the competent authority. This is the point of difference. Therefore you cannot give as reason for not bringing the results of the International Labour Conference before this house that the results of other international conferences are not brought before the house. The insincerity of Japan in this respect was discussed also in the meeting of the International Labour Conference. Mr. Thomas, the Secretary-General, said :—“ In the spirit of the Peace Treaty it is evident that the competent authority should mean the legislature.” I have no intention of censuring the present Minister of Home Affairs for the mistake in the interpretation of this point, as the Minister has just explained it was the responsible cabinet of that time which made the mistake. Politics are practices ; therefore I will not discuss any more the legal interpretation, but apart from the interpretation, if the spirit of the article aims at giving importance to the

legislature, I think it would be a reasonable demand in fair politics to ask that the result of the conference should be reported to us. The reason why I insist on this point particularly at this moment is that the Cabinet Ministers announced outside the Diet that labour legislation should constitute one of the most important programme of the Cabinet, and the Prime Minister himself said the same thing the other day in the house. The Government is going to propose various Bills on labour legislation during this session, and labour legislation is something common to the world. If one country intends to benefit its industry by means of an exceedingly bad condition of labour, then other countries will compete with it, and according to the theory that bad money will expel good money, it will end in the competition of bad labour legislation. This would be a misfortune for mankind.

Thus it is the ideal of the Peace Treaty, to which Japan joined, to improve labour conditions by means of mutual agreements. In view of this ideal it is the essence of my interpellation that the standard provisions regarding labour conditions which should be common to the entire world should be brought above all before this Diet, to which it is intended to propose Bills on labour legislation. The Minister of Home Affairs has said that he will, if requested, bring the results of the various conferences before this house. He said he has no intention of keeping them secret. I do not understand what he meant by this, but I hope that, considering my speech to constitute such a demand, the Government will take adequate measures at a suitable opportunity to bring before us the standard labour conditions which should be common all over the world.

MR. WAKATSUKI :—There is no obstacle in bringing them to your notice if requested. Are what you request the decisions of the first session of the conference ?

MR. KIYOSE :—All the decisions of the conference.

MR. WAKATSUKI :—All the decisions ? I will make investigations and will take measures to bring them to your notice.

APPENDIX 13.

ADDRESS TO HIS EXCELLENCY LORD READING.

To

HIS EXCELLENCY

THE RIGHT HON'BLE RUFUS DANIEL ISAACS,

P.G., G.C.B., G.M.S.I., G.M.I.E., G.C.V.O.,

Viceroy and Governor-General of India.

MAY IT PLEASE YOUR EXCELLENCY,

We, the undersigned on behalf of the Bombay Millowners' Association, the Ahmedabad Millowners' Association, the Madras and Southern India Millowners' Association and the Millowners of Cawnpore, beg to approach Your Excellency on the eve of your laying down the reins of office as Viceroy and Governor-General of India to give expression to our gratitude for the help given to our industry by Your Excellency's Government.

As the representatives of the Cotton Textile Industry of this country, it is our desire on this occasion to express to you personally our appreciation of the statesmanlike measure adopted by Your Excellency in suspending the Cotton Excise Duty thus giving urgently needed relief to the Cotton Industry at one of the most critical periods in its history. The undertaking given by Your Excellency to place before the Legislature proposals for the total abolition of the duty enhanced the general feeling of satisfaction with which the announcement of the suspension was received.⁶ It is unnecessary for us at this stage to dwell upon the

happy effects which are likely to follow the removal of this long-standing political and economic grievance. It must be very gratifying to Your Excellency that it fell to your lot to right a historic wrong which for over thirty years had rankled in the minds of all classes of people in this country.

While deeply grateful to Your Excellency for this notable act of statesmanship we desire to point out that the removal of the Cotton Excise Duty does not solve all the difficulties of our industry. Our industry does not stand in need of any 'protection' in the usual sense of the term; but we do ask that our industry should not be permitted to suffer owing to unfair advantages enjoyed by our foreign competitors. Your Excellency is no doubt aware how Japan, by working 22 hours in two shifts, by employing women at night, and by indirect State aid is capturing our home and foreign markets. When the Government of India passed the Indian Factories Act in conformity with the chief conventions adopted by the International Labour Conference held at Washington in 1919, we submit that the Government of India took upon themselves the onus of seeing that India was not placed at a disadvantage by adopting the conventions owing to her trade rivals failing to take similar action; and we maintain that Indian industries are entitled to assistance equivalent to the advantages in regard to production costs which other countries experience owing to their having failed to give effect to these conventions. We trust that your successor in the exalted office which you are about to lay down will realise the urgent necessity of adopting measures to safeguard the great industry which we have the privilege to represent and will take immediate steps to save it from the effects of unfair and ruinous competition.

In conclusion we pray that you may be spared for many years to serve the great Empire of His Majesty the King-Emperor. We trust that whatever be the sphere of your activities in future, the welfare of the Indian people, their Commerce and Industries will always receive the benefit of your powerful and earnest advocacy. In bidding you farewell we wish Your Excellency and Lady Reading "bon voyage" and every happiness in the future.

Your Excellency's most humble and obedient servants,

For and on behalf of the Bombay Millowners' Association. } A. GEDDIS,
H. P. MODY.

For and on behalf of the Ahmedabad Millowners' Association. } CHIMANLAL G. PAREKH.

For and on behalf of the Madras and Southern India Millowners' Association. } R. LEE.

For and on behalf of the Millowners of Cawnpore. } THOMAS SMITH.

T. MALONEY,
Secretary, Bombay Millowners' Association.

BOMBAY, 1st April, 1926.

HIS EXCELLENCY THE VICEROY'S SPEECH IN REPLY TO THE ADDRESS PRESENTED BY THE BOMBAY MILLOWNERS' ASSOCIATION ON FIRST APRIL 1926.

GENTLEMEN,

I am most grateful to the members of your various Associations for presenting me with this address on the occasion of my departure from Bombay. I am glad to receive your testimony regarding the satisfaction which the abolition of the cotton excise duties has given to the representatives of the important cotton textile industry. As I have already made clear in my speeches to the Legislatures and the Associated Chambers of Commerce and also in reply to a deputation from the interests which you, gentlemen, represent, the

Government of India was pledged to the abolition of these duties as soon as financial conditions permitted. That the abolition was somewhat long deferred was due to the crisis of the war and the financial stringency which obscured the outlook in the period of acute economic depression following upon it. By rigid economy and prudent measures, however, the financial position has now been stabilised ; and although at this time twelve months ago and in the first half of last financial year the position was still too uncertain to make any definite commitment, later when the year had declared itself and there seemed a reasonable prospect of a surplus, which I am happy to say has been subsequently realised, I and my Government at once took steps to examine whether, what I knew to be your wishes and the wishes of the Central Legislature, could be put into effect without undue financial risk ; and after careful consideration I suspended by the issue of an Ordinance the collection of the duties from the 1st of December last. The abolition of the duties has now been brought forward by my Government as a permanent measure and passed into law by the Legislature.

I am gratified that I was able to take this step during my period of office. It was in particular a source of satisfaction to me that I found myself in a position to give the relief at a time when it was specially needed. The suspension came into effect at a moment when the conditions of the industry were unusually perplexing and when labour disputes in Bombay had added to the difficulties. His Excellency the Governor kept me in close touch with the situation in Bombay, and I watched events with anxious sympathy. The disappearance of the duties will, I trust, help to solve some of the general problems confronting the mill-owners, while the prompt and generous action of the owners in Bombay in restoring the reduction in wages has already borne fruit in the termination of the labour disputes in Bombay.

You may be confident that the Government of India attach the greatest importance to the textile industry and have the fullest desire to encourage the enterprise which has so successfully started and carried on large spinning and weaving concerns in Bombay, Cawnpore and other centres and gives employment to a large number of operatives. India takes a just pride in the establishment of this great industry, and the Government of India are equally solicitous for its prosperity. Measures for improving prospects have been under discussion between the Associations connected with the management of the industry and the Government of India ; and you have received the views of the latter regarding certain concrete suggestions put forward by you. As far as Government is concerned, I repeat, there is every desire to assist the industry ; but Government must be satisfied that measures free from objection and generally appropriate are adopted. The eventual welfare of the industry is a purpose common to both the millowners and to Government ; and it is only in regard to the precise steps, which can most usefully be taken, that there is room for a difference of view. Sir Charles Innes, the Member of my Executive Council in charge of the Commerce Department, is now in Bombay ; and I trust you will take this opportunity of freely and frankly exchanging views with him. The fuller the discussion, the better will be the prospects of arriving at a solution.

Before I take leave of you let me express my appreciation of the public spirit which individual members of the Millowners' Association have always displayed during my term of office. A number of them have served as Members on the Central and Provincial Legislatures where their experience of commerce, industry and finance has been of great assistance to the administration. Individual members have also been most generous in their donations to charities and public purposes ; and I gratefully acknowledge their unselfish activities in these directions both on behalf of local and all-India objects.

Gentlemen, I thank you again for your address and kind wishes. Though I am shortly to sever my official concern with the interests you represent, I shall always keep in touch with the progress of the great industry in India which you direct and you have my warmest wishes for its future prosperity.

APPENDIX 14.

MUNICIPAL WATER TAX PAYABLE BY BOMBAY COTTON MILLS.

No. 1456-146 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 10th September, 1926.

THE MUNICIPAL COMMISSIONER,
BOMBAY.

SIR,

I am directed by the Committee of the Bombay Millowners' Association to address you in regard to the present high rate of water tax levied upon Bombay cotton mills with the sincere hope that the matter will receive your sympathetic consideration when framing the budget for the year 1927-28.

2. In this connection I am to invite your attention to my letter No. 5-27 dated 30th December, 1924, addressed to the Municipal Secretary and letters Nos. 579-51 dated 22nd April, 1925, 1164-51 dated 7th October, 1925, and 1300-51 dated 4th November, 1925, addressed to yourself.

3. The pros and cons of this question have already been discussed at a joint meeting held on 7th September, 1925, between the representatives of this Association, the Assessor and Collector of Municipal Taxes and yourself, but I give below a comprehensive summary of the Association's case for your ready reference.

4. By resolution No. 8309 dated 18th November, 1924, which was subsequently endorsed by the Corporation, the Standing Committee proposed, notwithstanding your proposals in the budget, to maintain the percentage of rateable value for assessment of water tax under Section 140(a) of the Municipal Act at its original level and at the same time to increase the charge for water supplied by meter measurement under Sec. 169 to 14 annas per 1,000 gallons in some cases and in other cases, including cotton mills, to Re. 1 per 1,000 gallons. This Association would not have protested so strongly against the proposed increase if the new scheme of water-supply which had led to the necessity for enhanced taxation had been undertaken solely to supply the special needs of the industry, or, if the industry had only been called on to pay its proper share of the increase. The facts are that an industry which did not require an additional supply of water, as is evidenced from the fact that there was no increase in the number of persons employed in the industry, and which derives little benefit from the extra supply of water, is made to pay 33½ per cent. more than what it was paying up to the end of 1925-26, while the general consumer will not contribute anything to the increased expenditure incurred by the Municipality.

5. My Committee understand that the Municipality is selling water to Bandra and other suburban municipalities through the Development Department at 7 annas per thousand gallons and would therefore respectfully submit that this is neither equitable nor fair since it is maintained that a proportion of the increase in water charges should have also been passed on to them.

6. It is generally known that in England and other European countries, industries are charged for water at a lower rate than other consumers and in departing from this recognised principle of municipal taxation, the Municipality is charging to the industry a rate of Re. 1 which considerably exceeds the rates paid by other consumers in the city. My Committee also understand that while the Bombay Mill Industry pays Re. 1 per thousand gallons, mills in Lancashire pay 6d. per 1,000 gallons, or even less when water is taken in greater quantities. This charge, it may be noticed, is less than one-third the rate charged to mills in Bombay.

7. The enormous increase in the burden of Municipal Taxation imposed upon the Cotton Mill Industry of Bombay from time to time has been fully dealt with in my letter No. 579-51 dated 22nd April, 1925, but my Committee desire me to point out that the increased taxation has saddled the industry with an additional burden of Rs. 2,90,000 in respect of water-supply alone when, as you are doubtless aware, the industry is in the throes of a serious depression. The Municipality has been, for some time past, making a huge surplus every year on water revenue and my Committee desire me to point out that this is contrary to the provisions of Section 140 (a) of the Municipal Act.

8. As already stated, in September last a Sub-Committee of the Association had a discussion with the Municipal authorities in this regard. You were then good enough to admit that the cotton mills consumed only 1/17th of the total amount of water used but they paid no less than 1/7th of the total revenue derived from water tax. You were also impressed with the facts mentioned by this Association and agreed to place the matter before the Standing Committee for consideration when the budget for 1927-28 is under consideration. The Association is not aware whether the matter has been brought to the notice of the Standing Committee and its two letters dated 7th October, 1925, and 4th November, 1925, enquiring whether any action has been taken in this regard have not, unfortunately, so far elicited any reply.

9. In therefore commending the above paragraphs to your kind consideration, my Committee desire me to express the hope that the claims of the industry for immediate relief will receive due consideration and that the matter will be placed before the Standing Committee with a recommendation to the effect that the increase in rate enforced for the year 1926-27 should be abandoned forthwith.—I have, etc.,

T. MALONEY,
Secretary.

MUNICIPAL COMMISSIONER'S OFFICE,
BOMBAY, 15th September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

The undersigned has the honour to acknowledge receipt of letter No. 1456-146 dated 10th instant, and to state that it is receiving attention.

(Sd.) (Illegible),
for *Municipal Commissioner.*

APPENDIX 15.

ASSESSMENT OF MILL PROPERTY BY THE BOMBAY MUNICIPALITY.

THE INDIAN MANUFACTURING COMPANY, LIMITED,
BOMBAY, 17th May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

We beg to invite your attention to a question which has arisen between the Bombay Municipality and this Company with reference to the assessment of part of the Mill premises.

The Company recently constructed a godown for storing cotton bales and other goods of the Mill Company on land belonging to the Company. The land on which the godown stands is on the opposite side of the road and is not strictly included at present in the compound of the Mill building. The Municipality has assessed this godown as a separate pro-

perty on a rental basis and has declined to apply to the godown the arrangement as regards assessment of mill premises. The godown property is a small one and the assessment is only on rateable value of Rs. 2,818 a year, but as the matter is one of principle we think it must be taken up by the Association as a similar question may arise in connection with other Companies.

The godown is erected on land belonging to the Company. Originally the present mill premises and this land formed one continuous property and the land on which the godown now stands was originally part of the compound of the Mills. Some years ago the Municipality constructed a new road (now known as the Lamington Road) through the open compound of the Mills and acquired that portion of the land. The result of this acquisition was that the Mill compound was cut into two and a portion of it was detached from the main plot by the Lamington Road. The godown in question is built on the portion of the Mill compound across the Lamington Road which was thus cut off from the main plot.

The Company has recently built the godown in question as an extension of the Mill premises for the use of the Mills on land which has all along belonged to the Company and which has been part of the Mill compound in the past and has been detached from the Mill compound by the action of the Municipality. It appears to be admitted that if the godown had been built in the compound itself it would have been dealt with in accordance with the arrangement with the Association. The only ground on which it is sought to be taxed on rateable basis is that it is outside the Mill compound.

We have pointed out above the reason why it happens to be outside the Mill compound. The real arrangement with the Municipality is that mill buildings, that is, all buildings used for the working of the mills and which form part of the mills should be taxed in accordance with this special arrangement, *i.e.*, constructional cost basis. The godowns attached to mills and used for storing goods used in the mills or turned out by the mills are treated as part of the mill premises, and if one godown so detached from the mills is allowed to be taxed on a separate basis it will set a precedent which in course of time might be used against other mills.

We send herewith copy of final reply from the Assessor and Collector, Bombay Municipality, dated 7th May, setting out the ground on which the godown is assessed on a rental basis and copy of our reply sent to-day, and trust the Association will take up the matter as it is one of principle affecting the assessment of mill properties in general.—Yours etc.,

DAMODHER THACKERSEY MOOLJEE & Co.,
Agents.

A. & C-No. D/6381 of 1926-27.

BOMBAY MUNICIPALITY.
ASSESSMENT & COLLECTION DEPARTMENT,
BOMBAY 7th May, 1926.

THE AGENTS,
THE INDIAN MANUFACTURING Co., LTD., BOMBAY.

GENTLEMEN,

With reference to your letter dated 7th April, 1926, I have the honour to state that, the property in question being outside the mill compound, has been correctly assessed on a rental basis. Its valuation has now become final as already intimated to you.

INDIAN MANUFACTURING CO., LTD.,
BOMBAY, 17th May, 1926.

THE ASSESSOR & COLLECTOR
OF MUNICIPAL TAXES,
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

We are in receipt of your letter dated 7th May, 1926, A. & C. No. D/6381 of 1926-27.

As we have no desire to launch into litigation unless forced to do so and have every hope that the Municipal authorities will deal fairly with the matter, we need not consider the question whether it is now open to us to take proceedings in a Court of Law. We trust the Municipality will see the fairness of our complaint and will decide the matter fairly on merits.

The only ground on which the godown is sought to be assessed is that it is outside the Mill compound.

The godown in question is built on land belonging to the Company and is in effect an extension of the Mill premises. If it is separated from the main premises by a road, that is due to extraneous circumstances. The Mill Company originally owned a large piece of land. The buildings stood on part of this piece of land and the rest of the land formed an open compound available for further extension of the works. The Municipality subsequently constructed a public road through the compound of the Mill premises and acquired the portion of the land required for the road with the result that one part of the Mill compound became detached from the rest by the public road. You will thus see that the land of which the godown stands was originally part of the Mill compound and has always been a part of what one might call the Mill premises. The godown in question is not a new property purchased or acquired by the Company or hired by the Company since the road was built. It is part and parcel of the Mill property and originally formed part of the compound and has now become detached from the Mill premises by reason of the new road constructed by the Municipality.

It is clear from your letter that the above facts were not before you and that is natural because you could not be expected to be acquainted with the past history of the property. Now that the facts have been placed before you, we trust, you will consider the matter on its merits and deal with the godown on the same footing as any other part of the Mill premises.

We trust the bare fact that we are anxious to avoid proceedings against the Municipality will not be taken to debar you from dealing with the matter fairly and properly in view of the above facts which are for the first time placed before you.—Yours etc.,

INDIAN MANUFACTURING CO., LTD.

No. 890-112 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 3rd June, 1926.

MESSRS. INDIAN MANUFACTURING CO., LTD.,
BOMBAY.

DEAR SIRS,

I am directed to inform you that your communication dated the 17th May, 1926, in regard to the Municipal assessment of your mill premises was duly placed before the Committee of the Association at their meeting held on the 31st ultimo.

In view of the fact that you have preferred an appeal to the Municipal Commissioner against the assessment of the Assessor and Collector of Taxes the Committee decided that action on the lines suggested in the last para of your letter dated the 17th ultimo should be deferred till the result of your appeal to the Commissioner is known. Will you therefore kindly let me have a copy of the orders passed by the Municipal Commissioner on your appeal as early as possible. A copy of your appeal may also be sent.—Yours, etc.,

T. MALONEY,
Secretary.

THE INDIAN MANUFACTURING COMPANY, LIMITED,
BOMBAY, 7th October, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

With reference to your letter dated 3rd June, 1926, No. 890-112 of 1926 *re.* assessment of our above mill godown we beg to send herewith copy of a letter dated 11th August, 1926, addressed to the Municipal Commissioner, as also copy of a reply dated 10th September 1926, received from him in the matter by our attorneys. We hope you will place the said correspondence before your Committee as the matter is one which affects all the mills in Bombay generally and therefore requires its careful consideration by them. Yours, etc.,

DAMODHER THACKERSEY MOOLJI & Co.,
Agents.

BOMBAY, 11th August, 1926.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY.

DEAR SIR,

We beg to write to you on behalf of our clients, the Indian Manufacturing Co., Ltd., with reference to the valuation and assessment of certain godown situated at Haines Road, bearing Ward No. E. 4465, Street No. 119, which have recently been erected by our clients on their land and are used and occupied by them as mill godowns.

Our clients' mills are situated at Haines Road, and have been there for a considerable period anterior to the laying out and construction of the Haines Road.

Prior to 1897 our clients' property consisted of their present mill buildings and a mill compound. Part of the compound was covered by various buildings appurtenant to the mills and part was vacant.

In or about 1897, the Municipality acquired a part of our clients' mill compound for the purpose of constructing a public road and the portion so acquired was thrown into the Haines Road with the result that our clients' property was cut into two by the new road running through our clients' property and the main portion of the property, namely the mill building, was left on one side of the road and the vacant was left on the other side of the road. The important thing to remember is that prior to 1897 the mill and its compound formed one property and that it was subsequently cut into two because the Municipality acquired a part of the compound and led the road through the compound.

Recently our clients erected a godown on the portion of the property thus detached from the mills by the Haines Road. The godown was built for the use of the mills and has ever since its erection been used as appurtenant to the mills.

As you may be aware, Mill properties in Bombay are valued and assessed on a principle agreed to between the Municipal authorities and the Millowners' Association known as the cost value principle. The Assessor and Collector did not value the new godown on this principle. Our clients protested against this and requested that the godowns should be assessed just as other parts of mill premises were being assessed in Bombay and there has been some correspondence between our clients and the Assessor and Collector in the matter. The Assessor had declined to assess the godown on the principle on which mill premises are assessed on the ground that it is outside the mill compound. Our clients pointed out how this particular part of our clients' property came to be outside the mill compound but the Collector has adhered to his decision. As the assessment of the property in the way in which it is done involves a question of considerable importance our clients have instructed us to place the papers before you.

We submit in view of the history of the property the Municipality cannot urge as an objection to the application of the general principle governing the valuation of mill premises that the present structure falls outside the mill compound. Our clients' mill compound was one and would have been one to this day but for the action of the Municipality in running the public road through the compound and detaching one part of the compound from the rest of the compound. If the property in question had all along been a separate property and a separate building there might have been some force in the objection urged by the Assessor, but we submit the objection cannot apply to a case like the present, where the whole compound formed one holding and was cut into two separate holdings by the Municipality themselves. It would hardly be fair for the Municipality first to cut away a piece from the mill compound and then to say the principle of valuation which would have applied if this piece had not been cut away could not apply because it has been cut away. In other words, the Municipality cannot thus seek to take advantage of their own action.

The main thing to be remembered is that the mills had a compound and that the land now in question formed part of that compound and is not a separate property and that if it is now detached from the mill compound it is because the Municipality have laid out a public road through the compound.

Our clients therefore trust you will be good enough to issue necessary instructions to the Assessor and Collector to deal with the piece of land and the structure thereon in the same way as it would have been dealt with if this piece of land had remained as it originally was, a part of the compound of the mills.

A copy of the correspondence which has passed with the Assessor and Collector is sent herewith for your satisfaction.

We may add that if it is not in your hands to modify now the current year's assessment by reason of the provisions of the Act our clients would be satisfied by directions to the Assessor to modify the future assessment and to assess the property as part of the mill compound.—Yours, etc.,

(Sd.) MESSRS. PAYNE & Co.

A. & C. No. D/6381 of 1926-27.

BOMBAY MUNICIPALITY,
BOMBAY, 10th September, 1926.

MESSRS. PAYNE & Co.,
SOLICITORS.

GENTLEMEN,

With reference to your letter No. 15466 dated the 11th August, 1926, on behalf of the Indian Manufacturing Co., Ltd., I have the honour to state that the godown in question has been newly constructed on a piece of land outside the mill compound. This land was sep-

arately assessed from the mill premises and the godown erected thereon cannot therefore be treated as being in the Mill compound. It has, therefore, been correctly assessed on the letting value principle.

The fact that the land on which the godown stands was separated from the Mill compound by the acquisition of a part of the property by the Municipality does not affect the point at issue.—I have, etc.,

(Sd.) Illegible,
Deputy Municipal Commissioner.

No. 1812-112 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th October, 1926.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY.

SIR,

I have the honour to refer to the letter addressed to you on the 11th August, 1926, by Messrs. Payne & Co., Solicitors, on behalf of their clients, the Indian Manufacturing Co., Ltd., and to your reply thereto dated the 10th September, 1926, and bearing reference No. A. & C. No. D/6381 of 1926-27.

2. At the request of the Indian Manufacturing Co., Ltd., my Committee have very carefully considered the correspondence referred to above, as well as the previous correspondence between the Company and the Assessor and Collector of Municipal Taxes, and my Committee have unanimously come to the conclusion that the Indian Manufacturing Co., Ltd., has not been treated fairly or equitably in the matter of the assessment of the mill compound.

3. It appears that in or about 1897, the Municipality acquired a part of the compound of the Indian Manufacturing Co. for the purpose of constructing a public road on the portion so acquired ultimately formed part of the Haines Road, with the result that the mill property was cut into two by the new road running through the property. The main building was left on one side of the road and the vacant land left on the other side.

4. It is obvious that the vacant land should be assessed like the rest of the mill compound, and any structure erected thereon as an appurtenant to the mill should be assessed on the principle agreed to between this Association and the Municipal Commissioner in 1923.

5. My Committee are much surprised at your decision to assess the godown on the 'letting value principle,' on the assumption that it is not part and parcel of the mill premises inasmuch as it lies outside the mill compound. As pointed out above, if the godown lies outside the mill compound it is entirely due to the action of the Municipality in acquiring a portion of the original mill compound for the purpose of constructing a public road, and this fact, my Committee respectfully submit, cannot possibly justify the Municipality in penalising the Indian Manufacturing Co., Ltd., by calling upon them to pay a higher rate of assessment than what the Municipality are in equity entitled to. The Indian Manufacturing Co., Ltd., have made it quite clear in their correspondence that the godown was built for the use of the mills and has ever since its erection been used as appurtenant to the mills, and but for the action of the Municipality in acquiring a portion of the original compound, it would have to-day stood in the mill compound.

6. My Committee trust that on careful consideration you will recognise the inequitable nature of the treatment meted out to the Indian Manufacturing Co., Ltd., and will issue orders for the assessment of the compound on the special basis prevailing in the case of cotton mills.—I have, etc.,

T. MALONEY,
Secretary.

No. 1833-112 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 27th October, 1926.

THE INDIAN MANUFACTURING CO., LTD.,
BOMBAY.

DEAR SIRS,

With reference to your letter dated the 7th October, 1926, regarding assessment of your mill godown, I am directed to forward you herewith copy of the Association's letter to the Municipal Commissioner in this regard.—Yours faithfully,

T. MALONEY,
Secretary.

MUNICIPAL COMMISSIONER'S OFFICE,
BOMBAY, 27th October, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

The undersigned has the honour to acknowledge receipt of letter No. 1812-112 dated 26th instant, and to state that it is receiving attention.

(Sd.) Illegible,
for Municipal Commissioner.

THE INDIAN MANUFACTURING COMPANY, LIMITED,
BOMBAY, 12th January, 1927.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We beg to enclose herewith copy of a letter dated the 18th ultimo received by us from the Assessor and Collector of Municipal Taxes in connection with our dispute for the assessment of the godown of the above Company situated at the west side of the above Company. It will be seen from the letter that the Bombay Municipality has now agreed to our contention for the assessment of the godown on the constructional cost basis.

We now request you to inform your Committee about the matter and convey our best thanks to them for supporting our contention.—Yours, etc.,

DAMODHER THACKERSEY MOOLJEE & Co.,
Agents.

No. A. & C. D/6381 of 1926-1927.

BOMBAY MUNICIPALITY,
BOMBAY, 18th December, 1926.

THE AGENTS,
THE INDIAN MANUFACTURING MILLS, LTD.

GENTLEMEN,

With reference to a letter dated the 26th October, 1926, from the Secretary, Millowners' Association, addressed to the Municipal Commissioner, I have the honour to inform you that

the valuation of the godown assessed under E Ward No. 4465, Street No. 119, is proposed to be modified as shown below and to request you to let me know whether you agree to the same.

Area of land ..	.. ..	2,295 sq. yds.
@ Rs. ..	.. ..	4 per sq. yd.
	Rs. ..	<u>9,180</u>
50% increase in 1918 ..	Rs. ..	4,590
	Rs. ..	<u>13,770</u>
25% increase in 1923 ..	Rs. ..	3,442
	Rs. ..	<u>17,212 at 4% = Rs 688.</u>
Cost of building ..	Rs. ..	25,000
@ 6% ..	Rs. ..	<u>1,500</u>
		<u>1,500</u>
		Rs. ...2,188 gross per annum.

I have, etc.,

(Sd.) Illegible,
Assessor & Collector.

No. 143-112 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 18th January, 1927.

THE INDIAN MANUFACTURING CO., LTD.,
BOMBAY.

DEAR SIR,

I beg to acknowledge receipt of your letter of the 12th instant with enclosures. The Committee are very pleased at the result of their efforts on your behalf.—Yours, etc.,

T. MALONEY.
Secretary.

APPENDIX 16.

RE-ASSESSMENT OF TOKA LANDS.

No. 316-15926 of 1926.

BOMBAY, 4th August, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Toka Tenure.

With reference to our Mr. Barrow's interview with you this morning, we have to inform you that Toka land is subject to Municipal taxes at the same rates as land held under other tenures. The point to bear in mind, however, is that vacant land is assessed by

the Municipality at a nominal rate according to its locality and the question of revision when the Toka tenure expires will not affect the Municipal assessment of such land. The method employed by the Municipality to arrive at the rateable value of buildings is to take 6 per cent. of the cost of erection less 10 per cent. of the sum arrived at and the balance is the rateable value of the property, on which is charged $11\frac{1}{2}\%$ general tax and 3% Halalkore Cess. So far as we know, the rateable value of any building erected on Toka tenure land will remain constant despite the fact that the value of the said land under the proposed Government revision will be greatly enhanced. The real point at issue therefore is that of the proposed Government revision from the present assessment of 1 pie per square yard of Toka land to any figure between 25 to 40 rupees per square yard, which we understand is the basis on which they propose to work. On this revised basis of valuation we are given to understand that Government propose to levy a tax of from 3 to 4 per cent., which in our own case will mean an increase from our present assessment of Rs. 208-11-10 per annum to approximately Rs. 40,000 per annum. As we anticipate there are many other mills in Bombay which will be affected by the revision of Toka land when their present guarantees mature, we think this matter should be taken up by your Association with a view to representing the case to the Collector forthwith.—Yours faithfully,

E. D. SASSOON & Co., LTD., AGENTS,
J. E. RAYMOND,
Sub-Manager.

No. 1770-134 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 21st October, 1926.

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

SIR,

I have the honour to request that Government may be pleased to inform this Association how they propose to re-assess the Toka lands in Bombay, which, my Committee understand, are due for re-assessment in 1929. If it is the intention of Government to re-assess these lands on the same basis on which they got compensation in the case of Toka lands acquired by the Bombay Improvement Trust, then it would appear that the Toka tenants of Government would have to pay 1,100% to 3,000% more as assessment according to the valuation of the lands than they are paying at present.

As several mills in Bombay are situated in Toka lands, my Committee are very anxious to know on what basis the Toka lands are to be re-assessed. My Committee need hardly point out that it would be a very severe hardship on the Toka tenants of Government if Government were to reassess these lands at the rate which formed the basis of their claims in respect of Toka lands acquired by the Bombay Improvement Trust, and would be a severe blow to the mills concerned at a time when the existence of the cotton mill industry is already threatened.—I have, etc.,

T. MALONEY,
Secretary.

No. 318-26841 of 1926.

BOMBAY, 13th December, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Toka Tenure.

In continuation of our correspondence on the above subject, we append below copy of a letter received by our Architects with reference to their application of the 1st of April last, to the Collector of Bombay, asking the terms on which Toka land might be converted into a freeholding :—

" Re. Conversion of Tenure Toka Land into free-hold.

Your application dated 1st April 1926, I have the honour to inform you that the toka land cannot be converted into freehold. If your clients, however, wish to have the land converted into lease-hold or newly assessed tenure, the conversion will be made on payment of rent at 5% on Rs. 40 per square yard with an allowance for the remainder of the term of the present rent. The term of the lease would be 99 years renewable at revised rents.

2. This offer is subject to the sanction of Government and open for acceptance for one month only from the date hereof.

3. Please let me know if you wish to consider a definite offer on these terms. If so, I will state the full conditions."

From this reply you will see that the contention set forth in our previous letter that Government would, when the present tenure expires, increase the value of the land to Rs. 40 per square yard and on this would charge a rental of 5% is correct, and we will thank you to make a very strong protest on behalf of ourselves and such other millowners as may be affected against this extortionate increase in assessment. Kindly keep us closely in touch with all developments in this connection.—Yours, etc.,

E. D. SASSOON & Co., LTD., AGENTS,
J. E. RAYMOND,
Sub-Manager.

No. 7609/G'24.

REVENUE DEPARTMENT,
BOMBAY CASTLE, 6th January, 1927.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Toka lands : Bombay. Re-assessment of—Basis of—falling due in 1929.*

With reference to your letter No. 1770-134 dated 21st October, 1926, I am directed by the Governor in Council to state that the question of the re-assessment of mills under Toka tenure will, in due course, be considered by Government along with that of all premises on land of that tenure. In dealing with the matter the case of mills will be duly taken into consideration, and no final orders will be passed without the parties affected being given every opportunity of expressing their views on the proposals.—I have, etc.,

M. R. DAVAR,
*for Deputy Secretary to the Government of Bombay,
Revenue Department.*

APPENDIX 17.

ALLEGED BREEDING OF MOSQUITOES IN MILL TANKS.

No. 543.

THE BOMBAY FIRE INSURANCE ASSOCIATION.
BOMBAY, 1st July, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Mill Reservoirs.

We are informed by one of our members that the Municipality have called upon the Union mills to fill in the water tank in the Mill compound and in view of the very serious

position which would be created by such action, we are directed to enquire whether the question is one which your Association is taking up with the Municipality.

As your Association will appreciate, the Mill reservoirs provide the chief supply of water for both Sprinkler and Fire Hydrant purposes and were such tanks to be filled in, not only would the prompt working of the Fire Services be seriously prejudiced but also would the scale of Sprinkler Discount be most adversely affected as the town mains cannot be depended upon either for regularity of supply or constant pressure as has been evidenced on so many occasions.

We shall be glad to be favoured with any information your Association can furnish as to the action they are taking in the matter.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

No. 835-46 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 21st July, 1925.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY, BOMBAY.

SIR,

Under directions of my Committee, I have the honour to forward you herewith a copy of the letter addressed to this Association by the Bombay Fire Insurance Association on the subject of the requisition made by the Municipality on the Union Mills to fill in the water-tank. My Committee understand that other mills also have been served with a similar notice.

2. In this connection I am directed to draw your kind attention to the Association's letter to you dated 18th December, 1924, wherein my Committee very fully examined your proposal that mill-tanks should be either filled in or covered. It is not proposed here to traverse again the grounds covered in the letter of 18th December, but you will doubtless agree that the arguments advanced in that letter against the proposal to fill in or cover the tanks have been very considerably reinforced by the points raised in the Bombay Fire Insurance Association's letter, under reference.

3. In view of the gravity of this matter, my Committee recently requested Mr. H. P. Mody, the Association's representative on the Municipal Corporation, to interview you, and my Committee understand that you have assured him that in no single case would you enforce the requisition for filling in, unless you were certain of providing a regular supply of water at full pressure.

4. Mr. Mody however pointed out to you that in making the proposal for filling in of tanks, due cognisance was not taken of the serious situation that would arise if through the bursting of a main or through any other cause the usual supply was shut off. Moreover, the cost of filling in a tank would be very considerable and at a time like this it would prove a hardship to most mills. My Committee are very pleased to learn from Mr. Mody that you have very kindly promised to consider all these matters and not to come to any final decision before giving Mr. Mody another opportunity of stating the Association's case fully before you.

5. In conclusion, I am directed to request you to be good enough to give instructions to the Department concerned not to issue any further notices to mills for the closing in or covering of tanks, and also not to enforce the notices already issued.—I have, etc.,

J. P. WADIA,
Ag. Secretary.

No. 921-46 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 5th August, 1925.

MESSRS. A. F. FERGUSON & Co.,
Secretaries :—THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY.

DEAR SIR,

With reference to your letters No. 543 dated 1st July and No. 543 dated 31st July, I beg to enclose herewith a copy of the letter addressed to the Municipal Commissioner on 21st July, 1925.—Yours, etc.,

J. P. WADIA,
Ag. Secretary.

No. 543.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 19th August, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to acknowledge, with thanks, receipt of your letter No. 921-46 of 5th instant, together with enclosure advised therein.—Yours faithfully,

A. F. FERGUSON & Co.,
Secretaries.

No. 197-55 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th February, 1926.

THE MUNICIPAL COMMISSIONER,
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

The attention of the Committee of this Association has been drawn to the Forty-second Report of the Medical Relief Committee of the Corporation regarding the causes of the prevalence of Malaria and other fevers in the City and the measures for effectively checking the same. (Item No. 113 of the January Agenda.) The Medical Relief Committee have approved of the recommendations made by a special Sub-Committee of their own, and one of these recommendations is that :—

" The tanks of mills which are not necessary for the mill purpose owing to their being electrically worked, should be filled in and wherever filling in is not possible they should be hermetically covered."

In connection with the above-quoted recommendation of the Medical Relief Committee, I am directed to invite your attention to this Association's letters dated the 18th December, 1924, and 21st July, 1925, regarding the impracticability of the suggestion that mill tanks should be filled in or covered. I am to draw your particular attention to the letter from the Bombay Fire Insurance Association forwarded to you with this Association's letter of the 21st July, 1925.

Subsequently, by your letter of the 29th August, 1925, you expressed a desire to discuss this matter with the representatives of this Association who were to meet you on the 3rd

September, 1925, and you will remember that at the Conference held on 3rd September, it was agreed that Dr. Sandilands should go into the whole question with Mr. Stones of this Association, and that pending a report from Dr. Sandilands and Mr. Stones, no further action should be taken.

Your attention is also drawn to the fact that a Conference, under the chairmanship of the President of the Municipal Corporation, is to be held on the 23rd February, 1926, to discuss Dr. Bentley's Anti-Malarial measures, and this Association has been invited by the Government of Bombay to depute a representative to the Conference to discuss the question of filling in or covering of the mill tanks.

I am directed to request you kindly to place all these facts before the Municipal Corporation when the report of the Medical Relief Committee comes up for the Corporation's consideration, and to arrange for a postponement of the matter until the report of Dr. Sandilands and Mr. Stones has been considered.

You will probably agree that in view of the undertaking given by you in September and pending the result of the Conference on February 23rd it is advisable to postpone consideration of the Medical Relief Committee's report until a later date.—I have, etc.,

T. MALONEY,
Secretary.

No. HM 1-A of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, 15th February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to acknowledge your letter No. 197/55 of the 8th February, 1926. The policy laid down in the report of the Sub-Committee of the Medical Relief Committee, to which you refer, is, in no sense, impracticable and indeed does not go as far as it should, as it is definitely decided that all mill tanks, whether required or not, must be made sterile as far as mosquito breeding is concerned. As for the meeting on the 3rd of September, 1925, no departure from the policy of filling in or covering mill tanks was ever acquiesced in by me thereat. The only object of deputing the Health Officer and Mr. Stones to inquire into individual cases was to make estimates of cost and suggest ways and means. That enquiry is still proceeding with, as I understand, useful results and I cannot agree that it is in any way necessary to postpone consideration of the report to which you refer for that or any other reason. All that I have promised to do is to abstain from taking action by prosecution for the present and that promise is being strictly observed. I do not intend to use compulsion in any case till it has been individually gone into and an opportunity given to the mill authorities concerned to carry out the necessary work.—I have, etc.;

H. B. CLAYTON,
Municipal Commissioner.

No. 260-55 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 16th February, 1926.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY, BOMBAY.

SIR,

Subject :—*Filling in or covering of Mill Tanks.*

I have the honour to acknowledge the receipt of your letter, No. HM 1/A, dated the 15th February, 1926, on the above subject, and to say that it will be laid before my Committee.—I have, etc.,

J. P. WADIA,
Assistant Secretary.

No. HM 1-A of 1926-27.

BOMBAY MUNICIPALITY,
BOMBAY, 18th September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Filling in or covering of Mill Tanks.*

I have the honour to invite reference to your letter No. 260-55 dated the 16th February, 1926, addressed to the Municipal Commissioner and to request you to let me know, at an early date, whether your Committee have now arrived at a decision in the matter.—I have, etc.,

(Sd.) (Illegible),
Acting Executive Health Officer.

No. HM 1-A of 1926-27.

BOMBAY MUNICIPALITY,
BOMBAY, 25th September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Filling in or covering of Mill Tanks.*

I have the honour to invite your attention to this office letter No. HM 1-A, dated the 18th instant, and to request you to let me have your reply at an early date.—I have, etc ,

(Sd.) (Illegible),
for Executive Health Officer.

No. 1627/55-A of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 4th October, 1926.

THE ACTING EXECUTIVE HEALTH OFFICER,
MUNICIPAL OFFICES, FORT, BOMBAY.

SIR,

Subject :—*Filling in or covering of Mill Tanks.*

I have the honour to acknowledge receipt of your two letters Nos. H M 1-A dated 18th and 25th September, respectively, inviting the Association's attention to their letter No. 260/55 dated 16th February, 1926, to the Municipal Commissioner, and inquiring whether my Committee have now arrived at a decision in the matter.

2. The Association's letter of 16th February, 1926, was only a formal acknowledgement of the Municipal Commissioner's letter HM 1-A of the 15th idem. Since then the Association forwarded to the Municipal Commissioner on 12th March, 1926, a copy of the preliminary report submitted by Mr. F. Stones in connection with the work he was appointed to carry out in conjunction with the Health Officer, Bombay Municipality, in reference to the proposed filling in of mill tanks. The experiments at the Sassoon group of mills have been continued during Mr. Stones' absence, and copies of further reports received from them are forwarded herewith. The conclusions drawn from these experiments by the medical staff of Messrs. E. D. Sassoon & Co., you will notice, are as below :—

- (1) If a mill is driven by steam power, and if the water of the mill-lodge or tank is being used in the condenser the danger of mosquito-breeding is *nil*.

- (2) In mills with electric drive, where the whole body of the water does not get heated, even though steaming water may occasionally be admitted into the tank mosquito larvæ are able to breed.
- (3) Mosquito larvæ are susceptible to sudden meteorological and other unknown local influences which must be borne in mind in anti-mosquito work.
- (4) 'Oiling' by a mixture of three parts of residual oil and two parts of kerosene reinforced by 0.1 to 0.2% of castor oil at the rate of about one gallon per each 100 square feet of surface may be depended on to control mosquito breeding in mill-ponds, and is feasible, cheap, easy to apply and efficient.
- (5) Such measures, however thorough, cannot by themselves reduce the incidence of malarial fevers in the mill districts unless concerted action against all breeding places in a given locality is taken.

3. I have further to draw your attention to the fact that the Anti-Malarial Measures Conference which is considering the recommendations of Dr. Bentley has not yet come to any definite decision, on the measures to be adopted to eradicate malaria from Bombay. Early in March last Mr. Stones, the Association's representative to the Conference, stated in a letter to the Association that medical opinion on the Committee felt that it was a needless expense to fill the mill tanks until further and fuller investigations were made as suggested in the second paragraph of the letter dated 3rd March, 1926, from Mr. Joseph Baptista, President of the Conference, to the Government of Bombay. My Committee understand that the Conference have recommended to Government the immediate appointment of an expert Malarialogist to give proper advice as to the method and measures to be adopted for the prevention of malaria, which clearly shows that the whole subject needs to be thoroughly investigated before any definite conclusions can be reached.

4. Mr. Stones is expected back in Bombay in about 2 or 3 months, and he will bring forward before the Conference the question of anti-malarial measures to be adopted in mills, in the light of the experiments made at the Sassoon group of mills, and my Committee after conferring with Mr. Stones will formulate their views which will be communicated to you in due course.—I have, etc.,

T. MALONEY,
Secretary.

No. 1987/55 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 17th November, 1926.

THE EXECUTIVE HEALTH OFFICER,
MUNICIPAL OFFICES, BOMBAY.

SIR,

Subject:—*Filling in or covering of Mill Tanks.*

In continuation of my letter 1627-55/A dated 4th October, 1926, I am directed to inform you that Mr. Stones, the Association's representative on the Malaria Advisory Committee, has returned to Bombay and will attend the Conference on the 19th instant.

2. Since his return Mr. Stones' attention has been drawn to my letter of the 4th ultimo, and he has had the opportunity of studying the results of the experimental measures taken in the E. D. Sassoon group of mills for the prevention of the breeding of malarial mosquitoes in mill tanks. Mr. Stones has written to inform me that he agrees entirely with the conclusions of the medical staff of the E. D. Sassoon group of mills as set forth in my previous letter, the most important of which was, that the breeding of mosquitoes in unused mill tanks or in tanks attached to electrically-driven mills can be effectively prevented by oiling with a mixture of three parts of residual oil and two parts of kerosene reinforced by .1% to .2% of castor oil at the rate of about one gallon of the mixture per 100 square feet of surface at regular intervals of a duration less than the period of gestation of the mosquito larvæ.

3. I am also asked to point out that the Municipal Malaria Inspector has been in the closest touch with the medical staff of the mills in all the experiments which have been made and might be asked to corroborate the conclusions arrived at. Another point worthy of attention is that the medical staff of the mills have tried to breed mosquitoes from the larvae taken from mill tanks, but so far have only obtained non-malaria carrying varieties.

4. In view of the results of the experiments conducted by Messrs. E. D. Sassoon & Co., Ltd., my Committee consider the filling in of mill tanks to be entirely unnecessary if suitable orders are framed, and strictly enforced, for the oiling of all unused mill tanks, and tanks in electrically-driven mills.—I have, etc.,

T. MALONEY,
Secretary.

No. HM/2-A of 1926-27.

BOMBAY MUNICIPALITY.
PUBLIC HEALTH DEPARTMENT,
BOMBAY, 23rd November, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Mill Tanks.*

I have to thank you for your letter of 17th November which seems to me to mark a notable and very welcome advance in the establishment of the relations between the Health Department of the Municipality and all sections of the public which are necessary for the abolition of malaria and which I hope will be achieved through the Committee now appointed.

Mr. Stones at the last meeting of the Committee very kindly promised to send me an account of the experiments on which your conclusions are based and if he would do so at an early date I should be obliged.

The necessity of devising measures for the prevention of malaria that are economically practicable is fully appreciated by my Department and effective measures with this object in view will always have my fullest support.

You will, however, appreciate that a tank filled in is final whereas a tank containing water continues to be a potential danger to be avoided only by constant attention that may not be provided.

You lay down as an essential condition of success that such attention should be strictly enforced. To this I cannot agree. If strict "enforcement" by the Municipal staff is necessary, the scheme will fail and nothing is likely to be effected by the sense of soreness created by occasional fines of a few rupees that financially mean nothing to a mill.

The driving power must proceed from Mill Managers who will take the same interest in preventing breeding that has been shown by Mr. Stones, and the oiling of tanks must be willingly recognised as part and parcel of their duties in the mill.—I have, etc.,

J. E. SANDILANDS,
Executive Health Officer.

BOMBAY, 23rd December, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY,

DEAR SIR,

For your information I send herewith 6 copies of the report of experiments regarding anti-Malarial measures in relation to mill ponds.—Yours faithfully,

FRED STONES.

Report on Anti-Malaria Measures in relation to Mill Ponds by Medical Officers attached to E. D. Sassoon Group of Mills.

PREFACE.

That the mill ponds breed mosquito, of course not always the malaria-carrying varieties, cannot be denied and at first sight it might appear that the unused tanks would be very potent sources of the spread of Malaria in Bombay. But there are circumstances that delimit the "potency" to a great extent. Many of the tanks are teeming with aquatic insects and larvæ-eating fish; the disturbing action of high winds on these large sheets of water often gives rise to waves which tend to drown the larvæ, and the tanks are easily amenable to anti-mosquito treatment. This same cannot be said of stray pots and pans and other small breeding places which may form during the rains in unknown and unexpected places.

It is further noticed that malarial fevers are no more prevalent in the Mill area than in other similarly over-crowded and insanitary parts of the City where no such tanks exist. This being the case, no "*a priori*" case appears to have been made out for filling up the tanks. It is certain that even if all the tanks were to be filled in, malaria will not be controlled nor perhaps even lessened in extent and intensity. On the other hand it is feasible by the employment of simple measures to completely control the tanks in the respect of their potentiality to breed mosquitoes.

It must be remembered that anti-mosquito measures directed against tank-breeding however, thorough, cannot reduce the incidence of malarial fevers in the mills district until concerted action against *All* breeding places in a given locality, within the mill compound as well as outside, is taken. Further efforts in this direction must be sustained and the malaria problem needs to be tackled intelligently and unceasingly.

The anti-mosquito measure here proposed is to "oil" the tanks with a predetermined quantity of a mixture consisting of six gallons of crude oil, four gallons of kerosene and four ounces of castor oil, three times a month from July to December and twice a month during the rest of the year.

It has been ascertained that the best time to oil is the evening. When the oiling is done in the morning, evaporation due to the hot mid-day sun is very rapid and much of the oil is lost.

The amount of oil to be used per treatment for each tank is arrived at by calculating the superficial area in square feet of a strip of water 4 feet in width all round the margin of the tank and allowing one gallon of oil for each 100 square feet of the figure thus arrived at. Briefly, the circumference of a pond in feet divided by 25 gives the number of gallons of the oil mixture required to treat sufficient when wind action was favourable, *i.e.*, when the wind was blowing from different directions during the first few hours of oiling, so that each side of the tank got its quota in turns.

The ascertained quantity of crude-oil-kerosene-castor oil mixture is poured in by means of a gardener's watering can (through the spout after removing the rose) all along the windward side of the tank as far as possible.

If the measure outlined above is to be successful, it will be necessary to secure the co-operation of the superior staff of the mills. Even amongst the so-called "educated" classes, there is quite a large proportion who are frankly incredulous when they are told how the innocent-looking aquatic "wiggler" turns into the deadly malaria-carrying mosquito. The only way to convince them and to get them to help towards our object is to give an ocular demonstration. For this purpose, it is very necessary to carry on a preliminary educational campaign amongst the superior staff of all the mills by keeping breeding bottles with mosquito larvæ in the Managers' and the Time keepers' offices, as well as in the various departments, where men can watch the daily progress of the insect through the various stages of development and see for themselves the live mosquito hatch out of its pupa. It is only when this is done that interest is seriously aroused and people are made willing to assist. This propaganda work should precede any anti-mosquito operations on a large scale.

REPORT.

In June 1925, notices were served by the Municipality on our Rachel Sassoon, Alexandra and E. D. Sassoon and Apollo Mills, under the "nuisance" clause—by reason of the tanks breeding mosquito larvæ—demanding that the tanks be filled in within one month. It was not stated whether the larvæ found were of the malaria-carrying anopheles or whether they were anopheles larvæ at all.

In September of the same year, the Executive Health Officer of the Bombay Municipality wrote stating that the Jacob Sassoon Mill tank was a potential source of breeding mosquitoes. He suggested that all but a part of the tank be filled in, the remainder, which is required under the rules of the Fire Insurance Association for fire prevention, to be roofed over in such a manner as to *totally* prevent access by mosquitoes.

The Sub-Committee of the Millowners' Association met the Commissioner and the Medical Officer of Health, with a view to finding

- (1) A more exact estimation of the cost of filling in mill tanks,
- (2) Whether it would be possible to secure satisfactory results in the prevention of malaria by less costly methods.

For your information I append herewith our Engineer's reports on three typical mill tanks—the Jacob Sassoon Mill, the Rachel Sassoon Mill and the Meyer Sassoon Mill.

The Rachel Sassoon Mill.—The tank has a surface area of 34,909 sq. ft. and an average depth of 15 ft. The present water level is about 5'-0" below the ground level. The total quantity of water at present is about 545,000 cubic feet.

To meet the Fire Insurance requirements, a small area admeasuring about 100' × 50' near the present suction pipe at the north-east corner may be left and covered over with a pitched roof of steel trusses and Corrugated iron sheetings.

Earth may be dumped in from one side and the whole of the tank, excepting the north-east corner, filled in. Piles may then be driven on the west side and the portion left, roofed in. The roof will rest on one side on the piles and on the other, on the existing retaining wall.

To fill up the tank to the ground level, after leaving the portion to be roofed, about 8,700 brass of earth will be required. Taking earth at Rs. 6 per 100 cubic feet the cost of filling up the tank would come to about Rs. 52,200 or would work out at Rs. 1-12 a sq. ft. Roofing, including piles, etc., would cost about Rs. 10,000.

In case a flat roof is proposed, water will have to be pumped out, intermediate piles driven and the whole covered up with a concrete slab. The cost of this will be about Rs. 15,000 or Rs. 5,000 more than the pitched roof.

The Jacob Sassoon Mill.—The tank has surface area of 52,700 sq. ft and an average depth of 36 ft. The present water level is about 8'-6" below the ground level. The total quantity of water at present is about 15,50,000 cubic feet.

To meet the Fire Insurance requirements, a small area admeasuring about 100' × 50' near the present suction pipe at the south-east corner may be left and covered with a pitched roof of steel trusses and Corrugated iron sheetings.

To fill up the tank to the ground level, after leaving the aforesaid small portion about 27,500 brass of earth will be required. Taking earth at Rs. 6 per 100 cubic feet, the cost of filling up the tank would come to about Rs. 1,65,000 or would work out at Rs. 3 per sq. ft. Roofing including piles, would cost about Rs. 15,000.

The site of this tank is so hedged in by structures such as godowns, that it is impossible to obtain access to the tank without destroying buildings and the only alternative is to dump earth from the G. I. P. Railway.

The Meyer Sassoon Mill.—The tank has a surface area of about 30,380 sq. ft. and an average depth of 10 ft. The present water level is about 5'-0" below the ground level. The total quantity of water at present is about 303,800 cubic feet.

To meet the Fire Insurance requirements, a small area admeasuring about 100' × 50' near the present suction pipe at the north-east corner may be left and covered over with a roof.

Earth may be dumped in from one side and the whole of the tank, excepting the north-east corner, filled in. Piles may then be driven on the west side and the portion, left, roofed in. The roof will rest on one side on the piles and on the other, on the existing retaining wall.

To fill up the tank to the ground level, after leaving the portion to be roofed, about 4,560 brass of earth will be required. Taking earth at Rs. 6 a 100 cubic feet, the cost of filling up the tank would come to about Rs. 27,360 or would work out at Rs. 0-14-0 a sq. ft. Roofing oncluding piles, etc, would cost about Rs. 10,000. Thus the total cost of filling up the tank would come to about Rs. 28,360.

In case a flat roof is proposed, water will have to be pumped out, intermediate piles driven and the whole covered up with a concrete slab. The cost of this will be about Rs. 15,000 or Rs. 5,000 more than the pitched roof.

Great difficulty is experienced in obtaining suitable earth in sufficient quantity for filling and the only assistance offered to date is by the Health Department to supply road *debris* at the bare cost of transport.

In each of the above three cases, the filling up of the tanks will secure additional land for the mills, but in each case the position of the tank is such that the recovered land would be of little or no use for the industrial purposes of the mill and in addition—judging from recent occurrences and similar cases—increased assessment of the land so recovered would be made by the Municipal authorities, without any reduction for the assessment on original cost of tank.

While it is admitted that mill tanks in common with well and other water places are potential breeding places, our Medical Reports show that malarial fevers are not present in the Mill areas throughout the year, although the tanks are always there, while during what—for the want of a better word—may be termed "The Malaria Season." malaria is as bad in certain localities in the city where no large collections of water exist.

In view of the enormous expenditure which will be incurred by mills filling their tanks, we have in conjunction with our Medical Officers made several experiments with a view to, ascertaining whether ponds can be allowed to exist and be rendered innocuous and to-day our experience leads us to believe that equally satisfactory results can be obtained by one or more of the following methods, at much cheaper cost than the entire filling in of mill tanks.

In this connection the following treatment has been tried :—

- (a) Paris Green and Cork dust.
- (b) Newton and Chambers blocks.
- (c) Liquid fuel oil and other well-known larvicidal compounds.

Details of these experiments follow and up to date point to the fact that regular treatment with a suitable liquid fuel mixture will prevent the breeding of mosquitoes in mill tanks at a much less cost than the cost of filling in the tanks.

For your information, copies of Reports and Experiments from our Medical Officers are attached for your perusal.

FRED STONES.

241, PRINCESS STREET,
BOMBAY, 30th August, 1925.

SIRS,

With reference to your enquiry of the 28th instant, *on the health of Mill operatives*, we beg to state that since the middle of June last, malarial fevers have been gaining ground in the Mill area, and these have been very prevalent during the current month. There have also been a few cases of a 3-5 day fever of the sand-fly-fever type observed during this month. A subsidiary cause of absence from work on the part of the operatives was the large number of "fast" days during the last month and the subsequent immoderate consumption of raw vegetables, giving rise to intestinal trouble in many cases.

In a room-to-room enquiry that we carried out on last stop day (Saturday) in our Company's chawl attached to the *Jacob Sassoon Mill*, out of the 200 rooms inspected, we found 9 adults and 2 children ill with fever. In three of the adult cases, the fever had begun the preceding day while they were at work in the mills and they had come away without any medicine; in one case the fever had commenced the night previous; two were under treatment at the Mill dispensary; one man was taking "Karnic" Ague Mixture and two had taken no treatment in spite of repeated attacks of fever.

Considering the total population of the chawl, this could not be called a high incidence of sickness, while on the other hand, in another less sanitary chawl in Gurapdeo, in the *Rachel Sassoon Mill* area, the number of fever cases was much higher. The disease prevails with varying intensity in different localities dependent on the more or less suitable breeding conditions for mosquitoes following on the erratic behaviour of the rains during this season.

From the systematic blood examinations of a large number of cases of fever in whom malarial parasites have been found by us, we are in a position to definitely ascribe the present wave of sickness to malaria.

As regards the question of remedial measures, we suggest that all jobbers should be instructed to see that any men who may be taken ill while at work, receive treatment before they are allowed to go home. They should also persuade such of the men as may be working with fever on, to take advantage of the Mill dispensaries and continue to do so for two weeks after an attack. It would also be very desirable to discourage the use of "Ague Specifics" as far as possible.

After all, the main attack against malarial fevers must be from the preventive side and in our opinion, the incidence of the disease can be lessened *to a certain extent* if the disused ponds in our compounds can be treated with some efficient larvicide to prevent the breeding of mosquitoes.

It is important to recognise that the malaria-carrying mosquito (the anopheles) will not breed in dirty water and that it prefers to breed at the shallow edges of a clean water tank or pond, the surface of which is not disturbed by any violent wave-action.

These characteristics explain the fact that though very large numbers of mosquitoes of different varieties are to be found in drains and gutters throughout the year, malaria appears in strength only when conditions are favourable for the breeding of a particular kind of mosquito and when fresh water is available in abundance.

We have been discussing the question of our mill ponds with Captain Chalam, the special Malaria Officer of the Development Directorate and he suggests that if "waste" that has been utilised for cleaning machinery in the mills and that has got thoroughly soaked in oil be thrown on the surface of the water in different places it would perhaps be the cheapest,

and a very efficient method of preventing mosquito breeding. We propose that this expedient be tried in at least one pond as an experimental measure.

In the meantime, we are enclosing particulars of a proprietary larvicide that has been found useful in other parts of the country.

Finally, we are strongly of opinion that if annual ravages of malaria and their consequent economic loss are to be reduced to within reasonable limits, the Millowners' Association should move for a "live" Malaria Department under the Bombay Municipality; or in the alternative, appoint a Malaria Officer of their own with the requisite knowledge and experience to tackle the problem in its various aspects in the Mill area.

(Sd.) E. E. MADON,
(„) P. A. DALAL.

241, PRINCESS STREET,
BOMBAY, 31st March, 1926.

SIRS,

We beg to submit herewith report of the Anti-mosquito work done by us in the different mill ponds from the latter part of last year to date.

Introduction.—In our annual report for the year 1924, we had incriminated the unused mill ponds as a contributory factor towards the high incidence of malaria fevers in the Mill area. We also thought that the treatment of these large sheets of water by larvacides will be difficult. This view has had to be modified in the light of some field work we had occasion to undertake recently, and the observations and the conclusions drawn from them are embodied in the present report.

Commencement of Present Work.—The starting point of this work was a complaint in the middle of November last, that an intolerable stench was being given off from the Rachel Sassoon Mill tank.

Just before the closing down of the mills due to the strike in September an examination had been made and no mosquitoes were found breeding, nor was any smell noticeable at the time. Some time in the middle of November, the tank appears to have been treated by the management with a quantity of copper sulphate with a view to destroy the large amount of algæ and other vegetable growth which was seen floating about. Soon after this treatment, the dead algal growth began to decompose, giving rise to a very offensive odour. When we visited the tank on the morning of the 22nd November, besides the large amount of decomposing vegetation, we found very large numbers of anopheline larvæ breeding profusely, which on further examination proved to be the larvæ of *Anopheles subpictus*, a variety of mosquito that does not carry malaria.

Captain Chalam was consulted, and he very kindly undertook to carry out an experiment with a new larvicide—Paris Green,—which has been recently found very effective in dealing with mosquito larvæ in impounded waters in America. Before starting work, as much of the dead vegetable matter as possible was "dragged" and removed. On the morning of the 26th November, Paris Green was introduced into the tank. The drug is a compound of arsenic and is obtained as a very heavy bright-green powder. It has to be first thoroughly mixed with about a hundred parts its weight of cork-powder or dry fine dust in a dry receptacle and the mixture is floated on the water to be treated.

The total area of the Rachel Sassoon Mill tank was ascertained to be a little over 30,000 square feet. It was thought advisable to err on the safe side and use the larvicide in a much stronger proportion than that recommended. Five pounds of Paris-Green were mixed with one hundred-weight of cork powder in a barrel and with the aid of four Nawganis and an improvised raft, more than 15,000 sq. ft. were covered. This took about four hours to accomplish, including the time spent in breaking up the compressed cork powder as received from

England. A thorough search two days later *i.e.*, on the 28th November, failed to reveal, any larvæ at all. It was arranged to examine the tank at short intervals with a view to determine when fresh larvæ reappeared. On the 17th December, *i.e.*, twenty days after treatment, larvæ were found which appeared to be about 3-4 days old. It was decided to treat the whole area of the tank once again, and on the 21st December two cwts. of cork powder mixed with 3 lbs. of Paris Green—*i.e.*, slightly stronger than that usually recommended—were introduced to the tank. The whole surface of the tank was thus covered except a small patch in the centre. Even when only half the surface area was treated as on the first occasion, the prevailing breeze from different directions at different times of the day served to drift the floating drug on to the whole area and no larvæ had been found in any part of the pond. Our experience as regards destruction of the larvæ was much the same on the second occasion, no larvæ having been found after a thorough search on the 24th December. On the other hand, larvæ began to reappear on the 31st December, *i.e.*, within five days—a much shorter period than after the first treatment, when the Paris Green had been used in a stronger concentration. An explanation of this may conceivably be that the stronger strength was effective for a longer period and was still available when fresh larvæ hatched out of the eggs that must have been laid on the water previous to treatment, while the drug in the weaker dilution on the second trial had spent itself and was ineffective to deal with fresh larvæ.

The total cost of Paris Green and cork dust used in these two experiments was Rs. 130, labour and other charges not being counted.

Thus Paris Green was found to be an extremely efficient anopheline larvacide with rather evanescent effect, and considering the large amount of labour involved in the preliminary mixing and spreading on the surface of the tank, and bearing in mind the comparative expense, it was not thought to have any advantage in dealing with the mill pond problem over the older "oiling" methods, as will appear later.

With a view to carrying out further experiments, a search for larvæ was made on the 8th and 9th January, 1926, and to our surprise, none could be found though the tank was teeming with anopheline larvæ during the previous week and no measure had been applied in the interval. This was obviously due to the short spell of very cold weather then prevailing and served to demonstrate the sensitiveness of anopheline larvæ to extraneous weather conditions, as well as the necessity of guarding against *post hoc propter hoc* argument and emphasised the importance of keeping "controls" wherever possible.

The tank was kept under constant observation and on the 15th January a few anopheline and culex larvæ had begun to make their appearance as the weather again became favourable. On the same date, many anopheline larvæ were observed in the Manchester Mill out-flow tank which has a total area of 9,000 sq. ft. and it was resolved to carry on a few preliminary oiling experiments in this smaller tank. The first trial was with only one gallon of kerosene oil poured along one side only on the 15th January. On the 18th January larvæ did not appear to have been affected; four gallons of kerosene oil were poured in along two sides of the tank. The oil had evaporated within 24 hours and on the 20th when a search was made, larvæ had much diminished in numbers. On the 25th January the larvæ were again found to be on the increase and four gallons of a mixture of two parts of kerosene and one of the thick fuel oil as used in our oil-fired boilers were distributed along three sides of the tank, the fourth side being inaccessible. On the 27th no larvæ could be found and the fuel oil was just visible as small dark patches in places. From the 1st to the 10th February a few culex larvæ—no anopheles—were found breeding in the tank from time to time, but from the 15th February up to the 6th March, the tank was found to be *entirely free* from larvæ though no larvacides were put in during the interval. Larvæ was also scanty at this time in the other mill tanks in the same locality through some unknown cause.

Oiling Rachel Sassoon Mill Tank.—Gaining by the experience in this tank, the Rachel Mill tank was again taken in hand. On the 2nd February, large numbers of anopheles larvæ were found breeding, and eight gallons of a mixture of equal parts of thick fuel oil and kerosene—cost Rs. 4 were squirted by means of tin cans along all the four sides. Within two days, all larvæ disappeared; after a week, no trace of the oil was visible and the tank remained free from larvæ till the 22nd of February—*i.e.*, twenty days, when at first a few culex larvæ

and later, on the 24th, a few young anopheles larvæ began to appear. It will be noticed that this method is easy to apply, is infinitely cheaper and more lasting in its effects than the Paris Green.

Larvacidal Blocks.—By this time, a consignment of "Larvacidal Blocks" prepared by Messrs. Newton & Chambers of England, was received through Messrs. Ormerods (India), Ltd., and it was decided to utilise these for further work. The material is obtained as sticky black masses wrapped in paper and smells strongly of a phenyle type of disinfectant, which appears to have been amalgamated with an oily base. When thrown in water, the blocks float on the surface, slowly disintegrate and exude the disinfectant. A very thin film of oil—too thin for practical purposes—may be seen in the vicinity of the floating blocks. When exposed to the sun for a few hours, the blocks become soft, tarry and so much heated that they are distinctly unpleasant to touch. They were delivered to us in two qualities labelled T. O. and N. U.

L. Blocks in Rachel Sassoon Mill Tank.—On the 25th February, 10 lbs. of T. O. blocks were thrown into the Rachel tank, one big one being tied up with a string in one corner to secure local concentration. Just at this time algæ, from which the tank was fairly free so far, was noticed to be rapidly multiplying, so much so that by the middle of March, the whole surface area of the tank was covered over with a thick scum of the growth, which would be specially thick and heaped up in different corners at different times of the day according to the drifting action of the prevailing winds. This same breeze factor was responsible for the rapid movement of the larvacidal blocks from one part of the tank to the other and the prevailing winds during this week were so changing that all parts of the tank got automatically treated in turns. The comparatively small quantity of the larvacide seemed to have had no effect on the larvæ, in fact, by the 10th March they had distinctly increased in numbers, and were especially numerous at the north west corner of the tank, where the algae growth was also accumulating by wind action. On the 12th March, 23 lbs. of the N. U. blocks were distributed along the sides of the tank and two blocks weighing 8 lbs. were tied up at the north-west corner, where larvæ were most in evidence. On the 13th and subsequent days, all the blocks were found to have drifted to the north-west corner owing to the steady wind then prevailing and would not shift about as during the previous week. On the 15th March, no larvæ were to be found anywhere in the tank, either at the treated or the untreated end. The last of the blocks was seen on the 21st as a small patch in the extreme north-west corner, where all had been concentrated during the last few days. A large number of dead water bugs were found at this spot, but the algæ were not affected.

It is difficult to ascribe this disappearance of larvæ to the action of the N. U. blocks, in view of the very disappointing results of the more detailed trial of this larvacide which was carried out in the Manchester Mill tank simultaneously and some time after this experiment and also in view of the fact that the Rachel Sassoon Mill tank is still free from larvæ for over two weeks without any further measures, while on previous occasions the larvæ had reappeared after a much shorter period of time. This immunity for a longer period cannot be put down to the antiseptic properties of the blocks, as apart from there being no noticeable smell of the larvacidal blocks in the water the tank had again started giving off an unpleasant odour, and it would be more reasonable to suppose that by some means, the water had become unsuitable for the breeding of mosquitoes, specially anopheles, which are known to require clean water. The foul odour may possibly be due to a slight rise in the subsoil-water level of the area at this time, introducing outside water contaminated with sewage into the tank, as the level of water in the tank was noticed to have distinctly risen at this time and bubbling of gas, which is often to be seen at the north-west end, was specially active at the same time that the stink developed.

L. Blocks in Manchester Mill Tank.—The Manchester Mill tank has an area of 9,000sq. ft. and, as already stated, was free from larvæ for three weeks from some unexplained reason, probably meteorological. On the 6th March, a few larvæ were again detected. On that date 10 lbs. of T. O. blocks were introduced into the tank, but larvæ went on increasing in numbers. On the 10th March, two blocks weighing 8 lbs. were tied up in an easily accessible place and daily dippings were taken from the water close to the floating material. The blocks took six days to completely disappear and every day during this period, the larvæ

were found steadily increasing in numbers round about the blocks. They were of *Anopheles subpictus* and were found to be quite active in the drug-laden turbid water trailing away from the blocks where the concentration of the larvacide may be said to be higher than can ever obtain under practicable conditions even if the tank were to be treated with several cwts. of the blocks.

L. Blocks in Dye Works Tank.—An experiment in the Dye Works tank may next be described. On the 3rd March, many anopheles and a few culex larvæ were found breeding in that tank, its area being 5,600 sq. ft. Larvæ were also numerous in the stagnant pools of water formed in the cooling channel surrounding the tank. On the 5th March, 20 lbs. of T. O. blocks were tied in different places and during an examination four days later, no larvæ could be found breeding in the tank, though they were breeding freely in a pool at the north-east corner of the channel. At first, we were disposed to put down the disappearance of the larvæ to the action of the blocks, a comparatively larger quantity of these in proportion to the size of the tank having been used than during previous experiments, but it was subsequently ascertained that steam had been let into the tank on three consecutive mornings, which altogether vitiated this experiment.

The cement overflow tank in the compound of the Dye Works showed a very large number of anopheles larvæ on the 3rd March; a re-examination on the 15th failed to show any, though no measures were taken to destroy them. It was then found that this tank is subject to intermittent doses of various dilute chemicals every few days, which accounted for the disappearance of larvæ. Subsequent examinations on the 17th and the 31st March failed to reveal any larvæ in this small collection of water.

Oil and Hot Water in Manchester Mill Tank.—Coming again to the Manchester Mill tank, the larvacidal blocks that were put in on the 17th March were found to have entirely disappeared by the 26th without at all affecting the larvæ, which now were so plentiful that they could be picked out by simply dipping in a dish without using the net. Just at this time, the report of the Malaria Research Unit working in Palestine, was received, in which the addition of 0.1% castor oil to the crude-oil-kerosene mixture, was recommended, as leading to better spreading and consequent economy of oil. On the 27th March, a mixture of two gallons residual oil, 2 gallons kerosene oil and six drachms of castor oil (the last in a proportion of 1 in about 500) was poured along three edges of the tank. The spreading of the film of oil, especially in parts where a scum of vegetation was present, was not so satisfactory as might be expected from the behaviour of the same mixture when poured on some water in a basin, yet our impression is that it was more efficient than if castor oil were omitted from the mixture.

In the evening of the same day when this experiment was in progress, the mill engine happened to have been started for trial purposes and for nearly an hour, steaming water was admitted into the tank, entering it at its east side. This circumstance spoiled the experiment as far as the action of the "oiling" was concerned, but it brought out another fact. While examining the tank next day, not a single anopheles larvæ could be discovered, but a few culex larvæ and pupæ were found. The combined action of hot water and the small quantity of oil had been able to destroy the anopheles larvæ, while the more hardy culex larvæ which had apparently been breeding on the inaccessible west side, were disturbed by the admission of hot water, but had remained unaffected. The oil mixture was seen floating for two days. Culex larvæ are still being found in the same scanty numbers, but no anopheles have yet made their appearance.

Basin Experiments.—It now remains to mention briefly some of the numerous basin experiments undertaken by us in our laboratory. These were almost wholly confined to the larvæ of the stegomyia mosquito, a purely household pest, very common in Bombay, biting during the day time.

In one experiment, hands that were besmirched by handling the T. O. blocks were washed in a basin of water containing many stegomyia larvæ and a dilute solution of the larvacide was thus obtained. The smell of the disinfectant was noticeable in the water for four days, yet the larvæ remained unaffected.

In another experiment, a piece of the T. O. blocks was introduced in a basin with many larvæ, just sufficiently big to make the water look and smell like a fairly strong solution of phenyle. Within 24 hours all larvæ were killed. The basin was kept under observation and though at the end of three weeks, the smell was still strong, fresh larvæ had hatched out which the disinfectant was not able to deal with. Apparently the smell did not act as a deterrent to egg laying.

Attempts were made to devise some means by which the all too quick evaporation of kerosene oil from the surface of water may be prevented, in order to secure a more lasting larvacidal effect. With this end in view, saw-dust was sprinkled on the surface of the water after a basin containing larvæ was treated with kerosene oil. Larvæ re-appeared in about the same time as in another control basin to which no saw-dust was added, showing that the addition of saw-dust had not the desired effect.

A series of experiments on stegomyia breeding in basins in the Rachel Mill dispensary, which were primarily started as a demonstration to the clerks, etc., brought out a point which may be utilised for practical purposes. If the mosquitoes in a household could be provided with a suitable receptacle such as basin of shallow water in which to lay their eggs and if the receptacle be kept under observation so as to destroy the larvæ as soon as any in the basin are nearing the "wing" stage, the mosquito population of the house could be appreciably diminished. This has been done in all the mill dispensaries during the past two months by the simple experiment of changing the water in the wash-hand basins once in fifteen or twenty days, at the end of which period the water is thrown on an exposed bit of ground, thus destroying repeated broods of stegomyia larvæ.

The day-mosquito was thus distinctly affected by this simple procedure. No anopheles have yet been encountered in these basins, so that it is difficult to say whether this expedient will be effective against malaria-carrying mosquitoes.

On March 26th about 200 culex larvæ and pupæ were put in water in a soup-plate and 10 drops of crude oil, kerosene and castor oil mixture were applied. Next day all pupæ were found dead, but a few larvae escaped, showing that it is possible to put in too little oil.

CONCLUSIONS AND SOME GENERALISATIONS.

1. If a mill is driven by steam power, and if the water of the lodge or tank is being used for circulation in the condenser, the danger of mosquito-breeding is *nil* (e.g., we were unable to find any larvae in the Elphinstone Mill tank—the water of which gets quite hot every day).
2. In mills with electric drive, where the whole body of water does not get heated, even though steaming water may be occasionally let into the tank, mosquito larvae are able to breed.
3. Mosquito larvae are very susceptible to sudden meteorological and other unknown influences.
4. Economy in anti-malaria measures may be effected by, directing operations against anopheles larvae only, the breeding of culex and stegomyia being disregarded from a malaria point of view.
5. "Oiling" by a mixture of equal parts of residual oil and kerosene oil—reinforced by the addition of 0.1% castor oil if desired, in adequate quantities, may be depended on to control mosquito-breeding in Mill tanks, and is feasible, cheap, easy to apply and efficient.
6. Such anti-anopheline measures directed against tank-breeding, however thorough, cannot reduce the incidence of malarial fevers in the Mill district until concerted action against all breeding places in a given locality, within the mill compounds as well as outside, is taken.

7. Effort in this direction must be sustained and the malaria problem needs to be tackled intelligently and without intermission.
8. Incidentally, a simple method of keeping down the mosquito population of a household has been described.

The following is a summary of examinations for larvae in tanks other than Rachel and Manchester Mills :—

	1st Feb.	15th Feb.	3rd March.	15th March.	31st March.
Apollo	C	C	<i>Nil.</i>	<i>Nil.</i>	<i>Nil.</i>
David			"	"	

(Culex larvae were found in the open drain outside the gate.)

Dye Works :—

Tank			A & C	A & C	<i>Nil.</i>
Channel			A*	<i>Nil.</i>	"
Froggerly			A**	A	"
Tank 2			<i>Nil.</i>	<i>Nil.</i>	"
E. D. Sassoon	C	(Many stegomyia in Dhobie Tubes)			
Edward		A*	<i>Nil.</i>	<i>Nil.</i>	<i>Nil.</i>
Elphinstone		<i>Nil.</i>		<i>Nil.</i>	

Jacob :—

Tank		<i>Nil.</i>	<i>Nil.</i>	<i>Nil.</i>	<i>Nil.</i>
Tank-well				C	C
Engine-well					C ***
Reservoir		<i>Nil.</i>	<i>Nil.</i>	<i>Nil.</i>	<i>Nil.</i>
Meyer		<i>Nil.</i>	P	<i>Nil.</i>	<i>Nil.</i>

N.B.—

A = Anopheles larvae.
P = Empty pupa case.

C = Culex.

* = Many.

241, PRINCESS STREET,
BOMBAY, 4th May, 1926.

SIRS,

In continuation of our report on anti-mosquito work in the mill ponds submitted last month, we beg to submit a synopsis of the work done during the month of April.

This work specially refers to the Manchester Mill tank, where, as mentioned in a previous report, after the addition of four gallons of crude-oil-kerosene mixture and admission of steaming water for one hour on the 27th March, all anopheles larvæ had been killed and only a few culex larvæ was found. These latter slowly dwindled in numbers automatically and had disappeared by the 5th April.

The tank was being watched daily, and on the 8th a few anopheles larvæ were found in a collection of water in the cooling channel, and on the next day—9th April—they were also detected in the tank itself. From then onward, they gradually increased in numbers, culex larvæ being also found occasionally. On the 15th the mill engine had to be started and steaming water was admitted into the tank for one hour. Next morning, the larvæ were not found to have been affected in the least, in fact they continued to increase in numbers. Four days later, hot water was again admitted for over two hours without affecting the number of larvæ in any way. This tends to show that on the 27th March, the addition of hot water had nothing to do with the disappearance of the anopheles larvæ on that occasion.

On the 23rd April, when larvæ were in abundance and a few pupæ had also appeared, it was decided to treat the tank with oil. The mixture consisted of 3 gallons residual oil, 2 gallons kerosene and 2 oz., of castor oil, in all costing about Rs. 3. A steady wind was blowing at the time and the oil was poured on the windward side. Within half an hour, all the oil had been banked up in the south-east corner, covering approximately in area of 500 sq. ft., *i.e.*, about 100 sq. ft. of surface was covered by each gallon of the mixture. An examination two hours later at an uncovered spot over which oil had been drifting during the previous hour, showed active larvæ, but during the next 24 hours, the changing wind had shifted the oil scum from place to place over the whole area of the tank and no larvæ whatever could be found the next morning. A daily search since then has failed to reveal any larvæ and this experiment had proved the efficacy of the mixture used, provided the scum of oil can drift over the whole area of the tank by wind action.

Supposing the wind action was not to be considered and an attempt were to be made to spread the oil film over the whole surface area of the Manchester Mill tank, each such treatment will cost under Rs. 30 and the procedure will have to be repeated once in three weeks.

Supposing mosquitoes were to breed throughout the year, which is not actually the case, the annual expenditure to render a tank of the size of the Manchester tank harmless from a malaria point of view, would be approximately Rs. 500 plus labour. On the same liberal basis, a big tank like the Rachel Sassoon Mill tank will involve an annual expenditure of about Rs. 2,500. This sum may safely be cut down by 60% under actual working conditions, if the oiling were to be done intelligently and only when required.

During the month, a few basin experiments were undertaken with a small sample of 'Colloid' larvacide sent to us by the Eastern Chemical Co., through the Manager of the Alexandra Mill. It is a fluid miscible with water and forms a slightly turbid smelly solution when poured on the surface. Anopheles larvæ could be killed within two hours by a 2% solution of the larvacide; on the other hand, two out of about fifty stegomyia larvæ escaped the destructive action of a solution about double this strength and further, after a week, when the smell and colour of the substance was still noticeable in the same basin, many fresh larvæ hatched out. We understand that the cost of the material will be prohibitive for our purpose.

It is worthy of note that repeated examinations of the Rachel Sassoon Mill tank during the month of April failed to reveal larvæ. They have just begun to appear, early anopheles larvæ having been found on the 1st of May. The tank remained free from larvæ for a month and a half without any treatment, and our surmise that the water had been rendered unsuitable for breeding from some unknown cause as mentioned in the last report, would appear to be correct, though it is not possible to say how the conditions have altered that have enabled them to reappear. The rapid growth of algæ noticed in the early part of April has come to a stand still—all bubbling in the north-west corner (*vide* last report) has ceased for three weeks, and water-boatmen, water-bugs, cyclops and other pond life has considerably diminished, in fact, hardly any water-bug, which is known to destroy mosquito larvæ, can be found at present.

Yours faithfully,

(Sd.) E. E. MADON,

„ P. A. DALAL.

241, PRINCESS STREET,
BOMBAY, 15th November, 1926.

SIRS,

In continuation of our last report on the subject, we beg to submit herewith a synopsis of our observations on the larvae of mosquitoes breeding in our mill ponds, during the last rainy season.

In the main, observations were confined to the Rachel Sassoon Mill tank. *Anopheles* larvae were repeatedly found breeding throughout the monsoon months and were as repeatedly destroyed by the crude-oil-kerosene-castor oil mixture referred to in the last report. Ten gallons poured along the sides were found sufficient for the 30,000 sq. ft. of surface. On one occasion, there was a heavy downpour of rain soon after the tank was treated and all the oil got washed over the over-flow into the Municipal drain. As a rule, no oil is to be seen for more than two days after treatment and the tank is free from larvae for about a week after the last trace of oil has disappeared. It was thought advisable to repeat the treatment every ten days and at present, the oil is put in on the 10th, 20th, and 30th of every month. The approximate cost will be about Rs. 20 per month and we are convinced that if this is persisted in, we can render the mill ponds quite safe and free from the danger of being potential sources of breeding malaria-carrying mosquitoes.

During September and October, the trough below the Diesel cooling tower in the Alexandra Mill compound, which throughout the cold and hot months of the year was free from larvae, was found breeding *anopheles*. During the rains, the trough had filled with fresh rain-water and the large amount of insect and pond life which used to be found in the stagnant water during the dry season, had somehow disappeared. A small steam pipe let in down to the bottom and working during the recess hour every day had no effect on the larvae and ultimately all the water was pumped out.

The underground in-take tank of the same Diesel engine which is attached to the west wall of the workshop was also often found breeding and had to be repeatedly oiled. It should be filled in if no longer required for use.

Attempts were made to breed out mosquitos from the larvae removed from these three collections of water above-mentioned, and on every such occasion, the *Anopheles subpictus* (Rossi) was the only *anopheles* found, with an occasional *culex*.

Considering that malarial fevers were fairly common in the mill area during the latter half of this period and seeing that the *Anopheles subpictus* has never so far been proved to convey malaria, one is forced to the conclusion that the mill ponds cannot fairly be held to be directly responsible for the prevalence of malarial fevers in the Mill locality. Of course our observations are too limited for us to be able to make a definite statement on this important point.

Yours faithfully,

(Sd.) E. E. MADON,
(,,) P. A. DALAL.

No. 71-55 of 1927.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 11th January, 1927.

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

DEAR SIR,

The Committee of the Association have perused with much interest the Report prepared by the medical staff of the Sassoon group of mills embodying the results of their experiments in regard to anti-malarial measures in relation to mill tanks, copies of which you so kindly forwarded to this Association. Very valuable work indeed appears to have been done by your medical staff, and I am directed to convey to you personally the Association's best thanks for all the trouble you have taken in this connection.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 18.

ANTI-MALARIAL MEASURES RECOMMENDED BY DR. BENTLEY.

APPOINTMENT OF SPECIAL COMMITTEE.

No. 6073-D.

GENERAL DEPARTMENT,
BOMBAY CASTLE, 1st February, 1926.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed by the Government of Bombay (Transferred Departments) to forward herewith a copy of Government Resolution No. 6073, dated the 23rd December 1925, directing that a conference consisting of the representatives of the various bodies mentioned therein should be convened to discuss ways and means of carrying out the recommendations of Dr. Bentley for adopting anti-malarial measures in the City of Bombay under the Chairmanship of the President of the Municipal Corporation, Bombay. As the filling in of tanks situated in the different mill areas is one of the necessary measures in this direction I am to request you to suggest at a very early date the name of the representative of your Association to serve on the proposed conference which meets on the 23rd February, 1926.—I have, etc.,

A. H. DRACUP,
Under-Secretary to the Government of Bombay.

Sanitation.
Anti-malarial measures in the City of
Bombay.

GOVERNMENT OF BOMBAY.

GENERAL DEPARTMENT.

Resolution No. 6073.

BOMBAY CASTLE, 23rd December, 1925.

RESOLUTION OF GOVERNMENT.

Government are pleased to direct that a conference consisting of the following members should be convened to discuss ways and means of carrying out the recommendations of Dr. Bentley for adopting anti-malarial measures in the City of Bombay:—

- | | |
|---|--|
| (i) Mr. Joseph Baptista, President,
Municipal Corporation, Bombay. | } <i>Chairman.</i> |
| (ii) Dr. K. E. Dadachanji. | } To represent the Bombay
Municipality. |
| (iii) Mr. V. J. Patel. | |
| (iv) Mr. Jamnadas M. Mehta. | |
| (v) The Executive Health Officer, Bombay Municipality. | } <i>Ex-officio.</i> |

- (vi) Mr. W. H. Neilson, O.B.E. } To represent the Bombay Port Trust.
- (vii) Captain B. S. Chalam, Sanitary and Medical Officer, Back Bay Reclamation Scheme } To represent the Development Directorate.
- (viii) Chairman, City of Bombay Improvement Trust. } *Ex-officio.*
- (ix) Captain E. F. W. Mackenzie, O.B.E., M.C., M.B., D.P.H., R.A.M.C. } To represent the Military Authorities.
- (x) Dr. K. B. Shroff, late Assistant Health Officer, Bombay Municipality. }
- (xi) The Surgeon-General with the Government of Bombay. } *Ex-officio.*
- (xii) The Director of Public Health for the Government of Bombay. } *Ex-officio.*
- (xiii) Health Officer of the Port of Bombay. *Ex-officio.*
- (xiv) Dr. J. S. Nerurkar, Deputy Health Officer of the Bombay Municipality. } *Secretary.*

2. The Chairman should be requested to convene the conference at an early date and to communicate to the members, the date, time and place of meeting and to intimate to Government the date of assembly. He should also be requested to submit a report to Government in due course.

3. The Director of Information should be requested to issue a suitable Press Note in the matter.—By order, etc.,

A. H. DRACUP,
Under Secretary to Government.

No. 209-55/A of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th February, 1926.

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

SIR,

I have the honour to acknowledge the receipt of your letter No. 6073-D, dated the 1st instant, and to state that my Committee have appointed Mr. F. Stones, O.B.E., of Messrs. E. D. Sassoon & Co., Ltd., Ballard Estate, Bombay, to act as the Association's representative at the Conference to be held on 23rd February to discuss ways and means of carrying on the recommendations of Dr. Bentley for adopting anti-malarial measures.—I have, etc.,

T. MALONEY,
Secretary.

No. 208-55/A of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th February, 1926.

F. STONES, ESQ., O.B.E.,
BOMBAY.

DEAR SIR,

I am directed to forward for your information copy of a letter received from the Government of Bombay, General Department, regarding a Conference to be held on the 23rd February, 1926, to discuss ways and means of carrying out the recommendations of Dr. Bentley for adopting anti-malarial measures in Bombay, and to state that the Committee have appointed you to act as the Association's representative.—Yours, etc.,

T. MALONEY,
Secretary.

No. 6073-D.

GENERAL DEPARTMENT,
BOMBAY CASTLE, 17th February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Anti-malarial measures in the City of Bombay.*

With reference to the correspondence ending with your letter No. 209-55/A, dated the 9th February, 1926, on the above subject, I am directed by the Government of Bombay to say that they have accepted the nomination of Mr. F. Stones, O.B.E., as the representative of your Association, on the proposed Conference.—I have, etc.,

A. H. DRACUP,
for Acting Secretary to the Government of Bombay.

APPENDIX 19.

PROVISION OF CRECHES IN MILL AREAS OF BOMBAY.

No. 1066-D.

GENERAL DEPARTMENT,
BOMBAY CASTLE, 10th August, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Provision of Creches in the Mill Areas in Bombay.*

With reference to the correspondence ending with your letter No. 1358-115, dated the 23rd November, 1925, on the subject-noted above, I am directed by the Governor in Council to request that you will be so good as to inform Government how many mills are prepared to

provide properly equipped creches in their compounds for the exclusive use of their own women operatives, on condition that Government provides the money required to run these creches exclusive of the cost of renewals of equipment.—I have, etc.,

(Sd.) Illegible,
for Secretary to the Government of Bombay.

No. 1398-146 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 2nd September, 1926.

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

SIR,

Subject :—*Provision of Creches in Mill Areas in Bombay.*

I am directed by the Committee of the Bombay Millowners' Association to acknowledge receipt of your letter No. 1066-D, dated the 10th August, 1926, in which you request this Association to inform Government how many mills are prepared to provide properly equipped creches in their mills for the exclusive use of their own women operatives.

The Association's views on this subject were fully set forth in my letter No. 1358-115 dated 23rd November, addressed to Government, and my Committee have nothing to add to what has already been stated therein. This Association is firmly of the opinion that Government should do everything in their power to preserve the health of the infants of the backward classes of society and is prepared to support Government in this connection provided the scheme covers the women workers in the city as a whole. However, in view of the present depression in the industry, the Association is unwilling to advise its members to incur further expenditure for the purpose outlined in Government's letter.—I have, etc.,

T. MALONEY,
Secretary.

No. 1066-D.

GENERAL DEPARTMENT,
BOMBAY CASTLE, 29th November, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

Subject :—*Provision of Creches in Mill Areas in Bombay.*

SIR,

I am directed to refer to the correspondence ending with your letter No. 1398-146 dated the 2nd September, 1926, on the above subject, and to say that Government have learnt with regret that the Association did not see its way to comply with the request made by them in their letter No. 1066-D, dated the 10th August, 1926. I am to observe that Government's proposal was based on a suggestion made in paragraph 8 of the Association's letter No. 1358-115, dated the 23rd November, 1925, and they would be glad if the Association were to ascertain from each one of their members whether they would be prepared to provide properly equipped creches in the compounds of their mills for the exclusive use of their own women operatives on condition that Government provided the money required to run the creches exclusive of the cost of renewals of equipment which of course should be borne by the millowners.—I have, etc.,

(Sd.) Illegible,
for Secretary to the Government of Bombay,
General Department,

No. 2206-146 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 21st December, 1926.

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

SIR,

Subject :—*Provision of Creches in Mill Areas in Bombay.*

With reference to your letter No. 1066-D dated 29th November, 1926, I have the honour to state that it is not quite clear whether Government propose to run the creches in different mills at their expense through the medium of the Infant Welfare Society as was their original intention, or whether they propose that the mills themselves should run the creches in return for a grant from Government to cover the expenses. On hearing from you, I will forward a copy of your letter to all members with a request to furnish their views thereon.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 20.

WELFARE WORK.

No. 2322.

LABOUR OFFICE, SECRETARIAT,
BOMBAY, 3rd July, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Subject :—*Welfare Work.*

I am enclosing two copies of a circular letter together with the enclosures referred to therein which I have addressed to all mills in the Bombay Presidency in connection with the above subject. The information required in Form A is to be submitted to this office not later than the 1st September, 1926. May I request you to circularise all the mills which are members of your Association on this subject and ask them to submit their returns to me as soon as possible?—Yours, etc.,

J. F. GENNINGS,
I/c, Labour Office.

SIR,

I have the honour to enclose herewith one copy each of the following :—

- (1) Letter No. L-1248, dated Simla, the 3rd May, 1926, from the Government of India, Department of Industries and Labour, to the Secretary to the Government of Bombay in the General Department, together with accompaniment; and
- (2) The Recommendation of the Sixth International Labour Conference concerning the development of facilities for the utilisation of workers' spare time.

I am also enclosing herewith copies of Form A referred to in the letter from the Government of India.

2. I shall be much obliged to you if you will kindly fill in the return in Form A in connection with the information required regarding your mill and send the same to me on or before the 1st September, 1926.

No. L-1248.

GOVERNMENT OF INDIA.

DEPARTMENT OF INDUSTRIES AND LABOUR.

Labour.

SIMLA, 3rd May, 1926.

FROM,

A. G. CLOW, Esq., I.C.S.,
DEPUTY SECRETARY TO THE GOVERNMENT OF INDIA,

TO,

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT.

SIR,

Subject :—*Welfare Work.*

I am directed to forward a copy of a letter received from the Director of the International Labour Office. The Government of India understand from the Director's letter and from the terms of the Recommendation adopted by the Sixth Session of the International Labour Conference (a copy of which was forwarded with my letter No. L-1248 of 23rd October 1924) that the phrase "measures for the utilization of spare time" is intended to cover much of what is more familiarly known as Welfare Work, and more particularly all efforts made to ameliorate the conditions under which the workers live when they are not actually employed.

2. The Government of India are aware that substantial progress has been made in this direction in India in consequence of the activity of employers in various provinces and they believe that, while those employers who have interested themselves in welfare work would gladly furnish such information as they can, the publication of the results might stimulate other employers to similar efforts. I am to ask therefore for the co-operation of the local Government in the collection of the information required. To simplify the task of those from whom particulars are required and of those who may have to tabulate the information when it has been collected, a form (Form A) has been prepared and 150 copies are enclosed with this letter. I am to request that, with the permission of His Excellency the Governor in Council, copies may be sent to those employers who are known to be interested in the question and to any others from whom useful information is likely to be obtained. The local Government will doubtless include within this category the leading local authorities and the heads of Government Departments employing any substantial number of industrial workers.

3. In some centres private associations of social workers and association of industrial workers themselves have undertaken schemes of welfare work. A second form (Form B) has been prepared with a view to obtaining particulars of activity of this kind : of this 20 copies are enclosed. I am to request that these may be forwarded to any associations or individuals, other than employers, who may have undertaken work of the kind to which these forms refer, and that they may be asked to furnish the necessary particulars.

4. I am to request that a reply may be sent to this letter not later than 31st December 1926, along with the returns received in response to the issue of the forms. If the local Government summarises the returns collected, the Government of India would be glad to receive also a copy of the summary : they propose to publish in due course a general review of the results.—I have, etc.,

A. G. CLOW,
Deputy Secretary to the Government of India

*Letter from the Director, International Labour Office, Geneva, to the Secretary
to the Government of India, Department of Industries and Labour, Delhi,
No. D.-606-2000 dated the 28th December, 1925.*

I have the honour to refer to the Recommendation concerning the utilisation of workers' spare time adopted by the Sixth (1924) Session of the International Labour Conference.

In accordance with paragraph 6 of Article 405 of the Treaty of Versailles and the corresponding Articles of the other Treaties of Peace, your Government has been good enough to inform the Secretary-General of the League of Nations of the action taken by it on this Recommendation. A copy of the communication forwarding this information was transmitted to the International Labour Office in due course by the Secretary General, and a note on it has been published by the Office in its Official Bulletin and in *Industrial and Labour Information*.

The communication addressed to the Secretary-General in accordance with the express provision of the Treaty naturally only dealt with the Recommendation itself. Together with the Recommendation, however, the Sixth Session of the Conference adopted the following resolution, asking the Governments to supply the International Labour Office with information concerning the utilisation of workers' spare time :—

“ The Conference invites the International Labour Office, keeping in constant touch with the various Governments, to collect and keep up to date information concerning the use of spare time, and on the basis of the information communicated by the Members or obtained from other sources, to publish regularly studies of the action taken and the results obtained in the different countries in the application of measures which have for their object the proper use of the workers' spare time.”

I venture to draw your attention to the importance of this resolution. The preamble of the Recommendation itself recites that “ it may be instructive to make known for the benefit of all countries what has been done in other countries.” Moreover, the Commission which dealt with the item at the 1924 Session of the Conference emphasised the value of up-to-date information on the question. It did not specify the particular questions with which the studies to be undertaken by the Office should deal, but in the course of the discussion the opinion was expressed that the International Labour Office should continue and extend the studies which it had previously undertaken of the housing question.

The International Labour Office is anxious to give full effect to the resolution of the Conference. Prior to the opening of the Sixth Session it had already undertaken certain studies some of the results of which were published in *Industrial and Labour Information* and the *International Labour Review*; and since the Sixth Session it has continued to collect information from different sources, and this information, though necessarily fragmentary, is increasing in amount. The periodical publication of up-to-date information on the subject would seem to be all the more valuable, as in a considerable number of countries action to promote the proper use of spare time is being taken by workers' organisations and by institutions assisted by the public authorities and those directly concerned.

In these circumstances I venture to hope that the office may have the assistance of your Government in carrying out the resolution of the Conference, and that it may be possible for your Government to collect in such form as it considers suitable and communicate from time to time to the International Labour Office any information available as to the action taken, and the effects of such action, by central or local authorities, private associations, or employers or workers in promoting measures for the utilisation of spare time in your country.

TEXT OF THE RECOMMENDATION ADOPTED BY THE CONFERENCE.

Recommendation concerning the development of facilities for the utilisation of workers' spare time.

The General Conference of the International Labour Organisation of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Sixth Session on 16th June 1924, and

Having decided upon the adoption of certain proposals with regard to the development of facilities for the utilisation of workers' leisure, the first item in the agenda of the Session, and

Having determined that these proposals should take the form of a Recommendation,

adopts, this fifth day of July of the year one thousand nine hundred and twenty-four, the following Recommendation, to be submitted to the Members of the International Labour Organisation for consideration with a view to effect being given to it by national legislation or otherwise, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace :

Whereas in adopting at its First Session, held at Washington, a Convention on hours of work, the General Conference of the International Labour Organisation had as one of its principal aims to secure for workers, beyond the necessary hours for sleep, an adequate period during which such workers could do as they please, or, in other words, an adequate period of spare time ; and

Whereas during such spare time workers have the opportunity of developing freely, according to their individual tastes, their physical, intellectual and moral powers, and such development is of great value from the point of view of the progress of the civilisation ; and

Whereas a well-directed use of this spare time, by affording to the worker the means for pursuing more varied interests, and by securing relaxation from the strain placed upon him by his ordinary work, may even increase the productive capacity of the worker and increase his output, and may thus help to obtain a maximum of efficiency from the eight-hour day ; and

Whereas while giving full weight to the customs prevalent in the different countries and to local circumstances, it may nevertheless be useful to lay down the principles and methods which at the present time seem generally best adapted to secure the best use of periods of spare time, and it may also be instructive to make known for the benefit of all countries what has been done in this direction ; and

Whereas the value of this information is particularly great at the moment when the ratification of the Convention on hours of work is being considered by the Members of the International Labour Organisation ;

The General Conference makes the recommendations hereinafter appearing :

I.—Preservation of Spare Time.

Whereas it is agreed that in countries where limitations have been placed on hours of work by law, by collective agreement or otherwise, if all the benefits which may be expected from such measures are to be secured both for the wage-earners and for the community, steps must be taken to ensure that the workers shall have the undiminished enjoyment of the hours of spare time so secured to them as aforesaid ; and

Whereas it is important that, on the one hand, the workers should fully appreciate the value of the periods of spare time which have been secured to them and should do their utmost, in all circumstances, to prevent this spare time from being encroached upon, and, on the other hand, that employers should always aim at establishing wages corresponding sufficiently with the needs of the workers to make it unnecessary for them to have recourse during their periods of spare time to additional hours of paid work; and

Whereas prohibitions against the continuance of paid work in their own occupation, for the same or another employer, in excess of the legal working day, are recognised as being difficult to enforce, and may even, at times, seem to infringe the workers' right of using their periods of spare time as they choose, the Conference nevertheless considers that attention should be drawn to the steps which have been taken in this direction in a number of countries;

The Conference recommends that Governments should encourage and facilitate the conclusion of collective agreements which will ensure a normal standard of living to workers in exchange for the legal hours of work, and which will determine, by voluntary agreement between employers and workers, the measures to be taken to prevent workers from having recourse to additional paid work.

And whereas it is agreed that every facility should be given to the workers to enable them to make the best use of their periods of spare time so secured to them as aforesaid, the Conference recommends :—

- (a) That each Member, whilst having due regard to the requirements of different industries, local customs, and the varying capacities and habits of the different kinds of workers, should consider the means of so arranging the working day as to make the periods of spare time as continuous as possible ;
- (b) That by means of a well-conceived transport system and by affording special facilities in regard to fares and time-tables, workers should be enabled to reduce to the minimum the time spent in travelling between their homes and their work, and that employers' and workers' organisations should be extensively consulted by public transport authorities or private transport undertakings as to the best means of securing such a system.

II.—Spare Time and Social Hygiene.

Whereas the utilisation of the workers' periods of spare time cannot be separated from the general measures adopted by the community for promoting the health and welfare of all classes of society, the Conference, without attempting to examine in detail each of the great welfare problems, the solution of which would contribute to improving the workers' status, recommends to the Members :

- (a) The encouragement of individual hygiene by the provision of public baths, swimming pools, etc. ;
- (b) Legislative or private action against the misuse of alcohol, against tuberculosis, venereal diseases and gambling.

III.—Housing Policy.

Whereas it is of advantage to the workers and to the whole community to encourage everything tending to the harmonious development of the workers' family life ; and

Whereas the most effective means of protecting the workers from the aforesaid dangers is to place within their reach a proper home ;

The Conference recommends the increase in number, if necessary in co-operation with the national or local authorities concerned, of healthy dwellings at low rentals in garden cities or urban communities, under proper conditions of health and comfort.

IV.—Institutions for the Utilisation of Spare Time.

Without attempting to differentiate between the innumerable institutions which afford to the workers opportunities for the free exercise of their personal tastes, the development of which is dependent on the manners and customs of each country or district, the Conference

nevertheless draws the attention of the Members to the necessity of avoiding misplaced activities resulting from the establishment of institutions not called for by some well-defined need. The Conference desires to emphasize the importance of taking into account in the establishment and development of these institutions, the desires, the tastes and the special requirements of the workers for whose use they are designed ;

At the same time, among the institutions which may both assist full and harmonious development of the individual and of the family and contribute to the general progress of the community, the Conference recommends those schemes which have for their object :

- (a) the improvement of the workers' domestic economy and family life (gardens, allotments, poultry keeping, etc.) which combine the benefits of recreation with the feeling that some addition, however slight, is being made to the family resources ;
- (b) the development of the physical health and strength of the workers by means of games and sports which enable young workers who are working under the highly specialised conditions prevalent in modern industry to give free play to their energies in a manner which encourages initiative and the spirit of emulation ;
- (c) the extension of technical, domestic and general education (libraries, reading-rooms, lectures, technical and general courses, etc.) which meets one of the workers' most keenly felt needs and affords the best means of progress to industrial communities ;

The Conference further recommends that Members should encourage these forms of activity by the grant of subventions to organisations concerned with the moral, intellectual and physical development of the workers.

V.—Free Use of Institutions and Co-ordination of Local Action.

Whereas for many years past the workers in the great industrial countries have always sought to ensure that they may live their lives outside the factory or workshop in complete freedom and independence, and they particularly resent any outside interference in their private affairs, and this feeling is so strong as to provoke opposition to any attempts to deal either nationally or internationally, with the question of the use of spare time for fear that it may possibly restrain their liberty ; and

Whereas the Conference, while expressing appreciation of the motives which have led to the creation of institutions for the encouragement of the wise use of the spare time of the workers, suggests that Members should draw the attention of the promoters of such institutions to the necessity of safeguarding the individual freedom of the workers against any system or scheme which has any tendency towards compelling the workers directly or indirectly to use any particular institution ; and

Whereas the most practical and successful institutions are those which have been started and developed by the beneficiaries themselves, the Conference, while recognising that in many cases where public authorities or employers lend financial or other assistance for the encouragement of allotments, games or educational institutions, and consequently have a legitimate claim to take part in their management, recommends that every care should be taken to avoid any encroachment on the liberty of those for whose use such institutions are intended.

While not contemplating any systematic organisation of spare time occupations, but having in mind a number of successful efforts made to assist them, the Conference further recommends that each Member should consider the possibility of promoting the formation of district or local committees, composed of representatives of the public authorities, of employers' and workers' organisations, and of co-operative associations, for co-ordinating and harmonising the activities of the various institutions providing means of recreation.

The Conference further recommends to the Members that an active and effective propaganda should be undertaken in each country for the purpose of educating opinion in favour of the proper use of the spare time of the workers.

FORM A.

WELFARE WORK.

-
1. Name of factory, mine, etc.
 2. Nature of work.
 3. Number of employees.

A.—Education.

1. Is any school provided—
 - (a) for children employed ?
 - (b) for the children of employees ?
 - (c) for adults employed ?

If so, please give the numbers attending in each case and any further particulars of interest.

2. Is there any provision for reading rooms, writing rooms, etc. ?

B.—Health.

1. What medical facilities are provided for employees ?
2. Is any charge made—
 - (a) for medical attendance ?
 - (b) for medicines supplied ?

(Please add particulars of numbers treated, etc.)

WELFARE WORK.

C.—Housing, etc.

1. Are houses provided by the employer ?
2. How many employees live in such houses ?
3. Are the houses leased—
 - (a) rent free ?
 - (b) at a favourable rent ?
 - (c) at the full economic rent ?

Note.—If the houses are rented at rates below the full economic rent (*i.e.*, the rent that would be charged for such houses by private landlords), please indicate approximately the proportion borne by such rates to the economic rent.

4. Is any garden land or agricultural land granted to the employees ? If so, please give particulars.

D.—Recreation.

1. What facilities are provided for out-door sports (*e.g.*, provision of ground, prizes, etc.)?
2. What facilities are provided for in-door games ?
3. What entertainments provided (*e.g.*, dramatic representation, cinematographs, etc.)?

(Please add, if possible, particulars as to numbers availing themselves of the facilities offered.)

No. 1135-128 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 27th July, 1926.

TO ALL MEMBERS OF THE ASSOCIATION IN THE BOMBAY PRESIDENCY.

DEAR SIRS,

Subject :—*Welfare Work.*

On 3rd July, 1926, Mr. J. F. Jennings, Director of Information and Labour Intelligence, addressed a letter to all mills asking for certain information in connection with the above subject.

2. The Director of Information and Labour Intelligence has now addressed a letter to the Association requesting that all members of the Association in the Bombay Presidency might be asked to expedite their reply.

3. Those members who have decided to supply the Director of Information and Labour Intelligence with the requisite information are therefore requested to do so as early as possible.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 21

THE DEVELOPMENT DEPARTMENT CHAWLS.

No. 53/D. D.

DEVELOPMENT DIRECTORATE,
OLD CUSTOM HOUSE YARD, FORT,
BOMBAY, 8th January, 1926,

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Subject :—*Industrial Housing Scheme of the Development Directorate.*

In continuation of the Directorate letter No. 53/(D.D.), dated the 25th November, 1925, I beg to state in reply to your letter No. 1357-91, dated the 21st November, 1925, as follows :—

The details of the estimate of Rs. 1,100 and of the final revised estimate of Rs. 2,084, referred to in paragraph 3 of your letter, are respectively :—

	Rs.
(1) Cost of land	300
(2) Cost of room	800
Total ..	<u>1,100</u>

(1)	Land, acquisition, clearing, filling and levelling	..	..	354
(2)	Chawl building, including sanitary fittings	..	..	1,446
(3)	Sewerage	..	..	50
(4)	Water-supply	..	..	41
(5)	Storm-water drainage	..	..	27
(6)	Roads, including footpaths and lighting	..	..	23
(7)	Tools and Plant (net)	..	..	22
(8)	Railways sidings (net)	..	..	11
(9)	Miscellaneous items (net)	..	..	9
(10)	Establishments	..	..	101
				Total .. 2,084

The estimate of Rs. 1,100 was based on the experience of the Bombay Improvement Trust but excluded items which enter into the revised estimate of Rs. 2,084. I am, however, to point out that, at the time the Bill was introduced, the Improvement Trust were able to construct one-room tenements at Rs. 800 per tenement, but, at the time the Development Directorate were constructing their chawls, the cost to the Improvement Trust had considerably increased on account of the increased cost of labour and materials as will be seen from the figures of the cost per tenement of the Directorate chawls and the Improvement Trust chawls published in paragraph 19 of the Development Directorate Report for the year ending the 31st March 1925.

2. With reference to paragraph 4 of your letter, I beg to state that Government have decided that no new Industrial Housing Schemes should be undertaken until the completion of the 16,864 one-room tenements (211 chawls) to which the Development Directorate was already committed. Experience has shown, however, that the estimate originally made of the losses on 50,000 tenements was too low and that the present rate (Re. 1 per bale) of the town duty on raw cotton is insufficient to meet the cost of the original scheme and is barely sufficient to meet the cost of the curtailed scheme. As regards your observations on the non-publication of the figures and the stoppage of further work on chawl construction, your Committee's attention is invited to paragraphs 23 and 24 of the Report on the working of the Development Directorate for the year ending 31st March 1923, and to the Appendix A to that Report, which then indicated the financial position of the chawls. It may be pointed out that even the first instalment of the chawl programme providing 26,000 tenements (325 chawls), which was to have been completed by the 31st March 1926, was curtailed as stated in paragraph 24 of the Report, and it was decided, on financial grounds, to construct only 16,864 tenements (211 chawls) in hand. This curtailment from 325 chawls to 211 chawls was reported in paragraph 13 of the Development Directorate Report for the year ending the 31st March 1924. It was not considered advisable to retract any further from the commitments in respect of the 211 chawls owing to the heavy compensation which would otherwise have been demanded by the contractors.

3. As regards the remarks made in paragraph 5 of your letter, I am to state that, since May last, the rents of the chawls have been substantially reduced and now range from a minimum of Rs. 6-8 per month per room at Worli to a maximum of Rs. 10-8-0 (for top floors) at DeLisle Road, against the economic rent of about Rs. 16. The rents now charged were calculated on the assumptions that the whole of the available income from the town duty raw on cotton, about Rs. 15½ lakhs yearly, would be available to meet the loss on the Industrial Housing Scheme upto the existing stage and that 10 per cent loss would be sufficient to cover vacancies and bad debts. The vacancies before the mill strike were 76 per cent. and have increased since.

4. As regards the original estimate of the demand for one-roomed tenements, I am to invite the attention of your Committee to the figures given in paragraph 20 of the report of the Advisory Committee which was laid on the table of the Legislative Council last budget session (copy attached for ready reference). On the recent mortality statistics there is also reason to believe that since 1921 the population of Bombay had fallen considerably before the mill strike, possibly by as much as 150,000. This decline in population was not foreseen and could not have been foreseen by Government nor was it forecasted by any public body in Bombay. This circumstance, which will probably pass away in time, appears partly to explain the large number of vacancies in the chawls at the present day.—Yours etc.,

R. D. BELL,
Deputy Director of Development.

Extract from the Interim report of the Advisory Committee to the Development Directorate on the reference made to it by Government in letter No. S. D. 1313, dated the 25th August 1924, from the Acting Secretary to Government, Development Department.

* * * * *

HOUSING SCHEMES

20. The programme for the construction of 50,000 single roomed tenements for the working classes was based on a report of the Municipal Commissioner to the Corporation in 1919. It was estimated that in July of that year there was an actual shortage of some 49,000 one-roomed tenements in the City. The figure was arrived at by taking the then population at 11,76,000, deducting 60,000 for persons returned as homeless under the heads, docks, harbours and railways, and assuming that 80 per cent. of the balance lived in one-roomed tenements. The actual number of one-roomed tenements was calculated to be 1,74,200.

21. The census figures of 1921 now available enable these calculations to be checked. Taking the figures in table VI-A in Volume IX, part II, the following comparison may be made :—

Year.	Total population.	Total number of one-roomed tenements.	Total number of occupants of one-roomed tenements.	Percentage borne by them to total population	Average number of occupants per room
1921 actual	11,75,914	1,75,001	7,05,732	66	4.03
1919 estimated	11,76,000	1,74,200	8,92,000	80	4.00

22. The census figure for 1921 for total population (11,75,914) is practically identical with the estimate made of population in 1919; also the number of one-roomed tenements estimated in 1919 is close to the actual ascertained number in 1921.

On the other hand, the percentage of the total population occupying these tenements was found in 1921 to be only 66, as compared with the percentage of 80 assumed in 1919, which was based on the 1921 census figures. It would thus appear—

- (1) that the figure of total population of 1919 was too high ;
- (2) that the percentage of population living in one-roomed tenements was also too high ;
- (3) that the estimate of one-roomed tenements in 1919 was fairly correct, or only slight in excess ; and
- (4) that the population calculated as living in one-roomed tenements was, by the combination of the above factors (1) and (2), considerably in excess ; as was also, as far as these figures are concerned, the estimated deficit in one-roomed tenements.

23. In view of these facts, and also because the chawls already completed are not filling up as quickly as expected, Government have decided that it is necessary to gain further experience when the 211 chawls (16,880 rooms) now under construction are completed, before fresh schemes are embarked on. It has not been laid down that no further schemes are to be taken up, but merely that such are not to be started until the chawls now in hand are finished and ready for occupation.

24. The chawls schemes in progress are as follows :—

Locality.	Chawls.
Naigaum	42
DeLisle Road	32
Worli	121
Sewri	16
	<hr/>
Total ..	211
	<hr/>

All these, except 4 at Sewri, have either been completed or are in various stages of construction. They are expected to be finished by January 1926, at a cost of about Rs. 3½ crores, inclusive of land, buildings, sewers, water-supply, roads, establishment and all other charges.

25. The Committee have inspected the chawls at Worli, where the largest number are situated, and they are of opinion that the present programme consisting of 211 chawls cannot be curtailed or postponed but should be completed. For the reasons indicated in this report, the Committee agree with Government that any further instalment of chawl building should await the result of experience, after the 211 chawls in hand have been finished and are ready for occupation.

Copy of letter No. S. D.—1313, dated the 25th August 1924, from the Acting Secretary to Government, Development Department, to the Acting Director of Development.

“ In the last session of the Legislative Council there were a number of resolutions regarding the operations of the Development Directorate which were not discussed for want of time. The principal of these resolutions stood in the name of Mr. Lalji Naranji and the first part of it was to the following effect :—

“ That in view of the conclusions arrived at during the period of war boom that the land available in Bombay was inadequate having proved erroneous, this Council recommends to Government that a committee, with a nonofficial majority, be forthwith appointed to enquire into the activities of the Development Department as to how far and in what directions such activities should be continued or eliminated.’

2. I am directed to inform you that Government see no objections to the part of the resolution quoted above being considered and reported on by a committee. Mr. Lalji Naranji has suggested a committee with a non-official majority. The Advisory Committee appointed in connection with the Development Department is a very representative body and Government are of the opinion that this committee should be entrusted with the investigation of this very important question. I am directed to request that the matter should be placed before the committee and that they should be asked to report upon it. For this purpose the committee should be supplied with all the necessary facts and figures.

3. The whole position of the Development Department has had the very serious consideration of Government and Government had already reached conclusions and taken action in several matters. It would be most useful to know how far the Advisory Committee agree with Government in the views which they have already formed and whether the Committee would propose that Government should further curtail their activities.”

No. 426-50 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 10th March, 1926.

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

SIR,

I have the honour, under directions of my Committee, to bring to the notice of the Government of Bombay, the inequity, for the reasons indicated below, of continuing the Town

Duty of Re. 1 per bale of cotton which was levied for the purpose of meeting the annual loss on the housing scheme for labouring classes which was one of the most important items in the programme of work laid down when the Development Department was launched into existence.

2. I am directed to point out that the Preamble to Bombay Act XX of 1920 under which the Town Duty on cotton was levied, clearly stated that the Town Duty on cotton was required *inter alia* for the purpose of establishing 50,000 tenements for the labouring classes. My Committee, however, understand that it has been decided not to erect more than 16,864 tenements, and they therefore submit that equity requires that there should be a proportionate reduction in the rate of the Town Duty on cotton.

3. My Committee anticipate that the reply of Government would be that the actual costs incurred are much in excess of the estimates and therefore they are unable to forego any part of the revenue derived by them from the Town Duty on cotton. My Committee have very carefully gone into the whole question and they have also had some correspondence on the subject with the Director of Development Department, and it is their considered opinion that the expenditure incurred was both wasteful and to a large extent unnecessary. They are unanimously of the opinion that the cotton trade of the City should not be penalised for the colossal blunders which have been made.

4. In 1920, His Excellency Sir George Lloyd (now Baron Lloyd) while introducing the Bill in the Legislative Council stated that the estimated cost of 50,000 tenements was Rs. 5,50,00,000 or Rs. 1,100 per tenement. The actual cost of the 16,864 tenements erected amounts to Rs. 3,51,57,000, *i.e.*, Rs. 2,084 per tenement. My Committee inquired of the Director of Development how this heavy discrepancy between the estimated and the actual cost was to be accounted for, and his reply was to the effect that it was estimated that the land required for a tenement would cost Rs. 300 and the structure would cost Rs. 800, while the actual cost of the land turned out to be Rs. 354 of the structure Rs. 1,446 and there was an additional cost of Rs. 284 per tenement on account of sewerage, water-supply, establishment, etc., *i.e.*, in all Rs. 1,730 per tenement. Leaving out the cost of the land, which is only 18 per cent. more than the estimate, it will be noticed that the cost of tenement is 115 per cent. more than the estimate. The only conclusion my Committee can come to is that the department responsible for the original estimate were negligent to a scandalous extent in the preparation of their estimates.

5. Another important question to be considered is why the work of constructing the chawls was not stopped when it was found that the actual expenditure was in excess of the estimate. The explanation given by the Director of the Development Department is that in view of the heavy erection costs and the slackness of demand for accommodation in the chawls completed, Government curtailed the original programme, but in view of the building contracts definitely placed, it was not deemed expedient to discontinue erection at once. Whether this was a legitimate reason for proceeding with the erection of nearly 17,000 tenements, cannot be ascertained from the information even now before the public, but from the Reports of the Development Directorate it appears that up to 31st March 1923, the question of stopping the work or curtailing the original programme was not considered, much less decided, in spite of the fact that the expenditure had proved far in excess of the original estimate. It was only in the year ending 31st March 1924, that Government decided upon a curtailment of the original programme, but it is worthy of note that while announcing this decision, in their annual report, the Development Department remained quite silent as to the costs incurred, and assigned as the reason for this decision the fact that the original scheme was conceived during the boom period when labour conditions in Bombay were probably abnormal.

6. It further appears that even the Advisory Committee was not taken into the confidence of the Department as regards the costs per room until too late to make effective recommendations.

7. This Association supported the scheme as originally enunciated on the clear understanding that 50,000 sanitary tenements would be put up for the workpeople. Moreover, the original estimates gave the public to understand that the economic rent of the tenements would be Rs. 7.72 per month and that the rent actually charged would be, say,

Rs. 2-8-0 lower, *i.e.*, about Rs. 5-8-0 per month. If that had been adhered to, the mill operatives would have secured housing at reasonable rates. As matters stand, however, very few mill operatives can afford to go into the Development chawls. Many of the mills are constrained to put up their own chawls owing to the failure of the Development Department to house the mill operatives. Taking all these facts into consideration, my Committee are unanimously of the opinion, that the duty on cotton which costs the mills something like Rs. 10 lakhs annually constitutes a double wrong to the cotton mill industry.

8. My Committee trust that on due consideration of all the facts mentioned in this letter, the Government of Bombay will see their way to free the consumers of cotton in this city from this very inequitable tax, to which this Association gave their support on a definite understanding which so far as Government are concerned, has not been adhered to.—I have, etc.,

T. MALONEY,
Secretary.

No. 642-50 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th April, 1926.

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

SIR,

I have the honour to invite your attention to this Association's letter No. 426-50 dated the 10th March 1926, on the subject of the Town Duty of Re. 1 per bale of cotton levied for the purpose of meeting the annual loss in the Development Department's Housing Scheme, and to request the favour of a very early reply thereto.—I have, etc.,

T. MALONEY,
Secretary.

No. 53/(S. D.)

DEVELOPMENT DEPARTMENT,
BOMBAY CASTLE, 19th May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Request for the Abolition of Town Duty on Raw Cotton.*

In reply to your letter No. 426-50, dated the 10th March 1926, on the subject mentioned above, addressed to the Secretary to the Government of Bombay, General Department, I am directed to refer you to the Directorate letter No. 53-D.D., dated the 8th January 1926, and to say that Government fully recognise the desirability of further reducing the rents, but regret that they are unable to reconsider your Association's request either to abolish or reduce the Town Duty on raw cotton, as this involves an increase in rents—a step which the Association does not appear to advocate.—I have, etc.,

A. MACKIE,
Ag. Secretary to the Government of Bombay,
Development Department.

No. 894-50 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 3rd June, 1926.

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

SIR,

On 10th March 1926, this Association addressed you a letter regarding the inequity of continuing the Town Duty of Re. 1 per bale of cotton. It appears that the Association's letter was passed on by you to the Development Department, and the Association has now received a reply from the Development Department as per copy enclosed herewith.

2. The reply, in my Committee's opinion, is very unsatisfactory in as much as no explanation is given therein as to why the original estimates turned out to be hopelessly incorrect, and the work of constructing the chawls was not stopped at an earlier stage when it was found that the actual expenditure was so much in excess of the estimates.

3. As pointed out in the Association's letter of 10th March, the Director of the Development Department did not give any convincing explanation on the two points mentioned above, and it was for this reason that my Committee desired to take up the matter with the General Department, and I am to request that this correspondence may be placed before the Hon'ble the General Member for his personal attention.

4. My Committee desire me to reiterate that the Preamble to Bombay Act XX of 1920 clearly stated that the Town Duty on cotton was required, *inter alia*, for the purpose of establishing 50,000 tenements for the labouring classes. It was on this clear understanding that this Association supported the levy of the tax, but since Government have substantially reduced their original programme, my Committee maintain that there should be a proportionate reduction if not total abolition of the tax. The fact that owing to gross negligence or other reasons, the Development Department went on with an extremely expensive scheme involving Government in considerable loss, in the opinion of my Committee, constitutes no reason why the cotton trade and the mill industry of the city should continue to be penalised with a tax which cannot by any stretch of imagination be said to be fair or equitable, and a strong case for the abolition of which has been recently made out by the Bombay Port Trust on other grounds.

5. My Committee trust that Government will be pleased to reconsider the decision communicated to this Association in the Development Department's letter of 19th May, and they would also very much appreciate the favour of an early reply on the various points raised in the Association's letter to you of 10th March 1926.

6. It is my Committee's considered opinion that a thorough investigation into the particular portion of the Development Department's activities which forms the subject of this letter is most necessary and advisable, and they respectfully request that Government may be pleased to appoint a special Committee for this purpose, or entrust the work to the Committee, which is to examine and report on the Back Bay Reclamation Scheme.—
I have, etc.,

T. MALONEY,
Secretary.

No. 1599-50 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 30th September, 1926.

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

SIR,

I am directed to invite your attention to this Association's letter No. 894-50 dated 3rd June 1926, in regard to the Housing Scheme of the Development Department of the Government of Bombay and to request that my Committee may be favoured with an early reply thereto.—I have, etc.,

T. MALONEY,
Secretary.

No. 127/SD.

DEVELOPMENT DEPARTMENT,
BOMBAY CASTLE, 16th November, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Request for the Abolition of Town Duty on Raw Cotton.*

With reference to your letter No. 894-50, dated the 3rd June 1926, and reminder No. 1599-50, dated the 30th September 1926, on the subject noted above, addressed to the Secretary to Government, General Department, I am directed to state that an estimate of Rs. 800 per room (exclusive of land) is to be found in the scheme communicated by you to Government with your No. 288-24, dated the 3rd July 1918. In 1919 this Government recommended to the Government of India a proposal according to which the Improvement Trust were to be called on to provide 50,000 one-room tenements to be let at low monthly rents, the scheme being subsidised by a cotton cess. The statement showing the financial effect of this scheme was prepared by the staff of the Improvement Trust and embodied an estimate of Rs. 1,100 for each room, being Rs. 800 for the room itself and Rs. 300 for land. In forwarding this statement to the Government of India, this Government remarked as follows :—

“ The average cost per tenement in this statement has been taken at Rs. 800 although the most recent detailed estimates prepared by the Trust Engineer for the type of tenements proposed to be constructed amounted approximately to Rs. 900. It is anticipated that the cost will be decreased when construction is undertaken on a very large scale.”

This scheme was ultimately adopted, but its execution was entrusted to the Development Department which had meanwhile been brought into existence for the execution of the various development schemes of Government in and around Bombay.

2. Government have not built 50,000 tenements at a cost of Rs. 1,100 per tenement because it could not be done. But Government have built 16,544 tenements, healthily situated, with ample air spaces, and very well equipped sanitarily, at the reasonable cost of Rs. 2,084 per tenement. That this cost is reasonable may be seen from paragraph 19 of the Development Directorate Report for 1925 (copy enclosed) where the cost of the development chawls is compared with that of post-war chawls built by the Improvement Trust. There has been no charge against the Improvement Trust of extravagance or waste in the building of their chawls.

Though it became clear that the estimate would be greatly exceeded, the extreme urgency of an extension of the housing accommodation for the working classes in the City of Bombay remained. In view of the pressure on accommodation, it was considered that higher rents than those provided for in the scheme might be obtained for the tenements. At the beginning of 1922 the Advisory Committee considered the position at various meetings and on 28th March 1922 resolved "That the chawls should be let at a rental of Rs. 10 per room per mensem." It was recognised that even with a rental of Rs. 10 some curtailment of the programme would be necessary unless the rate of the cotton cess were raised. But as time passed and chawls became ready for occupation, conditions in Bombay changed immensely; there was a slump in trade, the population of the City decreased, and it was found that the rooms could not be filled at the rental of Rs. 10. The programme was, therefore, cut down to the utmost limit which commitments already entered into with contractors rendered possible.

3. With the decrease in population of the City since the scheme was conceived, and the slump in trade and industry, there is no necessity for 50,000 tenements being built. It would be a waste of money. The rents charged by the Development Directorate are very reasonable indeed compared with the rents charged for similar accommodation in the neighbourhood of the Development Directorate chawls. Yet the Development Directorate chawls have not filled up, as the following statement of vacancies shows; and if there had been 50,000 rooms instead of 16,544, the situation would have been very much worse:—

DeLisle Road.	Naigaum.	Sewri.	Worli.	Total.
774 30%	1,869 56%	442 46%	8,399 87%	11,484 69%

4. The rent of the tenements is not so low on the average as Rs. 5-8-0 per month, because the income from the cotton cess assigned to housing of the working classes is not sufficient to cover the difference between this rent and the "economic rent" of Rs. 16. Nevertheless, a good many rooms are available at Rs. 5-8-0 as the following statement will show, and a greater number at the slightly higher rate of Rs. 6:—

Locality.	Rent.	Number of rooms.
	Rs. a. c.	
Worli	{ 5 8	2,420
	{ 6 0	7,260
Sewri	{ 6 8	240
	{ 7 0	720
Naigaum	{ 8 0	836
	{ 8 8	2,508
DeLisle Road	{ 9 0	640
	{ 9 8	1,920

Moreover, of the 2,420 rooms provided at Rs. 5-8-0, only about 247 are occupied.

5. If the Millowners are willing to take up whole chawls for the housing of their labour and pay a fixed lump sum rent per chawl, the Development Directorate is ready to lease chawls to them at rents which work out at the flat rates per room per month shown in the following table :—

Locality.	No. of chawls (of 80 rooms each).	Rate per room per month.
		Rs. a. p.
Worli	121	4 14 9
Sewri	12	6 0 0
Naigaum	42	7 0 0
DeLisle Road	32	8 2 4

The average for Worli, Sewri and Naigaum works out to Rs. 5-7-11.

6. The rents shown in paragraph 4 would not, even though only 10 per cent. were allowed for vacancies and bad debts, meet the annual expenditure (interest, sinking fund, repairs, etc.) even with the help of the cotton cess. There would be an annual deficit of Rs. 1,12,000. This means that the employers of the working classes not only get the full benefit of the cotton cess, but are subsidised by the general community to an amount which at its lowest would not be less than Rs. 1,12,000 per annum, and at present is about Rs. 4,70,000 per annum: a state of affairs which was not contemplated when the cess was imposed and which, it is hoped, will not be permanent. The demand that the cotton cess be abolished is a demand that, in addition to the burden which the community in general must in future bear for the benefit of the working classes in the Bombay City, the subsidy of Rs. 15,88,000 derived from the cess should also be shifted on to the same shoulders. It is obviously fairer that the cotton trade should continue to provide this subsidy.

7. Further, the abolition of the cess would deprive the municipal schemes and the suburban development schemes of the aid which they have hitherto derived from it.

8. As regards your statement at the end of paragraph 4 of your letter under reference that a strong case for the abolition of the town duty has been recently made out by the Bombay Port Trust on another grounds, it is presumed that you refer to the Trust's complaint that the town duty on raw cotton has resulted in making the Port of Bombay a very dear port in comparison with other ports, and, if so, the correctness of this complaint and its bearing on the claim for abolition of the duty are matters for detailed investigation by the Indian Tariff Board (Cotton Textile Industry Enquiry).

9. As regards paragraph 6 of your letter, I am to state that as the Special Advisory Committee is enquiring into the Industrial Housing Scheme, the Governor in Council is of opinion that it is unnecessary to employ any other committee for the same purpose.—I have, etc.,

A. MACKIE,
Acting Secretary to the Government of Bombay,
Development Department.

APPENDIX 22.

FUMIGATION OF AMERICAN COTTON.

DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

NOTIFICATION.

Agriculture.

DELHI, the 25th November, 1926.

No. 2184.—In pursuance of clause (c) in paragraph 2 of the notification of the Government of India, Department of Education, Health and Lands, No. 1493-A., dated the 14th November, 1925, the Governor-General in Council is pleased to direct that the following further amendment shall be made in the notification of the Government of India, Department of Education, Health and Lands, No. 1561-A., dated the 26th November, 1925, namely :—

Paragraph 2 of the said notification shall be re-numbered 2 (a), and after sub-paragraph 2 (a) as re-numbered, the following sub-paragraph shall be inserted, namely :—

“(b) In the case of sample bales of American cotton not exceeding six in number in any one consignment imported for testing purposes, the consignee shall pay a fee for fumigation of Rs. 10 for each bale.”

(Sd.) J. W. BHOSE,
for Secretary to the Government of India.

No. 609-40/A. of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 12th April, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF EDUCATION, HEALTH AND LANDS, SIMLA;

SIR,

Under directions of the Committee of the Bombay Millowners' Association, I have the honour to invite the attention of the Government of India to the serious inconvenience which will be caused to importers of American cotton if the prohibition against importation of American cotton for five months commencing from 1st June, under Notification No. 1493 dated 14th November, 1925, is to be strictly enforced.

2. It appears that certain quantities of American cotton are expected to arrive in Bombay by steamers which are due towards the end of May, and there would be serious dislocation of trade, if these goods were to be refused admission owing to their being a few days late.

3. Considerable dissatisfaction is prevailing among importers and consumers of American cotton owing to this prohibition against importation during the monsoon months, and my Committee desire to urge strongly upon the Government of India, the desirability of thoroughly investigating the possibility of fumigation during the monsoon months with a view to making importation permissible throughout the year.

4. If it be found difficult by Government at present to remove *in toto* the existing prohibition against importation of American cotton from 1st June, I am to suggest that the Collector of Customs, Bombay, may be empowered to exercise his discretion to allow admission of American cotton for as many days in June as may be warranted by the timing of arrival of steamers in Bombay. In my Committee's opinion it is most necessary that in this the first year of the enforcement of fumigation rules, the Collector should be empowered to exercise the utmost possible latitude and they trust Government will issue the necessary notification in this connection as early as possible.

5. My Committee further trust that before the commencement of the monsoon next year, Government will make the necessary arrangements in regard to fumigation so as to make it possible for them to do away entirely with the prohibition against importation during the monsoon months.—I have, etc.,

T. MALONEY,
Secretary.

No. 4007 of 1926.

BOMBAY, 19th April, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Fumigation of American Cotton during the Monsoon.*

I am directed to say that my Committee have had under consideration the question as to whether arrangements can be made to admit American cotton throughout the year instead of limiting the import to the period November 1st to May 31st as at present. There are certain special difficulties in fumigating cotton during the monsoon, but my Committee are satisfied on the technical side that such fumigation can be carried out provided that arrangements are made to keep the bales from getting wet. The principal practical difficulty is that there would be many days during which fumigation is impossible. Hence if cotton is to be admitted during the monsoon, occasions will arise when it will have to be stored until weather conditions permit of fumigation.

I am to forward for the information of your Committee a letter which has now been received from the Bombay Port Trust outlining the facilities which they can offer for the purpose. I am to ask that this letter may be treated as strictly confidential as the matter has still to be referred to the Trustees.

My Committee consider that the proposed arrangements are practicable and that the additional charge required by the Port Trust is reasonable in view of the income which they will surrender by allocating two berths in the Prince's Dock for American cotton throughout the monsoon period. It will be observed that the Port Trust propose to charge a fixed rate per bale, whatever the quantity arriving, and this appears to my Committee to be the only satisfactory method of charging since we have no means of estimating, even approximately, what the arrivals may be. Over and above this additional Port Trust charge it will be necessary for the Government charge for actual fumigation to be increased on account of the additional expenditure which will be necessary on fumigating staff for work under monsoon conditions. My Committee are prepared to recommend to Government that the additional Government charge should not exceed six annas per bale. Hence if these arrangements are brought into force, the additional cost of importing American cotton during the monsoon will be Rs. 1-8-0 per bale over the fair season charges, that is to say, fumigating charges will be Rs. 4-14-0 per bale (as compared to Rs. 3-6-0 at present) and the total charge, including docks import wharfage, Rs. 6 per bale (as compared to Rs. 4-8-0 at present).

I am also to make it clear that during the monsoon there must be some delay in giving delivery of American cotton since fumigating arrangements will be to a considerable extent at the mercy of the weather.

My Committee are aware that your Association consider that the present charges for fumigating American cotton are too high, and both my Committee and the Government of India have promised that these charges shall be reviewed as soon as details of the first season's working expenses are available. We consider that the additional monsoon charge is reasonable and that it will not make the cost of importing American cotton prohibitive. I am to ask that my Committee may be favoured with the views of your Association on this point. If it is your opinion that the facilities now proposed are worth having, my Committee will at once address the Government of India and ask for an immediate amendment of the notification and rules.—I have, etc.,

B. C. BURT,
Secretary.

Copy of letter No. 1522 dated the 16th of April, 1926, from the Secretary, Bombay Port Trust, Ballard Road, Fort, Bombay, to the Secretary, Indian Central Cotton Committee, Bombay.

FUMIGATION OF AMERICAN COTTON DURING THE MONSOON.

With reference to your letter No. 3649, dated 31st March, 1926, on the above subject, I am directed to say that the Chairman has discussed the proposed arrangements, as detailed below, with the Docks Manager and is prepared to recommend them to the Trustees for adoption, subject to approval by Government and acceptance by the trade.

2. Continuance of fumigation at Haji Bunder after the rains commence would be impracticable. There is no pucca road or covered accommodation, and the area generally would become a quagmire after carts have been over it; furthermore, the barges could not lie against the quay in stormy weather, as they would be damaged by bumping on the bottom every low water.

3. It is evident from your letter that the essential practical factor to enable fumigation to be performed is that bales must not be wet, owing to the very high solubility of hydrocyanic gas in water. As the discharge of a barge-load of 200 bales would take only about half a day as against 36 hours for fumigation and discharge, it will be apparent that unless storage accommodation considerably in excess of that required in the fair season be provided, delays in discharge from ships might become very serious during a spell of alternating fine and wet days. It is not practicable to provide this extra storage accommodation by an increase in the barge fleet; and bearing in mind the unsuitability of Haji Bunder, reservation of a shed in the Docks seems on the whole to offer the readiest solution of the problem. An alternative scheme of railing the cotton to cotton Depot for storage and possibly fumigation there might conceivably become desirable, should the volume of imports promise to become very great. At present, however, there appears to be no need to proceed with detailed consideration of this alternative.

4. The original idea of reserving No. 13 Alexandra Dock was founded on the assumption that the majority of ships importing American cotton will be berthed in the Alexandra Dock and that towage in the harbour more or less ceases during rough weather. While the former assumption holds goods, the Lighterage Contractor has stated that the latter applies only in very stormy weather, when it may be taken that discharge from ships would also be delayed by rain. If unfumigated cotton is discharged at one berth, it is obvious that fumigated cotton must be landed at another, as otherwise the whole object is defeated; and it would not be practicable to reserve two Alexandra Dock berths for what amounts to barge traffic. "G" and "H" berths, Prince's Dock, which it is proposed to allocate for the monsoon fumigating arrangements, are mostly used for small coasters, whose activities are curtailed during the monsoon. "G" is a single-floor shed with an area of about 23,000 square feet, and could, with piling, accommodate between three and four thousand American bales. "H" is quite a small shed; but there is good open space adjoining it, and the railway line is comparatively near.

5. It is proposed that fumigated cotton shall be landed at "H" and there stacked in the shed or the adjoining open space (on rickers covered by tarpaulins), and thence delivered to importers just as it used to be done from any berth before fumigation was introduced. Should there be no rush, fumigation in the eight special barges will be done at the berth. Should, however, a rush occur, the barges will be taken to "G" and their contents stored in "G" shed so as to release the barges as quickly as weather permits. As soon as conditions allow, this unfumigated cotton will be re-loaded into the special barges, fumigated and then landed at "H." The effective capacity of the fumigating fleet in its relation to the amount of cotton that can be removed from vessels will thereby be increased by some three to four thousand bales, which should we believe offer a reasonable compensation for loss of speed of fumigation occasioned by rain.

6. As "G" shed will have to be reserved almost exclusively for American cotton, and the insurance hazard increased, a charge must be made for its use, either through Government or directly to the importer. As the charge will in any case finally fall upon the importer, it is understood you are of opinion that it would be more convenient to recover from the merchant direct—to do which it will be necessary to devise a flat rate, preferably per bale, irrespective of whether any particular bale is placed in the shed prior to fumigation or not. Rental at the scheduled ground rent rates would be Rs. 3,450 p.m. It is suggested that in lieu of rental a charge of Re. 1 per bale be levied in all cases during the period the monsoon arrangements are in force. In addition the Haji Bunder charge of 4 annas per bale for Docks overhead charges will require to be increased in 6 annas to cover the cost of cramage and handling for re-loading and re-discharging. The Port Trust charge for the monsoon arrangement will therefore be one wharfage, plus Rs. 1-6-0 per bale in place of the fine weather charge of 4 annas.

7. The Lighterage Contractor has agreed to continue his share of the work on the same terms as before plus the concession of two extra lay days, now making five in all, for his barges while under load. The Port Trust agreement with him will require very slight amendment: (a) to bring landing in Docks within its scope, (b) to increase the lay days from three to five.

8. The Government Notification will require suitable amendment, as also the Bombay Government Rules. As the dryness of the bales is of great importance, it is suggested that a clause should be inserted prohibiting vessels from discharging any during rain.

9. It will be desirable to continue at Haji Bunder as long as possible, depending on the advent of the rains; hence it would seem preferable for the date for changing over to be left open until say the first week in May when some forecast may be obtainable.

10. It is understood that you will discuss these proposals with the representative associations and ascertain whether they still desire to continue importation of American cotton after the 31st May and that, should they desire to do so, you will approach Government for the necessary sanction.

11. I am to request that you will keep me advised of the progress of the negotiations so that the Chairman may be informed when it becomes necessary to submit the proposals to the Board for approval.

No. 642-40/B of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th April, 1926.

THE SECRETARY,
INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. 4007 dated 19th April, 1926, and in reply to say that the matter was considered by my Committee on the afternoon of the same day. In the short space of time at their disposal you will appreciate that it has not

been possible to go into the matter in very great detail, but my Committee consider that it would be to the interest of the trade, for this season at least, to agree to the extra charge proposed for fumigation during the monsoon rather than forego the advantage of being able to import American cotton.

It is understood, of course, that the extra charge for fumigation will not be required from importers as long as Haji Bunder is used (*see* para 9 of letter No. 1522 from Secretary, Bombay Port Trust.), and that the possibility of reducing the extra charge for fumigation during the monsoon will also be considered when the results of this season's working are reviewed by the Government of India.—I have, etc.,

T. MALONEY,
Secretary.

No. 4037 of 1926.

INDIAN CENTRAL COTTON COMMITTEE,
BOMBAY, 20th April, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Fumigation of American Cotton during the Monsoon.*

With reference to your letter No. 642-40/B, dated the 19th of April, 1926, I have the honour to say that the matter has now been referred to the Government of India.—I have, etc.,

B. C. BURT.
Secretary.

No. 776-40/B of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 13th May, 1926.

ALL MEMBERS OF THE ASSOCIATION.

DEAR SIRS,

Members are aware that under the existing Fumigation Rules, importation of American cotton is prohibited from 1st June to 30th September every year.

2. In view of the serious inconvenience caused to the consumers of cotton by the prohibition, the Committee of this Association have for some time been in communication with the Government of India and with the Indian Central Cotton Committee regarding the necessity of allowing importation of American cotton throughout the year.

3. The Indian Central Cotton Committee have discussed the question with the Port Trust who have put forward a scheme which will enable American cotton fumigation to be continued during the monsoon by utilising G and H sheds, Prince's Dock, which can be made available in the monsoon but not during the fair weather. The Port Trust suggest that a charge of Re. 1 per bale shall be levied in all cases during the period the monsoon arrangements are in force. In addition the Haji Bunder charge of 4 annas per bale for docks overhead charges will require to be increased to 6 annas to cover the cost of cranage and handling for a re-loading and re-discharging. The Port Trust charge for the monsoon arrangement will therefore be one wharfage plus Re. 1-6-0 per bale in place of the fine weather charge of 4 annas.

4. Over and above this additional Port Trust charge, it would be necessary for the Government charge for actual fumigation to be increased on account of the additional expenditure which would be necessary on fumigating staff for work under monsoon conditions.

The Indian Central Cotton Committee wanted to recommend the Government that the additional Government charge should not exceed 6 annas per bale. Hence, if these arrangements were brought into force, the additional cost of importing American cotton during the monsoon would be Re. 1-8-0 per bale over the fair season charges, that is to say, fumigating charges would be Rs. 4-14-0 per bale (as compared to Rs. 3-6-0 at present) and the total charge, including docks import wharfage, Rs. 6 per bale (as compared to Rs. 4-8-0 at present).

5. The Committee of this Association agreed to the extra charge proposed for fumigation during the monsoon rather than forgo the advantage of being able to import American cotton.

6. A telegram has been to-day received from the Government of India, sanctioning the proposals outlined above and stating that a notification will be issued shortly.—Yours faithfully,

T. MALONEY,
Secretary.

BOMBAY PORT TRUST DOCKS.
BOMBAY, 18th May, 1926.

THE SECRETARY,
THE BOMBAY MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIRS,

Subject :—*Fumigation of American Cotton during the Monsoon 1926.*

I have to inform you that the Government of India have sanctioned as an experimental measure and restricted to this year only the importation and fumigation of American cotton during the monsoon months 1st June to 31st October, 1926.

It has been arranged that during this period the work of fumigation will be closed down at Haji Bunder and transferred to " G " and " H " berths, Prince's Dock, which will be set apart for the storage and delivery of fumigated American cotton as may be found necessary.

The scale of charges leviable during the monsoon months approved by the Government of India is as follows :—

Docks Import wharfage and surtax	.. .. .	As per Rate Book
Watching fees	;... .. .	Do.
Port Trust consolidated fee for special services arising out of fumigation	.. .. .	Rs. 1-0-0 per bale.
Extra handling at " G " shed, inclusive of cranage	.. .. .	„ 0-3-0 „
Fumigation charges (Government)	.. .. .	„ 3-8-0 „
	Total ..	Rs. 4-14-0 „
Penalty for inadequate notice, as before	.. .. .	Rs. 2-0-0 „
Minimum charge per consignment, as before	.. .. .	„ 150-0-0

American cotton imported by vessels arriving between the 19th and the 31st May, 1926, will be fumigated and landed at " G " and/or " H " berths, Prince's Dock, owing to the uncertainty of the weather ; but the enhanced scale of fees will only apply to consignments arriving after the 31st May.—Yours faithfully,

C. N. RICH.
Manager.

No. 1198-40/C of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 27th July, 1926.

THE SECRETARY,
INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

SIR,

My Committee understand that the Central Cotton Committee have recently been considering the question of fumigation charges, and would be pleased if information could be given to them as to what action, if any, is being taken with regard to rebates in the fumigation charges paid on imported cotton during the present year, and a permanent reduction in the charges during the coming year.—I have, etc.,

T. MALONEY,
Secretary.

 No. 6062 of 1926.

INDIAN CENTRAL COTTON COMMITTEE,
BOMBAY, 29th July, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Fumigation of American Cotton.*

With reference to your letter No. 1118-40/C of 1926, dated the 27th of July, 1926, regarding fumigation charges of American cotton. I have the honour to state that this matter was carefully considered by my Local Sub-Committee whose report was adopted by the Central Committee at its last meeting. From the information available on the cost of fumigation during the period December 1st—May 31st, my Committee felt that it would be premature to make any recommendation for a general revision of fumigation fees as the figures are only for a short period which might prove to be abnormal. The information collected has been forwarded to the Government of India. It was decided that negotiations should be opened in order to obtain a reduction in the transport charges—which is the heaviest item of expense in fumigation—and the Bombay Port Trust and the Government of India have been addressed in this connection. Their replies are still awaited.

If any such rebates are obtained, my Committee agreed that they should be refunded to importers at the end of the season.—I have, etc.,

JENKINS,
Secretary, Indian Central Cotton Committee.

 No. 380 of 1926.

INDIAN CENTRAL COTTON COMMITTEE,
BOMBAY, 1st October, 1926.

THE ASSISTANT SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Resumption of Fair Weather Charges for Fumigation of American Cotton.*

With reference to our conversation on the above noted subject in this office on 29th September, 1926, I have the honour to state that the monsoon charges for fumigation of American cotton is levied so long as fumigation takes place at the special American cotton wharf in the Bombay Docks (*vide* Government of India Notification No. 933-Agri, dated 19th

May, 1926). As soon as the work of fumigation is transferred back to Haji Bunder, the fair season charges come into operation. The 'fair season' is assumed to be 1st November to 31st May (*vide* Government of India, Notifications No. 1493-Agri. dated 14th November, 1925, and No. 932-Agri, dated 19th May, 1926).

However, I discussed this matter with the Docks Manager, Bombay Port Trust, this morning and he is quite agreeable—and indeed anxious—to transfer the fumigation of American cotton from Prince's Dock, which is now required for coastal trade, to Haji Bunder. The resumption of fair weather charges would follow naturally on such a transfer.

The Docks Manager points out that the responsibilities of the Trust in its capacity as bailees commence from the time that fumigated bales are received into its custody at Haji Bunder. There is no shed accommodation at Haji Bunder and the best protection that can be provided is to stack the bales on 5" square section baulks of timber and cover them with tarpaulins. He does not think that the present weather conditions are sufficiently stable to justify the assumption that the monsoon is over and points out that a heavy rainfall might result in the stacked bales being damaged by accumulated water or by mud, while the approaches might become impassable to motor lorries. He therefore considers it open to doubt whether the Trust could reasonably maintain a defence of having exercised prudence as defined by the Indian Contracts Act if he transferred the fumigation and storage of American cotton to Haji Bunder before the 1st November.

Without prejudice therefore to the Trustees' right to disclaim liability for damage caused by rain-water or mud to bales located at Haji Bunder after the 1st November, when fair weather conditions may be taken as established, the Docks Manager is only prepared to transfer the fumigation work to Haji Bunder earlier than the 1st November provided that the importers guarantee the Bombay Port Trust against any liability for damage to bales caused by rain-water or mud during the period from the resumption of fumigation at Haji Bunder till the 1st November, 1926.

I have the honour to request your Association to ascertain whether importers are willing to give such a guarantee to the Bombay Port Trust and if so, I will arrange with the Docks Manager to transfer the work of fumigation to Haji Bunder on or before the 15th October, after which transfer the fair weather rates will again be resumed.—I have, etc.,

JENKINS,
Secretary, Indian Central Cotton Committee.

No. 2193-40 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 17th December, 1926.

THE SECRETARY,
INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

SIR,

You are no doubt aware that the Government of India's notification of 14th November, 1925, making it compulsory for all American cotton imported into this country to be fumigated at the cost of the importer has entailed, and is entailing, on cotton mills very heavy expenditure which they can ill afford to bear in these very critical times. My Committee have recently very carefully considered the question as to whether it is worthwhile incurring all this expenditure to ward off the alleged danger of the American boll-weevil finding its way into this country, and they have directed me to bring the following facts to your notice.

2. American cotton has regularly been imported into India, from America direct for upwards of a quarter of a century, and no trace of the insect was ever found in India before 1925 despite the fact that more than 60,000 bales were imported in 1921-22, when the damage caused by the boll-weevil was more widespread in America than at any other time.

Since fumigation was made compulsory at the end of last year, special inspections have been made whilst the cotton was being treated, but as far as my Committee are aware only one dead boll-weevil has ever been seen. It is also generally admitted that the pest has almost disappeared in America during the last two years. Col. A. B. Shepperson, a great authority on cotton, stated in his review for 1925-26 :—" Damage from boll-weevil during the past season was comparatively light." The size of the crop substantiates this statement. During the growth of the crop of 1926-27, the name of " boll-weevil " has scarcely been heard, which clearly shows that the pest has largely been checked.

3. My Committee also wish to point out that Indian cotton mills are gradually turning to the spinning of finer counts, and for this reason it will be necessary to import long-stapled cotton from America in greater quantities than in the past. The present fumigation charges serve to discourage importation of American cotton with prejudicial effects to the development of fine spinning in this country.

4. I am further to point out that even assuming that there is a danger of the boll-weevil finding its way into India, fumigation does not prevent the bug from reaching the cotton fields of this country for the reasons set forth below :—

- (a) The weevil, if alive when it reached Bombay, could fly from the ship to baled cargo on land, and escape fumigation;
- (b) Could transfer its pernicious affections to other parts of the cargo on the boat and escape fumigation in that manner ;
- (c) Could escape during the process of unloading (join a passing train, alight in a cotton-growing district and proceed to set up a family).

My Committee's views are corroborated by the following extract from the proceedings of the 4th Meeting of the Indian Central Cotton Committee :—

" To ensure absolute safety, fumigation should be carried out in the hold prior to the discharge of any cargo, but this would probably prove prohibitive on account of (a) the cost of fumigating, (b) delay of the ship and (c) consequent increased harbour dues."

My Committee, as practical men, consider that the absence of the boll-weevil in India to-day must be attributed to the fact that it cannot survive the journey to this country.

5. From the correspondence which took place between your Committee and this Association in 1922, it will be noticed that burning of the blow-room refuse by mills which imported American cotton was deemed adequate to destroy the boll-weevil if it survived the journey to Bombay, and so far as my Committee are aware, the information collected subsequently by the Indian Central Cotton Committee was not such as to justify resort to the very costly luxury of ' fumigation.'

6. It is true that the Association's representative on your Committee agreed as to the introduction of fumigation and also to the principle that the costs of fumigation should be borne by importers, but it is necessary to point out that this was partly due to the fact that the cost of fumigation as originally estimated was 8 annas per bale, while actually it had turned out to be nearly seven times that amount. My Committee, however, are now of the opinion that even if it were possible to reduce the cost of fumigation to 8 annas per bale, it would still be an unjustifiable expenditure, and they trust that a careful consideration of this letter will satisfy your Committee that the danger of the boll-weevil finding its way into this country is more mythical than real.

7. My Committee also wish to point out that the Imperial Entomologist inquired of the authorities in America for information as to the chances of the boll-weevil surviving the voyage to India. In the course of the note subsequently submitted by him on receipt of information from America, he stated :—

"I do not know what proportion of these bales is issued in Bombay City, but certainly some have been sent to Ahmedabad, Cawnpore and other places. The danger in Bombay City is small, comparatively speaking, as it is fairly well isolated from any cotton-growing district. The chief danger is in the risk of the weevil escaping *en route* on the way from Bombay to other places, and this they would be likely to do if the wagons got warmed up in the sun. It might therefore be possible to confine fumigation to bales exported from Bombay City, which could reduce the extent of the operation considerably."

My Committee maintain that there is considerable force in the view expressed by the Imperial Entomologist and they are not aware of any reasons for departing from the recommendation of the Imperial Entomologist.

8. It may be also stated that the American authorities in their report pointed out that the adult boll-weevil rarely lived as long as fifty days in the summer, though in the cooler portions of the year it had been known to live as long as six months. It is my Committee's considered opinion that there is no possibility of the boll-weevil surviving the long journey from the American cotton fields until it reached Bombay and thereafter the cotton fields of India.

9. My Committee trust that for the reasons given above, your Committee will take up this question '*de novo*' and recommend to Government that fumigation of American cotton is unnecessary and that the notification referred to in para 1 of this letter should be annulled.—I have, etc.,

T. MALONEY,
Secretary.

No. 2071 of 1926.

INDIAN CENTRAL COTTON COMMITTEE,
BOMBAY, 20th December, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Fumigation of American Cotton.*

I have the honour to acknowledge receipt of your letter No. 2193-40 of 1926, dated the 17th of December, 1926, regarding fumigation of American cotton, which will be submitted to my Local Sub-Committee for consideration at their next meeting.—I have, etc.,

JENKINS,
Deputy Secretary, Indian Central Cotton Committee.

APPENDIX 23.

FINE OOMRA CONTRACT.

THE EAST INDIA COTTON ASSOCIATION, LTD.

NOTICE.*

Notice is hereby given that an Extraordinary General Meeting of the East India Cotton Association, Limited, will be held at 5 p.m. (S.T.) on Thursday, the 4th February 1926, in the Board Room of the Association, Cotton Exchange, Mazagaon, to pass, if approved, the

undermentioned resolution passed by the Board of Directors at the meeting held on the 25th January, 1926 :—

“ That under By-law 52, trading in July Fine Oomra Contract be prohibited until further notice.”

TAJ BUILDING,
HORNBY ROAD, FORT,
BOMBAY, 26th January, 1926.

By Order of the Board,
H. B. KOTAK,
General Manager.

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

26th January, 1926.

H. B. KOTAK,
General Manager.

No. 155-54 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 2nd February, 1926.

THE GENERAL MANAGER,
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

I am desired by my Committee to thank you for forwarding for their information a copy of the notice of Extra ordinary General Meeting of the East India Cotton Association to be held on Thursday, the 4th February, 1926, in the Board Room of the Association, Cotton Exchange, Mazagaon, to pass, if approved, the undermentioned Resolution passed by the Board of Directors, viz :—

“ That under By-Law 52, trading in July Fine Oomra Contract be prohibited until further notice.”

My Committee have seriously considered this notice, and have instructed me to point out to you once again the extreme narrowness of the present hedge contracts. The proposal to prohibit trading in July Oomras clearly indicates the wisdom of the attitude this Association had taken up asking you on several occasions in the past to widen hedge contracts.

Last year the argument was advanced that on account of black leaf the Oomra hedge contract was not sufficiently protected by actual cotton to prevent manipulation by the speculative element in the market. This year this special difficulty has been removed owing to the prohibition against the tender of black leaf cotton having been raised. But in spite of this it has again been necessary to prohibit trading in July Fine Oomra contract, which fact, in the opinion of my Committee, shows that in any normal year there is always a probability that owing to shortage or other reasons, prohibition will be necessary to protect the Fine Oomra contract. My Committee are aware that your Board of Directors placed their suggestions before the General Meeting of your Association last year but the bulk of the members of the various panels were not in favour of moving as rapidly as we desired in the matter of widening the various hedge contracts. My Committee submit that even if you are not in a position to widen all the hedge contracts, the time has now come when the Oomra Fine hedge contract should be widened so as to allow cotton one full class below the basis of the contract, as is the case in the Oomra Delivery contract. Mr. V. A. Grantham of Messrs. Forbes, Forbes, Campbell & Co., also put forward certain suggestions to your Board last year, and these might also be seriously considered. ”

In the opinion of my Committee, the circumstances which have led your Board to recommend the prohibition of trading in this contract this year, and the action in previous

years amply demonstrate the urgent necessity of widening the basis of the contract, in the manner suggested by Mr. Grantham, or reducing the number of the contracts with the ultimate object of creating a single or at the most two hedge contracts.—Yours, etc.,

T. MALONEY,
Secretary.

No. 1849-AiE-2.

THE EAST INDIA COTTON ASSOCIATION, LIMITED,
BOMBAY, 4th February 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I beg to acknowledge receipt of your letter No. 155/54 dated the 2nd February 1926 regarding the prohibition of trading in Oomra Contract July delivery and to say that the same is receiving attention.—yours, etc.

H. B. KOTAK,
General Manager,

No. 2004-HE-2.

THE EAST INDIA COTTON ASSOCIATION, LIMITED,
BOMBAY, 15th February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

My Board have very carefully considered your letter No. 155-54 dated 2nd February, 1926, and also the letter dated 4th February, 1926, from Mr. S. D. Saklatwala in conformity with your own suggestion about widening the Fine Oomra Contract and have resolved to place that suggestion for the approval of the Representative Committee of the trade. They have also further resolved that your suggestion about the broadening of Hedge contracts be dealt with after the above resolution has been finally considered by the Representative Committee.—Yours, etc., ;

H. B. KOTAK,
General Manager.

No. 2371-HE-2.

THE EAST INDIA COTTON ASSOCIATION, LTD.,
BOMBAY, 12th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

In continuation of my letter No. 1849-HE-2 dated the 4th February, 1926, I am directed to inform you that my Board have very carefully considered your proposal for widening the basis of the Fine Oomra Contract, July position, and also your suggestion for reducing the number of Hedge Contracts with the ultimate object of creating a single or at most two Hedge Contracts.

In view of the fact that the Representative Committee of my Association at their meeting held on the 22nd June, 1925, had rejected the special resolution embodying certain recommendations made by my Board for widening Hedge Contracts on the lines indicated by your Association and also in conformity with certain proposals made by Messrs. Forbes Forbes Campbell & Co., Ltd., in their letter dated the 5th May, 1925, subject, of course, to certain necessary modifications, my Board do not consider that any useful purpose will be served by submitting any fresh proposals for widening Hedge Contracts to the Representative Committee of my Association for their consideration as they feel that they will not meet with the approval of the Trade as a whole until such time as they are further educated to a full significance of and necessity for the proposed changes in the Hedge Contracts.

I am also to add that as recently as on the 5th March, 1926, certain recommendations submitted by my Board to the Representative Committee of the Association for widening the Fine Machine Ginned Oomra Contract, July delivery, on the lines recommended by your Association and also in conformity with certain recommendations made by Messrs. Langley & Co., for allowing cotton a "full class off Fine" being made tenderable against that particular delivery were not accepted by them.

I am, however, to suggest on behalf of my Board that it is open to members of the Representative Committee of the Millowners' Panel, if they so desire, to move the Board of Directors of my Association to convene an Extraordinary General Meeting of the Association by a requisition as provided by Article 32 and which requisition, if and when made, should be in conformity with the provisions of Article 33, for the purpose of considering such specific proposals for widening Hedge Contracts as they may bring forward at that meeting. Copies of Articles 32 and 33 are annexed hereto for facility of reference.

I am to add that my Board have resolved to circulate *copies of your letter under reference and also of letter dated the 25th February, 1926, from Messrs. Langley & Co., referred to above with copies of Gujerati translations thereof to members of the Representative Committee of my Association for their information.—Yours faithfully,

D. MEHTA,
Secretary.

COPY.

Article 32.

On a written requisition signed by 15 members of the Representative Committee of the Association or by 50 members (other than Associate and Special Associate Members) stating the special object of the meeting, an Extraordinary General Meeting of the Association shall be convened by the Board within 21 days of deposit of the requisition, failing which, the requisitionists or a majority of them may convene a meeting for the objects specified in the requisition.

Article 33.

The requisition must state the object of the Meeting and must be signed by the requisitionists and deposited at the Office of the Association and may consist of several documents in like form, each signed by one or more requisitionists.

APPENDIX 24.

COTTON FROM HARDA, BHOPAL AND PIPARIA.

THE BOMBAY COTTON MERCHANTS AND
MUCCADUMS ASSOCIATION, LTD,
BOMBAY, 19th June, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Cotton from Harda, Bhopal, and Piparia.

I am directed to request you to favour this Association with the views of your Association on a proposal that cotton from the above stations should be included in the list of stations, cotton from which is tenderable under the Berar standard against the Fine M. G. Oomra Contract No. 3.

Thanking you in anticipation.—Yours, etc.,

JAMNADAS RAMDAS
Hon. Secretary.

No. III2-54/D of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th July, 1926.

THE HON. SECRETARY,
THE BOMBAY COTTON MERCHANTS AND MUCCADUMS' ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

Subject:—*Cotton from Harda, Bhopal and Piparia.*

With reference to your letter of the 19th ultimo I am directed to inform you that in the opinion of this Association, the East India Cotton Association is the only body legally authorised to handle questions such as those which form the subject matter of your letter and my Committee do not propose to carry on correspondence on such subjects with any other body. They further understand that the proposal contained in your letter has been already considered by the East India Cotton Association.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 25.

RESULT OF THE APPLICATION OF THE COTTON TRANSPORT ACT IN BOMBAY.

No. 6137 of 1926.

INDIAN CENTRAL COTTON COMMITTEE,
BOMBAY, 2nd August, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject:—*Improvement in Bombay and Madras cottons as a result of the application of the Cotton Transport Act.*

I have the honour to invite reference to the correspondence resting with your letter No. 1087-33, dated the 21st of September, 1925, and to state that I should be highly obliged to receive in the course of the next two or three weeks any further information as to the

effect of the application of the Cotton Transport Act in Bombay on the quality of the Surat, Kumpta, and Dharwar cottons of this season. Now that the Act has also been in operation in three zones of the Madras Presidency for about one year, I should be grateful if you would kindly ascertain from the members of your Association their opinion on the quality of the current season's Northern, Western, Cambodia and Tinnevely cottons.—I have, etc.,

JENKINS,
Secretary, Indian Central Cotton Committee.

No. 1395-138 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 2nd September, 1926.

THE SECRETARY,
INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

Sir,

Subject:—*Improvement in Bombay and Madras cottons as a result of the application of the Cotton Transport Act.*

I have the honour to acknowledge receipt of your letter No. 6137 dated the 2nd August on the above subject and in reply thereto to give below the opinions expressed by some of the members of my Committee in this connection.

Mr. A. Geddis:—The previous improvement in Comptas has been kept up, but I have not seen any improvement in Westerns. We do not use Surats, Dharwar or Cambodias.

Sir Ness. Wadia:—There has been no improvement since last year in Surats. In fact cotton last year was slightly inferior. In Comptas and Dharwar, improvement has been maintained. But the Westerns show no improvement but have gone down in spinning qualities.

Mr. N. B. Saklatvala:—We see no improvement in Western or Cambodia. We agree with Sir Ness. Wadia's views on Westerns. We do not use Northern or Tinnevellys and are, therefore, unable to express any opinion. Improvement in Comptas and Surats has been maintained.

Mr. J. A. Kay:—The application of the Act relates to the prevention of mixing with growths of one district with those of another. In the Compta district we have no complaints though some short staple has been mixed with longer staple but all Comptas. In Surats we experience no mixing though the cotton was not so good as the previous season's due to this crop generally being poorer.

Cambodia and Tinnevellys were, in my opinion, a little better than the previous season's.

Westerns—I agree with Sir Ness. Wadia.

Sir Victor Sassoon:—The Transport Act is working efficiently. Coompta quality this year is the best we have had for several years. Cambodia and Karanganta styles are better than last year. The quality of Surat styles has been maintained. Westerns are worse than last year, due most probably to unfavourable weather conditions.

Mr. Lalji Naranji:—I agree with Sir Victor Sassoon.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 26.

COTTON SHIPMENTS TO SHANGHAI.

DAVID SASSOON & Co, LTD.,
BOMBAY, 27th November, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Subject:—*Japanese Penetration.*

Herewith we beg to hand you copy of a letter we have written this day to the Bombay Chamber of Commerce in reference to a circular letter from the *Japan Cotton Spinners' Association* embodied therein.

Perhaps you would be so good as to place this before your Committee for their information.—Yours faithfully,

H. H. SAWYER,
Manager.

COPY OF LETTER DATED 27TH NOVEMBER, 1925 ADDRESSED TO THE SECRETARY, BOMBAY CHAMBER OF COMMERCE, BY DAVID SASSOON & Co.

We beg to set out hereunder the contents of a circular dated the 19th instant addressed to us by the *Japan Cotton Spinners' Association, Bombay*, with reference to the shipment of cotton to Shanghai.

The circular reads as follows:—

JAPAN COTTON SPINNERS' ASSOCIATION,
ALICE BUILDING, HORNBY ROAD, FORT, BOMBAY.

DEAR SIRS,

Cotton Shipments to Shanghai.

I have received telegraphic instructions from my Head Office, at Osaka, intimating that an Association has been formed by Cotton Millowners' and Cotton Merchants at Shanghai, named the "Indian Cotton Transport Association" (Indo Menkwa Unsoh Kumiai). This Association has entered into an agreement with the Conference Lines of steamers for the conveyance of cotton from Indian ports to Shanghai, at the rates mentioned below:—

	Gross Rate.	Nett Rate.	
	Rs.	Rs.	
From Bombay to Shanghai ..	27½	15	per ton of 40 cubic feet.
„ Calcutta	27½	15	„
„ Tuticorin	27½	15	„
„ Colombo	26	13½	„
„ Karachi	31½	19	„

Rebate.—Rs. 5 to shippers and Rs. 7½ to the above Association as rebate is to be paid direct by the Steamship Companies.

The members of this Association only are entitled to ship cotton from Indian Ports to Shanghai at the rates mentioned above, with effect from the first of this month.

The Agent of the Japan Cotton Spinners' Association has been appointed Agent of that Association, with authority to make allotments for space.

If you are desirous of shipping cotton to Shanghai at the above-mentioned rates, it is necessary for you to get your consignees at Shanghai to enroll themselves as members of that Association. This you could do by applying to me, provided your friends in Shanghai, are willing to become members of that Association, in which case, please let me know the name of your consignees for my Head Office to accept their membership, or you can advise your friends in Shanghai direct to approach the Japanese Millowners' Association there to take due steps in the matter.

Please let me know as soon as possible, which course you adopt.—Yours faithfully,

T. TAMAGAKI,
Agent,

The Japan Cotton Spinners' Association.

From the above, it will be seen that a Japanese concern, domiciled in Bombay, dictates terms to British and British Indian spinners from British Indian Ports to *Shanghai*, which is an International Port. Unfortunately for those concerned, owing to the power which Japanese Steamship Companies and Japanese Shippers possess in British India it appears that we have no other recourse but to submit to their request, which is nothing more or less than an ultimatum couched in dictatorial and aggressive terms.

It is unthinkable that in this country a Japanese Association should be strong enough to dictate terms to such a concern as the Peninsular and Oriental Steam Navigation Company, whom they have forced into this agreement, and to the cotton shippers of India regarding the shipment of cotton from this country to China (not to Japan it may be noted) and this is a concrete example showing the extent to which Japanese penetration into British trade has been accomplished.

It may be pointed out that this Japanese Association reserves to itself the right of allotting freight space for the requirements of British, European and Indian shippers which will doubtless result in a larger percentage being allocated to their own nationals in order to foster their trade at the expense of others who will be proportionately penalised. Also in the event of a squeeze for any particular position it is practically certain that Japanese competitors will receive their freight space, whilst British and Indian shippers will go begging.

We should be glad if you would place these facts before your Committee with the request that the matter be brought to the notice of Government at the earliest opportunity as in our opinion it is an attempt to violate the spirit of the "Most-Favoured-Nation Treaty" which is in operation between Japan and the British Empire.

In this connection, as the Circular emanates from the *Japan Cotton Spinners' Association* we would draw attention to the fact that the Japanese representatives present at Washington tentatively agreed to the Conventions regulating the hours of labour and the employment of women in spinning and weaving mills in their country as far back as 1919, but up to date they have not ratified these conventions and are still working longer hours than those prescribed and are employing women upon night-work in direct contravention thereto.

We feel sure that your Committee will agree that both the terms and the tone of the above Circular letter constitute a direct affront to British and Indian cotton shippers, and we beg to request them to take such action in the matter as they think fit, at the same time urging Government to call upon Japan to ratify the Washington Convention which they have already signed but failed to put into operation."

No. 1461-145 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22nd December, 1925.

THE SECRETARY,

THE INDIAN MERCHANTS' CHAMBER, BOMBAY.

THE EAST INDIA COTTON ASSOCIATION, BOMBAY. } Copies sent to—

THE BOMBAY CHAMBER OF COMMERCE. }

DEAR SIR,

You are probably aware that recently the Japan Cotton Spinners' Association addressed a letter to exporters of cotton from India as per copy enclosed herewith.

2. It will be seen that an organised attempt is being made by the Japanese to dictate terms to shippers of Indian cotton to Shanghai, and my Committee are of the opinion that the trading interests concerned should strongly oppose this move on the part of the Japanese.

3. My Committee will be pleased to know whether your Chamber proposes to take any action in the matter, and if so on what lines. It would be perhaps better if concerted action were taken by the trading interests concerned, and my Committee will be pleased to know whether you share this view. They are also in communication with the Chamber of Commerce and the East India Cotton Association in connection with this matter, and if there is a general desire to take concerted action, a joint meeting of the representatives of all the four bodies might be arranged.—Yours, etc.,

T. MALONEY,
Secretary.

No. 1468-MI-I.

THE EAST INDIA COTTON ASSOCIATION, LIMITED,
BOMBAY, 7th January, 1926.

THE SECRETARY,

THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

With reference to your letter No. 1461-145 dated 22nd ultimo, I am directed to inform you that the same was placed before the Board of Directors of my Association at their meeting held on the 4th instant when it was resolved to postpone consideration of the matter dealt with therein with a view to enabling Mr. Lalji Naranji, a representative of the Millowners' Panel on the Board to peruse the papers in the case and give the benefit of his advice to the Board on the question of taking concerted action in the matter.—Yours, etc.,

D. MEHTA,
Secretary.

No. 134-30 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 29th January, 1926.THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, DELHI.

SIR,

I am directed to call your attention to a circular emanating from the office of the Japan Cotton Spinners' Association, a copy of which is sent as an accompaniment to this letter.

2. From it you will observe that what is nominally an Association of millowners and merchants has been formed in Shanghai and has come to an arrangement with the Conference Lines, which incidentally includes the Peninsular and Oriental Steam Navigation Co., whereby members of the new Association aforementioned are granted special freight rebates on their shipments of cotton from the chief ports of India. With the principle of cheaper freight rates to China, my Committee are not in disagreement, but my Committee would ask the Government of India to move the Conference Lines to give at least equal rebates and freight rates to shippers of Indian yarn and piece-goods to Hongkong and Shanghai in the interests of the export trade of the Indian Textile Industry. At the present time it would appear that the only persons really advantaged by the cheaper freight rates allowed by this agreement will be the cotton mills in Shanghai which are very largely controlled by the Japanese who during recent years, by double shift working and the employment of women and children at night, have already sadly depleted the Indian export trade in yarn and piece-goods and will now be able to obtain a further advantage against Indian mills.

The chief point, however, which my Committee wish to make in regard to the announcement contained in the circular issued by the Japan Cotton Spinners' Association is that owing to the preponderating Japanese influence in the new Shanghai Association, the Agent of the Japan Cotton Spinners' Association in Bombay has been given the power to make allotments for space, and there is no guarantee of any type whatsoever that preference will not be given to Japanese shippers with the definite object of capturing the whole of the trade in raw cotton between India and the Far East.

It would be far more equitable if the allotments for space were made by an entirely neutral body such as the East India Cotton Association, as the interests of both Indian and English shippers would not be endangered if such an arrangement were made instead of an existing one. Or, as an alternative, my Committee would suggest that all shippers should be allowed to make their own freight arrangements as long as they ship by the Conference Lines.

Briefly, the arrangement which has been concluded gives the Agent of the Japan Cotton Spinners' Association the power to say how much, or rather how little, cotton an Indian or British firm shall ship to an International Port. This position cannot, in my Committee's opinion, be tolerated in the interests of either India or England. My Committee wonder what would be the attitude of Government if the Bombay or Ahmedabad Millowners' Association asked to be given the privilege of dictating how much Indian-grown cotton should be shipped out of India every year.

4. If the Government of India find themselves unable to take steps to alter the most undesirable arrangement indicated at the opening of the third paragraph of this letter owing to international character of the question, I am desired to suggest that representations be made to the British Government to deal adequately with the matter.—I have, etc.,

T. MALONEY,
Secretary.

No. 3999-30 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th March, 1926.

THE SECRETARY,
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

I am directed to refer to your letter No. 1468-MI/1 dated the 7th January, 1926.

2. Since that time my Committee have had the opportunity of studying the minutes of the inaugural meeting of the Indian Cotton Importers' Association of China held in Shanghai on 28th November, 1925, and the provisional agreement made with the 'Allied Shipping Companies for the carriage of cotton from India.'

From these papers it is evident that the arrangements made are only of a provisional nature and will come up for revision in November, 1926.

3. As indicated in my letter of the 22nd December, the chief objection which my Committee have to urge against the present agreement is that the Agent of the Japan Cotton Spinners' Association in Bombay has been given the power to make allotments for freight space, and there is no guarantee whatsoever that preference will not be given to Japanese shippers with the object of capturing the whole of the trade in raw cotton between India and the Far East.

4. My Committee, have already submitted a representation to the Government of India requesting their intervention in this matter in the interests of Indian shippers and exporters, but consider it most advisable that the East India Cotton Association should at once take up the matter with the new Association in Shanghai, suggesting that "when the agreement is renewed in November, 1926, the clause relating to the appointment of the Agent of the Japan Cotton Spinners' Association in Bombay as the authority who shall allocate freight space shall be substituted by a clause providing that in each of the Indian Ports mentioned in the agreement, freight space shall be allocated by the undermentioned committees of shippers."

5. If you require any further information on the subject I shall be pleased to supply it. In any case, my Committee would be pleased to hear, at an early date, what action your Association proposes to take. If the agreement with the Allied Shipping Companies is to be altered in the manner desired, my Committee consider that very early action is essential and that your Association as the custodian of the interests of the Indian cotton trade should take the necessary steps.—Yours, etc.,

T. MALONEY,
Secretary.

No. 2325-MI-I.

THE EAST INDIA COTTON ASSOCIATION, LIMITED,
BOMBAY, 10th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 399-30, dated the 9th March, 1926, and to say that the same will be placed before the Board for their consideration along with your previous letter on the subject at their meeting to be held on Monday, the 15th March, 1926.

Any decision the Board may arrive at in the matter will be communicated to you in due course.—Yours, etc.,

D. MEHTA,
Secretary.

No. 2413-MI-I.

THE EAST INDIA COTTON ASSOCIATION, LIMITED,
BOMBAY, 16th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re: Cotton Shipments to Shanghai.

With reference to correspondence ending with your letter No. 399-30 dated 9th March, 1926, I am directed to inform you that before my Board take any action in the above matter

they desire to be acquainted with the provisions of the Provisional Agreement made with the Allied Shipping Companies for the carriage of cotton from India.

With this end in view I have addressed a letter to the local Agent, Indian Cotton Importers' Association of China, to furnish me with a copy of the Provisional Agreement with Shipping Companies of that Association and also a copy of the Rules, if any, for regulating the allotment of freight space by their representative.

As soon as these documents are made available the matter will be placed before the Board for arriving at a decision which will be duly communicated to you.—Yours, etc.,

D. MEHTA,
Secretary.

No. 471-30 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 18th March, 1926.

THE SECRETARY,
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

With reference to your letter No. 2413-MI-1, dated the 16th March, you must have received the necessary papers from the Local Agent of the Indian Cotton Importers' Association of China, but in case you have not received them, the enclosures* to this letter will furnish you with the requisite information, and my Committee will feel obliged if you will kindly place the matter before your Board as early as possible. The matter is of the most urgent importance, and my Committee are of opinion that your Board should consider the matter at the earliest moment possible.

I shall be glad if you will kindly return the enclosures when done with.—Yours, etc.,

T. MALONEY,
Secretary.

No. 630-30 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 16th April, 1926.

THE SECRETARY,
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

I am directed to invite your attention to the Association's letters dated the 9th March and 18th March, respectively, on the subject of the Agreement between the Indian Cotton Importers' Association of China and the Conference Line of Steamers. My Committee will be glad to know whether your Board have come to any decision in the matter.—Yours, etc.,

T. MALONEY,
Secretary.

No. 645-30 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th April, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, SIMLA.

SIR,

I have the honour to invite your attention to this Association's letter No. 134-30 dated 29th January, 1926, on the subject of the formation of an Association at Shanghai by importers of Indian cotton and the arrangements made by that Association with the Conference Lines of Steamers for obtaining special freight rebates on their shipments of cotton from India.

2. My Committee will feel much obliged if you will kindly inform them what steps the Government of India intend taking in the matter.—I have, etc.,

T. MALONEY,
Secretary.

No. 3009-MI-I.

THE EAST INDIA COTTON ASSOCIATION, LIMITED,
BOMBAY, 3rd May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Cotton Shipments to Shanghai.

With reference to your letter No. 471-30, dated the 18th March, 1926, I am directed to inform you that my Board have considered your requests for action in the above matter and appointed a sub-committee consisting of Messrs. Haridas Madhawdas, Albert Raymond and T. H. Cartwright who have been asked to get into touch with the Committee of the Chamber of Commerce with a view to considering what steps should be taken to safeguard the interests of the Indian shippers and exporters and to submit their report to the Board.

I am to add that a communication has been addressed to the Chamber of Commerce in the matter and their reply is now awaited.—Yours, etc.,

D. MEHTA,
Secretary.

No. 447-T (2).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, the 5th May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am now directed to reply to your letter No. 134-30, dated the 29th January, 1926, in which you draw attention to a circular issued by the Japan Cotton Spinners' Association on the subject of cotton shipments from Indian ports to Shanghai.

2. From this circular it appears that an "Indian Cotton Transport Association" has been formed at Shanghai and that this Association has entered into an agreement with the Conference Lines in regard to rates for raw cotton shipped from Indian ports to Shanghai. It appears that under this arrangement the gross rates vary from Rs. 27-8-0 per ton of 40

cubic feet to Rs. 31-8-0 per ton, less a rebate of Rs. 12-8-0 per ton, of which rebate Rs. 5 go to the shipper and Rs. 7-8-0 to the Association. Your Committee, while not objecting to the principle of cheap freights for raw cotton, suggests that the Government of India should move the Conference Lines to give equal rebates and freight rates to shippers of Indian yarn and piece-goods to Hongkong and Shanghai. The Government of India understand that the existing rate for yarn and piece-goods is Rs. 22-8-0 per ton of 40 cubic feet to Hongkong and Rs. 27-8-0 per ton to Shanghai, and that in both cases a rebate of Rs. 5 per ton is allowed to shippers who confine their shipments to the Conference Lines. In effect, therefore, your Committee considers that an extra rebate of Rs. 7-8-0 per ton should be allowed on shipments of yarn and piecegoods, but it does not explain whether this extra rebate should be given to the shippers or, as in the case of shipments of raw cotton to Shanghai, to an Association of shippers formed for the purpose of negotiating with the Conference Lines.

3. The Government of India sympathise with the desire of your Committee to obtain the lowest possible rates for shipments of yarn and piece-goods to Hongkong and Shanghai, and they would gladly help them if they could. But this is a matter in which they do not think that they can interfere. They must hold that it is for shippers of yarn and piece-goods to Hongkong and Shanghai to take up the matter with the Conference Lines, if necessary forming themselves into an Association for the purpose of bargaining with them.

4. The main point, however, which your Committee make in regard to the circular referred to in paragraph 1 of this letter, is that the Agent of the Japan Cotton Spinners' Association has been given the power to make allotments among the shippers of raw cotton for steamer space. Your Committee takes exception to this arrangement, and suggests that it would be more equitable if allotments for space were made by an entirely neutral body, such as the East India Cotton Association. In this connection, I am to say that the Government of India have made enquiries in Bombay. They understand that the arrangement by which allotments of space are made by the Agent of the Japan Cotton Spinners' Association has now been in force for some time, and that the fears which were at one time expressed that these allotments would not be fairly made have not materialised. Their information is that no complaint has hitherto arisen in regard to allotments of space. In these circumstances, the Government of India have not thought it necessary to consider whether they could properly intervene. I am to suggest that the matter should continue to be watched, and that if any complaints in regard to allotments of space do arise, they should be taken up by your Association and by the Bombay Chamber of Commerce in combination, either directly with the Japan Cotton Spinners' Association or with the representatives of the Conference Lines in Bombay.—I have, etc.,

G. L. CORBETT,
Secretary to the Government of India.

No. 3694-M2-3.

THE EAST INDIA COTTON ASSOCIATION, LIMITED,
BOMBAY, 26th June, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

In continuation of my letter No. 3009-M1-1 dated 3rd May, 1926, on the subject of cotton shipments to Shanghai, I am directed to enclose herewith a copy of a note summarising replies received from the Exporter members of my Association in the above matter and to say that my Board are not in favour of taking up the matter with the Association in Shanghai.—
Yours, etc.,

D. MEHTA,
Secretary.

THE EAST INDIA COTTON ASSOCIATION.

Note by the Secretary summarizing replies made by exporters and shippers of Indian cotton to Shanghai to his circular letter dated 21st May, 1926, requesting them to communicate their views on the question as to what steps, if any, should be taken in connection with the provisional agreement between the exporters and shippers of Indian cotton to Shanghai and the Allied Shipping Companies.

The following members of the Association have replied to the circular letter :—

1. Messrs. Volkart Brothers,
2. „ Gosho Kabushiki Kaisha Ltd.,
3. „ Ozu-Burin & Co., Ltd.,
4. „ R. D. Tata & Co., Ltd.,
5. „ Suzuki & Co., Ltd.,
6. „ Japan Cotton Trading Co., Ltd.,
7. „ Toyo Menka Kaisha, Ltd.,
8. „ Madhavdas Amersey & Co.,
9. „ Harnandrai Surajmal,
10. „ Hirji Nensey & Co.,
11. „ Shamji Homraj & Co.,
12. „ Goculdas Dossa & Co.,
13. „ The Patel Cotton Co., Ltd.,
14. „ Ralli Brothers,
15. „ The Bombay Co., Ltd.

With the exception of Messrs. The Bombay Co., Ltd., and Messrs. Harnandrai Surajmal, both of whom urge that our Association should at once take up the matter with the new Association in Shanghai on the lines suggested by the Committee of the Millowners' Association and of Messrs. Ralli Brothers, who state that on principle they favour the suggestion put forth by the Millowners' Association but that the present moment is not opportune to move in the matter, the other 12 exporters and shippers are not in favour of our Association taking any steps on the lines indicated by the Millowners' Association. They seem to be satisfied with the spirit of fairness which have hitherto characterized allotments of freight made by the Bombay Agent of the Indian Cotton Importers' Association of Shanghai and are, therefore, chary of recommending our Association to move in the matter. They, however, agree that if the fears of specific instances of unfair allocation of freight space by the Japanese Agent of the Allied Association of Shanghai materialize, the Association should take the matter up with the proper authorities. They also are of the opinion that the question is purely one of commercial arrangement between shippers of cotton and the Allied Shipping Companies and that no case has been made out for an intervention on the part of our Association.

The matter will be brought up for consideration at the meeting of the Board to be held on Monday, the 21st instant.

D. MEHTA,
Secretary.

17th June, 1926.

APPENDIX 27.

SUPPLY OF PURE SEED OF DHARWAR NO. 1 TO THE WHOLE
OF THE KUMPTA AREA.

No. 871 of 1926.

THE CO-OPERATIVE COTTON SALE SOCIETY, LIMITED,
HUBLI, 9th September, 1926.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY,
DEAR SIR,

I feel great pleasure in bringing to your notice the extreme necessity on the part of Government to make adequate arrangements to supply pure seed of the newly selected

Kumpta cotton known popularly as Dharwar No. 1 to the whole of the Kumpta area in the Karnatak.

You are already aware that the Bombay Karnatak including the Native States has got under Kumpta cotton an area approximating 15 lacs acres, yielding annually about 2½ lacs bales. The annual consumption by the Indian mills, however, is about 20 lacs bales, of which 5 lacs bales are used for warping and the rest for wefting.

It is an admitted fact that pure Kumpta cotton is highly suited for warping but as circumstances do stand at present, it has deteriorated and most of it is being used only for wefting. The causes for this are many but the chief one is the deterioration of this cotton by artificial mixing or adulteration and natural crossing, etc. In the days when the railway was yet unknown in this tract, most of the local Kumpta cotton was ginned by means of the foot roll and was thus very pure and the absence of facilities for cheap import of inferior cotton from Khandesh, Adwani, etc., worked as an efficient safeguard against the seed being mixed up. With the introduction of gins the cultivator has ceased to gin his own cotton even for his seed supply and with the uncontrolled and wild mixing with inferior cottons done by local tradesmen and others the local Kumpta crop ceased to be pure and consequently fell from its high appreciation in the market. The Cotton Transport Act, etc., of recent origin were the natural outcome of a general desire on the part of the trade and the growers to stop this mixing of cottons. The Agricultural Department also succeeded in selecting a pure type of Kumpta cotton, true to the one common in pre-railway days, and this they style as Dharwar No. 1.

The Department now supplies a very small quantity of this pure seed every year which after very careful multiplication hardly covers more than 1½ lacs acres in a Kumpta tract of 15 lacs acres. The value and high quality of this new strain which is practically 'pure Kumpta' is fully appreciated and some of the most prominent group of mills do offer every year high and competitive rates for the produce of this cotton sold by our Society at Hubli. This they are able to do, because this cotton is fit for warping and is thus more valuable and deserves higher prices.

The position now is this. Although the Bombay Karnatak can grow excellent cotton fit for warping, it, however, due to want of pure seed, fails to meet this need, and as a result, I must say to my great regret and I am sure to the regret of every Indian, our Indian mills have to import American and other cottons for this purpose at a great national loss. By growing only this Dharwar No. 1 all over the Kumpta area, we can not only secure Rs. 50-60 more per candy to the cotton grower, but at the same time have our own supply of this high-grade quality cotton for our mills.

With this in view, I have formulated a scheme according to which Government at a slight expenditure as compared with the resultant benefit to the country of about Rs. 30 lacs even at a moderate estimate, can supply pure seed enough to cover the whole of the Bombay Karnatak. According to the present arrangement Government is hardly able to supply seed of the 6th generation to even 1½ lacs acres and it has been an experienced fact that the seed of this new strain is reliably pure and satisfactory only up to the 4th generation, as a result of the existence of the very heavy area under the deteriorated Kumpta ordinary cotton which causes natural crossing or permits mass mixing, willingly or unwillingly. My scheme therefore provides for an adequate supply of at least the 5th generation seed to the whole of the Bombay Karnatak and is already submitted to Government through the Agricultural Department.

What is, however, needed is a strong demand from all persons concerned to have the seed supply satisfactorily ensured by Government, and I have been very strongly supported by the Cotton Growers' Associations, Cotton Sale Societies and Divisional Board of Agriculture and Co-operation, S. D., etc., here. You are, I am sure, equally interested in benefiting the cotton grower by helping him to grow good cotton and simultaneously having your own supply of high-grade cotton needed for warping. On behalf of the agriculturists and in the interest of consumers and also as a national cause of immense economic value to our country,

I appeal to you for your due consideration of the scheme and to lend it your valuable support and press Government directly to approve of and take immediate action on the same.

I send by railway parcel 50 copies of my scheme for distribution amongst your members. I request you to kindly call a meeting of all members at an early date and pass a Resolution in strong support of my scheme. More copies if needed will be supplied to you.

In the same scheme I have detailed an arrangement by which pure seed of the new Upland strain known as Gadag No. 1 can be produced sufficient to replace the existing deteriorated mixed cotton known as Dharwar American on its area of about 4 lacs acres. Both these cottons (Dharwar No. 1 and Gadag No. 1) are decidedly of high grade and both demand every consideration.

I beg to add that it is desirable that all representations regarding the above matter should reach the Hon'ble Minister for Agriculture and the Director of Agriculture, Bombay Presidency before the end of this month.

A copy of any action taken may kindly be sent for my information.—Yours, etc.,

C. S. SHIRAHATTI,
Managing Director.

No. 1567-147 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 27th September, 1926.

THE SECRETARY,
THE INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

DEAR SIR,

I am directed to forward you herewith copy of a letter addressed to the Association by the Managing Director, Co-operative Cotton Sale Society Ltd., Hubli, together with a copy of a *pamphlet received therewith. Some of the members of my Committee are inclined to support the scheme outlined in the pamphlet, but my Committee would first like to be favoured with the views of your Committee regarding the scheme. My Committee will consider the matter in the light of the views expressed by your Committee and then come to a decision.—Yours, etc.,

T. MALONEY,
Secretary.

No. 339 of 1926.

INDIAN CENTRAL COTTON COMMITTEE,
BOMBAY, 29th September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Supply of pure seed of Dharwar No. 1 Cotton to the whole of the Kumpta area.*

I have the honour to acknowledge receipt of your letter No. 1567-147 of 1926, dated 27th September, 1926, forwarding copy of a letter from the Managing Director, Co-operative Cotton Sale Society, Ltd., Hubli, and pamphlet received therewith. Rao Saheb Shirahatti's scheme was submitted to the Indian Central Cotton Committee some time ago but it was

considered that this was primarily a matter for the Local Government to consider. The Committee is thoroughly in sympathy with any attempt at the better organisation of pure cotton seed supply but such proposals for *local* organisation and propaganda should reach the Committee through the Agricultural Department's representative of the Local Government concerned. I shall, however, communicate with the Director of Agriculture, Bombay, and ascertain whether the scheme in question has yet received the consideration of the Bombay Government and, if so, what action, if any, they propose to take.—I have, etc.,

JENKINS,
Secretary, Indian Central Cotton Committee.

No. 1914-147 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 10th November, 1926.

THE SECRETARY,
THE INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

SIR,

Subject :—*Supply of pure seed of Dharwar NO. 1 Cotton to the whole of the Kumpta area.*

I am directed to refer to your letter No. 339 of the 29th September, 1926, and to request you kindly to inform my Committee whether consideration of the scheme in question has been completed by the Bombay Government and, if so, what action, if any, it is proposed to take.—I have, etc.,

T. MALONEY,
Secretary.

No. 1213 of 1926.

INDIAN CENTRAL COTTON COMMITTEE,
BOMBAY, 12th November, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Supply of Pure Seed of Dharwar No. 1 to the whole of the Kumpta area.*

In continuation of my letter No. 339 of 1926, dated the 29th of September, 1926, I am directed to state that I have now received a copy of a letter from the Director of Agriculture, Poona, to Rao Saheb C. S. Shirhatti, Managing Director, Hubli Co-operative Cotton Sale Society, Ltd., Hubli, dated November 3rd 1926, on the subject of the last named gentleman's scheme for the extension of the supply of pure Dharwar No. 1 cotton seed over the Kumpta cotton growing area. Dr. Mann questions the possibility of carrying out the first operations contemplated under the scheme, namely the production of 600 lbs. of pure seed from selfed plants—under the strictly controlled conditions demanded—and notes that the increase contemplated in Rao Saheb Shirhatti's scheme would involve an increase in the organisation for the production of pure Dharwar No. 1 seed by *one hundred times*. He proposes as an alternative to the scheme that work should be concentrated on a limited area (say, 1-10 of the whole each year) and efforts made to replace all other types in that area in that year by fifth generation seed of pure Dharwar No. 1. This would enable the scheme to be entirely carried out in ten years and would reduce (the present) proposals to a practical basis.

The present supply and the supply under the Director of Agriculture's new proposals are—

	<i>Now supplied.</i>	<i>Modified proposed supply.</i>
1st Generation ..	4 lbs. seed.	60 lbs. seed.
2nd „ ..	1 acre cotton.	15 acres cotton.
3rd „ ..	30 acres cotton.	300 acres cotton.
4th „ ..	600 acres cotton.	6,000 acres cotton.

The Director of Agriculture is prepared to approach the Government of Bombay for the necessary addition to the Cotton Breeder's staff to enable the increase in the production of 1st generation (selfed) seed to be increased from 4 lbs. to 60 lbs. annually and is also willing to extend the area of the production of 2nd generation seed on Dharwar farm from one acre to fifteen acres, grown under the strictest conditions.

With regard to the 3rd generation, the Director of Agriculture is of the opinion that the growing, under as strict conditions as possible, of 300 acres of seed farm must be provided by some other agency than Government and he has enquired whether the Hubli Co-operative Cotton Sale Society, Ltd., or some other society or company organised for the purpose, is prepared to undertake the growing of this generation of the seed. He is prepared to ask the Government of Bombay to add to the roguing staff to such an extent necessary to ensure that this work be done thoroughly well and would arrange for the seed of the 2nd generation from 15 acres on Dharwar farm to be supplied to such a society or company. The 4th generation seed would then be grown under conditions similar to those now employed for the 5th generation seed—at Sharewad or some other area arranged for by the society or company. On receipt of Rao Saheb Shirhatti's assent to these modified proposals, the Director of Agriculture is prepared to submit the whole matter to Government at once with the request that they should take the part suggested for them in the scheme and provide the necessary finance.

I have no further information beyond this at present, but shall communicate with you again on receipt of further information from the Director of Agriculture, Bombay.—I have, etc.,

JENKINS,
Secretary, Indian Central Cotton Committee.

APPENDIX 28.

THE GADAG CO-OPERATIVE COTTON SALE SOCIETY.

No. 57 of 1926.

GADAG, 25th January, 1926.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

The cotton season of the Western and Southern is approaching nearer and so we beg to take the opportunity of addressing you a few lines on the subject the cotton trade of this side—which vitally concerns your Association's members careful consideration.

Owing to the world-wide cry of the defective commercial qualities of the Indian cottons and to the repeated consideration of the same by the spinners of India as well as of England, the Government agriculture and Co-operative Departments floated in 1917, this society, to educate, to give encouragement to the cultivators to grow pure cotton, to pick

it cleanly and to handle the same in the straightforward business way, as well as to sell the stuff in its natural healthy form directly to the spinners and exporters. Since then, nearly 8 years have elapsed and both these Government Departments have done their level best to train the cultivator to grow pure cotton and to feel the responsibility of the honest and upright farmer.

But on the other hand no reciprocal response has been forthcoming with the same enthusiasm from the spinners and exporters of Bombay in whose benefit the cotton trade is being organised by the above Government Department through us. Our experience of recent years shows that the members of your Association, who are the main pillars of the buying capacity of Bombay market, have been to a great extent far from the responsibility of appreciating the sterling worth of the work done by this organisation. Perhaps this may be due to the lack of advertising on our part. We however, hope that it is not yet too late for them to appreciate our work and give us their whole hearted support for the common cause of cotton trade. Of course, there are some but very few, like Messrs. Hormasji Hirjibhoi & Sons, agent to Messrs. Tata & Sons, who have been our customers kindly helping us all time since the infancy of the society.

The membership of the society is only open to the agriculturists of this District who send their cotton to the society for sale. This cotton is graded by an experienced officer of the Agricultural Department in four or five grades, based according to the merits of the out turn, staple, shade, dirt, etc. On being thus graded, the lots of the respective grades are sold by auction or by private treaty according to the convenience of the society and purchasing customers. The accounts of the society are regularly audited by our local auditor as well as by the Government auditor of the Co-operative Department.

Thus, you would notice that all these handling operations and the office management of this society are strictly supervised by the Agricultural and Co-operative Departments, leaving no chance for the cultivator or for the society to adopt any fraudulent methods which may be in any way disrepute or disqualify the cotton sold by the society.

To develop the qualities of the cotton sold through us every year the selected seed is being distributed among the cultivators by the Agricultural Department. Similarly we make liberal advances of funds to our member cultivators at a very low rated interest to improve the economic condition of the rayats. A yearly distribution of prizes for clean picking is regularly made as a sort of special encouragement.

The society at present handles the cottons in shape of kappas only. The varieties are *viz.*, Viliayati (Sawgin) Uplands and Kumptas of best styles grown on this side. But having experienced much inconvenience of our buyers to gin and press their kappas, bought of us in a *bona fide* way, we have now from this season engaged a gin and press factory exclusively for our customers' work. This can be done under our supervision at an additional expense equivalent to Rs. 20 per bale F.O.R. Gadag.

We would further wish you to kindly refer to the Indian Central Cotton Committee about the qualities of the cottons sold through us from the commercial point of view, which we confidently trust, will give their testimony for the splendid work done by us to reform the cotton standard on this side.

Besides this, the existence of the sale society on sound business-like basis is very essential from two important commercial standpoints. One is that its pure cotton sales maintain and raise the standard of cotton qualities in its natural healthy forms, to the spinners satisfaction and the other that its general movements like propaganda work, advancing funds at low-rated interest, profit the honest Rayats and hence we ask for the unanimous support of buying public at large.

And the last but not the least, important point to be well borne in mind is that it is now high time that the members of your Association should ignore their obligation of fulfilling their part of contract to encourage the reforms in the cotton trade, and unless and until their much complained want of good cottons is translated into action by their making direct

purchases promptly and regularly from a semi-Government selling agency like ours; no institute, however well organised can flourish and carry out the desired reforms. We extend our hearty welcome to the members of your Association to visit and inspect our society and its operations in season or out of season and to give us the full benefit of their valuable advice and experience. It may result in bringing the views of all the parties concerned in closer contact and in studying the exact requirements of each other to mutual benefit.

We would therefore feel highly obliged if you would kindly put this important subject before one of your Committee meetings for deliberation and give it a wide circulation among the members with your valuable remarks. We also expressly request you to impress upon them the necessity of sending their purchasing agents to witness our auction sales and to make their bids thereon and also to negotiate with us for samples and quotations from time to time for purchases by private treaty, if our prices be found suitable.

A dozen copies of our latest balance-sheets are being sent to-day under a separate cover for your perusal as well as for distribution among your Committee members. It will speak in detail of the work done by us and we beg to invite your valuable suggestions to strengthen our propaganda work and further the prospects of our cotton sales in the Bombay market.

Hoping to hear from you and assuring you our best attentions at your services at all times.—Yours, etc.,

S, M WADIARNATH,
Managing Director,
Co-operative Cotton Sale Society, Ltd., Gadag.

No. 268-53 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 17th February, 1926.

TO ALL MEMBERS OF THE
BOMBAY MILLOWNERS' ASSOCIATION.

DEAR SIRs,

I am directed to forward herewith for your information a copy of the letter received from the Gadag Co-operative Cotton Sale Society Ltd., on the subject of the Cotton Trade of that side.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 29.

IMPROVED COTTON IN THE SURAT TRACT.

No. 57 of 1926.

SURAT, 2nd February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

As you are aware the Agricultural Department has been trying for the last eight or ten years to improve the quality of cotton in the Surat tract, and so far has been successful in spreading the improved type up to the river Narbada with the help of trade and local merchants.

2. The work of producing more improved types is now systematically being carried on the Surat Farm and I enclose herewith the latest " Spinning Tests " by the Oldham cotton Spinners' Association of type now distributed by the Agricultural Department. There will be during this season about 2,500 bales of cotton of this type grown under the control of the Department at Surat, Bardoli and Navsari. I have, therefore, the honour to request you to be so good as to bring this to the notice of consumers and assist the Department in disposing this cotton at profitable rates so that the cultivators may be induced to produce such cotton in large quantities by spreading and distributing pure seed of the types. The efforts of the Agricultural Department can only be successful if they are assisted by the trade wholeheartedly. I, therefore, have the honour to request you to be good as to give us all possible help in the disposal of this cotton at most profitable rates.—I have, etc.,

C. S. PATEL.
Cotton Superintendent, Surat.

*Spinning Tests of Indian Cottons, carried out with the Co-operation of the Oldham
Master Cotton Spinners' Association during February 1925.*

1027 A.L.F.	<i>Texas American.</i>
<i>Bale No. 6.</i>	. . . .
Per cent loss up to card sliver 10.87	7.12
Weft 28	Twist 30.
Nominal counts Twist 34	33.
	Weft 24.
	28.
Actual counts at spindle point 30.20	33.03
37.30.	36.62
	25.75
	28.18
Lea strength test in lbs 46.125	48.87
..37.6	42.62
	51.75
	55.75
Actual turns per inch 19.75	20.9
30.4	22.5
	15.78
	17.18
Estimated value compared with price of current month features (Universal Standard) 30 pts. on.	75 pts. on.
1027 A.L.F. (Surat.)	<i>Middling American.</i>
<i>Bale No. 7.</i>	. . . .
Per cent loss up to card sliver 10.125	9.63
Nominal counts Twist 16.	19.
" 16.	12.
Weft 15.	20.
" 14.	14.
Actual counts at spindle point 19.92	20.14
12.86	12.86
16.67	21.42
15.21	14.77

1027 A.L.F. (Surat.)

Middling American.

Bale No. 7.

Lea strength test in lbs.	101.00	77.12
	138.75	137.25
	108.12	62.25
	108.25	108.12
Actual turns per inch	14.60	15.95
	11.80	12.55
	12.70	14.50
	11.35	11.40
Estimated value compared with price of current month features (Universal Standard).	Pass.	15 pts. on.

SPINNERS' COMMENTS.

1027 A.L.F. (Surat).

No. 1 Firm.

No. 3 Firm.

1 1/16

Staple Ins	1 1/16	
Seed and Leaf . . .	Comparatively free.	Clean.
Colour .. .	Good white to cream.	Creamy and bright.
Ginning	Good.	Good.
Generally	Very desirable cotton, but attention should be given to developing staple.	Very useful cotton, and large quantities could be used in Lancashire. Fully equal in value to (Univer- sal) Middling American.
On behaviour in work- ing.	Worked fairly well.	Very good.
On the yarns produced.	This sample is very little in- ferior to this season's Strict Middling American and slightly bright in appearance.	This cotton makes a clean bright yarn of a market- able medium quality. Suitable up to 30s Twist and 40s Weft.

No. 170-4A of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 4th February, 1926.

THE COTTON SUPERINTENDENT,
SURAT.

DEAR SIR,

I am directed to acknowledge with thanks the receipt of your letter No. 57 dated the 2nd February, with enclosure, regarding an improved type of cotton produced in the Surat Tract. A copy of your letter and the enclosure thereto have been forwarded to all members of the Association.—Yours, etc.,

T. MALONEY,
Secretary.

No. 162-4A of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 3rd February, 1926.

ALL MEMBERS OF THE ASSOCIATION.

DEAR SIRs,

I beg to forward for your information a copy of the letter received from the Cotton Superintendent, Surat, regarding an improved type of cotton produced in the Surat Tract, together with 'Spinning Tests' as taken by the Oldham Master Cotton Spinners' Association.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 30.

MARKING OF COTTON BALES AND RETURNS OF COTTON PRESSED.

No. 2513 of 1926.

INDIAN CENTRAL COTTON COMMITTEE,
BOMBAY, 4th February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Marking of bales and weekly returns of cotton pressed.*

I am directed by my Committee to say that it has been brought to their notice that certain ginning and pressing factories which are working only for the supply of cotton to spinning mills are not complying with the requirements of the Cotton Ginning and Pressing Factories Act and, in particular, that in certain pressing factories bales are not being marked in accordance with the Act and rules and weekly returns of cotton pressed are not being submitted to the Directors of Agriculture as required.

My Committee desire to make it perfectly clear that there are no exemption under this Act and that all ginning and pressing factories, by whomsoever owned, must comply with the provisions of the Act. My Committee believe that failure to comply with the Act in the past was entirely due to misunderstanding and that all cotton mills will desire to render every assistance in the carrying out of the provisions of an Act the necessity for which mill-owners have frequently urged. I am further to explain that it would be quite impracticable to exempt a press, even if it works entirely for a spinning mill, from the provisions of the Act even were such course legally permissible which it is not.

I am to add that if presses owned by spinning mills do not make the weekly returns required by the Act, provincial statistics for the commercial cotton crop, on which so much stress had been laid by all sections of the cotton trade, will again be incomplete, thus defeating one of the objects of the Act. I am therefore to ask for the assistance of your Association in bringing this matter to the notice of all millowners. Copies of the Act and Rules have already been supplied to you, but additional copies can be furnished if desired.—I have, etc.,

B. C. BURT,
Secretary, Indian Central Cotton Committee.

No. 169/56 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 4th February, 1926.

TO ALL MEMBERS OF THE
BOMBAY MILLOWNERS' ASSOCIATION.

Dear Sirs,

I beg to give below copy of a letter received from the Central Cotton Committee for your information and necessary action.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 31.

MIXING OF PUNJAB AMERICAN COTTON.

No. 3617—14 of 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Mixing of Punjab-American cotton.*

I am directed to say that the Central Cotton Committee have received from the Director of Agriculture, Punjab, the report of a survey of over half-a-million acres of American cotton for purity. This survey was carried out with a view to ascertaining to what extent the mixing of Punjab-American cotton with Desi took place in the field and to what extent such mixing took place after picking and in the ginning and pressing factories. I am to forward for the information of your Association the enclosed statement showing the results of the above survey.

It will be observed that over the whole of the province 70 per cent. of the American cotton is grown practically pure and that 82½ per cent. contains less than 10 per cent. of Desi. In the Lower Chenab Canal colony which contains rather more than half the total American cotton area 76 per cent. of the cotton as grown contains less than 5 per cent. of Desi and 87 per cent. contains less than 10 per cent. Desi. My Committee consider that these figures will be of interest as they clearly demonstrate that there is no comparison between the purity of the Punjab-American cotton as grown and as it leaves the pressing factories.—I have, etc.,

B. C. BURT,
Secretary, Indian Central Cotton Committee.

Statement showing percentages of Desi Cotton in American cotton fields in Kharif 1925 on various Canals in the Punjab.

CANAL.	Area containing 5% of desi plants or less.		Area containing 6 to 10% desi plants.		Area containing 11 to 15% desi plants.		Area containing 16 to 25% desi plants.		Area containing 26 to 35% desi plants.		Area containing 36 to 50% desi plants.		REMARKS.
	1	2	3	4	5	6	7	8					
	Per cent.	Acres.	Per cent.	Acres.	Per cent.	Acres.	Per cent.	Acres.	Per cent.	Acres.	Per cent.	Acres.	
Lower Bari Doab ..	63.0	1,12,518	16.1	28,769	8.8	15,737	5.6	10,033	3.3	5,792	3.2	5,627	1,78,476
Upper Chenab ..	59.3	17,202	14.5	4,219	9.1	2,629	9.0	2,614	3.4	987	4.7	1,364	29,015
Lower Chenab ..	76.4	2,09,046	10.7	29,193	5.9	16,220	3.9	10,574	1.7	4,616	1.4	3,835	2,73,484
Upper Jhelum ..	60.2	26,975	16.8	7,520	9.0	4,013	6.1	2,749	3.6	1,621	4.3	1,904	44,782
Lower Jhelum ..	60.0	26,939	17.7	7,954	9.2	4,109	6.8	3,066	3.5	1,560	2.8	1,241	44,869
TOTAL ..		3,92,680		77,655		42,708		29,036		14,576		13,971	5,70,626
		68.8		13.6		7.5		5.1		2.6		2.4	100.0

No. 562-94 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 1st April, 1926.

TO ALL MEMBERS OF THE ASSOCIATION.

DEAR SIRS,

I am directed to forward for your information copy of a letter received from the Indian Central Cotton Committee on the subject of "Mixing of Punjab-American Cotton."—Yours, etc.,

J. P. WADIA,
Asstt. Secretary.

THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
BOMBAY, 7th April, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are in receipt of your letter of the 1st instant enclosing a report from the Director of Agriculture, Punjab, regarding the condition of Punjab-American cotton, from which it appears that in the whole of the province 70 per cent. of the American cotton is grown practically pure and that 82½ per cent. contains less than 10 per cent. of Desi. and that in the Lower Chenab Canal Colony 76 per cent. of the cotton as grown contains less than 5 per cent. of Desi and 87 per cent. contains less than 10 per cent. Desi. Therefore the Central Cotton Committee's conclusion is that these figures show that there is no comparison between the purity of the Punjab-American cotton as grown and as it leaves the pressing factories. In our opinion it is not quite a correct view to take. Although the cotton in the fields may be separately grown, we are of opinion that women who pick cotton in the fields mix up this cotton with Desi, and there the mixing takes place before the cotton reaches the Ginning factories. It is true that after cotton reaches pressing factories it is mixed with Desi by ginners and pressers and merchants.

We therefore think that the Central Cotton Committee should see that proper precautions are taken to see that the cotton is not mixed with Desi in the fields and keep Punjab-American separate from the Desi cotton at the time of picking. It may be true that the Punjab-American and Desi cottons are grown side by side in certain parts of the Punjab and that may lead to mixing.

We therefore think that the Central Cotton Committee should take definite action in the matter.—Yours, etc.,

for THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
NOWROSJEE WADIA & SONS,
Agents.

No. 592-94 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th April, 1926.

THE SECRETARY,
THE INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

DEAR SIR,

With reference to your circular letter No. 3617-14 dated 29th March 1926, on the subject of "mixing of Punjab-American cotton," a copy thereof was sent to all members of the Association, and I have since received a letter from the Bombay Dyeing and Manufacturing Co. a copy of which I enclose for favour of consideration by your Committee.—Yours, etc.,

T. MALONEY,
Secretary.

No. 591-94 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th April, 1926.

MESSRS. THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
BOMBAY.

DEAR SIR,

I write to acknowledge receipt of your letter of the 7th instant on the subject of mixing of the Punjab-American Cotton.

2. A copy of your letter has been forwarded to the Indian Central Cotton Committee for their consideration.—Yours, etc.,

T. MALONEY,
Secretary.

No. 3865 of 1926—394.

INDIAN CENTRAL COTTON COMMITTEE,
BOMBAY, 13th April, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Mixing of Punjab-American cotton.*

I have the honour to acknowledge, with thanks, your letter No. 592-94, dated the 9th of April 1926, enclosing a letter from the Bombay Dyeing and Manufacturing Company. My Committee welcome all information of this kind and would be glad to receive more comments of this nature.

The statement forwarded with my letter dealt with one point only, *viz.*, the purity of the cotton *as grown*. The investigation was undertaken because certain ginners and others,

who have been making a profit out of mixing, have made the statement that Punjab-American cotton is grown mixed in the field.

It is true that mixing might take place between the field and the gins, but this was not the point at issue. As a matter of fact the Punjab Agricultural Department for several years have made careful enquiries and all the information they have obtained goes to show that cultivators do bring their American and Desi kapas into the markets separately. How long they will continue to do so when they see wholesale mixing going on in the gins is another matter and we can only hope that the cotton trade will take full advantage of the Cotton Ginning and Pressing Factories Act. At present *mixed* kapas is comparatively rare and I think it is mainly limited to small lots sold by petty dealers who buy kapas from labourers where picking is paid for in kind instead of in cash.

The letter from the Bombay Dyeing and Manufacturing Company will be placed before my Committee as desired, but in view of what I have said above I should be glad to know if they can furnish any definite figures as to the extent of the mixing during picking. All our information points to one direction, *viz.*, that the mixing, of which the trade complain mainly takes place in ginning factories.—I have, etc.,

B. C. BURT,
Secretary, Indian Central Cotton Committee.

No. 620-94 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 13th April, 1926.

THE SECRETARY,
INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

SIR,

I have the honour to acknowledge the receipt of your letter No. 3865 of even date a copy of which has been passed on to the Bombay Dyeing and Manufacturing Co., Ltd., for their comments.—I have, etc.,

T. MALONEY,
Secretary.

No. 621-94 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 13th April, 1926.

THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
BOMBAY.

DEAR SIR,

Subject :—*Mixing of Punjab-American cotton.*

In continuation of this Association's letter No. 591-94 of the 9th instant. I beg to forward herewith a copy of the letter received from the Indian Central Cotton Committee and would draw your special attention to the last para thereof asking for definite information, as to the extent of the mixing during picking.—Yours, etc.,

T. MALONEY,
Secretary.

THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
BOMBAY, 15th April, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Subject :—*Mixing of Punjab-American cotton.*

With reference to your letter No. 621-94 of the 13th instant, forwarding us a copy of the letter received from the Indian Central Cotton Committee and with regard to the last para thereof, we have to inform you that we cannot furnish any definite figures as to the extent of mixing during picking.—Yours, etc.,

For THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
NOWROSJEE WADIA & SONS,
Agents.

No. 626-94 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 16th April, 1926.

THE SECRETARY,
THE INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

DEAR SIR,

Subject :—*Mixing of Punjab-American Cotton.*

In continuation of this Association's letter No. 620-94, dated the 13th April 1926, I forward you herewith a copy of the letter received from the Bombay Dyeing and Manufacturing Co., Ltd.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 32.

DEFINITION OF COTTON WASTE AND COTTON REFUSE.

No. RO.340/24/46.

B. B. & C. I. RLY. Co.
GENERAL TRAFFIC MANAGER'S OFFICE,
BOMBAY, 12th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Subject :—*Definition of Cotton Refuse.*

The railway classification of cotton waste and cotton refuse is as under :—

Cotton waste 4th class, *i.e.*, 0.62 pie per maund per mile.

Cotton refuse 2nd class, *i.e.*, 0.42 " " "

With the view to prevent senders misdeclaring consignments of cotton waste as cotton refuse, which many do in order to gain the benefit of the lower freight rates chargeable for the latter commodity, I propose to notify the following definition of cotton refuse. I shall be glad to know if, in the opinion of your Association, the definition will be intelligible enough for the guidance of the traders, in the alternative, I shall be glad to receive a definition from you.

Definition of Cotton Refuse and Cotton Waste.

"Numerous instances have come to notice of the staff treating and charging cotton waste as cotton refuse. Cotton refuse is a mixture of leaves, sand, dust, broken cotton seeds, etc. This stuff is suitable only for use as manure and in paper making and senders must make a declaration on the Consignment Notes to that effect. Consignments of cotton waste, not answering to this definition, should therefore be treated as cotton waste."—Yours, etc.,

(Sd.) Illegible,
for General Traffic Manager.

No. 576-83 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th April, 1926.

THE GENERAL TRAFFIC MANAGER,
B. B. & C. I. RAILWAY, BOMBAY.
DEAR SIR,

With reference to your letter No. RO. 340/24/46, dated the 12th March 1926, I am directed to inform you that my Committee approve of the definition of cotton waste as given in your letter.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 33.

COTTON INDUSTRY (STATISTICS) ACT, 1926.

No. 206-3 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th February, 1926.

THE DIRECTOR-GENERAL OF COMMERCIAL INTELLIGENCE AND STATISTICS,
1, COUNCIL HOUSE STREET, CALCUTTA.

SIR,

I am directed to inquire what steps the Government of India propose to take for the collection of statistics of production of yarn and cloth by Indian cotton mills after the abolition of the Excise Duty. It is obviously desirable that Government should continue to compile these statistics after the abolition of the Excise Duty and I am directed to inquire whether Government intend to bring forward any legislation in this connection.

My Committee would like to impress upon Government the advisability of obtaining from mills the figures of goods *manufactured* every month instead of goods delivered out of the mill premises as hitherto. After the abolition of the Excise Duty, Government would not require the figures of quantities delivered out of the mill premises, and my Committee are of opinion that these figures might with advantage be substituted by the figures of actual production.

My Committee also hold that the present classification of goods is very unsatisfactory and that it might be substituted by a classification on the lines of the Sea-borne Trade Returns published by your department. My Committee will in due course submit a classification which might be adopted for the purpose.

It would obviously be desirable if Government would obtain figures not only of production but also of goods which are delivered against sales every month. Under the present system, mills submit figures of goods delivered out of the mill premises, but this includes goods delivered to bleaching or dyeing departments or to their own warehouses situated outside the mill premises. If goods actually delivered to dealers are shown in monthly returns along with figures of production, it would be possible to ascertain the total stock of goods with mills in India from month to month.—I have, etc.,

T. MALONEY,
Secretary.

No. 1495.

DEPARTMENT OF COMMERCIAL INTELLIGENCE & STATISTICS, INDIA,
CALCUTTA, 23rd February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Monthly statistics of cotton spinning and weaving in Indian mills.*

I have the honour to acknowledge the receipt of your letter No. 206-3, dated the 9th January 1926, on the above subject and to say that the action taken thereon will be communicated to you in due course. Meanwhile, the collection of statistics regarding cotton spinning and weaving is being continued on the existing lines.—I have, etc.,

R. M. JOSEPH,
for *Officiating Director-General.*

No. 1080-C (2).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
DELHI, 11th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to refer to your letter No. 206-3 dated the 9th February 1926, addressed to the Director General of Commercial Intelligence and Statistics, Calcutta, on the subject of the steps to be taken for the collection of statistics of production of yarn and cloth by Indian cotton mills after the abolition of the cotton excise duty.

2. As your Association is probably aware, the Government of India are taking steps to continue the publication of these statistics, and for this purpose the Cotton Industry Statistics Bill, 1926, has been introduced into the Assembly, and the second reading of the Bill is fixed for the week commencing Monday, the 15th March 1926. I am to enclose for your information a *copy of that Bill and of the draft rules which it is proposed to issue under that Bill.

3. If it be desired to alter the form in which the statistics are published so as to substitute manufactured goods for goods issued out of the mill, it will be necessary to suggest certain alterations to the Bill when it comes on for the second reading. It will also be necessary to make certain alterations in the draft rules and in form A attached to those rules. It is intended, in order to secure the continuity of statistics, to issue the draft rules as soon as the Bill is passed. I am to ask you to let me know as soon as possible what alterations should be made in the draft rules so as to substitute statistics of goods manufactured for goods issued out of the mill, and also whether it will be possible for mills to supply the information from the records at their disposal immediately or whether they should be given a short time in which to adjust their records so as to be able to supply statistics of goods manufactured. Should your reply be received in time, it may be possible to propose amendments to the Bill so as to provide for the collection of statistics of manufactured piecegoods.

4. The further questions that you raise of alterations in the present classification of goods and of obtaining statistics of goods which are delivered against sales, require careful consideration, and it is not possible to make the necessary alterations in the Bill and rules at this stage. The Government of India, however, will examine the matter and take steps to bring about the changes if they are found to be desirable. This will also give them an opportunity to consider the change advocated in paragraph 2 of your letter of the 9th of February 1926, to the Director-General of Commercial Intelligence and Statistics, if it be found to be too late to make provision for it in the Bill now before the Assembly.—I have, etc.,

N. J. ROUGHTON,
Deputy Secretary to the Government of India.

No. 453-3 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 15th March, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
COMMERCE DEPARTMENT, DELHI.

SIR,

I am directed to acknowledge receipt of your letter 1080-c (2) dated 11th March, enclosing a copy of the Cotton Industry Statistics Bill and the proposed Rules thereunder.

Your letter was considered by a special sub-committee of my Association this afternoon and a telegram worded as under despatched immediately after the meeting :—

“Your letter 1080 C. 2 eleventh March Committee consider that Cotton Industry Bill should be amended so as to give correct information of piece-goods and yarn manufactured monthly stop. Classification can be changed later stop. Suggest word manufactured for produced wherever occurring in Bill and Rule stop. New definition will be required in Section three (f) covering intention explained above and in previous letter stop. If suggestions adopted Rules six seven and eight will become unnecessary and Register need only show yardage and weight of piece-goods and yarn manufactured each month.”

In extension of this telegram, I am directed to submit in a little more detail the views of my Committee. My Committee consider it advisable that if possible, the Cotton Industry (Statistics) Bill should be amended during its second reading, which takes place during this week in such a manner as to ensure that the statistics submitted by mills and published by the Government of India in conformity therewith correctly indicate the actual quantities of piece-goods and yarn manufactured during the month. For the present the existing classification adopted might be retained in view of the impracticability of altering it satisfactorily at such a very short notice.

In order to assist the Government and members of the Assembly in the matter of the amendment of the Bill my Committee offer the following tentative suggestions in regard to the Act and Rules :—

Amendments suggested in the Act.

Preamble line 4 substitute the word ' manufactured ' for the word ' produced '.

Clause 2 (f)—Definition of term ' manufactured '. The definition should be on the following lines :—

(f) Goods shall be deemed to be manufactured when all manufacturing processes which the goods were intended to undergo have been completed and the goods are ready for sale but not necessarily baled, boxed or packed.

Clause 3 (1) After words ' cotton goods ' in line 5 delete words ' produced from or in ' and substitute word ' manufactured ' therefor.

Clause 3 (2) line 3. Substitute word ' manufactured ' for word ' produced '.

Clause 5, lines 6 and 7.—Delete the words ' production of goods and yarn ' and substitute the words ' goods and yarn manufactured '.

Rules and Forms.—Rules 6, 7 and 8 will be unnecessary if the Bill is amended as desired. All that would be necessary would be a register giving the yardage and weight of the cloth and yarn manufactured from month to month.

Rule 9.—The sentence beginning ' In addition to ' and ending with the words ' Rule 8 above ' should be deleted.

Form A.—Should commence with the words ' Particulars of all cotton goods " manufactured '.—I have, etc.,

T. MALONEY,
Secretary.

(A copy of this letter has been sent to Mr. Kasturbhai Lalbhai, the representative of the Ahmedabad Millowners' Association in the Legislative Assembly.)

No. 1080-C.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
DELHI, 19th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*The Cotton Industry (Statistics) Bill.*

I am directed to acknowledge the receipt of your telegram dated the 15th March 1926 and letter No. 453-3 of the same date and to thank you for the suggestions made therein.

As you have possibly seen in the newspapers the opportunity of the second reading of the Bill was utilised to render it applicable to goods manufactured monthly as suggested in your telegram and letter.

I am to add that your Association's suggestions in regard to the rules to be framed when this Bill is passed into law have been noted.—I have, etc.,

L. SEN,
Assistant Secretary to the Government of India.

No. 499-3 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd March, 1926.

THE ASSISTANT SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, DELHI.

SIR,

I am directed to acknowledge the receipt of your letter 1080-C dated the 19th March informing the Association that the suggestions made by the Association had been incorporated in the Cotton Industry Statistics Bill during its second reading.

Further consideration of the original draft Bill which accompanied your letter 1080-C. 2 of the 11th March and the wording of the definition of 'manufactured' suggested by my Sub-Committee had led my Committee to believe that the definition will be capable of various interpretations in the case of calendered and finished goods. It would have been better had the definition read "Goods shall be deemed to be manufactured when all manufacturing processes which the goods were intended to undergo have been completed *and the goods are finally stamped and marked* and made ready for sale though not necessarily baled, boxed or packed". The additions to the original definition suggested are italicised. It may not be possible to amend the definition at this stage, but in order to prevent any possibility of misinterpretation of the meaning of the definition it might be advisable to issue a full explanation to mills when called upon to make their first return under the new Act.—I have, etc.,

T. MALONEY,
Secretary.

No. 1080-C.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
DELHI, 30th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. 499-3 of 1926, dated the 23rd March, 1926, on the subject of the Cotton Industry (Statistics) Act and Rules, 1926.—I have, etc.,

L. SEN.
Assistant Secretary to the Government of India.

No. 523-3 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th March, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, DELHI.

SIR,

Further to my letter No 453-3 of 15th March 1926 on the subject of the Cotton Industry Statistics Bill and in answer to your letter 1080-C of the 19th March, I am directed to call your attention to certain difficulties which might be met in correctly completing Form A of the proposed rules under the Cotton Industry Statistics Bill.

2. At the present time, the Government of India issue a monthly statement showing the total production of certain groups of piece-goods. This statement gives the production of grey and bleached goods combined under ten separate heads while coloured goods are shown under one head. It should be pointed out that these summarised totals of productions are not submitted direct by individual mills but are prepared in the offices of the various Cotton Excise authorities from the more detailed statements submitted by mills. This detailed statement (present Form A under the Cotton Duties Act) shows the figures of productions of the 46 different classifications of piece-goods in the Tariff Valuation Schedule issued annually.

My Committee maintain that if the group classification for grey goods laid down in new Form A is adopted then mills will have very considerable difficulties in apportioning their various types of cloth under the smaller number of classifications in the proposed new Form A that no two mills will apportion their productions similarly, and lastly the figures for 1926-27 will not be in any way comparable with the figures for previous years.

3. In regard to bleached goods which it is now proposed to classify separately under the same headings as for grey goods the same difficulties will arise, and in addition there will be the added difficulty caused by the varying arrangements which exist in regard to bleaching. Some mills have their own bleaching departments whereas other mills manufacture only in the grey state and send the goods to other mills for bleaching from which they are often delivered direct to the dealers. In this connection it should also be pointed out that as bleaching sheds did not come under the scope of the Cotton Duties Act, it will be somewhat difficult to obtain returns from them under the Cotton Industry Statistics Bill.

4. The new detailed classification for coloured goods is also open to objections on the grounds mentioned in para (2) and is probably not the best which might have been arranged had the industry been consulted.

5. For these reasons my Committee would suggest that instead of the proposed Form A, old Form A of the Cotton Duties Act with its 46 classifications should be retained with columns 3, 4, 5, 6 and 7 deleted and that the monthly statistics should for this year at any rate, be compiled and published in exact manner as in previous years.

Then during the year the Government of India in consultation with the cotton textile industry might decide what changes are possible and advisable in 1927-28.—I have, etc.,

T. MALONEY,
Secretary.

No. 1080-C (2).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
DELHI, 31st March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*The Cotton Industry (Statistics) Act and Rules, 1926.*

I am directed to acknowledge, with thanks, the receipt of your letter No. 523-3, dated the 26th March, 1926, on the subject noted above. The Government of India have decided that it is unnecessary, for statistical purposes, to make a distinction between grey and bleached piece-goods and the required alteration has accordingly been made in the Cotton Industry (Statistics) Rules, 1926, which will be published in the next issue of the *Gazette of India*. They do not, however, consider that any other change in Form A appended to those rules is necessary for the present. They hope that mills will not find any difficulty in completing this form since, as regards classification of cotton goods, it is, but for one item, identical

with that adopted in the prescribed form of return required of millowners by Section 8 of the Cotton Duties Act, 1896. The latter, it is observed for facility of reference, will be found at pages 23 and 24 of the Cotton Duties Act Manual published by the Government of Bombay. I am to add that if, however, mills do for a time find it necessary to send in returns in any form that they may have been using in the past it will be possible to compile from it the information required for statistical purposes and the continuity of the existing statistics is not likely, the Government of India consider, to suffer.—I have, etc.,

N. J. ROUGHTON,
Deputy Secretary to the Government of India.

No. 627-3 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 16th April, 1926.

THE DEPUTY SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, SIMLA.

SIR,

Subject—*The Cotton Industry (Statistics) Act and Rules.*

With reference to the correspondence resting with your letter No. 1080-C (2) dated the 31st March, 1926, I have the honour to point out that while Government have, in accordance with the suggestion made by the Committee of this Association, substituted the word 'manufactured' in place of the word 'produced' in the Bill as originally drafted, no definition of the word 'manufactured' is given in the Act. This is likely to create difficulties, and I am therefore directed to request the Government of India to issue a note as early as possible explaining clearly the exact significance of the word 'manufactured'. My Committee trust that the definition of the word as suggested by them in the Association's letter dated the 23rd March will commend itself to Government, and if that definition is adopted, all difficulties would be overcome.

To give Government an idea of the difficulties experienced by mills, I am to invite their attention to the underquoted extract from one of the members of the Association :—

"If the returns now called for are for actual manufactures and not deliveries, this daily entry will give rise to several difficulties. For instance several cloths of our own are saleable either in the grey state or dyed. When we have made these cloths unsold, a month may elapse before we know in which state they will eventually pass into consumption, and as weight and yardage would also differ in each instance correct daily entries would be impossible."

It will be noticed that the adoption of the definition suggested by this Association will remove the above-mentioned and other difficulties which mills would experience if a proper definition of the word 'manufactured' is not issued by Government at a very early date.

My Committee trust that in view of the importance of this matter, Government will be pleased to give their immediate attention thereto.—I have, etc.,

T. MALONEY,
Secretary.

No. 1080-C.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 6th May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY,

SIR,

Subject :—*The Cotton Industry (Statistics) Act, 1926.*

In reply to your letter No. 627-3, dated the 16th April, 1926, I am directed to say that the Government of India have provisionally adopted the definition of 'manufactured' suggested by your Association and have asked the Local Governments and Administrations to inform the owners of mills in their provinces accordingly. They have also been asked for any suggestions which they may wish to make for the amendment of the definition.—I have, etc..

L. SEN,
Assistant Secretary to the Government of India.

No. of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 10th May, 1926.

THE ASSISTANT SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, SIMLA.

SIR,

Subject :—*The Cotton Industry (Statistics) Act, 1926.*

I have the honour to acknowledge the receipt of your letter No. 1080-C. dated the 6th May, 1926, contents of which have been duly noted.—I have, etc.,

T. MALONEY,
Secretary.

No. 744-3 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th May, 1926.

ALL MEMBERS OF THE ASSOCIATION.

DEAR SIRS,

Members are aware that under the Cotton Industries (Statistics) Act, they have to furnish to Government certain monthly returns regarding the goods manufactured during the month. The Act contains no definition of the word "manufactured" and as this is likely to create difficulties, the Committee of the Association suggested to Government to define the goods manufactured as follows :—

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

A telegram has been to-day received from the Government of India accepting provisionally the above definition.

Members are therefore kindly requested to take careful note of the above definition when preparing their monthly returns.—Yours faithfully,

T. MALONEY,
Secretary.

**GOVERNMENT OF INDIA,
LEGISLATIVE DEPARTMENT.**

The following Act of the Indian Legislature received the assent of the Governor-General on the 25th March, 1926, and is hereby promulgated for general information :—

ACT No. XX OF 1926.

An Act to provide for the regular submission of returns of quantities of cotton goods manufactured and cotton yarn spun in British India.

Whereas it is expedient, notwithstanding the repeal of the Cotton Duties Act, 1896, to provide for the regular submission of returns of the quantities of goods manufactured and cotton yarn spun in British India ; It is hereby enacted as follows :—

1. (1) This Act may be called the Cotton Industry (Statistics) Act, 1926.
- (2) It extends to the whole of British India.
2. For the purposes of this Act, unless there is anything repugnant in the subject or context,—
 - (a) " cotton goods " or " goods " includes all tissues and other articles (except yarn and thread) woven, knitted or otherwise manufactured wholly or partly from cotton yarn ;
 - (b) " cotton yarn " or " yarn " means yarn wholly or partly composed of cotton fibres ;
 - (c) " mill " means any building or place where cotton goods are woven, knitted or otherwise manufactured, or where cotton yarn is spun, by machinery moved otherwise than by manual labour, and includes every part of such building or place ;
 - (d) " owner ", in relation to any mill, includes the managing agent or other principal officer of the mill ; and
 - (e) " prescribed " means prescribed by rules made under this Act.
3. (1) The owner of every mill shall each month prepare, and deliver, or cause to be prepared and delivered, to the prescribed officer a return of all cotton goods manufactured and all cotton yarn spun in the mill during the preceding month by machinery moved otherwise than by manual labour, and shall subscribe a declaration of the truth of the return at the foot thereof.
- (2) Save as may be otherwise prescribed, every such return shall state, in respect of each description of goods and of yarn, the quantity manufactured during the period to which the return relates, and shall contain such further information, and be in such form and be subject to such conditions as to verification and otherwise as may be prescribed.
- (3) Every such return shall be delivered to the prescribed officer or posted to his address within seven days after the end of the month to which it relates.
4. (1) Any officer authorised by the Local Government by order in writing in this behalf shall have free access at all reasonable times during working hours to any mill and may at any time, with or without notice to the owner, examine and take copies of, or extracts from, the records of the mill for the purpose of testing the accuracy of any return made under Section 3, or of informing himself as to any particulars regarding which information is required for the purposes of this Act or any rules made thereunder.

Provided that no officer not especially empowered by the Local Government in this behalf shall be entitled to inspect any record containing the description or formulae of any trade process.

(2) All copies and extracts and all information acquired by any officer in the inspection of any mill under this section shall be treated as strictly confidential.

5. The Governor-General in Council shall, from the returns delivered under Section 3, cause to be compiled and published, in such form as he may direct, statements showing for each month the total quantities of goods manufactured and of yarn spun in mills in British India.

6. (1) The Governor-General in Council may, by notification in the *Gazette of India*, make rules consistent with this Act to carry out the purposes thereof.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely—

- (a) the form of any return required under this Act, the particulars to be contained therein, and the manner in which the return shall be verified ;
- (b) the nature of the records to be maintained by the owners of mills ;
- (c) the powers and duties, in regard to the inspection of mills under this Act, of the officers authorised to make such inspections ; and
- (d) any other matter which may be or is to be prescribed.

7. (1) Any person who—

- (a) knowingly falsifies any record of manufacture or production kept in a mill, or
- (b) being required to deliver a return under Section 3, knowingly delivers a false return, or
- (c) omits to make any return required by Section 3, or refuses to sign or complete the same, or
- (d) knowingly does any act, not otherwise punishable under this Act, in contravention of the provisions of any rule made under this Act,

shall be punishable with fine which may extend to five hundred rupees.

(2) Any person who discloses any particulars or other information acquired by him in the inspection of any mill under this Act shall be punishable with fine which may extend to one thousand rupees ;

Provided that nothing in this sub-section shall apply to the disclosure—

- (a) of any such particulars or information for the purpose of a prosecution under Section 193 of the Indian Penal Code or under this Act, in respect of any return kept or record made for the purposes of this Act, or
- (b) of any such particulars or information to any person acting in the execution of any duty imposed upon him by this Act, where the disclosure is necessary for the purposes of this Act.

8. The Governor-General in Council may, by notification in the *Gazette of India*, exempt from the operation of this Act or of any specified provision thereof any mill or class of mills, or any goods or class of goods, specified in the notification.

9. No suit or other legal proceedings shall be instituted against any person in respect of any thing which is in good faith done or intended to be done under this Act.

L. GRAHAM,
Secretary to the Government of India.

DEPARTMENT OF COMMERCE.

NOTIFICATIONS.

Commerce.

DELHI, the 3rd April, 1926.

No. 1090-C. (2).—In exercise of the power conferred by Section 6 of the Cotton Industry (Statistics) Act, 1926 (XX of 1926), the Governor-General in Council is pleased to make the following rules :—

1. These rules may be called the Cotton Industry (Statistics) Rules, 1926.
2. In these Rules—

“ Act ” means the Cotton Industry (Statistics) Act, 1926.

3. The officer to whom the return required by sub-section (1) of Section 3 of the Act is to be delivered shall be, in the case of mills situate in the Presidency of Bombay, the Collector of Customs, Bombay, and, in the case of all other mills, the Director-General of Commercial Intelligence and Statistics, Calcutta.

4. (1) The return of cotton goods required by Section 3 of the Act shall be in Form A appended to these Rules and shall contain the particulars indicated therein shown separately for each description of goods ; the return of cotton yarn required by the said section shall be in Form B appended to these Rules.

- (2) The declaration of the truth of the said returns shall be subscribed in the terms set forth at the foot of the said forms.

5. When a return duly completed has been delivered to the officer prescribed in Rule 3 he shall check the same or cause the same to be checked in any manner that may appear to him desirable and may for this purpose examine and compare or cause to be examined and compared the records of the mill to which the return relates.

6. The owner of every mill in which cotton goods are manufactured shall prepare and maintain in English a register to be called “ Register of cotton goods manufactured ” in which shall be entered daily the description, weight and yardage of quantity as the case may be of all cotton goods manufactured, in the mill.

7. The owner of every mill in which cotton yarn is spun shall prepare and maintain in English a register to be called “ Register of cotton yarn spun ” in which shall be entered daily the description of counts and the weight of all yarn spun in the mill.

8. The registers prescribed in Rules 6 and 7 shall be kept on the premises of the mill.

FORM A.

Particulars of all cotton goods manufactured at.....
 Mill during the period beginning.....and ending.....

Description of goods.	Weight in lbs.	Yards or Dozens.
PART I.		
Grey and bleached piece-goods. (To be reported in lbs. and yards.)		
1. Chadars		
2. Dhuties		
3. Drills and jeans		
4. Cambrics and lawns		
5. Printers		
6. Shirtings and longcloth		
7. T. cloth, domestics and sheeting		
8. Tent cloth		
9. Khadi, Dungri or Khaddar		
10. Other sorts		
PART II.		
Coloured piece-goods. (To be reported in lbs. and yards.)		
1. Chadars		
2. Lungis and dhuties		
3. Drills and jeans		
4. Greys, dyed		
5. Coloured striped saris and susis		
6. Cotton tweeds and checks		
7. Other sorts		
PART III.		
Grey and coloured goods other than piece-goods. (to be reported in lbs. and dozens and grey, bleached and coloured goods of each description to be distinguished.)		
PART IV.		
Hosiery.		
(To be reported in lbs. and dozens.)		
PART V.		
Miscellaneous cotton goods (To be reported in lbs. only.)		
*PART VI.		
(To be reported in lbs. only.)		
Total ..		

I do hereby declare that I have compared the above particulars with the records and books of my Mill, and that they are, in so far as I can ascertain, accurate and complete.

Dated this.....day of.....19

(Signed).

(To be signed by the Millowner, Managing Agent or other principal officer of the Mill.)

FORM B.

Return made for the.....mill showing the description and weight of all yarn spun during the month ending.....19 .

Count of Yarn.	Weight in lbs. of each count.

I do hereby declare that I have compared the above particulars with the records and books of my Mill and that they are, in so far as I can ascertain, accurate and complete.

Dated this.....day of.....19 .

(To be signed by the Millowner, Managing Agent or other principal officer of the Mill.)

APPENDIX 34.

INTERNATIONAL LABOUR CONFERENCE--EIGHTH AND NINTH SESSIONS.

No. 545-34a of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 30th March, 1926.

THE HON'ble SIR ARTHUR FROOM, KT.,
BOMBAY.

DEAR SIR,

The Committee of this Association understand that you have been appointed by the Government of India to represent the employers of this country at the Eighth and Ninth Sessions of the International Labour Conference, to be held at Geneva on 26th May and 7th June, 1926.

2. You are no doubt aware that the non-ratification by Japan of the Conventions adopted by the International Labour Conference held at Washington in 1919, constitutes one of the main grievances of the cotton mill industry of this country, which has faithfully carried out the Washington Conventions. Japan works her mills for 22 hours a day in double

shifts and employs women and children at night in contravention of the Washington Conventions. The Japanese mills have thus been able to reduce their manufacturing costs considerably and to compete with the manufactures of this country on unequal terms, with consequences which are very detrimental not only to the growth and development of the indigenous industry, but to its very existence. Besides, this unfair Japanese competition is dealing severe blows not only to the cotton textile industry of this country but also of Lancashire, whose export trade is being seriously crippled owing to the Japanese inroads.

3. My Committee desire that this question should be taken up by you in the interests of the indigenous industry, at the next sessions of the International Labour Conference, and in connection with this matter, I am directed to bring certain important points to your notice.

4. I forward you herewith pages 37-38 and 212-222 from the Association's Report for the year 1924, which will give you a general idea of the case which my Committee desire you to put up at the next sessions of the International Labour Conference.

5. It will be noticed that instead of ratifying the Washington Convention, the Government of Japan have framed an amended Factory Act which you will find reproduced on pages 214-217 of the Association's Report for 1924. This Act, however, is quite contrary to the spirit of the Washington Convention, for it says nothing about adult labour, and besides, the Government of Japan have retained powers to make wholesale exemptions.

6. Last year, Sir Thomas Smith attended the International Labour Conference and at the request of this Association raised this question at the Conference. I forward you herewith an account of the debate that took place at the Conference, and Sir Thomas Smith's letter to the Association, conveying his impressions of the attitude of the Japanese delegates. You will notice that Sir Thomas Smith, in the course of his letter, observed :—

“ The Japanese Delegation were anxious to extend the discussion to the ‘ Scientific and Economic Aspects ’. It was difficult to get them limited to the plain question :—
“ Did you or did you not promise to ratify, and why have you not ratified ? ”

7. I am to request your particular attention to the speeches made in the course of the debate, particularly the speech of Sir Thomas Smith, and the very halting defence made by the Japanese delegate, Mr. Mayeda. It is, however, very noteworthy that Mr. Suzuki, who attended the Conference on behalf of Japanese Labour, severely condemned the policy pursued by the Japanese Government, and as regards the Washington Convention, he said :—

“ As regards the Washington Hours Convention, as a representative of the Workers' movement of Japan, I must acknowledge with great regret and disappointment the utter failure of the Japanese Government to ratify this Convention. The fault is so self-evident that I will refrain from labouring the point.”

8. On 25th November, 1925, the Japanese Delegation addressed a letter to the Governing Body of the International Labour Office which was summarised in the issue dated 21st December, 1925, of the official periodical of the International Labour Office known as “ Industrial and Labour Information.” This letter was to the effect that the Draft Ordinance for the enforcement of the amended Factory Act had been under the consideration of the Administrative Investigation Committee, that the attitude which the Commission would adopt had still to be decided, and in due course their conclusions would be placed before the Cabinet for consideration by that body. The Japanese Delegation added that the Draft Ordinance “ which involves the principles laid down by the Washington Conference ” was adopted without amendment by the Sub-Committee of the Administrative Investigation Commission.

9. It is clear from the above that the Japanese Government wish to delay as much as possible the enforcement of the Amended Factory Act, but what was most surprising to this Association was that the Japanese Delegation spoke of the Amended Factory Act as “ involving the principles laid down by the Washington Conference.” It would be difficult to imagine

a more ridiculous travesty of the true facts, and I am to invite your special attention to the Association's letter dated the 26th January, 1926, to the Government of India, and the letter dated 5th January, 1926, to the Director, International Labour Office, copies of which are forwarded herewith.

10. In the *Times of India* of the 5th February, 1926, an authoritative article appeared on "Labour Conditions in Japan—Imperative need for reform." The article was reproduced in the Excerpts from the Proceedings of the Committee of this Association for January, and a copy of these Excerpts is forwarded herewith. You will find the article reproduced in pages 6-8 of the Excerpts, and it is hoped you will make effective use of that article at the forthcoming sessions of the International Labour Conference.

11. If you will kindly obtain from the International Labour Office the issue dated 15th February, 1926, of *Industrial and Labour Information*, you will find on page 204 thereof an account of the meeting of the Japanese Association for International Labour Legislation, and you will notice that a resolution was passed pointing out that the Imperial Diet should be considered as at least one of the "Competent Authorities" to deal with the Draft Conventions and Recommendations. At the last session, Mr. Suzuki, the representative on behalf of Japanese Labour, bitterly complained that the Privy Council was considered the competent authority instead of the Diet. The Privy Council consists of the remnants of ancient Feudal system and that body naturally looks askance at such conventions as the Washington Convention regarding hours of labour. The Diet, on the other hand, is a more representative body, and the Washington Convention has greater chances of being accepted by that body. This question, therefore, as to who is the 'competent authority' for ratifying these Conventions, is worth being raised at the International Labour Conference. It will be also noticed from the account of the meeting of the Japanese Association for International Labour Legislation that a resolution was passed concerning the immediate enforcement and ratification of the Washington Conventions, and concerning the immediate enforcement of certain Acts already passed by Parliament, but not yet enforced, such as the Factory Act (Amendment), the Minimum Age (Industrial Workers) Act, and the Health Insurance Act.

12. The whole case, in brief, is that Japan failed to ratify the Washington Convention and has instead framed what may be called an apology for a Factories Act, but she has no intention of even putting this so-called Factories Act into operation. Criticisms of this Act, section by section, are enclosed herewith in order to establish the thoroughly useless nature of this Act, and it is hoped these criticisms will be of use to you when discussing the question at Geneva.

13. I am directed to request you to confer at Geneva with all the representatives attending the Conference on behalf of this country in different capacities, and to see that the question is raised in the 'Employers' section and also in the Labour section. A separate letter is being addressed to Mr. Lala Lajpatrai, who has been elected by the Government of India to represent the labouring classes of this country, and he will doubtless see you in the matter and act in co-operation with you.

14. My Committee earnestly trust you will kindly study the papers forwarded herewith, carefully, and will ventilate the subject as thoroughly and forcibly as you possibly can, as the present labour conditions of Japan constitute a most serious handicap to the indigenous industry. The enclosed letter from Mr. Clow, Deputy Secretary to the Government of India, Department of Industries and Labour, will enlighten you as to the procedure to be adopted.

15. The various *papers are duly flagged as below :—

Pages 37-38 and 212-222 of the Association's Report for	
1924	Flag
Letter from Sir Thomas Smith	Flag
Account of the Debate at the Conference 1925	Flag

Letter to the International Labour Office dated 5th February,
1926 Flag
Letter to the Government of India, dated 26th January, 1926. Flag
Letter from Mr. Clow, Deputy Secretary to the Government
of India Flag

Yours faithfully,

T. MALONEY,
Secretary.

P.S.—A few pages from the speech made by Mr. N. N. Wadia,
the Association's Chairman, at the last Annual
General Meeting are also enclosed Flag

(Similar letter to Lala Lajpatrai.)

BOMBAY, 31st March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am in receipt of your letter No. 545-34a of the 30th March, on the subject of the non-ratification by Japan of the Conventions adopted by the International Labour Conference held at Washington in 1919 and I note that your Committee would like me to take up this question at the Eighth and Ninth Sessions of the International Labour Conference which will be held at Geneva at the end of May and early in June this year. I would point out, however, that the subject of the Eighth Sessions of the Conference is the "Simplification of the inspection of emigrants on board ship" and that of the Ninth Sessions is:—

- I. International codification of rules relating to seamen's articles of agreement
- II. General principles for the inspection of the conditions of work of seamen

and I do not think there will be any opportunity afforded to discuss other conventions or recommendations.

In the notification issued by the Government of India on the 9th October, 1915, it was specially stated that "in view of the nature of the agenda, "special weight will be given on this occasion to nominations made by associations of shipowners and seamen" and presumably by reason of my long connection with shipping Government has acted upon the suggestion that I should be nominated as the Delegate at the Eighth and Ninth Sessions to represent the employers. Had there been any idea of a further discussion at the Eighth or Ninth Sessions of the working hours, etc. in mills and factories doubtless the Government of India would have nominated an additional Delegate, more intimately acquainted with that subject than I am, to represent employers.

Doubtless the same thing applies to delegates from other countries and it is to be presumed that these delegates for the Eighth and Ninth Sessions will have been selected on account of their special knowledge of shipping and seamen without necessarily having any particular knowledge of the working of mills and factories. I am, however, retaining the file which you have sent me and if an opportunity occurs I shall be very pleased to support to the best of my ability the views of the employers in India with regard to the non-ratification by Japan of the Conventions adopted by the International Labour Conference held at Washington in 1919, as regards the hours of labour in mills and factories, etc.—Yours, etc.,

A. H. FROMM.

No. 564-34a of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 1st April, 1926.

THE HON'BLE SIR ARTHUR FROOM, KT.,
BOMBAY.

DEAR SIR,

I write to acknowledge the receipt of your letter of the 31st March. I was of course aware that the proposed conventions, etc., which will be discussed at the Eighth and Ninth Sessions relate primarily to subjects connected with shipping and the shipping industry and that the Government of India therefore, very wisely chose as the employers' representative, a gentleman with special knowledge of shipping.

You are, however, probably wrong in thinking that there will be no opportunity of bringing forward the question of ratification of the Washington Conventions relating to Hours of Labour and the employment of women at night. The subject might, very easily be brought forward at the time the Annual Report of the Director is discussed, as was done last year. The subject might also be ventilated at the group meetings of employers' delegates.

In any case, my Association, knowing that you fully realise the danger to British and Indian industrial interests owing to the unfair competition they are now meeting from Japan, trust that you will find an opportunity of putting forward India's case against Japan a case which will receive the active support of the labour delegates of India and probably all other countries, and the employers' and Government Delegates, of all countries which have ratified the Conventions referred to.—Yours, etc.,

T. MALONEY,
Secretary.

C/O NATIONAL BANK OF INDIA, LTD.,
BISHOPSGATE,
LONDON, E. C. 2, 10th June, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Referring to your letters Nos. 564-34a and 717-34a of the 1st and 30th April last, I have the pleasure to advise you that, agreeably with your request, I raised at the Eighth Session of the International Labour Conference, the question of the non-ratification by Japan of the Washington Convention of 1919.

In the discussion which followed, Mr. Mayeda, Representative of the Japanese Government, announced that the amended Factory Act of 1923 will be put into force as from the 1st July next. Mr. Mayeda referred to this Act as one "which on several points involves the underlying principles laid down by the Washington Conference" and that is all that can be said about it. I criticised the Act in my speech, as also did Sir Atul Chatterjee.

Under separate cover I have sent you copies in duplicate of the proceedings Nos. 7 and 8 dated the 1st and 2nd instant and I give below the names of the Speakers in the order in which they spoke:—

SIR ARTHUR FROOM (Employers' Delegate, India).
MR. LAJPAT RAI (Workers' Delegate, India).
MISS BONDFIELD (Workers' Adviser, Great Britain).
SIR ATUL CHATTERJEE (Government Delegate, India).
MR. MAYEDA (Government Delegate, Japan).

MR. MATSUKATA (Employers' Delegate, Japan).
 MR. NARASAKI, (Workers' Delegate, Japan).
 MR. CHAO HSIN CHU (Government Delegate, China).

It is difficult to say what effect, if any, the debate will have on the Japanese, but they are very susceptible of adverse public criticism. It is something to have got them to bring into effect even their lukewarm Factory Act of 1923.—Yours faithfully,

A. H. FROMM.

BOMBAY, 14th August, 1926.

T. MALONEY, Esq.,
 BOMBAY.

DEAR SIR,

Just a line to ask if you ever received the letter I wrote to you officially dated the 10th June last at Geneva on the subject of the proceedings of the Eighth Sessions of the International Labour Conference where the question of the non-ratification by Japan of the Washington Convention of 1919 was raised by me.

I have never received an acknowledgment of my letter but possibly this may be due to my moving about a good deal in England after I left Geneva.—Yours etc.,

A. H. FROMM.

No. 1262-34a of 1926.

THE MILLOWNERS' ASSOCIATION,
 BOMBAY, 17th August, 1926.

SIR ARTHUR FROMM,
 C/O MACKINNON MACKENZIE & Co., BOMBAY.

DEAR SIR,

With reference to your letter of the 14th instant I have to inform you that your official letter of 10th June together with copies of the proceedings at Geneva were duly received, and were considered by the Committee of the Association at a meeting held on 26th July, when a resolution was passed as below :—

“ That the best thanks of the Association be sent to Sir Arthur Froom for his work on behalf of the Association and the Indian Cotton Textile Industry generally, at the Eighth International Labour Conference ”.

As the meeting was held only on 26th July and as you were expected in Bombay about the middle of this month, I did not write to your home address conveying the resolution of my Committee. Your official letter was set aside for acknowledgment after your return to Bombay.

The members of my Committee were very pleased at the excellent and telling speech you made, and a copy of the whole proceedings kindly forwarded by you has been sent to the Tariff Board now sitting on judgment on the cotton industry and should assist our case materially. On behalf of the Association I tender you our sincere thanks for the very able manner in which you handled the question of non-ratification by Japan of the Washington Conventions and brought home to the Conference at Geneva the necessity of bringing pressure to bear upon Japan to ratify them.—Yours, etc.,

T. MALONEY,
 Secretary.

PROCEEDINGS OF THE EIGHTH SESSION OF THE INTERNATIONAL
LABOUR CONFERENCE.

TUESDAY—1ST JUNE, 1926.

SIR ARTHUR FROMM (Representative of Employers in India), spoke:—Mr. President, arising out of the Director's Report, which is at present under the consideration of this Conference, I have the honour to introduce for discussion the industrial difficulties in which, by reason of its having ratified the Washington Convention of 1919, one country finds itself, in competition within its own borders with another country which has not ratified the Washington Convention although it was a signatory to it.

The industry to which I refer is the cotton-mill industry. The countries to which I refer are India and Japan.

Now, Sir, you are no doubt aware, as many others here are aware, that a discussion on this very subject took place at the Seventh Session of the International Labour Conference at Geneva just about one year ago, and it is a matter of considerable regret to me that the necessity arises for a further discussion at this Conference. The case of the Bombay mill-owners—for the cotton mill industry of India is largely or chiefly concentrated in Bombay—was argued by my predecessor here a year ago. And what has Japan done during that year? Nothing.

Let me now briefly recapitulate the position of the Bombay millowners. Night work for women was done away with in India very many years ago. The first action taken in this important matter dates back as far as 1891. Matters were, however, tightened up by a Factories Act introduced in India in 1911. Then we have the Washington Convention of 1919, and India at once rose to the occasion and brought in another factory Act, to leave no loophole for the employment of women and children at night. Again with regard to the working hours of male adults, after the Washington Convention of 1919, the employers of India did not wait for their Government to ratify that Convention, but they at once set about reducing the hours of labour for men to 10 hours. This was confirmed again in the Factories Act of 1923. The Factories Act further provided that every one working in factories should have one holiday a week, be it a Sunday or not a Sunday. No man or woman could work for seven days on end. In pursuance of its desire to put its house in order as regards workers, India has recently passed a Workmen's Compensation Act—when I say recently, it was a year or two ago—and quite recently it has also passed a Trade Union Act. I merely refer to those two Acts, Sir, to show the earnestness of India in progressing in its wish to preserve the health and welfare of workers.

And now turn to Japan. Let us consider her appreciation of her signature to the Washington Convention of 1919, or perhaps I might more aptly put it, her lack of appreciation of that Convention. So far as legislation is concerned, the conditions of labour in Japan in 1919, and prior to 1919, are the same now. It is quite true that in 1923, Japan introduced a Bill to amend the Factory Act. In that Bill, which is now an Act, for I believe it has passed the Japanese Diet, there is a Section providing against the employment of women and children at night. But—and it is a very big but—when that Act comes into operation, that Section is not to apply for another three years. In this Act there is no mention of the hours of labour for adult males; there is no mention of holidays for them; and I would further say that, although the Act is an Act presumably, because it has passed the Imperial Diet, it is inoperative now because it has not received assent.

Now, Sir, let me further consider Bombay's position. It might be argued that, since Bombay of its own accord many years ago, prohibited the employment of women and children at night—I would rather say since India many years ago prohibited the employment of women and children at night—why should India now be making a fuss about it? I have heard that argument used. I will tell you why. Because the competition that is now arising in India is of very recent growth, and it is increasing year by year.

Where does this question of night work of women chiefly come in? It comes in with the working of double shifts. One of the chief advantages which Japanese millowners have over the Bombay millowners is that they work double shifts. They work for 22 hours out of 24. Of course I do not mean to say that they work one man for 22 hours, but they work double shifts. And how are they enabled to work double shifts? Because they employ their women at night. I believe the proportion of women workers in the mills in Japan, as compared with men workers, is as 3 to 1. Now it might be argued that India might work double shifts with her men, but I would like to make it clear that in India women are also working in the mills in the daytime and the work of women is a necessary adjunct to the work of men. Therefore, the law of India prohibiting the work of women at night does away with the possibility of working double shifts. That is where the Japanese millowners have a great pull over the millowners of India.

I assure you that this increasing competition is a very serious matter for India. It is not only competition by amount of imports, but the imports cut down prices. The Bombay millowners do not object—in fact they could not object—to any fair competition; but I put it to you that the dumping of goods into India, of goods manufactured under bad conditions of labour, is not fair competition and arouses strong feelings of resentment in the importing country. Those feelings of resentment are so strong that the Government of India has on more than one occasion been asked to impose protective duties against the importation into India of Japanese yarn and piece-goods. The Government of India has not heeded those applications up to the present. I do not know that it will do in the future.

There is another aspect of the question from the point of view of India. As I have shown, India is doing her best to improve the conditions of labour in her mills and factories. She ratified the Washington Convention of 1919 and faithfully carried out the obligations thereby imposed; and then what does she find? She finds that by acting in this way she is put into an unfair position by the competition of another country. What can you expect the people of India to say to the Government? They will say "You lead us on to improve our labour conditions; we want to improve our labour conditions; but how are we to go on carrying out these improvements when our manufactures are undercut by another country who will not act similarly?" As far as India is concerned this position puts into jeopardy our faith in the International Labour Organisation. I am not a Bombay millowner but I have resided in India for over 30 years and during that time I have worked chiefly in Bombay. I know many Bombay millowners and I can assure you that the industry there is going through very difficult times. As I have said, I am not a Bombay millowner, and therefore I think I can claim to present this case to you with impartiality. I should like to assure the Delegates from Japan that, as far as possible, I have tried to avoid any bitterness in my remarks. We are not here to indulge in recrimination. I have simply stated facts.

I hope to receive an assurance from Japan that the Factory Act of 1923 is likely to come into operation at a very early date; but that is hardly enough. The Factory Act should be improved. I have heard it described as a travesty of the Washington Convention of 1919. As I pointed out in my opening remarks, it provides for no limitation of hours for adult men. When the Act is promulgated, three years are to elapse before the night work of women is to be considered. There are no holidays for adult men. Women and children under 16 years of age, do have holidays—two days a month.

I have put my case hitherto from the point of view of the difference between the conditions of labour in Japanese mills and those of India, resulting in detriment to the mill industry in India; but I am not unmindful of the humane aspect and here I feel sure I shall command the sympathy of all those present at this meeting. I find it difficult to believe, and I think you, Ladies and Gentlemen, will also find it difficult to believe that progressive Japan can regard with calm equanimity, with unruffled self-esteem, the urgings from another Eastern country to study humanity in the treatment of her working classes.

WEDNESDAY, 2ND JUNE, 1926.

MR. LALA LAJPATRAI (Labour Delegate from India) spoke :—Mr. President, Ladies and Gentlemen, in one brief sentence I want to associate myself fully and wholeheartedly with the compliments that have been paid to the work of the International Labour Office, the Director and his staff, for the valuable Report they have presented to us. The Report contains much useful and illuminating matter that is, so far as it goes, very good but the point I would like to emphasise is the importance which, in my judgment, the International Labour Office should attach to investigating conditions of labour in the Orient and in the coloured world of Africa and America. As matters at present stand, it is unfortunate that about one thousand millions, or even more members of the human race, should be represented at this Conference by less than a dozen people.—I mean the two Delegates from India and the Delegates of Japan. We all know that the population of Asia and Africa far exceeds that of Europe, and I wonder if the white workers of Europe and America properly realise the significance of the problem which faces them. After a hard struggle, extending over several years, they have secured certain privileges in the conditions of their labour from their employers and from their Governments and, unless they take care to improve the conditions of labour in Asia and Africa, I am afraid that the privileges they have secured and the advantages they have gained may be lost altogether, by their employers transferring their activities to Asia and Africa and taking advantage of the conditions of labour that prevail in those countries. I would therefore beg of them to take greater interest in the conditions of labour that prevail in those countries. We in the Orient are trying our best to improve the conditions of labour in countries where it is possible to do so ; but even in those countries we are face to face with great difficulties.

First of all, the Governments are not, of course, very enthusiastic about legislation to improve the conditions of labour, because you know that the Governments have a particular knack of being adverse to changes—changes, particularly, which take away a certain part of their authority and power, and a certain part of the authority and power of their chief clients, the capitalists or employers. Therefore sometimes the Governments are in the habit of opposing legislation to improve labour conditions by the hackneyed phrase or plea of backward conditions and a backward educational situation. There is sometimes some force in this plea, but we, the representatives of the workers, cannot allow Governments to take shelter behind that plea *ad infinitum* ; we cannot allow them to make a fetish of it. No doubt sometimes special circumstances and special industries do require consideration ; but the considerations of humanity and the considerations of the welfare of the workers must supersede the considerations of power which may be gained by injustice. We therefore require the full sympathy and the full co-operation of the workers of the West in the struggle that we have to carry on in the East, to improve conditions of labour in Eastern countries. You know very well that, particularly in those countries which have no self-government, and which are under the mandate or government of foreign people, the conditions of labour among the native population and among the coloured people do require special attention. We do not, of course, wish it to appear that we claim the right to dictate terms to any State, because every State is master in its own house, and every State can regulate its affairs as it likes ; but what we are attempting at in this Conference is the creation of an international atmosphere, bringing facts to light, and letting the moral conscience of the world bring about what moral pressure it can on those countries where the conditions of labour are neither good nor desirable nor proper. That is all we can do. Let there be no misunderstanding. Nobody, so far as I know, tries in this Conference to dictate terms to any State, or to point the finger of scorn at any State for having done what he considers it was its duty to do.

All that we are attempting to do is to throw the light of publicity upon the conditions of life existing in those countries where self-government does not prevail, or where the conditions of labour are not such as we would like them to be ; that is all. The object of this Conference is to bring together, in a friendly spirit, the peoples of the world and the representatives of the different countries and different peoples on this platform, so that they can exchange their thoughts in private and in public, and thereby create a public opinion which will afterwards have its effect upon the peoples throughout the different parts of the world. That is all we are meeting here to do ; and let there be no misunderstanding about it. If there is anyone who wants to point out the particular facts and conditions which exist in a

particular country, it is not from any desire on his part to discredit the Government or the State to which he is referring, but it is simply done to illustrate what he means ; he is simply pointing out the difficulties in which he or his nation is placed. I would desire the International Labour Office, in that connection, to note that the interests of organised labour in Europe and America require that the conditions of labour in the Eastern countries and in countries where there is a foreign Government, should at least be brought before the bar of public opinion. When I say that, what I have particularly in mind are those countries where the Governments are foreign or where the Governments have Mandates. It is necessary that international public opinion should know what is going on in those countries. The conditions of labour in certain parts of the British Empire, for instance in Fiji, in Kenya and in South Africa, require publicity. I bring no accusation against them. All I am aiming at present is that the International Labour Office should collect all the information that is possible to collect with regard to the conditions of labour in those countries and that it should place that information in its reports, so that the rest of the world may know what the conditions of labour in those countries are.

We have lately heard of certain Bills having been introduced into the Parliament of South Africa. One of those Bills affects Asiatics and another affects both the native population of South Africa and the Asiatics. Now I do not want to say at this stage a word about those Bills or that legislation because at the moment there are certain negotiations going on between the Government of India and the Government of the Union of South Africa, and there is a hope of a satisfactory settlement of the Indian question being reached. For that reason I do not want to say a word which might in any way embarrass those Governments or those who are negotiating. But so far as the Colour Bill is concerned there are different reports about it. The other day I read in the *Daily Mail* that about 5½ million people, natives of that country, had been debarred from joining certain industries and from becoming skilled artisans. That article was published in last Saturday's edition of the *Daily Mail*, and I do not want to do anything further than to call your attention to the facts which are therein set out. I have not made a study of the Bill and I take no responsibility for those statements. All I do say is that the conditions require investigation, and that is all that I am asking the International Labour Office to do.

Now coming to the conditions in India, which I know more intimately, I want to inform all those present here that we in India are not proceeding with the improvement of the conditions of labour, or with legislation to that end, with that rapidity which we should like the Government of India to adopt. The Government of India, like all other Governments, does not want to change quickly, and it sometimes brings forward the old time-honoured pleas of backward education and backward industrial conditions. But we are determined that the Government of India should adopt a greater speed, and we will do all that is in our power to force the Government of India to legislate in such a way as to improve the conditions of labour in India more rapidly than it is doing at present. In that connection we might say that so far as the competition between India and Japan is concerned, the employers' case was put forward very ably yesterday by the Employers' Delegate. That was his point of view. The workers' point of view was also put before this Conference last year by the Workers' Delegate. I would start from a different point of view altogether. My point is this: We appreciated the difficulties of Japan, particularly their difficulties in industrial competition. We have absolutely no right to dictate to Japan what she should do. There is nothing binding upon Japan unless she ratifies the Conventions that were adopted with the consent of her own Delegates who were present at the Washington Conference. It is for them to decide when they will make their own laws. But what we want to do is to point out to them our difficulties in India as regards the industrial situation created by their failure to ratify the Washington Convention of 1919. The millowners' point of view was pointed out to you yesterday. The labour people also find themselves in a great difficulty on account of Japan's failure to ratify that Convention, because the champions of labour improvement cannot put forward their claims so forcibly as they could otherwise do, in face of the fact that the most progressive Asiatic nation still sticks to old conditions. I would appeal to Japan, not so much in the interests of its industries (because it has every right to look after its industries), but more for humanity. A very large number of people in India put forward the interests of women and the mothers of the race on a higher level than the interests of industries. Future generations in India and Japan and in every other country are dependent

upon the mothers, and if we force the mothers to work at night or to work underground, we are certainly not improving the future prospects of the race. Therefore in India we are trying to prohibit women and children working underground at all. As you were told yesterday, the Government has already prevented women and children working at night, but we propose to go a step further and to put an absolute stop to the working of women and children underground. I think that will be a great step forward ; but we shall be greatly handicapped in taking that step unless Japan takes a similar step in her own country, by introducing legislation. I am sure that the Workers' Delegates of Japan realise the value of this legislation in their own country, and they can speak for themselves. Last year the Workers' Delegate from Japan raised his voice, and a member of the Japanese Parliament asked certain questions of his Government in the Imperial Diet, why certain abuses had not been abolished and why the Factory Act of 1923 had not been put into force, and certain replies were given by the Government. It is for the Government of Japan to do what is needful, and I will not say anything further. But there is one more ground upon which I want to base my appeal to Japan. After all, what is done in India more or less goes to the credit of the British Government. India is not a self-governing country, and the Indian Executive Government is not responsible to Indian legislature. Therefore the credit of labour legislation belongs to the British people and the British Government. Japan is the only progressive Asiatic country in the Orient which can vindicate the honour of the East and the Orient. I appeal to Japan not to lag behind other countries in this respect and to show that in their desire to make money out of their industries, they have not forgotten their own deals. I appeal to them, not only in the name of humanity, but in the name of the fame and reputation of the Orient and for the sake of the interests of the human race, and I hope, and I am confident, that Japan will listen to that appeal now or in the immediate future.

Having disposed of that, I just want to say a few words about the conditions of forced labour in India. We are not prepared to conceal the skeleton in our own cupboard. India is divided into two parts : British India and Native India, comprised in what are known as the Native States which are governed by native rulers. Now, conditions of forced labour exist in both parts, in British India as well as in Native India. Of course, they are not universal. In British India they have no legal sanction behind them except for certain purposes or on certain occasions; but there is a tend of pseudo-legal sanction behind them and sometimes Government officials take shelter behind what is known as customary sanction I should be unfair to the British Government if I omitted to say that certain Provincial Governments have tried to abolish the custom altogether by certain Orders ; but those Orders have not been obeyed in some cases, and for very good reasons. The practice is very useful and handy for officials. Therefore I cannot accept the plea that the Government cannot force their hands and make them comply with its rules. If it can enforce its other laws, orders and regulations, it can certainly enforce these also if it is enthusiastic about it, and I hope it will do so, because public opinion is expressing itself very forcibly.

With regard to the conditions of forced labour in Native India governed by native rulers, I may say that there also it is not universal, although it prevails to a greater extent and over a larger area. The obligations of the Government of India are not so well defined as in their own territory ; but there are certain ways in which the Government of India and also the League of Nations can bring pressure to bear upon the native rulers of India to abolish forced labour, which is after all only a form of slavery. Every year a representative of the native rulers of India comes here to attend the meeting of the League of Nations, and I think that just a hint from the officials of the League of Nations would suffice to point out to him that he should take the first step to prevail upon his fellow Princes to abolish this kind of labour in their territories. The Government officials of India could also set an example by refusing the forced labour that is sometimes supplied to them for their convenience. In and near Simla, the summer capital of India, a good deal of forced labour is supplied for the convenience and comfort of British officials and European and Indian tourists. That practice should be stopped, and it can be stopped by the moral pressure of the Government of India on its own high Government officials.

I do not want to take up any more of your time, but I just want to say one word in conclusion. The workers of the East look to you for co-operation and sympathy. They offer to you their friendship and co-operation in your work, and they expect from you the

same kind of co-operation and sympathy. It is for you to accept their offer in the spirit in which it is made; but I also wish to say that, if you leave entirely neglected the interests of the coloured populations of India and Africa, you are creating a situation, the eventual consequences of which I shudder to think of. You must carry the whole world with you, as far as it is possible to do so, and not leave any part of it or conditions of labour anywhere unregulated and unlooked after. That is my last word to you, and I say it in all friendliness and goodwill and sympathy.

MISS BONDFIELD (British Empire):—In connection with this matter I desire to occupy the time of the Conference for a very brief moment to deal with the question from the point of view of the industrial women of the world. Those of us who are connected with the trade unions sections more particularly relating to women's work have been for some time deeply conscious of the need for bringing assistance to those women who are working in the textile industries in the East. We do place on record with great thankfulness the improvements that have already taken place in India and Japan as a result of the work of the International Labour Conferences; but we still view with a feeling of horror the reports which we are receiving with regard to the condition of women in China. I may say we have had the opportunity of hearing first-hand reports from trained investigators who are not given at all to exaggeration and we know that women are working to-day in the East under conditions that are intolerable, under conditions that can only be described as sad. I wish to join with those who have already appealed to the Government of Japan. Japan occupies a middle position; it is behind what has been accomplished in India and is ahead of China. For that reason I want to make a very strong appeal to Japan not to procrastinate any longer with regard to the putting into operation particularly of the Convention concerning night work of women.

The Japanese Social Affairs Bureau has stated that in its opinion the most urgently necessary reform in Japan is that this Convention should be put into practical operation without delay. In 1923 when we got the Report on the amended Factory Act and heard that the employers of Japan had been given at least three years in which to rearrange their work, we were told that the main reason why Japan gave this further latitude (a latitude entirely proper under the Convention, but of which I am glad to say India did not take advantage) was because the employers said that they must have time in order to lay down more spindles. It was said they must have at least 400,000 more spindles before they could abolish night work for women. To-day I understand the same argument is put forward. The employers desire to have another three years in order to lay down 400,000 spindles. We cannot accept that kind of argument, and we hope that the Japanese Government will not accept that kind of argument from the employers, as a reasonable cause for delaying the operation of the Convention. We have had experience of the night work of women. Some of the blackest pages in our history are connected with night work for women, and particularly for women engaged in the textile industries, and any country which desires to take its place amongst the civilised nations of the world must surely realise that the time has gone by when either individuals, companies or States, without the execration of the world, can be permitted to create wealth on the bodies and souls of helpless women and children. Therefore, in connection with this matter I would urge again that there should not be any further delay in the ratification of the Convention for the abolition of night work for women. To put it off till 1929 would be, frankly, not only to disappoint but to discourage those women all over the world who are so ardently desiring to see improved conditions in China. What can we say to China where there is no stable Government, where we have not yet succeeded in getting a full delegation to this Conference? What can we say to them if in that near country of Japan these necessary reforms are being continually postponed? It is because we feel that we must look to Japan for the greatest influence in bringing about an amelioration of the condition of affairs in China. The Indian Delegate put it from the standpoint of the way in which Japan was retarding the growth of development in India. I agree, but it is still more terrible to think of that country which has worse conditions than Japan and which is being encouraged to do nothing by the fact that Japan, that highly organised, highly efficient country, is delaying the operation of these Conventions.

I am one of those who feel a sense of personal responsibility in this matter because in 1923 I went all over my country praising Japan. I said "Here is a country with tremen-

dous obstacles to overcome and she is setting to work to overcome them." I have praised India in the same way and I feel very relieved to find that India has not let me down, and now I sincerely appeal to Japan not to let me down. I want to go back and say " Yes, Japan is also toeing the line and Japan is determined to come into line to help to save the lives—because that is what it means—" of large masses of women who in the past have been the most exploited sections of the labour movement."

SIR ATUL CHATTERJEE (India).—I should like to take the opportunity in addressing you to thank Miss Bondfield for the very kind references that she has made to my Government and to my people in regard to the progress of social legislation in my country. We deeply appreciate the kind references which she has made, and we hope that all members of this Conference will send a message of encouragement to the Indian Government and the Indian Legislature in the task which they have undertaken, and in which, as has been admitted by all speakers, very satisfactory progress has already been made.

I wish to refer to a few points which have been mentioned by my colleague, Mr. Lajpat Rai, in reference to conditions in India. I wish to congratulate him on the tone of his speech, and I think all of you will agree with me in thinking that when the cause of Indian workers is championed by a man like Mr. Lajpat Rai, there is every hope of satisfactory progress being made in the conditions of Indian workers. I am therefore rather surprised to find that my friend observed that there has been very slow progress in social legislation in India, and he has taken the Indian Government to task for this fact. I think that anyone who has perused the lucid and most informative Reports of the Director which have been presented to this Conference year after year, cannot fail to have noticed the very rapid progress which has been made in social legislation in India during the last five years.

It is therefore surprising to find that a member of the Indian Legislature, a member who has taken his part during the last twelve months in moulding social legislation in India, should come to this Conference and say that progress has been slow or unsatisfactory. Indeed, I think that my honourable friend, Mr. Lajpat Rai, has done very much less than justice to the Indian Legislature when he says that the entire credit for this legislation in India is due to the Government and not to the Legislature. I have not the honour to belong to that Legislature at the present moment, but I was intimately concerned with the progress of this legislation during the previous five years, and I think everybody will admit that all sections of that Legislature have been most active in the promotion of social legislation, and that almost the entire credit is due to the members of the Indian Legislature, who are mostly Indians by birth and nationality.

I wish also to correct one slight mistake which my friend Mr. Lajpat Rai made. He referred to underground work of children in India. If I understood him correctly, the implication was that children were still employed on underground work in Indian mines. I wish to assure this Conference that no such thing exists in India. No children are allowed to go underground.

My friend has also referred to the conditions in regard to forced labour in India. Those of you who were present at the last Conference in 1925 will remember that this subject was discussed on that occasion also, and at that time I made a distinct statement that there was no forced labour in any part of British India, except with the sanction of the law, and where the law does permit it, it is only for the sake of public works such as canals and large irrigation works which might be damaged unless the whole countryside were summoned in order to prevent such damage by sudden cataclysms of nature. Mr. Lajpat Rai has not given a single instance of any kind of forced labour in any part of British India, and I regret very much that he should have again raised this question.

As regards the Indian States, the Conference is aware that the representatives who come here from India do not represent the Indian States. The question of forced labour has been discussed more than once in the Assembly of the League of Nations, and I have no doubt that it will be considered there again. The ruling Prince from India who attends the Assembly of the League of Nations will know how to deal with this charge. It is not necessary for me to go into the question of forced labour in Indian States.

A great deal of attention has been devoted, during our discussions of the last three days, to the ratification of the Hours Convention passed at Washington. The Director has given a good deal of attention to the proceedings of the London Conference held in March last. Eight countries of chief industrial importance are recognised in the Labour Conference. Of these countries, five belong to Europe, and the Government representatives of these five countries met in London in March last to discuss how or when it would be possible to ratify the Hours Convention. Only one country of chief industrial importance has as yet ratified the Washington Convention, and that is India. Naturally we are very much interested in ratification by other countries, and we are particularly interested in ratification by Japan; which is the country nearest us, and with which we have the closest commercial relations.

In Washington, after most careful and exhaustive enquiries, the Conference came to the conclusion that a 60-hour week was desirable in India, and a 57-hour week in Japan. We, in India, lost no time in carrying out the wishes of all the States that met at Washington. My friend, Mr. Mayeda, when addressing this Conference last year, told us that in Japan a very large percentage of the factories did not work longer hours than were worked in India. With all due deference to Mr. Mayeda, I would say that this is no answer at all. As has been pointed out by previous speakers, the position in India becomes more difficult every day, and we do hope that the Japanese Government will be able to give attention to this very important point at a very early date. To say that the Japanese factories work the same hours as the Indian factories is no answer at all to the recommendations that were made in Washington, recommendations that were accepted by the Japanese Delegates in Washington.

I recognised last year, and I wish to repeat again, that we do not claim that there is any obligation on the part of the Japanese Government to ratify that Convention; but we do hope that in the same way as the countries of chief industrial importance in Europe are now giving very close attention to this subject, Japan also will give very close attention to this particular Convention at an early date.

Reference has also been made in the course of the debate to the question of ratification by Japan of the Washington Convention relating to the night work of women. Miss Bondfield has described the anxiety felt by the industrial workers and industrial women of Europe on this subject.

I do not think that adequate attention has been paid, either in the Director's Report or in the debates of this Conference, to this question of the night employment of women in Japan. As a matter of fact, this is not a question which interests European countries very deeply or very intimately, because the Convention at Washington was merely a confirmation of a previous international Convention passed at Berne many years ago, and, so far as I am aware, with the exception of Russia, there is for all practical purposes prohibition of the employment of women at night in all European countries. There is practically prohibition also in all American countries. We know that in the Argentine Republic, in Brazil and in Peru there is no night work of women; we know that in Uruguay night employment of women is recommended for prohibition; we know that it is a live question in Cuba and in Venezuela. In all the oversea Dominions of the British Commonwealth, night employment of women is practically prohibited; but when we come to Japan to-day, we look for the most advanced legislation in this respect in the whole of Asia, and we find that, although an Act was passed in 1923, that Act has not yet been promulgated. The night employment of women is still carried on in Japan and, as has been pointed out by the Employers' Delegate and the Workers' Delegate of India, there is no guarantee when night employment of women will be prohibited in Japan. I have carefully perused the Act, and even if that Act of 1923 is brought into force I do not see how the recommendations of the Berne Convention of twenty years ago or the recommendations of the Washington Convention of seven years ago will be carried into effect. The Act merely says that there should be no employment of women between the hours of 10 p.m. and 5 a.m., and permission is given to the administrative authorities to extend the period to 11 p.m. The whole object of the Washington Convention was to secure that there should be complete stoppage of all work for women for at least 11 hours during the night. We do hope that the Japanese Government will be able to give very early attention to this matter. We know that the charter of social liberty which was embodied in the Peace Treaty was one to which Japan gave full consent. We know that Japan has always taken a very

prominent and a very important part in the deliberations of the International Labour Organisation. We recognise the difficulties of the Japanese Government; but, as I pointed out last year, we in the East have special obligations in this respect. In India, in Japan, and in China, we have always considered ethical and moral ideals to be supreme, and I have not the least doubt that when the attention of the Japanese Government and the Japanese people is drawn to this very important point, both the Japanese Government and the Japanese people will find it possible to make due progress. Social progress in any part of the world is conditioned by social progress in all neighbouring countries with which one has trade or political or social relations. We have explained how the difficulties in India will be multiplied if Japan does not progress.

I wish to express again our obligations to Mr. Mayeda for the very active part he has taken in bringing to the notice of the Japanese Government the difficulties felt in India and elsewhere, and I have every hope and confidence that Mr. Mayeda will be able to give us a satisfactory assurance on this occasion in regard to the intentions of the Japanese Government.

MR. MAYEDA (Japan):—Mr. President and Fellow Delegates, I am glad of the opportunity given by the Indian Delegates and by Miss Bondfield to explain Japanese labour conditions in relation to the ratification of the Conventions.

This question is not a fresh one. It was raised by the Indian Delegate last year, and the answer was given by myself, so I wish to try to avoid a repetition of the same arguments on this point as much as possible. It is quite true that Japan has not yet ratified the Hours and Night Work Conventions: but attention should be drawn to the fact that the working hours imposed on Japan by the Washington Convention are shorter than those imposed on India, and that the other working conditions allocated to Japan in the Washington Convention are more rigid than those allocated to India. I pay tribute to India for the ratification of the Convention; but I do not think that India is entitled to accuse any other country of delay in ratification simply because of its ratification, because the basis is different. As a matter of fact—to take, for example, the cotton mill industry—working hours in Japanese mills are practically the same as working hours imposed in India by the Washington Convention. My friend, Sir Atul Chatterjee, says that this does not constitute any reply; but I should say that it does constitute a reply, because I know that the Indian industrialists always attribute the so-called competition between India and Japan to the non-ratification of this Convention. In spite of the non-ratification, however, I should say that if all labour conditions are taken into consideration, Japanese conditions of labour are far superior to Indian conditions of labour. I cannot, therefore, accept the contention of Sir Arthur Froom, the Indian Employers' Delegate, when he says that Japan has been taking advantage of this position in delaying ratification in unfair competition with India.

Now we come to the question of the prohibition of night work for women and children. The amended Japanese Factory Act provides for the prohibition of the night work of women and children. The prohibition will be carried out on the expiration of a three years' period from its enforcement, which is justified by the necessity of enlarging the equipment and other facilities, in order to cope with the changed situation. I have heard the very interesting remarks of Miss Bondfield on this question. Japan promulgated that Act in 1923; why have not the necessary steps been taken since that time? I wish to remind you what the year 1923 was. In 1923 we had a terrible catastrophe, an earthquake which was almost unprecedented. Various preoccupations due to the earthquake compelled us to set aside the ordinary routine work in order to cope with this imminent question and to recover from this emergency.

But we are not delaying unnecessarily. In this connection I have the honour to inform the Conference that the amended Factory Act, which on several points involves the underlying principles laid down by the Washington Convention, will be put into force as from 1st July of this year. Another point which I should like to make is that on the coming into force of this Act it will be possible for the Japanese Government to ratify the Convention concerning the minimum age of workers. I would like to draw your attention to the fact that Japan is, so far, the only country in the East which has decided to ratify this most important and most humanitarian Convention. We have already ratified two Conventions with regard to

the prohibition of child labour, and we shall be able to ratify another convention on this question in the near future. I hope that Miss Bondfield, with her capacity for organising, will do her best to start a movement in India, so that country will follow Japan in this matter.

I was astonished yesterday by the statement made by my friend, Sir Arthur Froom. His statement, if my understanding of English is correct, sounded something like this: nothing has been done by Japan with regard to labour legislation since 1919. Now, if one makes an accusation against another country, one should be quite sure of what is going on in that country. Quite contrary to that statement, it is very astonishing that we have made a remarkable progress in labour legislation. In the first place, I would like to cite the National Health Insurance Act, which is based upon the most modern system of compulsory insurance for all workers with small incomes. That Act will be put into operation from 1st January next.

I hope that in this field also Miss Bondfield will start a movement not only in the Far East, but all over the world for the adoption of this humanitarian principle.

Secondly, I would cite the Employment Exchange Act which was promulgated in 1922 in virtue of the Washington Convention. In examining the Director's Report with regard to the application of that Convention, one is struck by the great difference between India and Japan. India ratified the Convention, as did Japan. But what has been done by these two countries in connection with this question? I do not for a moment mean to infer that there has been any contravention of the Convention in India. But the position is this. In virtue of this Convention Japan set up about 180 public employment exchange offices and, on a national basis, a central bureau and three district offices were set up to supervise these employment exchange offices. What has been done by India? I would refer you, Ladies and Gentlemen, to page 537 of the Director's Report, and in doing so I do not wish to make any accusation against India. The Indian Government in effect says: "Though we ratified that Convention, we do not find any necessity for taking new measures." No employment exchange office is set up by India in virtue of this Convention. I congratulate India on the favourable circumstances in which she finds herself, in that she does not find it necessary to set up new employment exchange offices in virtue of the Washington Convention. I repeat that I do not accuse India on this point; I pay great respect to India for the sincerity with which she is applying the Convention ratified by her.

This year the Japanese Government presented to Parliament an Act concerning labour disputes. This Act is on liberal lines and was passed by Parliament. A trade union Bill was also presented to the Diet by the Government and I think that this Bill contains provisions which will compare favourably with the Trade Union Act of India. This Bill even with its liberal principles met with several difficulties; it met with I suppose protests from the labour side, and it has not yet been passed by the Diet. However, I do not think there is any doubt that it will be passed in the near future.

Time is very short and I cannot therefore enumerate all the legislation which has been enacted. I should like to say in conclusion that one cannot help being struck by the rapid progress made by Japan during the past five years, and my compatriots, whether employers or workers, are strongly convinced that our labour conditions are superior to those of any Asiatic country. We are, therefore naturally amazed at hearing an allegation to the contrary on the part of India.

MR. MATSUKATA (Japan):—Mr. President, Ladies and Gentlemen, after listening with great care and profound respect to the speeches delivered to-day, especially to the speech which was made yesterday by my respected colleague, Sir Arthur Froom, and also the speech made by the world-famous labour leader, Miss Margaret Bondfield, I feel rather at a loss on this tribune. I am not here to defend the attitude of the Japanese Employers but I sincerely confess to this Conference that I am at a loss. In spite of the sermon on humanity which was preached by Sir Arthur Froom, Japan has this example in front of her, that in Shanghai the mills owned by British subjects employ their employees for 24 hours. We have to submit a real case, not an assumed case, nor are we hiding anything. We were told that 10 hours' labour in cotton mills is not proper in Japan, whereas in India it is proper.

But is it not common property in the Far East that Japanese conditions of labour are far better than conditions of labour in any other countries in the East? In one respect I may say that they are not only better than other countries in the East, but also better than in some other parts of the world. For instance, we see that 10 hours is not prohibited in a country where liberty prevails—I refer to the Southern States in the United States of America. Ladies and Gentlemen, unfortunately the United States of America are not represented at this Conference; but I tell you that such a great country, which admires freedom and liberty for the human race, ought to be influenced by the Report which has been presented to us by the Governing Body of the International Labour Office. As was suggested by the Workers' Delegate of Australia, I think that this Conference should also invite Workers' Delegates from other countries which are not represented here to-day.

No matter whether we represent large countries or small, let us come to this unique gathering, where we can discuss the welfare not only of the workers but of mankind in general.

Our Government Delegates have pointed out that this new law is to be imposed, not as from 1st July next, but in three years' time. I would like, in this connection, to cite an experience of my own. I introduced the eight-hour day in my works before ever the Washington Conference was held. We Japanese are taught by our traditions to believe in fair play and in justice not only political justice, but social justice. I found that in order to introduce the eight hour system in my own works, which employ about 15,000 people, it was necessary to spend eight years in training my workpeople; otherwise, I should have been faced with the same danger as that which the Indian Employers' Delegates referred, namely, unfair competition owing to bad conditions of labour. In order to avoid any trouble of that kind, I made preparations to meet it by training my men so that we should be ready to meet in an honourable and friendly manner the competition of others.

The Workers' Delegate of Canada, Mr. Tom Moore, laid special stress on the importance of vocational education and apprenticeship. I myself had great trouble in inducing our men to go to night schools. We paid for their tuition; we provided them with the books and instruments necessary, and freely provided them with the stationery and so on that they required. You might think that on those circumstances it would not be a difficult task to get the people to attend these schools but I frankly admit that there was some difficulty. This education was not only in the company's interest, but in the interests of the men themselves; yet some difficulty was experienced. That was got over by our raising their wages every time they could submit to us a certificate of proficiency from the night school. That may seem rather like rewarding children with cakes, but that was the only way in which we could induce our men to see how important it was both for themselves and for us that they should improve their education.

As I say, it took us eight years to introduce the eight-hour day system.— Our people are different from those in the West, who are more used to western civilisation.

I would like to point out that an eight hour day is not necessary for the happiness and comfort of working men in all cases; people who are used to long hours, but easy work consider short hours of strenuous labour as being equivalent to sweated labour. I should like to give you one example of that. A certain foreign contractor came to Japan and asked our men to work an eight hour day. He paid well, yet the men complained of sweated labour. Our traditions and our mode of life are such that a man prefers to spread his work over a long period and take it easily, rather than to concentrate that work into a few hours of strenuous labour. I do not think, however, that such a system is necessarily a good one, and therefore nine years ago, long before the Washington Conference, I introduced the system of the eight hour day. I believed then, and I still believe, that if our people get used to such a system and deviate from our long established mode of labour, it will be of benefit to them in the long run.

It may be that many of you will think that this period of three years which has been suggested in the present case is too long. In one sense I think it is, but in view of all the circumstances and of the different conditions which prevail in my country, I think that if we find ourselves able to introduce this new system within a period of three years, we shall have done very well.

I do not wish to trespass for too long on your valuable time. I would like to say in conclusion, however, that we are guided by the beacon fires of righteousness and justice. We have always tried and shall always try to do justice to our workers, and to produce that spirit of co-operation and sympathy between workers and employers which is so necessary. We shall do our best to contribute towards the promotion in that way of the welfare of mankind, and we shall feel very happy if we are thus able to help forward the advance of civilisation. It is in that spirit that we shall continue to go forward, with the good guidance of this International Labour Organisation and in the hope of realising its noble objects.

MR. NARASAKI (Japan):—Mr. President, when I read the Director's Report to the Eighth Session of the International Labour Conference, it struck me as a remarkable produce of thorough study and extremely hard work on the part of the Director and his distinguished colleagues, and I venture to express my sincere appreciation of their achievement.

Now, taking advantage of this opportunity, I beg to submit to him as briefly as possible a few suggestions and interpellation. In the first place, it seems to me that the Report, compiled solely on data supplied by the various Governments concerned, is liable to be inadequate, and I am afraid that it might be rather difficult to form accurate ideas from it as to what extent the States Members of the Organisation have carried out Conventions and Recommendations, and what the actual conditions of labour are in those countries. Needless to say, the present Report is a remarkable document as it is, but if some day the Director took the necessary steps to sound the views of the representative labour organisations in each country as well, the value of the Report would be considerably enhanced. I venture to suggest that this practice should be extended also to the questionnaires for the Agenda of the Conference, that is, that the questionnaires should in future be sent to the representative labour organisations of each country as well as to the Governments for their opinions. I should feel much flattered if I could learn what the Director thinks about these suggestions.

In the second place, as is well known, labour conditions in the Far East are still far from being satisfactory. This fact is truthfully brought out in the Report before us. It is evident, I think, that this backwardness is not only a deplorable thing for the workmen in these regions, but it also constitutes a grave obstacle to a more complete co-operation in the world of labour. It is, with this important consideration in view that we, the Japanese workers, have long looked forward to see at the International Labour Conference a complete delegation of the great Republic of China, our nearest neighbour. This desire of ours was embodied in a proposal made by Mr. Bunji Suzuki, our Workers' Delegate at the last Conference. The Report now before us tells us that Mr. Tang Tsai Foo, who represented the Peking Government at the Conference last year, promised to endeavour to send a complete delegation of China in future. Nevertheless, I cannot but feel an acute disappointment not to find among us a Workers' Delegate from that country. I should like to get some information concerning the matter from the Government Delegate of China, and also I should like to believe that the Office will redouble its efforts to bring into being as soon as possible our fond expectation and the pledge given by Mr. Tsang Tsai Foo at the last Conference as soon as possible.

My third point concerns the right of association for workmen. The seven years of the history of the Treaty of Versailles present a very sad, disappointing picture of this sacred right of labour violated and trampled down. There is still a considerable number of Members of the League of Nations which have not yet passed laws to recognise trade unions in their respective countries. In Japan, the obnoxious, Articles 17 and 30 of the Public Peace Act have been removed. That is all. Nothing more has been done, in spite of the fact that there still exist many other pieces of repressive legislation, depriving labour of its freedom of speech and of association. In passing, I will throw some sidelight on the passage printed on page 470 of the Director's Report, "The (Trade Union) Bill, after undergoing considerable modification, was eventually withdrawn in view of the practically unanimous opposition of the interested parties." The "considerable modification" referred to was manoeuvred by the Government and the capitalists. Needless to say, the said "modification" was not a change for the better: it was an attempt to amend the whole Bill in an extremely objectionable and reactionary way, so that it was no longer acceptable to the

workers. In face of these facts, I strongly appeal to the International Labour Office to draw up and propose clear-cut, concrete principles in the form of a Draft Convention, in accordance with Article 427 of the Treaty of Peace.

In the fourth place, may I call your attention to another disappointment : I mean the absence of any noticeable advance towards the complete enforcement of the prohibition of night work for women and children. The provision of the Convention in question is not only a bulwark of labour legislation, but it is also a vital issue as a humanitarian measure. I am therefore greatly surprised to find that a number of the States which ratified the Convention have not been able to enforce it with vigour, while others are hesitating even to affix their seals to this indispensable humane compact.

My fifth point is closely related to the issue I raised just now. If I say it is surprising that such a recognised need as the abolition of the night work of women should remain unsatisfied, it is still more surprising that no attention has ever been given to the question of abolishing the employment of women for underground work in mines. In Japan, for instance, of the total number of 83,521 women employed in mines, 48,896 are engaged in work in the dark depths of the mines and, what is more shuddering, 695 of them are little girls under 15 years of age. I wonder if such a horrible practice exists only in Japan, or whether almost the same state of things exists also in other countries. I declare that such a shocking plight is not only a labour problem, but is also a humanitarian issue. I do not exaggerate the sinister character of the fact when I call it a disgrace to the civilisation of to-day.

Therefore, in closing, Mr. President, I appeal to the Conference, in the name of humanity, and urge that the International Labour Office shall set its machinery in motion to make enquiries about the matter.

APPENDIX 35.

TENTH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE. APPOINTMENT OF INDIAN EMPLOYERS' REPRESENTATIVE.

No. 1445-34 B of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 10th September, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND LABOUR, SIMLA.

SIR,

I have the honour, under directions of the Committee of the Bombay Millowners' Association, to request that Government may be pleased to nominate Mr. J. A. Kay of Messrs W. H. Brady & Co., Bombay, as the Representative of the Employers of India at the 10th Session of the International Labour Conference, to be held at Geneva in 1927.

2. Government are doubtless aware that Mr. Kay is the President of the Bombay Chamber of Commerce, an ex-Chairman of the Association and has previously represented the Employers of India at the International Labour Conference of 1923. In my Committee opinion, he is eminently fitted to do justice to the various important questions that are coming up at the next Session of the International Labour Conference.—I have, etc.,

T. MALONEY,
Secretary

No. L-1473.

GOVERNMENT OF INDIA,
INDUSTRIES AND LABOUR DEPARTMENT,
SIMLA, 17th September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION BOMBAY.

SIR,

The Government of India Department of Industries and Labour acknowledges receipt of your letter No. 1445-34b, dated the 10th September 1926.

(Sd.)

Under Secretary to the Government of India.

No. 2015-34 B of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th November, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND LABOUR, DELHI

SIR,

Subject :—*Nomination of Employers' Delegate for the next Session of the International Labour Conference.*

I have the honour to invite your attention to my letter No. 1445-34 (b) dated 10th September 1926, wherein this Association suggested the nomination of Mr. J. A. Kay of Messrs. W. H. Brady & Co., Ltd., as the Representative of Employers' of India at the 10th Session of the International Labour Conference.

2. Since writing the above letter, I have been in communication with all other important Chambers and Associations with a view to obtaining their individual opinions in this regard and it has been ascertained that this Association's nomination has the unqualified support of the undermentioned Associations and Chambers :—

1. The Bengal Chamber of Commerce, Calcutta.
2. The Madras Chamber of Commerce, Madras.
3. The Tuticorin Chamber of Commerce, Tuticorin.
4. The Karachi Chamber of Commerce, Karachi.
5. The Indian Mining Association, Calcutta.
6. The Indian Jute Mills Association, Calcutta.
7. The Indian Engineering Association, Calcutta.
8. The Madras and Southern India Millowners' Association, Madras.
9. The Factoryowners' Association, Kamgaon.
10. The Behar Planters' Association, Limited, Motihari.
11. The United Planters' Association of Southern India, Madras.
12. The Indian Tea Association, Calcutta.
13. The Employers' Federation of Southern India, Madras.
14. The Bombay Chamber of Commerce,

I have, etc.,

T. MALONEY,
Secretary.

No. L-1473.

GOVERNMENT OF INDIA,
INDUSTRIES AND LABOUR DEPARTMENT,
DELHI, 24th November, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

The Government of India Department of Industries and Labour acknowledges receipt of your letter No. 2015-34 B of 1926 dated the 19th November 1926.

(Sd.)

Under-Secretary to the Government of India.

No. 125-34b of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 17th January, 1927.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND LABOUR, DELHI.

SIR,

Subject :—*Nomination of Employers' Delegate for the next Session of the International Labour Conference.*

I have the honour to invite reference to the Association's letter No. 2015-34 (b) dated 19th November 1926, and to request you to let this Association know when Government propose to appoint a representative on behalf of the employers of India to attend the 10th Session of the International Labour Conference. As pointed out in that letter, the two foremost Associations of Employers, *viz.*, this Association and the Indian Jute Mills Association, Calcutta, and most of the leading Chambers of Commerce and commercial bodies have supported the nomination of Sir Joseph Kay and my Committee trust that due regard will be paid to this fact when the appointment is made.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 36.

ALLEGED DELAYS IN PAYMENT OF WAGES.

No. 1256-139 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 14th August, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND LABOUR, SIMLA.

SIR,

The attention of the Committee of this Association has been drawn to a message from the Associated Press, Simla, published in the *Times of India* of 10th August 1926, of which the opening sentences are as below :—

“ Following closely upon their circular letter regarding the abuse of fines imposed on workmen, the Government of India in the Industries and Labour Department have issued another circular letter to all the Local Governments, administrations and interests concerned, on the subject of prompt payment of wages in organised industries.”

This Association has not so far been favoured with any communication from the Government of India on the subject above mentioned. This Association is vitally interested on both these questions, and it is a matter of considerable surprise to my Committee that Government should have formulated decided views on these subjects without first ascertaining the views of employers in different important industries. My Committee will be pleased to have an assurance from Government that no legislative action will be taken without giving due consideration to the views of those vitally interested in these questions, and if possible would like to know upon what information the Government of India based the conclusions contained in the messages of the Associated Press.—I have, etc.,

T. MALONEY,
Secretary.

No. L-1391.

GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND LABOUR,
SIMLA, 23rd August, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

In reply to your letter No. 1256-139 of 1926, dated the 14th August 1926, I am directed to say that the Government of India's circular letters regarding deductions from wages or payments in respect of fines and the prompt payment of wages, which were dated 25th June 1926 and 28th July 1926, respectively, were issued partly with the express purpose of ascertaining the views of Local Governments and, through them, of the interests concerned on the advisability of legislation on these subjects. Before framing any legislative measures of the kind discussed in the letters, the Government of India will give full consideration to the replies received. Copies of the letters will doubtless be forwarded to your Association by the Government of Bombay.—I have, etc.,

A. G. CLOW,
Deputy Secretary to the Government of India.

No. 1392-139 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 2nd September, 1926.

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

SIR,

I have the honour to invite the attention of Government to two Associated Press messages which appeared in the *Times of India* dated the 19th July and 10th August, 1926, in regard to proposed Government action in connection with the system of payment of wages and of infliction of fines on operatives. This Association is vitally interested in these questions and, therefore, enquired from the Government of India whether it was their intention to invite public opinion prior to introducing legislation in this connection, and if so, when the Association may expect a reference from Government.

Intimation has now been received from the Government of India that Local Governments have been empowered to obtain the views of interested bodies in regard to this question. Will Government, therefore, be pleased to inform this Association when a reference on this question may be expected?—I have, etc.,

T. MALONEY,
Secretary.

No. 5773-12531/D.

GENERAL DEPARTMENT,
BOMBAY CASTLE, 7th September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*System of Payment of Wages and of Infliction of Fines on Operatives.*

With reference to your letter No. 1392-139, dated the 2nd September 1926, I am directed by the Governor in Council to say that both the communications of the Government of India, on the subject noted above, are at present under the consideration of the Government of Bombay and that the Millowners' Association will be consulted by the Director of Information and Labour Intelligence in due course in the matter before replies are given to the Government of India.—I have, etc.,

(Sd.) Illegible,
for *Under-Secretary to the Government of Bombay.*

No. 4291.

LABOUR OFFICE, SECRETARIAT,
BOMBAY, 10th September, 1926

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*The Prompt Payment of Wages.*

I have the honour to forward ten copies of a letter No. L-1391 dated the 28th July 1926, from the Government of India, Department of Industries and Labour, to the Local Government together with ten copies of a summary of the results of a very elaborate and extensive enquiry conducted by this office in the year 1924 into Periods of Wage Contracts, the number of days normally elapsing between conclusion of period of work and actual payment and facilities granted by employers for obtaining advances and rations. The complete details of this enquiry for the Bombay Presidency were published in an article on pages 491-502 in the issue of the *Labour Gazette* for January, 1925. The results of similar enquiries conducted in various Provinces in India were reproduced from a special bulletin published by the Government of India, on pages 445-459 of the issue of the *Labour Gazette* for January 1926. In the event of your not having copies of these issues available I shall be glad to send you a copy of each on application provided the same are returned to this office when done with.

2. I am to request you to favour me with the views of your Association on the subject under reference on or before the 1st November, 1926. In view of the fact that the subject is not one on which opinions on a variety of points are required, Government hope that it will be possible for you to furnish the Labour Office with your views within the time indicated.—I have, etc.,

J. F. GENNINGS,
In Charge Labour Office.

Copy of letter No. L-1391 dated 28th July 1926, from the Government of India, to Local Governments.

Subject :—*The Prompt Payment of Wages.*

" I am directed to address you regarding the advisability of legislating for the purpose of preventing undue delay in the payment of wages to industrial workers.

2. In this Department's letter No. L-1192 of 20th September 1924, Local Governments were requested to furnish particulars regarding the periods by which wages are paid in organized industries and the delays which are associated with their payment. The information so collected, which has since been published in tabular form,* reveals a state of affairs which cannot be regarded as other than unsatisfactory. For it is clear that, generally speaking, the time which elapses between the end of the period by which wages have been earned and the date on which they are paid is longer than is usual in industries in other countries ; and, the delay is, in a number of cases, so great as to add appreciably to the economic difficulties of workmen. Systematic delays in payment are particularly associated with payment on a monthly basis, and the month is the period most commonly employed for the calculation of wages. It is no uncommon thing—in fact, it appears to be the rule in certain industries—for monthly wages to be systematically withheld until a fortnight after the close of the month to which they relate. And cases have come to the notice of Government in which wages had been withheld for considerably longer periods.

3. It is unnecessary to emphasize the fact that a practice of this kind results in considerable hardship to the workers concerned. With monthly payments, a delay of a fortnight in disbursement means that the employee has to work for over six weeks before he gets his first month's wages. Even if he is not financially embarrassed when he starts work, he has, as a rule, no monetary reserve and he may be, in consequence, compelled to contract, at the commencement of his service, a fresh debt of a month and a half's wages, generally taken on a high rate of interest. A number of employers endeavour to minimize the hardship involved by the grant of advances, but this practice is by no means general, and even where the advance represents wages that have actually been earned, interest is occasionally charged on it. Cases have come to the notice of the Government of India where workers were compelled to strike in order to secure wages which had been held back for unreasonable periods ; in one such case, where over three weeks had elapsed from the close of the month, the strikers were dismissed : in another case, the workers went on strike over five weeks after the end of the month for which they wanted their wages.

4. It has been suggested that, as the evil is particularly associated with monthly payments, employers should be compelled to adopt shorter periods of payment. This was in fact, one of the arguments put forward in support of Mr. Chaman Lall's Weekly Payments Bill, which was referred to Local Governments for consideration. But the Bill met with general opposition. The Government of India, after reviewing the opinions received on it, were compelled to oppose its consideration in the Legislative Assembly and the motion for consideration of the Bill was finally withdrawn by its sponsor.

5. The Government of India do not think that any Bill of this kind is likely to receive the support of public opinion or to prove effective in its operation. While they should not be regarded as accepting the views that the general system of monthly payments is a satisfactory one, they believe that an attempt to impose by legislation a radically different system would have little chance of success and might do considerable harm. They recognize—and they believe that Local Governments will agree with this view—that if the abuses to which they have referred above can be checked or eliminated by legislation, it is the duty of Government to introduce such legislation. But they are inclined to think that legislation if it is regarded as desirable will have to be attempted on somewhat different lines if it is to have a reasonable prospect of successful working. The details of a fresh scheme are set out provisionally in the paragraphs that follow and I am to ask for the views of the Local Government both on the advisability of adopting some scheme of this kind, and on the detailed provisions contemplated.

* Bulletions of Indian Industries and labour, No. 34. Periods of wage Payment.

6. The Government of India propose to set statutory limits to the time within which wages must be paid. To begin with, at any rate, they consider that it would be unwise to attempt to do more than prevent the more obvious abuses, and in the case of wages paid on a monthly system (or any longer basis), it might be sufficient to prescribe that they must ordinarily be paid within a week of the close of the month. It may be desirable to allow some relaxation in the case of bonuses earned by a long period, *e.g.*, year, of work, but it will be difficult, and possibly dangerous, to discriminate between bonuses and wages. It could, if desired, be left to the employer, subject to the approval of the local Government, to fix the date on which the month should commence, which need not necessarily be the first day of the calendar month. As regards payments on shorter periods than a month, the evidence available indicates that there is less need for legislation, but I am to ask for the views of the Local Government on the suggestion that corresponding limitations might be imposed, *e.g.*, in the case of fortnightly wages, four days delay might be allowed, in the case of weekly wages, two days and in the case of daily wages, a day. Wages might be limited to cash payments ; but it seems undesirable to do anything that might encourage payment in kind, and a distinction is possibly unnecessary. It would, probably be advisable to give Local Governments, in all cases, the power to grant exemptions where special (and defined) circumstances, *e.g.*, the distance of the worker from the headquarters, rendered this necessary. The difficulties arising out of the fact that in some cases for instance when wages are paid at piece rates, intricate evaluations may be required to calculate wages might be met by prescribing that, in such cases, the payment, within the statutory period, of 75 per cent. (or some higher percentage) of the wages earned should constitute compliance with the law.

7. The main difficulty in regard to legislation of this kind arises in connection with its enforcement. It would be possible, and seems to be desirable, to provide for the prompt recovery of wages by some form of summary procedure, *e.g.*, in a manner similar to that prescribed in the Employers' and Workmen's Disputes Act, IX of 1860. It would also be necessary to provide for some fine, part of which might be payable to the workmen injured, for the offence. The maximum fine on a first conviction might be small, with larger penalties for subsequent offences. But provisions of this kind will not be sufficient to secure the end in view, for the workman would seldom be in a position to use the power so conferred on him. The employer who is prosecuted could pay the wages and dismiss the workman, and it would be impossible to prevent by law dismissals of this kind. Other reasons could always be put forward as the ostensible grounds of any dismissal and the result would be constant disputes. And even when the workman did not apprehend reprisals, it would seldom be worth his while to institute proceedings with the object of obtaining a single month's wages a short period before the date when he would receive them without invoking external assistance. The grant to any number of workmen in the same establishment of the power to join in one proceeding might meet some of the difficulties in part, but it would not be sufficient. Quite apart from the difficulties inherent in the joint conduct of proceedings by numerous complainants, the feat of victimisation and the large amount of inconvenience necessary to secure a very small advantage to each workman would be sufficient to prevent action in most cases. The Government of India consider that, if the enforcement of the law is to depend on the initiative of the workmen themselves, the Act will fail to achieve its object. If this conclusion is accepted, it seems essential that the power to prosecute should be granted to some external authority, such as an inspecting staff. The difficulties in the way of the workmen would be removed by such a provision, and the conduct of prosecutions instituted by inspecting officials would be free from serious administrative difficulty.

8. This has a close bearing on the important question of the scope of the measure. In the case of factories and mines, there are already in existence inspecting officers who have experience of the institution of prosecutions, and who could safely be entrusted with the enforcement of the Act. If the measure was to be extended to establishments which are not subject either to the Factories Act or the Mines Act, it might be impossible to render it effective without the employment of a special staff, and even with such a staff, its enforcement would be attended by serious difficulty. Further, the evidence before the Government of India indicates that the evil is particularly associated with the larger industrial establishments, where the work involved in the calculation of wages is heaviest and where the presence of intermediaries between the workmen and the management and other circumstances tend

to aggravate delays. In the smaller establishments lying outside the scope of the Factories and Mines Acts, there are no serious abuses such as would justify not merely the introduction of legislation but the establishment of new and special machinery for its enforcement. On all grounds, therefore, the Government of India are inclined to the view that the measure should be confined, in its operation, to those establishments which are subject to the operation of the Factories Act or the Mines Act ; but this is a point on which they would be glad to have the opinion of the Local Government.

9. I am to request that, after consulting the interests concerned, a reply may be sent to this letter not later than 1st January 1927. The Government of India contemplate the publication of the replies."

METHOD OF PAYMENT OF WAGES.

STATEMENT I.—GENERAL SUMMARY FOR THE WHOLE PRESIDENCY.

Establishment.	Period of Payment (daily, weekly monthly etc.)	Number of days normally elapsing between conclusion of period of work and actual payment	Notes regarding facilities, if any for obtaining rations from employers.
Cotton Spinning and Weaving Mills ..	(a) Fortnightly (Process workers in mills affiliated to the Ahmedabad Mill-owners' Association).	8 days	} See Statement II.
	(b) Monthly (all other workers).	12 to 15 days.	
Cotton Ginning and Pressing Factories ..	(a) Daily.	<i>Nil.</i>	None.
	(b) Weekly.	<i>Nil.</i> 1 or 2 days in a few cases.	None.
	(c) Fortnightly.	3-4 days in one case and 20 days in another case.	None.
	(d) Monthly.	1 to 14 days.	Advances are in a few cases paid if required.
Engineering Works	(a) Monthly in 14 cases.	Two weeks on an average in 11 cases. 20 to 30 days in three cases.	Advances given in cases only.
	(b) Fortnightly in three cases.	One week in two cases and one to two weeks in one case.	No facilities.
	(c) Contract labour on completion of jobs or according to terms agreed upon.	1 or 2 days.	Advances given if required except to daily wage-earners.
Iron and Steel Works	(a) Monthly in four cases.	1 to 15 days.	(a) Advances given in one case to the extent of $\frac{1}{4}$ to $\frac{1}{2}$ the pay.
	(b) Contract labour fortnightly in one case.	10 to 28 days.	
Brick Factories	(a) Daily in three cases.	<i>Nil.</i>	No facilities.
	(b) Weekly in five cases.	One day in one case, on the market day in one case, in all other cases <i>nil.</i>	Advances paid in two cases.
	(c) Fortnightly in one case.	10 days.	
	(d) Monthly in one case.	<i>Nil.</i>	
	(e) On the completion of work in one case.	When the work is finished or at the end of the year.	Money paid in advance from time to time.
Flour Mills	(a) Monthly in 15 cases.	1-10 days, 15 days in one case. 7-30 days in one case, and 2-25 in one case.	Advances paid in 7 cases.
	(b) Weekly in four cases.	<i>Nil.</i>	Advances paid in only one case.
	(c) Daily in three cases.	One day in one case only.	
Printing Presses	(a) Monthly in 18 cases.	1-15 days, 20 days to 2 months in one case.	Advances paid in 7 cases.
	(b) Fortnightly in two cases.	5-25 days in one case.	No facilities.

METHOD OF PAYMENT OF WAGES.

STATEMENT I.—GENERAL SUMMARY FOR THE WHOLE PRESIDENCY.—*continued*

Establishments.	Period of Payment (daily, weekly monthly etc.)	Number of days normally elapsing between conclusion of period of work and actual payment.	Notes regarding facilities, if any for obtaining rations from employers.
Rice Mills	(a) Monthly in 8 cases. . (b) Weekly in three cases. (c) Daily in four cases. (d) Fortnightly and Bi-weekly in one case each.	1-7 days, but 7-10 and 10-15 days in one case each. <i>Nil.</i> Every second day in two cases and every day in two cases. <i>Nil.</i>	Advances paid in 4 cases. Advances paid in one case only. Advances paid on one case only.
Tanneries	(a) Monthly in three cases. (b) Fortnightly in one case. (c) Weekly in one case.	10-15 days in one case within five days in other cases. Only one day. 1-15 days.	Advances paid if required. No facility. No facility.
Docks	Monthly.	14 days.	Employees' Co-operative Credit Society advances loans.
Tramways	(a) Monthly 2 cases. (b) Fortnightly in one case.	10 days. 1-20 days.	No facility. No facility.
Municipalities	(a) Monthly in 20 cases. (b) Fortnightly in 5 cases. (c) Weekly in four cases.	3-19, 5-15 and 1-12 in one case each and 1-10 days in other cases (1-15 days in 12 cases). 1-10 days. 1-3 days.	Practically no facilities. No facilities. Advances paid to labourers in one case only.
Local Government Factories	Monthly.	1-10 days. Piece-workers. 10-15 days in one case.	No facilities.
Government Offices	Monthly.	1-15 days. School teachers up to 20 days and village officers up to the end of the following month.	No facilities:
Domestic Servants	(a) Monthly (as the general practice). (b) Yearly (2 cases are reported): (c) In 3 cases servants leave their pay with the employers to accumulate.	1-10 days.	In half the number of cases re- ported facilities are given in one or more forms of (1) free meals (2) free clothing (3) money advances.

(*Notes.*—Only a small number of cases of domestic servants were reported.)

METHOD OF PAYMENT OF WAGES.

STATEMENT II.—DETAILS FOR COTTON SPINNING AND WEAVING MILLS.

Establishments.	Period of Payment (Daily, Weekly, monthly, etc.)	Number of days normally elapsing between conclusion of period of work and actual payment.	Notes regarding facilities, if any, for obtaining rations from employers.
Ahmedabad (Ahmedabad Millowners' Association).*	(a) Fortnightly (process operators). (b) Monthly (others).	8 days } 15 days } If important holidays fall a day or two before the pay- day, payment is usually made earlier.	Advance of money known as "Kharachi" is given according to deposit which varies from 8 to 15 days' wages.
Bombay (Bombay Millowners' Association)	*Monthly (all).	12 to 15 days.	Results of details furnished by the Secretary, Millowners' Associa- tion for mills are summarized below.

* Note.—Almost all mills at other mofussil centres are members either of the Ahmedabad or Bombay Millowners' Association.

Only 40 per cent of the mills are conducting cheap grain shops where food grains are sold at wholesale market price for cash, as well as on credit which is recovered on the payday. During the time of Government grain control in the scarcity year 1918-19 most of the mills had grain shops and adequate advantage of them was taken by the workmen, but when the control was removed the workmen again reverted to the Marwaries and in consequence of this some mills had to close their shops. 56 per cent of the mills advance money to their workmen in times of difficulty either against their Provident Fund or wages at a nominal or no rate of interest or through co-operative credit societies where the rate of interest varies from 9 per cent. to 18½ per cent. per annum. This maximum rate is charged in a few cases but the amount thus realised is utilised for welfare work.

No. 1864-151 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 1st November, 1926.

THE DIRECTOR OF INFORMATION AND LABOUR INTELLIGENCE,
(LABOUR OFFICE), BOMBAY.

SIR,

Subject :—*The Prompt Payment of Wages.*

I have the honour to acknowledge receipt of your letter No. 4291 dated 10th September 1926, with enclosures.

2. Government are aware that this Association is always anxious to support legislation calculated to ameliorate the condition of the labouring classes, provided such legislation is framed on sound lines with due regard to the needs and requirements of the country and of the different industries, to be affected by such legislation. My Committee, however, have noted with keen regret a tendency on the part of Government to impose on industries legislation for which there would appear to be little or no justification, and which is further calculated to inflict on employers difficulties of a serious nature without any appreciable advantages to the workpeople. The proposals outlined in the Government of India's letter of 28th July 1926 afford an illustration of the statement just made, and my Committee regret that for reasons given in the following paragraphs they are constrained to lodge an emphatic protest against the proposed legislation.

3. Government are aware that in the cotton mills of Bombay workmen absent themselves in large numbers on the days following the pay-day. Owing to this tendency on the part of workpeople, the usual rule in Bombay mills is to pay operatives their wages for a particular month on the day preceding a holiday during the second week of the month. The wages are thus usually paid between the 10th and 15th of every month and this system does not appear to have evoked any dissatisfaction whatever among the workpeople.

4. If the wages are to be paid by the 7th of each month, musters involving intricate piece-work calculations will have to be completed by the 4th of each month at the latest. This is a sheer impossibility, unless extra staff is employed or the existing staff is made to work overtime during these four days. In either case, mills will have to incur extra expenses which they can ill afford in these times.

5. Again a number of mills supply cheap grain, cloths, etc., to their workmen, and such mills will be placed at a still greater disadvantage, for, they will have to prepare their wages muster even earlier than the 4th of each month, as deductions on account of these supplies can only be made after the wages muster is ready.

6. In the second paragraph of their letter dated 26th July 1926, Government refer to the Bulletin on "Periods of Wage Payment" published by them and state that the information contained therein cannot be regarded as other than unsatisfactory. My Committee cannot agree that the information collected in that Bulletin is of a nature to justify the proposed legislation, and their surprise at the views expressed by the Government of India is all the greater in view of the fact that only in February last the Hon'ble Sir B. N. Mitra, Member of Industries and Labour, had expressed himself as below in the course of the debate on Mr. Chaman Lal's "Weekly Payment Bill :"—

"What Mr. Chaman Lal really wants is not that the wages should be paid weekly but that the wages should be paid quickly. Here again, Sir, the general practice, according to this Bulletin, seems to be that there is not inordinate delay in payment, that the waiting period is not unnecessarily large. At the same time sporadic cases have occurred in which payments have been unduly delayed."

My Committee venture to submit that the above-quoted extract from the speech made by the Hon'ble the Member for Industries and Labour very conclusively shows that the proposed legislation is quite uncalled for.

7. In conclusion, I am to express my Committee's hope that in future Government before deciding to launch upon legislation of this type will first gather exact information from the different industries to enable them to judge whether there is any necessity for legislation, and in all cases, before coming to any decision, they will show due appreciation of the difficulties likely to be entailed on employers by that decision. In my Committee's opinion there may be some justification for legislation in those cases where monthly wages are paid 3 or 4 weeks or even more after they are become due, and they maintain that, looking to the conditions prevailing in this country, the rights of labour will be sufficiently protected if legislation was enacted prohibiting the withholding of wages for more than a fortnight after they have become due.—I have, etc.,

T. MALONEY,
Secretary.

No. 5495.

LABOUR OFFICE, SECRETARIAT,
BOMBAY, 3rd November, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR;

Subject :—*The Prompt Payment of Wages.*

I have to acknowledge with thanks the receipt of your letter No. 1864-151 of 1926 dated the 1st November 1926, on the above subject.—Yours, etc.,

J. F. JENNINGS,
In charge, Labour Office.

APPENDIX 37.

DEDUCTIONS IN WAGES OR PAYMENTS IN RESPECT OF FINES.

No. 3982.

LABOUR OFFICE, SECRETARIAT,
BOMBAY, 2nd September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Deductions from Wages or Payments in respect of Fines.*

I have the honour to enclose herewith one copy each of the following :—

- (1) Letter No. L-1418 dated Simla the 25th June 1926 from the Government of India, Department of Industries and Labour, to the Government of Bombay in the General Department together with accompaniment; and
- (2) The draft of a questionnaire on the subject prepared by this office.

2. I propose to cover one calendar year for this enquiry and have selected the year 1925 for the purpose. It is proposed to issue copies of the Questionnaire to all known factories in this Presidency including railways and public bodies employing industrial labour. A

summary of the replies received will be prepared and a copy of the same will be forwarded to you when ready. The information available on this important subject is so meagre that I have ventured to assume that this procedure will meet with your approval and that your organisation would prefer to express its views on this subject at a later date when detailed information has been collected rather than at the present time.

3. In the meantime I should be glad if you could favour the Labour Office with your views on the questionnaire itself, and the schedule attached thereto.

4. I should be grateful if you could direct your attention in particular to the following points.

- (a) The suitability and adequacy or otherwise of the period proposed to be covered by the enquiry, *i.e.*, the year 1925.
- (b) Whether the questionnaire is a fair and reasonable one, calculated to obtain the necessary information having regard to the conditions in the industries of which you have special knowledge.
- (c) Whether the subject will be adequately covered if the questionnaire is sent only to establishments coming under the definition of factories or whether in your opinion it should be sent also to large shops and stores, big commercial offices, etc.
- (d) Whether any additional items should be included in the questionnaire or the schedule (Part II).

5. As it will take a great deal of time to send out the questionnaire and to receive and tabulate the replies and then widely to circulate the results for opinion, I should be glad if you could treat this preliminary reference as *urgent* and let me have a reply by *October 1st* at the latest.—I have, etc.,

J. F. JENNINGS,
In charge Labour Office.

Copy of letter No. L-1418 dated 25th June from the Government of India to the Government of Bombay.

Subject :—*Deductions from Wages or Payments in respect of Fines.*

“ I am directed to ask for the assistance of the Government of Bombay in enabling the Government of India to obtain information on the extent of the practice in India by which employers in industrial concerns are empowered to inflict fines upon their workmen. Suggestions have been made in the Central Legislature, in the press and elsewhere that the system of inflicting fines upon workmen is common in Indian industrial establishments, and that it constitutes an evil of such proportion that steps should be taken either to abolish the system altogether or to reduce it to such dimensions as to prevent abuse.

2. That the system is liable to abuse is obvious. If fines are not subject to regulation the employer who imposes a fine acts as prosecutor and judge, and the employee has no effective remedy if he is fined unjustly or in excess. This is true even in countries where workmen are literate and where they have the support of trade unions in resisting unfair imposts. It is not unnatural to expect that in India the ignorance of the great mass of work-

men and the absence of strong labour organizations would make the need for protection greater than elsewhere. The experience of Western countries has in many cases led to more or less elaborate legislation on this subject. The main provisions of the English law are embodied in the Truck Act of 1896,* a copy of which is appended for ready reference. In several other countries the power to impose fines and make deductions from wages is regulated by law. Sometimes a limit in the shape of a maximum percentage of wages is imposed; generally deductions can only be made in accordance with a code of regulations duly posted in the factory or other establishment; and frequently the law contains the salutary provision that sums paid as fines must be credited to funds devoted in some manner or other to the benefit of the workers.

3. It will be apparent that while the legitimacy of the system of imposing fines is recognized in most countries, restrictions are frequently imposed with the object of preventing abuse. The English law makes a distinction between three forms of deductions from wages—deductions in respect of fines (*i.e.*, for breaches of discipline); deductions in respect of bad or negligent work, or injury to the materials or other property of the employer; and deductions in respect of materials provided by the employer. The Government of India are not in possession of full information on the extent to which the practice of making deductions of these various kinds exist in India, though they are inclined to the view that it is in respect of the first two forms of deductions from wages, mentioned above, that the practice is most prevalent and most liable to abuse. The distinction between these two forms of deductions is not always easy to define, and indeed one of the recommendations of the Truck Committee appointed in England in 1906 was the repeal of the provisions of the English law relating to deductions in respect of damaged goods (Section 2 of the Act of 1896), the effect of which recommendation would be that the employer could only deal with cases of careless or negligent work in the same way and under the same conditions as he would be allowed to deal with breaches of discipline. The deductions would cease to be a method by which the employer recoups the loss he has sustained through the worker's default, and would become rather of the nature of a fine.

4. There is, of course, a body of opinion which urges that fines ought to be abolished altogether, the grounds advanced being generally that experience shows that they are not a real deterrent, that they have a bad moral effect, and that, being often unfairly imposed, they create a sense of injustice and lead to irritation. The exponents of this view aver that discipline can best be maintained by adequate supervision and moral control, with the alternative of dismissal in the last resort. This was not, however, the view taken by the majority of the English Truck Committee of 1906-08. They pointed out the obvious dangers of the total abolition of the system of fining in the substitution of other and less desirable means of maintaining discipline. A considerable body of evidence was produced before the Committee to the effect that many workers prefer fines to the alternative of suspension or dismissal. Their final conclusions were not in favour of the total abolition of the system of imposing fines, but they proposed certain changes in the law designed to place such restrictions and conditions on the system as would prevent it from being either a source of profit to the employer, or a cause of improper or harsh treatment to the workers. They suggested, *inter alia*, that the maximum fine or accumulation of fines in any one week permissible by law should not exceed 5 per cent. of the wages of the worker; that deductions by instalments should be prohibited, *i.e.*, that not more than one deduction should be allowed to be made in respect of one and the same fine; and that fines should be abolished altogether in the case of young persons of 16 years of age and under.

5. In referring very briefly and summarily to some of the provisions of the law in other countries, the Government of India must not be understood as intending to suggest

* Not printed:

that circumstances in India are the same, or that legislation on similar lines is necessary or desirable. They have not at present sufficient information at their disposal regarding the degree to which the system of imposing fines is prevalent in India, the forms which it takes, or the extent, if any, to which it is in practice abused to enable them to form any definite conclusions. The object of this letter is to ask Local Governments to furnish them with such information as they are able to collect on the subject, after consultation with the interests concerned, and to favour them with their views on the desirability of taking any action, legislative or otherwise, to counter any abuses which may be found to prevail.

6. If, as the result of these enquiries, any legislative measures on the subject should appear to be desirable, the inherent difficulty of rendering such legislation effective must be recognized. This indeed is a difficulty which has been felt in England. The original Truck Act of 1831 largely failed of its effect because no one was officially recognized as having a special duty to enforce it. This drawback was to some extent remedied by Section 13 of the Truck Act of 1887, which placed upon Inspectors of Factories and Mines the duty of enforcing the provisions of the Truck Acts and gave them for this purpose the same powers and authorities as they possess for enforcing the provisions of the Acts relating to factories and mines. The Report of the Truck Committee already referred to shows, however, that even in England where the workmen are literate and in every way in a better position to resist illegal exactions than in India, it has been difficult to prevent or to detect violation of the law. It appears to the Government of India that, if any legislation is ultimately found to be desirable in this country, it would probably be impracticable, in the first instance at any rate, to extend its scope beyond industrial establishments, such as factories and mines, which are already regularly inspected by a special staff.

7. In asking for information on this subject the Government of India would welcome any suggestions which the Government of Bombay may have to make on the form which any measures, which it may be found desirable to adopt to remedy abuses, should take. They would be grateful if, after consultation with the interests concerned, the Local Government would favour them with their views not later than the 1st of March 1927."

QUESTIONNAIRE ON DEDUCTIONS FROM WAGES OR PAYMENTS IN RESPECT OF FINES.

Part I.

Name and Address of Factory.

1. Have you any system whereby fines are inflicted on your employees or deductions made from their wages?
 2. Have you any rules regulating such infliction of fines or deductions of wages?
 3. If yes, please attach copy of those rules to this schedule.
 4. To whom is the power of fining delegated?
 5. Are the conditions under which fines may be inflicted included in the terms of contract, if any; or made known to the employees in any other manner?
 6. Have you laid down any limits as to the extent to which fines may be inflicted, *e.g.*, not beyond a certain percentage of the workers' earnings?
 7. In what manner is the amount recovered from your employees in fines disposed of?
 8. On each occasion when a fine is inflicted is the worker concerned given full particulars relating to it?
 9. If yes, is the worker told at the time of the occurrence or only when he draws his pay?
 10. Have you any system whereby deductions are made from wages on account of materials or tools supplied to the workers? If so, what are the rules governing the same?
 11. Are the conditions relating to such deductions included in the terms of contract or made known to the employees in any other manner?
 12. Do you grant advances to workers on wages due to them?
 13. In cases where advances are granted do you make any further deductions for interest, discount, etc., on the advances given? If so, at what rate?
-

Part II.

Name and Address of Factory.

1. Number of workpeople employed.
 - (a) Men
 - (b) Women
 - (c) Children
 - (d) Total
 2. Total Wages Bill for the year 1925.
-

*Summary of fines inflicted and deductions made from the wages of employees during
the calendar year 1925.*

Subject of Deduction:	Numbers of employees from whose wages deductions have been made.			Total amount of Deductions.		
	Men.	Women.	Children.	Men.	Women.	Children.
I. Fines for—						
(a) Breaches of discipline.						
(b) Bad or negligent work.						
(c) Injury to materials.						
(b) Injury to other property of employer.						
Total ..						
II. Deductions for—						
Materials, etc., provided by employer.						
(a) for materials.						
(b) Use of tools, standing room, light, heat, power and machinery.						
(c) Supply of tools.						
Total ..						

Subject of Deduction.	Numbers of employees from whose wages deductions have been made.			Total amount of deductions.		
	Men.	Women.	Children.	Men.	Women.	Children.
III. Deductions for services rendered by employer.						
(a) Supply of water.						
(b) Medicines and medical attendance.						
(c) Rent for lodging.						
(d) Supply of food.						
(e) Education.						
(f) Provident Fund.						
(g) Accident Compensation.						
(h) Provision of creches.						
(i) Reading room, Library.						
(j) Interest on advances						
Any other services.						
Total.						

The definition of a child is that given in the Factories Act, 1911; as amended by the Factories Act of 1922, *i.e.*, a person under the age of fifteen years.

No. 1590-139 of 1926.

THE MILLOWNERS' ASSOCIATION,

BOMBAY, 29th September, 1926.

THE DIRECTOR OF INFORMATION AND LABOUR INTELLIGENCE,
SECRETARIAT, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. 3982 dated 2nd September together with the accompaniments specified therein, on the subject of deductions from wages in respect of fines.

My Committee have given the papers referred to above, and the subject in question detailed consideration and have asked me to submit to you a summary of their views.

My Committee entirely approve the principle enunciated in your letter that a statistical enquiry into the extent of the supposed evils of the fining system should be made in the first place, and as suggested by you will, in the present letter, confine themselves to the four points referred to on page 2 of your letter.

(a) As regards the adequacy and suitability of the period chosen it is suggested that as far as the Bombay mill industry is concerned, the year 1925 would be abnormal owing to the protracted general strike in the last three months of the year.

Another point which is recommended for your consideration is the excessive amount of labour which would be involved in preparing the information required for twelve months, and it is suggested that the figures for six months would be an adequate basis from which to draw conclusions. It is immaterial to members of this Association which months are chosen but the first six months of 1926 are suggested for the reason that to the best of my Committee's knowledge there were no industrial disturbances of any magnitude, or any very abnormal labour conditions in the industry in India during that time.

(b) The Questionnaire in its present form, in the opinion of my Committee, is too elaborate. They hold the view that at this stage a simpler Questionnaire to elicit the main facts would have been of greater utility inasmuch as the number of returns received will depend largely on the ease with which the Questionnaire can be answered. For example, if by simplification the percentage of industrial establishments supplying information could be doubled or trebled my Committee consider that the path of wisdom would be to issue a simpler Questionnaire.

At any rate it is held that separate industries should be separately catered for and with that point of view in mind I append (papers marked A) my Committee's views as to the modifications which might be introduced into the enquiry form sent to the textile mills in this Presidency.

(c) My Committee consider that it would be advisable to issue the Questionnaire to workshops, large shops, stores and commercial offices as well as factories. In England the chief offenders, at the date of the introduction of the Truck Acts, in the matter of fines and unfair deductions from wages were not the establishments amenable to the Factory Act of the time but workshops and shops where the farming out of work and the living in system existed respectively. The same state of affairs may exist in India, and my Committee think that any enquiry which is made in regard to fines should be so designed as to give complete information as to the state of affairs in such establishments.

(d) For the cotton textile industry of the Presidency a number of new headings might advisably be introduced and others deleted. In particular, simplification is advised by the deletion of the special columns for men, women and children on pages 4 and 5 of the draft Questionnaire. Separation of the totals for each class of persons would, in the Committee's opinion, entail an addition to the work of tabulation out of proportion to the additional value of the statistics which would accrue from inclusion and might materially reduce the number of returns received from mills.—I have, etc.,

T. MALONEY,
Secretary.

ACCOMPANIMENT A.

Detailed criticism of the draft Questionnaire proposed by the Labour Office for eliciting information in regard to fines :—

Part I.

<i>Headings.</i>	<i>Criticisms.</i>
1, 2 and 3	-- No criticisms.
4	-- Delete the words ' if yes.'
5 and 6	-- No criticisms.
7	-- There is in some mills a system under which instead of fining a weaver for spoilt cloth, the weaver is allowed to purchase the material at a reduced rate. The method of disposal of the amount deducted from wages for such sales might be shown separately from fines by altering heading 7 to read :— 7. " In what manner is the amount recovered from your employees disposed of in respect of (a) fines, (b) deductions from wages for payment for spoilt material ?
8	-- No criticisms.
9	-- Delete words ' if yes.'
10 and 11	-- No criticisms.
12 and 13	-- Might be deleted as far as cotton mills in Bombay are concerned since a detailed enquiry has already been made by the Labour Office regarding the prevalence of the system of granting advances.

Parts II.

<i>Headings.</i>	<i>Criticisms.</i>
(1), (a), (b), (c) and (d)	-- Particulars are already available in the Annual Factory Report.
2	-- Might be altered to give information only in respect of the people actually concerned, <i>e.g.</i> , it is obviously necessary that the wages bill should not include the wages of Managers and senior members of the staff working on a covenanted basis. The period should also be altered to first six months of 1926, as per suggestion put forward in the covering letter.

SUMMARY TABLE.

(See remarks in covering letter regarding the supply of separate information in respect of men, women and children).

<i>Headings.</i>	<i>Criticisms.</i>
I (a)	.. The heading is rather vague and might be re-worded as under :— (a) breaches of discipline or factory rules.
I (b)	.. No criticism.
I (c) and (d)	.. (c) and (d) might be amalgamated under the heading 'Damage to material, tools or machinery.' Another heading might be added such as 'Fines for any other purposes than those enumerated in a, b, c. and d.'
II	.. II a, b and c might be entirely deleted in the case of the cotton textile industry since deductions for the use of materials, etc., are unknown. In place of the deleted headings the following might be substituted :— (a) Compulsory deductions for charitable purpose. (b) deductions made for material damaged and subsequently purchased by the employee.
III	.. The relevancy of the information required in this portion of the Questionnaire in an enquiry to ascertain the extent of the fining system is somewhat doubtful, but apart from this general observation my Committee have no criticism to make with the exception that an additional sub-heading (h) "any other services" might be inserted in the form so as to arrive at the correct figure of the total deductions for services rendered by the employer.

No. 4838.

LABOUR OFFICE, SECRETARIAT,
BOMBAY, 11th October, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am obliged to you for your letter of the 29th ultimo dealing with the subject of deductions from wages in respect of fines in industry. I much appreciate the care your committee has given to the criticisms of the questionnaire and schedule, and if possible the suggestions made will be given effect to, especially that which suggests that a separate form for the mill industry might be advisable. Again thanking you.—I have, etc.,

J. F. GENNINGS,
In charge Labour Office.

No. 7595.

LABOUR OFFICE, SECRETARIAT,
BOMBAY, 23rd November, 1926.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Deductions from Wages or Payments in respect of Fines.*

In continuation of my letter No. 4838 dated the 11th October 1926, I have the honour to enclose copy of a circular letter together with a special questionnaire and schedule which have been forwarded to all textile mills in the Bombay Presidency in connection with the above enquiry, and I have to request you to be good enough to draw the attention of members of your Association to the importance of the questionnaire and to ask them to fill in the schedule to the best of their ability and submit it to this office at their earliest possible convenience.

2. You will observe that the suggestions made by your Association with regard to this enquiry have been considered and most of them adopted. With regard to the period selected for the enquiry. I have taken the first ten months of the year 1926, for the textile industry and the whole of the year 1925, for all other labour employing organisations in the Bombay Presidency.

3. Thanking you again for the trouble taken by your Association in dealing with this case.—I have, etc.,

J. F. JENNINGS,
In charge Labour Office.

Copy of letter addressed by the Labour Office to all Textile Mills.

Subject :—*Deductions from Wages or Payments in respect of Fines.*

“ At the instance of the Government of India, the Labour Office on behalf of the Government of Bombay is undertaking an enquiry into the question of deductions from wages or payments in respect of fines. As will be seen from the letter of the Government of India,* a copy of which is enclosed, suggestions have been made in the Central Legislature, in the Press and elsewhere that this system constitutes an evil of such proportion that steps should be taken either to abolish the system altogether or to reduce it to such dimensions as to prevent abuse. While the legitimacy of the system of imposing fines is recognised in most countries, restrictions are frequently imposed with the object of preventing abuse. The English law makes a distinction between three forms of deductions from wages—deductions in respect of fines *i.e.*, breaches of discipline; deductions in respect of bad or negligent work, or injury to the materials or other property of the employer; and deductions in respect of materials provided by the employer. The Government of India incline to the view that it is in respect of the first two forms of deductions from wages mentioned above that the practice is most prevalent and most liable to abuse.

2. I am instructed to invite your co-operation in obtaining information on this subject. I enclose* a copy of a questionnaire drawn up after consultation with a number of Associations, Labour Organisations and public bodies. The Labour Office is indebted to them for their assistance and it is hoped that the questionnaire is one that will enable the fullest possible information to be collected. It is divided into two parts. Part I will not, I think, present any difficulty in filling up. The schedule attached to part II, however, has been criticised as asking for information of too detailed a character. It is, however, sent to you in the earnest hope that you may be able to fill in the information asked for under the

* Not Printed.

various heads. You will, I am sure, realise that in an enquiry of this kind, on the results of which may depend whether or not legislation is desirable, it is essential that the information obtained should be as complete as it can possibly be made. I realise, however, that in the case of some organisations it may be a matter of practical impossibility to give the particulars asked for. In that case the information required in Part II may be summarised under the three main headings, *i.e.*, total of the fines given under Head No. 1, Head No. 2, and Head No. 3 but I would ask that every effort be made to give the information in the form it is asked for.

3. I should be glad to receive your replies by December 10th.

APPENDIX 38.

THE TRADE UNION ACT, 1926.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Report of the Select Committee on the Bill to provide for the registration of Trade Unions and in certain respects to define the law relating to registered Trade Unions in British India was presented to the Legislative Assembly on the 31st August 1925 :—

We, the undersigned, Members of the Select Committee to which the Indian Trade Unions Bill was referred, have considered the Bill, and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

The Committee met on six occasions in the Delhi Session of 1925 and during and preceding the present Session. The amendments which we have made in the Bill are mostly self-explanatory : we add the following notes in respect of the more important changes proposed.

2. In clause 6 (e) we propose the admission of honorary and temporary members as the assistance of experienced labour leaders will be of considerable value to trade unions, while the movement is in its infancy ; and these leaders should have the protection of clauses 17 and 18 of the amended Bill when engaged in an advisory capacity in any industrial dispute. This protection can be given them by making them honorary or temporary members of the Trade Union.

3. We have made it clear in clause 7 (1) by omitting the words " as he thinks fit " that the Registrar can call for further information only for the purposes specified.

4. We are of opinion that the appeal provided by clause 11 should lie to a judicial officer : and by a majority, that his decision should be final.

5. The question of the expenditure of Trade Union funds on political objects was found to be one of considerable difficulty. We are by a majority of opinion that such expenditure should be allowed ; the majority also are of opinion that such expenditure should be met not from the general funds, but from a special fund, contributions to which shall be optional. We have included provisions taken from the English law to prevent unfair discrimination against a non-contributing member. In prescribing the political objects also, on which expenditure may be incurred, we have followed the provisions of the English law.

6. In clause 22 we have reduced the proportion to one-third in view of the low educational level of the ordinary labourer.

7. In clause 29 provision has been made to allow of various grades of auditors being prescribed in accordance with the financial position of the Trade Union ; and in clause 33

to prevent unnecessary and vexatious complaints. As regards auditors, we would suggest that, as the Trade Union movement is in its infancy, Local Governments should be recommended to prescribe a grade of auditors whose fees a less opulent Union would find no difficulty in paying.

8. The Bill was published in the *Gazette of India*, dated the 24th January, 1925.

9. We think that the Bill has not been so altered as to require re-publication, and we recommend that it be passed as now amended.

T. RANGACHARIAR.
PURSHOTAMDAS THAKURDAS.
M. A. JINNAH.
N. C. KELKAR.
KASTURBHAI LALBHAI.
K. C. NEOGY.
L. GRAHAM.*
A. G. CLOW.*
T. C. GOSWAMI.*
S. K. DATTA.*
M. K. ACHARYA.
D. SINHA.*
E. G. FLEMING.*
B. N. MITRA.*

The 31st August, 1925.

MINUTES OF DISSENT.

1. We entirely dissent from the view taken by the majority in respect of clause 22. Under the original clause, the persons actually engaged or employed in an industry with which the trade union is connected were to constitute a majority of the officers. Under the amended clause, they need constitute only one-third of the total. We can see no justification for such a change.

We recognise equally with the majority that, in the infancy of the trade union movement in this country, it may be essential for a trade union to have the assistance of "outsiders" and to include them in their executive. But the clause, as it previously stood, set no limit to the number of outsiders that could be included, for it placed no restriction on the number of their executive. And the new clause 6 (e) will make it even easier for a union to avail itself of the help of "outsiders." Clause 22 in its original form did not even guarantee that the workers themselves would have the control of the affairs of the union; for it is inevitable that in an executive where about half the members are drawn from a more educated class that section should have the predominant voice in the counsels of the union. What the clause was intended to secure was that a number of the actual workers obtained the opportunity of education in trade union affairs, and we regard with apprehension any change which may have the effect of restricting these opportunities. The amended clause will in practice give trade union leaders the power to restrict the representation of the workers from among their own ranks to the minimum of one-third of the executive, and it may be a long time in many cases before the workers realize that it is quite permissible for them to obtain more, and still longer before they are able to enforce their rights in this respect.

2. In the present state of education of the labouring classes, we held that it was undesirable to insert in the Bill provisions like those contained in clause 16, and we must reserve our further opinion on the subject.

B. N. MITRA.
E. G. FLEMING.
L. GRAHAM.
A. G. CLOW.

25th, August, 1925.

There are two main points in which we differ from the majority of Members of the Select Committee :—

1. Clause 16 which provides for the establishment of a separate political fund is a mutilated transcription of some of the provisions of the British Trade Union Act of 1913. It will be observed that under the British Act payment to the political fund is obligatory unless a member contracts out of this obligation. Under clause 16 of this Bill, however, it is optional for any member to contribute to the political fund. Payment to the political fund thus becomes entirely voluntary like payment to any other charitable institution. The Indian Trade Unions will thus be considerably handicapped in carrying on any propaganda for the furtherance of their political and civic rights. In England, attempts to modify the provisions regarding payment to the political fund have been vigorously resisted, and neither the late Mr. Bonar Law nor Mr. Baldwin could tamper with the wholesome provisions of the Act of 1913. It is to be regretted that in India, while capitalists and employers have been carrying on active political propaganda in their own interest, the workers should at the very inception of the Trade Union movement be handicapped in their attempt to organise themselves on a political platform in defence of their rights.

2. Our second difference with the majority is on the question of immunity from criminal or civil liability in cases mentioned in clauses 17 and 18. Here again, following the English laws, we would recommend immunity to be extended to all those who act in contemplation or furtherance of a trade dispute or join in an organisation for the defence of the rights of employees in any industry. If immunity is restricted in the way suggested in this Bill, it would be extremely difficult to take any organised action in a place where no registered trade union exists. It is doubtful how far attempts to establish new Trade Unions will be encouraged by the Bill as proposed by the majority.

There are other points of difference on comparatively minor questions. We do not think that clause 22 is at all necessary at this stage. In clause 6, sub-clause (d), the word "adequate" should be deleted, as it may give, arbitrary power to the Registrar. In clause (11) there ought to be a provision for appeal to the High Court in case the Additional or Assistant District Judge does not interfere with the Registrar's order.

We believe that in the initial stage of the development of Trade Unions, the workers should not be hampered by too much executive interference. We apprehend that employers in India will make every attempt to prevent the establishment of new Unions and will try to break the existing Unions. For these reasons, it is necessary that the rights and privileges extended to Indian Trade Unions should be *more* and not *less* than those allowed under the British Trade Union Acts.

DEVAKI PRASAD SINHA.
TULSI CHANDRA GOSWAMI.

I was unfortunately not present during the discussion on Section 22 of the Trade Union Bill, but I cannot but feel that it would have been well not to permit the reduction of the number of workers on the Executive of a Trades Union to below 50 per cent. I contend that the main object of a Trades Union is to organise and train working men to protect their own interest and to associate themselves for that purpose. A large number of members of the governing committees belonging not to the actual category of workers will probably have a weakening influence ; it may result in retarding the growth of self-reliance. A parallel movement to the Trades Union Movement in rural life is the Co-operative Movement. In the Societies formed it is a fact that with the exception of a few the work carried on results almost wholly from the efforts of agricultural workers themselves. May we not hope that the same results will accrue in the Trades Union Movement if the help from outside is restricted to what may be actually necessary, and I feel that if we permit more than half of the officers to be outsiders the main object of the Trades Union is defeated.

S. K. DATTA.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Act of the Indian Legislature received the assent of the Governor General on the 25th March, 1926, and is hereby promulgated for general information :—

ACT No. XVI OF 1926.

An Act to provide for the registration of Trade Unions and in certain respects to define the law relating to registered Trade Unions in British India.

Whereas it is expedient to provide for the registration of Trade Unions and in certain respects to define the law relating to registered Trade Unions in British India ; It is hereby enacted as follows :—

CHAPTER I.

Preliminary.

Short title, extent and commencement.

1. (1) This Act may be called the Indian Trade Unions Act, 1926.
(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on such date as the Governor-General in Council may, by notification in the *Gazette of India*, appoint.

Definitions. 2. In this Act, unless there is anything repugnant in the subject or context,—

- (a) " executive " means the body, by whatever name called, to which the management of the affair of a Trades Union is entrusted ;
- (b) " officer," in the case of a Trade Union, includes any member of the executive thereof, but does not include an auditor ;
- (c) " prescribed " means prescribed by regulations made under this Act ;
- (d) " registered office " means that office of a Trade Union which is registered under this Act as the head office thereof ;
- (e) " registered Trade Union " means a Trade Union registered under this Act ;
- (f) " Registrar " means a Registrar of Trade Unions appointed by the Local Government under Section 3, and " the Registrar," in relation to any Trade Union, means the Registrar appointed for the province in which the head or registered office, as the case may be, of the Trade Union is situated ;
- (g) " trade dispute " means any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment or non-employment, or the terms of employment or the conditions of labour, of any person, and " workmen " means all persons employed in trade or industry whether or not in the employment of the employer with whom the trade dispute arises ; and
- (h) " Trade Union " means any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers, or between workmen and workmen, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more Trade Unions :

Provided that this Act shall not affect—

- (i) any agreement between partners as to their own business ;
- (ii) any agreement between an employer and those employed by him as to such employment ; or
- (iii) any agreement in consideration of the sale of the goodwill of a business or of instruction in any profession, trade or handicraft.

CHAPTER II.

Registration of Trade Unions.

3. Each Local Government shall appoint a person to be the Registrar of Trade Unions for the province.

4. Any seven or more members of a Trade Union may, by subscribing their names to the rules of the Trade Union and by otherwise complying with the provisions of this Act with respect to registration, apply for registration of the Trade Union under this Act.

5. (i) Every application for registration of a Trade Union shall be made to the Registrar, and shall be accompanied by a copy of the rules of the Trade Union and a statement of the following particulars, namely :—

- (a) the names, occupations and addresses of the members making the application ;
- (b) the name of the Trade Union and the address of its head office ; and
- (c) the titles, names, ages, addresses and occupations of the officers of the Trade Union.

(2) Where a Trade Union has been in existence for more than one year before the making of an application for its registration, there shall be delivered to the Registrar, together with the application, a general statement of the assets and liabilities of the Trade Union prepared in such form and containing such particulars as may be prescribed.

6. A Trade Union shall not be entitled to registration under this Act, unless the executive thereof is constituted in accordance with the provisions of this Act, and the rules thereof provide for the following matters namely :—

- (a) the name of the Trade Union ;
- (b) the whole of the objects for which the Trade Union has been established ;
- (c) the whole of the purposes for which the general funds of the Trade Union shall be applicable, all of which such funds are lawfully applicable under this Act ;
- (d) the maintenance of a list of the members of the Trade Union and adequate facilities for the inspection thereof by the officers and members of the Trade Union ;
- (e) the admission of ordinary members who shall be persons actually engaged or employed in an industry with which the Trade Union is connected, and also the admission of the number of honorary or temporary members as officers required under Section 22 to form the executive of the Trade Union ;
- (f) the conditions under which any member shall be entitled to any benefit assured by the rules and under which any fine or forfeiture may be imposed on the members ;

- (g) the manner in which the rules shall be amended, varied or rescinded ;
- (h) the manner in which the members of the executive and the other officers of the Trade Union shall be appointed and removed ;
- (i) the safe custody of the funds of the Trade Union, an annual audit, in such manner as may be prescribed of the accounts thereof, and adequate facilities for the inspection of the account books by the officers and members of the Trade Union ; and
- (j) the manner in which the Trade Union may be dissolved .

7. (1) The Registrar may call for further information for the purpose of satisfying himself that any application complies with the provisions of Section 5, or that the Trade Union is entitled to registration under Section 6, and may refuse to register the Trade Union until such information is supplied.

Power to call for further particulars and to require alteration of name.

(2) If the name under which a Trade Union is proposed to be registered is identical with that by which any other existing Trade Union has been registered or, in the opinion of the Registrar, so nearly resembles such name as to be likely to deceive the public or the members of either Trade Union, the Registrar shall require the persons applying for registration to alter the name of the Trade Union stated in the application, and shall refuse to register the Union until such alteration has been made.

8. The Registrar, on being satisfied that the Trade Union has complied with all the requirements of this Act in regard to registration, shall register the Trade Union by entering in a register, to be maintained in such form as may be prescribed, the particulars relating to the Trade Union contained in the statement accompanying the application for registration.

Registration.

9. The Registrar, on registering a Trade Union under Section 8, shall issue a certificate of registration in the prescribed form which shall be conclusive evidence that the Trade Union has been duly registered under this Act.

Certificate of registration.

10. A certificate of registration of a Trade Union may be withdrawn or cancelled by the Registrar—

Cancellation of registration.

- (a) on the application of the Trade Union to be verified in such manner as may be prescribed, or
- (b) if the Registrar is satisfied that the certificate has been obtained by fraud or mistake, or that the Trade Union has ceased to exist or has wilfully and after notice from the Registrar contravened any provision of this Act or allowed any rule to continue in force which is inconsistent with any such provision, or has rescinded any rule providing for any matter provision for which is required by Section 6 :

Provided that not less than two months' previous notice in writing specifying the ground on which it is proposed to withdraw or cancel the certificate shall be given by the Registrar to the Trade Union before the certificate is withdrawn or cancelled otherwise than on the application of the Trade Union.

11. (1) Any person aggrieved by any refusal of the Registrar to register a Trade Union or by the withdrawal or cancellation of a certificate of registration may, within such period as may be prescribed, appeal to such Judge, not below the grade of an additional or assistant Judge of a principal Civil Court of original jurisdiction, as the Local Government may appoint in this behalf.

Appeal.

(2) The Judge may, after such inquiry as he deems necessary, dismiss the appeal or pass an order directing the Registrar to register the Union and to issue a certificate of

registration under the provisions of Section 9, or setting aside the order for withdrawal or cancellation of the certificate, as the case may be, and the Registrar shall comply with such order.

(3) For the purpose of the inquiry, the Judge may summon and enforce the attendance of witnesses and compel them to give evidence as if he were a Civil Court; and he may also direct by whom the whole or any part of the costs of the inquiry shall be paid and such costs shall be recovered as if they had been awarded in a suit under the Civil Procedure Code, 1908.

(4) In the event of the dismissal of an appeal under sub-section (2), the person aggrieved shall have the right of appeal to the High Court.

12. All communications and notices to a registered Trade Union may be addressed to its registered office. Notice of any change in the address of the head office shall be given within fourteen days of such change to the Registrar in writing, and the changed address shall be recorded in the register referred to in Section 8,

13. Every registered Trade Union shall be a body corporate by the name under which it is registered, and shall have perpetual succession and a common seal with power to acquire and hold both moveable and immoveable property and to contract, and shall by the said name sue and be sued.

14. The following Acts, namely :—

- | | |
|--|--------------|
| (a) The Societies Registration Act, 1860, | XXI of 1860. |
| (b) The Co-operative Societies Act, 1912, | II of 1912. |
| (c) The Provident Insurance Societies Act, 1912. | V of 1912. |
| (d) The Indian Life Assurance Companies Act, 1912, and | VI of 1912. |
| (e) The Indian Companies Act, 1913, | VII of 1913. |

shall not apply to any registered Trade Union, and the registration of any such Trade Union under any such Act shall be void.

CHAPTER III.

Rights and Liabilities of registered Trade Unions.

15. The general funds of a registered Trade Union shall not be spent on any other objects than the following, namely :—

Objects on which
general funds may
be spent.

- (a) the payment of salaries, allowances and expenses to officers of the Trade Union
- (b) the payment of expenses for the administration of the Trade Union, including audit of the accounts of the general funds of the Trade Union ;
- (c) the prosecution or defence of any legal proceeding to which the Trade Union or any member thereof is a party, when such prosecution or defence is undertaken for the purpose of securing or protecting any rights of the Trade Union as such or any rights arising out of the relations of any member with his employer or with a person whom the member employs ;
- (d) the conduct of trade disputes on behalf of the Trade Union or any member thereof ;
- (e) the compensation of members for loss arising out of trade disputes ;

- (f) allowances to members or their dependants on account of death, old age, sickness, accidents or unemployment of such members ;
- (g) the issue of, or the undertaking of liability under, policies of assurance on the lives of members, or under policies insuring members against sickness, accident or unemployment ;
- (h) the provision of educational, social or religious benefits for members (including the payment of the expenses of funeral or religious ceremonies for deceased members) or for the dependants of members ;
- (i) the upkeep of a periodical published mainly for the purpose of discussing questions affecting employers or workmen as such ;
- (j) the payment, in furtherance of any of the objects on which the general funds of the Trade Union may be spent, of contributions to any cause intended to benefit workmen in general, provided that the expenditure in respect of such contributions in any financial year shall not at any time during that year be in excess of one-fourth of the combined total of the gross income which has up to that time accrued to the general funds of the Trade Union during that year and of the balance at the credit of those funds at the commencement of that year ; and
- (k) subject to any conditions contained in the notification, any other object notified by the Governor-General in Council in the *Gazette of India*.

16. (1) A registered Trade Union may constitute a separate fund, from contributions separately levied for or made to that fund, from which payments may be made for the promotion of the civic and political interests of its members, in furtherance of any of the objects specified in sub-section (2).

Constitution of a separate fund for political purposes.

- (2) The objects referred to in sub-section (1) are :—
 - (a) the payment of any expenses incurred, either directly or indirectly, by a candidate or prospective candidate for election as a member of any legislative body constituted under the Government of India Act or of any local authority, before, during or after the election in connection with his candidature or election ; or
 - (b) the holding of any meeting or the distribution of any literature or documents in support of any such candidate or prospective candidate ; or
 - (c) the maintenance of any person who is a member of any legislative body constituted under the Government of India Act or of any local authority ; or
 - (d) the registration of electors or the selection of a candidate for any legislative body constituted under the Government of India Act or for any local authority ; or
 - (e) the holding of political meetings of any kind, or the distribution of political literature or political documents of any kind.

(3) No member shall be compelled to contribute to the fund constituted under sub-section (1) ; and a member who does not contribute to the said fund shall not be excluded from any benefits of the Trade Union, or placed in any respect either directly or indirectly under any disability or at any disadvantage as compared with other members of the Trade Union (except in relation to the control or management of the said fund) by reason of his not contributing to the said fund ; and contribution to the said fund shall not be made a condition for admission to the Trade Union.

17. No officer or member of a registered Trade Union shall be liable to punishment under sub-section (2) of section 120B of the Indian Penal Code, in respect of any agreement made between the members for the purpose of furthering any such object of the Trade Union as is specified in section 15, unless the agreement is an agreement to commit an offence. XLV. of 1890.

Criminal conspiracy in trade disputes.

18. (1) No suit or other legal proceeding shall be maintainable in any Civil Court against any registered Trade Union or any officer or member thereof in respect of any act done in contemplation or furtherance of a trade dispute to which a member of the Trade Union is a party on the ground only that such act induces some other person to break a contract of employment, or that it is in interference with the trade, business or employment of some other person or with the right of some other person to dispose of his capital or of his labour as he wills.

Immunity from civil suit in certain cases.

(2) A registered Trade Union shall not be liable in any suit or other legal proceeding in any Civil Court in respect of any tortious act done in contemplation or furtherance of a trade dispute by an agent of the Trade Union if it is proved that such person acted without the knowledge of, or contrary to express instructions given by, the executive of the Trade Union.

19. Notwithstanding anything contained in any other law for the time being in force, an agreement between the members of a registered Trade Union shall not be void or voidable merely by reason of the fact that any of the objects of the agreement are in restraint of trade ;

Enforceability of agreements.

Provided that nothing in this section shall enable any Civil Court to entertain any legal proceeding instituted for the express purpose of enforcing or recovering damages for the breach of any agreement concerning the conditions on which any members of a Trade Union shall or shall not sell their goods, transact business, work, employ or be employed.

20. The account books of a registered Trade Union and the list of members thereof shall be open to inspection by an officer or member of the Trade Union at such times as may be provided for in the rules of the Trade Union.

Right to inspect books of Trade Union.

21. Any person who has attained the age of fifteen years may be a member of a registered Trade Union subject to any rules of the Trade Union to the contrary, and may, subject as aforesaid, enjoy all the rights of a member and execute all instruments and give all acquittances necessary to be executed or given under the rules :

Rights of minors to membership of Trade unions.

Provided that no person who has not attained the age of eighteen years shall be an officer of any such Trade Union.

22. Not less than one-half of the total number of the officers of every registered Trade Union shall be persons actually engaged or employed in an industry with which the Trade Union is connected :

Proportion of officers to be connected with the industry.

Provided that the Local Government may, by special or general order, declare that the provisions of this section shall not apply to any Trade Union or class of Trade Unions specified in the order.

23. Any registered Trade Union may, with the consent of not less than two-thirds of the total number of its members and subject to the provisions of section 25, change its name.

Change of name.

24. Any two or more registered Trade Unions may become amalgamated together as one Trade Union with or without dissolution or division of the funds of such Trade Unions or either or any of them, provided that the votes of at least one-half of the members of each or every such Trade Union entitled to vote are recorded, and that at least sixty per cent. of the votes recorded are in favour of the proposal.

Amalgamation of Trade Unions.

25. (1) Notice in writing of every change of name and of every amalgamation, signed, in the case of a change of name, by the Secretary and by seven members of the Trade Union changing its name, and, in the case of an amalgamation, by the Secretary and by seven members of each and every Trade Union which is a party thereto, shall be sent to the Registrar, and where the head office of the amalgamated Trade Union is situated in a different province, to the Registrar of such province.

(2) If the proposed name is identical with that by which any other existing Trade Union has been registered or, in the opinion of the Registrar, so nearly resembles such name as to be likely to deceive the public or the members of either Trade Union, the Registrar shall refuse to register the change of name.

(3) Save as provided in sub-section (2), the Registrar shall, if he is satisfied that the provisions of this Act in respect of change of name have been complied with, register the change of name in the register referred to in section 8, and the change of name shall have effect from the date of such registration.

(4) The Registrar of the province in which the head office of the amalgamated Trade Union is situated shall, if he is satisfied that the provisions of this Act in respect of amalgamation have been complied with and that the Trade Union formed thereby is entitled to registration under section 6, register the Trade Union in the manner provided in section 8 and the amalgamation shall have effect from the date of such registration.

26. (1) The change in the name of a registered Trade Union shall not affect any rights or obligations of the Trade Union or render defective any legal proceeding by or against the Trade Union, and any legal proceeding which might have been continued or commenced by or against it by its former name may be continued or commenced by or against it by its new name.

(2) An amalgamation of two or more registered Trade Unions shall not prejudice any right of any of such Trade Unions or any right of a creditor of any of them.

27. (1) When a registered Trade Union is dissolved, notice of the dissolution signed by seven members and by the Secretary of the Trade Union shall, within fourteen days of the dissolution, be sent to the Registrar, and shall be registered by him if he is satisfied that the dissolution has been effected in accordance with the rules of the Trade Union, and the dissolution shall have effect from the date of such registration.

(2) Where the dissolution of a registered Trade Union has been registered and the rules of the Trade Union do not provide for the distribution of funds of the Trade Union on dissolution, the Registrar shall divide the funds amongst the members in such manner as may be prescribed.

28. (1) There shall be sent annually to the Registrar, on or before such date as may be prescribed, a general statement, audited in the prescribed manner, of all receipts and expenditure of every registered Trade Union during the year ending on the 31st day of March next preceding such prescribed date, and of the assets and liabilities of the Trade Union existing on such 31st day of March. The statement shall be prepared in such form and shall comprise such particulars as may be prescribed.

(2) Together with the general statement there shall be sent to the Registrar a statement showing all changes of officers made by the Trade Union during the year to which the general statement refers, together also with a copy of the rules of the Trade Union corrected up to the date of the despatch thereof to the Registrar.

(3) A copy of every alteration made in the rules of a registered Trade Union shall be sent to the Registrar within fifteen days of the making of the alteration.

CHAPTER IV.

Regulations.

29. (1) Subject to the control of the Governor-General in Council, the Local Government may make regulations for the purpose of carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing powers, such regulations may provide for all or any of the following matters, namely :—

- (a) the manner in which Trade Unions and the rules of Trade Unions shall be registered and the fees payable on registration ;
- (b) the transfer of registration in the case of any registered Trade Union which has changed its head office from one province to another ;
- (c) the manner in which, and the qualifications of persons by whom, the accounts of registered Trade Unions or of any class of such Unions shall be audited ;
- (d) the conditions subject to which inspection of documents kept by Registrars shall be allowed and the fees which shall be chargeable in respect of such inspection ; and
- (e) any matter which is to be or may be prescribed.

30. (1) The power to make regulations conferred by section 29 is subject to the condition of the regulations being made after previous publication.

(2) The date to be specified in accordance with clause (3) of section 23 of the General Clauses Act, 1897, as that after which a draft of regulations proposed to be made will be taken into consideration shall not be less than three months from the date on which the draft of proposed regulations was published for general information. X of 1897

(3) Regulations so made shall be published in the local official Gazette, and on such publication shall have effect as if enacted in this Act.

CHAPTER V.

Penalties and Procedure.

31. (1) If default is made on the part of any registered Trade Union in giving any notice or sending any statement or other document as required by or under any provision of this Act, every officer or other person bound by the rules of the Trade Union to give or send the same, or, if there is no such officer or person, every member of the executive of the Trade Union, shall be punishable with fine which may extend to five rupees and, in the case of a continuing default, with an additional fine which may extend to five rupees for each week after the first during which the default continues ;

Provided that the aggregate fine shall not exceed fifty rupees.

(2) Any person who wilfully makes, or causes to be made, any false entry in, or any omission from, the general statement required by section 28, or in or from any copy of rules or of alterations of rules sent to the Registrar under that section, shall be punishable with fine which may extend to five hundred rupees.

32. Any person who, with intent to deceive, gives to any member of a registered Trade Union or to any person intending or applying to become a member of such Trade Union any document purporting to be a copy of the rules of the Trade Union or of any alterations to the same which he knows, or has reason to believe, is not a correct copy of such rules or alterations as are for the time being in force, or any person who, with the like intent, gives a copy of any rules of an unregistered Trade Union to any person on the pretence that such rules are the rules of a registered Trade Union, shall be punishable with fine which may extend to two hundred rupees.

Supplying false information regarding Trade Unions.

33. (1) No Court inferior to that of a Presidency Magistrate or a Magistrate of the Cognizance of offences. first class shall try any offence under this Act.

(2) No Court shall take cognizance of any offence under this Act, unless complaint thereof has been made by, or with the previous sanction of the Registrar or, in the case of an offence under section 32, by the person to whom the copy was given, within six months of the date on which the offence is alleged to have been committed.

L. GRAHAM,
Secretary to the Government of India.

APPENDIX 39.

REDUCTION OF WAGES IN THE KHATAU MAKANJI MILLS.

THE TEXTILE LABOUR UNION,
BOMBAY, 23rd February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Reduction in rates of fixed wages of the textile workers in Bombay.*

I have the honour to address you the following communication for your serious, sympathetic and favourable consideration.

2. It will be recalled that the Bombay Millowners' Association decided in July last to cut down the dear food allowance of the textile workers in Bombay from 70% and 80% to 50% and 60% respectively so as to effect a cut of 11½ per cent. in their total wages from 1st September, 1925. The workers resented this cut and went on strike on and from 15th September, 1925. The Government of India announced on 1st December, 1925, the suspension of the Cotton Excise Duty and in fulfilment of the promise given by them to His Excellency the Governor of Bombay, the Bombay Millowners' Association restored the cut of 11½ per cent. and with this restoration the general strike ended to the great relief of the parties concerned and of the general public.

3. After the general resumption of work by the mills in Bombay, the workers had naturally, and in the opinion of this union, rightly, expected that their position so far as their wages were concerned, was quite safe in view of the relief that the Millowners had secured by the suspension of the Cotton Excise Duty. But, unfortunately a recent occurrence or two have created a suspicion and even a fear in the minds of the workers that their expectation is not likely to come true. We see a clear tendency on the part of some individual mills to attempt to cut down the wages in one form or another ; and if only a few mills succeed in their attempt, there is a danger of the tendency of cutting down the wages becoming general to the great detriment of the workers. To take only one instance : The

Khatau Makanji Spinning and Weaving Company have decided to reduce on and from 1st February, 1926, the rates of the piece workers and the wages of other workers on the ground that their rates are higher than those obtaining in other mills in Bombay and that they cannot afford to pay them now owing to financial stringency. Here I desire to make it quite clear that I am not referring to the dispute now going on between the Agents and the workers of the Khatau Makanji Spinning and Weaving Company about the reduction in rates and fixed wages because the negotiations that my union has opened with the Agents regarding this dispute, are not yet over ; and I am anxious not to prejudice them by prematurely taking the dispute to higher authorities. I refer to this Company only to point to the tendency that is now visible on the part of the Millowners to reduce the workers' wages in individual mills on some excuse or another. I also hear that one other mill has only the other day cut down the rates of its weavers with the consequence that the latter have now gone on strike. Such an action has actually affected adversely the financial interests of some of the workers and has threatened those of the others. My Union has, therefore, found it necessary to address this communication to you and place before you the views that it holds on the issue now under consideration.

4. My Union has serious objections to the course now being adopted by some of the individual mills in this City. In the first place, we feel that the restoration of the $11\frac{1}{2}$ per cent cut immediately after the suspension of the Cotton Excise Duty was not intended by the Millowners' Association to give an opportunity to the individual mills to nullify the restoration, before it hardly came into operation, by resorting to some other ways of reducing the wages of the workers ; indeed the workers felt that this restoration meant as a sort of moral undertaking given by the Millowners' Association to the workers that their wages shall not, at least for some time, be touched adversely. Otherwise, my Union fails to understand why the Millowners' Association restored the cut by one hand only to be taken back by the other. The Union is clearly of opinion that it is the duty of the Millowners' Association to see that the restoration of the cut does stand in so far as the aggregate wages of the workers are concerned and that the moral undertaking that the restoration conveyed, is not disturbed by its constituent members.

In the second place my Union deeply regret to find that an attempt to reduce the wages is being made at a time when the cotton industry is showing distinct signs of improvement. Last time your Association took a concerted action and cut down wages on the plea that the condition of the industry was very serious ; and now even when the condition is showing definite signs of improvement, the wages are being reduced. In other words such an action means that the workers stand in constant danger of reduction in wages whether the industry is in a good, bad or indifferent condition. If this is so, my Union strongly disapproves of the way in which the question of the wages of the workers is dealt with.

Thirdly, it is seen from the action of the Millowners' Association and the present action of some of the individual millowners that while the Association, being the Central body of the Millowners, has got the fullest powers to deal with the workers' wages in a manner which may be agreed upon by it, the individual mills have also been given the fullest discretion to deal with the wages of their workers in any way they like. Supposing for a moment that the September cut of $11\frac{1}{2}$ per cent. had not been restored and had been in operation to-day, the individual mills could have, if they had so desired, made a further cut in the wages of their workers in addition to the general cut. That means, the workers have to submit to the decisions of both the central body of the Millowners and the individual mills. If this is so, I do not feel that such a position can stand the test of reason ; and therefore, the sooner it is changed, the better. My Union is of opinion that there should be only one authority which should deal with such questions as the wages and other conditions of service of the workmen.

Fourthly, my Union is unable to understand how and why some of the individual mills should still be losing when they have got a relief by the abolition of the Cotton Excise Duty. It is indeed surprising that even after securing the relief, attempts should be made in certain quarters to reduce the workers' wages. If this relief cannot help the losing mills to make both ends meet, we feel that the trouble lies far deeper than is ordinarily supposed

and that a thorough investigation can alone remove it. Moreover my Union is of opinion that a cut in wages will not and cannot cure the losing mills of their ills from which they are suffering.

Fifthly and lastly, your Association are aware that the rates of the piece workers and others vary in different mills and that no standard rates have yet been fixed either by your Association or by Government. There is no standardisation of wages in this City and we are not aware of any attempts being made so far to have such standardisation. Under these circumstances, to try to compare the rates of one mill with those of another and bring them down on the score of their being higher than those obtaining in some other mill is a most serious evil which the workers have to guard against. They fear that once this evil finds favour a with few individual mills, it can easily spread to other mills with the result that the wages will go down to the level obtaining in the worst mill in Bombay. To-day one mill will say that it will cut down its rates because they are higher than those in another mill ; to-morrow another mill will put forth the same excuse and cut down its rates to the extent of those obtaining in some other mill. Each mill will thus, according to its convenience, select any mill and say that the wages obtaining in that mill are fair wages and, therefore, it will reduce its wages to the level of those fair wages. The result of such action on the part of each individual mills cannot but be disastrous to the workers. My Union is emphatically of opinion that in the absence of standardisation of wages arrived at with full regard to the workers' minimum needs and the cost of living, the comparison of the wages of one mill with another is wrong and illogical, and, therefore, the Millowners' Association should try to discourage it immediately.

5. For these and other reasons, my Union strongly objects to the attempts now being made of cutting down the rates of the workers. We do not see any valid ground for such reduction especially when the Millowners have only the other day secured relief by the suspension of the Cotton Excise Duty. Moreover, my Union desire to bring it to the notice of your Association that the workers have begun to feel that by allowing the individual mills to reduce their rates, the Millowners' Association is going back upon the normal undertaking which their restoration of the 11½ per cent. cut conveyed, that the workers' wages are not at present in danger of being reduced. My Union, therefore, request the Millowners' Association to take immediate steps to remove this impression that is being formed in the minds of the workers and to take such steps as may be necessary to prevent individual mills from taking any action in respect of the workers' wages which may prove detrimental to the workers and which may be susceptible of the interpretation that the Millowners' Association have gone back upon their moral undertaking. Such an intervention on the part of your Association has become absolutely essential in the interest of the smooth working of the mills and in the interest of the workers. The recent attempts on the part of the Millowners have helped to kindle the discontent of the workers and, we feel, that the intervention of your Association alone will arrest its growth and help to ease the situation. My Union trusts that your Association will not fail to take the necessary steps as early as possible.

6. May I request you to send me a reply to this letter at your early convenience ? The workers are anxious to know the attitude of your Association in this matter. They are meeting on the 25th instant and I hope you will be good enough to send me your reply before that date.—I have, etc.,

R. R. BAKHALE.

No. 393-69 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th March, 1926.

MESSRS. KHATAU MAKANJI SPG. & WVG. CO., LTD.,
BOMBAY.

DEAR SIRS,

I am directed to send you a copy of the letter received by the Association from Bombay Textile Labour Union and to request you kindly to favour the Association with your views on the matter.—Yours, etc.,

T. MALONEY,
Secretary.

No. 1191.

ORIENTAL BUILDINGS, BALLARD PIER, FORT,
BOMBAY, 18th March, 1926.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

With reference to your letter dated 18th instant., herewith please find *copies of correspondence passed between the Secretary of the Bombay Textile Labour Union and ourselves which will speak for itself.

*Tabulated statements of comparison of rates are under preparation and they will be sent when ready.—Yours faithfully,

for THE KHATAU MAKANJI SPINNING & WEAVING CO., LTD.,
(*Sd.*) ILLEGIBLE.
Secretary and General Manager.

No. 601—69 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th April, 1926.

THE GENERAL SECRETARY,
THE BOMBAY TEXTILE LABOUR UNION, BOMBAY.

SIR,

I am directed to acknowledge your letter dated 23rd February 1926, and your further letter dated 24th March 1926, on the question of the reduction in the basic rates of wages paid by the Khatau Makanji Mills. In reply I am to say that a very detailed enquiry has been made into this matter, and my Committee are satisfied that the Khatau Makanji Mills did not contravene the undertaking given by the Millowners' Association and that the revision was made for the purpose of bringing the basic rates more in line with other mills in Bombay and that the mill could no longer afford to pay the old rates. Moreover, I am to point out that the revised rates of wages still remain higher than in other mills and have been accepted by the workpeople, and my Committee consider that no useful purpose would be served by re-opening the question at this stage.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 40.

PROVIDENT FUND FOR LABOURING CLASSES.

DEPRESSED INDIA ASSOCIATION,
(BOMBAY BRANCH),
BOMBAY, 9th February, 1926.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I beg to forward a resolution which was passed at a public meeting of the Depressed Classes held under my Presidentship on 6th instant, at B. D. D. Chawls, DeLisle Road, at 8 p.m.

“ That this public meeting of the Depressed Classes request the favour of the Manager of G. I. P. Railway, B. B. & C. I. Railway, Bombay Port Trust, Millowners' Association and other Public Workshops to cut off the *Provident Fund* from their pay of the persons who are working there as labourers ; as the Bombay Municipality have done for the benefit of their labourers.”

“ That this public meeting of the Depressed Classes request the above authorities to take into consideration the grades for the labouring classes according to seniority and ability.”—Yours, etc.,

G. S. DHUMALE,
*President of the Public Meeting of Depressed India
Association.*

No. 500—88 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd March, 1926.

G. S. DHUMALE, ESQ.,
BOMBAY.

DEAR SIR,

I am directed to acknowledge the receipt of your letter dated the 9th ultimo enclosing a copy of resolution passed at a meeting of the Depressed Classes held on the 6th February.

In reply I am to invite your attention to the fact that many Members of this Association have introduced Provident Fund schemes in their mills for the benefit of their employees. But it appears that owing to the migratory habit of Labour these schemes are not patronised by workmen.

My Committee would like to suggest that your Association might use their endeavours to get the workers to inculcate the habit of thrift by patronising the provident funds of those mills which have already established them, as a first step. Then if your efforts in this direction are successful and a real demand follows from the workers for the general establishment of provident funds by all mills the matter could be seriously considered.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 41.

WAGE CENSUS.

No. 1420.

LABOUR OFFICE, SECRETARIAT,
BOMBAY, 12th May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

The Labour Office proposes to hold another Enquiry into Wages and Hours of Labour in the Cotton Mill Industry as was done in 1921 and 1923. In reading through the previous correspondence on this subject in the Labour Office, I find that the Bombay Millowners'

Association has expressed its opinion in favour of regular enquiries of this kind. It has also suggested that June would be the most suitable month for the holding of such an enquiry and if the Association still considers that month to be the best for the purpose I propose to conduct the enquiry for next month after consultation with the Ahmedabad Millowners' Association.

The most important point for consideration is the method of conducting the enquiry. As you are no doubt aware, most of the wage statistics published by other countries are based upon union rates—accepted by employers and employees—trade agreements, awards by conciliation boards etc., or, are compiled from returns furnished by employers giving the total wages bills for particular periods and the total number of persons employed. Even in the United States and Australia, where the collection of statistics is very far advanced, no attempt is usually made to collect statistics from every employer in a particular industry for every workmen employed in that industry. Representative establishments in representative towns are selected and returns obtained by this method are analysed and published as representative of the industry as a whole. In such cases the pay roll is the basis of collection. Statistics based upon Union Rates, Awards, etc., are not obtainable in India. In the two previous enquiries held by the Labour Office, returns were made by employers on schedules compiled by the Labour Office after consultation with the Millowners' Association. For the 1923 enquiry returns were received from every mill in the Presidency and the figures therefor covered the whole of the Cotton Mill Industry. As might be expected, however, there was not the same uniformity of excellence in the filling up of the schedules, and it is doubtful whether all of them satisfied that high standard of accuracy so essential in statistical compilation. Moreover, the schedule itself, carefully as it had been compiled, was found, when analysed, to be unsuitable for the compilation of certain tables and for tabulating information of interest and importance, particularly in connection with frequency tables for wages and absenteeism, median wages and model averages, and rates of wages as distinguished from earnings.

A study of the schedules for 1921 and 1923, and of the reports based upon them, leads one to the conclusion that while the 1923 schedule, with a few minor alterations dictated by experience, is as good as it can be if the schedule method is adopted, the method itself is not the best that can be devised. The most satisfactory basis for the compilation of wage statistics is the pay roll wherein is recorded all that concerns every individual worker—not groups of workers such as are dealt with by the schedule method. While there is, I understand, no standard muster roll in use in the Bombay mills, provision is made in all muster rolls for the following information :—

- (1) Name of the worker.
- (2) Ticket or pay roll number.
- (3) Designation or occupation.
- (4) Daily attendance.
- (5) Total number of days worked.
- (6) Amount of production.
- (7) Rate of wages.
- (8) Earnings.
- (9) Allowances, bonus and overtime pay.
- (10) Gross wages.
- (11) Deductions for spoiled cloth, fines, provident fund, medical, rent, grain supplied, etc., and
- (12) Net or actual amount payable.

A detailed tabulation of the muster rolls would, therefore, enable statistics to be obtained for

- (1) Rates of wages.
- (2) Average earnings, monthly and daily.
- (3) Frequency distribution for wages.
- (4) Earnings of full-time workers.
- (5) Total wages bill.

- (6) Average absenteeism.
- (7) Frequency distribution for absenteeism.
- (8) Average production for piece-workers, etc.,

Such information could not be obtained from any schedule unless that schedule were in practically the same form as a muster roll.

The ideal method of conducting a wage census in the Cotton Mill Industry in the Bombay Presidency would be to obtain copies of the muster rolls for a particular month from every mill in the Presidency. The practical objection to this is the impossibility of handling the mass of figures that would have to be tabulated. It would be quite impossible for the Labour Office, even with a reasonable increase of staff, to deal with the millions of entries that would be necessary if the information relating to every individual worker were tabulated.

There is one way, however, whereby muster rolls may be used and that is by sampling. The latter is a well-recognised method of statistical enquiry provided that the same is thoroughly representative of the conditions to be studied. I understand that in Bombay City the mills may be divided into geographical groups and that, within those groups, the rates of wages paid, etc., are very much the same, excluding one or two mills which, owing to the specialised nature of their product, *e.g.*, fine spinning, have to pay different rates to those paid by their neighbours. If that be the case it would be possible to classify the mills into groups—Dadar, Tardeo, Parel, Colaba, etc., and to use, as the basis of the census, returns from two or more mills in each group instead of procuring returns from all the mills. If this could be done, it would enable us to use the muster rolls as our basis and therefore to make the information obtainable from the enquiry more comprehensive and more accurate than that obtained in any previous enquiry—with a minimum of trouble to the industry itself. Whether this can be done or not depends upon the possibility of grouping and it is to the Millowners' Association that we must look for guidance in this matter. Could you put this proposal before your committee for their consideration at an early date, for it is important for us to know as soon as possible whether the principle is approved? There will be many details to be settled later on, including the question of the grouping of occupations and I trust that, as on previous occasions, the Bombay Millowners' Association will be good enough to appoint a sub-committee to assist the Labour Office in dealing with the many technical points that are bound to arise in the course of the enquiry.

The points for immediate consideration by your Association, therefore, are:—

- (1) whether June would be a suitable month for the enquiry;
- (2) whether muster rolls can be adopted as the basis of the enquiry; and
- (3) whether the sampling method can be used and the mills grouped in such a way as to ensure really representative returns being received.

I am afraid I am asking a good deal. My excuse is the importance of the question and the assistance that the Millowners' Association have always given to the Labour Office in this and other matters.—Yours, etc.,

J. F. JENNINGS.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th June, 1926.

REPORT BY THE TECHNICAL ADVISORY SUB-COMMITTEE.

Subject:—*Proposed fresh enquiry into wages, hours of labour etc., in the Bombay Cotton Mill Industry.*

TO THE COMMITTEE,
GENTLEMEN,

In accordance with the resolution passed by the General Committee at its last meeting, we met the Director of Labour on Monday the 7th June to discuss the proposals made in his

letter of the 12th May regarding the method of conducting the next enquiry into wages, hours of labour, etc., in the Bombay Cotton Mill Industry.

Mr. Jennings, in further explanation of his letter of the 12th May, pointed out the main reasons why the 1921 and 1923 enquiries were unsatisfactory.

The chief faults in the old method were that owing to the varying interpretation of Part I of the enquiry form, no real comparison of the results of the 1921 and 1923 census could be made and Part I had in consequence to be discarded.

Part II was also variously interpreted by mills and it was therefore extremely doubtful whether correct averages had been obtained for wages in different occupations. Moreover, the information asked for in Part II of the Wages Enquiry form prevented the construction of frequency tables showing the prevalent rates of wages, etc., etc.,

The adoption of the muster roll method would place the enquiry on a sound statistical basis, and provided representative samples were obtained, the results would be unassailable. Mr. Jennings suggested that a 20 per cent. sample would be sufficiently large to obtain a correct idea of both the average wages of the industry and the frequency of varying rates.

After hearing Mr. Jennings's explanation of the advantages of the muster roll method, we recommend the Committee to agree to the next enquiry being conducted in the manner suggested.

As regards the details of the enquiry, we have the following subsidiary recommendations to make :—

1. *Absenteeism.*—The importance of obtaining accurate statistics in regard to absenteeism was pointed out to the Director and as a result of the discussion which took place, a tentative agreement was arrived at providing for a separate enquiry on this subject, on lines to be suggested by the Association. This enquiry to be conducted in the same mills as the wages enquiry, but not necessarily in the same month.

For the particular month chosen for the enquiry the sample mills will maintain special records on a uniform basis, which will provide for the accurate registration of the number of single and double *budlis* in all departments.

2. *Uniformity of Muster Rolls.*—We consider that strictly accurate results would be practically impossible in the wage census unless the sample mills record the wages paid in exactly the same way, and for this purpose we have framed a standard muster roll for completion by the sample mills. This form will be printed at the expense of, and be issued, by the Labour Office.

3. *Month of Enquiry.*—The month of June was originally suggested by this Association as the most suitable month in which to conduct an enquiry into wages, owing to the infrequency of special holidays, and the paucity of absenteeism. While we still hold the view that June is probably the best month in which to hold a wages enquiry in the City of Bombay, the preparation of the special muster rolls which we have suggested will necessitate postponement of the enquiry, until July which is a fairly representative month.

4. *Sample Mills.*—The accuracy of an enquiry conducted on the muster roll method entirely depends on the representative nature of the samples. We have very carefully considered this question and make the following tentative suggestions in regard to the mills which should be chosen :—

<i>District.</i>	<i>Sample Mills.</i>
Colaba (1 mill)	Nil.
Tardeo (7 mills)	} Madhowji Dharamsi Mills. } Manockji Petit Mills.
Jacob Circle (5 mills)	} Bradbury Mills. } Hindustan Mills. } Alexandra Mills.
Chinchopkli (14 mills)	} New Great Eastern Mills. } Western India Spg., & Mfg. Co., Ltd.
Sewri (6 mills)	} Swan Mills.
Parel (19 mills)	} Jam Manufacturing Co., Ltd. } Union Mills. } Tata Mills. } Fazulbhoy Mills. } Globe Mfg. Co., Ltd. } Jamshed Mfg. Co., Ltd.
Worli (34 mills)	} Standard Mills. } *Mathurdas Mills. } *Century Mills. } *New Kaiser-i-Hind Mills.
Coorla (2 Mills)	Swadeshi Mills.

The City and Island has been divided into 8 districts and 19 sample mills have been chosen. These 19 mills we consider to be representative of the mills in the various localities and the total number of operatives working in them constitute a generous proportion (more than 25 per cent). of the total number of operatives in the city and Island.

5. *Tabulation and publication of results.*—An undertaking was obtained from the Director of Labour that wages statistics for the whole of the City and Island only, would be published and that figures of wages for different localities would not in any account be divulged either to the Press or the representatives of labour, or Trade Unions. It was also arranged that the Director of Labour should consult the Technical Advisory Sub-Committee of the Association whenever necessary during the preparation of the report in order to eliminate difficulties regarding designations of operatives and the grouping of occupations, etc.

T. MALONEY, <i>Secretary.</i>	A. GEDDIS, H. P. MODY, S. D. SAKLATVALA, T. WATTS, JAMES TAYLOR.	} * Technical Advisory Sub-Committee.
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No. 981/70 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 25th June, 1926.

TO ALL THE MILLS SELECTED FOR WAGE CENSUS.

DEAR SIRS,

I am directed to inform you that in consultation with the Association, the Labour Office, Bombay, have undertaken a fresh inquiry into wages and hours of labour in the cotton mill industry. The results of the previous census taken in 1921 and again in 1923, when all the mills in the City and Island of Bombay submitted returns, have contrary to all expectation, been found to be unsuitable for the compilation of certain tables and for

* The names of these mills were added Subsequently.

tabulating certain informations of interest and importance, as there was not the same amount of uniformity and excellence in filling up the schedule. Moreover, it would appear, that the method adopted in 1921 and 1923 is not the best that could be devised.

The most satisfactory basis for compilation of wages statistics is the pay roll, wherein is recorded all that concerns with the individual worker, and the Association agrees with the Director, Labour Office, that the inquiry under reference should be conducted on the muster roll basis to make the information obtainable as comprehensive as possible and more accurate and useful than that obtained previously.

To ensure uniformity in the information submitted, a standard muster has been drawn up by the Labour Office in conjunction with the Association and I understand, copies of these have already been forwarded to you direct, by the Director, Labour Office, with the necessary instructions.

The Association specially desires to impress upon you the need for special care and accuracy in filling in the standard muster and its only excuse for making this request is that it is imperative that the Bombay Mill Industry should have in its possession accurate data regarding wages, hours of labour, etc.

The period covered by the census under reference is July 1926. Special muster forms have been drawn up (1) for Weaving Department and (2) for other mill operatives.

The headings of the muster have been so arranged that accurate statistics of absenteeism may also be compiled from the information submitted. The Association is much interested in statistics relating to absenteeism and it is thought that reliable information in this regard would be of immense benefit to the Association in connection with the many labour problems with which the industry is confronted to-day. It is therefore hoped that immediately on receipt of the forms from the Labour Office you will make arrangements to maintain special records from which all the information wanted by the Labour Office would be available.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 42.

RULES AND REGULATIONS OF THE NATIVE SHARE AND STOCK BROKERS' ASSOCIATION.

No. 2902-A.

FINANCE DEPARTMENT,
BOMBAY CASTLE, 27th January, 1926

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to invite your attention to Government Notification *No. 2902-A dated 20th January, 1926 published at pages 135-173 of Part I of the *Bombay Government Gazette* dated 21st *idem*, regarding the Rules and Regulations of the Native Share and Stock Brokers' Association, Bombay, and to request that the Governor in Council may be favoured, at an early date, with the opinion of the Association on the rules.—I have, etc.,

I. V. JOSHI,
for Deputy Secretary to the Government
of Bombay, Finance Department.

No. 2902-A.

FINANCE DEPARTMENT,
BOMBAY CASTLE, 10th February, 1926.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

It has come to the notice of the Government of Bombay that the Native Share and Stock Brokers' Association, Bombay, has given notice of its intention of permitting trading in Government Securities on and after the 15th instant, under the rules which have already been published by Government in the *Bombay Gazette* of the 21st January, 1926.

Though this action was taken without consultation with Government, I am to say that Government have no intention of taking any action which might lead the public to suppose that forward trading in Government Securities is obnoxious to Government. But since there is reason to believe that opinion differs regarding the merits of the rules as drafted, I am directed to request that your Association will give Government the benefit of your opinion on the rules which relate to trading in Government Securities in advance of any criticism you may be preparing on the general body of rules prepared by the Association. In particular your opinion is invited on the unit of trade which has been fixed at 10,000 whether this is too low a figure, and on the question whether a fortnightly settlement of business in Government Securities would not be preferable.

Since the first settlement is due to take place on the 1st March, I am to request that Government may be favoured with a reply before the 23rd instant.—I have, etc.,

A. R. DALAL,
*Deputy Secretary to the Government of
Bombay, Finance Department.*

No. 310/39 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd February, 1926.

THE DEPUTY SECRETARY TO THE GOVERNMENT OF BOMBAY,
FINANCE DEPARTMENT, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. 2902-A. dated the 27th January, asking for the views of the Association on the rules for the purpose of controlling transactions in securities other than ready delivery contracts, submitted to the Government of Bombay for sanction.

Apart from the criticisms which my Committee have to make in regard to individual rules, they would at the outset like to point out that in their opinion the interests of the general public and genuine investor would have been more adequately safeguarded, had the rules submitted to Government for sanction followed more closely, the recommendations of the majority report of the Atlay Committee. Subject to this general reservation I append below the detailed criticisms which my Committee wish to offer.

Rule 4.—My Committee see no reason why the general body of members should not have the power to make changes in the three rules, specifically mentioned, if changes are desired by 75 per cent. of the members of the Association. In any case, the proviso to the first part of the rule could be rendered ineffective since rule 4 itself could be rescinded or altered by the vote of a general meeting. It is therefore suggested that the words " Provided always.....down to members of the Board ", should be deleted from the rule.

My Committee agree as to the necessity of the Board being given the power to alter, amend, or add to, the rules in cases of crisis or emergency, but consider it essential that any such emergent action by the Board should be submitted for approval to an extraordinary general meeting of members within seven days of such emergent action having been taken by the Board. Similarly, it is also considered essential that any emergent action taken by the Board, under Rule 4, should also be submitted to Government for sanction within seven days of approval having been given by the general meeting, if any rule is suspended for more than one month, if any rule is permanently rescinded or if any new rule is made.

Rule 10.—My Committee suggest that a suitably worded addition to Rule 10, be made, providing that the two members recommending a candidate for admission should be made responsible for the 'Exchange' debts of the candidate for a period of two years after his election to membership, up to a substantial amount.

Rule 20.—The amount of the annual subscription is ridiculously low, and should be raised to a figure more in keeping with the dignity and importance of the Association and more in keeping with the entrance fee of Rs. 30,000. It is suggested that the annual subscription be fixed at not less than Rs. 100 and the rule accordingly amended.

Rule 26.—There appears no valid reason why a member should not be suspended *ipso facto*, if he fails to pay his dues. On payment of dues the suspension could be revoked. If a member fails to pay his subscription for twelve months after having been served by the Secretary, with a notice to pay, he should, *ipso facto*, be expelled. The last clause in the rule always allows the Board to re-instate a member if they think fit.

The intentions of my Committee would be met by substituting the word 'shall' for the word 'may' in lines three and five of the first clause of the rule and deleting all the words following the words 'Board of Directors' in line four of the second clause and substituting therefor the words 'shall direct the name of such member to be removed from the list of members of the exchange and thereupon such member shall cease to be a member and shall be deemed to have been expelled. The name of the expelled member shall forthwith be put on the Notice Board of the Exchange.'

Rule 38.—In this rule it would be advisable to insert the words 'within twelve months' after the opening word 'If' of the rules as now drafted.

Rule 50.—My Committee see no reason why a person convicted of a criminal offence should not *ipso facto* cease to be a member. If the Board chooses to consider that the crime was not one which in their opinion justified his expulsion, they could readmit him to membership under the rule which permits the readmission of bankrupts, if this rule were suitably worded.

Rule 59 (1).—The second sentence of this sub-clause is apparently wrongly worded. My Committee cannot understand why a member should be entitled to vote if his subscription has not been paid. The rule might be amended to make it clear that non-payment of subscription and dues disentitle a member to the privilege of voting at a general meeting.

Rule 60.—My Committee consider that seats on the Board of Directors should be available to any member of substance, integrity, and general suitability. Rule 5 lays down that a British subject of 10 years residence in India shall be entitled to membership and Rule 73 states that a qualification for directorship is five years membership of the Association. These rules in themselves mean that apart from members of the native community, no person of less than fifteen years residence in India could possibly be elected a member of the Board, and the retention of the words 'being members of the native community of the Bombay Presidency' in the first paragraph of the rule might possibly prevent the election to the Board of an eminently suitable member of the Exchange.

Rule 73.—For reasons similar to those given in the criticism of Rule 60, the words 'is not a member of the native community of the Bombay Presidency, and' should be deleted from the Rule.

Rule 84 (j).—My Committee consider that the Board should be given the powers sought in this rule, but consider it equally essential that any action taken by the Board under this rule should be submitted for confirmation by the general body of members within seven days of taking of such action.

Rule 85.—In the second paragraph of this rule the word 'Committee' has been used instead of the word 'Board'. This mistake also occurs in several subsequent rules, *viz.*, 85 proviso.

Rule 92.—The words 'being members of the native community of the Bombay Presidency' in line 3 should be deleted for similar reasons to those given against Rule 60.

Rule 95. My Committee consider it inadvisable that trustees should be elected for life, or that such office should be limited to the 'native community'. My Committee see no reason why trustees should not be elected under Rule 92, not necessarily for 'life, and the power to remove trustees thus given over to the general body of members. Rule 95 could very well be deleted.

Rule 96.—The words 'with the approval of' might advisably be substituted for the words 'on the application of' in line 1.

Rules 103 and 105.—The large experience of members of my Committee leads them to think that for the completion of every stage of an arbitration, a definite time limit should be laid down. In their opinion this should not exceed seven days for each stage.

Rule 137.—My Committee have no objections to this rule if it does not conflict with the bankruptcy law of India.

Rule 170.—The words 'and' or English' might advisably be added at the end of this rule. This would not affect present procedure and would allow the Board greater freedom of action. Similar remarks apply to Rule 79.

Rule 177.—Past difficulties caused by non-compliance in this respect make it advisable that this rule should definitely state the obligations of the transferor to insert in the transfer form the number of shares involved in the transfer and the serial number of each share. It is therefore suggested that the words 'particularising the number of shares involved and the individual serial number of each share and' should be inserted after the word 'transfers' in the first line of the rule.

Rule 179.—For the effective protection of members of the general public, a suitably worded clause might be added to this rule making it possible for a buyer to insist on a broker to whom he has sold shares giving him cash on presentation of script.

Rule 185.—In three places the 'Committee' should be altered to the word 'Board'.

Rule 227.—The hours of business might advisably be made from 12 noon to 4-0 p.m. to suit the convenience of the general public. (*See also Association's written evidence before the Atlay Committee*).

Rule 231.—This formidable list of holidays might advisably be curtailed with beneficial results, if this can be accomplished without offence to the religious susceptibilities of members of the Stock Exchange.

Rule 243.—Obviously *the Secretary of the Association* is meant. This should be made clear.

Rule 260.—Substitute the word Board for the word Committee.

Rule 264.—My Committee suggest that an additional paragraph could advisably be inserted at the end of this rule stating that :—

“ Any Company which is carrying out the conditions laid down by the Board, but has not been included in the list of companies selected by the Board shall be entitled to be put on the forward list on payment of an annual fee not exceeding Rs. 1,000 ”.

The Board would thus retain the right to choose the companies which shall be put on the forward list free of charge (the number is at present limited to 40) ; but my Committee consider that any company which complies with the general conditions laid down should be entitled to inclusion on payment of a special fee.

Rule 264 (6).—My Committee cannot agree to the inclusion of this clause. No Company be asked to compile such a statement for the benefit of the members of the Stock Exchange. If the Board of the Exchange, in case of emergency required such information they can always inspect the Share Register of a Company under provisions of the Indian, Companies Act and on payment of the prescribed fees.

Rule 273.—Substitute the word ‘ Board ’ for ‘ Committee ’.

Rule 274.—The meaning of this rule is not quite clear to my Committee. In their opinion, a member must be held responsible for securities deposited with him for sale or for other purposes, if his authorised clerk commits fraud and pledges his clients’ securities.

Rule 300.—The charges levied for brokerage on the shares of joint stock companies under this rule are, in the opinion of my Committee, too high especially on shares of low denominations. In their opinion, a reasonable list would be as follows :—

			<i>Per share.</i>		
Contract price exceeding	Rs. 10	but not exceeding	Rs. 25	Rs. 0	4
“ “ “	“ 25	“ “ “	“ 50	“ 0	6
“ “ “	“ 50	“ “ “	“ 75	“ 0	8
“ “ “	“ 75	“ “ “	“ 100	“ 0	12
“ “ “	“ 100	“ “ “	“ 250	“ 1	0
“ “ “	“ 250	“ “ “	“ 500	“ 1	4

Contract price exceeding Rs. 500, brokerage % on value of such shares.

Rule 367.—My Committee would prefer a drastic alteration of this rule more in keeping with the recommendation of the majority report of the Atlay Committee. But they have at present no serious objection to a trial being given to the rule as framed, provided that in view of the Atlay Committee’s report, especially pages 13 to 17, Government carefully watch its working and if results do not come up to their expectations, the recommendations of the majority report shall be enforced.

Rule 368.—This rule is dependent on Rule 367 and on that account needs revision. In any case, a 75 per cent. majority of the Board should be necessary before dealing is suspended and the action of the Board placed before a general meeting of members for approval within seven days.

Rule 387.—In my Committee’s opinion, an additional provision is necessary in this rule to safeguard the general public, to the effect that a constituent on delivery of any security or signed transfer to his broker shall be entitled to demand the full cash value of any security or transfer so delivered.

Appendix A, clause 6 (2). Substitute the word ‘ Board ’ for ‘ Committee ’.

Clause 8.—This clause cannot very well be complied with unless settlement days are specifically laid down by the Stock Exchange and notified to all companies whose shares are on the forward list.

Clause 9.—The opinion as to reasonableness of suggestions might vary considerably and my Committee cannot agree to give an undertaking of so drastic a nature. In any case, my Committee fail to see the necessity of this rule in view of detailed provisions of rule 264.—I have, etc.,

T. MALONEY,
Secretary.

No. 2902-A.

FINANCE DEPARTMENT,
BOMBAY CASTLE, 15th June, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed by Government to forward a * copy of a revised draft of the rules of the Native Share and Stock Brokers' Association in modification of those published in Government Notification No. 2902-A of 20th January, 1926, for favour of your opinion. These rules have not yet been approved by the Association but are being considered by them. I am to request you to forward your remarks for the consideration of Government *within one month* at the latest.—I have, etc.,

(Sd.) Illegible,
for Secretary to the Government of Bombay,
Finance Department.

No. 1064-39 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 15th July, 1926.

THE ACTING SECRETARY TO THE GOVERNMENT OF BOMBAY,
FINANCE DEPARTMENT, BOMBAY.

SIR,

With reference to your letter No. 2902-A dated 15th June 1926, I have the honour to inform you that owing to pressure of work in connection with the Tariff Board Inquiry into the present state of the Textile Industry, it has not been possible for my Committee to consider the revised draft of the Rules of the Native Share and Stock Brokers' Association in modification of those published in Government Notification No. 2902-A of 20th January, 1926. My Committee respectfully request that Government may be pleased to extend by one month, the period within which the views of the Association may be submitted to Government.—I have, etc.,

T. MALONEY,
Secretary.

No. 1126/39 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 27th July, 1926.

THE DEPUTY SECRETARY TO THE GOVERNMENT OF BOMBAY,
FINANCE DEPARTMENT, BOMBAY.

SIR,

SUBJECT:—*Revised Stock Exchange Rules.*

I have the honour to acknowledge the receipt of your letter No. 2902-A dated the 24th instant inquiring when the Association's reply to your letter No. 2901-A dated the 15th June, 1926 on the above subject may be expected.

2. In reply I am directed to draw your kind attention to this Association's letter No. 1064/39 of the 15th instant asking that the period within which the views of the Association should be submitted might be extended by one month in view of the intense pressure of work which my Committee have had in connection with the Tariff Board Inquiry into the present state of the Textile Industry, which has made it impossible for my Committee so far to consider the revised Stock Exchange Rules.

3. It is noticed that the Revised Rules are in the main same as those published in Government Notification No. 2902-A. of the 20th January, 1926, except that merely verbal changes have been made, and the rules are arranged in more logical order than was the case with the Rules published in January last.

4. The Rules published in January 1926 were framed by the Native Share and Stock Brokers' Association and it is not clear to my Committee whether the revised rules should be deemed to have the imprimatur of approval by Government or are merely the rules previously framed by the Native Share and Stock Brokers' Association, but recast in better language and arranged in better order.

5. The revised rules are being considered by my Committee and their views will be communicated to Government in about three or four weeks' time, but in the meanwhile my Committee would like to be enlightened on the point mentioned above.— I have, etc.,

T. MALONEY,
Secretary.

No. 2902-7618-A.

FINANCE DEPARTMENT
BOMBAY CASTLE 28th July, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Revised Stock Exchange Rules.*

I am directed to acknowledge the receipt of your letter No. 1126-39 dated 27th July, July, 1926 and to state that it is receiving the attention of Government.—I have, etc.,

J. V. JOSHI,
*For Secretary to the Government of Bombay,
Finance Department.*

No. 1299/39 of 1926

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th August, 1926.

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

SIR,

I am directed to refer to your letter No. 2902-A dated 15th June, 1926, forwarding revised draft of the rules of the Native Share and Stock Brokers' Association.

2. It is noticed that the revised rules are, with a few exceptions, same as those published in Government Notification No. 2902-A of the 20th January, 1926, except that merely verbal changes have been made and the rules are arranged in more logical order than was the case with the Rules published in January last,

3. Under the circumstances, my Committee do not propose to offer detailed criticisms on these rules and they desire to reiterate the views expressed in their letter No. 310/39 of 23rd February 1926. In this letter my Committee propose to address Government on certain important points.

4. In the first place, my Committee are against forward business being allowed in Government paper and they, therefore, are opposed to the special Rules in the Appendix which confer on the Board the power to admit Government securities to the "Forward List". My Committee are of opinion that business should be on a strict cash basis in the case of Government securities.

5. This Association, in its written evidence submitted to the Atlay Committee, strongly urged the discontinuance of the present practice of keeping share transfers blank for extended periods, whereby Government were deprived of a considerable share of the revenue due to them under the Stamp Act. The Atlay Committee accorded their entire support to the proposal which has recently also been urged by the Taxation Enquiry Committee. My Committee regret that the framers of the revised rules have not made any provisions to stop the existing system of blank transfers, and they desire to impress upon Government with all the emphasis at their command, the advisability of inserting a provision making blank transfers "a bad tender."

6. As regards the vexed question of cornering, my Committee consider that the proposed rules confer unusual and arbitrary powers on the Board of the Stock Exchange. The Atlay Committee recommended that in case of corners, the Stock Exchange should not have any power to intervene between the Bull and the Bear and things should be allowed to take their course, no matter what the consequences might be to individual speculators. The Minority Report of Mr. B. J. Desai, Advocate, suggested a *via media* whereby the disasters that generally follow in the wake of cornering by individuals or syndicates might be minimised. The powers proposed to be conferred on the Board of Directors by Rules 339 *et seq.*, however, go far beyond even the recommendations of the Minority Report and my Committee apprehend will prove most prejudicial to public interests. Government are no doubt aware that public opinion has expressed itself unmistakably against these unusual and arbitrary powers, and my Committee urge that if it be really found impracticable to give effect to the recommendations of the Atlay Committee *in toto*, at least the recommendations of the Minority Report might be adopted. These recommendations are certainly less harmful than the proposals contained in the draft rules.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 43.

THE INDIAN FACTORIES (AMENDMENT), ACT, 1926.

GOVERNMENT OF INDIA,
LEGISLATIVE DEPARTMENT.

The following Act of the Indian Legislature received the assent of the Governor-General on the 25th March, 1926, and is hereby promulgated for general information :—

ACT No. XXVI OF 1926.

An Act further to amend the Indian Factories Act, 1911.

Whereas it is expedient further to amend the Indian Factories Act, 1911, for the purposes hereinafter appearing ; It is hereby enacted as follows :—

Short title and
commencement.

1. (1) This Act may be called the Indian Factories (Amendment) Act, 1926.

(2) It shall come into force on such date as the Governor-General in Council may, by notification in the *Gazette of India*, appoint.

Amendment
of Section 2 Act
XII of 1911.

2. In Section 2 of the Indian Factories Act, 1911 (hereinafter referred to as the said Act)—

- (a) in clause (2), the *Explanation* shall be omitted ;
- (b) in sub-clause (a) of clause 3, for the words " process for, or incidental to, making, altering, repairing ornamenting, finishing or otherwise adapting for use, for transport or for sale any article or part of an article " the words " manufacturing process " shall be substituted ; and in sub-clause (b) of the same clause, for the words " such process " the words " manufacturing process " shall be substituted ; and
- (c) after clause (3) the following clause shall be inserted, namely :—
 - ' (4) ' manufacturing process ' means any process for or incidental to,
 - (a) making, altering, repairing, ornamenting, finishing, or otherwise adapting for use, transport or sale, any article, or part of an article, or
 - (b) refining oil or pumping or filtering water, or
 - (c) supplying, generating or transforming pneumatic, hydraulic or electrical energy and includes the baling of any material for transport."

Amendment of
Section 3, Act XII
of 1911.

3. In Section 3 of the said Act, for the figures " 1901 " the figures " 1923 " shall be substituted.

Amendment of
Section 7, Act XII
of 1911.

4. In sub-section (1) of Section 7 of the said Act—

- (a) after the words " such person and " the words " if he is fit for employment in a factory " shall be inserted ; and
- (b) for the words " whether he is fit for employment in a factory " the words " that he is fit for such employment " shall be substituted.

Amendment of
Section 10, Act
XII of 1911.

5. In Section 10 of the said Act, for the words " be provided, maintained and used before a specified date " the following shall be substituted, namely :—

" shall be provided before such date as may be specified in the order, and shall thereafter be maintained and used."

Amendment of
Section 19, Act
XII of 1911.

6. (1) Section 19 of the said Act shall be renumbered as sub-section (1) of that section, and in that sub-section as so renumbered the words " as the case may be " shall be omitted.

(2) To the same section the following sub-section shall be added, namely :—

" (2) The Local Government may, by notification in the local official Gazette, prohibit in any factory or class of factories specified in the notification the cleaning by any person of any part so specified of any mill-gearing or machinery while the same is in motion by the action of steam, water or other mechanical or electrical power."

Amendment of
Section 21, Act
XII of 1921.

7. In sub-section (1) of Section 21 of the said Act—

(a) for sub-clause (ii) of clause (a) the following sub-clause shall be substituted namely :—

“ (ii) at the request of the employees concerned, periods of rest, at intervals not exceeding five hours, of not less than half an hour each, the total duration of the periods of rest on that day not being less than one hour for each period of six hours work done ”;

(b) to clause (a) the following proviso shall be added, namely :—

“ Provided that, in lieu of the periods provided under sub-clause (i) or sub-clause (ii) there may be fixed for each male person employed for not more than eight and a half hours on each working day, at the request of the employees concerned and with the previous sanction of the Local Government, a period of rest of not less than half an hour, so arranged that no such person shall work for more than five hours continuously, and.”

Amendment of
Section 25, Act XII
of 1911.

8. In Section 25 of the said Act, the words “ woman or ” shall be omitted.

Amendment of
Section 30, Act
XII of 1911.

9. In sub-section (1) of Section 30 of the said Act—

(a) in clause (e) after the word “ except ” the number and brackets “ (i) ” shall be inserted, and after the words “ seasons or ” the number and brackets “ (ii) ” shall be inserted ;

(b) after the words “ as it may impose ” the words “ and in such area as may be specified in the notification ” shall be inserted ;

(c) in the paragraph beginning “ in case (a) ” after the word “ sections ” the figures “ 21 ” shall be inserted ;

(d) in the paragraph beginning “ in case (b) ” after the word “ sections ” the figures “ 21,” and after the figures “ 22 ” the figures “ 26 ” shall be inserted ;

(e) in the paragraph beginning “ in case (c) ” for the word and figures “ and 22 ” the word and figures “ 22 and 28 ” shall be substituted ;

(f) after the paragraph beginning “ in cases (d) and (e) ” the following paragraph shall be added, namely :—

“ in case (e) (ii) such class of factories from the provisions of Section 26.”

10. In Section 31 of the said Act, after the figure “ (1) ” the words and figure “ or sub-section (2) ” shall be inserted.

11. After Section 32 of the said Act the following section shall be inserted, namely :—

“ 32A. The Local Government may, subject to the control of the Governor-General in Council, by notification in the local official Gazette, exempt on such conditions, if any, as it may impose—

(a) any factory or class of factories from the provisions of Section 22 in respect of persons employed therein in any engine-room or boiler-house, or

(b) any fish-curing or fish canning factory from the provisions of clause (a) of Section 24 where the employment of women outside the limits provided by this clause is necessary to prevent any damage to or deterioration of any raw material.”

12. In sub-section (3) of Section 33 of the said Act, for the words " the occupier shall himself " the words " or during which the person designated does not manage the factory, any person found acting as manager of the factory or, if no such person is found, the occupier himself shall " shall be inserted.
13. In Section 34 of the said Act, for the words " When any accident occurs in a factory causing " the words " When in any factory an accident occurs which causes " shall be substituted, and after the words "occurrence of the accident " the following shall be inserted, namely :—

" or which is due to any cause which has been notified in this behalf by the Local Government in the local official Gazette."

14. To Section 35 of the said Act the following proviso shall be added, namely :—

" Provided that, where the Local Government is satisfied that the conditions of work in any factory or class of factories are such that no contravention of the provisions of Chapter IV is possible in the case of that factory or of factories of that class, as the case may be, the Local Government may, by notification in the local official Gazette, exempt, on such conditions, if any, as it may impose, that factory or all factories of that class, as the case may be, from the provisions of this section in respect of persons, other than children, employed therein :

Provided further, that, where in the opinion of the inspector a muster-roll or register kept in a factory gives the particulars required under this section, he may, by order in writing, direct that such muster-roll or register shall be kept in place of the register prescribed under this section, and such muster-roll or register shall thereupon, for all the purposes of this Act, be deemed to be the register so prescribed."

15. For sub-section (3) of Section 36 of the said Act the following sub-section shall be substituted, namely :—

" (3) The said notice shall be correctly maintained and kept up to date and any change in the standing orders of the factory shall be entered therein by the manager before such change comes into force ; and, when any such change is entered in the notice a copy of the notice or of the order in which the change is made shall be sent in duplicate by the manager to the inspector within thirty-six hours."

16. After Section 44 of the said Act the following section shall be inserted, namely :—

' 44A. Where a child is employed in any factory and such child has already been employed on the same day in any other factory, the parent or guardian or person having legal custody of or control over or direct benefit from the wages of the child shall be punished with fine, which may extend to twenty rupees, unless it appears to the Court that the offence was committed without the consent, connivance or wilful default of the parent, guardian, or such person as aforesaid."

17. In Section 49 of the said Act, after the word " thereunder " the words and figures " other than an offence under Section 33 " shall be inserted.

L. GRAHAM,
Secretary to the Government of India.

APPENDIX 44.**BILL FURTHER TO AMEND THE INDIAN FACTORIES ACT FOR CERTAIN PURPOSES.**

No. 741/13600.D,

GENERAL DEPARTMENT,
BOMBAY CASTLE, 4th October, 1926.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.Subject :—*Indian Factories Act—Amendment of.*

SIR,

I am directed by the Governor in Council to forward herewith a copy of this Government Resolution, No. 741, dated the 4th October, 1926, on the subject noted above, and to request that you will be so good as to favour Government with the view of your Association not later than the 26th November 1926, on the provisions of the Bill accompanying it.—I have, etc.,

Signed. ILLEGIBLE,
for Secretary to the Government of Bombay
General Department.

Copy of letter No. F. II/I'26-A.C. dated 17th September 1926 from the Government of India., Legislative Department. to Local Governments.

Subject :—*The Indian Factories (Amendment) Bill.*

With reference to the debates of the Legislative Assembly of the 23rd August 1926, I am directed to forward herewith copies of the papers noted below* and to request that the Governor in Council will favour the Government of India in this department with an expression of his opinion on the provisions of the Bill and with the opinions of (the Hon'ble the Judges of the High Court and of) such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

2. The origin of the present proposals for the control of excessive temperatures in factories was given by the Hon'ble Sir B. N. Mitra in his speech in the Legislative Assembly on the 23rd August 1926 (Annexure B) moving for the circulation of the Bill. In clause 5 of the Indian Factories (Amendment) Bill, which was introduced in the Legislative Assembly on the 17th September 1925 (Annexure C), it was proposed to leave it to the discretion of the Factory Inspectors to enforce the adoption of such measures as they consider necessary to secure that a reasonable temperature was maintained inside a factory. The opinions received on this clause of the Bill indicated that, although local Governments were agreed that it was desirable to take steps to control temperature in factories, there was considerable difference of opinion regarding the most suitable method of exercising control. But the majority of the Select Committee appointed by the Legislative Assembly to consider the Bill recommended, for the reasons given in their report (Annexure C) that the clause should be deleted from the Bill. The Government of India, although they were not in agreement with this conclusion, decided to take no steps to secure the insertion of a clause relating to temperature, as they recognized that the clause deleted by the Select Committee was open to criticism, and they were anxious to give fuller consideration than was then possible to the preparation of fresh proposals. The discussion on Mr. Joshi's amendment to reintroduce clause 5 of the original Bill will be found in the debates of the Assembly of the 17th March 1926.

* Annexure A.—The Indian Factories (Amendment) Bill with the Statement of Objects and Reasons.

Annexure B.—Extract from the debates of the Legislative Assembly of the 23rd August 1926 regarding the Bill.

Annexure C.—Clause 5 of the Indian Factories (Amendment) Bill as introduced in the Legislative Assembly on the 17th September 1925, together with the report of the Select Committee thereon.

3. The Bill now circulated for opinion requires that the temperature in any part of a factory in which a manufacturing process is being carried on shall not be so high as to be injurious to the health of the persons employed therein and empowers the local Government to lay down standards of temperature and the methods to be adopted to secure their observance. The clauses proposed, if adopted, will extend to the control of temperature the method already in force for the control of ventilation and artificial humidification. Apart from any other comments which the local Government may wish to make on this Bill, the Government of India would, in particular, be glad to know how far it would be practicable to prescribe and enforce standards of temperature as now proposed.

4. As the Hon'ble Sir B. N. Mitra stated in the Legislative Assembly, the Bill now introduced is of a tentative nature: it has been put forward as a basis for discussion and the Government of India would welcome any other suggestions which the local Government may wish to make. In particular, I am to bring to the notice of the local Government the following alternative proposal which was considered by the Government of India. Inspectors of factories might be required by law to make recommendations to the local Government for remedial measures in respect of such premises in which the temperature in their opinion is likely to be injurious to the health of the persons employed therein. The local Government could, if they accepted the recommendation, authorize the Inspector to issue a provisional order calling on the Manager of a factory to carry out before a specified date any measures (*e.g.*, roof spraying, whitewashing, etc.) specified in the order and calculated to reduce the temperature in a factory or a part of a factory, or to state any objections he had to make to the confirmation of the order. In the absence of any valid objections, the order could be made final with the approval of the local Government. The possible objections to this proposal appear to be twofold. In the first place, the local Government might find it difficult to arrive at a decision on the recommendation of a factory Inspector unless they had previously determined the standard of temperature which could be regarded as reasonable in any particular case., if so, it follows that this scheme may offer no certain advantage over that embodied in the Bill. In the second place, the local Government might consider it undesirable that they should be burdened with the task of deciding on the merits of a series of technical objections, many of which could not be settled without technical, and possibly, local knowledge.

5. I am also to request that the Bill and Statement may be published in the Gazette in English and in such other languages as the Governor in Council/you may deem proper, and that the dates of such publication may be communicated in your reply.

6. I am to ask that the reply to this letter may be sent in by the 15th January, 1927, if possible.

ANNEXURE A.

(AS INTRODUCED IN THE LEGISLATIVE ASSEMBLY.)

A BILL.

Further to amend the Indian Factories Act, 1911, for a certain purpose.

WHEREAS it is expedient further to amend the Indian Factories Act, 1911, for the purpose hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Factories (Amendment) Act, 1927 .

2. To section 9 of the Indian Factories Act, 1911 (hereinafter referred to as the said Act), after clause (d) the following clause shall be added, namely:—
Amendment of section 9, Act XII of 1911.

“(e) the temperature in any part in which any manufacturing process is being carried on shall not be such as to be injurious to the health of the persons employed therein.”

3. In sub-section (2) of section 37 of the said Act, in clause (g) for the words " and
 Amendment of section 37, Act XII of 1911. artificial humidification "the words "artificial humidification and tempera-
 ture " shall be substituted.

STATEMENT OF OBJECTS AND REASONS.

The Indian Factories Amendment Bill as introduced in the Legislative Assembly in September, 1925, contained a clause providing for the insertion in the Indian Factories Act, 1911, of the following section :—

" 9A. (1) In every factory a reasonable temperature shall be maintained.

(2) In the case of any factory in which, in the opinion of the inspector, a reasonable temperature is not maintained, the inspector may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary to maintain a reasonable temperature, and requiring him to carry them out before a specified date."

The Select Committee appointed to consider the Bill decided by a majority to delete this clause on the ground that in present conditions it would impose a real burden on employers with only a problematical advantage to the operatives. When the Bill as amended by the Select Committee was being considered by the Legislative Assembly, Mr. Joshi moved an amendment for the re-insertion of the original clause, and although the amendment was defeated, it was clear from the discussion that a number of members considered that the Factories Act should contain some provision enabling control to be exercised over temperatures in factories. With this view, the Government of India, who recognized the force of the criticisms directed against the proposed section, are in accord and the present Bill represents another possible solution of the difficulty. Clause 2 provides that the temperature shall not be excessive in those parts of the factory where manufacturing processes are being carried on. In order to assist in the determination of what constitutes an excessive temperature, it is proposed in clause 3 that Local Governments should have the power to prescribe standards. This clause will also enable Local Governments to prescribe the methods to be adopted to secure observance of the standards fixed.

B. N. MITRA.

The 2nd August, 1926.

ANNEXURE B.

THE INDIAN FACTORIES (AMENDMENT) BILL.

THE HONOURABLE SIR BHUPENDRA NATH MITRA (Member for Industries and Labour) : Sir, I beg to move that the Bill further to amend the Indian Factories Act, 1911, for a certain purpose, be circulated for the purpose of eliciting opinions thereon.

Honourable Members will no doubt recollect that the Indian Factories (Amendment) Bill, as introduced by me in this House in September 1925, included provisions for the maintenance of a reasonable temperature in every factory and for the grant of power to Factory Inspectors requiring factory managers to carry out specified measures for maintaining a reasonable temperature in their factories. When the Bill was circulated for opinion these specific provisions gave rise to a certain amount of adverse criticism, though the principle underlying the provisions received almost unanimous support. The majority of the Select Committee which sat on the Bill and which submitted its report on the 9th March 1926, however, decided to eliminate the provisions. They expressed the opinion that those provisions, or even a provision which would enable the Local Government by rules to lay down standards of temperature suitable for various localities and various classes of factories would, until an adequate investigation and research in regard to this very difficult problem had been completed on far more thorough scale than heretofore, impose a real burden upon employers and would only be a problematical advantage to the employees.

When the Bill as amended by the Select Committee came up for consideration in this House on the 17th March, 1926, my friend Mr. Joshi moved an amendment restoring the provisions excised by the majority of the Select Committee. The amendment was opposed by my friend Mr. Kasturbhai Lalbhai; and for reasons which I gave on that occasion, I was unable on behalf of Government to accept the precise amendment proposed by my friend Mr. Joshi or to propose any modification of that amendment. I promised, however, to bring up the matter for discussion at the next Session of the Assembly. To implement that promise I have introduced the Bill now before us. It is based largely on suggestions received from the Bombay Government and from one or two other sources. At the same time I cannot overlook the fact that the majority of the Select Committee which dealt with the Factories Amendment Bill last Session were not in favour of the provisions now proposed by me. After my visit to some of the textile factories in Ahmedabad and Bombay in April last, I have no doubt in my own mind that in the interest of the welfare of the labourers some action in the direction contemplated in the Bill now before this House is necessary; and I am sure that my friend Mr. Kasturbhai Lalbhai who was kind enough to show me round some of the Ahmedabad mills will now agree in this view. At the same time, I am not so sure about the efficacy from the practical point of view of the specific provisions included in the Bill before the House, and it is possible that people with a better knowledge of the conditions than I possess may be able to suggest a more practical remedy. It is for this reason that I am moving that the Bill be circulated for eliciting opinion. I know that the result will be that the Bill will be dead so far as the present Assembly is concerned; but we hope to be able to collect the information in the next four or five months and bring up the matter again in the next Session of the House. The delay involved will not be of any importance from a practical point of view; for even if I had moved the House to pass the Bill in its present form and the House were inclined to this course, it would take some months, if not years, to make the provisions of the Bill effective. That being the position, I submit that I am justified in asking that the proposals embodied in the Bill before the House should be subjected to more careful scrutiny at this stage. Sir, I move the motion.

The motion was adopted.

ANNEXURE C.

A BILL FURTHER TO AMEND THE INDIAN FACTORIES ACT, 1911.

(INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 17TH SEPTEMBER, 1925.)

WHEREAS it is expedient further to amend the Indian Factories Act, 1911, for the XIII of 1911, purposes hereinafter appearing; It is hereby enacted as follows:—

Short title and commencement. 1. (1) This Act may be called the Indian Factories (Amendment) Act, 1925.

(2) It shall come into force on such date as the Governor-General in Council may, by notification in the Gazette of India, appoint.

Insertion of new section. 5. After section 9 of the said Act the following section shall be inserted, namely:—

Temperature. "9A. (1) In every factory a reasonable temperature shall be maintained.

(2) In the case of any factory, in which in the opinion of the inspector, a reasonable temperature is not maintained, the inspector may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary to maintain a reasonable temperature, and requiring him to carry them out before a specified date."

LÉGISLATIVE DEPARTMENT.

We, the undersigned, Members of the Select Committee to which the Bill further to amend the Indian Factories Act, 1911, was referred, have considered the Bill and the papers noted in the margin, and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

Paper No. I.
Paper No. II.
Paper No. III.
Paper No. IV

Clause 5.—After considerable discussion we have by a majority decided to eliminate this clause. The majority of us are of opinion that a provision of this kind or even a provision which would enable the Local Government by rules to lay down standards of temperature suitable for various localities and various classes of factories would, until technical investigation and research in regard to this very difficult problem has been completed on a far more thorough scale than heretofore, impose a real burden upon employers with only a problematical advantage to the employee.

B. N. MITRA.*
 T. RANGACHARIAR.*
 W. S. J. WILSON.
 N. M. JOSHI.*
 L. GRAHAM.*
 A. G. CLOW.*
 B. DAS.
 BIPIN CH. PAL.*
 SARFARAZ HOSAIN KHAN.*

NOTES OF DISSENT.

We are opposed to the omission of any provision relating to the maintenance of a reasonable temperature in factories. We recognise the force of the main criticisms directed against the terms of clause 5 of the original Bill. There are obvious dangers in leaving it to Inspectors to decide what constitutes a reasonable temperature, and it is probably true that in most factories no restrictions are required, while in others regulations could only be imposed after careful investigations and with full regard to seasonal variations, the nature of the processes and other circumstances. But the main principle of the clause was not opposed by a single Local Government, and we consider that the Select Committee should have recast the clause in such a manner as to meet the criticisms mentioned above. There are factories where unnecessary hardship is at present caused to the operatives by the maintenance of temperatures which could be substantially reduced by simple and inexpensive means, and it is desirable that Local Governments should be in a position to insist on reasonable steps being taken in such cases.

B. N. MITRA.
 L. GRAHAM.
 BIPIN CHANDRA PAL.
 A. G. CLOW.

I do not agree with the majority in omitting clause 5 of the Bill. I think it is absolutely necessary in the interest of workers working in factories that there should be some provision regulating the temperature in factories. I hope the Assembly will reinstate that clause.

* . . . * * * * *

N. M. JOSHI.

No. 1823-124 of 1926.

THE MILLOWNERS' ASSOCIATION,
 BOMBAY, 26th October, 1926.

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

SIR,

Indian Factories Act—Amendment of.

I have the honour to acknowledge the receipt of your letter No. 741/13600/D of the 4th inst. forwarding a copy of the Government of India's letter No. F. III-1-25-A. C. dated the 17th September 1926 and other papers on the subject mentioned above.

*Subject to note of dissent.

2. My Committee are in accord with the underlying principle of the Bill under consideration, *viz.*, that a standard should be laid down to regulate temperature in factories, but they do not think the Bill constitutes any marked improvement on Clause 5 of the Bill introduced in the Legislative Assembly in September 1925, and which clause was deleted by the Select Committee, who in their minute said :—

“ After considerable discussion we have by a majority decided to eliminate this clause. The majority of us are of opinion that a provision of this kind or even a provision which would enable the Local Government by rules to lay down standards of temperature suitable for various localities and various classes of factories would, until technical investigation and research in regard to this very difficult problem has been completed on a far more thorough scale than heretofore, impose a real burden upon employers with only a problematical advantage to the employee.”

3. In the previous Bill power was sought to be given to the Factory Inspector to lay down standards of temperature in factories, while in the Bill under consideration that power is to be given to Provincial Governments. In the extract from the Select Committee's report quoted above, it is clearly pointed out that even if Provincial Governments were to be empowered to frame rules regarding standards of temperature, difficulties would arise imposing a real burden upon employers with only a problematical advantage to the employee.

4. In my Committee's opinion, the only satisfactory solution of the whole problem is that Provincial Governments should not lay down any standards of temperature for particular factories without consulting the interests concerned. So far as the cotton mills of Bombay are concerned, the Chief Inspector of Factories recently placed before this Association his suggestions for regulating humidification, temperature, etc., and these, after being carefully considered by the Committee of the Association, were accepted by them with certain modifications. Under the circumstances, if the present Bill is passed into law no hitch is likely to arise so far as the cotton mills of Bombay are concerned, but this cannot be said of the cotton mills in other parts of the country or of factories pertaining to other industries. My Committee therefore deem it imperatively necessary that while empowering Provincial Governments to frame rules regarding standards of temperature, the Government of India should ensure that the interests concerned will be consulted by Provincial Governments before laying down standards of temperature.—I have, etc.,

T. MALONEY,
Secretary.

**APPENDIX 45. SERVANTS OF INDIA SOCIETY'S
BRANCH LIBRARY
BOMBAY**

HUMIDIFICATION STANDARDS.

No. 1282 of 1926.

FACTORY INSPECTION OFFICE,
OLD CUSTOM HOUSE, FORT,
BOMBAY, 22nd May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Humidification Standards.*

I have the honour to state that the question of humidification standards is under consideration.

2. I forward herewith a *copy of my tentative intentions in this connection and should be very pleased if you will arrange a meeting with your Committee as soon as possible to afford me an opportunity of discussing these proposals informally.—I have, etc.

W. H. PHILLIPS,
Ag. Chief Inspector of Factories, Bombay Presidency.

No. 1623 of 1926.

FACTORY INSPECTION OFFICE,
OLD CUSTOM HOUSE, FORT,
BOMBAY, 6th July, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Humidification Standards.*

Reference :—*This Office No. 1282 of 22-5-26.*

In continuation with this office letter No. quoted above forwarding a *copy of the proposed draft rules for humidification, I have the honour to request that you will inform me as early as possible of any slight alterations your Committee may consider necessary.

2. I regret that you have been unable to arrange that I should meet your Committee to discuss this but in view of the general acceptance contained in paras 2, 3, and 4 of your letter No. 1270-89 dated 10th September 1924 to the Secretary to the Government of Bombay, General Department, this is hardly necessary as the matter is urgent.—I have, etc.,

W. H. PHILLIPS,
Ag. Chief Inspector of Factories, Bombay Presidency.

No. 1125-124 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 27th July, 1926.

THE ACTING CHIEF INSPECTOR OF FACTORIES,
BOMBAY PRESIDENCY, BOMBAY.

SIR,

Subject :—*Proposed Regulations for the Control of Artificial Humidification in Cotton Textile Mills in the City and Island of Bombay.*

I am directed to acknowledge receipt of your letter No. 1282 dated 22nd May 1926, forwarding your tentative proposals for the control of humidification in factories.

2. The principles involved in your proposals have already been approved by the Association, as would be seen from the Association's letter No. 1270-89 dated 15th September 1924 to the Secretary to the Government of Bombay, General Department, reproduced in the Association's Report for 1924 (page 210). In regard to the detailed rules framed by you, my Committee have the following suggestions to make :—

3. *Draft Rule 86.*—My Committee consider that this rule is unnecessary. The posting of a copy of the Schedule near each hygrometer would serve no useful purpose for the reason that it would not be understood by the operatives. A more practical and useful rule would be one laying down that a legible copy of the Schedule should be kept in the office of any mill in which artificial humidity is employed.

Draft Rule 88 (c).—This rule in my Committee's opinion is unduly stringent, and would mean the replacement of many existing hygrometers which give accurate readings. My Committee, however, recognise the necessity of laying down particulars as to hygrometer and propose that this rule should be altered to read :—

(c) No part of the wet bulb shall be within 3" from the dry bulb or less than 1" from the surface of the water in the reservoir and the water shall be below it on the side away from the dry bulb.

This alteration, in my Committee's opinion, would ensure accurate readings of wet and dry bulb temperature without necessitating replacement of existing hygrometers giving correct readings.

Draft Rule 89 (b).—My Committee fail to understand why distilled water or rain water should be specified in the case of Bombay. It is only where the water is extremely hard that its use would in any way affect the accuracy of the temperature recorded by the wet bulb and my Committee consider that this rule should be amended as under :—

89 (b) The reservoir shall be filled with water which shall be renewed at least once a day.

Draft Rule 89 (c).—This rule clearly needs re-wording. As it stands, it would seem that the water in the reservoir would have to be renewed after working hours. As the Factory Act does not permit the employment of operatives after the usual working hours it would be impossible to comply with the rule.

The obvious intention of the rule is to ensure that readings are not taken immediately after the renewal of the water in the reservoir. To meet this intention my Committee suggest that the rule should be worded as under :—

89 (c). No readings of the hygrometer shall be recorded which are made within half-an-hour of the renewal of the water in the reservoir.

4. The amendments suggested above are of a minor character, and you will perhaps agree that a meeting between my Committee and yourself to discuss the amendments is not necessary. If, however, you still deem a meeting necessary, my Committee will be happy to accede to your request on hearing from you.—I have, etc.,

T. MALONEY,
Secretary.

No. 2037 of 1926.

FACTORY INSPECTION OFFICE,
OLD CUSTOM HOUSE, FORT,
BOMBAY, 1st/2nd September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Humidification Standards.*

I have the honour to forward a* copy of the proposed draft rules as modified slightly to lessen the difficulties which you pointed out to me, at an interview on the 6th August, 1926.

2. You will note that proposed Rule 93 has now been omitted. I have to request, however, that you will recommend that Agents should comply with the principle underlying this Rule in their own interests as well as of the employees.

3. In view of the short period now available in which the effects of compliance with the rules is to be noted before a report is to be submitted to the Government of India, I request that you will circulate the rules as early as possible to enable those mills which have not yet commenced humidity registers to do so as soon as possible.

4. The type of hygrometer which best complies with requirements is as illustrated on page C10, fig. 2 of Lawrence & Mayo's Catalogue. (The instrument supplied for India has a different scale to that shown in the illustration).—I have, etc.,

W. H. PHILLIPS,
Ag. Chief Inspector of Factories, Bombay Presidency.

No. 1429-124 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 6th September, 1926.

THE ACTING CHIEF INSPECTOR OF FACTORIES,
BOMBAY.

SIR,

Subject :—*Humidification Standards.*

I have the honour to acknowledge the receipt of your letter No. 2037 dated 2nd September 1926, on the above subject and to inform you that the provisions of the draft notification have been brought to the notice of all the members of the Association.—I have, etc.,

T. MALONEY,
Secretary.

No. 1420—420 124 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 4th September, 1926.

TO ALL MEMBERS OF THE ASSOCIATION
WITH MILLS IN BOMBAY PRESIDENCY.

DEAR SIRS,

Subject :—*Humidification Standards.*

I am directed to enclose herewith for your information and necessary action a copy of letter No. 2037 dated 2nd September 1926 on the above subject received from the Chief Inspector of Factories, Bombay.

Rule 93 referred to in para 2 of the Chief Inspector's letter reads as follows :—

"No steam shall be used for the purpose of producing artificial humidification in any department the temperature of which exceeds 85 degrees Fahrenheit."

Though this rule has now been entirely deleted from the draft rules enclosed herewith; the principle underlying thereof has the full support of the Committee (please see page 35 of Association's Report for 1924) and it is hoped that all members of the Association will, as far as possible, see that live steam is not introduced when the temperature of the room has already exceeded 85 degrees.—Yours, etc.,

T. MALONEY,
Secretary.

BOMBAY CASTLE, 22nd November, 1926.

No. 8424-D.—The following draft notification which it is proposed to issue under the Indian Factories Act, 1911 (XII of 1911), is published as required by sub-section (2) of Section 39 of the said Act for the information of persons likely to be affected thereby, and notice is hereby given that the draft will be taken into consideration by the Governor in Council on or after the 15th day of March 1927.

2. Any objections or suggestions which may be sent to the Secretary to Government, General Department, by any person with respect to the draft before the date aforesaid will be considered by the Governor in Council.

Draft Notification

No. .—In exercise of the powers conferred by clause (g) of sub-section (2) of Section 37 of the Indian Factories Act, 1911 (XII of 1911), the Governor in Council is pleased to amend the Factories (Amended) Rules, Bombay, 1923, published in Government notification, General Department, No. 2343-B., *dated the 1st July 1923, as follows, namely :—

(1) To Rule 2 of the said rules the following clauses shall be added, namely :—

(f) Artificial humidification means humidification of the air of a room by any artificial means whatsoever except the use of gas or oil for lighting purposes, or the unavoidable escape of steam or water vapour into the atmosphere directly due to the treatment of fibre by water or steam in its passage through a machine.

Provided that the introduction of air directly from outside through moistened mats or screens placed in ventilation openings at times when the temperature of the room is 80 degrees or more, shall not be deemed to be artificial humidification.

(g) Hygrometer means an accurate wet and dry bulb hygrometer conforming to the prescribed conditions as regards construction and maintenance.

(h) Degrees (of temperature) mean degrees of the Fahrenheit scale.

(2) After Rule 20 of the said rules the following rules shall be inserted, namely :—

20A. There shall be no artificial humidification in any room of a cotton spinning or weaving factory.

(a) at any time when the wet bulb reading of the hygrometer is higher than that specified in the following schedule in relation to the dry bulb reading of the hygrometer at that time ; or, as regards a dry bulb reading intermediate between any two dry bulb readings indicated consecutively in the schedule when the dry bulb reading does not exceed the wet bulb reading to the extent indicated in relation to the lower of those two dry bulb readings.

Schedule.

Dry bulb°	Wet bulb	Dry bulb	Wet bulb
60.0	58.0	90.0	84.5
61.0	59.0	91.0	85.0
62.0	60.0	92.0	85.5
63.0	61.0	93.0	86.0
64.0	62.0	94.0	86.5
65.0	63.0	95.0	87.0
66.0	64.0	96.0	87.5
67.0	65.0	97.0	88.0

Schedule.—contd.

Dry bulb	Wet bulb	Dry bulb	Wet bulb
68.0	66.0	98.0	88.5
69.0	67.0	99.0	89.0
70.0	68.0	100.0	89.5
71.0	69.0	101.0	90.0
72.0	70.0	102.0	90.0
73.0	71.0	103.0	90.5
74.0	72.0	104.0	90.5
75.0	73.0	105.0	91.0
76.0	74.0	106.0	91.0
77.0	75.0	107.0	91.5
78.0	76.0	108.0	91.5
79.0	77.0	109.0	92.0
80.0	78.0	110.0	92.0
81.0	79.0	111.0	92.5
82.0	80.0	112.0	92.5
83.0	80.5	113.0	93.0
84.0	81.0	114.0	93.0
85.0	82.0	115.5	93.5
86.0	82.5	116.0	93.5
87.0	83.0	117.0	94.0
88.0	83.5	118.0	94.0
89.0	84.0	119.0	94.5
		120.0	95.0

Provided however that this Rule shall not apply when the difference between the wet bulb temperature as indicated by the hygrometer in the department concerned, and the wet bulb temperature taken with a hygrometer outside in the shade is less than 3.5 degrees.

20B. In all departments of the cotton spinning and weaving mills wherein artificial humidification is adopted hygrometers shall be provided and maintained in such positions as are approved by the Inspector. The number of hygrometers shall be regulated according to the following scale :—

- (a) *Weaving Department.*—One hygrometer for departments with less than 500 looms, and one additional hygrometer for every 500 or part of 500 looms in excess of 500.
- (b) *Other Departments.*—One hygrometer for each room of less than 300,000 cubic feet capacity, and one extra hygrometer for each 200,000 cubic feet, or part thereof, in excess of this.

Provided also that one hygrometer shall be provided and maintained outside each cotton spinning and weaving factory wherein artificial humidification is adopted, and in a position approved by the Inspector, for taking hygrometer shade readings.

20C. When satisfied that the limits of humidity allowed by the Schedule to Rule 20A are never exceeded, the Inspector may, for any department, other than the weaving department, grant exemption from the maintenance of the hygrometer. The Inspector shall record such exemption in Form J.

20D. A legible copy of the Schedule to Rule 20A shall be affixed near each hygrometer.

20E. At each hygrometer maintained in accordance with Rule 20B correct wet and dry bulb temperatures shall be recorded thrice daily during each working day by competent persons nominated by the Manager and approved by the Inspector. The temperatures shall be taken between 7 a.m. and 9 a.m. between 11 a.m. and 2 p.m. (but not in the rest interval), and between 4 p.m. and 5-30 p.m. In exceptional circumstances, such additional

readings and between such hours as the Inspector may specify, shall be taken. The temperatures shall be entered in a Humidity Register in Form G-1 maintained in the factory. At the end of each month the persons who have taken the readings shall sign the register and certify the correctness of the entries. The register shall always be available for inspection by the Inspector.

20F. (a) Each hygrometer shall comprise two mercurial thermometers respectively wet bulb and dry bulb of similar construction, and equal in dimensions, scale and divisions of scale. They shall be mounted on a frame with a suitable reservoir containing water.

(b) The wet bulb shall be closely covered with a single layer of muslin, kept wet by means of wick attached to it and dipping into the water in the reservoir. The muslin covering and the wick shall be suitable for the purpose, clean and free from size or grease.

(c) No part of the wet bulb shall be within 3 inches from the dry bulb or less than 1 inch from the surface of the water in the reservoir and the water reservoir shall be below it, on the side of it away from the dry bulb.

(d) The bulb shall be spherical and of suitable dimensions and shall be freely exposed on all sides to the air of the room.

(e) The bore of the stem shall be such that the position of the top of the mercury column shall be readily distinguishable at a distance of 4 feet.

(f) Each thermometer shall be graduated so that accurate readings may be taken between 50 and 120 degrees.

(g) Every degree from 50 degrees up to 120 degrees shall be clearly marked by horizontal lines on the stem; each fifth and tenth degree shall be marked by longer marks than the intermediate degrees, and the temperature marked opposite each tenth degree, *i.e.*, 50, 60, 70, 80, 90, 100, 110 and 120.

(h) The markings as above shall be accurate, that is to say at no temperature between 50 and 120 degrees shall the indicated reading be in error by more than two-tenths of a degree.

(i) A distinctive number shall be indelibly marked upon the thermometer.

(j) The accuracy of each thermometer shall be certified by the National Physical Laboratory, London, or some competent authority appointed by the Chief Inspector and such certificate shall be attached to the Humidity Register.

20G. Each thermometer shall be maintained at all times during the period of employment in efficient working order, so as to give accurate indications and in particular—

(a) The wick and the muslin covering of the wet bulb shall be renewed once a week.

(b) The reservoir shall be filled with water which shall be completely renewed once a day. The Chief Inspector of Factories may prescribe the use of distilled water or pure rain water in any particular mill or mills in certain localities.

(c) No water shall be applied directly to the wick or covering during the period of employment.

20H. If an Inspector gives notice in writing that a thermometer is not accurate, it shall not, after one month from the date of such notice, be deemed to be accurate unless and until it has been re-examined as above, and a fresh certificate obtained which certificate shall be kept attached to the Humidity Register.

20I. No hygrometer shall be affixed to a wall, pillar or other surface unless protected therefrom by wood or other non-conducting material at least half an inch in thickness and distant at least one inch from the bulb of each thermometer.

20J. No readings shall be taken for record on any hygrometer within 15 minutes of the renewal of water in the reservoir.

(3) After Form R appended to the said rules the following form shall be inserted namely:—

FORM G-1

HUMIDITY REGISTER

Department :—

Hygrometer { distinctive make or number
 { position in department

Date Year Month Day	Readings of Hygrometer						If no humidity insert none	Remarks.
	Between 7 and 9 a.m.		Between 11 a.m. and 2 p.m. (but not in the rest period)		Between 4 and 5-30 p.m.			
	Dry bulb	Wet bulb	Dry bulb	Wet bulb	Dry bulb	Wet bulb		
1st						
2nd						
3rd						
4th						
5th						
6th						
7th						
8th						
9th						
10th						
11th						
12th						
13th						
14th						
15th						
16th						
17th						
18th						
19th						
20th						
21st						
22nd						
23rd						
24th						
25th						
26th						
27th						
28th						
29th						
30th						
31st						

At the *beginning of the month* the Sundays, whole holidays, and in the shorter months the 31st or other excess days should be erased.

(Signed)

Certified that the above entries are correct.

(Signed)

By order of the Governor in Council,

C. W. A. TURNER,
 Secretary to Government.

APPENDIX 46.

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT FOR 1927.

TARIFFS.

TARIFF VALUATIONS.

The 25th December, 1926.

No. 73-T (38).—In exercise of the powers conferred by Section 3 of the Indian Tariff Act, 1894 (VII of 1894), and in supersession of the Notification of the Government of India in the Department of Commerce, No. 73-T. (25), dated the 26th December, 1925, the Governor-General-in-Council is pleased to fix, with effect from the 1st January 1927, for Export Tariff the articles specified in column 3 of the Import Tariff Schedule and column 2 of the Schedule hereto annexed, the tariff values stated in columns 5 and 4 respectively of the said schedules. (The amendments made in April, 1927, are also incorporated.)

SCHEDULE II.—IMPORT TARIFF.

NOTE 1.—In the expression "*ad valorem*" used in this schedule the reference is to "real value" as defined in section 30 of the Sea Customs Act, 1878 VIII of 1878).

NOTE 2.—Tariff-valued heads are based on the ordinary trade description of each article and cover all reduced grades and mixtures unless there is a separate provision for them in the Schedule.

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—FOOD, DRINK AND TOBACCO.		Rs. a. p.	
		FISH.			
1	27	FISH, SALTED, wet or dry	Indian maund of 82½ lbs. avoirdupois weight.	....	Such rate or rates of duty not exceeding one rupee as the Governor-General in Council may, by notification in the <i>Gazette of India</i> , from time to time prescribe.*
2	65	FISH, excluding salted fish .. ..	....	<i>Ad valorem</i>	15 per cent.
3	66	FISHMAWS, including singally and sozille, and sharkfins.	....	"	15 "
		FRUITS AND VEGETABLES.			
4	67	FRUITS AND VEGETABLES, all sorts, fresh, dried, salted or preserved†—			
		Almonds, without shell	cwt.	95 0 0	15 "
		" kagazi, Persian, in the shell	"	85 0 0	15 "
		" in the shell, Persian	"	19 0 0	15 "
		" all other sorts. .. ..	....	<i>Ad valorem</i>	15 "
		Cashew or cajoo kernels	cwt.	25 0 0	15 "
		Coconuts, Straits, Dutch East Indies and Siam.	thousand	112 0 0	15 "
		" Maldives	"	38 0 0	15 "
		" other	"	55 0 0	15 "
		" kernel (khopra)	cwt.	22 0 0	15 "
		Dates, dry, in bags	"	11 0 0	15 "
		" wet, in bags, baskets and bundles.	"	5 0 0	15 "
		" " in pots, boxes, tins and crates	"	11 0 0	15 "
		Figs, dried, Persian	"	12 0 0	15 "
		" " European	"	16 0 0	15 "
		Garlic	"	6 0 0	15 "
		Pistachio nuts	"	60 0 0	15 "
		Raisins, red, Persian Gulf	"	14 0 0	15 "
		" other sorts .. ..	....	<i>Ad valorem</i>	15 "
		All other sorts of fruits and vegetables, fresh, dried, salted or preserved.	....	"	15 "
		GRAIN, PULSE AND FLOUR.			
5	68	FLOUR .. ..	....	"	15 "
6	1A	GRAIN AND PULSE, all sorts, including broken grains and pulse, but excluding flour (see No. 5).	....	....	Free.

* The rate on the 1st April, 1927, and until further notice is annas 7½

† Under Government of India, Finance Department (Central Revenues) Notification No. 36 dated the 25th September, 1926, Currants are liable to duty at Rs. 1-4-0 per cwt.

SCHEDULE II.—IMPORT TARIFF—Contd.

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—FOOD, DRINK AND TOBACCO—contd.		Rs. a p.	
		PROVISIONS AND OILMAN'S STORES—contd.			
		Yeast, Chinese	cwt.	26 0 0	15 per cent.
		All other sorts of provisions, oilman's stores and groceries.	....	<i>Ad valorem</i>	15 "
14	48	VINEGAR, in casks .. .. .	.. .	"	2½ "
		SACCHARINE.			
15	34A	SACCHARINE (except in tablets)	lb.	....	Rs. a. 5 0
16	34B	SACCHARINE TABLETS .. .. .	....	<i>Ad valorem</i>	15 per cent. or Rs. 5 per pound of saccharine contents, whichever is higher
		SPICES.			
17	70	SPICES, all sorts—			
		Betelnuts, raw or boiled, whole, from Goa.	cwt.	26 0 0	15 per cent.
		" raw or boiled, whole from Straits, Dutch East Indies and Siam.	"	22 8 0	15 "
		" raw, whole, from Ceylon ..	"	21 0 0	15 "
		" raw, split (sun-dried) from Ceylon.	"	35 0 0	15 "
		" boiled, split or sliced ..	"	26 0 0	15 "
		" all other sorts .. .. .	....	<i>Ad valorem</i>	15 "
		Chillies, dry	cwt.	25 0 0	15 "
		Cloves	"	58 0 0	15 "
		" exhausted	"	10 0 0	15 "
		" stems and heads	"	8 0 0	15 "
		" in seeds, narlavang	"	20 0 0	15 "
		Ginger, dry	"	33 0 0	15 "
		Mace	lb.	2 0 0	15 "
		Nutmegs	"	1 0 0	15 "
		" in shell	"	0 9 0	15 "
		Pepper, black	cwt.	50 0 0	15 "
		" long	"	85 0 0	15 "
		" white	"	85 0 0	15 "
		All other sorts of spices .. .. .	....	<i>Ad valorem</i>	15 "
		SUGAR.			
18	124	CONFECTIONERY .. .. .	....	"	30 "
19	34	SUGAR, excluding confectionery (see No. 18)—			Rs. a.
		(1) Sugar, crystallised or soft, 23 Dutch Standard and above.	cwt.	....	4 8
		(2) Sugar, crystallised or soft, inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard.	"	....	4 0
		(3) Sugar below 8 Dutch Standard.	....	<i>Ad valorem</i>	25 per cent.
		Molasses—			
		(i) imported in bulk by tank steamer.	cwt.	2 2 0	25 "
		(ii)* otherwise imported	"	3 2 0	25 "
		Sugar Candy	"	20 0 0	25 "
		TEA.			
20	71	TEA*—			
		Tea, black	lb.	0 11 0	15 "
		" green	"	1 2 0	15 "

* Under Government of India, Finance Department (Central Revenues) Notification No. 38, dated the 9th October, 1926, Tea of Indian origin which has been exported to Ceylon and is subsequently imported into British India for blending purposes by *bona fide* blenders, is exempt from payment of import duty; Provided—

- (i) that such tea is identified to the satisfaction of the Collector of Customs, and
- (ii) that it is imported within three years from the date of its export to Ceylon.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—FOOD, DRINK AND TOBACCO—<i>concl'd.</i>		Rs. a. p.	
		OTHER FOOD AND DRINK.			
21	72	COFFEE	cwt.	50 0 0	15 per cent.
22	1	HOPS .. .. .	....	....	Free.
23	35	SALT, excluding Salt exempted under No. 24	Indian maund of 82½ lbs. avoirdupois weight.	....	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place.†
24	2	SALT imported into British India and issued, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Government of Bengal to manufacturers of glazed stone-ware; also salt imported into any port in the provinces of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in curing fish in those provinces.	....	....	Free.
25	73	ALL OTHER SORTS OF FOOD AND DRINK not otherwise specified.	....	<i>Ad valorem</i>	15 per cent.
		TOBACCO.			
26	37	GIGARS .. .. .	....	<i>Ad valorem</i>	75 per cent.
26A	37A	GIGARETTES of value— (a) not exceeding Rs. 10-8 per thousand. (b) exceeding Rs. 10-8 per thousand.	thousand "	.... ....	Rs. a. 7 0 10 8
		<i>Note.</i> —For the purposes of this item, "value" means real value as defined in Section 30 of the Sea Customs Act, 1878, provided that the amount to be deducted on account of duties payable on importation to determine the real value in accordance with the provisions of clause (a) of the said Section shall be Rs. 7 per thousand.			
27	36	TOBACCO, unmanufactured	lb.	....	1 0
28	38	All other sorts of TOBACCO, manufactured.	"	....	2 4
		II.—RAW MATERIALS AND PRODUCE AND ARTICLES MAINLY UNMANUFACTURED.			
		COAL, COKE AND PATENT FUEL.			
29	39	COAL, COKE AND PATENT FUEL	ton	....	0 8
		GUMS, RESINS AND LAC.			
30	74	GUMS, RESINS AND LAC, all sorts not otherwise specified (<i>see</i> No. 30A)— Gambier, block and cube " in flakes or circular pieces " other sorts Gum Ammoniac " Arabic " Benjamin, ras " " cowrie " Bysabol (coarse myrrh) " Olibanum or frankincense " Persian (false) Myrrh Rosin All other sorts of gums, gum-resins, and articles made of gum or gum-resin	cwt. " " cwt. " " " " " " " " " " " "	28 0 0 40 0 0 <i>Ad valorem</i> 35 0 0 23 0 0 25 0 0 53 0 0 32 0 0 11 0 0 13 0 0 15 0 0 18 0 0 <i>Ad valorem</i>	15 per cent. 15 " 15 " 15 " 15 " 15 " 15 " 15 " 15 " 15 " 15 " 15 " 15 " 15 "
30A	10B	Stick or Seed Lac .. .. .	....	....	Free.

†The rate of excise duty on the 1st January, 1927 and until further notice is Rs. 1-4-0:

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		II.—RAW MATERIALS AND PRODUCE AND ARTICLES MAINLY UNMANUFACTURED—<i>contd.</i>		Rs. a p.	
		HIDES AND SKINS, RAW.			
31	3	HIDES AND SKINS, raw or salted ..	....	....	Free.
		METALLIC ORES, AND SCRAP IRON OR STEEL FOR RE-MANUFACTURE.			
32	58	IRON OR STEEL, old	cwt.	2 0 0	10 per cent.
33	4	METALLIC ORES, all sorts, except ochres and other pigment ores. .. .. .	....	....	Free.
		OILS.			Rs. a p.
34	40	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.	Imperial gallon.	....	0 2 6
34A	40A	MOTOR SPIRIT .. .. .	"	....	0 4 0
35	41	MINERAL OIL— (1) which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer, and is ordinarily used for the batching of jute or other fibre ; (2) which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer, and is such as is not ordinarily used for any other purpose than for lubrication , (3) which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purpose— (i) imported in bulk (ii) otherwise imported	ton Imperial gallon ton ....	.... .... 53 5 4 <i>Ad valorem</i>	10 0 0 0 1 4 7½ per cent. 7½ "
37	75	All sorts of animal, essential, mineral, and vegetable non-essential oils not otherwise specified (<i>see</i> Nos. 34, 34A and 35) :— Cassia oil Citronella oil Coconut oil Kajiputty oil Linseed oil, raw or boiled Peppermint oil All other sorts of oil	lb. " " cwt. lb. Imperial gallon. lb.	2 10 0 2 0 0 30 0 0 1 14 0 4 0 0 8 0 0 <i>Ad valorem</i>	15 per cent. 15 " 15 " 15 " 15 " 15 " 15 "
		SEEDS.			
38	6	OIL-SEEDS, imported into British India by sea from the territories of any Prince or Chief in India.	....	....	Free.
39	76	SEEDS, all sorts, excluding oil-seeds specified in No. 38.	....	<i>Ad valorem</i>	15 per cent.
		TALLOW, STEARINE AND WAX.			
40	77	TALLOW AND STEARINE, including grease and animal fat, and Wax of all sorts, not otherwise specified— Tallow Vegetable wax All other sorts	cwt. "	36 0 0 50 0 0 <i>Ad valorem</i>	15 " 15 " 15 "

* There are no entries bearing Serial Nos. 36 and 41.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—RAW MATERIALS AND PRODUCE AND ARTICLES MAINLY UNMANUFACTURED— <i>contd.</i>		Rs. a. p.	
		TEXTILE MATERIALS.			
42	7	COTTON, raw .. .. .	....	....	Free.
43	78	TEXTILE MATERIALS, the following :—			
		Silk waste, and raw silk including cocoons :—			
		Bokhara	lb.	12 0 0	15 per cent.
		Floss .. .. .	....	<i>Ad valorem</i>	15 "
		Raw silk—Yellow Shanghai including re-reeled.	lb.	5 8 0	15 "
		" from Indo-China, and places in China other than Shanghai including re-reeled.	"	6 8 0	15 "
		Mathow	"	4 0 0	15 "
		Panjam	"	3 0 0	15 "
		Persian	"	8 0 0	15 "
		Siam	"	5 8 0	15 "
		White Shanghai, Thonkoon or Dup pion.	"	4 8 0	15 "
		White Shanghai, other kinds including re-reeled.	"	6 8 0	15 "
		White, other kinds of China, including re-reeled.	"	7 8 0	15 "
		Waste and Kachra .. .. .	....	<i>Ad valorem</i>	15 "
		All other sorts, including cocoons .. .. .	....	"	15 "
		Coir fibre	cwt.	8 0 0	15 "
		Raw hemp	"	35 0 0	15 "
		Raw Flax, Jute and all other unmanufactured textile materials not otherwise specified.	....	<i>Ad valorem</i>	15 "
44	8	WOOL, raw, and WOOL-TOPS .. .. .	....	....	Free.
		WOOD AND TIMBER.			
45	49	FIREWOOD .. .. .	....	<i>Ad valorem</i>	2½ per cent.
46	79	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.	....	"	15 "
		MISCELLANEOUS.			
47	80	CANES—			
		Malacca	100 pieces	22 0 0	15 "
		Chimity	"	9 0 0	15 "
		Tries	"	7 0 0	15 "
		Root Moonah	"	23 0 0	15 "
		Mannu	"	15 0 0	15 "
		Polo	"	50 0 0	15 "
		Tohite	cwt.	25 0 0	15 "
		All other sorts .. .. .	....	<i>Ad valorem</i>	15 "
		RATTANS—			
		Chair	cwt.	19 0 0	15 per cent.
		Basket	"	10 8 0	15 "
		Outers	"	72 0 0	15 "
		Inners	"	50 0 0	15 "
		All other sorts .. .. .	....	<i>Ad valorem</i>	15 "
48	81	COWRIES AND SHELLS—			
		Cowries, bazar, common	cwt.	6 0 0	15 "
		" yellow, superior quality	"	8 0 0	15 "
		" Maldive	"	17 0 0	15 "
		" Sankhli	"	120 0 0	15 "
		Mother-of-pearl, nacre	"	20 0 0	15 "
		Nakhla	"	120 0 0	15 "
		Tortoise-shell	lb.	10 0 0	15 "
		" nakh.. .. .	"	2 0 0	15 "
		All other sorts, including articles made of shell, not otherwise described.	....	<i>Ad valorem</i>	15 "

*There are no entries bearing Serial Nos. 36 and 41.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		II.—RAW MATERIALS AND PRODUCE AND ARTICLES MAINLY UNMANUFACTURED— <i>contd.</i>		Rs. a. p.	
		MISCELLANEOUS— <i>contd.</i>			
49	82	IVORY, unmanufactured—			
		Elephants' grinders	cwt.	300 0 0	15 per cent.
		„ tusks (other than hollows, centres, and points), each exceeding 20 lb. in weight, and hollows, centres, and points each weighing 10 lb. and over.	„	875 0 0	15 „
		Elephants' tusks (other than hollows, centres and points), not less than 10 lb. and not exceeding 20 lb. each, and hollows, centres, and points each weighing less than 10 lb.	„	725 0 0	15 „
		Elephants' tusks each less than 10 lb. (other than hollows, centres and points).	„	430 0 0	15 „
		Sea-cow or moye teeth, each not less than 4 lb.	„	275 0 0	15 „
		Sea-cow or moye teeth, each not less than 3 lb. and under 4 lb.	„	220 0 0	15 „
		Sea-cow or moye teeth, each less than 3 lb.	„	130 0 0	15 „
		All other sorts unmanufactured not otherwise specified.	....	<i>Ad valorem</i>	15 „
50	9	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 ammonia, sulphate of potash, kainit salts, carbo lime, urea, nitrate of lime, calcium cyanamide, mineral phosphates and mineral superphosphates.	....	....	Free.
51	83	PRECIOUS STONES, unset and imported cut.	....	<i>Ad valorem</i>	per cent.
52	5	PRECIOUS STONES, unset and imported uncut, and PEARLS, unset.	....	....	Free.
53	10	PULP OF WOOD, RAGS and other paper-making materials.	....	....	Free.
53A	10A	RUBBER STUMPS, rubber seeds and raw rubber.	....	....	Free.
54	84	ALL OTHER RAW MATERIALS AND PRODUCE, and articles mainly unmanufactured, not otherwise specified.*	<i>Ad valorem</i>	15 per cent.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED.			
		APPAREL.			
55	85	APPAREL, including drapery, boots and shoes, and military and other uniforms and accoutrements, but excluding uniforms and accoutrements, exempted from duty (No. 56) and gold and silver thread (Nos. 96 and 97) and articles made of silk or silk mixtures (<i>See</i> Nos. 106A, 107A and 107B).	....	„	15 „
56	11	UNIFORMS AND ACCOUTREMENTS appertaining thereto, imported by a public servant for his personal use.	....	....	Free.

*Under Government of India Notification No. 4317, dated the 2nd July 1921, unmanufactured mica is exempt from payment of import duty.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>			
		ARMS, AMMUNITION AND MILITARY STORES.			
57	42	Subject to the exemptions specified in No. 60, ARMS, AMMUNITION AND MILITARY STORES, that is to say— (1) Firearms, including gas and air guns, gas and air rifles and gas and air pistols, not otherwise specified (<i>see</i> Nos. 60A and 142). (2) Barrels for the same, whether single or double. (3) Main springs and magazine springs for firearms including gas guns, gasrifles and gas pistols. (4) Gun stocks and breech blocks. (5) Revolver-cylinders, for each cartridge they will carry. (6) Actions (including skeleton and waster), breech bolts and their heads, cocking pieces, and locks for muzzle-loading arms. (7) Machines for making, loading or closing cartridges for rifled arms. (8) Machines for capping cartridges for rifled arms.	each " " " " " .... ....	.... .... .... .... .... .... <i>Ad valorem</i> "	Rs. a. 15 0 15 0 5 0 3 0 2 0 1 0 30 per cent. 30 "
58	125	GUNPOWDER for cannons, rifles, guns, pistols and sporting purposes.	....	"	30 "
59	126	Subject to the exemptions specified in No. 60, all ARTICLES, other than those specified in entries Nos. 57, 60A and 142, which are ARMS OR PARTS OF ARMS within the meaning of the Indian Arms Act, 1878 (excluding springs used for air guns which are dutiable as hardware under No. 75), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifled arms and all other sorts of ammunition and military stores, and any articles which the Governor-General in Council may, by notification in the <i>Gazette of India</i> , declare to be ammunition or military stores for the purposes of this Act.	....	"	30
60	12	The following ARMS, AMMUNITION AND MILITARY STORES:— (a) Articles falling under the 3rd, 4th, 6th, 7th or 8th sub-head of No. 57 when they appertain to a firearm falling under that item and are fitted into the same case with such firearm, (b) Arms forming part of the regular equipment of a commissioned or gazetted officer in His Majesty's Service entitled to wear diplomatic, military, naval, Royal Air Force or police uniform; (c) A revolver and an automatic pistol and ammunition for such revolver and pistol up to a maximum of 100 rounds per revolver or pistol, (i) when accompanying a commissioned officer of His Majesty's regular forces, or of the Indian Auxiliary Force or the Indian Terri-	....	....	Free.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED—<i>contd.</i>			
		ARMS, AMMUNITION AND MILITARY STORES.—<i>contd.</i>			
		torial Force or a gazetted police officer, or (ii) certified by the commandant of the corps to which such officer belongs, or, in the case of an officer not attached to any corps, by the officer commanding the station or district in which such officer is serving, or in the case of a police officer, by an Inspector-General or Commissioner of Police, to be imported by the officer for the purpose of his equipment;			
		(d) Swords for presentation as army or volunteer prizes;			
		(e) Arms, ammunition, and military stores imported with the sanction of the Government of India for the use of any portion of the military forces of a State in India which may be maintained and organized for Imperial Service;			
		(f) Morris tubes and patent ammunition imported by officers commanding British and Indian regiments or volunteer corps for the instruction of their men.			
60A	86A	Ornamental Arms of an obsolete pattern possessing only an antiquarian value; masonic and theatrical and fancy dress swords, provided they are virtually useless for offensive or defensive purposes; and <i>dahs</i> intended exclusively for domestic, agricultural and industrial purposes.	....	<i>Ad valorem</i>	15 per cent.
61	86	EXPLOSIVES, namely, blasting gunpowder, blasting gelatine, blasting dynamite, blasting roburite, blasting tonite, and all other sorts, including detonators and blasting fuse.	....	"	15 "
		CHEMICALS, DRUGS AND MEDICINES.			
62	13	ANTI-PLAGUE SERUM .. .. .	....	....	Free.
63	50	COPPERAS, green—		Rs. a. p.	2½ per cent.
		(1) Imported in bulk	cwt.	4 0 0	2½ "
		(2) Imported otherwise .. .. .	....	<i>Ad valorem</i>	Rs. a.
64	43	OPIMUM and its alkaloids, and their derivatives .	seer of 80 tolas.	....	24 0 or 15 per cent. <i>ad valorem</i> , whichever is higher.
65	14	CINCHONA BARK and the alkaloids extracted therefrom including QUININE.	....	....	Free.
65A	14A	SULPHUR, .. .. .	....	....	Free.
66	88	CHEMICALS, DRUGS AND MEDICINES, all sorts not otherwise specified—			
		Alkali, Indian (sajji-khar)	cwt.	3 8 0	15 per cent.
		Alum (lump)	"	6 0 0	15 "
		Ammonium chloride—			
		Muriate of Ammonia, crystalline ..	"	20 0 0	15 "
		Salammoniac, sublimed	"	25 0 0	15 "
		Other sorts, including compressed .	"	24 0 0	15 "
		Anhydrous ammonia gas	lb.	1 0 0	15 "
		Arsenic (China mansil)	cwt.	85 0 0	15 "
		" other sorts .. .. .	....	<i>Ad valorem</i>	15 "
		Bleaching powder	cwt.	10 0 0	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>			
		CHEMICALS, DRUGS AND MEDICINES.— <i>contd.</i>			
				Rs. a. p.	
		Calcium chloride	cwt.	5 0 0	15 per cent.
		Carbide of calcium	"	16 0 0	15 "
		Carbonate of ammonia	"	34 0 0	15 "
		Carbonic acid gas	lb.	0 3 6	15 "
		Chlorine gas	"	0 4 6	15 "
		Epsom salts (in bulk)	cwt.	3 8 0	15 "
		Magnesium chloride	"	4 2 0	15 "
		Peppermint crystals	lb.	20 0 0	15 "
		Potassium bichromate	cwt.	28 0 0	15 "
		Silicate of soda (in liquid form)	"	8 0 0	15 "
		Soda ash including calcined natural soda and manufactured sesquicarbonates.	"	6 0 0	15 "
		Soda, bicarbonate	"	8 8 0	15 "
		Soda, bichromate	"	22 8 0	15 "
		Soda, caustic, solid	"	10 8 0	15 "
		" " flake	"	15 0 0	15 "
		" " powdered	"	15 8 0	15 "
		Soda crystals (in bulk)	"	7 0 0	15 "
		Sodium Sulphide	"	9 0 0	15 "
		Sulphate of copper	"	18 0 0	15 "
		Trona or natural soda uncalcined	"	3 8 0	15 "
		All other sorts of chemical products and preparations not otherwise specified.	....	<i>Ad valorem</i>	15 "
		Asafoetida (hing)	cwt.	100 0 0	15 "
		" " coarse (hingra)	"	30 0 0	15 "
		Banslochan (bamboo camphor)	lb.	0 10 0	15 "
		Calumba root	cwt.	5 0 0	15 "
		Camphor, refined, other than powder and slabs.	lb.	2 4 0	15 "
		" refined, slabs	"	2 0 0	15 "
		" powder, from Japan	"	2 0 0	15 "
		" " " China including Hongkong.	"	1 12 0	15 "
		" synthetic, powder	"	1 10 0	15 "
		Cassia lignea	cwt.	22 0 0	15 "
		China root (chobchini) rough	"	20 0 0	15 "
		" " " scraped	"	35 0 0	15 "
		Cubebs	"	100 0 0	15 "
		Galangal, China	"	15 0 0	15 "
		Salep	"	200 0 0	15 "
		Storax, liquid (rose mellos or salaras).	"	30 0 0	15 "
		All other sorts of drugs, medicines and narcotics.	....	<i>Ad valorem</i>	15 "
		CONVEYANCES.			
67	142	COAL-TUBS, tipping wagons and the like conveyances designed for use on light rail track, if adapted to be worked by manual or animal labour and if made mainly of iron or steel; and component parts thereof made of iron or steel.			
		(a) If of British manufacture	ton.	<i>Specific</i>	Rs. a. 21 0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		(b) If not " " .. .. .	....	....	21 0 or 17 per cent. <i>ad valorem</i> , plus Rs. 15 per ton.
87		TRAMCARS, motor-omnibuses, motor-lorries, motor-vans, passenger lifts, carriages, carts, jinrikshas, bathchairs, perambulators, trucks, wheel barrows, bicycles, tricycles, and all other sorts of conveyances not otherwise specified, and component parts and accessories thereof, except such parts and accessories of the motor vehicles above-mentioned as are also adapted for use as parts or accessories of motor cars, motor cycles, or motor scooters (<i>see</i> No. 68).	....	<i>Ad valorem</i>	15 per cent.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i> CONVEYANCES.— <i>contd.</i>			
68	127	MOTOR-CARS, motor-cycles, motor-scooters, 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 purposes other than as parts and accessories of motor-vehicles included in this item or in No. 67A shall be dutiable at the rate of duty specified for such articles.	....	<i>Ad valorem</i>	20 per cent
69	15	CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS. The following AGRICULTURAL IMPLEMENTS, namely, winnowers, threshers, mowing and reaping machines, binding machines, elevators, seed and corn crushers, chaff-cutters, root cutters, ensilage cutters, horse and bullock gears, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay-tedders, hay-presses, potato diggers, latex spouts, spraying machines 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.
70	129	ARTICLES PLATED WITH GOLD AND SILVER†	....	<i>Ad valorem</i>	30 per cent.
71	128	CLOCKS AND WATCHES, and parts thereof	....	"	30 "
72	89	CUTLERY, excluding plated cutlery (see No. 70).	....	"	15 "
73	16	The following DAIRY APPLIANCES, namely, cream separators, milk sterilizing or pasteurizing plant, milk aerating and cooling apparatus, churns, butter dryers, and butter workers, also component parts of these appliances, provided that they can be readily fitted into their proper places in the appliances for which they are imported, and that they cannot ordinarily be used for other than dairy purposes	....	....	Free.
74	90A	ELECTRICAL CONTROL GEAR AND TRANSMISSION• GEAR, namely, switches, fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten <i>amperes</i> and at a pressure not exceeding 250 volts, and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which has a sectional area of less than one-eightieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity, and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof.	....	<i>Ad valorem</i>	15 per cent.

* Under Government of India, Finance Department (Central Revenues) Notification No. 18, dated the 17th June 1926, the following agricultural machines are exempt from payment of import duty:—
Beet Pullers, Broadcast Seeders, Corn Pickers, Corn Shellers, Culti' Packers, Stalk Cutters, Huskers and Shredders, Potato Planters, Lime Sowers, Manure Spreaders and Listers.

Under Government of India, Finance Department (Central Revenues) Notification No. 15 dated the 5th March 1927, Soil graders are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues) Notification No. 27, dated the 5th August 1926, Silver-plated Surgical instruments are liable to duty at 15 per cent. *ad valorem*.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule	Names of Articles.	Per	Tariff Valuation.	Duty
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>		Rs. a. p.	
		CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS— <i>contd.</i>			
75	90	HARDWARE, IRONMONGERY AND TOOLS, all sorts, not otherwise specified, excluding crown corks.	....	<i>Ad valorem</i>	15 per cent.
		Crown corks	gross	0 13 0	15 "
76	17	INSTRUMENTS, APPARATUS, AND APPLIANCES, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.	....	....	Free.
77	130	MUSICAL INSTRUMENTS and parts thereof.	....	<i>Ad valorem</i>	30 per cent.
78	59	TELEGRAPHIC INSTRUMENTS AND APPARATUS, and parts thereof, imported by, or under the orders of, a railway company.	....	"	10 "
79	18	WATER-LIFTS, SUGAR-MILLS, OIL-PRESSES, and parts thereof, when constructed so that they can be worked by manual or animal power.	....	....	Free.
80	91	All other sorts of IMPLEMENTS, INSTRUMENTS, APPARATUS AND APPLIANCES, and parts thereof, not otherwise specified.*	<i>Ad valorem</i>	15 per cent.
		DYES AND COLOURS.			
81	92	DYEING AND TANNING SUBSTANCES, all sorts, and PAINTS AND COLOURS and painters' materials, all sorts—			
		Alizarine dye, dry, not exceeding 40 per cent.	lb.	1 6 0	15 "
		" " " over 40 per cent. but not exceeding 50 per cent.	"	1 10 0	15 "
		" " " over 50 per cent. but not exceeding 60 per cent.	"	1 14 0	15 "
		" " " over 60 per cent. but not exceeding 70 per cent.	"	2 2 0	15 "
		" " " over 70 per cent. but not exceeding 80 per cent.	"	2 6 0	15 "
		" " " over 80 per cent.	"	3 0 0	15 "
		" " moist, not exceeding 10 per cent.	"	0 6 0	15 "
		" " " over 10 per cent. and not exceeding 16 per cent.	"	0 7 0	15 "
		" " " over 16 per cent. and not exceeding 20 per cent.	"	0 9 0	15 "
		" " " exceeding 20 per cent.	"	0 14 0	15 "

* Under Government of India, Finance Department (Central Revenues) Notification No. 96-1—Cus.-25, dated the 28th February 1925, apparatus for wireless telegraphs designed either for transmission or reception whether by telegraphy or telephony, when imported in accordance with the orders for the time being governing the importation of such apparatus, is liable to duty at 2½ per cent. *ad valorem*.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial. No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED—<i>contd.</i>		Rs. a. p.	
		DYES AND COLOURS.—<i>contd.</i>			
		Aniline dye, moist	lb.	1 12 0	15 per cent.
		„ dyes, black, of sulphur series.	„	0 7 6	15 „
		„ „ congo red	„	0 14 0	15 „
		All other aniline dyes, dry	„	2 2 0	15 „
		Aniline salts .. .. .	.....	<i>Ad valorem</i>	15 „
		Avar bark	cwt.	4 8 0	15 „
		Cochineal	lb.	1 4 0	15 „
		Gallnuts (myrobalans) .. .. .	.....	<i>Ad valorem</i>	15 „
		„ Persian	cwt.	42 0 0	15 „
		Gamboge	lb.	2 2 0	15 „
		Turmeric	cwt.	25 0 0	15 „
		All other sorts of dyeing and tanning materials.	.....	<i>Ad valorem</i>	15 „
		Lead, red, dry	cwt	32 0 0	15 „
		„ white, dry	„	32 0 0	15 „
		Lithopone	„	18 0 0	15 „
		Turpentine	Imperial gallon.	4 12 0	15 „
		Vermilion, Canton	box of 90 bundles.	170 0 0	15 „
		Zinc, white, dry	cwt.	35 0 0	15 „
		All other sorts of paints, colours, pigment ores and painters' materials not otherwise specified, including glue and putty.	.....	<i>Ad valorem</i>	15 „
		FURNITURE, CABINETWARE AND MANUFACTURES OF WOOD.			
82	93	FURNITURE, CABINETWARE, and all other manufactures of wood not otherwise specified.	.....	<i>Ad valorem</i>	15 per cent.
		GLASSWARE AND EARTHENWARE.			
83	94	GLASS AND GLASSWARE, lacquered ware, earthenware, China and porcelain; all sorts, except glass bangles, beads, and false pearls and aerated water bottles (<i>see</i> Nos. 84 and 85).	.....	„	15 „
84	94	Aerated water bottles, empty— Codd's pattern— Under 10 ozs. 10 ozs. Over 10 ozs. Crown cork pattern— 7 ozs. and under Over 7 ozs. up to and including 10 ozs. Over 10 ozs. All others	gross „ „ „ „ „	28 0 0 30 0 0 34 0 0 15 0 0 21 0 0 24 0 0 <i>Ad valorem</i>	15 „ 15 „ 15 „ 15 „ 15 „ 15 „ 15 „
85	131	GLASS BEADS AND FALSE PEARLS GLASS BANGLES— <i>China</i> — Nimuchi and pasalal Bracelet Jadi and fancy, all kinds Rajawarakh, all kinds <i>Japan</i> — Reshmi, plain or fancy, all colours— Hollow or Tube Vakmel or Zigzag All others Sonerikada (golbala) .. .. .	..... 100 pairs „ „ dozen pairs „ „ „ „	„ 2 0 0 4 0 0 6 0 0 0 1 9 0 2 0 0 1 0 0 3 6	30 „ 30 „ 30 „ 30 „ 30 „ 30 „ 30 „ 30 „

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>			
		GLASSWARE AND EARTHENWARE.— <i>contd.</i>			
		<i>European—</i>		Rs. a. p.	
		Common, including plain colour, painted or flowered, but excluding vakmel or zigzag—			
		Garnet and ruby, excluding pasalal.	dozen pairs	0 4 0	30 percent.
		All colours, excepting garnet and ruby, but including pasabdarang.	"	0 2 6	30 "
		Gilt and fancy, all sizes, including Kerhira, Chandtera, Salmadar, "K" flower, and Momachi, and including pressed and painted and gilt enamelled lamp rings.	"	0 12 6	30 "
		Pasaful and machine polished, thin, including pat-liflower and fancy round rings, but excluding vakmel or zigzag.	"	0 7 0	30 "
		Common mirror bangles including chasma and Ranidarbar.	"	0 9 0	30 "
		Pasalal	"	0 4 6	30 "
		Vakmel or zigzag, plain, all colours ..	"	0 8 0	30 "
		Vakmel or zigzag, gilt and fancy, all colours.	"	1 0 0	30 "
		All other kinds .. .. .	....	<i>Ad valorem</i>	30 "
		HIDES, SKINS AND LEATHER.			
36	95	HIDES AND SKINS not otherwise specified, LEATHER AND LEATHER MANUFACTURES, all sorts, not otherwise specified.	..	"	15 "
		MACHINERY.			
37	51	MACHINERY, namely, such of the following articles as are not specified in any of the following numbers, namely, Nos. 67A, 68, 69, 73, 74, 88A, 89, 108, 114, 127, 132 and 134—	....	<i>Ad valorem</i>	2½ "
		(1) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts;			
		(2) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts;			
		(3) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose;			

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		<p>III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED—<i>contd.</i></p> <p>MACHINERY.—<i>contd.</i></p> <p>(4) control gear, self-acting or otherwise, and transmission gear designed for use with any machinery above specified, including belting of all materials and driving chains but not driving ropes ;</p> <p>(5) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not; and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof.</p> <p><i>Note.</i>—The term "industrial system" used in sub-clause (3) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.</p>			
88	5A	<p>COMPONENT PARTS OF MACHINERY, as defined in No. 87, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose;</p> <p>Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.</p>	....	<i>Ad valorem</i>	2½ per cent.
88A	51B	<p>The following textile machinery and apparatus by whatever power operated, namely:—Healds, heald cords and heald knitting needles; reeds and shuttles; warp and weft preparation machinery and looms; dobbies; Jacquard machines; Jacquard harness linen cards; Jacquard cards; punching plates for Jacquard cards; warping mills; multiple box sleys; solid border sleys; tape sleys; swivel sleys; tape looms; wool carding machines; wool spinning machines; hosiery machinery; coir mat shearing machines; coir fibre willowing machines; heald knitting machines; doobby 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; <i>cumbli</i> 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; and printing machines.*</p>	....	..	2½ "

* Under Government of India, Finance Department (Central Revenues) Notification No. 12, dated the 6th May 1926, component parts, other than bobbins and pirns, of any machinery or apparatus specified in this item are liable to duty at 2½ per cent. *ad valorem*; provided that such parts are essential for the working of such machinery 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.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>			
		MACHINERY— <i>contd.</i>		Rs. a. p.	
89	96	MACHINERY and component parts thereof, meaning machines or parts of machines to be worked by manual or animal labour, not otherwise specified (see Nos. 69, 73, 79 and 88A) and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one-quarter of one brake-horse-power.	....	<i>Ad valorem</i>	15 per cent.
		METALS, IRON AND STEEL.			
90		IRON—			
		ANGLE, channel and tee, not fabricated—			
	60	Crown and superior qualities	ton	200 0 0	10 per cent.
	143	Other kinds not galvanized, tinned or lead-coated—			
		Of British manufacture	"	Specific	19 Rs.
		Not of British manufacture	"	"	30 "
	60	Other kinds, if galvanized, tinned or lead-coated.	"	200 0 0	10 per cent.
	143	Angle, channel and tee, fabricated, all qualities—			
		Of British manufacture	"	Specific	Rs. 21-0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		Not of British manufacture	"	"	Rs. 21-0 or 17 per cent. whichever is higher, plus Rs. 15 per ton.
		BAR AND ROD—			
	60	Qualities superior to Grade A of the British Engineering Standard Association.	"	350 0 0	10 per cent.
	60	Grade A of the British Engineering Standard Association and Crown quality and intermediate qualities—			
		Over $\frac{1}{2}$ inch in diameter or thickness	"	190 0 0	10 "
		$\frac{1}{2}$ inch and under in diameter or thickness.	"	220 0 0	10 "
		Common, not galvanized, tinned, or lead-coated—			
	144	If not of any shape and dimension specified in clause (a) or (c) of No. 62 in the Statutory Schedule—			
		Of British manufacture	"	Specific	26 Rs.
		Not of British manufacture	"	"	37 "
	60	Other kinds	"	<i>Ad valorem</i>	10 per cent.
	60	Common, if galvanized, tinned, or lead-coated.	ton	180 0 0	10 "
	60	All other sorts	"	<i>Ad valorem</i>	10 per cent.
	60	PIG	"	75 0 0	10 "
	60	RICE BOWLS	cwt.	20 0 0	10 "
	60	SPIEGELEISEN, ferro-manganese, ferro-silicon and other ferro-alloys.	....	<i>Ad valorem</i>	10 "
91		STEEL—			
	62	ANGLE and tee, if galvanized, tinned, or lead coated—			
		Not fabricated	ton	180 0 0	10 "
		If fabricated .. ..	....	<i>Ad valorem</i>	10 "
	151	ANGLE and tee, not galvanized, tinned, or lead-coated, and beam, channel, zed trough and piling—			
		Fabricated—			
		Of British manufacture	ton	Specific	Rs. 21-0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		Not of British manufacture	"	"	Rs. 21-0 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 15 per ton.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>			
		METALS, IRON AND STEEL.— <i>contd.</i>		Rs. a. p.	
		STEEL— <i>contd.</i>			
		Not fabricated—			
		Of British manufacture	ton	Specific	19 Rs.
		Not of British manufacture ..	"	"	30 "
62		BAR AND ROD—the following kinds—			
		(a) Shapes specially designed for the reinforcement of concrete, if the smallest dimension is under $\frac{1}{2}$ inch ;	"	<i>Ad valorem</i>	10 per cent
		(b) all shapes and sizes, if—			
		(i) of alloy, crucible, shear, blister or tub steel, or	....	<i>Ad valorem</i>	10 "
		(ii) galvanized or coated with other metals, or	ton	180 0 0	10 "
		(iii) planished or polished, including bright steel shafting ;	"	240 0 0	10 "
		(c) other qualities, if of any of the following shapes and sizes—			
		(i) rounds under $\frac{1}{2}$ inch diameter	..	<i>Ad valorem</i>	10 "
		(ii) squares under $\frac{1}{2}$ inch side ..	..	"	10 "
		(iii) flats, if under 1 inch wide and not over $\frac{1}{2}$ inch thick,	..	"	10 "
		(iv) flats not under 8 inches wide and not over $\frac{1}{2}$ inch thick,	..	"	10 "
		(v) ovals, if the dimension of the major axis is not less than twice that of the minor axis,	..	"	10 "
		(vi) all other shapes, any size ..	....	"	10 "
152		Bar and Rod, not otherwise specified—			
		Of British manufacture	ton	Specific	26 Rs
		Not of British manufacture	"	"	37 "
62		Steel (other than bars), alloy, crucible, shear, blister and tub.	....	<i>Ad valorem</i>	10 per cent
62		Steel (other than bars), made for springs and cutting tools by any process.	....	"	10 "
62		Steel, ingots, blooms and billets, and slabs of a thickness of $1\frac{1}{2}$ inches or more.	....	"	10 "
153		STRUCTURES, fabricated, partially or wholly, not otherwise specified, if made mainly or wholly of steel bars, sections, plates or sheets, for the construction of buildings, bridges, tanks, well curbs, trestles, towers and similar structures or for parts thereof, but not including builders' hardware (<i>see</i> No. 75) or any of the articles specified in Nos. 67A, 87, 88 or 136—			
		Of British Manufacture	ton	Specific	Rs. 21-0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		Not of British manufacture	"	"	Rs. 21-0 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 15 per ton. 48 Rs.
154		TIN plates and tinned sheets, including tin taggers and cuttings of such plates sheets or taggers.	"	"	
92		IRON OR STEEL—			
61		ANCHORS AND CABLES	"	<i>Ad valorem</i>	10 per cent
61		Bolts and nuts, including hook bolts and nuts for roofing.	"	"	10 "
61		EXPANDED METAL	"	"	10 "
61		HOOPS AND STRIPS—			
		Having a Brinell hardness number of 143 or over, or being coated with other metals.	"	200 0 0	10 "
		Having a Brinell hardness number of less than 143 and not being coated with other metals.	"	145 0 0	10 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>		Rs. a. p.	
		METALS, IRON AND STEEL— <i>contd.</i>			
		IRON OR STEEL— <i>contd.</i>			
		NAILS, RIVETS AND WASHERS, all sorts—			
145		Nails, wire or French	cwt.	Specific	3 Rs.
61		„ rose, deck, and flat-headed ..	„	18 0 0	10 per cent.
61		„ bullock and horse-shoe ..	„	45 0 0	10 „
61		Panel pins, 16 gauge and smaller ..	„	14 0 0	10 „
61		Nails other kinds, including galvanized, tinned or lead coated and tacks.	„	20 0 0	10 „
61		Rivets, boiler-makers' or structural, if black.	cwt.	10 0 0	10 „
61		„ other sorts .. .. .	....	<i>Ad valorem</i>	10 „
61		Washers, black, structural ..	cwt.	12 0 0	10 „
61		„ other sorts, including galvanized, nickel plated, tinned or lead coated and dome-shaped, spring or locking washers.	....	<i>Ad valorem</i>	10 „
146		PIPES AND TUBES and fittings therefor, if riveted or otherwise built up of plates or sheets—			
		Galvanized	ton	Specific	Rs. 33-0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		Not Galvanized—			
		Not under $\frac{1}{4}$ inch thick—			
		Of British manufacture ..	„	„	Rs. 21-0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		Not of British manufacture ..	„	„	Rs. 21-0 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 15 per ton.
		Under $\frac{1}{4}$ inch thick—			
		Of British manufacture ..	„	„	Rs. 39-0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		Not of British manufacture ..	„	„	Rs. 39-0 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 26 per ton.
61		PIPES and TUBES; also fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like, excluding pipes, tubes and fittings therefor otherwise specified.	„	<i>Ad valorem</i>	10 per cent.
147		PLATES or SHEETS (including cuttings, discs and circles) not under $\frac{1}{4}$ inch thick and not of cast iron—			
		Fabricated, all qualities—			
		Of British manufacture	„	Specific	Rs. 21-0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		Not of British manufacture ..	„	„	Rs. 21-0 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 15 per ton.
		Not fabricated, chequered and ship, tank, bridge and common qualities—			
		Of British manufacture	„	„	20 Rs.
		Not of British manufacture ..	„	„	36 „
61		PLATES and Sheets (including cuttings, discs and circles) not under $\frac{1}{4}$ inch thick, not otherwise specified (<i>see</i> Nos. 146, 147, 153 and 154 in the statutory schedule)—			
		Boiler fire-box and special qualities, not fabricated.	„	250 0 0	10 per cent.
		Galvanized, plain, not fabricated ..	„	225 0 0	10 „
		All others, not fabricated	„	<i>Ad valorem</i>	10 „
		Cast iron, whether fabricated or not..	„	„	10 „

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>			
		METALS, IRON AND STEEL— <i>contd.</i>			
		IRON OR STEEL— <i>contd.</i>			
		SHEETS (including cuttings, discs and circles) under $\frac{1}{4}$ inch thick— Fabricated—			
148		Galvanized	ton	Specific	Rs 33-0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
61		Coated with metals other than tin or zinc.	..	<i>Ad valorem</i>	10 per cent.
148		All other sorts not otherwise specified—Of British manufacture ..	..	Specific	Rs. 39-0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		Not of British manufacture ..	..	..	Rs. 39-0 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 26 per ton.
148		Not Fabricated— Galvanized .. .. .	..	..	30 Rs.
61		Coated with metals other than tin or zinc.	....	<i>Ad valorem</i>	10 per cent.
148		All other sorts not otherwise specified—Of British manufacture ..	ton	Specific	35 Rs.
		Not of British manufacture ..	..	..	59 ..
		RAILWAY TRACK MATERIAL—			
150		Rails (including tramway rails the heads of which are not grooved)— Rails 30 lbs. per yard and over ..	..	..	13 Rs.
		Fish-plates therefor .. .. .	..	..	Rs. 6-0 or 10 per cent. <i>ad valorem</i> , whichever is higher.
		Spikes and tie-bars therefor— Of British manufacture .. ..	..	..	26 Rs.
		Not of British manufacture .. ..	..	..	37 ..
		Rails under 30 lbs. per yard, and fish-plates, spikes and tie-bars therefor— Of British manufacture .. ..	..	..	26 Rs.
150		Not of British manufacture .. ..	..	..	37 ..
		SWITCHES and crossings and the like materials not made of alloy steel, including switches and crossings and the like materials for tramway rails the heads of which are not grooved— For rails 30 lbs. per yard and over ..	..	..	Rs. 14-0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		For rails under 30 lbs. per yard— Of British manufacture .. ..	..	..	Rs. 29-0 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		Not of British manufacture ..	..	..	Rs. 29-0 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 12 per ton.
150		SLEEPERS, other than cast iron, and keys and distance pieces and the like for use with such sleepers.	..	..	Rs. 10-0 or 10 per cent. <i>ad valorem</i> , whichever is higher.
61		All Kinds, not otherwise specified (<i>see</i> Nos. 63 and 150 in the Statutory Schedule) including bearing plates, cast iron sleepers and fastenings therefor, and lever-boxes.	..	<i>Ad valorem</i>	10 per cent.
61		TRAMWAY Track Material, not otherwise specified (<i>see</i> No. 150 in the Statutory Schedule), including rails, fish-plates, tie-bars, switches, crossings and the like materials of shape and sizes specially adapted for tramway tracks.	..	..	10 ..

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>		Rs. a. p.	
		METALS, IRON AND STEEL— <i>contd.</i>			
		IRON OR STEEL— <i>contd.</i>			
		WIRE—			
61		Barbed and stranded fencing .. .. .	....	<i>Ad valorem</i>	10 per cent.
97		Netting .. .. .	....	"	15 "
149		All other kinds	ton.	Specific	60 Rs.
61		WIRE rope .. .. .	....	<i>Ad valorem</i>	10 per cent.
61		IRON OR STEEL, designed for the reinforcing of concrete, not otherwise specified (<i>see</i> Nos. 90 and 91).	....	"	10 "
149-A.		IRON OR STEEL, the original material (but not including machinery, <i>see</i> Nos. 87 and 88) of any ship or other vessel intended for inland or harbour navigation which has been assembled abroad, taken to pieces and shipped for re-assembly in India : Provided that articles dutiable under this item shall not be deemed to be dutiable under any other item.	ton	Specific	Rs. 23-0 or 10 per cent. <i>ad valorem</i> , whichever is higher.
	97	IRON OR STEEL, all other kinds not otherwise specified.	....	<i>Ad valorem</i>	15 per cents
93	97	IRON AND STEEL CANS OR DRUMS— When imported containing kerosene and motor spirit which are separately assessed to duty under Nos. 34 and 34A, namely :— Cans, tinned, of four gallons capacity.	can	0 8 0	15 "
		Cans or drums, not tinned, of two gallons capacity—			
		(a) with faucet caps	can or drum	1 8 0	15 "
		(b) ordinary	"	0 6 0	15 "
		Drums of four gallons capacity—			
		(a) with faucet caps	drum	2 3 0	15 "
		(b) ordinary	"	1 8 0	15 "
		Iron or steel cans or drums, other sorts.	....	<i>Ad valorem</i>	15 "
		METALS, OTHER THAN IRON AND STEEL.			
94	19	CURRENT NICKEL, BRONZE, AND COPPER COIN of the Government of India.	....	..	Free.
95	20	GOLD AND SILVER BULLION and coin ..	....	..	Free.
96	132	GOLD PLATE, GOLD THREAD and WIRE, and GOLD MANUFACTURES, all sorts.	....	<i>Ad valorem</i>	30 per cent.
97	133	SILVER PLATE, SILVER THREAD and WIRE, and SILVER MANUFACTURES, all sorts.	....	"	30 "
97A	39A	TIN, block	ton	....	250 Rs.
97B	20A	ZINC, unwrought, including cakes, ingots, tiles (other than boiler tiles), hard or soft slabs and plates, dust, dross and ashes; and broken zinc.	..	..	Free.
98	98	ALL SORTS OF METALS OTHER THAN IRON AND STEEL, and manufactures thereof, not otherwise specified*—			
		Aluminium circles	lb.	0 13 6	15 per cent.
		" sheets, plain	"	0 12 6	15 "
		Brass, Patent or yellow metal, sheets and sheathing, weighing 1 lb. or above per square foot, and braziers, and plates.	cwt.	48 0 0	15 "
		Brass, patent or yellow metal (including gun metal) ingots.	"	32 0 0	15 "
		Brass, patent or yellow metal, old..	"	27 0 0	15 "
		" sheets, flat or in rolls, and sheathing, weighing less than 1 lb. per square foot.	....	<i>Ad valorem</i>	15 "
		Brass, wire .. .. .	....	"	15 "
		" all other sorts .. .. .	....	"	15 "
		Copper, bolt and bar, rolled .. .. .	....	"	15 "
		" braziers, sheets, plates and sheathing.	cwt.	52 0 0	15 "

* Under Government of India, Finance Department (Central Revenues) Notification No. 5, dated the 27th February 1926, Tin block is liable to duty at Rs. 250 per ton.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED—<i>contd.</i>			
		METALS, OTHER THAN IRON AND STEEL.—<i>contd.</i>		Rs. a. p.	
		Copper, sheets, planished .. ..	....	<i>Ad valorem</i>	15½ per cent.
		.. nails, and composition nails ..	....	"	15 "
		.. old	cwt.	36 0 0	15 "
		.. pigs, tiles, ingots, cakes, bricks, and slabs.	"	48 0 0	15 "
		.. China, white, copperware ..	lb.	3 0 0	15 "
		.. foil or dankpana, plain, white, 10 to 11 inch *4 to 5 inch.	hundred leaves.	1 12 0	15 "
		.. foil or dankpana, plain, coloured, 10 to 11 inch *4 to 5 inch.	"	2 0 0	15 "
		.. wire, including phosphor-bronze.	....	<i>Ad valorem</i>	15 "
		.. all othersorts, unmanufactured and manufactured, except current coin of the Government of India, which is free.	....	<i>Ad valorem</i>	15 per cent.
		German silver .. ..	....	"	15 "
		Lead, pig	cwt.	24 0 0	15 "
		Lead, all sorts (except pig) .. ..	....	<i>Ad valorem</i>	15 "
		Quicksilver	lb.	3 0 0	15 "
		All other sorts of metals, and manufactures thereof.	....	<i>Ad valorem</i>	15 "
		PAPER, PASTEBOARD AND STATIONERY.			
99	99 155 156	PAPER AND ARTICLES MADE OF PAPER AND PAPIER MACHE, PASTEBOARD, MILLBOARD, AND CARDBOARD, all sorts, and STATIONERY, including drawing and copy books, labels, advertising circulars, sheet or card, almanacs and calendars, Christmas, Easter, and other cards, including cards in booklet form, including also wastepaper and old newspapers for packing except old newspapers in bales and bags, but excluding trade catalogues and advertising circulars imported by packet, book, or parcel post (see No. 100) and postage stamps whether used or unused (see No. 100A), and also excluding the descriptions given below :—	....	<i>Ad valorem</i>	15 "
		Old newspapers in bales and bags ..	cwt.	5 8 0	15 per cent.
		Printing paper, white or coloured—			
		All sorts containing less than 65 per cent. of mechanical wood pulp, but excluding chrome, marble, flint, poster and stereo.	lb.	Specific.	1 anna.
		Newsprinting paper, containing not less than 65 per cent. of mechanical wood pulp, glazed or unglazed, white or grey.	"	0 2 3	15 per cent.
		Other sorts, including chrome, marble, flint, poster and stereo.	....	<i>Ad valorem</i>	15 "
		Packing and wrapping paper—			
		Machine-glazed pressings	lb.	0 2 6	15 "
		Manilla, machine-glazed or unglazed, sulphite envelope.	"	0 2 9	15 "
		Kraft and imitation kraft	"	0 2 9	15 "
		Other sorts, including tissues .. ..	....	<i>Ad valorem</i>	15 "
		Writing paper, all sorts, including ruled or printed forms and account and manuscript books and the binding thereof.	lb.	Specific	1 anna.
		Straw boards	cwt.	7 0 0	15 per cent.
100	21	TRADE CATALOGUES AND ADVERTISING CIRCULARS imported by packet, book, or parcel post.	....	..	Free.
100 A	21A	POSTAGE STAMPS, whether used or unused	....	..	Free.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>		Rs. a. p.	
		YARNS & TEXTILE FABRICS— <i>contd.</i>			
106 A	100A	SILK GOODS used or required for medical purposes, namely, silk ligatures; elastic silk hosiery, elbow pieces, thigh pieces, knee caps, leggings, socks, anklets, stockings, suspensory bandages; silk abdominal belts, silkweb catheter tubes, and oiled silk.	....	<i>Ad valorem</i>	15 per cent.
107 A	45A	SILK MIXTURES, that is to say, (a) fabrics composed in part of some other textile than silk and in which any portion either of the warp or of the weft but not of both is silk; (b) fabrics not being silk on which silk is super-imposed such as embroidered fabrics; (c) articles made from such fabrics and not otherwise specified (<i>see</i> No. 106A).	....	"	20 "
107 B	134	SILK PIECE-GOODS and other manufactures of silk, not otherwise specified (<i>see</i> Nos. 106A and 107A). Upon the following articles, duty will be charged, at the rate of Serial No. 107A or No. 107B, whichever is applicable, on the basis of the following valuations:— Silk piece-goods (white or coloured, plain or figured and all widths) from Japan and China (including Hong-kong)— <i>Japan</i> — Paj, all kinds, including Habutai, Thama, Junken and Nankin, and including striped, printed, woven so-called (<i>i.e.</i> , swivel weave-work or Khakho embroidered), embossed and pineapples but excluding all kinds of Shioji or Shin Paj. Satis, Taffetas, and Kohakus, all kinds, including striped, printed, woven so-called (<i>i.e.</i> , swivel weave-work or Khakho embroidered), and embossed. Twill, all kinds Jarina (gold embroidered) Fugi and Boseki, all kinds Fancies, printed and woven so-called (<i>i.e.</i> , swivel weave-work or Khakho embroidered), including georgettes, crepes, ninons, gauzes, and all kinds of Shioji or Shin Paj. Embroideries and embroidered piece-goods, excluding Burmese scarves. Shawls, dhuties, handkerchiefs, hosiery, mufflers and scarves, excluding Burmese scarves. Dupettas and China silk patkas Burmese scarves—(a) Paj or Habutai. (b) Other kinds. Cotton and silk mixed satins, embroidered. Cotton and silk mixed satins, other kinds. Cotton and silk mixed hosiery Cotton and silk mixed Fugi and Boseki, all kinds. Silk Fents .. .. .	....	"	30 per cent.
		Paj, all kinds, including Habutai, Thama, Junken and Nankin, and including striped, printed, woven so-called (<i>i.e.</i> , swivel weave-work or Khakho embroidered), embossed and pineapples but excluding all kinds of Shioji or Shin Paj.	lb.	21 0 0	
		Satis, Taffetas, and Kohakus, all kinds, including striped, printed, woven so-called (<i>i.e.</i> , swivel weave-work or Khakho embroidered), and embossed.	"	23 0 0	
		Twill, all kinds	"	25 0 0	
		Jarina (gold embroidered)	"	26 0 0	
		Fugi and Boseki, all kinds	"	12 0 0	
		Fancies, printed and woven so-called (<i>i.e.</i> , swivel weave-work or Khakho embroidered), including georgettes, crepes, ninons, gauzes, and all kinds of Shioji or Shin Paj.	"	29 0 0	
		Embroideries and embroidered piece-goods, excluding Burmese scarves.	"	40 0 0	
		Shawls, dhuties, handkerchiefs, hosiery, mufflers and scarves, excluding Burmese scarves.	"	37 0 0	
		Dupettas and China silk patkas	"	16 0 0	
		Burmese scarves—(a) Paj or Habutai.	"	41 0 0	
		(b) Other kinds.	"	49 0 0	
		Cotton and silk mixed satins, embroidered.	"	13 0 0	
		Cotton and silk mixed satins, other kinds.	"	9 0 0	
		Cotton and silk mixed hosiery	"	28 0 0	
		Cotton and silk mixed Fugi and Boseki, all kinds.	"	10 0 0	
		Silk Fents	"	10 0 0	

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>		Rs. a. p.	
		YARNS & TEXTILE FABRICS— <i>contd.</i>			
		<i>China (including Hongkong but excluding Cantons)—</i>			
		Honans, all kinds, and patkas ..	lb.	7 0 0	
		Shantungs and Tussores, all kinds, including patkas.	"	4 8 0	
		Corded, all kinds, excepting white cords.	"	4 12 0	
		White cords, all kinds	"	10 0 0	
		Crepe, gauze, and paj, all kinds ..	"	20 0 0	
		Satins and fancies, all kinds, including loongies and stripes, Taffetas and Pagris, all kinds.	"	20 0 0	
		Fugi and Boseki, all kinds ..	"	10 0 0	
		Cantons, all kinds .. ..	....	<i>Ad valorem</i>	
		Silk piece-goods, apparel and other manufactures of silk not otherwise specified.	....	"
		MISCELLANEOUS.			
108	53	AEROPLANES, aeroplane parts, aeroplane engines, aeroplane engine parts and rubber tyres and tubes used exclusively for aeroplanes.	....	<i>Ad valorem</i>	2½ per cent.
109	23	ART, the following works of:—(1) statutory and pictures intended to be put up for the public benefit in a public place, and (2) memorials of a public character intended to be put up in a public place, including the materials used or to be used in their construction, whether worked or not.	....	..	Free.
110	101	ART, works of, excluding those specified in No. 109.	....	<i>Ad valorem</i>	15 per cent.
111	120	Bangles—			
		Celluloid, plain, flat, with and without border.	dozen pairs.	1 14 0	15 "
		" (rubber) rings excluding coils	"	0 6 0	15 "
		" other sorts .. ..	....	<i>Ad valorem</i>	15 "
112	24	BOOKS, printed, including covers for printed books, maps, charts and plans, proofs, music and manuscripts	....	....	Free.
113	102	BRUSHES AND BROOMS .. ..	....	<i>Ad valorem</i>	15 per cent.
114	103	BUILDING AND ENGINEERING MATERIALS, including asphalt, bricks, cement (other than Portland cement), chalk and lime, clay other than China clay (<i>see</i> No. 116), pipes of earthenware, tiles, firebricks not being component .. parts of any article included in No. 87 or No. 101, and all other sorts of building and engineering materials not otherwise specified including bitumen and other insulating materials.	....	"	15 "
115	104	CANDLES .. ..	....	"	15 "
116	123	China clay	ton	80 0 0	15 "
117	105	CINEMATOGRAPH FILMS—			
		Exposed standard positive films, new or used.	foot	0 4 0	15 "
		Other films .. ..	....	<i>Ad valorem</i>	15 "
118	106	CORDAGE AND ROPE AND TWINE OF VEGETABLE FIBRE excluding coir yarn.	....	"	15 "
		Coir yarn	cwt.	12 8 0	15 "
118	106	FIREWORKS specially prepared as danger or distress lights for the use of ships.	..	<i>Ad valorem</i>	15 "
119	135	FIREWORKS not otherwise specified (<i>see</i> No. 118A).	..	"	30 "
120	107	FURNITURE, TACKLE AND APPAREL, not otherwise described, for steam, sailing, rowing and other vessels.	..	"	15 "
121	136	IVORY, manufactured .. ..	..	"	30 "
122	137	JEWELLERY AND JEWELS .. ..	..	"	30 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>contd.</i>					
MISCELLANEOUS— <i>concl'd.</i>					
				Rs. a. p.	
123	46	MATCHES—			Rs. a. p.
		(1) In boxes containing on the average not more than 100 matches.	gross of boxes	..	1 8 0
		(2) In boxes containing on the average more than 100 matches.	for every 25 matches or fraction thereof in each box, per gross of boxes.	..	0 6 0
123 A	46A	Undipped SPLINTS such as are ordinarily used for match making.	lb.	.	0 4 6
123 B	46B	VENEERS such as are ordinarily used for making match boxes, including boxes and parts of boxes made of such veneers.	"	..	0 6 0
124	108	MATS AND MATTING .. .. .	..	<i>Ad valorem</i>	15 per cent.
125	109	OILCAKES .. .. .	..	"	15 "
126	110	OILCLOTH AND FLOOR CLOTH .. .. .	..	"	15 "
127	111	PACKING—ENGINE AND BOILER—all sorts, excluding packing forming a component part of any article included in Nos. 87, 88, and 101.	..	"	15 "
128	112	PERFUMERY, not otherwise specified—			
		Gowla, husked and unhusked	cwt.	55 0 0	15 per cent.
		Kapurkachri (zedoary)	"	25 0 0	15 "
		Patch leaves (patchouli)	"	30 0 0	15 "
		Rose flowers, dried	"	16 0 0	15 "
		All other sorts .. .. .	..	<i>Ad valorem</i>	15 "
129	113	PITCH, TAR AND DAMMER—			
		Coal pitch	cwt.	5 0 0	15 "
		Coal tar .. .. .	..	<i>Ad valorem</i>	15 "
		Stockholm pitch	cwt.	18 0 0	15 "
		Stockholm tar	"	15 0 0	15 "
		Dammer Batu	"	7 8 0	15 "
		Other sorts .. .. .	..	<i>Ad valorem</i>	15 "
130*					
131	114	POLISHES AND COMPOSITIONS .. .. .	..	..	15 "
131 A	46C	Portland Cement	ton.	..	9 Rs.
131 B	46D	Printer's ink .. .. .	..	<i>Ad valorem</i>	5 per cent.
132	54	PRINTING AND LITHOGRAPHING MATERIAL, namely, presses, type, aluminium lithographic plates, brass rules, composing sticks, chases, imposing tables, and lithographic stones, stereo blocks, wood blocks, half-tone blocks, electrotype blocks, roller moulds, roller frames and stocks, roller composition, standing screw and hot presses, perforating machines, gold blocking presses, galley presses, proof presses, arming presses, copper plate printing presses, rolling presses, ruling machines, ruling pen making machines, lead and rule cutters, type casting machines, type setting and casting machines, rule bending machines, rule mitreing machines, bronzing machines, leads, wooden and metal quoins, shooting sticks and galleys, stereotyping apparatus, metal furniture, paper folding machines, and paging machines, but excluding ink (<i>see</i> No. 131B) and paper (<i>see</i> No. 99).†	..	"	2½ "

* There is no item bearing serial No. 130.

† Under Government of India, Finance Department (Central Revenues) Notification No. 19, dated the 17th June 1926, Zinc lithographic plates are liable to duty at 2½ per cent. *ad valorem*.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED— <i>concl'd.</i>		Rs. a. p.	
		MISCELLANEOUS— <i>concl'd.</i>			
133	138	PRINTS, ENGRAVINGS AND PICTURES, including photographs and picture postcards.	..	<i>Ad valorem</i>	30 per cent.
134	55	RACKS for the withering of tea leaf ..	..	"	2½ "
135	115	RUBBER tyres and other manufactures of rubber, not otherwise specified (<i>see</i> Nos. 108 and 130).	..	"	15 "
136	64	SHIPS AND OTHER VESSELS for inland and harbour navigation, including steamers, launches, boats and barges, imported entire or in sections* : Provided that articles of machinery as defined in No. 87 or No. 88 shall, when separately imported, not be deemed to be included hereunder.	..	"	10 "
137	140	SMOKERS' REQUISITES, excluding tobacco (Nos. 26 to 28) and matches (No. 123).	..	"	30 "
138	116	SOAP— Soft Soap	cwt.	15 0 0	15 "
		Other kinds .. .. .	..	<i>Ad valorem</i>	15 "
139	117	STARCH AND FARINA .. .. .	..	"	15 "
140	118	STONE AND MARBLE, and articles made of stone and marble	..	"	15 "
141	119	TOILET REQUISITES, not otherwise specified.	..	"	15 "
142	141	TOYS, games, playing cards and requisites for games and sports, including 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 but excluding bird-shot.	..	"	30 "
143	120	Bird-shot ALL OTHER ARTICLES wholly or mainly manufactured, not otherwise specified.	cwt. ..	35 0 0 <i>Ad valorem</i>	30 15 "
		IV.—MISCELLANEOUS & UNCLASSIFIED.			
144	25	ANIMALS, living, all sorts .. .. .	..	"	Free.
145	121	CORAL .. .. .	..	<i>Ad valorem</i>	15 per cent.
46	57	FODDER, BRAN AND POLLARDS .. .. .	..	"	2½ "
147	26	SPECIMENS illustrative of natural science, and medals and antique coins.	..	"	Free.
148	122	UMBRELLAS, including parasols and sunshades, and fittings therefor excluding umbrella ribs. Umbrella ribs— Solid Flexus, all sizes— From Japan From other countries Solids, 23, 25 and 27 inches Solids, 16, 19 and 21 inches All other sorts .. .. .	.. .. Dozen Sets of 8. " Dozen Sets of 12. Dozen Sets of 8. ..	<i>Ad valorem</i> 1 6 0 2 13 0 2 5 0 1 3 0 <i>Ad valorem</i>	15 per cent. 15 " 15 " 15 " 15 "
149	123	ALL OTHER ARTICLES NOT OTHERWISE SPECIFIED, including articles imported by post.†	..	"	15 "

* Under Government of India, Finance Department (Central Revenues) Notification No. 2, dated the 1st January 1927, light ships are exempted from payment of import duties.

† Under Government of India, Finance Department (Central Revenues) Notification No. 109-1-Cus.-25, dated the 17th March 1925, insignia and badges of official British and Foreign Orders are exempt from payment of import duty.

SCHEDULE III.—EXPORT TARIFF.

No.	Names of Articles.	Per	Tariff Valuation.	Rate of duty.	
	JUTE OTHER THAN BIMLIPATAM JUTE.		Rs. a. p.	Rs. a. p.	
1	RAW JUTE—				
	(1) Cuttings	Bale of 400 lbs.	....	1 4 0
	(2) All other descriptions .. .. .	"	....	4 8 0
2	JUTE MANUFACTURES when not in actual use as coverings, receptacles or bindings for other goods—				
	(1) Sacking (cloth, bags, twist, yarn, rope and twine)	Ton of 2,240 lbs.	....	20 0 0
	(2) Hessians and all other descriptions of jute manufactures not otherwise specified.*	"	....	32 0 0
	RICE.				
3	RICE, husked or unhusked, including rice flour, but excluding rice bran and rice dust, which are free.	Indian maund of 82½ lbs. avoirdupois weight.	....	0 3 0
4	RAW HIDES AND SKINS IF EXPORTED FROM BURMA.†				
	(1) ARSENICATED AND AIR-DRIED HIDES—				
	(a) Cows (including calf skins) ..	lb	0 6 3	5 per cent;	
	(b) Buffaloes (including calf skins) ..	"	0 3 6	5 "	
	(2) DRY SALTED HIDES—				
	(a) Cows (including calf skins) ..	"	0 4 9	5 "	
	(b) Buffaloes (including calf skins) ..	"	0 2 9	5 "	
	(3) WET SALTED HIDES—				
	(a) Cows (including calf skins) ..	"	0 3 6	5 "	
	(b) Buffaloes (including calf skins) ..	"	0 2 0	5 "	
	(4) GOAT AND KID SKINS	Piece	1 4 0	5 "	
	(5) SHEEP SKINS	"	0 10 0	5 "	
6	RAW HIDES AND SKINS IF EXPORTED FROM ANY PLACE IN BRITISH INDIA OTHER THAN BURMA.†				
	(1) ARSENICATED AND AIR-DRIED HIDES—				
	(a) Cows (including calf skins) ..	lb.	Framed ..	0 9 6	5 "
			Unframed ..	0 6 0	5 "
	(b) Buffaloes (including calf skins) ..		Framed ..	0 6 6	5 "
			Unframed ..	0 4 6	5 "
	(2) DRY SALTED HIDES—				
	(a) Cows (including calf skins) ..	"	0 6 0	5 "	
	(b) Buffaloes (including calf skins) ..	"	0 3 6	5 "	
	(3) WET SALTED HIDES—				
	(a) Cows (including calf skins) ..	"	0 4 0	5 "	
	(b) Buffaloes (including calf skins) ..	"	0 2 6	5 "	
	(4) GOAT AND KID SKINS	Piece	1 8 0	5 "	
	(5) SHEEP SKINS	"	1 1 0	5 "	

*Under Government of India Notification No. 1428, dated 17th November 1923, Jute Rags such as are used for paper making, are exempt from payment of export duty provided that the Customs Collector is satisfied that they are useless for any purpose to which cloth or rope is ordinarily put.

† Under Government of India, Finance Department (Central Revenues) Notification No. 35, dated the 25th September 1926, hide and skin cuttings and fleshings, such as are used for glue-making, are exempt from payment of export duty.

APPENDIX 47.

ASSESSMENT OF CARD CAN BINDERS.

No. L. 495-378.

BOMBAY, 7th September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Subject :—*General Imports.*

We have for some years been importing into this country Card Can Binders for the bottoms and tops of Card Cans. The rate of duty which has been assessed, prior to the case in question, has been $2\frac{1}{2}$ per cent. Unfortunately in May last the staff of the Customs was greatly altered, and the consequences were that we were assessed at 15 per cent. on this commodity. After prolonged correspondence and objections from us we were given a rebate of 5 per cent which brought the duty down to 10 per cent. the reason given being that duty on Card Can Binders are entitled to assessment at the same rate as cuttings of sheets under $1/8$ " thickness, and consequently the duty at 10 per cent. is in order.

We contend that as this matter is of interest to your members and that as the Card Cans are component parts of Cards, they should be assessed at $2\frac{1}{2}$ per cent, the rates previously charged.

Under these circumstances we put this matter before you in order—if you consider it advisable—to take up with the Customs authorities. If necessary, we shall be glad to forward you copies of this correspondence.—Yours faithfully,

W. H. BRADY & Co., LIMITED,
J. A. KAY,
Managing Director.

No. 1562-150 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 27th September, 1926.

MESSRS. W. H. BRADY & Co., LTD.,
BOMBAY.

DEAR SIRS,

With reference to your letter No. L. 495-378 of the 7th instant on the subject of 'Assessment of Card Cans,' the Committee of the Association have decided to make a representation to the Customs authorities in support of the case put forward by you. Will you therefore kindly forward to the Association at your earliest convenience copies of the correspondence referred to in the last para of your letter?—Yours, etc.,

T. MALONEY,
Secretary.

No. 1626-150 of 1926.

MESSRS W. H. BRADY & CO., LTD.,
BOMBAY.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 4th October, 1926.

DEAR SIRS,

I am directed to invite your attention to my letter No. 1562-150 dated 27th September in regard to the assessment of card cans by the Collector of Customs. Since the Committee of this Association desire to take up this question with the Government of India I am to request you to let me have copies of all correspondence that has passed between the Collector of Customs and yourselves in this regard.—Yours, etc.,

T. MALONEY,
Secretary.

No. L. 498-151.

BOMBAY, 4th October, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Imports : Card Cans.

We have to acknowledge receipt of your letter of the 27th ultimo and enclose herewith *copies of correspondence relating to this matter.—Yours faithfully,

Per pro W. H. BRADY & CO., LTD.,
T. MOIR,

No. 1634-150 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 5th October, 1926.

THE ASSISTANT COLLECTOR OF CUSTOMS,
APPRAISING DEPARTMENT, NEW CUSTOM HOUSE, BOMBAY.

DEAR SIR,

Card Cans.

Messrs. W. H. Brady & Co. have forwarded to this Association copies of their recent correspondence with you on the subject of assessment of binders for card cans. My Committee have very carefully considered the whole matter, and they are unanimously of the opinion that Messrs. Brady & Co. have made out an unanswerable case for these articles to be assessed at 2½ per cent. My Committee trust that on re-consideration of the whole matter, especially in the light of Messrs. Brady and Co.'s last letter of 22nd September, 1926 (to which no reply* appears to have been sent so far), you will see your way to assess these articles at 2½ per cent. and issue a refund note to Messrs. Brady & Co. In case, however, you cannot see your way to do so, my Committee would like to take up this matter with the Board of Revenue, and I am directed to request you kindly to send an early reply to Messrs. Brady & Co.'s letter of 22nd September, and at the same time forward a copy of your letter to this office.—Yours, etc.,

T. MALONEY,
Secretary.

IN THE OFFICE OF THE ASSISTANT COLLECTOR OF CUSTOMS, APPRAISING DEPARTMENT, NEW CUSTOM HOUSE, BOMBAY.

No. A-2675 of 1926.

NEW CUSTOM HOUSE,
BOMBAY, 2nd November, 1926.

N.B.—(1) This copy is granted free of charge for the private use of the person to whom it is issued.

(2) An appeal against this order lies to the Collector of Customs, Bombay, within 3 months of its date. Any appeal should be accompanied by the order appealed against, or a copy of it, and should bear a Court fee stamp of annas eight only.

Subject :—*Binders for card cans—assessment.*

READ :—Letters dated 7-4-26, 1-6-26, 16-7-26 and 22-9-26 from Messrs. W. H. Brady & Co., Ltd.

READ :—Appraiser's report.

ORDER.

Messrs. W. H. Brady & Co., Ltd., put in a bill of entry for seven cases rubber cones, etc., imported ex s.s. "City of Kimberley" of 6-3-26. The last item of the Bill of Entry covered two cases of lead coated binders for card cans, which were assessed to duty at 15 per cent. Messrs. W. H. Brady & Co., Ltd., represented in their letter dated 7-4-26 that the goods were assessable to duty at 2½ per cent. and accordingly requested a refund of the duty paid in excess of 2½ per cent. In reply to this the firm was told that the binders for card cans in question were cuttings of lead coated sheets and were assessable to duty at 10 per cent. *ad valorem* as cuttings of sheets under 1/8" thick not otherwise specified, and a refund was granted on 29-5-26 representing the duty charged in excess of 10 per cent. The firm further represented that the proper rate of duty leviable in this case was 2½ per cent. but it was explained to them that the binders in question were not finished articles, as they required to be drilled and riveted together before they could form part of a card can. I am satisfied that the assessment at 10 per cent. *ad valorem* of these cuttings of lead coated sheets which are used in the mill as card can binders is correct. In order that an article be entitled to assessment at the lower rate of duty, *viz.*, 2½ per cent., it should be possible to classify it as a component part of machinery under item 88 of the Tariff Valuation Schedule, and if it is to be so classified it is essential that it should have been given some special shape or quality which would not be essential for its use for any other purpose. I have examined the sample of card can binders and I find that it has not been given any such shape or quality. I have also further read the letter dated 22-9-26 from the firm, but cannot agree that the binders in question are assessable at 2½ per cent. under the Board's orders cited. The assessment at 10 per cent. is therefore correct.

F. J. KARAKA,
Asstt. Collector of Customs, Appraising Department.

Copy to the Secretary, the Millowners' Association, Post Box 95, Bombay, with reference to his letter No. 1634-150 dated 5-10-26.

F. J. KARAKA,
Asstt. Collector of Customs, Appraising Department.

No. 1910-150 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th November, 1926.

MESSRS. W. H. BRADY & CO., LTD.,
BOMBAY.

DEAR SIRS,

Assessment of Card Cans.

The Assistant Collector of Customs, Appraising Department, has forwarded to the Association a copy of his order No. A-2675, dated 2nd November. Will you kindly make an appeal to the Collector of Customs against this order and forward to this Association a copy of the appeal, in order to enable the Association to write to the Collector in support thereof.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 48.**IMPORT DUTY ON SPARE PARTS OF MACHINERY.**

THE PREMIER MILLS, LIMITED,
BOMBAY, 28th October, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re-Import Duty on Machinery Spares.

We beg to bring to your notice the following instance, in which we were compelled to pay import duty at 15 per cent. instead of at 2½ per cent. on spare parts of machinery worked by power.

During the month of July last, we imported spare parts of whipping and fringing machines, which are worked at our above mills by power and as all such machinery or spare parts thereof are dutiable at 2½ per cent., we instructed our Clearing Agents, Messrs. The Asian Transit Co., to declare these parts as component parts of power-driven machinery dutiable at 2½ per cent. The Assistant Collector of Customs considered this a misdeclaration and threatened action. We paid duty at 15 per cent. and subsequently applied to the Assistant Collector of Customs for refund of duty charged in excess. We were informed that our claim could not be admitted on the ground that component parts of machine worked both by power or manual labour are assessed to duty at 15 per cent. even though they are meant by the importer for a machine to be worked by power only, the intention of the importer is not taken into consideration for assessment purposes.

We enclose herein *copies of correspondence passed in this matter. We shall be pleased if you will take up this matter with the Customs Authorities and see if something could be done.—Yours, etc.,

FOR CURRIMBOY EBRAHIM & SONS, LTD.,
(Sd.) Illegible,

Director,
Agents:

BOMBAY, 28th October, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re. Import Duty on Stores.

We take this opportunity to bring to your notice certain discrepancies in the assessment of customs duty on the various stores imported for the use of mills. We hope that your Committee will take up the matter with the Customs Authorities and see if something could be done.

The different articles of stores imported for weaving and spinning machinery have different assessments of duty. The duty on pickers, picking bands, spring buffers, strapping, etc., is assessed at 2½ per cent. and the duty on roller skins, machinery cloths, viz., sizing flannel, roller cloth and clearer cloth, etc., at 15 per cent. According to the current statutory schedule No. 51 (3), articles, which are designed for use in industrial system as parts indispensable for its operation and have been given for that purpose special *shape* or *quality* which would not be essential for use for any other purpose, are assessed at 2½ per cent. and duty on pickers, picking bands, etc., having been assessed under this clause, we submit that under this clause, articles of a similar nature, viz., roller skins, machinery cloths, etc., which are by their nature designed only for use in the spinning mills of a peculiar *quality*, which would confine their use only to textile purposes, are also dutiable at 2½ per cent.

The above instances cited by us are only a few of the many where similar assessments are made. There are, various articles of stores which are not properly assessed, though solely imported for use in the textile mills. We feel confident that your Committee will try to secure proper assessment where the textile industry is concerned, as it would effect a good deal of saving in the present times.—Yours, etc.,

FOR CURRIMBOY EBRAHIM & SONS, LTD.,
(Sd.) Illegible,
Directors,
Agents.

No. 1972-150 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 16th November, 1926.

THE PREMIER MILLS, LIMITED,
BOMBAY.

DEAR SIRS,

I am directed to acknowledge the receipt of your letter dated 20th October, 1926, regarding the decision of the Assistant Collector of Customs in connection with the assessment of spare parts of whipping and fringing machines to import duty.

The matter received the careful consideration of the Committee, but it was thought that before the Association takes up the matter with the Government of India you should file an appeal with the Collector of Customs, the final Customs appellate authority, against the decision of the Assistant Collector so that if the decision of the former is unfavourable to you the Association can press the Government of India to amend the interpretation of the term "component parts of machinery."

When the result of your appeal is known, the Committee will be very pleased to have copies of your appeal and the Collector's order so that the matter may receive further consideration.—Yours, etc.,

T. MALONEY,
Secretary.

THE PREMIER MILLS, LIMITED,
BOMBAY, 19th November, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re. *Import Duty on Machinery.*

We thank you for your letter dated 16th instant, and as desired are taking up the matter with the Collector of Customs and on receipt of his reply we will revert to it.—Yours, etc.,

FOR CURRIMBHOY EBRAHIM & SONS, LTD.,
(Sd.) Illegible,
Director,
Agents.

THE PREMIER MILLS, LIMITED,
BOMBAY, 13th January, 1927.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re. *Import Duty on Machinery Spares.*

We beg to refer you to your letter No. 1972-150 of 16th November last regarding the decision of the Assistant Collector of Customs to assess duty on spare parts of whipping and fringing machines at 15 per cent. instead of at 2½ per cent. and are glad to inform you that we have received a communication from the Collector of Customs admitting our appeal and assessing duty at 2½ per cent. *ad valorem* instead of 15 per cent. We beg to enclose herein a copy of his letter for your information.—Yours, etc.,

FOR CURRIMBHOY EBRAHIM & SONS, LTD.,
(Sd.) Illegible,
Director,
Agents.

IN THE OFFICE OF THE COLLECTOR OF CUSTOMS, BOMBAY.

NEW CUSTOM HOUSE,
BOMBAY, 5th January, 1927.

ORDER IN APPEAL.

N.B.—(1) This copy is granted free of charge for the private use of the person to whom it is issued.

- (2) No appeal lies against this order, but an application for revision may be made to the Governor General in Council. Any such application should be addressed to the Government of India, Finance Department, Central Revenues, and need not itself bear a court fee stamp; it must, however, be accompanied by a certified copy of this order, bearing the court fee stamp prescribed under Schedule I, item 6, of the Court Fees Act of 1870.

Subject :—*Whipping and Fringing Machines—Spare parts of—Assessment.*

Read.—Appeal from Currimbhoy Ibrahim & Sons, Ltd., Bombay, dated 22nd November 1926 against an order of the Assistant Collector, Appraising Dept., assessing certain spare parts of whipping and fringing machines at 15 per cent. *ad valorem*.

Read.—Proceedings of the case.

Read.—Assistant Collector's report.

ORDER.

The Assistant Collector held that spare parts of whipping and fringing machines imported by the appellants were for machines worked either by manual or steam power and were therefore dutiable at 15 per cent. under item 89 of the tariff valuation schedule. The appellants actually claim that the goods are dutiable at 2½ per cent. as Machinery under item 87, but presumably they mean to refer to item 88, which governs component parts. I hold that both the appellants and the Assistant Collector are wrong, as the whipping and fringing machines, for which the goods imported are spare parts, are in effect cumbli finishing machinery, which is dutiable at 2½ per cent. *ad valorem* under item 88A of the tariff valuation schedule corresponding with item 51B of the Statutory schedule, which was inserted in the tariff by the Indian Tariff (Amendment) Act, 1926. I therefore direct the goods to be assessed at 2½ per cent., *ad valorem* under this item.

(Sd.) A. M. GREEN,
Collector of Customs, Bombay.

5th January, 1927.

R.S.R. No. 6261 of 1926.

BOMBAY, 5th January, 1927.

Copy forwarded for information to Currimbhoy Ebrahim & Sons, Ltd., Agents, The Premier Mills, Bombay. A refund order for the difference in duty will issue in due course to their clearing agents who paid the duty.

APPENDIX 49.

IMPORT DUTIES IN GREECE.

No. 487-87 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22nd March, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, DELHI.

SIR,

I have the honour, by the direction of the Committee of the Bombay Millowners' Association, to invite your attention to page 472 of the *Indian Trade Journal* dated the 18th March, 1926, wherein is published certain customs regulations and formalities relating to goods imported into Greece.

2. The regulations above mentioned refer to the levy of certain "Conventional duties" or duties which are considerably lower than those given in the usual customs Tariff Schedule of Greece, on goods imported into Greece from countries having a convention with Greece. In view of the growing importance of Greece as a market for Indian cotton goods, my Committee desire to be informed what particular convention is referred to in the notification mentioned in para 1 of this letter and whether India is a party thereto or whether Great Britain is a signatory to the convention on behalf of India also.

3. In the event of India not being included in the above convention, I am directed to request that Government may be pleased to inform this Association whether India was originally called upon to join the convention and if so, under what circumstances was it deemed unnecessary to participate.—I have, etc.,

T. MALONEY,
Secretary.

No. 334-T (2).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 13th April, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

In reply to your letter No. 487-87, dated the 23rd of March 1926, I am directed to say that Article 5 of the Declaration of 1905 between Great Britain and Greece with respect to commercial matters provides that "the goods produced or manufactured in any part of the British Empire shall enjoy in the dominions of His Hellenic Majesty complete and unconditional and most-favoured-nation treatment so long as such possession, colony or protectorate shall accord to goods of Greek origin and manufacture treatment as favourable as it gives to the goods, the produce or manufacture of any other foreign country."

2. I am to request that you will be so good as to inform the Government of India what rates of duties are now being levied on Indian cotton goods imported into Greece.—I have, etc.,

G. L. CORBETT,
Secretary to the Government of India.

No. 819-87 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th May, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, SIMLA,

SIR,

With reference to your letter No. 334-T (2) dated the 13th instant, I forward herewith copies of an extract from a *letter dated the 22nd April, and also a copy of another *letter dated the 28th April, received by the Swadeshi Mills from their agents at Athens.

My Committee will be pleased to know what steps the Government of India are taking in this matter.

My Committee desire that the industry should not be left in any doubts regarding the import duties in Greece, as is the case in connection with the import duties in Turkey.—I have, etc.,

T. MALONEY,
Secretary.

No. 824-87 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 20th May, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, SIMLA.

SIR,

In continuation of my letter dated 19th May, 1926, I forward herewith *copies of extracts from letters received by the Swadeshi Mills from their agents at Athens during recent months relating to customs duties in Greece.—I have, etc.,

T. MALONEY,
Secretary.

No. 334-T (2).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 14th June, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Customs Treatment of Indian Goods Imported into Greece.*

I am directed to refer to your letters Nos. 819-87 and 824-87, dated the 19th and 20th May, 1926, respectively, on the above subject. In reply I am to say that it is now the general practice of His Majesty's Government to insert in commercial treaties concluded by them a clause covering most-favoured-nation treatment for Indian goods (*cf.* the enclosed extract from the recent treaty with Austria), and the Government of India have no reason to think that the new Anglo-Greek Treaty will not contain such a clause. The attention of the Secretary of State has, however, been drawn to the matter.—I have, etc.,

L. SEN,
Assistant Secretary to the Government of India.

ARTICLE 24 OF THE ANGLO-AUSTRIAN COMMERCIAL TREATY.

The stipulations of the present Treaty shall not be applicable to India or to any of His Britannic Majesty's self-governing Dominions, Colonies, Possessions or Protectorates unless notice is given by His Britannic Majesty's Representative at Vienna of the desire of His Britannic Majesty that the said stipulations shall apply to any such territory.

Nevertheless, goods produced or manufactured in India or in any of His Britannic Majesty's self-governing Dominions, Colonies, Possessions or Protectorates shall enjoy in Austria complete and unconditional most-favoured-nation treatment so long as goods produced or manufactured in Austria are accorded in India or such self-governing Dominion, Colony, Possession or Protectorate treatment as favourable as that accorded to goods produced or manufactured in any other foreign country.

No. 1207-87 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 6th August, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, SIMLA.

SIR,

Subject :—*Customs Treatment of Indian Goods imported into Greece.*

I have the honour to invite reference to your letter No. 334-T2, dated 14th June, 1926, on the above subject.

2. It was stated in your letter that it was now the general practice of His Majesty's Government to insert in Commercial treaties concluded by them a clause covering most-favoured-nation treatment for Indian goods, and the Government of India had no reason to think the new Anglo-Greek Treaty would not contain such a clause.

3. My Committee now understand that the Anglo-Greek Treaty has been signed and will come into force from 1st September, but it does not contain the most-favoured-nation clause like the one included in the second paragraph of Article 24 of the Anglo-Austrian Com-

mercial Treaty, a copy of which was forwarded to this Association with your letter of 14th June, 1926. It further appears that the British Embassy in Greece have not received instructions that the treaty will be applicable to goods imported into Greece from India.

4. Under the above circumstances I am directed to request that Government may be pleased to take up this matter immediately with His Majesty's Government to ensure that the provisions of the new Anglo-Greek Treaty would be made applicable to India. It need hardly be pointed out that the export trade from this country to Greece will suffer a serious set-back unless the most-favoured-nation treatment is meted out to Indian goods in Greece under the new Anglo-Greek Treaty. My Committee trust this matter will meet from the Government of India the immediate and serious attention it deserves.—I have, etc.,

T. MALONEY,
Secretary.

No. 334-T(2).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 14th August, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Customs Treatment of Indian Goods Imported into Greece.*

I am directed to refer to your letter No. 1207-87, dated the 6th August 1926, and to say that the question of what steps should be taken to secure most-favoured nation treatment for Indian goods imported into Greece, is already engaging the attention of the Government of India.—I have, etc.,

L. SEN,
Assistant Secretary to the Government of India.

No. 1382-87 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 28th August, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, SIMLA.

SIR,

I have the honour to invite your attention to Government letter No. 334-T (2) dated the 14th instant in regard to Customs treatment of Indian goods imported into Greece.

A full text of the Commercial Treaty between the United Kingdom and the Republic of Greece is reproduced on page 103 of the *Board of Trade Journal* dated July 22nd, 1926, and from Article 30, reproduced below, it would appear that the provisions of this Treaty are not applicable to India :—

“ The stipulations of the present Treaty shall not be applicable to India or to any of His Britannic Majesty's self-governing dominions, colonies, possessions or protectorates, unless notice is given by His Britannic Majesty's representative at Athens of the desire of His Britannic Majesty that the stipulations shall apply to any such territory.”

In view of your letter No. 334/T 2 dated 14th June 1926, my Committee are somewhat surprised that the provisions of the new Anglo-Greek Treaty do not contain a clause according the most-favoured nation treatment in respect of Indian goods imported into Greece and they trust that Government will take early steps to secure this treatment for India.—I have, etc.,

T. MALONEY,
Secretary.

No. 1462-87 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 13th September, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, SIMLA.

SIR,

In continuation of the Association's letter No. 138-87 dated 28th August 1926 on the subject of Customs Treatment of Indian goods imported into Greece, I have the honour to invite your serious attention to the following cablegram received by a prominent firm of manufacturers, members of this Association, from their Agents at Athens :—

“ Referring to our letter of 4th ultimo, British Embassy no instructions. Greek Government issuing orders apply to India maximum rate. Consequently business impossible. Do your best and wire as soon as possible.”—I have, etc.,

J. P. WADIA,
Asstt Secretary.

No. 334-T (2)

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 16th September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to reply to your letter No. 1382-87, dated the 1st September 1926, on the subject of the Anglo-Greek Commercial Treaty.

2. In reply I am to refer you to this Department's letter No. 334-T (2), dated the 4th August 1926, and to say that the question of securing most-favoured-nation treatment for Indian goods imported into Greece continues to engage the attention of the Government of India.—I have, etc.,

G. L. CORBETT,
Secretary to the Government of India.

No. 334-T.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 27th September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to invite your attention to Finance Department (Central Revenues) Notification No. 36, dated the 25th September 1926, which appeared on page 1049 of the

Gazette of India of that date, exempting currants, under Section 23 of the Sea Customs Act, from so much of the import duty as is in excess of Rs. 1-4-0 per cwt. The present import duty is 15 per cent, calculated on a tariff valuation of Rs. 24 per cwt.

2. I am to explain that this reduction in duty is part of an agreement with Greece, with whom a *modus vivendi* was concluded by an exchange of notes on the 11th September last, by which complete and unconditional most-favoured-nation treatment was secured for all goods produced or manufactured in India on importation into Greece. It is regretted that previous notice of this reduction could not be given to Local Governments and commercial bodies, but it will be understood that from the nature of the case this was not possible. As imports of currants into India are not large, it is hoped that no serious inconvenience will be caused.—I have, etc.,

G. L. CORBETT,
Secretary to the Government of India.

No. 334-T.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 28th September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Customs Treatment of Indian Goods in Greece.*

With reference to the correspondence ending with your letter No. 1462-87, dated the 13th September 1926, on the above subject, I am directed to inform you that a *modus vivendi* dated the 11th September 1926 has been concluded with the Greek Government by which Indian goods imported into Greece are now entitled to most-favoured-nation treatment.—I have, etc.,

J. D. PENNY,
Deputy Secretary to the Government of India.

No. 1601-87 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 30th September, 1926.

ALL MEMBERS OF THE ASSOCIATION.

DEAR SIRS,

Re :—*Import Duties in Greece.*

You are probably aware that there are two Tariffs in Greece—conventional and general. The conventional rates of import duty are much lower than the general rates and are applicable to goods imported into Greece from countries having a commercial convention with Greece.

Some time back it was brought to the notice of the Committee of the Association that a new treaty was to be concluded between Great Britain and Greece, and that India would not have the benefit of the conventional duties unless she was a party to the Treaty.

The Association took up the matter with the Government of India who stated that it was the general practice of His Majesty's Government to insert in commercial treaties concluded by them a clause covering most-favoured-nation treatment for Indian goods, and they expected that the same would be the case with the new treaty.

It, however, transpired that there was no such clause in the new treaty between Great Britain and Greece, and the Association had to put forth persistent efforts to obtain for Indian goods exported to Greece the benefit of the conventional duties.

Information has now been received from the Government of India that a *modus vivendi* dated 11th September 1926 has been concluded with the Greek Government by which Indian goods imported into Greece are now entitled to most-favoured-nation treatment. It may be added that under this *modus vivendi* with Greece, the Government of India have agreed to exempt currants, under Section 23 of the Sea Customs Act, from so much of the import duty as is in excess of Rs. 1-4 per cwt. The present import duty is 15 per cent. calculated on a tariff valuation of Rs. 24 per cwt.

Members who are exporting yarn or piecegoods to Greece will kindly note that they have to pay the lower conventional duties in Greece.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 50.

CUSTOMS DUTIES IN TURKEY.

No. 119-51 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th January, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, DELHI.

SIR,

A member of this Association has received a telegram as below from one of his constituents :—

“ Since cabling last, the Turkish Government have suddenly, without previous notification, increased the import tariffs generally, from five times the base to eight times against all the countries who have not signed a commercial convention with them or who are not parties to the Treaty of Laussane. England of course, signed the Treaty of Lasnsane, but only in her name, her colonies and dependencies not being parties thereto ; consequently it means that import into Turkey emanating from any British possession are taxable under the new tariff. The difference between the old and the new tariffs is roughly 6 per cent. of the value of the cotton yarn and under the circumstances it looks as if business with India will cease entirely. In any case until we see how consumers act we have decided not to place an order for another bundle in India.”

2. My Committee are anxious to know whether the information contained in the above telegram is correct, and if so, what action the Government of India are taking in the matter.

3. In view of the great importance of the matter, I wired you yesterday asking for exact information and now await your reply.—I have, etc.,

T. MALONEY,
Secretary.

No. 159-51 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 3rd February, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
COMMERCE DEPARTMENT, DELHI.

SIR,

On 25th January I communicated to you by telegram the following information received by Messrs. E. D. Sassoon & Co. from one of their constituents and requested you to

inform this Association what steps the Government of India proposed to take in the matter, if the information received by Messrs. E. D. Sassoon & Co., was correct :—

“ Following cable just received from a member stop. Since cabling last the Turkish Government have suddenly without previous Notification increased the import tariffs generally from five times the base to eight times against all the countries who have not signed a Commercial Convention with them or who are not parties to the Treaty of Lausanne England of course signed the Treaty of Lausanne but only in her name her colonies and dependencies not being parties thereto consequently it means that import into Turkey emanating from any British Possession are taxable under the new tariff the difference between the old and the new tariffs is roughly six per cent. of the value of the cotton yarn and under the circumstances it looks as if business with India will cease entirely in any case until we see how consumers act we have decided not to place an order for another bundle in India stop. Is information correct kindly inform what action Government of India propose taking.”

In reply I duly received your telegram reading as below :—

“ Your telegram dated 25th India is party to Turkish Commercial Convention she is also party to Lausanne Treaty of Peace it having been ratified by British Government on behalf of all parts of Empire.”

Since then another letter has been received from Messrs. E. D. Sassoon & Co., as per copy enclosed herewith, and I am directed to request you kindly to go fully into the matter and to make inquiries in the proper quarters by cable and to inform the Association at your very earliest convenience of the true position of things. If the facts mentioned in Messrs. E. D. Sassoon & Company's letter are correct, then you will agree that the position requires the immediate attention of the Government of India in the interests of this country.

I also enclose for your information an extract from a letter received by Messrs. Tata Sons, Ltd., from their Smyrna Agents from which it would appear that the Turkish Authorities are doubtful as to whether India should be included in the arrangement arrived at with England.

My Committee trust this matter will receive the immediate attention of the Government of India.—I have, etc.,

T. MALONEY,
Secretary.

Copy of letter No. 316-2104, dated 29-30th January, 1926, from Messrs E. D. Sassoon & Co., Ltd., Mills Department, Bombay, to the Secretary, Millowners' Association, Bombay.

Further to our letter of the 25th instant, we are advised the following from our friends :—

“ *Customs Duties in Turkey.*—Further to my previous I beg to inform you that, according to letters received this afternoon from my friends in Turkey, the Turkish Government has issued instructions to the Customs Administration, that all goods from countries under mandate, colonies or Dominions, must pay the increased Custom duties, and such payment will be considered as final, *i.e.*, not as a provisional deposit for a year when such payment may be refunded in case of an agreement made between Turkey and these countries. This regulation applies to many countries amongst which India, Egypt and Mesopotamia. With regard to goods of Japanese origin, the increase in duty is to be considered as a deposit, and refunded in case a commercial treaty is arrived at between Turkey and Japan. These new regulations put up the late Customs duty on Indian yarns by 40 Turkish piastres per bundle and you will agree that this is a great obstacle to the business. As far as we are concerned in Egypt, we have signed petitions to the Japanese Ambassador in Turkey and the Japanese Consulate at Port Said, requesting their intervention in the matter, so that a treaty is arrived at at the earliest between Japan and Turkey.

" We also made a petition to the Egyptian Government as far as the goods of Egyptian origin are concerned.

" These new regulations form a very great obstacle for Indian merchandise in Turkey. I think that it may be well if you take steps with your many friends interested in the trade in Turkey, so that you may get your Government to take the necessary steps in the matter unless you have already done so."

We are also informed that England has already protested and insists that Indian goods should receive the same treatment as English goods.

We hope we shall still continue to press such an important matter.

Copy of letter received by Messrs. Tata Sons, Ltd., from their Smyrna Agents.

Custom duties.—The duties on all imports are five times the original duty (pre-war) duty, which was gold and has then been transferred on paper bases. Now, according to a new law, all duties for goods imported from countries which have no Commercial Treaty with Turkey shall be raised to 8 times the original one, instead of 5 times. On the basis of five times the original duty, yarns were taxed £3 per bale against £4-18-0 according to the increase of the tax for countries without commercial Treaty with Turkey. The only commercial Treaties existing are those with England, France, Italy and Austria. Japan has no Treaty, nor have Egypt and Greece and it was to be expected that Indian yarns would have a big advantage over those manufactured in the above three countries. Unfortunately, however, our Custom authorities are not quite sure what about India? What is India, a Colony, a Dominion or a Self-Government? These are questions which our local Custom Director is not in a position to solve and as I energetically protested against raising extra taxes on goods manufactured in British India, he decided to telegraph for supplementary instructions to Angora. In the meantime the extra duty on Indian yarn is raised as a deposit pending Angora's reply. I shall also see that British Consul on this subject and would thank you if you could have the Chamber of Commerce of your place to intervene in this question, being a vital one for Indian exports. In case our authorities decide not to raise the extra duty for Indian goods, there will be a good business possible, also for Cabot and Longcloth, which were greatly imported from Japan and Belgium.

No. 331-T.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
DELHI, 1st March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Treatment of Indian Goods in Turkey.*

With reference to the correspondence ending with your telegram dated the 27th February, 1926, regarding the application of increased customs duties in Turkey to articles imported from India, I am directed to say that the Government of India have instituted enquiries and a further communication will be made to you in due course.—I have, etc.

L. SEN,
Assistant Secretary to the Government of India.

No. 423-51 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 11th March, 1926.

THE ASSISTANT SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, DELHI.

SIR,

Subject :—*Treatment of Indian Goods in Turkey.*

With reference to the correspondence ending with your letter No. 331-T. of the 1st instant, I have the honour to inform you that another *letter has been received from Messrs. E. D. Sassoon & Co., Ltd., intimating that no business is passing with Turkey and suggesting that you should cable the British Ambassador in Turkey so that he might take up the matter with the Turkish Government.

My Committee will feel much obliged if you will kindly let them know the exact position with regard to this matter as early as possible.—I have, etc.,

T. MALONEY,
Secretary.

 No. 331-T.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
DELHI, 18th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Treatment of Indian Goods in Turkey.*

I am directed to acknowledge the receipt of your letters Nos. 423-51 and 436-51, dated 11th and 12th March, 1926, and in reply to invite your attention to the Question and Answer in the Legislative Assembly on the 8th instant on the above subject, a copy of which is enclosed. The Government of India are still awaiting the information asked for. Your last complaint has also been taken up specifically.—I have, etc.,

L. SEN,
Assistant Secretary to the Government of India.

 LEGISLATIVE ASSEMBLY DEBATES.

ON

MONDAY, 8TH MARCH, 1926.

Enhanced Customs duties on Indian goods exported to Turkey.

1065. MR. GAYA PRASAD SINGH.—Is it a fact that Indian goods exported to Turkey have now to pay eight times the ordinary custom duties? If so, since when, and why?

THE HONOURABLE SIR CHARLES INNES.—Information was received recently that Turkey proposed to raise from five to eight the co-efficient of increase of duties on goods coming from countries with which Commercial Treaties or Conventions had not been concluded and representations were received from traders that it was intended to apply the enhanced duties to Indian goods. The Government of India had however already adhered to the Commercial Convention with Turkey, and they therefore consider that differential enhancements in duties are not applicable to goods imported into Turkey from India. The Government have therefore asked for exact information.

No. 732-51 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 4th May, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
COMMERCE DEPARTMENT, SIMLA.

SIR,

I have the honour to confirm having wired you to-day as under :—

“ Please refer my letter 19th March. Messrs. Tata's Smyrna Agents cable that owing to adverse treatment compared with Japan, India losing every chance of future business. Committee most anxious to hear whether Government have succeeded in getting lower rate of import duties made applicable to India, as business with Turkey in yarns and piecegoods has been brought to a standstill.”—I have, etc.,

T. MALONEY,
Secretary.

No. 331-T.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 6th May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Treatment of Indian Goods in Turkey.*

I am directed to acknowledge the receipt of your telegram of the 4th instant on the above subject, and to say that the Government of India have made further representations in the matter, and are awaiting results.—I have, etc.,

L. SEN,
Assistant Secretary to the Government of India.

No. 756-51 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th May, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, SIMLA.

SIR,

Subject :—*Import Duties on Indian Yarn and Piecegoods in Turkey.*

In continuation of my previous communications on this subject, I enclose a copy of the relevant portion of a letter received from the Cyprus correspondent of a prominent Bombay firm of Mill Agents :—

" Higher Import Duties on Indian Yarn in Turkey.—I learn from my Constantinople constituents that Indian yarn is now taxed with higher import duties than English and Italian yarn in consequence to which we are in a disadvantageous position against our competitors.

I am at a loss to understand why English yarn pay favourable import duties and Indian which is also British pays higher import duties.

I hope that you will take up the matter and that through your Government there you will try to remedy the situation which if continued will be to the detriment of the Indian industry."

My Committee trust that in view of the widespread nature of the complaints which have been received by the Association and the danger to the Indian yarn and piecegoods export trade, Government will take immediate and effective steps to have the lower import tariff made applicable to Indian yarn and piecegoods.—I have, etc.,

T. MALONEY,
Secretary.

No. 836-51 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22nd May, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
COMMERCE DEPARTMENT, SIMLA.

SIR,

Custom Duties in Turkey.

With my letter No. 732-51 dated the 4th May 1926, I forwarded a copy of a cable received by a Bombay mill from their Smyrna agents.

In amplification of the information contained therein I now forward a copy of the relevant portions of a letter received from the same source, and respectfully submit my Committee's opinion as to the need for early and effective action by the Government of India.—I have, etc.,

T. MALONEY,
Secretary.

Extract from a letter received by the Svadeshi Mills Co., Ltd., from their Smyrna Agent.

" The Egyptian Government has come to an agreement with Turkey and its goods do not pay any further the increased duty but the original multiplied by 5, as it is also the case with English, French and Italian and American goods, etc., whilst Indian goods still pay the original duty multiplied by 8. As long as our competitor for low counts (Egypt) was on the same footing with us, business could have resulted, but the fact that the Egyptian goods now pay a more favourable tax than the Indian goods makes every transaction presently impossible, and prospects for the future—at the reduced duty—rather doubtful because during this period Egyptian yarns will sufficiently introduce themselves on our market, and it shall be difficult to lodge them out once more.

* * * * *

" Enclosed a cutting of to-day's paper, stating the fact that Egyptian goods shall for another 6 months pay the reduced duty. It is really astonishing and to the detriment of your trade that the Indian Government has allowed itself to be forestalled by Egypt."

No. 1052-51 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 12th July, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
COMMERCE DEPARTMENT, SIMLA.

SIR,

Subject:—*Import Duties in Turkey.*

Reference :	This Office letters	No. 159-51	of 3rd February.
"	"	No. 423-51	of 11th March.
"	"	No. 436-51	of 12th March.
"	"	No. 480-51	of 19th March.
"	"	No. 732-51	of 4th May.
"	"	No. 756-51	of 8th May.
"	"	No. 836-51	of 22nd May.
Your	acknowledgments	No. 87-T.	of 6th February.
"	"	No. 331-T.	of 18th March.
"	"	No. 290/T.	of 11th May.
"	"	No. 314/T.	of 22nd May.

Referring to my telegram of the 1st July, 1926 and your acknowledgment No. 331-T. dated the 2nd July, I send herewith a copy of a letter just received by one of the prominent members of the Association from their Smyrna Agents. The seriousness of the position may be judged from the letter, and my Committee trust that the Government of India are now in a position to assure the trade that Indian exports will not be unfairly penalised from now on in the Turkish market.—I have, etc.,

T. MALONEY,
Secretary.

Copy of letter received from their Smyrna Agents by the Svadeshi Mills Co., Ltd.

" I am sorry I could not bring you any orders since some months, but as long as this increased duty for Indian goods is in force, there will be no possibility of competing against Japanese, Italian and English goods. I am giving you on separate paper some cyphers for your guidance regarding the difference in duties between our goods and those imported from countries which have a commercial treaty or convention with Turkey.

" I wish you would impress on your Government to do something in this matter."

Original Duty Piasters 4.80 per kilo.

For goods of such countries which have a commercial					
treaty with Turkey the co-efficient is 5	..	..	..	P. 24	p. kilo.
For Indian goods the co-efficient is 8	..	..	..	" 38.40	"
Difference	..	..	..	..	P. 14.40 per kilo.

This would be P. 6.53 per lb. or at to-day's rate of exchange 1.72 per lb. extra duty

For a piece of Cabot weighing 13½ lbs. the extra duty is not less than rs. 11¼d."

" *Duties on yarn.*—The original duty is Piasters 2.70 per 1 kg. which is multiplied by 5, being Piasters 13.50 per kilo. When the co-efficient is raised to 8, as it is the case with Indian goods, the duty amounts to Piast 21.60 per kilo, thus making a difference of not less than P. 8.10 per kilo, viz., 3.68 per lb. or at the to-day's rate of exchange 0.97d. per lb., practically 1d. per lb.

No. 331-T.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA. 22nd/29th July, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Customs Treatment of Indian Goods in Turkey.*

I am directed to refer to your letter No. 1052-51, dated the 12th July, 1926, on the above subject, and to say that the Government of India are still awaiting a reply to the representations made by them in the matter.— I have, etc.,

L. SEN,
Assistant Secretary to the Government of India.

THE SWADESHI MILLS Co, LTD.,
BOMBAY, 5th August, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Subject:—*Turkish Customs Duties.*

We beg to quote below for your information a letter dated the 29th June that we received from our Smyrna agent on the above subject :—

“ With reference to the increased customs duty raised on Indian goods, I understand that the only way of pushing the matter would be to take it up direct with the Turkish Government in Angora. Should you or the Bombay Millowners Association want to try this way, I have the right man at my service, who is ready to go as far as Angora, and work for us there. Should he not succeed you will only have to pay this man's travelling expenses and a small amount for every day he shall stay at Angora, *i. e.*, something between £60 and £80. Should he, as he hopes, succeed he will expect to receive besides his expenses a bonus from you.

“ I think you should not leave a chance escape for the sake of a few pounds and please take this matter into serious consideration.

“ In order not to lose time, and should you agree to my proposal please telegraph, and I shall immediately take the necessary steps.”

We have replied to our agent as under :—

“ We are afraid the information given by you is too meagre for us to act on it. We should like to know who the man is who is supposed to have such great influence with the Government, what methods he is going to employ, etc., before we can consider the proposal.”—Yours faithfully,

FATA SONS, LTD.,
N. B. SAKLATVALA,
Director.
Agents.

No. 331-T.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 30th August, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Anglo-Turkish Commercial Convention and Customs Treatment Of Indian Goods in Turkey.*

I am directed to refer to the correspondence ending with this Department letter No. 331-T, dated the 22nd-29th July, 1926, on the subject noted above and to say that information has now been received to the effect that a definite assurance has been given by the Acting Director-General of Customs in Turkey that on instructions from the Ministry of Finance he would forthwith issue orders that the co-efficient of five is to be applied to imports from India.—I have, etc.

G. L. CORBETT,
Secretary to the Government of India.

APPENDIX 51.

IMPORT AND EXPORT PROHIBITIONS AND RESTRICTIONS

No. 5749-G/24.

REVENUE DEPARTMENT,
BOMBAY CASTLE, 28th January, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Trade and Commerce—Import and Export Prohibitions and Restrictions—Draft International Agreement for the Suppression of.*

I am directed by the Governor in Council to forward a copy of the papers detailed in Circular letter No. C.L.-104-II dated 14th October 1925 from the Secretary General to the League of Nations. the margin and to request that Government may be favoured with the opinion of your Association on the provisions of the draft International Agreement.

2. The reply to this reference may, please, be forwarded so as to reach Government by 15th February 1926, at the latest.—I have, etc.,

M. R. DAVAR,
*for Acting Chief Secretary to the Government of
Bombay, Revenue Department.*

CIRCULAR LETTER FROM THE SECRETARY-GENERAL TO THE LEAGUE OF NATIONS, GENEVA,
NO. C. L. 104-II, DATED THE 14TH OCTOBER, 1925.

By Circular Letter 139. 1924. II. of October 9th, 1924, I had the honour to draw the attention of the Government of India to the resolution adopted by the 5th Assembly relating to the abolition of import and export prohibitions and restrictions, as well as to the resolution

adopted by the Council on September 29th, 1924, forwarded the resolution of the Assembly to the Economic Committee with the request that it should submit proposals as early as possible.

The Economic Committee has given careful consideration to the subject dealt with in the Assembly's resolution at three successive sessions. It has had at its disposal the observations presented by the Governments of a large number of European and overseas States. In addition it has had consultations with experts from certain European States. On the basis of the information thus collected the Committee has drawn up a series of "draft articles of an international agreement for the suppression of import and export prohibitions and restrictions".

The Committee has thought it necessary in its report to the Council to emphasise, on the one hand, that the object of the draft articles is merely to furnish a basis for further discussion, and on the other that, having to a certain extent already received the observation of various Governments, it would be desirable to obtain the views of interested circles, *viz*, of the big industrial and commercial organisations.

At its meeting on September 15th, the Council approved the proposals of the Economic Committee and authorised their transmission to the States Members and non-Members of the League. In accordance with this decision, I have the honour to send you the draft articles drawn up by the Economic Committee together with an extract from the reports of the Committee to the Council dealing with this matter.

The Economic Committee hopes that the Government of India will see their way to proceed with the necessary consultations, and will forward to the Committee the views of the principal interested organisations, adding at the same time whatever observations and criticisms they may wish to make.

In view of the fact that the Economic Committee will continue its discussions of the subject on January 1926, I should be grateful if you would kindly give the necessary instructions in order that the reply of your Government may reach the Secretariat if possible before the end of this year.

EXPLANATORY MEMORANDUM BY THE ECONOMIC COMMITTEE OF THE LEAGUE OF NATIONS.

Import and Export Prohibitions and Restrictions.

The Fifth Assembly, at its meeting on September 25th, 1924, adopted the following resolution :

" With reference to paragraph 3 of Article of the Convention relating to the Simplification of Customs Formalities, which has already been signed by thirty-one States and ratified by six ;

" The Assembly :

" Considering that the system of import and export prohibitions and restrictions constitutes a serious impediment to the free development of international trade, and also,

" That the general situation might in future be favourable to action in this sphere :

" Desires the Council to instruct the Economic Committee to consider the possibility and expediency of an agreement between States Members of the League and States non-Members with a view to the final suppression of import and export prohibitions and restrictions, and, if necessary, to suggest the most suitable methods of achieving this object. Provisions relating to the protection of the vital interests of States shall not be affected."

On September 29th, 1924, the Council drew the attention of the States "to the desirability of supplying to the Economic Committee without delay the information which will enable it to begin as soon as possible its study of this question."

The subject dealt with in the Assembly's resolution has now received careful and prolonged consideration at three successive meetings of the Economic Committee, who have had at their disposal a large amount of valuable information bearing on various aspects of the question which has been obtained in reply to a circular letter of enquiry from the Secretariat addressed to the various States, supplemented by the personal investigation of members of the Economic Committee. As it appeared to the Committee that the practical problem is one which is specially interesting for the States of Central and Eastern Europe, it decided to invite the Governments of Austria, Germany, Hungary, and the Kingdom of the Serbs, Croats and Slovenes (of which no nationals are at present members of the Economic Committee) so that they might have the benefit of their views. Accordingly, the following experts, namely, Dr. SCHULLER (Austria), M. REINSHAGEN (Germany), Dr. PETERY (Hungary), and M. TODOROVITCH (Kingdom of the Serbs, Croats and Slovenes), have been present at meetings of the Sub-Committee, and the Committee wishes to acknowledge cordially the very valuable assistance which it has received from consultation with these experts.

There appears to be a sufficient consensus of opinion in favour of abolishing or reducing to a minimum the system of import and export prohibitions to warrant preparatory steps being taken with a view to some form of international action in accordance with the provisions of Article 23 (e) of the Covenant relating to the Equitable Treatment of Commerce.

The system of import and export prohibitions, especially when coupled with a licensing system, has been repeatedly condemned by authoritative international conferences as constituting a method of restriction which is peculiarly liable to give rise to abuses and, in particular, to inflict on international commerce the grave evils of uncertainty, delay and the possibility of unfair discrimination. For these reasons, import and export prohibition have been categorically condemned by resolutions of the Brussels Financial Conference (1920), the Porto Rosa Conference (1921), the Genoa Conference (1922) and the Geneva Conference on Customs Formalities (1923). The lastnamed Conference resulted in a Convention on Customs Formalities, which included a general undertaking to limit prohibitions and restrictions as far as possible.

The text of this undertaking is as follows :—

"In view of the grave obstacles to international trade caused by import and export prohibitions and restrictions, the Contracting States undertake to adopt and apply, as soon as circumstances permit, all measures calculated to reduce such prohibitions and restrictions to the smallest number."

On the above grounds, the Committee, while fully recognising that prohibition is only one out of several methods by which international commerce may be unduly impeded, thinks that there is sufficient ground for considering that this particular method stands on a special footing, as one that has already been recognised as ripe for an effort at international limitation. It is therefore of opinion that the best prospect of a successful advance is to limit its consideration at the present stage to this particular question rather than to extend it to the more general and controversial problem of tariff policy.

Nevertheless, the Committee recognises the possibility that prohibitions when abolished might in some cases be replaced by prohibitive tariffs, which, though in some ways less open to objection, might still offer grave impediment to international commerce, and that the fear of this possibility may prove a considerable obstacle to the successful negotiation of a satisfactory agreement.

Confining itself to the subject expressly referred to it by the Assembly, the Committee has to report that, after very careful study of all the information which it has obtained, it has arrived at the unanimous opinion that the best means of determining definitely how far the conclusion of such an agreement as was contemplated by the Fifth Assembly is expedient and

practicable is to prepare a provisional text of draft agreement for the purpose which may form the basis of further consideration by the Committee in consultation with representative commercial organisations and in communication with the various states interested. The text so prepared and recommended as the basis of further discussion is printed on below.

It will be seen that the text takes the form of a series of articles of agreement which could equally well be incorporated in an International Convention (following the precedent of the Customs Formalities Convention) or in a Protocol (following the precedent of the Protocol on Commercial Arbitration). The Committee considers that it is premature at present to attempt to decide the precise form of any instrument that may eventually result from the consultations in which it proposes to engage, or the most appropriate procedure (*e. g.*, whether by an international Conference or otherwise) for the final settlement of a definite text, should the result of these consultations be sufficiently encouraging. It considers that the proper time for offering advice to the Council on these points will be when it has received and considered the observations of the various persons and bodies to whom it now proposes that the provisional text should be communicated.

Generally speaking, the articles set out in the Annex explain themselves, and no detailed commentary appears necessary. The Committee, however, desires to call attention to Articles 9 and 10, which prescribe the character and number of the States whose adhesion and participation is regarded as essential before the proposed agreement shall take effect, and the procedure to be followed if, through subsequent denunciation, the parties to the agreement should be diminished below the aforesaid minimum. The form of these articles is a little unusual, but it has been strongly represented to the Committee that the practical possibility of suppressing import and export prohibitions in one country is so vitally dependent on the corresponding action of the countries with which it has important commercial relations that, without some such stipulation, it would probably be impossible to make the agreement generally acceptable.

It may be found necessary, in order to remove uncertainties, to accompany the agreement with an Appendix (in the form possibly of a '*protocole de signature*') giving certain declarations and explanations which would unduly cumber the text of the instrument itself. The text of such an appendix, however, could only be settled at a later stage in the light of the observations and criticisms yet to be received.

Among the matters which it is desirable to make clear is that the prohibitions and restrictions covered by the agreement do not include arrangements of a purely tariff character, even when such tariff arrangements involve a system of rationing.

Finally, the Committee wishes to revert to the observation already made as to the possibility that prohibitions when abolished might in some cases be replaced by prohibitive tariffs. The question whether the apprehension here indicated is sufficiently serious to make it inexpedient to conclude any agreement for the suppression of prohibitions is of course question of high policy for the consideration of the States. The Economic Committee, however, while not attempting to decide this question at the present stage, is unanimously of opinion that it is highly desirable to pursue the matter to the next stage, *viz.*, the consultation of the commercial representatives and other competent advisers on a provisional text, and the communication of such text to the various States interested whether Members of the League of Nations or not.

The Committee, however, desires to suggest the desirability that any covering letter which the Secretary-General may address to the States for this purpose should make it perfectly clear that the text is circulated at this stage purely as a basis of further discussion and to give an opportunity for observations and criticisms, and not in any way as a definite proposal submitted for adoption by the States. In order to avoid any possibility of doubt, it may be thought well that the present report should be circulated as a preface to the draft articles, or that its substance should be incorporated in the covering letter.

DRAFT ARTICLES OF AN INTERNATIONAL AGREEMENT FOR THE SUPPRESSION OF IMPORT
AND EXPORT PROHIBITIONS AND RESTRICTIONS.

(To serve as the basis of further consideration in consultation with representative Commercial Organisations and other competent bodies, and with the States concerned.)

Article 1.

Subject to the exceptions provided for in the following articles, each Contracting State undertakes within a period of six months to abolish all import and export prohibitions and restrictions and not thereafter impose or maintain any such prohibitions or restrictions.

In the meantime the Contracting States will adopt all practicable measures to reduce existing prohibitions and restrictions to a minimum and to avoid the imposition of any fresh ones.

Further, they undertake to adopt all necessary measures to see that the provisions of the present Agreement are strictly observed by all Governments, central or local authorities, and that no administrative regulation is issued in contravention thereof.

Article 2.

Should the Contracting States, in pursuance, of their general legislation, subject the importation or exportation of goods to certain regulations in respect of the manner, form or place of importation or exportation, or the imposition of marks, they undertake that such regulations shall not be made a means of disguised prohibition or arbitrary restriction.

Article 3.

In the case of any prohibitions or restrictions which may be applied within the limits set by the present Agreement, the Contracting States shall, in the matter of licenses, comply strictly with the provisions of Article 3 of the International Convention for the Simplification of Customs Formalities signed at Geneva on November 3rd, 1923.

Article 4.

The following classes of prohibitions and restrictions are not prohibited by the present Agreement, provided that they are applied equally to all foreign countries where the same conditions prevail and are not applied in such a way as to conceal measures the object of which is purely economic.

1. Prohibitions or restrictions having in view national defence, public safety or order.
2. Prohibitions or restrictions issued on grounds of public health.
3. Prohibitions or restrictions having in view the protection of animals and plants against disease, degeneration or extinction.
4. Prohibitions or restrictions imposed for moral or humanitarian reasons or for the suppression of improper traffic, provided that the manufacture of and trade in the goods to which the prohibitions relate are also prohibited or restricted in the interior of the country.
5. Export prohibitions or restrictions issued for the protection of national treasures of artistic, historical or archæological value.
6. Prohibitions or restrictions intended, in conformity with the national legislation or international conventions, to protect industrial, literary and artistic property, and to prevent unfair competition in regard to the false marking or appellation of origin, on condition that an analogous protection or supervision is applied to national products.

7. Prohibitions or restrictions imposed for the purpose of extending to imported goods measures of control equivalent or analogous to those applying to home products of the same kind.
8. Prohibitions or restrictions applied to articles which in the interior of the country are subject to State monopoly or to monopolies granted by the State as regards either manufacture or trade.
9. Prohibitions or restrictions established in pursuance of international conventions regulating the traffic in arms, opium or other forms of trade which give rise to dangers or abuses, or relating to methods of unfair competition
10. Prohibitions applicable to coin, gold, silver, currency notes or securities.

Article 5.

Nothing in this Agreement shall affect the right of any Contracting State to take on importation or exportation all necessary measures to meet extraordinary and abnormal circumstances and to protect the vital economic and financial interest of the State. Nevertheless, in view of the grave inconveniences caused by prohibitions and restrictions, they shall only be imposed in cases of exceptional necessity and shall not be made an arbitrary means of protecting national products or of discriminating against any other Contracting State. Their duration shall be restricted to that of the causes or circumstances from which they arise.

Article 6.

Each Contracting State agrees not to invoke the provisions of the present Agreement as a ground of objection to measures of prohibition or restriction applied by another Contracting State to the products of a third State which imposes on its products prohibitions or restrictions of a kind prohibited by the present Agreement, or which subjects its commerce or shipping to measures of exclusion or discrimination or to unfair methods of competition.

Article 7.*

Should a dispute arise between two or more Contracting States as to the interpretation or application of the provisions of the present Agreement, and should such dispute not be settled either directly between the parties or by the employment of any other means of reaching agreement, the parties to the dispute may, before resorting to any arbitral or judicial procedure, admit the dispute, with a view to an amicable settlement, to such technical body as the Council of the League of Nations may appoint for this purpose. This body will give an advisory opinion after hearing the parties and effecting a meeting between them if necessary.

The advisory opinion given by the said body will not be binding upon the parties to the dispute unless it is accepted by all of them, and they are free either after resort to such procedure or in lieu thereof to have recourse to any arbitral or judicial procedure which they may select, including reference to the Permanent Court of International Justice as regards any matters which are within the competence of that Court under its Statute.

[If a dispute of the nature referred to in the first paragraph of this article should arise with regard to the interpretation or application of Articles (.) of the present Agreement, the parties shall, at the request of any of them, refer the matter to the decision of the Permanent Court of International Justice, whether or not there has previously been recourse to the procedure prescribed in the first paragraph of this article †.]

The adoption of the procedure before the body referred to above or the opinion given by it will in no case involve the suspension of the measures complained of; the same will apply in the event of proceedings being taken before the Permanent Court of International Justice, unless the Court decides otherwise under Article 41^o of the Statute.

* This article reproduces the provisions of Article 22 of the Custom Formalities Convention, signed at Geneva, November 3rd, 1923.

† This paragraph is put in brackets to indicate that the Economic Committee wish to leave the question of its eventual inclusion or omission.

Article 8.

The present Agreement shall be open for signature for a period of twelve months from the present date by any State which is a Member of the League of Nations or to which the Council shall have communicated a copy for this purpose.

Thereafter any such State may accede to the Agreement by an instrument communicated to the Secretary-General of the League of Nations, who shall at once notify its receipt to the other parties to the Agreement.

Article 9.

The present Agreement shall be ratified and the ratifications deposited at Geneva with the Secretary-General of the League of Nations as soon as possible. It shall come into effect ninety days after the date on which the Secretary-General notifies the parties that it has been ratified or acceded to by (.*) States including those mentioned in Appendix †.

As regards a State ratifying or acceding to the Agreement after it has come into force, the Agreement shall come into force ninety days after the notification of such ratification or accession by the Secretary-General of the League of Nations. If within two years from the present date sufficient ratifications and accessions have not been notified to bring the Agreement into force, the States which have ratified or acceded to the Agreement will confer with a view to deciding whether the Agreement should put into effect as among themselves.

Article 10.

Any Contracting State may denounce the Agreement by a notification in writing addressed to the Secretary-General of the League of Nations at any time not less than (four) years from the date when the Agreement comes into force. Such denunciation shall take effect one year after its receipt by the Secretary-General and shall only operate in respect of the denouncing State.

If one of the Contracting States named in the preceding article or five other Contracting States not so named denounce the present Agreement, any Contracting State shall be entitled to request the Council of the League of Nations to summon a Conference to consider the situation thus created. If the Council declines this request, any Contracting State may denounce the present Agreement by six months' notice. Should the Conference meet under the auspices of the League of Nations, any Contracting State which dissents from its decision may similarly denounce the Agreement by six months' notice.

Article 11.

In order to indicate the progress which has been made in regard to the abolition of import and export prohibitions or restrictions, each Contracting State shall, within twelve months of the coming into force in its own case of the present Agreement, furnish the Secretary-General of the League of Nations with a statement of the steps which it has taken for the purpose, with a view to the communication of a summary of this information to the various States.

Article 12.

If before the expiration of the period of four years mentioned in Article 10 one-third of the Contracting States notify the Secretary-General of the League of Nations of their desire that the present Agreement should be revised, the other Contracting States undertake to participate in any consultation that may take place with a view to the revision or maintenance of the Agreement.

(*Note.*—The Agreement, if it takes the form of a Convention, will need to be completed by the usual Articles which have become "common form," dealing with such matters as the position of Colonies and overseas possessions or of countries which form part of the same Sovereign State, the relation of the Convention to the rights and duties of States as Members of the League of Nations, etc.)

* Number to be inserted.

† This list of States to be set out in Appendix will include the States of Europe whose participation in the Agreement is of greatest importance having regard to the magnitude of their trade or their geographical position.

No. 305-52 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd February, 1926.

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

SIR,

Subject :—*Trade and Commerce—Import and Export Prohibitions and Restrictions—
Draft International Agreement for the Suppression of.*

I have the honour to acknowledge the receipt of your letter No. 5749-G/24. dated the 28th January with enclosures.

2. My Committee have carefully considered the recommendations of the Economic Committee of the League of Nations on the subject of the advisability of the abolition of import and export prohibitions and restrictions as embodied in the Draft Articles of an International Agreement drawn up by the Economic Committee as a basis for further discussion.

3. My Committee have no objection to the Government of India or India's representatives at the International Labour Conference participating in the discussion on this subject, but they desire to impress strongly upon the Government of India the desirability of adopting a thoroughly non-committal attitude on this question. Government are no doubt aware that this country has had to suffer a lot owing to Government's alacrity in ratifying conventions of the International Labour Conference without first ascertaining the intentions of the competing countries. The bitter experience the industries of this country are having owing to non-ratification by Japan of the Hours of Labour Convention which this country has faithfully carried out, might, in my Committee's opinion, to deter the Government of India and their representatives from accepting any of these Conventions with a view to subsequent ratification. If all the Governments of the world had proved by their past actions that international amity was as important to them as national self-interest, there would be no harm in India becoming a party to this Convention. As it is, the country is probably better off by keeping her hands free to adopt whatever policy suits her national interests best. In my Committee's opinion Government of India should watch which nations accept and ratify particular Conventions before they come to any decision as to the line of action India should adopt.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 52.

PREPARATION AND CONSIGNMENT OF SHIPPING DOCUMENTS TO BEIRA, PORTUGUESE EAST AFRICA.

No. 534.

DEPT. OF COMMERCIAL INTELLIGENCE & STATISTICS, INDIA,
NO. 1, COUNCIL HOUSE STREET,
CALCUTTA, 22nd January, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Subject :—*Preparation and Consignments of Shipping Documents.*

I enclose for your information and for such action as you may consider suitable copy of a letter together with enclosure received in this department from His Majesty's Vice-Consul, Beira, Portuguese East Africa, on the above subject.—Yours, etc.,

L. MACIVER,
for Director-General.

Copy of letter No. 639/17/25, dated the 4th December, 1925, from His Majesty's Vice-Consul, Beira, Portuguese East Africa, to His Britannic Majesty's Trade Commissioner, P. O. Box 683, Calcutta.

I have the honour to enclose herewith a copy of a letter, which is self-explanatory, from the British firm of Allen, Wack and Shepherd, Ltd., Beira, and to state that any assistance which you can give with regard to the matter will be greatly appreciated.

ENCLOSURE TO ABOVE.

Copy of letter dated the 30th November, 1925, from Messrs. Allen Wack & Shepherd, Ltd., Beira, Portuguese East Africa, to His Britannic Majesty's Vice-Consul, Beira.

We bring to your notice a matter ^{of} which we think is of some importance to British merchants in Portuguese Territory, Rhodesia and Nyasaland, in the hope that you may be able to advise us what course to adopt, or even of taking up the matter yourself through the proper channel with a view to remedying same, if possible.

At the present moment considerable shipping is conducted from India and Japan to this port and cargo so arriving, owing to the lack of the necessary precaution in preparing consignments and shipping documents, generally leads to considerable trouble at this end. We refer particularly to cargo from Calcutta, Bombay and Japan. As a rule shipments of cotton goods and Kaffir truck are carried by steamship companies at measurement weight, which is quite proper so far as the steamship company is concerned, freight being charged on measurement weight. No effort, however, appears to be taken to ascertain or to show on the shipping documents the actual avoirdupois weight, and when the latter is not given it is impossible for a forwarding agent to ascertain whether the exact weight shipped is actually received at Beira, or whether there has been any pilferage *en route*. The result is that general dissatisfaction is expressed with the handling of this cargo at Beira, while we on our part find the utmost difficulty in establishing any claim either against the Shipping Company or the Landing Contractors for shortages, unless we open every package and make an actual count of the contents, which latter is not a fair service to expect from any forwarding agent, while it is not conducive to despatch.

Would it not be possible for representations to be made to Eastern Shippers through their Associations or Chambers of Commerce with a view to some improvement being introduced. Eastern Shippers, we would suggest, should in addition ~~to give~~ the steamship company the measurement of their cargo also give its actual weight and thereby establish responsibility for the safe carrying *and delivery at this end of the actual weight*.

With regard to grain bags, these invariably arrive either insufficiently marked or bearing no marks at all. As a rule, when marked the marks are those of the mills in which they are manufactured and convey no information whatsoever to the forwarding agent here. We might expect to be informed that consignees have relative documents in their possession to guide them, but in actual practice they never have. Documents when they are posted on the ship carrying the grain bags are only brought as far as Durban and handled by the shipper's agents or the banks there. They seldom or ever reach Beira before the ship carrying the grain bags. The result is that consignments lie at Beira incurring very heavy storage charges until some one wakes up to the fact that they should have or are expecting grain bags. In actual practice many consignments are cleared on bank guarantee for want of documents even after storage has accrued and consignments traced.

We would suggest that, with regard to grain bags, consignees' marks be put on the bales instead of or in addition to the mill marks.

We should mention that the foregoing does not affect only our organisation, but is common to every firm engaged at the port.

We shall be glad to have the benefit of your advice as to whether you would care to bring the above matters before the notice of the Trade Commissioner, or other proper Department, or make some suggestion to us as to how best we should go about matters to have them remedied.

With thanks for your co-operation and assistance.

No. 223-47 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 12th February, 1926.

To

ALL MEMBERS OF THE MILLOWNERS' ASSOCIATION.

GENTLEMEN,

Subject :—*Preparation and Consignments of Shipping Documents to Beira, Portuguese East Africa.*

I am directed to forward for your information and necessary action a copy of letter No. 534 dated the 23rd January 1926 with enclosures received from the Director-General of Commercial Intelligence on the above subject.—Yours faithfully,

T. MALONEY,
Secretary

No. 232-53 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 12th February, 1926..

THE DIRECTOR-GENERAL OF COMMERCIAL INTELLIGENCE & STATISTICS
No. 1 COUNCIL HOUSE, STREET, CALCUTTA.

Sir,

Subject :—*Preparation and Consignments of Shipping Documents to Beira, Portuguese East Africa.*

I have the honour to acknowledge receipt of your letter No. 534 dated the 23rd ultimo with enclosure and to state that a copy thereof has been forwarded to all the members of the Association.

In this connection, one of the members of my committee has made the following remarks :—

“The complaints regarding weights, marking, etc., can easily be obviated by arrangement between East African merchants and their foreign suppliers at the time of negotiating business. Regarding “Pilferage” this exists at every Port and can only be checked by consignees, or their Agents, taking examined delivery of all packages which bear signs of having been tampered with and submitting such claims to the steamship owners or the Port Authorities whichever is responsible.”—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 53.

PROTECTION FOR MAGNESIUM CHLORIDE INDUSTRY.

UNION CHEMICAL AGENCY,
BOMBAY, 22nd October, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Re :—Magnesium Chloride.

It has been brought to my notice that several chemical manufacturing firms in Germany have been recently amalgamated. This amalgamation is intended, presumably to compete with the manufacturers of chemicals in other European countries. So far there is little to be complained.

But the real cause of complaint is that these German firms have also determined, as reported, to kill the Industry of Magnesium Chloride in Kharagoda, by giving special rebate to consumers in Ahmedabad, so that the rate of German magnesium chloride in Ahmedabad, even after adding the freight from Bombay to Ahmedabad, would be same or even less than Kharagoda stuff.

Naturally, the Ahmedabad mill-owners may be attracted with cheaper rates, and would prefer German magnesium to Kharagoda stuff, especially in view of the present trade depression. This will have very serious effect on the indigenous industry of magnesium chloride, the very existence of which may be jeopardised.

I therefore, submit, that your Association should raise your powerful voice and get more protection to the industry.

Thanking you in anticipation.—Yours, etc.,

HIRALAL M. DESAI,

No. 1826-160 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th October, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, AHMEDABAD.

DEAR SIR,

Re :—Magnesium Chloride.

Messrs. Union Chemical Agency have addressed a letter to the Association as per copy enclosed herewith. My Committee will be pleased to be favoured with your Association's views regarding the contents of the letter, particularly regarding the rebates allowed to consumers in Ahmedabad.—Yours, etc.,

T. MALONEY,
Secretary.

No. 1968-160 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 16th November, 1926.

THE UNION CHEMICAL AGENCY,
70, APOLLO STREET, BOMBAY.

DEAR SIRs,

I am directed to acknowledge receipt of the copy of letter dated 22nd October 1926 regarding the necessity for protecting the Magnesium Chloride Industry of this country. You further state in your letter under reference that German firms have determined to kill the Magnesium Chloride Industry of Kharagoda by giving special rebates to consumers in Ahmedabad so that the price of magnesium chloride in Ahmedabad even after adding the freight from Bombay to Ahmedabad would be the same of even less than Kharagoda stuff.

Your letter was carefully considered by my Committee but they were unable to recommend any definite action on the lines suggested by you unless they have before them concrete examples of special rebates which you say will be available to consumers in Ahmedabad.

Will you, therefore, kindly let me have further information regarding the special rebates to Ahmedabad so that I may place the matter again before my Committee for their consideration?—Yours, etc.,

T. MALONEY,
Secretary.

UNION CHEMICAL AGENCY,
BOMBAY, 19th November, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am in receipt of your letter dated 16th November and feel thankful to your committee for considering the letter.

As you require further information on the subject, I beg to inform you that of late, German manufacturers offer magnesium chloride at £5 per ton C. I. F. Bombay, but if the article is meant for up-country consumers say in Ahmedabad, Sholapur, Delhi, etc., a special rebate of £1 per ton is allowed. Thus you can see that rebate of £1 on a price of £5 is equivalent to 20 per cent. which was not formerly allowed to up-country consumers. This rebate would surely enable German manufacturers to compete Kharagoda stuff, which may be virtually ousted from the field of competition.

I trust, the above information will be enough for your further action in the matter.—
Yours faithfully,

HIRALAL M. DESAI.

No. 2138-160 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th December, 1926.

MESSRS. THE UNION CHEMICAL AGENCY,
BOMBAY.

DEAR SIRs,

Your two letters dated 22nd October 1926 and 17th November 1926, on the subject of protection for the Magnesium Chloride Industry have been now very carefully considered by

my Committee, and they are unanimously of the opinion that the information contained in your letters is not such as to warrant any action being taken by them in the direction indicated by you. If the Magnesium Chloride Industry of Kharagoda feels the need of protection on any ground, it is for the industry to apply to the Tariff Board for such protection, and my Committee will then consider whether it is possible for the Association to give its support to the application.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 54.

INDIAN ECONOMIC ENQUIRY COMMITTEE'S REPORT.

No. 4374-D.

FINANCE DEPARTMENT,
BOMBAY CASTLE, 27th May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed by the Governor in Council to forward a copy of the Report of the Indian Economic Enquiry Committee, together with a copy of a letter received from the Government of India on the same subject and to request that Government may be favoured with the views of your Association on the Majority and the Minority recommendations in the Report. And I am to request that when framing its views your Association will bear in mind the estimate of cost given on page 60 of the Report, namely for this Presidency an annual recurring cost of Rs. 4½ lakhs and an initial non-recurring cost of Rs. 2½ lakhs. And these figures should be read with the comment of the Government of India, in the third paragraph of their letter, that "for the work contemplated the estimate seems exceedingly low."

2. In conclusion I am to say that it will be much appreciated if your views are furnished as early as possible, within *three weeks* at the latest.—I have, etc.,

J. V. JOSHI,
for Deputy Secretary to the Government of Bombay.

GOVERNMENT OF INDIA.
FINANCE DEPARTMENT.

FROM
THE HON'BLE MR. A. C. MCWATTERS, C.I.E., I.C.S.,

TO,
ALL PROVINCIAL GOVERNMENTS.

Subject :—*Report of the Indian Economic Enquiry Committee.*

I am directed to invite your attention to the Report of the Indian Economic Enquiry Committee, copies of which have already been forwarded to you. The record of the evidence of witnesses, which is being separately printed, will be forwarded as soon as available. The appointment of the Committee was, as explained in the first chapter of their Report, the result of Resolutions passed in both chambers of the Central Legislature. The reference to the Committee embraced not only an examination of the material at present available for

framing an estimate of the economic condition of the various classes of the people of British India and a report on its adequacy but they were asked to make recommendations as to the best means by which the existing material might be supplemented and as to the basis on which a general economic survey should be carried out.

2. The Report of the majority of the Committee may be said to fall into two distinct parts. The first deals with general statistics other than production, which as the Committee admit, are more or less complete. With reference to these they make a number of detailed suggestions with the object of their improvement and extension, most of which are primarily for the consideration of the Central Government. A statement of these recommendations is attached as Appendix A to this letter. In addition, however, to their detailed recommendations they make two general recommendations, (1) that the further improvement of these general statistics, so as to bring them into line with up-to-date statistical systems abroad, might be effected with the aid of a committee or conference of statistical experts, and (2) that their general recommendation (which will be referred to later) for centralisation of statistics should apply also to the statistics in this class (paragraph 40). The intention of this recommendation is, as shown in paragraph 82, that apart from purely departmental publications, which do not contain any information required for the economic purposes of the Central and Provincial Governments, all publications should come under the technical guidance of a central statistical authority.

On this part of the Committee's Report the views of local Governments are invited on such points as concern them in the detailed recommendations and on the general questions mentioned above, the latter of which contemplates a somewhat closer control, than exists at present, over Provincial publications by the Central Department of statistics.

3. The second and more important part of the Committee's Report deals with statistics relating to (a) production and (b) estimates of income, wealth, cost of living, indebtedness, wages and prices, the object of the Report being to recommend an organisation for the collection and publication of statistics of this class which should constitute a survey of the entire economic fabric of the country. The organisation proposed consists first, of a Central Bureau under the Government of India, with a Director of Statistics and 2 Assistants (a third Assistant being employed periodically for the work of census of population) and necessary clerical staff. The additional cost to the Central Government is estimated at Rs. 75,000 per annum, plus Rs. 1 lakh for initial equipment and Rs. 25,000 quinquennially for periodical surveys. This estimate (which for the work contemplated seems exceedingly low) will be examined separately by the Government of India. Secondly, Provincial Bureaux in each Province, with which should be amalgamated existing labour offices where they exist. At the head of each Bureau would be a Provincial Statistician (who might in some Provinces combine the duties of the Director of Land Records), one Assistant for Headquarters and a number of Assistants (usually one for each Revenue division) for district work. Under each Assistant would be —

- (1) 20 to 25 Inspectors (whose number might be reduced to 10 or 12 after 2 years) for collection of production statistics. These inspectors would, in fact, work under the control of the Revenue Department subject to the guidance of the Assistant Statistician, and their duties would be to collect data regarding forms of production which are not supplied direct by departments. They would work in close association with local agencies, such as Co-operative Credit Societies and Panchayats. (Paragraphs 88 to 91.)
- (2) 15 to 18 investigators who would ordinarily be graduates, undergraduates or retired revenue officers who would be engaged on intensive enquiries into wealth, income, etc. These would form part of the statistical establishment, though associated in some degree with the Revenue establishment. It is contemplated that each investigator would be able to deal with 12 villages a year in rural tracts and 600 families a year in urban tracts, so that in 5 years data would have been collected for 20 per cent. of the town population and 12½ per cent. of the rural population. (Paragraphs 93 to 96.)

A special staff of Tahsil-clerks, would also be required for the compilation of statistics of agriculture and other miscellaneous products. (Paragraph 92).

Thirdly, Advisory Boards of Economic Enquiry are contemplated for each province, while the present publicity Advisory Committee of the Central Government would be expanded by the addition of two official and two non-official members with statistical experience to form a Central Advisory Board. It is suggested that non-official members of these Boards should be paid a fee for attending the meetings at all events for the first few years. (Paragraphs 86 and 87).

The cost of these proposals to Provincial Governments has been worked out by the Committee roughly on a population basis and is estimated for all provinces as Rs. 56.59 lakhs per annum in addition to 30.61 lakhs for initial equipment, which would be spread over the first 2 years.

4. The general object for which this organisation is recommended is, as explained in paragraph 70 of the Report, that the entire economic fabric of the country should be closely sifted by a survey. For the purpose of this survey the Committee accept, with minor modifications, the division into 12 occupational classes adopted at the last population census and for the larger economic zones the provincial natural divisions adopted in the Census Report of 1921. The survey will concern itself with statistics (a) of production and (b) of income, wealth, etc. Statistics of production will be collected under seven main heads:—(1) Agriculture, (2) Pasture and Dairy Farming, (3) Forests, (4) Fisheries, (5) Mines, (6) Large industries and (7) Cottage industries. For large industries the annual statistics will be supplemented quinquennially by a detailed census of production. For production of all kinds the figures will be obtained through Government departments by means either (a) of the existing agency or (b) of the additional special staff of inspectors already referred to. A summary is attached as Appendix B to show in more detail what the Committee contemplate under the various production heads.

Statistics of income and wealth, etc., will be obtained by intensive studies carried out by the special investigators and the results will be included in the summary and published from year to year with the annual provincial statistics. (Paragraphs 76 to 78.) Special enquiries will also be undertaken on special subjects by the investigating staff (which may be strengthened for the purpose) on any subjects of local importance which may be prescribed by the local Governments from time to time, such as fragmentation of holdings, unemployment among the middle classes, condition of the depressed classes and unemployment in rural areas. The enquiries of the investigators will include estimates of collective private wealth and national wealth. Additional detail as to what the Committee propose in respect of estimates of income and wealth is given in Appendix C.

5. It will be clear from the above summary of the organisation proposed and the scope of its activities, that local Governments are most intimately concerned both financially and in regard to the practical working of the proposals. They are further concerned in two general proposals which are made by the Committee, (1) that all work in connection with statistics should be co-ordinated and centralised and that the statistics of all the Departments, both of the Central and Provincial Governments, should be brought under the supervision of one central authority who should be the adviser of Government in statistical matters; and (2) that there should be a Census and Statistics Act the main object of which will be to place the whole organisation on a legal basis and to empower officers to demand the supply of information under legal penalties, guarantees being provided against disclosure of information. (Paragraphs 82 and 83).

6. The Minority Report by Professor Burnett Hurst while dissenting from some of the principles and most of the details of the Committee's recommendations, contemplates the organisation of a Central Statistical Bureau and of Provincial Bureaux. He would abandon the idea of carrying out enquiries into individual wealth, but recommends (a) a series of intensive enquiries by the collection and analysis of a large number of family budgets under the supervision of Provincial Boards of Economic Enquiry who will employ special investigators, quite distinct from the official statistical establishment and (b) the collection of statistics of production, wages and prices by the extensive method through the agency of the department or branch of administration with which the statistics are associated, under the control of the Central and Provincial Bureaux of statistics: e.g., the statistics of agri-

culture would be taken over by the Department of Agriculture and statistics of production of small scale industry would be collected by the subordinate staff of the present departments of industries or the Co-operative Departments or by a special staff of investigators working under these Departments. Professor Burnett Hurst supports the proposal for a detailed census of production of large industrial establishments quinquennially and for a quinquennial wage-census. He considers, however, that the necessary powers of compulsion can be granted to the Statistical Bureaux by amending the Factories Act instead of introducing special legislation.

Professor Burnett Hurst estimates that the cost of the Provincial Bureaux, where no labour offices at present exist, would be about one lakh of rupees per annum for each Province, but he attempts no estimate of cost of the intensive and extensive enquiries recommended, which he would leave on an elastic basis depending on the extent of the enquiries which each local Government or which the Provincial Boards of Economic Enquiry decide to undertake.

7. The Government of India feel sure that local Governments will appreciate the underlying object of this Report which is to improve the standard and extend the scope of the statistical material available for an estimate of the economic condition and resources of the country and will share their desire to give effect to any practical proposals which will contribute to this object and which can be undertaken at a reasonable cost. But in view of the financial considerations involved and of the necessity for co-operation, between local Governments and the Central Government in any measures which may be approved, and in view also of the important administrative considerations implied in proposals such as those for the estimate of individual wealth by a staff of investigators and for legislation to make compulsory the supply of information to the Government Statistical Department, they desire in the first instance to invite the views of Local Governments upon the proposals of the Committee, both in the Majority and Minority Reports, before taking any further action and at the present stage they refrain from comment upon the details regarding which the local Governments will in most instances be in the best position to advise. They would be glad if the views of the local Government could be forwarded to the Government of India at their earliest convenience.—I have, etc.,

A. C. MCWATTERS,

Secretary to the Government of India

APPENDIX A.

GENERAL STATISTICS OTHER THAN PRODUCTION.

1. Report of Joint Stock Companies.	Should contain information regarding the dividends declared.	Para 26.
2. Statistical Abstract.	Should contain statistics relating to Insurance Cos. for purposes other than Life Insurance.	Para 26.
3. Internal Trade Returns.	Should be revived and brought into line with the more up-to-date statistics of countries like the U.S.A.	Para 30.
4. Sea-Borne Trade and Navigation Accounts.	Figures as to the crew employed, especially on ships plying in coastal waters should be published.	Para 34.
5. Other Transport..	Suggests that in addition to figures for carts, which are taken along with the cattle census, figures of motor and all other forms of transport, including boats should be collected and published.	Para 35.
6. Roads and navigable canals.	Information regarding length of metalled and unmetalled roads and navigable canals, now maintained by Provincial authorities should be put together for the whole of India.	Para 36.
7. Posts and Telegraphs.	Figures relating to wireless messages and broadcasting stations might be published in Annual Reports of Posts and Telegraphs Department.	Para 37.
8. Education ..	Information relating to libraries museums, zoological and botanical gardens and learned societies might be collected and published in the Statistical Abstract.	Para 38.

APPENDIX B.
STATISTICS OF PRODUCTION.

1. General recommendation.	That complete statistics of production including the total value of production, should be collected, if it is possible to do so at a reasonable cost. The best method would be by improving and amplifying the existing agricultural statistics, and where a subordinate revenue agency exists, no other agency for compiling the information can be usefully substituted for it.	Para 41.
2. Condition of crops.	What is necessary is to improve the statistics of yield where necessary and to convert the quantities into values.	Para 44.
2. Condition of crops.	System of ascertaining condition of crops in force in Punjab is recommended and could be further improved.	Para 45.
3. Standard yield and crop experiments.	The number of crop experiments, on which standard yield is based, should be considerably increased and should be extended to minor crops as well. It is for each Provincial Government to decide what methods its officers should adopt for increasing the number of crop experiments performed from year to year.	Para 48.
4. Fruit and Vegetables.	Valuation of fruit and vegetables should be included.	Para 50.
5. Valuation of Produce.	System outlined for making calculation of value, village by village.	Para 51.
6. Review of agricultural production.	If above system is employed a periodical census of agricultural production is unnecessary, but a review of agricultural production might be made quinquennially on the basis of the annual returns.	Para 52.
7. Tracts under permanent settlement.	The collection of figures of agricultural production presents special difficulties in permanently settled areas (<i>i.e.</i> , Bengal, Bihar, and Orissa, also one-third of Madras and parts of the United Provinces and Assam). No definite suggestion is made, but steps which are already being taken by some Governments should be persisted in until the statistics of agricultural production are placed on a par with those of ryotwari Provinces as regards reliability of the outturn and values of the crops raised.	Para 53.
8. Cattle census and pastoral products.	Should if possible be held annually everywhere, as in Burma and the Central Provinces, and should include figures for various animals specified and for production, quantity and value of different pastoral products.	Para 54.
9. Forests	The methods employed in other provinces for recording forests produce should be applied in Burma.	Para 55.

10. Fisheries.	<p>Figures regarding production from private forests should be obtained, so far as possible through the Revenue Department and published.</p>	Para 57.
	<p>Existing statistics are incomplete. Should aim at ascertaining amount and value of total catch in both inland and sea fisheries, and in respect of special fisheries such as chank, pearl and oyster fisheries.</p>	
11. Minerals.	<p>Organisation suggested, in addition to the Fisheries Department where one exists, and collection of data in regard to big cities, is the revenue agency supplemented by the Inspectors who may be appointed for ascertaining the production of cottage industries and other forms of miscellaneous production.</p>	Para 58.
	<p>The information at present collected through the Chief Inspector of Mines should be supplemented for all mines which are not dealt with by the Department of Mines including indigenous mining, the statistics being collected by the Revenue Department under instructions from the Chief Inspector of Mines. The information required should be quantity and value of minerals produced, the number of persons employed and value of other material used up, including fuel consumed or power employed.</p>	
12. Large-scale Industries.	<p>In respect of all large-scale industries statistics should be collected through the Department of Industries and published annually in respect of:—</p> <ul style="list-style-type: none"> (a) Quantity and value of manufactured goods, (b) Quantity and value of raw material used up in production, (c) Added value of manufactures, (d) Value of fuel or power used, (e) Number of employees. 	Para 59.
13. Cottage Industries.	<p>A regular census of production of large industries should be taken quinquennially. Legislation will be necessary for the census of production for large scale industries.</p> <p>An estimate of the quantity and value of the total annual production of cottage industries should be ascertained with the estimated value of raw material used up also number of persons employed wholly or partially in such industries, number and kind of machinery, etc.</p>	Para 60.

APPENDIX C.
STATISTICS OF INCOME AND WEALTH, ETC.

1. Income tax returns	In the income tax-returns greater details of the sources of income, <i>i.e.</i> , of the business, profession or occupation from which it is derived, may be given.	Para 62.
2. Investigations as to income.	General investigations as to income should be carried out every year for small typical areas, in both urban and rural tracts, so as to enable eventually estimates of income of classes and administrative units and distribution of income between production and services and between property and services to be worked out.	Paras 32 and 66.
3. Investigation of Wealth.	Estimates of local collective wealth should be prepared from outset by the "inventory method" for villages, town and cities, by evaluating area of land, number of houses and cattle, rough estimate of furniture and implements, etc. Estimates of public wealth should be included Whenever possible intensive house to house enquiries should be made by investigators.	Para 64.
4. Cost of living.	The existing information on the subject should be supplemented by the preparation of cost of living index numbers for working classes in the principal industrial centres and index numbers based on family budgets of typical families of other classes	Para 65.
5. Indebtedness	Intensive studies should be made and results published regarding extent of indebtedness of various classes and tracts, causes of indebtedness rates of interest and sources of loans.	Para 66.
6. Wage census	Suggests a quinquennial wage census and annual wage returns. See Appendix 7 and Chapters VII, VIII and IX.	Para 67. Para 69.
7. Prices	The collection of prices should be placed on a comprehensive basis. Wholesale prices should be collected fortnightly in respect of all agricultural products in each district at the principal market towns. Retail prices should be collected weekly from the principal towns in each province and published as at present. There should be honorary correspondents for reporting both kinds of prices. Both wholesale and retail prices should be published collectively for the year, both provincially and centrally.	

No. 1023-118 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 6th July, 1926.

THE DEPUTY SECRETARY TO THE
GOVERNMENT OF BOMBAY (FINANCE DEPARTMENT), BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. 4374-D, dated 27th May 1926, together with enclosures soliciting the Association's views on the majority and minority reports of the Indian Economic Enquiry Committee.

2. At the outset I am directed to state that from the very beginning my Committee have had grave misgivings as to whether any practical good was likely to result from the formation of the Indian Economic Enquiry Committee with terms of reference which, as Government are aware, were strongly criticised by this Association and other bodies.

3. What the Indian Legislature and the public of India demanded was a Committee to make an investigation into the economic condition of the people of this country. The Indian Economic Enquiry Committee was, however, formed only with the object of collating and examining the existing material, ascertaining how it could best be supplemented and determining what lines an economic enquiry into the resources of the country should take. The Committee of this Association felt that the Economic Enquiry Committee formed with the above objects was only calculated to defeat public opinion which had persistently demanded a thorough independent and expert investigation into the present economic conditions of the country, and which public opinion had also found reflection in the Indian Legislature.

4. Further, when my Committee received the very formidable questionnaire framed by the Indian Economic Enquiry Committee, they considered that the Indian Economic Enquiry Committee had given too much attention to a study of the conditions prevailing in advanced countries of the West and too little attention to the peculiar conditions of India. Under the circumstances, my Committee came to the conclusion that no useful purpose would be served by answering the questionnaire drawn up by the Economic Enquiry Committee.

5. My Committee had anticipated that the Report of the Indian Economic Enquiry Committee would be more of academical than of practical interest and after a perusal of the Report of the Indian Economic Enquiry Committee, my Committee cannot help remarking that their anticipations were, in the main, correct. The majority Report, in particular, appears to have been based on a too exclusive study of the conditions prevailing in the advanced countries of the West without due regard to the peculiar conditions prevailing in this country. My Committee are glad that Professor Burnett Hurst, in his minute of dissent has ably disposed of the impracticable and costly proposals put forward by his colleagues, and my Committee therefore, do not propose to enter into a detailed examination of these proposals.

6. My Committee, however, do not desire it to be inferred that they are not alive to the necessity of having reliable and detailed statistics without which an inquiry into the economic condition of the country would be an impossibility. They maintain, however, that there is plenty of room for improvement in the present system of compiling statistics and they would welcome a policy on the part of Government of so improving the existing system as to render the statistics more up-to-date and more useful and serviceable than they are at present to all interested in the particular branch of trade, commerce, industries, etc., to which the statistics in question relate.

7. My Committee, however, are strongly against Government launching out on any elaborate scheme of creating large departments or incurring heavy expenditure as recommended by the majority of the Indian Economic Enquiry Committee. The acceptance

by Government of these recommendations will entail on the public exchequer heavy costs out of all proportion to the results likely to be achieved, and these results, my Committee apprehend, will not be entirely beneficial to the public and, in some respects, may even prove harmful.

8. In the present very depressed state of commerce and industries of this country my Committee are strongly against Government making any costly and elaborate experiments by way of improving the present system of compiling statistics, but they are of opinion that Professor Burnett Hurst's minute offers a good basis for discussion as to the lines on which Government might devise a system suited to the needs and requirements of this country when better times return.

9. My Committee view with great disfavour the proposal to form Provincial Statistical Bureaux which has been put forward in both the majority and minority reports. It is my Committee's considered opinion that compilation of statistics should be in charge of the Central Government. At the last meeting of the Associated Chambers of Commerce held in Calcutta, a resolution was passed urging that the preparation of industrial statistics should be undertaken by the Central Government, not by Provincial Governments. This resolution has the whole hearted support of my Committee. They are of opinion that it is most undesirable that in different provinces there should be different systems of compiling statistics. In order that there might be co-ordination and uniformity in the compilation of statistics, my Committee strongly urge a policy of centralisation in respect thereof, and, with this end in view, they support the proposal for the formation of a Central Statistical Bureau to take the place of the Department of Statistics which is now part of the Commercial Intelligence Department (*vide* Para 21 of Professor Burnett Hurst's Minute).

10. My Committee's views may be now summed up as below :—

1. There is plenty of room for improvement in the existing system of compiling statistics, and this improvement can be effected without creating special and costly departments. Government have not paid sufficient attention to the extension and development of existing material.
2. When the commerce and industries of the country are in a more flourishing state that at present, Government might consider the advisability of overhauling the present system, and Professor Burnett Hurst's minute of dissent should then form a basis for discussion.
3. In order that there might be co-ordination and uniformity in statistics relating to different provinces, statistics should be "centralised," *i.e.*, a central authority should control the compilation of statistics in all provinces, instead of different provinces being allowed to compile the statistics in any way they like.—I have etc., , ,

T. MALONEY,
Secretary.

No. 4374-D.

FINANCE DEPARTMENT,
BOMBAY CASTLE, 7th July, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to acknowledge with thanks the receipt of your Association's letter No. 1023-118 dated 6th July 1926, containing its views on the report of the Indian Economic Enquiry Committee.—I have, etc.,

J. V. JOSHI,
*for Deputy Secretary to the Government of Bombay,
Finance Department.*

APPENDIX 55.

 INCORPORATION OF INFORMATION REGARDING DIVIDENDS IN THE
 REPORTS OF JOINT STOCK COMPANIES.

No. 5791/G-24.

 REVENUE DEPARTMENT,
 BOMBAY CASTLE, 4th February, 1926.

 THE SECRETARY,
 THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

 Subject :—*Report—Joint Stock Companies—Incorporation of Information Regarding
 Dividends Declared in—of.*

In paragraph 26 of their Report the Indian Economic Enquiry Committee have suggested that the report of Joint Stock Companies which is published annually should contain information regarding the dividends declared. This information would probably have to be obtained from companies registered under the Indian Companies Act. I am directed to request that the Governor in Council may be favoured with the views of your Association as to the desirability of adopting the committee's suggestion

2. The reply to this reference may, please, be forwarded so as to reach Government by 1st March, 1926.—I have, etc.,

M. R. DAVAR,
 for Acting Chief Secretary to the Government of Bombay,
 Revenue Department.

 EXTRACT PARAGRAPH 26 OF THE REPORT OF INDIAN ECONOMIC ENQUIRY COMMITTEE.

* * * * *

Statistics General.

26. Besides the Budgets and Financial statements of the Central and Provincial Governments, there are special departmental publications, in each province, relating to the administration of land revenue, salt, customs, income tax, excise, stamps, registration, forests and opium, the last in the United Provinces and Bihar and Orissa only. These publications give sufficient indication of the financial aspects of the administration, including public debt. Detailed information is available in the civil and army estimates, in the departmental estimates, and in the "Finance and Revenue Accounts," published by the Auditor-General. Regarding currency and coinage, the annual "Report on the Operation of the Currency Department" and "The Report on the Administration of Mints" give the imports and exports of gold and silver, amount coined, old coins received for recoinage, number and value of currency notes of each denomination in circulation, composition of the paper currency reserves, securities created, notes held in Government treasuries, etc.,

Information about local finance can be had from the financial statements of municipalities and local boards, summarized statements whereof are given in the "Statistical Abstract" already referred to.

Other information relating to public or private finance is given in the "Statistics relating to Banks in India" and "Reports of the Co-operative Societies." Statistics relating to Post Office Savings Banks will be found in the "Report of the Posts and Telegraphs

Department," those relating to the paid-up capital of companies are given in the "Report of Joint Stock Companies," and those pertaining to life assurance companies appear in the "Statistical Abstract." We think the report of Joint Stock Companies should contain information regarding the dividends declared. The figures are published from time to time in the Calcutta Weekly Journals, the *Capital* and the *Commerce*. We are also of opinion that statistics relating to insurance companies, for purposes other than life insurance, should be included in the Statistical Abstract.

No. 387-63 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th March, 1926.

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

SIR,

Subject:—*Report—Joint Stock Companies.—Incorporation of Information Regarding Dividends Declared in—of.*

With reference to your letter No. 5791-G/24 dated 4th February 1926, I have the honour to state that my Committee approve of the suggestion made by the Indian Economic Enquiry Committee that the report of Joint Stock Companies published annually should contain information regarding the dividends declared.

As regards the companies affiliated to this Association, my Committee do not anticipate that any objections would be made to supplying figures of dividends declared, if the Provincial Registrars of Joint Stock Companies make requests to be supplied with the figures desired for the additional information which it has been proposed should be incorporated in the Annual Report of Joint Stock Companies.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 56.

THE ROYAL COMMISSION ON INDIAN CURRENCY AND FINANCE.

No. 1715-141 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 12th October, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE DEPARTMENT, SIMLA.

SIR,

I am directed to address you on the subject of the report of the Royal Commission on Indian Currency. The recommendations of the Commission to fix the exchange value of the Rupee at 1 s. 6 d. gold is what chiefly concerns my Committee at this juncture, and it is in regard to this point only that they wish to devote their attention in this letter.

2. In my Committee's opinion the fixation of the exchange value of the Rupee at 1 s. 6 d. in preference to 1 s. 4 d. will continue to militate severely against the future progress of the Indian cotton textile industry in both the home and export trade, for the reasons set forth in the Association's written and oral evidence before the Currency Commission and the Tariff Board now conducting its enquiry into the industry's application for protection.

3. It is not intended to re-traverse the whole of the arguments already put forward by the Association before the two afore-mentioned bodies as these are already available to you but my Committee hold that the raising of the exchange value of the rupee to 1s. 6d. gold and its maintenance at that figure is largely responsible for the present depression in the cotton textile industry of Bombay and the industries of the country generally, and they further believe that the development of the indigenous industries of the country has suffered a very severe set-back owing to the fixation of the value of the rupee at 1s. 6d. gold in preference to 1s. 4d. gold.

For your ready reference I quote below the following paragraph from the Association's written evidence before the Tariff Board which epitomises their views in regard to the effect of the 1s. 6d. ratio on the cotton industry :—

“ It is the considered opinion of the Association that if the sterling exchange were brought down to 1s. 4d. gold and Japanese mills were made to work one shift not employing women and children at night, then the industry could stand on its own legs and would not require protection. It is a curious phenomenon that all the important industries of this country, viz., Sugar, Cement, Iron and Steel and Leather suffer much from the exchange policy of the Government of India and have asked for protection. In the opinion of the Association while the Government of India might be able to save Three Crores of Rupees by keeping the exchange at 1s. 6d. they are losing far more by having the industries of the country in a crippled state and not being able to pay income-tax and super-tax, and as long as artificial management of exchange is continued by the Government of India, the industries of the country will have to be protected to get over the difficulties.”

4. My Committee further maintain that the severe blow that will be dealt to the indigenous industry of the country by fixing the exchange ratio at 1s. 6d. instead of 1s. 4d. will mean considerably diminished revenues for the Government of India under the head of income-tax, and will in a variety of other ways more than counterbalance the saving in “home charges” which will be effected by the 1s. 6d. ratio.

5. The most objectionable feature of the fixation of the exchange ratio at 1s. 6d. instead of 1s. 4d. however, lies not in the detrimental effect it will have on Indian industrial development and future progress which would affect only a small proportion of the population, but in the effect which it will have on the agricultural classes who form the bulk of the population. In the opinion of my Committee the Government of India has not fully realised that the burden of the rise in value of the rupee falls almost entirely on the cultivators of the soil who are amongst the poorest of the poor, and who consume practically none of the goods imported into the country which might legitimately be expected to fall in prices with a 1s. 6d. rupee. These people are and have been for generations past debtors, and will thus be penalised not only in regard to interest, but on capital also to the extent of 12½ per cent. in addition to the loss they will incur by reason of the lower rupee price realisable for the produce raised on their lands.

This double blow to the income of the Indian agriculturist will obviously restrict his purchasing capacity with consequently unfavourable effects on the industry and trade of the country.

That the process referred in the previous paragraph has already begun to operate, in the opinion of my Committee, is proved by the fact that in spite of five completed, and the prospect of a sixth good monsoon, there has been a substantial decrease in the per head consumption of commodities.

6. My Committee trust that the Government of India, when deliberating the action to be taken in regard to the recommendation of the Currency Commission to fix the exchange ratio at 1s. 6d. gold, will give due weight to their obligations to the Indian agricultural classes and Indian industries, and adopt the ratio recommended in the minute of dissent to the Royal Commission's Report.—I have, etc.,

T. MALONEY,
Secretary.

FRIDAY, 11th December, 1925.

Present :

The Right Hon'ble EDWARD HILTON YOUNG, P.C., D.S.O., D.S.C., M.P. (*Chairman*).

Sir RAJENDRANATH MOOKERJEE, K.C.I.E., K.C.V.O.
 Sir NORCOT HASTINGS YEELES WARREN, K.C.I.E.
 Sir REGINALD MANT, K.C.I.E., C.S.I.
 Sir MANECKJI BYRAMJI DADABHOY, K.C.I.E.
 Sir HENRY STRAKOSCH, K.B.E.
 Sir ALEXANDER ROBERTSON MURRAY, C.B.E.
 Sir PURSHOTAMDAS THAKURDAS, C.I.E., M.B.E., M.L.A.
 Professor JAHANGIR COOVERJEE COYAJEE.
 Mr. WILLIAM EDWARD PRESTON.

Mr. G. H. BAXTER, (*Joint Secretary*).

Sir VICTOR SASSOON, representing the Bombay Millowners' Association, called and examined.

Chairman :—Sir Victor Sassoon, you have come to assist the Commission on behalf of the Bombay Millowners' Association and you are accompanied by the Secretary of the Association?—I have got the Secretary and also another member of the Association who is more conversant with the technical side, Mr. Stones, who is also a member of the Committee

The Bombay Millowners' Association is an association of the owners of cotton mills?—The word "owners" is rather a misnomer. We are more the managing agents of mills. It dates from the time when most of the mills were proprietary, but I don't suppose there is a single agent now who owns the mill he manages.

For the benefit of the members of the Commission, who may possibly not be familiar with the organisation of business in Bombay, will you tell us what the typical work of the managing agent is to the industry?—Shortly, the managing agent is a firm who takes the place of a whole-time servant usually styled Managing Director at Home. The Managing Agent is not, however, a whole-time servant but acts for a number of companies as a rule, besides carrying on his business, generally that of a merchant. The practice dates from the time that suitable men were very much sought after, and has the additional convenience of at any rate one partner being on the spot to carry on the work while the other is on leave. But besides carrying out the executive functions of a managing director, a firm of managing agents is largely responsible for arranging any finance required by the concerns they manage and to do this have to pledge their own credit. This is probably their most valuable function to-day and the reason why they have not been superseded by whole-time managing directors.

We have the benefit of a memorandum from Mr. Maloney, the Secretary of the Millowners' Association, which sets forth in some detail the proposals and recommendations of your Association, and I will proceed if I may to ask you some questions to elucidate the nature of your proposals and to ascertain the weight of emphasis which you place upon them?—If I may interrupt for a moment, Sir, what my Association have allowed me to say in coming before you is that we do not pretend to be experts in currency; we obviously view the matter from a rather domestic point of view, but at the same time certain members of the Committee thought that they would like to amplify, if you notice, what we call suggestions; but really what we wish to emphasise is what affects us more closely, that is to say, the effect of an appreciated rupee to-day and the effect of a gold currency. That is what affects us more closely; the rest are merely suggestions, and I do not suppose I shall be able to give you opinions which would rank as weighty as those of the experts you have had before you.

I should naturally suppose it would be a misapprehension to conclude from what you have said that your proposals refer only to the interests of the Millowners' Association; I should rather suppose that your proposals are put forward on the ground of general public.

interest?—On the ground of general public interest, certainly, Sir ; but at the same time shall we say more from the business man's knowledge rather than from a currency expert's knowledge. I mean we have certain views which you may call commonsense views held by business people ; but certainly my knowledge as to the details of some of these technical questions is by no means extensive, and I should not perhaps be in a position to reply as to certain causes and effects if it concerned the very highly technical part of currency questions.

We are to look upon your proposals in the sense that you are only prepared on behalf of the Millowners' Association to deal with these matters in so far as they affect the practical interests with which you are acquainted?—And also shall we say a layman and not as an expert? it is chiefly that side I want to emphasise; I do not pretend to be an expert at all or to have expert knowledge.

I think we shall probably all agree that knowledge which is based upon practical experience is the only knowledge to which very much attention should be paid in such matters. You say: "They further consider that the two main essentials for the permanent solution of the currency problems are:—The introduction of a true Gold Standard in India with the value of the rupee fixed at a rate which will correspond with countries where currency has returned to its normal values," You continue: "With the rupee exchange at the present rate 100 United States of America Gold Dollars are worth Rs. 272.4 as against Rs. 307.8 in January, 1924. From this it would seem that the present value of the rupee is far too high unless the Government of India are in a position to show that the United States of America has a depreciated currency." That leaves some little doubt in my mind, and the doubt is this: too high in relation to what?—In relation to the Gold Dollar.

What standard are you referring to in the relation of the rupee to the dollar?—We are taking the standard which was in existence before the war, what you might call the par values which were in existence for a number of years in this country and for a large number of years in others, and we are comparing the position to-day as far as India is concerned with a country like the United States which is commonly supposed to be very prosperous and to have come out from the effects of the war better than most other countries of the world. It appears illogical that the United States should have a depreciated exchange as compared with India compared with the pre-war values.

Of course, it is apparent that the present value of the rupee is higher in relation to the dollar than it was, but it seems to need greater clearness as to whether it is necessary to proceed from the obvious circumstance that it is higher to the further conclusion that it is too high. Do you mean that in relation to Indian prices the rupee is over-valued in the external value?—We were rather looking at it from the point of view of our external relationships in our competition with the world markets, the competition that India has to fight from an industrial point of view. We take the example of the United States, because, although we are not as advanced industrially as they are, we, in common with them, are large exporters of produce. Further, we note that the United States does not appear to be in favour of having an appreciated exchange, and have been helping the pound sterling to regain its par value, and to keep it. This was confirmed to me by my banker friends in New York on my visit there last summer.

Is it then your opinion, or is it not, that the rupee is still overvalued as regards its external value in the sense that there has still got to be a substantial readjustment of internal prices in India in order to produce an equivalent of the internal and external value of the rupee?—As far as internal prices are concerned, there is no doubt that cereals and pulses, which are the products of the large bulk of the agricultural worker, are much below prices they should be at if you take into consideration the rise in the cost of living and if you take into consideration the rise in wages and salaries that have taken place in towns and in industries in India. That is, talking generally, if we take the particular point of wages in industrial concerns like our own, we find ourselves in the position that the pre-war par was reached, I think, somewhere about last September. The present rs. 6½ rate was only reached, I think, in March of this year. Our industries and the industries of this side of India—I am leaving out the Eastern side where they have got special conditions—have not been flourishing during the last 15 months, and we find ourselves in the position that, through

the rise in the gold value of the rupee, our labour is being paid $12\frac{1}{2}$ per cent. more from the world point of view than it was before, although you cannot tell a millhand that his wages are $12\frac{1}{2}$ per cent. more because he is only thinking in rupees. And this high exchange is also hitting us as regards all our fixed charges which we cannot get away from. It is not only hurting us seriously as regards our trying to export our finished article ; it is also hurting us internally because it acts as an advantage to competitive imports as well ; and, therefore, if we are merely to go back to the position we were in 15 months ago as regards charges we would have to reduce salaries and wages, which are the only things we could reduce, by something like 13 per cent.

I do not quite follow that last figure?—If we are to be in the same position as we were 15 months ago, when the gold value of exchange was *1s. 4d.*, as regards competing with the world in India alone, we should have not only to reduce salaries and wages by 12 per cent. but by an extra half per cent., to make up for the increase in gold values that we have to pay on rates and taxes, insurance and similar items which we cannot control. It is always said these matters adjust themselves. It is very difficult in India to adjust wages, and I take it that even the Government must find it difficult, because I have not heard that there is any suggestion that the Government salaries and wages should be reduced by $12\frac{1}{2}$ per cent. owing to the appreciation during the last 15 months.

What has been the general tendency of wages in the cotton industry in Bombay over a considerable period, shall we say, for the last 25 years?—They have always been upward, of course ; we have got a nominal 70 per cent. increase in wages since the war ; actually if you take the pre-war figure as 100, the wage would be 231, while the rise in all commodities (I am taking these figures from the *Indian Trade Journal* of the 12th November) would be 60 per cent. or figures of 160.

You have given us some very helpful figures compared with the pre-war period. Your general reply would be that, for the preceding period, the figure would be upwards?—It would not be downwards.

What has been the tendency of wages since the actual movement in the general level of world prices, since about the middle of 1921?—We have had no cuts at all ; the wages have not altered ; to-day they are getting the same wages as they were receiving, they still receive the peak ; other countries have had cuts since the war, we have not.

In view of those circumstances, that there was a general rise in wages which appears to have ceased in 1921, I want to ask your opinion upon a contention which might be advanced from another point of view, that is, that although the rise in exchange has not been off-set by any reduction in money wages, it has in fact been off-set by the prevention of the regular increase, and thus an adjustment has taken place, although the adjustment is masked by the general tendency of wages in Bombay to rise?—That, of course, is rather a difficult question to answer ; we can obviously show you how the average cost has dropped from 179 to 160, I mean the average cost in all commodities, since September last year ; I take that date because our exchange was then about *1s. 4d.* gold.

That is the general index number of prices of commodities?—Yes, but the great trouble is that there is a considerable amount of masking there—I mean it is very difficult to answer, because world prices obviously do affect our own prices here ; you cannot get away from that, especially when you are dealing in world commodities, such as wheat and linseed and such like ; but I do not think that, although, admittedly, they are bound to be affected, the one balances the other. In my mind, although it may have masked a possible rise. . . .

Let me put it to you in quite a crude way in order to make it clear that our minds are at one. Wages suddenly began rising ; then exchange began to rise ; at that point wages stopped rising, and that was, as a matter of fact, effected by the adjustment resulting from the rise in exchange making itself felt upon wages?—I did not follow that ; that is quite easy. In other words, your point is that if it had not been for the rise in exchange wages would have risen since last September. That is much simpler. I can say "no" because (I am talking since September, 1924) there had been no rise in wages for some period before that.

I am taking from July, 1921, which is the point at which exchange began to rise?—We are not complaining about any rise in exchange up to the 1s. 4d. gold which took place about September, 1924. I do not think, as far as our industries are concerned, that even had exchange remained where it was, that there would have been a further rise in wages during the last year.

That is an important relevant consideration which you have now advanced. What are the grounds for your opinion that there would have been no further rise in wages, even if exchange had not changed?—Because owing to certain world conditions the industry was not in the healthy position in which it had been when the extra wages were given. It is obvious that workers ask for an increase only when the industry prospers.

Is that obviously the case always?—In India I think that you can take it that when labour sees an industry prosperous, as during the boom years, it is supported in its demand by public opinion; on the other hand, when the industry is not holding its own the question that confronts your labourer is not whether he can get a further rise, but whether he can keep what he has got, especially when wages in similar industries abroad have fallen and his has not, for it must be remembered that both Lancashire and America have made wage cuts from their top. I think that the psychological effect that other countries had made cuts and we had not would have prevented any serious demand for a wage increase during the period you mention.

You would then attribute the cessation in the rise of wages rather to the psychological effect than to any change in the cost of living? Yes; I am quite certain of one thing that the rise in the rates of wages of the millhands, being, as it was, 240, was much higher than the highest commodity rise; let us take the highest that I have got here on this sheet; in 1921 the average commodity value was 181; it was lower than 1920, when it was 204; in 1922 it was 180, and in 1923 it was 176; in 1924 it was 177. These are general index numbers. So there was nothing from the point of view of rise in cost of living to have justified a rise in wages when they were getting 230.

That must be the Calcutta general index number?—Yes.

Do you think that the Calcutta index number throws very much light on the cost of living? Should it not rather be in the form of a budget of a wage earning household?—To be very frank, I always view all these cost of living figures with great suspicion.

I quite appreciate the force of your reply; but, apart from that, does even a highly scientifically based and calculated index number of general commodity prices throw very much light upon the cost of living index?—It gives you the trend of prices, even if you do not take the actual average, when I look at it I rather look at cereals, sugar and the more obvious things that we know the labouring man takes.

The point is this, that the rate, on the average, must be so very different for the budget of the working class household, where you have got the constituents composed mostly of lentils and so on, that you run the risk, of getting a very misleading figure?—I quite agree, but as far as we are concerned here we do know from practical observation that the rise in wages of our millhands is more than the rise in the cost of living. It is proved by the way they are spending their money. They are buying luxuries they could not afford before. I am even now taking a census in my mills of the number of men who are wearing imported cloth costing 30 per cent. more than what we sell them, because we always let them have our cloth at reduced prices; in the old days they could not afford to buy the imported kind. Then, again, the demand for money orders to the districts from which these men come has increased tremendously, and that demand is still keeping up. You may take it that they are much better off than they were in pre-war days.

Your opinion is that there has been a steady and substantial increase in the real wages, and, in consequence, an increase in the standard of living?—No, Sir; the increase has not been in the standard of living; the increase has been in the purchase of luxuries, in drink; instead of drinking country liquor the workman now likes to drink a bottle of wine with a foreign

name on the outside ; some of them have been sending money to their homes ; those people no doubt have obviously increased their standard of living when they return home ; but there has been a good deal of.....

You are referring more to the moral aspect of it ?—I would call an increase in the standard of living, living in a better room, or having fewer people in the existing rooms, but they do not do that ; they still live huddled up as they did ; they will eat more, and drink more and enjoy themselves more now ; but if you take some of their money away they will only have to do without their luxuries for their overheads such as rent have not gone up.

The increase in the rate of wages has resulted in an increase in expenditure on luxuries ? Expenditure which is not necessary.

I wanted to follow out whether, as a consequence of that, you are recommending that it would be inadvisable to stabilise the rupee at a higher value than 1s. 4d. gold ? That is from the point of view of fluctuations.

Let me generalise the question : I understand your general recommendation is that the rupee should be stabilised at 1s. 4d. ?—We think that it would be a point which you can stabilise it at owing to the experience of the past ; whereas we do not consider that it can be stabilised at 1s. 6d.

Is the basis of your recommendation because it can be stabilised at 1s. 4d. and cannot be at 1s. 6d. or is the basis of your recommendation the advantages that would be conferred upon India or any part of the Indian community by the selection of the 1s. 4d. rate ?—Our main point is that the 1s. 4d. rate is to the advantage of India as a whole and to the large majority of the inhabitants of India. Our second point is rather taking the point of view of the merchant who says : “ Let us have a stable exchange ; if you give us a stable exchange I do not mind what the rate is.” The first point is the reason why we are really fighting for this 1s. 4d. But we say that, if you are talking to a merchant who does not mind whether the rate is 1s. 4d. or 1s. 6d. so long as he is able to buy the goods and he can trade (and I, too, am a merchant, and I am speaking from practical experience) but who does want a stable rate, you will get it with 1s. 4d. more easily than with 1s. 6d.

Dealing with the first aspect, namely, the positive advantage that the 1s. 4d. rate might confer on the Indian community as a whole and on various sections of the Indian community, carrying out your original suggestion, it would be useful, I think, if I were to ask you as to the effect this would have on the particular interests with which your Association is concerned. What would be the effect upon the business interests with which your association is particularly connected of the reduction of the rate to 1s. 4d. ?—At the present moment, as you know, Sir, the excise has been removed, and therefore this would obviously appear to be a distinct advantage to the mill industry, not necessarily from the point of view that they are going to make more, but that they can sell at a lower price by its removal. I have worked out the difference between the present 1s. 6d. rate and 1s. 4d. rate as a very little less than the excise. So to-day, with the excise removed, all we are getting is, I think, a .3 per cent. advantage over what we would have had if the excise had been left on and we had our 1s. 4d. gold as we had last year. I am afraid, I have not been clear ?

As I follow your reply, it is that whatever bad effect was produced by the rise to 1s. 6d. is substantially counteracted by the removal of the excise ?—Although it is generally considered that we must have benefited by the removal of the excise, that is not the case ; it is merely giving us back what was taken from us before by the rise in exchange.

There is a minus to set against that plus ?—And the position to-day is that from what we can see of trade generally, the mill industry as a whole will not be able to work at a profit during the coming year, in spite of having got the excise removed,

You are assuming in your reply (I don't say whether rightly or wrongly) that the reduction of the rate to 1s. 4d. would confer some benefit upon the cotton industry. What I wanted to ascertain was what benefit that would be and how it would act ?—I think in the

first place, it would mean a reduction of 12 per cent. in wages, which would not be made up by a rise in wages. I don't think, speaking generally, that if you went back to 1s. 4d. there would be any consequent rise in wages, certainly not in our industry and not for a large part of India. I think it would probably lead to higher prices for certain produce like cereals and pulses and we, as millowners, would welcome that because, although the cost of living might be increased slightly in consequence, more money would be going to our purchasers who would have more to spend. The trouble which we find is that our customers, who are the poorest people, the agricultural people in India, have, in spite of 5 good monsoons, not been able to buy as much of our products as might be expected; and although, as I have admitted, these index numbers are often misleading, I think the fact that you have only got 135 as the figure for cereals, and 241 for cotton manufactures, can be taken as fair support of what I have been saying. We think that if the index numbers of cereals and pulses approach more nearly to the general average and more particularly nearer to the figure for cotton goods, the ryot would have more money to spend on our products.

Let us follow that up a little. The Millowners' position would be improved because, on the fall in exchange, he would get more rupees for his foreign currency for which he sells his exports?—Yes, it would help us in our exports.

The importer, on the other hand, would have to pay more rupees for whatever he imports, in order to lay down the same foreign credit as he paid for these imports. That would result in a rise in the price of imported goods?—Which, Sir, are not, or a very infinitesimal portion of which is in our opinion bought by these poor classes with which we are dealing.

Laying that point aside for a moment, let me ask to what extent does the cost of production, if at all, in your cotton mills depend upon imported goods?—The replacement of machinery—I am not taking the main machinery because that is already there—replacement of machinery and stores.....let me see, for yarn it is 1½ per cent. for cloth, weaving it is 5.7 per cent.

That makes a total of round about 7 per cent?—No, the yarn is included in the other figure. If you take it on the finished cloth, it is 5.7.

Your reply is that the proportion of the cost of production which is affected by the price of imports is round about 5 per cent?—Between 5 and 6; say 6 per cent. to be on the safe side.

Now take the other great constituent in the cost of production, wages. You have expressed the opinion that the cost of living depends very much upon the cost of those food stuffs produced and consumed in India? These cereals.

Yes, in your opinion would the rise in the price of imported foodstuffs have no reaction at all upon the internal prices in India of those articles?—Sugar, of course, is a separate commodity. Even then they have got their unrefined sugar, they could use that for the poor. But most of the imported foodstuffs are imported for the Europeans. I don't think they compete with your ryot at all or your millhand. His rice, his cereals, there are no imports of these, or of anything that could compete with these.

Let us take it from another point of view which may perhaps make clearer the series of contentions which, in order to apprehend your views, I am venturing to put for your opinion. Supposing the rate were to be fixed at 1s. 4d., by what methods as regards the currency of the country would the change be effected?—There my Association have allowed me to suggest that we should not be dogmatic, as we are not currency experts, as to how it should be done. We only know that it has only risen from 1s. 4d. to 1s. 6d. exchange in the last fifteen months, and we are convinced that a return to the 1s. 4d. rate would not cause a national crisis or anything of that sort. As for the actual methods as to how it should be done, whether quickly or spread over a period, our point of view is that it is for the expert to point out the best way.

So that perhaps I ought to venture to lead you a little more. Would it be an answer, were it to be put to us, to say that just as a rise to *rs. 6d.* has been brought about by a restriction of the currency and by various methods that have been explained to us, so a fall to *rs. 4d.* would be brought about by an increase of the currency, and by a reversal of the methods previously employed to restrict the currency?—Well, Sir, if your point is how a fall should be effected, I think that two bad monsoons will certainly give you that fall without the necessity for inflating (if you want the word) currency. Our point is that it is only through the occurrence of five consecutive good monsoons that the *rs. 6d.* gold rate has been got. That is a record, and the chances are that we will have a series of bad or only partially good monsoons, which would automatically bring your rupee down without any need of increasing the currency.

Now to bring you to a point upon which the Commission would be glad to have your opinion, may I ask you to make an assumption that the *rs. 4d.* rate is attained by a reversal of the methods by which we are told that the *rs. 6d.* rate was attained, that is, by some letting out of currency?—May I also assume, Sir, that that currency is to be let out against gold delivered to the currency office, or is it to be merely a pure inflation with no backing to it?

That is really not the question. If the transition within a reasonable time is to be attained to *rs. 4d.* can it be attained otherwise than by an increase in the purchasing medium in proportion to the things to be purchased?—I think, Sir, that it is purely a question of whether you allow your gold to be imported or converted into currency. If the Government chose to say to-day, in practice we are making a *rs. 6d.* gold imported point, that is how it is being worked, whatever the reason may be—if you chose to say that for the next three months we are going to make it *rs. 5½d.* and then afterwards *rs. 5d.*, and then gradually bring it down by stages—there may be a disadvantage. As I say, we are not experts from that point of view. What we know is that the moment it gets normally to *rs. 4d.*, we should get the *rs. 4d.*, rate fixed, but you are likely to get there within two years automatically.

I will ask you a question about that, if I may, in a moment, I gather, then, it is your opinion that reversion to *rs. 4d.* can be obtained without any increase in the cost of living in the country?—I don't say that, Sir, but I say that any increase in the cost of living would not be anything like the $12\frac{1}{2}$ per cent. difference between the two currencies. It would be a much smaller one.

Supposing there is an increase of even that small amount in the cost of living, would it be possible to resist a demand for an increase in wages?—From the millhands' point of view, yes, because they have already got so big an increase that it would be infinitesimal, they would not feel it.

Let me put to you a final point which might be put by a critic. In so far as there is any increase in the cost of living, and in view of the circumstance that you do not contemplate any rise in wages as a result of the change, what would you say to the suggestion that, under those circumstances, and to that extent, extent to which there was a rise in the cost of living, the benefit was being obtained by the cotton mill industry and the cotton industry at the expense of the interests of the wage earner in the industry?—That could be said. Of course, the answer would probably be, you have got so much more than any possible rise in cost of living. You have had no drop at all since the peak, which has not been the case in any other country. Of course, if the industry would stand higher wages, it would probably pay, but I do not think that the industry would be over-prosperous even with this. It is a question of letting it to live. I am assuming now that the advantage the industry gets would barely enable it to make some sort of profit, to pay its depreciation charges and so on instead of as at present letting it run at a loss, and I am assuming it could be said that labour was closing to the extent of a small rise in the cost of living. But, on the other hand, it might pay labour to have a smaller real wage, to a very slight extent, rather than have the mills closing down, in which case they would have no wages at all.

But generally speaking, if we considered the results of this change over a substantial period of time, is it or is it not your opinion that, as a result of readjustments following upon the change of internal prices and the internal wages, the benefit conferred upon the cotton

industry might prove to be only a temporary one which would exhaust itself after those adjustments have taken place?—No, Sir. Since labour has been getting these high wages, one of its little luxuries has been an increase in the absenteeism. They have not been working as regularly as before, and there is no reason why a man should not take away just as good wages as he has to-day by merely being a little more regular. Since the hours of work have gone down, absenteeism has increased enormously : and one of their reasons is this. “If we have got the money, spend it.” We maintain that labour has only got to work satisfactorily as it used to work before to be able to get wages they are getting to-day without any increase in the cost of production.

I am aware that it would be an irritating contention but might not a critic contend that, as a matter of fact, this permanent benefit was being obtained at the expense of labour by robbing him of one of his favourite luxuries, the luxury of absenteeism?—When you are dealing with a manufacturing industry like the mill industry, I am sure that the millhand in Lancashire and America would not welcome any cuts in his wages, but he has had to have them and he has realised that when the industry is doing badly, he has got to bear his share of the burden. In this case, I quite agree. If your cost of living is going up even by .0001 per cent. and you are giving no rise in wages, it is perfectly true that the labourer is suffering to that extent ; but I might also say that during the last year his wages have gone up 12½ per cent. I am perfectly sure his cost of living has not gone up, it has gone down instead, and we have not got any of that back, so he would really be going back to where he was a year ago, or 15 months ago. We are really taking something which he did not expect that he was going to get.

If we had a labour leader here arguing against your point of view, he might add this to the reply that “it appears to me that the permanent benefit which you expect to the cotton industry is to be obtained not really as a result of a fall in exchange but as a result of labour putting up with rather less wages and working harder?”—“Less wages” or “harder work,” isn’t it, Sir? If they work harder, they are going to get exactly what they had.

Very well, “or”; I accept your correction. Would there be anything in that contention?—Only if a labour leader were going to assume that any advantage which came fortuitously was not to be taken away ; I maintain that this rise in wages within the last 15 months was not asked for by labour at all ; they just got it. We are taking away something that they got by luck and never expected. Labour never expected 15 months ago that they were going to get a rise in wages, or that the industry justified it. I do not think that even a labour leader would urge that. If he did, he might ask for 1s. 8d. exchange. One thing is certain, that either something of this sort would have to take place or they will still have to forego this 12½ per cent. and have that cut in wages ; otherwise we cannot live. This year we have just got our figures, they are confidential, but I may give them to you—the industry has lost two crores of rupees ; and no industry can keep on at that rate of loss.

The point I wanted to ascertain was whether these fundamental difficulties in the situation would receive any permanent alleviation from the change in the rate, or whether the alleviation would only be temporary?—I think that it would be permanent, because, as I said, the rise they have got is unexpected.

Turning to the other aspect of the recommendation in favour of the 1s. 4d. ratio, it is your opinion that a 1s. 6d. rate is more difficult to maintain than a 1s. 4d. rate? You say that “if the value of the rupee was fixed at 1s. 6d. gold, my Committee believe that in the event of two successive failures of the monsoon, it would be found impossible to maintain its parity.” If we assume any scientific system as a basis for the currency of the country which provides for the automatic contraction of the currency when there is a heavy demand for foreign currencies to cover foreign payments, why does your Committee think that there is anything more difficult in the maintenance of the rate at a higher stable figure than at the lower stable figure?—The same reasons, Sir, for which it would be more easy to keep it stable at 1s. 6d. than at two shillings.

That is just the question, Would it?—It has been shown that it has not been possible to keep it at two shillings. It has been shown in the past that it has been possible to keep it at 1s. 4d. We have got our record of the past to show that you cannot keep it stable at 2s. but can keep it stable at 1s. 4d.

Must you not try to distinguish between the difficulties of achieving a higher rate in comparison with that which prevails at a given moment, and the difficulty of maintaining that rate after there has been a period of adjustment during which prices and so on have accommodated themselves to the new rate—I am assuming as between two stable rates?—You are not assuming that prices have adjusted themselves to 1s. 6d. gold exchange?

I am making here two assumptions for the purposes of a comparison. On the one hand I am assuming a 1s. 6d. gold ratio to which prices have adjusted themselves, and on the other hand a 1s. 4d. gold rate to which prices have adjusted themselves, and I want to ascertain why it is easier to maintain the lower rate than the higher rate?—I think, Sir, as the point is to maintain the rate when the tendency is for it to drop, it is obviously easier to maintain a lower rate than a higher rate.

It is not perfectly obvious to me why?—But it would appear, Sir, in practice—I am not an expert—in practice we do know that 1s. 4d. has been maintained, and we are maintaining that if you have 1s. 6d. gold since last March, and if prices could adapt themselves so quickly to 1s. 6d. exchange—it has been below 1s. 6d. and only reached 1s. 6d. gold last September—a 1s. 4d. rate cannot be any great hardship, and we cannot see why there should be any reason to choose 1s. 6d., which is more or less a new six-monthly rate.

You refer to the failure to maintain the two shilling rate. Should we not reflect that, at the time the effort was made to maintain the two-shilling rate, there was no provision for the automatic contraction of currency, and would it not be a justifiable opinion that the reason why there was a failure to maintain the two-shilling rate was in fact because currency, was not automatically contracted during the sale of reverse Council Bills? On the contrary there was no contraction of currency, and does not that suggest that if you have got a system which provides for the automatic contraction of currency, once prices have adjusted themselves to one rate it is as easy to maintain the one as the other?—Now, Sir, you are asking me a hypothetical question and I am not technical enough to know.

The practical part of the question was whether the failure to maintain the two shilling rate was not really due to the failure to contract the currency?—We do know as merchants we consider that it is not going to be beneficial to the country to contract the currency more than is absolutely necessary, and our point rather is, why choose the 1s. 6d. gold? What is there magical about the 1s. 6d. gold. And we say, why choose the 1s. 6d. gold? It has not been 1s. 6d. gold at any period that we know of. The two-shilling rate had one advantage that it has existed in the dim past, but it never has been 1s. 6d. What is the advantage?

I should put the contention which has to be met in this way, that there is nothing magical about 1s. 6d., just as in the same way as there is nothing magical about 1s. 4d.; that the only big characteristic about 1s. 6d. is that it is the existing rate to which prices have substantially adjusted themselves, and that any variations from that rate would involve disturbances. Therefore the argument in favour of the 1s. 6d. rate which is put before us is not that it has any positive advantages, but that it has the negative advantage of avoiding any disturbance?—May I say that if you had been called here a little over a year ago, when the 1s. 4d. rate was in force, then it would have been said that as it was the rate at the time it was a good rate.

These contentions to which I have referred apply with equal force to the 1s. 4d. rate, with the single reservation that the 1s. 4d. rate had prevailed long enough to allow for substantial adjustment of prices?—I maintain that the 1s. 4d. rate existed a great deal longer than 1s. 6d. rate has existed. I think that any adjustments that would have taken place with 1s. 6d. rate must have taken place since last March, which is a very short time, and I think that considering that you have 1s. 4d. so long, that it has really been in existence since the war, and the 1s. 6d. in our view has only been made possible without artificial support because of your five good monsoons, which is a record, it is advisable to take a rate which is normal and suitable to the fineness of the gold sovereign. It has been in existence for a long time, the rate at which this country laid down a good deal of machinery. The bulk has been laid down at 1s. 4d.; 1s. 6d. is an entirely new rate. It might be that some machinery has been laid down at over 2s., but I don't think much, and the bulk of it has certainly been laid at 1s. 4d.

Of course, the advocates of this contention to which I have referred would, I imagine, say that the question is not whether once upon a time prices were adjusted to some other rate, but whether they are now adjusted to the present rate, and I rather gather that your replies are based upon the fact that prices are not now adjusted to the *rs. 6d.* rate? I do not say they are not; but I do say that if they are adjusted, the adjustment has taken place, between March and now. If you went back to *rs. 4d.*, they would readjust themselves with equal simplicity and without any more trouble.

That makes it necessary for us to consider what that equal simplicity was. Your contention, as I understand, would be that the adjustment to *rs. 6d.* could only be attained at the cost of very great disturbance in the various interests in the country? I maintain that the Government is going to lose a great deal in taxation and that a large protective measure will have to be probably passed, protective measures for certain industries. I have got one little point which may help you. The Tatas steel has a protection of something like *Rs. 12* a ton. I am told that the difference in exchange between *rs. 4d.*, and *rs. 6d.* works out at *Rs. 20* a ton. So the Government will cause a great deal of trouble to themselves by having this new *rs. 6d.* rate, whereas if they went back to *rs. 4d.*, they will probably find that a number of industries which now want protection will not need it, or they can justifiably refuse it. That is a point in favour of going back to the last year's rate.

If I may pass from that to the recommendations of your Association as regards the basis of the currency system, do you prefer the English sovereign or an Indian coin for legal tender? As far as my Association is concerned, I think they would like an English sovereign to be a legal tender; but I think they would probably also like an Indian coin of the same value.

You would see no inconvenience in having two coins circulating? I do not think that there will be any more inconvenience than an English sovereign and an Australian sovereign circulating.

Does the Australian sovereign circulate in India? No, but in Australia they take English sovereigns.

Assuming there is no difficulty in getting the English sovereign into circulation by suitable arrangements, I want to know whether you have any objection to the simultaneous circulation of an English sovereign and an Indian mohur? I rather thought it was your opinion that you would have both? I think they rely on English sovereigns to circulate. I do not think that my Committee looked at it from this point of view. I do not think my Committee has any particular view one way or the other.

Then you recommend that gold certificates should be issued on the basis of *Rs. 15* to the sovereign against gold held in reserve in India. Anybody who brings gold will get gold? In that connection I may say that my own personal view is not quite that of my Committee. I am not so much in favour of it, I do not consider it so essential that there should be gold currency as long as they have got the note, which is fully covered by gold. But taking it from the point of view of my Committee, they consider that for a few years all the gold tendered should be taken and not necessarily gold in sovereigns, but notes against this gold should be issued. They think that in that time you would get a ratio of the metal held to the total amount of notes in circulation and silver rupees in circulation, which would compare very favourably with the Bank of England at the present time.

The accumulation of sufficient gold, to meet the obligation of converting outstanding rupees into gold, would no doubt involve the accumulation of a very large amount of gold in the reserves? The extra gold for present rupees?

Yes. If you are contemplating undertaking the liability to convert rupees into gold at some future time, that would require the accumulation of large gold reserves?—On the same parity as in England.

I do not follow?—You will have to have reserve of metal to the same percentage of the note issue.

You contemplate only a percentage, approximately equal to that of any currency system?—I think we ought probably to have more. I think even to-day they have got more. I worked it out, I may be wrong; I looked into the *Economist* just now, and I find that the Bank of England has a 35 per cent. margin, whereas India to-day, on the assumption that your silver rupees are worth 8 annas only in bullion, has a 58 per cent. margin.

That may be so. What I want to know is what your ultimate idea is. Is it your ultimate idea that the rupee should cease to be legal tender and should be replaced by the sovereign, by the gold coin?—I think that eventually, and here my Committee realise that it is very difficult for us to say when it should be, but it should be the ultimate aim of Government to limit the number of rupees which should be legal tender.

Can that be done unless you have as a preliminary measure undertaken to convert outstanding rupees into gold, rupees either in circulation or kept in hoards or other forms as stores of value? Otherwise they might complain that the limitation of legal tender had seriously affected the value of their hoards, and that they have not been given the opportunity of substituting for them some more satisfactory medium?—As long as the silver content of the rupee is not worth less than what is now, they would not be worse off.

Supposing I hold 1,00,000 rupees in my hoard and the Government suddenly comes along with a declaration that these are no longer legal tender?—More than a certain number?

More than, say 50 or hundred or any number. Will that not seriously affect the value of my stores of value, because I cannot use them any longer?—You can go on changing the fifties. You can change for notes slowly.

I am assuming that if you are holding a lakh of rupees you may not think that you will be feeling secure?—Yes; though they know that the rupee is a token coin, they feel happier with the silver than with a note. Only it is a question of time.

Would you not admit that there would be a necessity for an intermediary period during which the rupees outstanding might be changed into gold?—No; if you do not make any more rupees, the increased requirements of the country for single rupee currency would probably take care of that, and you must remember that if all the new currencies are backed by gold your percentage of gold to your total would be even higher. To-day it is 33 per cent., if you merely take the gold sterling reserve. I gave 58 including half the value of rupees, but if we take sterling and gold it works out to-day at 33 per cent., which is only 2 per cent. below England.

Supposing we have about 150 crores of rupees in active circulation?—I have got 200 down.

Supposing we have the same amount, or perhaps a little less, of rupees held up in some form or other, could you estimate at all how long it would take for the normal increase in the requirements of currency of the rupee circulation to absorb those hoards into circulation?—The difference between good and bad monsoons which bring out rupees would make adjustment easier. It would mean that a large number of those rupees after bad monsoons would come back into the coffers of the Government who would refrain from re-issuing them.

But at the same time you remember we are meeting the needs of the country for a normal increase of circulation by the imports of gold and the issue of gold certificates against it? Let us take a bad monsoon when your rupees come from circulation into your coffers. Then it is for the Government to decide whether they should re-issue those. They could gradually melt those down and sell it as bullion, or use it in other ways. Every year you will find a very great shortage in the change for your rupees. The demand for small coin is increasing and the silver rupees that are withdrawn might be melted and used for that.

Chairman :—You further recommend that the sale of Council Bills should be restricted to the actual needs of the Secretary of State for the financial year in which the sales are made; if the whole of the remittance operations of the Government of India should be entrusted to

the Imperial Bank ; that the control of the note issue should be handed over to the Imperial Bank with definite regulations regarding its expansion and contraction ; and that I think completes the positive recommendations contained in your memorandum as regards possible improvements.

Sir Alexander Murray :—You referred a moment ago in reply to a question of the Chairman, Sir Victor Sassoon, to the point that Government should have intervened at 1s. 4d. instead of at 1s. 6d. ?—I think I suggested that on the argument that had been put forward if this Committee had been sitting a year ago, the 1s. 4d. rate would have been upheld. As a matter of fact my own feeling is that the mere fact that the Committee is sitting to-day or then is not to my mind sufficient reason to advocate either a 1s. 4d. or a 1s. 6d. rate.

But the fact is that Government did actually intervene on a 1s. 4d. basis, isn't, that so ?—Yes, it did for a period and then changed.

But they actually intervened on the basis of 1s. 4d. gold ?—And then if I remember rightly, they moved up to 1s. 6d.

You suggest that we would be better off on a gold standard ? Isn't it true that gold prices in India would fluctuate with gold prices in other parts of the world ?—They would be influenced by world prices. But where you have got a country which exports foodstuffs you do not get the fluctuations as absolutely as in a country like England which imports its foodstuffs and which would feel the influence to the full extent. In a country which produces its own foodstuffs a good deal depends upon the harvest.

Speaking generally one of the main advantages of going on to the gold standard is that prices will fluctuate uniformly all over the world on the basis of the gold standard ? I do not think that that is so. In certain cases they would ; in the imports they would ; but in your foodstuffs they would not necessarily, that depends on your home harvest ; just as sometimes you might get your prices locally, even under the gold standard, above the gold prices of the world.

Do you remember that a year ago America's price index number was actually 149, whereas the index figure for India was 179, Calcutta 181, Bombay an average of 180 ; that is to say gold prices in India a year ago were actually 31 points higher than American prices ? The danger of the index figures, which the Chairman has already pointed out, is more emphasised when you are dealing with a country like the United States and comparing it with a country like India. The index figures are not so useful in comparing one country with another as in showing the fluctuation inside the country and even then, as the Chairman says, it is dangerous to rely on them. I do not agree that as a comparison they have any value at all between conditions so wide apart as those which exist in the United States and in India. I mean the standard of living in the two countries is so different that I do not think you could compare them.

It is rather an extraordinary coincidence that now in 1925 the price index numbers in all three countries, Great Britain, the United States and India, are more or less in line with one another, namely, 157 ?—I shall be interested if that is the case to know exactly how the prices of your cereals and pulses compare with those of other countries.

The cereals and pulses are included in your average prices ? Yes, but I should like to have those taken out here. Cereals and pulses affect something like 80 per cent. of the agricultural population.

You cannot take individual things ; individual prices must fluctuate even under the best managed system ?—But if 80 per cent. of your population has to depend on cereals and pulses I think those should be taken into account.

You are a representative of the Bombay Millowners' Association ? But as the Chairman put it at the beginning, I am also here to make suggestions for the benefit of the country and not merely from our point of view.

From the Millowners' point of view am I right in saying that the wages in Indian mills have gone up 130 per cent. If 100 is the pre-war figure it is 231 now ?—Quite true ; they have gone up from 100 to 231.

But the cost of living has never been above 190 ?—That is right.

And your last wage increase was given in 1921 when the cost of living level was actually only about 177 according to the figures I have here ?—That is where the discrepancy comes in. There are two forms of raising wages. One is a percentage which is an increase over all rates, that is to say, if your rate is 100 and you give a 70 per cent. increase for cost of living he gets 170 ; but the mill industry as well as giving that 70 per cent. over the hundred raised the basis, raised the 100, and the net result is we have 231, if you take wages to-day compared with 1914.

And the cost of living to-day is 151 as against 100 ?—Yes.

And you think you are justified in not putting pressure on your workers to reduce the cost of living as they have done in other countries. For instance when you gave the last increase of wages in 1921 the index figure in Bombay for the cost of living was 177. In the United Kingdom it was 219. In the United States it was 217. Well, since then the United Kingdom and the United States of America have each dropped their index number by 40 points. You have only taken yours down about 20 points ?—Well, the cost of living is not the same in two different countries. I think a good deal depends upon the percentage of necessities against the total amount of the cost of living in the two countries.

Quite true, but I take it the cost of living is more or less on the same lines in those countries. What I mean is that other countries have reduced their cost of working expenses more in keeping with the reduced cost of living ?—Other countries have certainly reduced wages but one of the great arguments of labour to us when we have given them these figures, is that although they agree that they have had a much bigger rise in wages than there has been in the cost of living, they maintain that the standard of living was so low before the war that it should be raised for the industry, and do not propose to go back to the state they were in before the war.

Not entirely ?—Not at all. If you ask Mr. Joshi he maintains it should be increased to-day. As you know, where an industry is making money, it does not mind sharing some of it with the workers, but not otherwise.

Yes, but you have not been making money for the last few months ?—Well, we tried to reduce the cost of living.

Not having got that, you got the excise duty removed ?—To be quite frank, having the excise duty reduced so balances the wages and the exchange that we are really no better off than we were before ; but as a pledge has been given we have to restore the cuts. As a business man I can say it is not justified.

And the Millowners' Association now suggests that the rate of exchange should be reduced from 1s. 6d. to 1s. 4d. in order that the 12½ per cent. cut you would like to have made but could not might be recovered in that way?—Not entirely or merely in our own interests. It is going to benefit the 80 per cent. of agricultural labourers who are dependent on the cereals and pulses and in that way it will benefit the whole country. We are not asking for it against the country but with the country.

Sir Maneckji Dadabhoy :—Sir Victor, am I right in inferring from your discussion that the ratio of 1s. 6d. has not continued sufficiently long to give us any idea that it has settled down at that rate and that we could revert conveniently to the former ratio of 1s. 4d. ?—I take the view that if it only took from March to now to get that rate and it was done so simply and so easily and wages have not to my knowledge dropped during that period to make up for the exchange rise, if you returned to the 1s. 4d. there would be no necessity for wages to rise because wages did not drop in that period.

There would not be any appreciable economic disturbance? I say we did not have a drop in wages, so there need be no rise in wages; the two balance each other.

And people during the last 25 years have got accustomed to the ratio of 1s. 4d. in all their dealings and transactions, and to them that ratio would be more preferable than the ratio of 1s. 6d.?—Certainly.

You have stated in answer to the Chairman that if we went back to 1s. 4d. there would be no rise in wages in your districts. Do you fear any serious disturbance in the internal economy of the country in rural areas?—I think there would probably be some rise in the price of cereals and pulses. I think I said to the Chairman that I thought that prices would probably rise to some extent but to a very small extent compared to the 12½ per cent.

Can you give us some idea of that rise as compared with the 12½ per cent. Have you worked out the figures?—No, but I am just looking at the difference between September, 1924, for cereals and October; there has been a drop of 7 points there, but of course the big trouble admittedly in this is that articles like cereals are affected by world prices to a certain extent, and that this drop of 7 may not be due entirely to the exchange going up to 1s. 6d.; it is bound to be affected by world conditions as well. That is the danger of taking these figures. I do not feel somehow that in the short period between March and now we could be feeling the drop; we ought just to be beginning to feel the drop. There is always some delay. I do think that any drop there might have been during that period due to exchange would only just be beginning now to make itself felt. So if you turn to the economic side of the matter, the people would not have been feeling the effect of the drop till very lately.

And would you do it immediately or would you require some period?—My own personal feeling is that if it is done immediately, you would have no trouble at all because the effect of 1s. 6d., is only just beginning; the quicker you are, the less the effect will be and the less you will have to undo.

Regarding a gold coin your Association expresses its preference for the sovereign:—A sovereign or else an Indian coin of the same value.

From the point of view of the Empire, would it not be more advisable to have one gold coin all over the Empire like the sovereign?—You mean in contradistinction to having an Indian sovereign?

I mean if you are going to have a gold currency would not that be desirable?—If everybody else has it. But supposing South Africa, and the Dominions; Australia has its own golden sovereign I know. I have seen them and handled them; if they want their own sovereign, there is no reason why we should not do the same as they do, but I see no reason why we should have only the English sovereigns.

And would you have gold coins of smaller denomination?—As I say, my own personal opinion is not quite the same as my Committee's. My Committee have not only meant the sovereign. Feeling as I do that it would be better not to encourage hoarding of gold, I should personally only have the gold sovereign, so that if they want to hoard they will only hoard the sovereign and not smaller coins. That is my personal view.

Sir Purshotamdas Thakurdas:—Regarding wages you said you had made no cut since 1921. Was not there something like a bonus which you paid to the millhands which had been taken off?—I was talking of a cut in wages which did not include bonuses.

Do you include the bonus in the figure you gave, 231?—No; they have had bonuses on top of that 231.

When did you discontinue the bonus?—Two years ago.

Therefore since 1921 you have actually reduced something from the return to labour which it had before?—That is true, but it has not been included in the increase over 1914

Anyway you have made a cut or a decrease in payment to labour ?—Yes.

If you add it to the 231, what would that come to ?—It was one month's wages per annum ; but only some of them made the full amount, since most of them worked only for certain periods.

What was the average ?—It was about 5 per cent.

When did you begin to give the bonus ?—1919.

And when did you discontinue it ?—1924 (*i.e.*, no bonus was paid in 1924).

Did the labourers go on strike when you cut off the bonus ?—Yes.

How long did they remain on strike ?—Six weeks.

And then they reconciled themselves to it. They came back to work without the bonus ?—Yes.

Just one more question : it can be said by some critic that you are seeking to 1s. 4d. rate in order to benefit the industry at the sacrifice of the labourer. Would this be a correct representation of your point of view ?—You have said in your written statement that if 1s. 6d. was to continue it is likely that you may have to insist on a cut in wages, and that might entail a long strike and a good deal of trouble between labour and their employers ? As I said in reply to the Chairman, 1s. 4d. exchange would merely make a cut of an extra amount which the labourer got without knowing it the last 15 months ; if you do not have it, and conditions do not alter, I think we will have to make a cut which would entail another strike.

Which means that 1s. 4d. would enable the employers to avoid that cut which would otherwise have to be made ?—Exactly.

Sir Purshotamdas Thakurdas :—If the scheme of gold standard was likely to cause the country a fair amount, do you think that in the interests of the tax-payer you would disapprove of the introduction of the gold standard owing to that cost ?

Chairman :—Perhaps it would be more convenient to the witness to answer if you put a figure to him.

Sir Purshotamdas Thakurdas :—Say a crore or so per year ?—I should think that the advantages to the Government from the existing taxation under 1s. 4d. would more than make up anything like a crore a year ; and they would get a bigger return from their present rate of taxation by certainly more than a crore, than they would get by 1s. 6d.

I was thinking more of the cost the gold standard and currency would entail on the tax-payer: if it entails an additional cost of a crore of rupees on the tax-payer, would you have a gold standard in preference to a gold exchange standard at that additional expense, or do you think it would be too much to pay ?—I do not think that it would be necessary, because I think that the gain to the State by going back to the 1s. 4d. rate would more than compensate for the 1 crore.

Chairman :—Just to make it clear, I think what Sir Purshotamdas refers to is the cost of introducing a gold currency, while you are referring to the cost of returning to 1s. 4d. ?—I personally would prefer to have a gold standard ; I feel sure my Committee would prefer to pay a crore and have a gold currency.

Chairman :—The Commission is very much obliged to you and your colleagues for your very full assistance this afternoon.

APPENDIX 57.

DOUBLE CHARGE OF SUPER-TAX UNDER THE INDIAN INCOME-TAX ACT.

No. ML/78/26.

THE BURMA INDIAN CHAMBER OF COMMERCE,
RANGOON, 9th July, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed by my Committee to enclose herewith a copy of a letter addressed by this Chamber to the Government of India, Finance Department, with regard to the double charge of super-tax under the Indian Income-tax Act, 1922. It is hoped that your Chamber will see its way to support the suggestion put forward by this Chamber.—Yours, etc.,

K. M. DESAI,
Secretary.

No. GL/52/26.

THE BURMA INDIAN CHAMBER OF COMMERCE,
2nd July, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES), SIMLA.

SIR,

Subject :—*Double Charge of Super-tax under the Indian Income-tax Act, 1922.*

With reference to the correspondence resting with your Department letter D. Dis No. 1005-I.T./25, dated the 10th November, 1925, I am directed by my Committee to address you as follows:—

By Committee note from your letter quoted above that the Government of India have not at present any intention of abolishing the super-tax on companies as the concession would involve a very large sacrifice of revenue. They feel however that the Government of India will also agree that it is manifestly unjust to tax one and the same income twice over. If therefore the Government cannot see their way to abolish the super-tax on companies, my Committee beg to offer an alternative suggestion, which they believe will not involve any appreciable sacrifice of revenue. As the Government are no doubt aware, the dividends received by shareholders from companies, which have already paid super-tax on their profits from which dividends are paid, are also liable to super-tax under the present law. To take a hypothetical instance, A, B, and C are three limited companies. Supposing A has made a profit of say Rs. 10 lacs, and pays super-tax on the same. Supposing further that the company B is a large shareholder in A and receives say Rs. 5 lacs as dividend from A. Now B has made a profit of Rs. 10 lacs excluding the dividend received from A. But B is assessed to super-tax for Rs. 15 lacs, that is, its own profit plus dividend from A on which super-tax has once been paid by A. Now C is a shareholder in B and receives as dividend Rs. 5 lacs from B, its own profit excluding the dividend received from B being Rs. 10 lacs. In that case C is made to pay super-tax on Rs. 15 lacs. Thus the same amount distributed as dividend is taxed twice over and a portion of same for a number of times. My Committee therefore beg to suggest that the dividends received by shareholders from Companies should be exempted from super-tax. They trust that the Government of India will be pleased to adopt this reasonable suggestion.—I have, etc.,

K. M. DESAI,
Secretary.

No. 1396-71B of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 2nd September, 1926.

THE SECRETARY,
BURMA INDIAN CHAMBER OF COMMERCE, RANGOON.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. ML/78/26 dated 9th July enclosing a copy of letter addressed by your Chamber to the Government of India and suggesting that dividends received by shareholders from companies should be exempted from super-tax.

My Committee are in perfect sympathy with the views expressed by your Chamber but in view of the fact that this Association has already advocated the entire abolition of the Super tax, my Committee regret that they cannot give effective support to your representation.—Yours, etc.,

T. MALONEY,
Secretary

APPENDIX 58.

PROPOSED AMENDMENT OF INCOME-TAX ACT TO RESTRICT THE RIGHT OF
NON-RESIDENTS TO REFUNDS.

C. No. 423-I. T.—25.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES),
DELHI, 24th February, 1926.

To
ALL CHAMBERS OF COMMERCE.

SIR,

*Indian Income-tax Act, XI of 1922—Section 48—Refunds—Small incomes relief—
Non-residents—Amendment of Act proposed.*

I am directed to inform you that the Government of India are contemplating the amendment of the Indian Income-tax Act, XI of 1922, so as to restrict to some extent the right of non-residents to refunds under Section 48 (small incomes relief) in respect of dividends of companies liable to Indian income-tax and interest on Indian securities.

2. It is proposed that such refunds should be withheld altogether from non-residents who are not British subjects or subjects of Indian States, while refunds to non-resident British subjects or subjects of Indian States will be allowed and calculated, not with reference as at present to the claimant's total income taxable in British India, but with reference to his total income wherever derived which would be taxable if it accrued, arose or were received in British India. It would be for the claimant to adduce satisfactory proof of the amount of his income outside British India, and there should be no insuperable difficulty in doing so if it were arranged that certificates granted by appropriate officials in the United Kingdom or a Dominion or Indian States should be accepted as evidence on the point by the taxing authorities in India. It is understood that Inspectors of taxes in the United Kingdom would grant such certificates on application by persons assessed to income-tax on that country.

It will be seen that the proposed amendment is modelled on the law in the United Kingdom.

3. The present executive arrangements in regard to refunds to residents in the United Kingdom by the High Commissioner for India in London have evoked some unfavourable criticism, and the question of regularising them or making other arrangements in regard to them is under consideration. It has even been suggested that these refunds should be withheld altogether from all non-residents but the Government of India have decided not to take this extreme step.

4. In regard to non-residents who are not British subjects, there seems to be no reason why India should be more generous than the United Kingdom (except in regard to subjects of Indian States). Theoretically, a company earning profits in British India all of whose shareholders were non-residents would pay no British Indian Income-tax at all (though it might pay the Company super-tax) if it distributed all its profits and no individual shareholder had a total Indian income amounting to Rs. 2,000. This is of course an extreme supposition which is not likely to be realised in practice, but the fact remains that large sums are refunded to non-resident shareholders many of whom may be in receipt of considerable incomes in other countries. The non-resident thus enjoys an unfair advantage over the resident, owing to what can only be regarded as a travesty of the principle of "small incomes relief." At the same time, there are many directions in which it is undoubtedly difficult to secure that non-residents shall bear their fair share of the burden of taxation, and events have shown that influential members of the class are determined to contest with the utmost obstinacy every doubtful point relating to their liability to taxation in British India.

5. Another reason for restricting refunds to non-residents as far as possible is that in regard to them the difficulties of checking fraudulent claims are greatly accentuated.

6. I am directed to request that the Government of India may be favoured at an early date with an expression of the opinion of your Chamber in regard to these proposals.— I have, etc.,

A. TOTTENHAM,
Joint Secretary to the Government of India.

No. 512-71 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 24th March, 1926

THE JOINT SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES), DELHI.

SIR,

I am directed to acknowledge the receipt of your letter C. No. 423-I. T.—25 dated the 24th February 1926, in which it was intimated that the Government of India contemplate amending the Indian Income-tax Act so as to restrict to some extent the right of non-residents to refunds under Section 48 in respect of dividends of companies liable to Indian Income-tax and interests on Indian securities.

2. My Committee approve of the suggestions made in your letter but wish to point out that the difficulty of obtaining accurate returns of the incomes of even British subjects in certain parts of the British Empire would certainly be as great as in the case of the foreign countries.

3. My Committee understand from paragraph 2 of your letter that the proposed amendment is modelled on the law of the United Kingdom, and are constrained to point out that if it is desired to fall into line with English Income-tax Law in this special direction, it

is equally desirable that the provisions of the English Income-tax Law should be followed in regard to Company Super-tax. The Company Super-tax in India as in England, was levied as a war measure and there is no justification for its continuance in India at the present time, especially since it has been abolished in England.

3. The Company Super-tax is objectionable for the reasons mentioned above and also on the grounds that it forms a conspicuous example of double taxation, and is a tax on the small shareholder and deprives him of what would have been ordinarily distributed to him as dividends, thus tending to render investments in Joint Stock Companies less attractive. My Committee maintain that inasmuch as this anomaly has been removed in the United Kingdom, it should also be removed in India at the very earliest opportunity.

5. The Company Super-tax was abolished in England with the object of rendering some assistance to Trade and Industries in times of difficulty, and my Committee respectfully submit that the Government of India should take similar action in view of the extremely depressed state of the trade and industries of this country. If Government abolished the Company Super-tax, my Committee believe it would tend to encourage the investment of Indian capital in Indian industrial enterprises and Indian Government securities and would contribute to the realisation of one of the most cherished aims of the present distinguished Finance Member of the Government of India.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 59.

A BILL TO AMEND THE INDIAN STAMP (BOMBAY AMENDMENT) ACT, 1922.

The following Bill is published under Rule 18 of the Bombay Legislative Council Rules:—

BILL No. I OF 1926.

A Bill to amend the Indian Stamp (Bombay Amendment) Act, 1922.

Whereas it is expedient to amend the Indian Stamp (Bombay Amendment) Act, 1922, in manner hereinafter appearing ; and whereas the previous sanction of the Governor-General required by sub-section (3) of Section 80A of the Government of India Act has been obtained for the passing of this Act ; It is hereby enacted as follows :—

Short title.	1. This Act may be called the Indian Stamp (Bombay Amendment) Act, 1922 .
Amendment of s. 1 (iii) of Bom. II of 1922.	2. In clause (iii) of Section 1 of the Indian Stamp (Bombay Amendment) Act, 1922, the words " and shall be in force for four years thereafter shall be repealed.

STATEMENT OF OBJECTS AND REASONS.

The Indian Stamp (Bombay Amendment) Act, 1922, was passed to enhance the Stamp Fees in certain cases for the purpose of increasing the revenue of Government. It was to remain in operation for four years from the 1st April 1922, and if at the end of that period, the financial position still made it necessary, its life was to be extended. The result of the four years' experience has proved the necessity of the retention of the revised scale of Stamp Fees which is enacted in the measure ; and it is therefore proposed to continue the Act. This will bring the Act into line with similar Acts in Madras, Bengal and the Punjab.

11th January, 1926.

H. S. LAWRENCE.

By order of His Excellency the Governor,

P. E. PERCIVAL,
Secretary to the Government of Bombay, Legal Department.

BOMBAY, 21st January, 1926.

No. 244-59 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 15th February, 1926

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,
LEGAL DEPARTMENT.

SIR,

I have the honour, under directions of the Committee of the Bombay Millowners' Association, to address you on the Bill to amend the Indian Stamp (Bombay Amendment) Act, 1922, published in the *Bombay Government Gazette* dated the 22nd January 1926.

2. Government are aware that in 1922 when this legislation was first introduced, there were protests in the Legislative Council against such important legislation being introduced without sufficient time being given to the public to express an opinion thereon. It is my Committee's considered opinion that Bills of this important nature should be circulated among commercial and other representative bodies for their views, and Government should not introduce such legislation in the Legislative Council without first ascertaining the views of competent bodies thereon.

3. In 1922, Government felt the need of increasing their revenues and the Court Fees and Presidency Small Cause Courts Bill was passed in order that the revenues of the Government of Bombay might be substantially increased.

4. In the same session the Bill to amend the Indian Stamp Act in its application to the Bombay Presidency was brought forward with a view to obtain further increases in revenues, and naturally this was protested against on the ground that the Court Fees and the Presidency Small Cause Courts Bill had been already passed with the object of substantially increasing the revenues and that instead of imposing still further burdens on the population, Government should effect retrenchments. Government promised to embark on a policy of retrenchment, and the Legislative Council eventually passed the Bill, subject to the proviso that it should remain in force for four years only—a previous amendment to keep it in force for two years only being lost by the casting vote of the President.

5. The Statement of Objects and Reasons attached to the Bill merely states that the result of the four years' experience has proved the necessity of the retention of the revised scale of Stamp Fees. My Committee think that Government should have stated more explicitly the reasons which in their opinion render the continuance of the Act necessary.

6. It is my Committee's considered opinion that Government should rather seek to reduce taxation by a more full investigation of the possibilities in the direction of retrenchment than to perpetuate the present burdens of taxation, especially in the case of the Stamp Act which was originally intended to operate only for a short time.—I have, etc.,

T. MALONEY,
Secretary.

No. 4487/A.

FINANCE DEPARTMENT,
BOMBAY CASTLE, 19th February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Indian Stamp Bombay Amendment Bill of 1926.*

I am directed to acknowledge the receipt of your letter No. 244-59 dated 15th February 1926, which is receiving attention.—I have, etc.,

J. V. JOSHI,
for Deputy Secretary to the Government of Bombay,
Finance Department.

APPENDIX 60.**RETURN OF DIVIDENDS BY PRINCIPAL OFFICERS OF THE COMPANY.**

C. No. 122 (ii)-I. T./25.

GOVERNMENT OF INDIA,
CENTRAL BOARD OF REVENUE,
SIMLA, 10th April, 1926.

To

ALL CHAMBERS OF COMMERCE

SIR,

Subject :—*Indian Income-tax Act (XI of 1922)—Section 19A—Indian Income-tax Amendment Act (XXIV of 1926)—Section 2—Dividends—Return of—by Principal Officer of Company.*

I am directed to request that you will be so good as to ascertain and communicate to the Central Board of Revenue at your early convenience the views of your Chamber on the question what amount of dividends should be prescribed under Section 19A of the Indian Income-tax Act (XI of 1922) inserted by Section 2 of the Indian Income-tax Amendment Act (XXIV of 1926), that is, what should be the minimum amount of dividend (or aggregate dividends) drawn by a shareholder from any company in any year that should render it incumbent on the principal officer of the company to report such dividends to the prescribed officer. It is obvious that, while the amount must not be pitched so high as to deprive the section of its utility, to pitch it unduly low would give a great deal of unnecessary work both to principal officers and to the department'—I have, etc.,

V. S. SUNDARAM,
Secretary.

No. 729-71A. of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 4th May, 1926.

THE SECRETARY,

CENTRAL BOARD OF REVENUE, SIMLA.

SIR,

Subject :—*Indian Income-tax Act (XI of 1922)—Section 19A—Indian Income-tax Amendment Act (XXIV of 1926)—Section 2—Dividends—Return of—by Principal Officer of Company.*

With reference to your letter No. 122(ii)-I. T./25 dated 10th April 1926, I have the honour to state that in my Committee's opinion, Rs. 15,000 would be a suitable amount to prescribe under Section 19A of the Indian Income-tax Act (XI of 1922) as amended by Section 2 of the Indian Income-tax Amendment Act (XXIV of 1926).—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 61.**AMALGAMATION OF INCOME OF HUSBAND AND WIFE FOR INCOME-TAX PURPOSES.**

C. No. 487-I.T./26.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES),
SIMLA, 6th July, 1926.

THE SECRETARY,

THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Taxation Enquiry Committee's Report—paragraph 253—Husband and wife—Amalgamation of income for income-tax purposes.*

I am directed to invite the attention of your Association to the suggestion of the Taxation Enquiry Committee in paragraph 253, page 206, of their Report that "for the

purpose of charging income-tax and super-tax, the income of a husband and wife living together should be aggregated for the purpose of computing the amount of tax to which they are liable : and that the tax on the whole at this rate should be divided between the two in proportion to the amount of their separate incomes."

2. The Committee give two reasons in support of this proposal :—

- (1) It will help to check the avoidance of tax by the formation of bogus firms " since a wife is the most convenient form of bogus partner ;" and
- (2) " It is only just on general grounds that the incomes of married couples living together should be taxed at the rate applicable to their aggregate income which represents their real ability to pay."

3. The Committee thus propose to assimilate the Indian to the English law in this respect. The question is whether the suggested amendment of the law is suitable or is susceptible of modification so as to make it suitable to Indian conditions. A clause in the Income-tax Bill of 1917 similar in effect to the proposed amendment was deleted by the Select Committee (paragraph 23 of their Report) owing apparently to the opposition of the Indian Members and of a European Member who considered its provisions unsuitable to Burma.

4. No doubt if any such change in the law is to be made the new section will have to be carefully framed so as to adapt it to the different forms of law prevailing among Hindus, Muhammedans and Buddhists and the varying customs of those and other communities. In regard to a wife's *stridhan* in particular difficulties may arise.

5. I am directed to request therefore that the Government of India may be favoured with an expression of the views of your Association on the questions :—

- (1) Whether it is desirable to amend the law on the lines suggested by the Taxation Enquiry Committee ?
- (2) If so, what special provisions are necessary to meet Indian conditions generally or the customs prevalent in particular localities or among particular communities ?—I have, etc.,

V. S. SUNDARAM,

Under-Secretary to the Government of India.

No 1408-133 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 2nd September, 1926.

THE UNDER-SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES), SIMLA,

SIR

Subject:—*Taxation Enquiry Committee's Report—paragraph 253—Husband and wife—Amalgamation of income for income-tax purposes.*

I am directed to acknowledge receipt of your circular letter No. 487-I.-T./26 dated 6th July 1926 asking for the Association's views on the proposal of the Taxation Enquiry Committee that the income of a husband and wife living together should be aggregated for income-tax purposes.

2. The difficulties of giving effect to the proposal of the Taxation Enquiry Committee are well pointed out in paras 3 and 4 of your letter, and in view of what is stated therein my Committee do not think Government were well advised in eliciting the opinion of public bodies on this particular proposal of the Taxation Enquiry Committee who, it may be mentioned in passing, have not offered any solution of the difficulties pointed out in your letter.

3. In the opinion of my Committee the incidence of taxation is already unduly heavy and I am further directed to state that payment of income-tax and super-tax is evaded in a variety of ways and Government for the present should confine their efforts to the prevention of the evasion of the law as it now exists instead of launching out upon new legislation which would inflict further hardships on those who are honestly paying income-tax according to the existing law, and would not do anything towards making the avoidance of the law more difficult by unscrupulous parties.

4. A concrete illustration might be here given of the extent of the penalisation that a married couple would have to face if the proposal of the Taxation Enquiry Committee were adopted. Suppose the income of the husband is Rs. 9,000 and the income of the wife Rs. 3,000. Under the existing arrangements the husband would be paying Rs. 281-14-0 and the wife Rs. 78-2-0 as income-tax. If, however, the incomes were amalgamated, the aggregate would be Rs. 12,000 which would be assessed 9 pies in the rupee and bring to Government coffers Rs. 202-8-0 more than at present.

5. After taking all the facts into consideration my Committee are emphatically opposed to the proposal of the Taxation Enquiry Committee upon which, the Government of India have requested the Association's opinion.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 62.

ADVISABILITY OF PERMITTING INCOME-TAX OFFICERS TO DRAW UP LISTS OF PERSONS LIABLE TO LOCAL TAXES.

No. 5023-F.

FINANCE DEPARTMENT;
BOMBAY CASTLE, 27th August, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject:—*Taxation Enquiry Committee—Income-tax—List of persons liable to—
Communication by Income-tax Department to local authorities.*

I am directed to invite the attention of the Bombay Millowners' Association to the proposal of the Taxation Enquiry Committee in paragraph 250 of their report that Section 54 of the Indian Income tax Act, XI of 1922, should be amended so as to permit Income-tax officers to draw up lists of persons liable to local taxes, such as a profession tax, and the sums for which they are liable, and to communicate such lists to the authorities responsible for collecting the local tax. I am to request that the Government of Bombay may be favoured at an early date with the opinion of the Association on the proposal.—I have, etc.;

(Sd.) Illegible
for Deputy Secretary to the Government of Bombay;
Finance Department.

No. 1709-133a of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 12th October, 1926.

THE DEPUTY SECRETARY TO THE GOVERNMENT OF BOMBAY,
FINANCE DEPARTMENT, BOMBAY.

SIR,

Subject :—*Taxation Enquiry Committee—Income-tax—List of persons liable to —Communication by Income-tax Department to local authorities.*

I have the honour to acknowledge receipt of your letter No. 5023-F dated 27th August 1926, and to state in reply that my Committee are emphatically opposed to the proposal of the Taxation Enquiry Committee that Section 54 of the Indian Income-tax Act should be amended so as to permit Income-tax officers to draw up lists of persons liable to local taxes, and the sums for which they are liable, and to communicate such lists to the authorities responsible for collecting the local tax.

2. The Taxation Enquiry Committee themselves state with perfect justice :—“ Unless assesseees are satisfied that their income-tax returns will be used only for the purpose of assessing them to income-tax, it is impossible to expect them to furnish correct returns, and for this reason the maintenance of secrecy is an important factor in the development of an efficient administration of the income-tax in India. “ My Committee do not think Government would be justified in making a departure from this very salutary principle in order to assist municipal and other local authorities in collecting professional and other taxes dependent on an individual's income. After all the income-tax authorities have enough work of their own, and it is neither expedient nor conducive to efficiency to saddle them with extra duties in order to facilitate the work of other departments. My Committee trust that on careful consideration Government will recognise the inadvisability of giving effect to the suggestion of the Taxation Enquiry Committee.—I have, etc.

T. MALONEY,
Secretary.

APPENDIX 63.

PROPOSAL TO REDUCE THE ONE ANNA STAMP DUTY ON CHEQUES.

No. 4703-A.

FINANCE DEPARTMENT,
BOMBAY CASTLE, 25th May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Proposal to reduce the one anna stamp duty on cheques.*

I am directed to forward a copy of the letter from the Government of India, Finance Department (Central Revenues), No. C. No. 24-Stamp/26 dated 12th March 1926 on the subject specified above, and to state that the Governor in Council will be glad to receive the views of your Association on the proposal at a very early date.—I have, etc.,

C. G. FREKE,
Deputy Secretary to the Government of Bombay.

C.. No. 24-Stamps/26.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES),
DELHI, 12th March, 1926.

To
ALL PROVINCIAL GOVERNMENTS.

SIR,

Subject :—*Proposal to reduce the one anna stamp duty on cheques.*

I am directed to refer to my letter No. D/5121-F, dated the 22nd December 1925, regarding the report of the External Capital Committee. The question of reducing the stamp duty on cheques was not definitely referred to in that letter, but the question has now been raised in the Council of State by the Hon'ble Mr. P. C. Sethna and in reply to his question on the subject it was stated that the Government of India would consider the matter in connection with the report of the External Capital Committee. The Hon'ble Mr. Sethna also gave notice of a Resolution in the Council of State recommending a reduction in the rate of stamp duty from one anna to half an anna, but owing to the Hon'ble Member's absence the Resolution will not now be moved.

2. From figures which have been obtained by the Government of India from the Local Governments, the amount of the stamp duty obtained from embossed stamps on cheques has been ascertained to be in the neighbourhood of 7 lakhs a year. The details supplied by the various Provinces are given below :—

Provinces.	Stamp duty on	Stamp duty on
	cheques 1923-24.	cheques 1924-25.
	Rs.	Rs.
Madras	77,048	69,252
Bombay	2,41,000	2,50,000
Bengal	2,60,614	2,28,017
United Provinces	48,045	43,477
Punjab and North-West Frontier Province ..	35,354	35,595
Burma'	45,000	46,000
Bihar and Orissa	981	4,526
Central Provinces	7,336	6,100
Assam	1,073	1,031
Total ..	7,16,451	6,83,998

There is good reason to believe that the number of cheques stamped with unified stamps is negligible. The above-quoted figures indicate that the use of cheques in India is still on a relatively small scale, and it appears to the Government of India a matter for serious consideration whether the rate of duty should not be reduced as suggested by the Hon'ble Mr. Sethna with the object of popularising their use and extending banking habits. It is true that in England in 1918 the stamp duty on cheques was raised from one penny to two

pence, but a perusal of the report of the debate in the House of Commons on that occasion shows that this proposal met with more active opposition than perhaps any other in the Budget of that year, and Mr. Bonar Law in defending it definitely stated that his reason for going on with the proposal was that the use of cheques had become so established in England and their convenience was so generally recognised, that it was unlikely that the increased duty would have any effect in reducing the number of cheques used. He added that if he had any fear that their number would be reduced, he would not proceed with the proposal. The position in India is entirely different, where the advantages and convenience of the use of cheques are still imperfectly recognised.

3. The Government of India would call attention to the fact that in 1921 the question of increasing the stamp duty on cheques in India was raised both by the Committee appointed by the Government of Bengal and by the Bombay Government, but that on further consideration the proposal was dropped with the agreement of all Provincial Governments, since it was felt that it would constitute an interference with the development of banking. The question, however, of reducing the existing rate has not hitherto been considered.

4. The view of the Government of India is that the proposal to reduce the rate of stamp duty on cheques is one which deserves careful consideration. They have not sufficient data to decide whether the existing rate of stamp duty actually constitutes an obstacle to the development of banking habits, but if it does so, they consider that this is undesirable in the best interests of India and think that a reduction to $\frac{1}{2}$ anna might be a valuable step forward as well as a valuable proof of the Government's earnestness in desiring to encourage the banking habit. If the reduction of the duty were to result in popularisation of the cheque system, it is possible that reduction in the rate of duty would not in the long run lead to a loss of revenue to Provincial Governments, to whom this revenue of course belongs. The Government of India, however, would not be in favour of any suggestion to abolish the duty altogether, as was originally suggested by the Hon'ble Mr. Sethna. It is true that in the United States of America there is no stamp duty on cheques, but it is believed that banks in that country find means to protect themselves against the excessive use of cheques for petty sums, which naturally would throw considerable extra work on the banks and would tend to clog the machinery of the Clearing Houses. The Government of India would deprecate the introduction into India of any such vexatious restrictions.

5. I am therefore to request that the Government of India may be favoured with the views of His Excellency the Governor in Council on this question.—I have, etc.,

V. S. SUNDARAM,
Under-Secretary to the Government of India.

No. 938-117 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 15th June, 1926.

THE DEPUTY SECRETARY TO THE GOVERNMENT OF BOMBAY,
FINANCE DEPARTMENT, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. 4703-A dated 25th May 1926, enclosing a copy of a letter from the Government of India, Finance Department, concerning certain proposals which have been made for the reduction of the Stamp duty on cheques from one anna to half an anna, and upon which the views of my Committee are desired.

My Committee are in entire agreement with the Government of India regarding the desirability of extending the banking habit in India, in the interests of the country's develop-

ment and further consider that all reasonable means should be taken to educate the people to make greater use of the greater banking facilities which are gradually being made available in the country.

Whether a reduction in the Stamp duty on cheques as has been proposed, will do a great deal to popularise their use is difficult to forecast, but my Committee feel that as the reduction in duty could not, under any, circumstances lead to a serious diminution in Government revenues, and might possibly advance the habit of banking, the reduction might be tried as an experimental measure for a period of years, and the effects carefully examined.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 64.

RECOMMENDATIONS OF THE TAXATION ENQUIRY COMMITTEE IN REGARD TO STAMP ACT.

No. 5018-A.

FINANCE DEPARTMENT,
BOMBAY CASTLE, 21st September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Taxation Enquiry Committee—Taxes on Transactions—Stamp Act.*

I am directed by the Governor in Council to forward a copy of letter from the Government of India, Finance Department (Central Revenues), No. 103-Stamps/26 dated 17th July 1926 and to request you to obtain the views of your Association on the letter and to communicate them to this Department at an early date.—I have, etc.,

J. V. JOSHI,
for Deputy Secretary to the Government of Bombay,
Finance Department.

C. No. 103-Stamps/26.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES),
SIMLA, 17th July, 1926.

To
ALL LOCAL GOVERNMENTS AND ADMINISTRATIONS.

SIR,

Subject :—*Taxation Enquiry Committee—Taxes on Transactions—Stamp Act.*

I am directed to refer to paragraphs 277-317 in Chapter X of the Taxation Enquiry Committee's Report, which deal with the subject of stamp revenue. In paragraphs 277-283 the Committee discuss the merits of the tax generally, concluding with the recommendation that there should be no drastic changes in the Stamp Law; and the Government of India have accepted this conclusion. In paragraphs 312-316 the general questions of uniformity and of the choice between provincialisation and centralisation of revenue are discussed. These subjects will not be dealt with in the present reference, which is concerned only with those detailed recommendations that have been made by the Committee in paragraphs 284-311

and 317 of their Report. Whatever decision may be reached as regards the disposal and control of the stamp revenue it is certain that the detailed recommendations of the Committee must be discussed by Local Governments at the instance of the Government of India, in whose hands the power of legislation has been retained even though under the existing arrangements stamp revenue is provincial and variations in rates between the Provinces have been authorised. The Government of India will be grateful if * (with the permission of His Excellency the Governor in Council) the details covered by the paragraphs here mentioned may be discussed in consultation with public bodies and judicial and administrative officials and others and, after such discussion, the opinions of the Local Government may be formulated and communicated to the Government of India. The Government of India do not propose to express any opinions on the merits of any of the proposals (except with regard to paragraph 294 of the Report) but will content themselves with quoting references, supplying information that may not be generally accessible and making suggestions with a view to assisting the proposed discussions.

2. *Paragraph 285 of the Report—No. 40, Schedule I.*—In connection with the proposal that there should be no distinction between the duty on mortgage deeds under which possession is given and on mortgage deeds under which possession is not given, it appears to the Government of India that it is impossible to consider a proposal to lower the tax on mortgages in which possession is given below that on conveyances without taking into account the possibility that fraudulent evasion of the tax on conveyances might result. So far as English mortgages as defined in Section 58 (e) of the Transfer of Property Act are concerned, the risk of such evasion seems to be obvious. Even in the case of usufructuary mortgages a person who was really a purchaser but nominally a mortgagee would, from the first, be in possession and could become absolute owner by a bogus suit for foreclosure at the cost of a nominal court fee in one of the Presidency towns, if the case fell within the original jurisdiction of the High Court, though elsewhere he would have to pay such high court fees in a bogus suit for foreclosure as to wipe out the saving of stamp duty when property worth anything less than 6 lakhs of rupees was involved.

3. *Paragraph 290—No. 58, Schedule I.*—When the proposal to alter the duty on Settlements is being considered, it may be convenient to re-examine the exemption in favour of deeds of dower executed on the occasion of marriages between Muhammadans. This exemption dates from 1886 and was made because such dowers were by custom fixed far above the means of the contracting parties, all or most of the amount being merely conditionally settled and not becoming payable until the dissolution of the marriage, the settlement thus serving as a check on divorce. It may be desirable to consider whether duty should not be levied in respect of such portion, if any, of the amount settled under a Muhammadan deed of dower as represents a prompt and not a conditional payment.

4. *Paragraph 292—Partition—Schedule I—Article 45, proviso B.*—This proviso dates from the Government of India, Finance Department, Notification No. 1381, dated 8th June 1883. All Local Governments were consulted before the proposal, which emanated from the Punjab Government, was accepted. The case for the concession was that stamp duty assessed on the value of the property fell very heavily on partitions of small properties such as were common in the Punjab and that in consequence people were likely to refrain from effecting formal divisions of land, contenting themselves with verbal arrangements that often led to useless litigation.

5. *Paragraphs 293-294.*—In these two paragraphs the Committee propose that the registration of limited companies should be subjected to an *ad valorem* duty assessed on the nominal capital and that, if this is done, an *ad valorem* scale should be applied to instruments of partnership based on the capital of the partnership. With regard to the first of these proposals, the Government of India are of opinion that it is undesirable to impose a new tax on the registration of limited companies so long as the Super-tax on companies is retained as proposed by the Committee elsewhere in the Report. It is possible that, in proposing that the *ad valorem* duty should be levied on the nominal share capital of companies with limited liability, the Committee had in mind the desirability of discouraging the practice followed

* () Only to Major Provinces.

by some petty Banking or Insurance Companies of fixing, for the purpose of advertisement, a nominal capital out of all proportion to the actual capital. This evil has already been discussed ; and a proposal made in 1920 that, in order to check it, an *ad valorem* duty of 14 per cent. should be levied on the nominal capital of all companies registered in India has been rejected and the Government of India have already decided that when next the Indian Companies Act is amended the alternative of prescribing by law a proportion between the authorised and subscribed capital and the subscribed and paid-up capital of limited companies should be considered. The last circular sent out to Local Governments on this subject was Commerce Department letter No. 141, dated the 6th January 1921.

6. *Paragraph 297.*—In this the Committee suggest that the steps or slabs in the scale of duties relating to Bonds and Conveyances when the consideration involved is between Rs. 1,001 and Rs. 5,000 should be Rs. 200 each and not Rs. 500 each as at present. A simple calculation will show that the introduction of such a change would involve a definite loss of revenue unless there was a general raising of the level of duty, while if the necessary enhancement were made the maximum relief to any individual would be Rs. 2 under the Imperial scale. Practical experience alone could show whether the danger that transactions might be split up and effected by more than one document for the purpose of avoiding duty was real ; the maximum gain under the existing Imperial scale from such a procedure would, in the case of conveyances, appear to be Rs. 4-8 and that gain would be obtained only in the extreme case of a value such as Rs. 1,050, 1,550 or 2,050 split up into transactions of Rs. 1,000 plus Rs. 50; Rs. 1,500 plus Rs. 50 or Rs. 2,000 plus Rs. 50, respectively.

7. *Paragraphs 297 and 298—attested and unattested documents.*—

(1) *Instruments of pawn or pledge.*—These are exempt from duty, if unattested, under Schedule I, No. 6, and the exemption holds good in all the Provinces except Bengal, Assam and the United Provinces which (designedly) omitted the exemption when the stamp duties were enhanced by local legislation in or about 1922. It is clear from a letter recently received from the Imperial Bank of India, No. 5917 of 13th November 1925, in which the Bank protested against the withdrawal of the exemption (copy enclosed), that the exemption (where it survives) is now taken advantage of to a large extent by those who are pledging articles of considerable value. The concession originated in 1890 with an exemption in favour of pawns of small value only ; Notification No. 5136, dated 27th October 1890, issued by the Government of India at the instance of the Madras Government, remitted the duty chargeable on any instrument evidencing an ordinary pawn transaction where money was borrowed on the pledge of moveable property, and the sum borrowed did not exceed Rs. 20. The exemption was renewed in the same terms in a consolidating notification of 1895. When the Local Governments were first consulted on the proposal for legislation which developed into the Indian Stamp Act, II of 1899, the Government of India did not suggest any raising of the limit of Rs. 20, but merely the possibility of imposing a 1 or 2 anna duty on instruments falling below that limit. The majority of Local Governments were in favour of maintaining the exemption, with the same limit ; one Government recommended raising the limit to Rs. 50. There does not seem to have been a hint from any source that the exemption might be extended to transactions on such a scale as would interest a bank. When the Bill was drafted, however, the exemption appeared under the head "Mortgage-deed" in the form :—"instrument of pledge or pawn of goods if unattested." In the notes on clauses it was said :—"An exemption has been added to make it clear that ordinary pawn transactions are not liable to stamp duty." No explanation of the disappearance of the limit of Rs. 20 is given here. It is curious that none of the officers or public bodies consulted on the draft Bill made any comment on the point. In 1904, the exemption was transferred from the item "Mortgage-deed" (No. 40 in the schedule) to a revised item No. 6, which instead of dealing with "Agreements by way of Equitable Mortgage" henceforward dealt with "Agreements relating to deposit of Title-deeds, Pawn or pledge." This was purely a formal change, explained in the statements of Objects and Reasons to the Bill of 1904 as due to

the desire to confine the word "Mortgage-deed" in No. 40 to mortgages of immoveable property [an objective by the way, which was not actually achieved—see sub-paragraph (2) below]. Thus no good reason for the exemption of instruments of pawn or pledge, above small sums, is on record. The Committee in paragraph 298 propose the retention of the exemption for small amounts, and here also suggest the abolition of the distinction between attested and unattested documents. In connection with this suggestion, the proposaal of the Government of India in 1897 to impose a duty of 1 or 2 annas might be revived as applicable without distinction between attested and unattested instruments.

- (2) *Hypothecation of moveables.*—Despite the remark quoted above from the 1904 Statement of Objects and Reasons, it appears to have been held in 1905 that an instrument evidencing an agreement relating to the hypothecation of moveables was still a mortgage-deed (No. 40 of Schedule I) and therefore was deprived of the benefits of No. 6 of the Schedule, which were (1) when attested, lower rates than those for mortgage-deeds (on Rs. 1,000, e.g., duty varying from Rs. 1-11-0 to 9 annas against Rs. 5 for a mortgage-deed when possession is not given) and (2) when unattested, complete exemption. The first of these benefits was given (without distinction between attested and unattested instruments) to agreements relating to the hypothecation of moveables by Notification No. 5614-Exc., dated 6th October 1905, while the second benefit was given to unattested instruments of the kind by Notification No. 387-F. of 4th February, 1918. These Notifications of the Government of India, not being susceptible of modification by local legislation, remain in force, even in Bengal, Assam and the United Provinces where unattested instruments of pawn or pledge are not exempt (sub-paragraph 1 above). The position in these three provinces is thus clearly anomalous. The concessions in favour of the instruments in question were made so as to conform to the exemption of unattested instruments of pawn or pledge and the lower duty charged on such instruments when attested under No. 6 in Schedule I and the decision regarding the maintenance modification or cancellation of the notification of 1918 must apparently follow automatically upon the decision reached regarding the statutory exemption of unattested instruments of pawn or pledge. In paragraph 298 the Committee recommend that these instruments, if for small amounts, should be exempted, like instruments of pawn or pledge for small amounts, whether attested or not. It may be added that the Associated Exchange Banks of Bombay have recently expressed their agreement with the letter from the Imperial Bank of India quoted above.

8. *Paragraph 304—Blank Transfers, etc.*—This has been the subject of much discussion in the past and the Local Governments will doubtless be able to refer to a copy of the note which was prepared in the Central Board of Revenue for the Conference of Finance Members in November, 1924. The proceedings of the Legislative Assembly show that questions on the subject, embodying certain suggestions, were asked by Sir Darcy Lindsay during the Delhi Session of 1926.

9. *Paragraph 311.—The penalty of incurable inadmissibility in the case of Bills of Exchange, Promissory notes and certain instruments chargeable with the duty of one anna or half an anna.*—Certain instruments which used to fall under the ban of this disability because they were stamped with one anna stamps are now liable to a higher duty, so that it is possible to validate them under Section 35 of the Indian Stamp Act, and it may be possible to ascertain whether in practice this has led to any abuse. The instruments in question are No. 36, No. 37 and (in Bombay, Madras, Bengal, the Punjab and Assam) No. 41 of Schedule I.—I have, etc.,

V. S. SUNDARAM,

for Joint Secretary to the Government of India.

*Copy of letter from the Managing Governors, Imperial Bank of India, to the Hon'ble
Mr. S. R. Das, Law Member, Legislative Department, Delhi, No. 5917,
dated the 13th November, 1925.*

We have the honour to address you in the matter of the Stamp Duty payable on instruments of pawn or pledge of moveable property and agreements relating to the hypothecation of moveables, in so far as it is affected by the provisions of the various Provincial Stamp Amendment Acts.

2. As you are aware the rates of stamp duty payable on documents have been recently in nearly all cases considerably increased in Bengal by the Bengal Stamp (Amendment) Act III of 1922 and also in other Provinces by similar amending Acts.

3. From 1899 to 1922 there was a uniform rate of duties throughout all India as laid down by Schedule I of the Indian Stamp Act II of 1899 subject to a few amendments made to it by certain subsequent amending Acts.

4. The Provincial Amending Acts of 1922 and 1923 have considerably increased these rates and, while the necessity for increased rates of stamp duty is regretted, it is not possible to take exception to these increased rates except in the case of two types of commercial transactions. The transactions referred to are the securing of loans by pledge or by hypothecation of goods.

5. As is well known, nearly all commercial enterprises in India are very largely financed by means of either fixed loans or overdrafts on running accounts usually granted by the Banks or large commercial houses. These loans or overdrafts are very largely made against the pledge or the hypothecation of the present and/or future goods of the borrower to the lender; the difference between the two transactions being that in the case of a pledge the borrower puts the lender in possession either actual or constructive of the goods, while in the case of an hypothecation the borrower retains possession and control over the goods, merely giving to the lender a charge which the lender can enforce by taking the appropriate steps.

6. A short account of the history of the stamp duty on these two transactions may not be out of place as showing the grounds for the present objection to the increased duties imposed by the Bengal and other Amendment Acts.

7. *Pledge.*—Under the Stamp Act of 1899 the duty on an instrument evidencing an agreement relating to the pawn or pledge of moveable property, where such a pawn or pledge has been made by way of security for the repayment of money, was laid down by Article 6 of Schedule I of that Act, the rate being Rs. 9 per Rs. 10,000 where the loan was repayable on demand or more than 3 months hence and Rs. 4-8-0 where the loan was repayable not later than 3 months hence. This was the rate where the instrument was attested. If, however, the instrument was unattested, the Exemption of Article 6 contained in the aforesaid Schedule exempted such instrument from any stamp duty at all. The Bengal Amendment Act of 1922 in addition to increasing the duty on attested instruments from Rs. 9 and Rs. 4-8-0 per Rs. 10,000 respectively to Rs. 13-8-0 and Rs. 6-12-0 per Rs. 10,000 respectively has also abolished the Exemption, with the result that all instruments evidencing an agreement relating to a pawn or pledge of moveables have now to be stamped with the full duty of Rs. 13-8-0 or Rs. 6-12-0 per Rs. 10,000 according to the length of the loan. In Madras, the Punjab and Assam also the rates of duty have been increased. In Bengal and Assam the exemption from duty in the case of unattested documents has been abolished, it was also abolished in the United Provinces during the period the United Provinces Amendment Act was in force, though in Madras and the Punjab the amending Acts, while raising the rates of duty, still preserve the exemption from duty in favour of unattested documents. The Bombay Amending Act of 1922 and the Central Provinces Amending Act of 1923 leave untouched these instruments.

8. *Hypothecation of moveables.*—Prior to 1904 an instrument evidencing an agreement relating to the hypothecation of moveables had been treated as of the same nature of one relating to a pawn or pledge. But as the result of the High Court decision in the matter of *Ko Shway Aung vs. Strang Steel & Co.*, I.L.R. 21, Cal. 241, and the views expressed by the Select Committee in their report on the Bill the Amending Act of 1904 restricted Article 6 to cases of actual pawn or pledge (*i.e.*, where possession of the goods was given) leaving an instrument of hypothecation outside the scope of that Article and consequently liable to the higher duty of Rs. 50 per Rs. 10,000 fixed by Article 40 of Schedule 1 on mortgages.

9. The burden thus imposed on commerce was realised by Government with the result that on 6th October 1905 a Notification was issued (re-issued) as No. 3616-Exc. of 16th July 1909 (item 80), reducing the duty charged on instruments of hypothecation to that charged on Bills of Exchange under Article 12 of Schedule I of the Stamp Act, 1899, *i.e.*, at the rate of Rs. 9 or Rs. 4-8-0 per Rs. 10,000 respectively according as the loan was repayable on demand or more than 3 months hence or repayable in less than 3 months. A further reduction was made by the Notification issued on 14th February 1918 (No. 387-F.) which exempted altogether from any duty instruments of hypothecation if unattested.

10. Thus once again instruments of pawn or pledge and of hypothecation were stampable alike, *viz.*, Rs. 9 or Rs. 4-8-0 per Rs. 10,000 if attested, no stamp duty if unattested.

11. The various local Amending Acts do not alter the rates of duty laid down by the Act of 1889 for Bills of Exchange under Article 13 of Schedule I, of Act 1899 and consequently as by virtue of the aforesaid notifications instruments of hypothecation were stampable, if at all, under Article 13, it is claimed that the local Amending Acts have not affected the duty chargeable on instruments of hypothecation. This is the view taken by the Stamping Authorities in Calcutta at the present time.

12. Unfortunately the wording of Section 4 of the Bengal Stamp (Amendment) Act, 1922, and several of the other local Amendment Acts is such that it admits the possibility of a contrary view being taken by future Stamping Authorities or by the High Court, if the matter came before it, on the arguments that the Amending Acts, so far as Bengal is concerned, has overridden the aforesaid Notifications.

13. In the past a very considerable number of these transactions of pledges and hypothecations have been put through on unattested instruments with a view to avoiding the heavy expense to borrowers that would be caused by using attested instruments attracting duty at the rate of Rs. 9 per Rs. 10,000 and the desirability of avoiding this expense was clearly realised by Government as is shown by the express exemption to Article 6 in Schedule I of the Stamp Act, 1899, and the Notification of 1918. The Local Amending Acts or several of them certainly so far as instruments relating to pledges and possibly also so far as instruments of hypothecation are concerned are a rescission intentional or otherwise on the part of the Local Governments from the view formerly held by the Imperial Government.

14. We view with apprehension the effect on the free circulation of money and the that expansion of trade is likely to be caused by the imposition of these duties on such daily transactions as the advancing of large sums of money to the commercial community of Calcutta and other trade centres on the security of the pledge or the hypothecation of the goods of the borrower and cannot help feeling that the full effect of the abolition of the exemption in favour of unattested instruments relating to pledges, previously contained in Article 6 of Schedule I to the Act of 1899, was not fully realised by the Local Governments concerned at the time the amending Acts were passed: we gather some hope for this view from the fact that under the Local Amending Acts (except in the case of Bombay and the Central Provinces) all pawn-brokers' and money-lenders' tickets will have to be stamped with *ad valorem* duty under Article 6 to Schedule 1-A. That so drastic an innovation was intended to be effected in this manner we do not think likely nor do we think that this innovation has been realised by the persons employed in such business.

15. There is a proposal on foot for the leading Banks in Calcutta and the Bengal Chamber of Commerce to join in a Memorial to Government to restore instruments relative to pledges and hypothecations of moveable property respectively to the position with regard to the stamp duties payable thereon in which they were prior to the passing of the Provincial Stamp Amendment Acts but we feel that if the full effect of these Amendment Acts was not, in fact, realised at the time they were passed, Government may, on the facts as set out in this letter, be prepared to take the necessary legal steps to restore the position as regards the stamp duty payable on these documents, with retrospective effect to the dates on which the various Provincial Amendment Stamp Acts came into force.

16. We shall be glad to learn, in due course, what the views of Government are in this matter.

*Government of India, Department of Finance and Commerce, Notification No. 1381
dated 8th June, 1883.*

No. 1381.—In exercise of the powers conferred by Section 8 of the Indian Stamp Act, 1879, the Governor-General in Council directs that the stamp duty payable on an Instrument of Partition of land held on settlement for a period not exceeding 30 years and paying the full assessment to Government, shall not exceed the amount payable on a valuation of the land at five times the annual revenue.

*Government of India, Finance and Commerce Department, Notification No. 5136
dated 27th October, 1890.*

No. 5136.—In exercise of the powers conferred by Section 8 of the Indian Stamp Act, I of 1879, the Governor-General in Council remits the duty chargeable under the said Act on any instrument evidencing an ordinary pawn transaction where money is borrowed on the pledge of moveable property and the sum borrowed does not exceed twenty rupees.

*Government of India, Finance Department, Notification No. 5614-Exc.
dated 6th October, 1905.*

In exercise of the power conferred by Section 9, clause (a) of the Indian Stamp Act, 1899 (II of 1899), the Governor-General in Council is pleased to direct that the duty, chargeable under Article No. 40 of Schedule I to the said Act, on an instrument evidencing an agreement relating to the hypothecation of moveable property where such hypothecation has been made by way of security for the repayment of money advanced or to be advanced by way of loan, or of an existing or future debt, shall be reduced—

- (a) if such loan or debt is repayable on demand or more than three months from the date of the instrument, to the duty payable under Article No. 13 (b) of the said schedule on a Bill of Exchange for the amount secured ;
- (b) if such loan or debt is repayable not more than three months from the date of the instrument, to half the duty payable under Article No. 13 (b) of the said schedule on a Bill of Exchange for the amount secured.

*Government of India, Finance Department, Notification No. 387-F
dated 14th February, 1918.*

No. 387-F.—In exercise of the powers conferred by Section 9, clause (a) of the Indian Stamp Act, 1899 (II of 1899), the Governor-General in Council is pleased to remit the duty chargeable under Article 40 of Schedule I to the said Act on an unattested instrument evidencing an agreement relating to the hypothecation of moveable property, where such hypothecation has been made by way of security for the repayment of money advanced or to be advanced by way of loan, or of an existing or future debt.

DUTIES UNDER THE STAMP ACT.

277. Stamp duties do not themselves constitute a separate tax, but are a method of collecting taxes of different kinds. Almost any tax can be collected through them, and many taxes which have no sort of connection with one another are so collected. The term 'stamp duties' is, however, commonly used to denote, not all the taxes which are collected by means of stamps, but the duties on deeds and other instruments which are imposed under the stamp law.

Stamp duties are only a method of collecting taxes.

278. The system of levying duties on documents relating to transfers of property and commercial and other transactions is theoretically not one of the best methods of taxation, and has been criticised by many economists as unsound and subserving no principle. As regards stamp duties on transfers of property, Adam Smith thought that they were "all more or less unthrifty taxes."* "Such taxes, even when they are proportioned to the value of the property transferred, are still unequal; the frequency of transference not being always equal in property of equal value; when they are not so proportioned, they are still more unequal."* He thought that taxes on the sale of land always fell upon the seller, who was obliged to sell it for reasons of convenience or necessity and that they were therefore 'cruel and oppressive.' Bentham was of opinion that sales of property were commonly brought about by want, and that "in intervening at this distressful season, the exchequer bases an extraordinary tax upon personal misfortune.† Mill also supported the objection that the tax almost always fell "on a necessitous person in the crisis of his necessities",‡ and further condemned all taxes which threw obstacles in the way of the sale of land or other instruments of production as tending to prevent the property passing into the hands of those that could make the best use of it and "assuming those modes of aggregation and division which were most conducive to its productiveness." Taxes on commercial instruments are, so far as they go, a check on development, while taxes on insurances have been described as a direct discouragement to prudence and fore-thought. Hobson in his "Taxation in the New State" regards stamp duties generally as a restraint on trade or other forms of presumable personal and social utility.§

279. In spite of the fact that stamp duties have been treated as anomalous taxation they are popular with practical financiers for various reasons: (1) they have the force of long custom; (2) they are very convenient to collect and to supervise, and to a great extent they collect themselves; they are easy of operation; (3) their burden is not felt at the time of payment because they are generally collected in the process of the circulation or distribution of property; (4) they afford facilities for proportioning taxation to value; by grading the prices of the necessary stamps the tax on any act or transfer can be adjusted to the amount dealt with. Stamp duties are therefore in general use in many countries.

280. In India stamp duties have for more than half a century contributed a very considerable proportion of the revenue. On the 11th December 1868 Mr. Cockerell, while stating that the scale which he then proposed to introduce had been framed as nearly as possible on the model of the English system, added: "The Indian rates are doubtless much higher than the rates prevailing in England, but then it must be recollected that the mass of transactions in this country involve much smaller amounts than general transactions in England and that the reduction of the Indian to the standard of English rates might result in a very serious sacrifice of revenue, which the State could not afford to bear."§ Forty-two years later, Lord Meston said in the Imperial Legislative Council: "The stamp duties were certainly higher in India than in England and all that we have done was to try and

* Wealth of Nations, Vol. II, page 458.

† Theory of Legislation, Principles of the Civil Code, Chapter XV.

‡ Principles of Economics, Book V, Chapter V:

§ Page 125.

§ Proceeding of the Council of the Governor-General, 1868. page 5.

bring the rates into harmony with the general scale."* At the present time the percentage borne by the duties received from non-judicial stamps to the total tax revenue of the country is 9.4 as against 4.2, the corresponding percentage in the United Kingdom.†

281. One important limit to their levy lies in the fact that beyond a certain stage their productiveness begins to diminish. An excessive enhancement of the rates may impede transfers of property and cause a diminution of business generally, or it may lead to an evasion of the duties or a neglect of the requisite formalities of stamping. For instance, if the stamp duty on a receipt is too high, the payer relies on the credit of the payee. If the stamp duty on cheques is increased, people resort to other methods of transmitting money. Excessive stamp duties thus not only retard business, but defeat their object by tempting persons who have to pay them to resort to evasion, both legal and illegal.

282. The principal guides to the rates of stamp duty therefore are :—

- (1) The point at which the value of the convenience or utility attaching to the use of a particular kind of document or to the resort to a particular kind of transaction approaches the amount of the stamp duty involved.
- (2) The point of diminishing returns, or, in other words, what the traffic will bear.
- (3) The point at which hardship on any class of the community is involved.

283. The Indian Stamp Law is to a large extent modelled so far as rates of duty are concerned on the British Stamp Act of 1891. On the whole it fulfills its purpose satisfactorily, and the Committee do not propose to recommend any drastic changes.

As in England, the rates are in some cases *ad valorem* and in others fixed. Broadly the bulk of the documents to which the *ad valorem* rates apply may be classed under three main heads :—

- (a) Conveyances and other transfers of property.
- (b) Bonds, mortgages, debentures and allied documents.
- (c) Bills of exchange and promissory notes (payable otherwise than on demand).

284. Conveyances and gifts of property are, under the Imperial Act, chargeable with a duty of 1 per cent. on the amount of the consideration or the value of the property. Bonds are liable to .5 per cent on the amount secured and bills of exchange to .0-9 per cent. on the amount of the bill."

The corresponding rates in England and the United States of America are :—

	England	United States.
	Per cent.	Per cent.
Transfers	1.0	.10
Bonds	1.25	.05
Bills of exchange	0.5	.02

* Proceedings of the Council of the Governor-General published in Part VI of the *Gazette of India*, dated 19th March 1910, page 161.

† Throughout this chapter, wherever Indian rates of duty are mentioned, those quoted are the rates contained in the Indian Stamp Act, 1899, before amendment by the provincial legislatures.

The duty on bills in India is, therefore, nearly double that in England and nearly 5 times that in the United States, and that on bonds 4 times that in England and no less than 10 times that in the United States. Moreover, the disparity in the case of bonds has been accentuated by the fact that in some cases provincial legislatures have increased the rate of duty by 25 to 50 per cent.

The high rate of duty on bonds in India is believed to have the effect of encouraging the use of promissory notes, even in cases where bonds would be more appropriate instruments for carrying out the transactions. It is desirable that the duty on documents of indebtedness, such as bonds and mortgage deeds, be reduced as soon as circumstances permit

285. A distinction is made in the Indian Stamp Act between a mortgage deed where possession is given or agreed to be given and a mortgage deed where possession is not given or agreed to be given. A similar distinction exists in the case of an instrument of further charge. The Committee see no sufficient reason for this distinction and they recommend that in all these cases the lower rate of duty should apply whether possession is given or not.

286. Reconveyances of mortgaged property pay duty at the rate of 1 per cent. on the consideration, subject to a maximum of Rs. 10. In England, the rate of duty chargeable upon a reconveyance is only six pence for every £100, and, in effect, a reconveyance of mortgaged property is a mere incident of the discharge of the mortgage debt. The rate charged on such reconveyances in India should, in the opinion of the Committee, be reduced and the maximum removed; a suitable rate would be 2 annas per Rs. 100 of the mortgage debt.

287. Deeds of cancellation at present pay a fixed duty of Rs. 5. It seems desirable to fix in respect of them the same duty as is payable on the instrument sought to be cancelled, subject to a maximum of Rs. 5.

288. Under Article 62 of the Schedule, a deed transferring an interest secured by a bond, mortgage deed or policy of insurance is required to pay the duty chargeable on the bond, mortgage deed or policy of insurance subject to a maximum of Rs. 5, even though the rights transferred may be of less value than those originally secured. Again, if the interest secured by more than one instrument is transferred by means of a single instrument, the transfer deed is required to bear a stamp of a value equal to the sum of the duties with which such instruments are chargeable and not of a value equal to the duty on the aggregate amount secured. Provision for reduction appears to be desirable in both these cases.

289. At present all deeds of adoption pay the same fixed duty of Rs. 10 irrespective of the value of the property to which the adoption may give a right. Where the property involved is of a value not exceeding Rs. 2,000, this duty might be reduced to Rs. 5. Again deeds of authority to adopt pay the same duty as deeds of adoption, though an authority to adopt may never be followed by an actual adoption. In this case also, the duty might be reduced.

Dr. Paranjpye is not a party to the first of these recommendations. On the other hand, he regards transactions by way of adoption as not being taxed sufficiently. In his opinion an adoption among Hindus, though it has a religious bearing, is almost invariably an Act creating new rights to property. Thus, in a Mitakshara family the adopted son gets an immediately exercisable rights to half the ancestral property of his adoptive father. The Act is therefore of the nature of a conveyance and should be taxed at a rate similar to, but somewhat lower than, the latter. From the point of view of theory, an adopted son comes by a windfall either actually or potentially and the transaction is therefore a fit subject for taxation.

Cases in which an increase may appropriately be made.

290. The Committee have indicated certain instruments on which the duty might with advantage be reduced. They now proceed to deal with cases in which a higher duty may appropriately be charged.

A settlement is liable to a duty of one-half per cent. on the value of the property settled.
Settlements. A gift is liable to one per cent. on the value of the property transferred.

The distinction between the two is small, and in many cases, having regard to the definition of a settlement in the Indian Stamp Act, it would not be difficult to draft a deed of gift in a form which would render it liable to the duty on a settlement. Moreover, should a death duty be imposed in India or the present probate duty be extended, a settlement as defined would be as effective a method of defeating the claims of the revenue as a gift. Taking everything into consideration, there seems to be no reason why the duty on a settlement should not be the same as the duty on a gift, namely, one per cent.

291. The duty on a release is the same as that in a bond, subject to a maximum of Rs. 5. This is appropriate to the case intended by the Act, as where a

Releases. benamidar executes a document disclaiming any interest in property standing in his name. But there are other cases in which documents which fall within the definition of a release really operate to convey property by way of gift or sale. In such cases, the duty at the bond rate, subject to a maximum of Rs. 5, seems in appropriate, and it would be more appropriate to make them chargeable at the conveyance rate of one per cent of the value of the property conveyed.

292. Proviso (2) (b) to Article 45 enacts that, in the case of deeds of partition where land is held on revenue settlement for a period not exceeding thirty years and paying the full assessment, the value for purpose of duty shall be calculated at not more than five times the annual revenue. In documents relating to conveyances on sale or gifts, lands are valued according to the consideration for the sale or the value of the property given and not according to a multiple of the assessment. As the parties to a partition deed contract with each other on the basis of the actual value of the properties divided, and not according to a multiple of the assessment, the Committee would recommend that the proviso should be repealed.

The valuation of land under deeds of partition.

Instruments of partnership.

293. The duty payable on an instrument of partnership is Rs. 2½ where the capital of the partnership does not exceed Rs. 500, and Rs. 10 in any other case.

If the suggestion made below for the levy of a duty on the nominal capital of limited companies is adopted, these rates might be abolished and an *ad valorem* scale applied to the capital of the partnership ; an appropriate rate would be 4 annas per Rs. 100.

294. In India, on the registration of limited companies, fixed duties of Rs. 23 and Rs. 15 are charged on the Articles of Association and Memoranda of Association, respectively. But no duty is charged in respect of the amount of the capital (nominal or actual) of the company. In England also, these documents pay a fixed duty of 10s. ; but in addition, under Section 112 of the Stamp Act, 1891, as amended by Section 7 of the Finance Act of 1899 and Section 39 of the Finance Act of 1920, there is levied a stamp duty on the nominal share capital of a company with limited liability at the rate of one per cent. at the time of registration, and a like duty on any increase of capital of such a company, and the filing of a statement of such initial capital or of any subsequent increase is compulsory. In view of the benefits which accrue of a company registered with limited liability, the Committee consider that the nominal share capital of such companies is an appropriate subject for the levy of an *ad valorem* duty. A suitable rate would be 8 annas per Rs. 100, and in the event of this suggestion being adopted, the fixed duties on Articles and Memoranda of Association might be reduced to Rs. 10.

Articles of Association of companies.

General consideration.

295. It is now proposed to examine certain aspects of the stamp duties of a more general character.

296. In charging duties on *ad valorem* scales, it is usual, in order to avoid the trouble and inconvenience of providing separate stamps for every amount, to separate the points as which the duty increases by intervals more or less wide. It is, however, desirable that in ordinary cases the intervals of ascent should not be too wide ; otherwise there is a danger that transactions may be split up and effected by more than one document. Further a charge which is suitable for the highest point in a stage may be too heavy for the lowest point. For these reasons it is desirable that, in the case both of conveyances and of bonds, where the amount involved exceeds Rs. 1,000 and does not exceed Rs. 5,000, the intervals in the scale should be Rs. 200 only and not Rs. 500.

The steps in the scale should not be too large.

297. Under the existing law, the duty payable if a document is attested is in some cases different from that payable if it is unattested. For instance, Section 2 (5) of the Act defines a bond as including, *inter alia*, any instrument attested by a witness and not payable to order or bearer, whereby a person obliges himself to pay money to another. Again, article 3 of Schedule I exempts pawn or pledge of goods, if unattested, from the duty chargeable on an agreement relating to a pawn or pledge. Similarly, by a notification of the Government of India, Finance Department (Separate Revenue Stamps), dated the 14th February 1918, No. 387-F, the Governor-General in Council has remitted the duty chargeable under Article 40 of Schedule on an unattested instrument relating to hypothecation of moveable property. Again Article 17 of Schedule I prescribes the stamp duty on an instrument of cancellation, if attested and not otherwise provided for. The purpose of attestation is to furnish evidence of execution, and its presence or absence does not alter the character of an instrument. There seems, therefore, to be no reason why there should be a distinction made for the purpose of stamp duty according as an instrument does or does not bear on its face evidence of its having been executed. Further, questions have arisen as to what is meant by attestation. Where the actual writer of a document signed it, the Madras High Court held that it had been attested, while the High Courts of Bombay, Calcutta and Allahabad have held in similar cases that the document had not been attested. The Committee recommended that documents which are now exempt or liable to a lower duty, if unattested, should be placed on the same footing as similar documents which are attested.

298. An exception might be made and exemption granted in the case of pawns and hypothecations of moveable property for small amounts, whether attested or not.

299. It is highly desirable that, where possible, the duty payable upon an instrument should depend upon facts which will normally appear in the instrument itself, in order that it may be evident from a perusal of the document whether it is *prima facie* properly stamped or not. The duty should, however, depend upon the actual facts and not upon the facts stated in the document, if such facts are incorrect. In Articles 45 and 62, which relate to partition deeds and transfers of shares, respectively, the expression 'value of the share' is used without the words 'as set forth in the instrument.' Other articles of the schedule, however, *e.g.*, conveyance (23), exchange (31), reconveyance of mortgaged property (54), release (55), settlement (58) and trust (64), require payment of the stamp duty at rates calculated on amounts or values 'as set forth in the instrument.' The result of this latter provision is that an instrument in which an insufficient consideration or an insufficient value has been inserted is nevertheless duly stamped, if stamped by reference to the consideration or value so inserted. It is true that Section 27 requires the consideration, if any, and all other facts and circumstances affecting the chargeability of the instrument or the amount of the duties chargeable, to be fully and truly set forth in the instrument, and that Section 64 imposes a heavy penalty in cases of failure to do so. But where these provisions have been infringed, a document is nevertheless duly stamped, if stamped by reference to an insufficient value or consideration inserted in the instrument. The Committee would recommend that the words 'as set forth in the instrument' should be omitted in the Indian Stamp Act wherever they occur. It may be objected that, in the

The distinction for purposes of duty between documents that are attested and those that are not

It should not be optional to the parties to fix values for purposes of duty.

Pawns and hypothecations.

absence of such words, the subordinate officers of Government before whom instruments may be produced, would embark on vexatious enquiries as to the correctness of the value or consideration recited. But such objection can be met by expressly providing that the consideration recited in the instrument shall be presumed to be correct until evidence to the contrary is forthcoming.

300. The Civil Justice Committee have recommended that several classes of documents which are not at present necessarily reduced to writing should hereafter be required to be so reduced,* and a member of the Committee who gave evidence added the suggestion that a distinction should be made between documents which are now required to be reduced to writing and documents which may hereafter be required to be reduced to writing. While the Committee agree that an expansion of the yield of stamp duty entailed by considerable extension of the classes of documents which are required to be reduced to writing would justify and facilitate a general reduction of rates, they are not prepared to recommend specific reductions in favour of particular documents that may be affected by legislation undertaken as the outcome of the report of the Civil Justice Committee. In their opinion, these documents should be dealt with on the same principles as are applied to other documents of a similar nature.

The requirement that new categories of documents should be reduced to writing.

Some miscellaneous suggestions for revision of the Act.

301. It is now proposed to draw attention to certain minor points arising out of the schedule to the Act in regard to which it is desirable that legislation should be undertaken when a suitable opportunity arises.

(a) In the case of various instruments, in order to enable the parties concerned to distinguish between documents which are generally similar, but have particular distinguishing characteristics, illustrations should be added to the definitions in which these characteristics should be brought out. Examples of the documents in question are—(1) a bond, agreement and a promissory note ; (2) a receipt and an acknowledgement ; (3) a release, a discharge and a reconveyance of mortgaged property.

(b) The conflict of decisions as to the cases to which Article 15 of Schedule I of the Stamp Act and Article 6 of Schedule II of the Court Fees Act respectively apply, should be set at rest.

(c) A deed of partition should be so defined as to include a list of shares drawn up at a division of property among co-owners and signed by the parties.

STOCK AND PRODUCE TRANSACTIONS.

302. The purchase and sale of stocks and shares and other marketable securities are usually effected through a broker on the stock exchange, and where this is the case, two documents ordinarily come into being :—

Stock Exchange transactions the documents involved.

(1) a contract note, which is defined as a note or memorandum sent by a broker or agent intimating the purchase or sale on account of a principal of stock or marketable security, and

(2) conveyance or transfer of the stock or marketable security.

303. The first of these documents is chargeable under article 43 of the first schedule of the Indian Stamp Act with a duty of one anna for every Rs. 10,000 or part thereof of the value of the stock or security, and the second is chargeable under Article 26 of the schedule with one-half the duty on a conveyance for a consideration equal to the value of the share or the face value of the market-able security as the case may be.

The contract note.

Duties of a similar nature are chargeable in England both on contract notes and on transfers, but as regards contract notes there are two important differences in the law of the two countries.

In England the term 'contract note' includes a note sent by any person who by way of business deals, or holds himself out as dealing, as a principal in any stock or marketable securities, advising the principal or the vendor or purchaser, as the case may be, of the sale or purchase of any stock or marketable security. Secondly, the issue of a contract note is made compulsory and failure to issue such a note is punishable with a fine of £20, coupled with a disability to recover brokerage.

In India a note sent by a principal to a principal does not fall within Article 43, and the issue of a contract note is not compulsory.

It is understood that in the stock exchanges in India no distinction exists between a broker and a dealer or jobber such as exists in England, and that so-called broker in India on receiving an order from a client may and frequently does buy or sell the stock on his own account. He in fact acts as a principal, and the note sent by him to his client does not fall within the charge of duty. This, combined with the fact that the issue of a contract note is not compulsory, must lead to a considerable amount of evasion, and it would be desirable in these two respects to assimilate the Indian law to the English.

304. Turning now to the question of the later document by which the stock or marketable security is actually transferred, it is to be observed that the duty is very largely evaded by the system of transferring stocks and marketable securities by blank transfer deeds, *i.e.*, by transfer deeds in which the name of the transferee is left blank and is only inserted and the execution of the deed completed when, after a number, and possibly a large number, of subsequent sales it falls into the hands of a transferee who desires to have the stock actually registered in his name. So common is this practice that, in the words of the Bombay Stock Exchange Enquiry Committee, "shares with blank transfers are hawked for sale round the bazaar."* The question of putting a stop to it has been many times considered without a satisfactory method being discovered, and in fact Act VI of 1910 witnessed the adoption of a counsel of despair inasmuch as the duty on transfers was raised in order partly to compensate for the loss of duty entailed by the practice of using blank transfers. In England there do occur intermediate transactions which do not result in an actual transfer of shares, but, subject to certain exceptions, they cannot be continued for more than a brief period owing to the practice of periodical settlements at which transfers must be effected, and under the rules of the Stock Exchange a blank transfer is bad delivery.

305. The obstacles to reform in India may be said to be three: in the first place, the Suggestions for organization of the Stock Exchanges, especially that of Bombay, and reform. particularly the facts that settlements do not necessarily result in the delivery of transfers, nor is a blank transfer bad delivery; in the second place, the reluctance of the Government to impose regulations upon the members of a voluntary association which would not be applicable to persons operating outside; and in the third place, the fact that the only general means of action so far suggested, namely, the making of blank transfers void, would be more drastic than the situation warrants and apt to injure the innocent purchaser. In these circumstances, the only true path to reform appears to lie in co-operation with the authorities of the Stock Exchanges. The Securities Contracts Control Bill recently accepted by the Bombay Legislative Council enables a recognised stock exchange, subject to the sanction of the Local Government, to make rules providing, *inter alia*, for the making, settling and closing of bargains and the regulation of all dealings by members for their own account. If this is followed by a character, it may be possible for the Government to obtain the assistance of the Stock Exchange authorities in the collection of the Government revenue. This assistance would include in the first place the framing of a rule that a blank transfer is bad delivery. In addition to that, some such machinery as the following in relation to the collection of duties might be instituted.

* Report of the Bombay Stock Exchange Enquiry Committee, page 12.

It might be provided that the contract note should be in a prescribed form printed by the Government in foil and counterfoil with a minimum stamp embossed thereon and a space left for the addition of further adhesive stamps, which should be of a special nature. Arrangements might be made, where they do not already exist, for the sale on the Stock Exchange premises of forms of contract notes, and transfer deeds and Stock Exchange stamps and for the embossing of stamps on transfers. It might be provided that there should be filed with the Secretary of the Exchange a copy of each of the contract notes. These notes should be sorted according to the securities to which they related and cleared periodically after settlements or on the expiry of a fixed period by a production of a transfer deed. If and when these arrangements are carried out, the question of reducing the duty on transfers should be taken up.

306. In the absence of any such arrangement with the authorities of the Stock Exchanges, the most promising method of levying a toll on stock exchange transactions seems to be through the medium of the contract notes. To this end, it is recommended that contract notes should be made compulsory and that the duty thereon, which is now at the rate of one anna for every Rs. 10,000, subject to a maximum of Rs. 10, should be raised to 4 annas for every Rs. 10,000, subject to a maximum of Rs. 40.

Pending satisfactory arrangements the duty on the contract notes may be increased.

307. A further difficulty that has been raised is as regards deposits of shares as security for loans. In India, the common way of giving such security is by depositing shares or marketable securities accompanied by an agreement such as is contemplated by Section 23-A of the Indian Stamp Act, 1899. There is reason to believe that this course is pursued owing to the heavy duty which would be exigible if an actual transfer of the securities were executed. The duty on such a transfer would be that payable under Article 62 of Schedule I of the Stamp Act. In England, the duty on such a transfer is a fixed duty of 10 shillings, and it would be advantageous if in India also the duty were made subject to a maximum of Rs. 10.

The case of shares deposited as security.

308. The case of the produce exchanges is in some respects analogous to that of the Stock Exchanges in the matter both of the nature of the transactions and the documents that pass and of the necessity for regulation for reasons other than those of revenue. In these exchanges business is conducted in the purchase and sale of produce, both for present and for future delivery. As a rule no contract note passes, the terms of the contract being entered in the books of the dealers; delivery is effected by means of a delivery order which is liable to a duty of one anna under Article 28. In addition to the legitimate business there is a large amount of gambling in futures, for the taxation of which sundry proposals have been made, including one by the Bombay Excise Committee. The only action which it has so far been found possible to take has been the enactment of the Bombay Cotton Contracts Act of 1922, under which a charter has been given to the East India Cotton Association. In Calcutta a private member of the Legislative Council has recently introduced a Bill providing for action on similar lines to distinguish between legitimate and gambling business in produce in that city.

The produce exchanges.

309. The Committee have examined the proposals made for the taxation of futures, and it seems to them that it would be not only practically impossible, but on other grounds undesirable, to recognise these gambling transactions and to attempt to secure a revenue from them. The better solution appears to be to continue action on the lines already initiated for repressing gambling transactions and giving statutory recognition to associations which undertake the control of the legitimate business. If and when action on these lines has been taken, the question of requiring the issue of a contract note for each transaction imposing a moderate stamp duty thereon might be considered.

Taxation of futures.

310. In India, subject to certain exceptions which will be referred to later, an unstamped or insufficiently stamped instrument may be validated on payment of the duty or the deficient duty, as the case may be, and a penalty of Rs. 5, or ten times the duty or deficient duty, whichever is greater.

Penalties.

In England the corresponding penalty is £10, and, where the unpaid duty exceeds £10, an additional penalty of interest at the rate of 5 per cent. on such duty from the day upon which the instrument was first executed up to the time when the amount of interest is equal to the unpaid duty.

In both countries a discretion is given to the Revenue authorities to remit the whole or any part of the maximum penalty exigible.

In India every person having, by law or consent of parties, authority to receive evidence, and every person in charge of a public office, except an officer of police is bound to impound any instrument not duly stamped which comes before him in the performance of his functions. The amount of the unpaid duty and the penalty then becomes a debt which may be recovered in the same way as arrears of land revenue. In England there is no such provision.

Both in India and England it is provided that an instrument shall not be admitted in evidence or acted on unless it is duly stamped, or unless the deficient duty, together with the maximum penalty, is paid into court.

It seems to the Committee that, in view of the wide powers of impounding with which the courts and public officers in India are invested, the penalties in India are unduly severe, and in certain cases tend to defeat their own ends. Where an unstamped document liable to a very high duty is tendered in evidence, the penalty may amount to a prohibitive sum and may entail the abandonment of the suit. The power vested in the Revenue authorities of remitting the whole or any part of the penalty has been mentioned, but it may well be that the person tendering the document is quite unable to raise the sum required; and in any case he cannot know at the time what portion, if any, will be ultimately refunded.

Another effect of this drastic penalty is that courts are apt to be unduly lenient in admitting as evidence unstamped or insufficiently stamped documents, and in many cases documents falling under one head of charge are without sufficient scrutiny treated as falling under a different head involving a lower duty.

The Committee recommended that for the existing maximum penalty there should be substituted a penalty of twice the deficient duty *plus* Rs. 5. They also recommend that the limitation to one year of the period within which a document can be voluntarily produced to the Collector for rectification of the stamp duty under Section 41 of the Stamp Act be removed.

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

317. It remains to make a suggestion regarding the maintenance of a record of revenue derived from different classes of transactions for the purpose of enabling the authorities responsible to estimate from time to time the effects of the duties imposed. In the annual reports of the Commissioners of Inland Revenue in England, there are tables in which the receipts from stamps are classified in accordance with the transactions to which they relate, and it is accordingly possible to detect marked fluctuations in the

revenue derived from different classes of transactions, and to trace them to their causes. The reports issued in India give no such information. The reason for this distinction arises largely out of the difference in the method of stamping. In England, the procedure most commonly adopted is that of impressing a stamp, and the stamp is not impressed until the marking officer has determined the amount due. The record of this officer forms the basis of the return which has been referred to. In India the stamps most commonly used are those sold by stamp vendors. Though in some provinces a record appears to be kept of the nature of the transactions for which the stamps are sold, these records are not compiled, with the result that no information is available as to the revenue derived from different classes of transactions. It seems to be doubtful whether, with the agency at present employed, it would be possible to secure a reliable record in all cases. But inasmuch as the fixing of the appropriate rates of stamp duty is largely a matter of trial and error, it seems to the Committee to be very important that the most reliable record possible should be kept of the result of the trials made. They would therefore recommend that enquiries be made as to the possibility of securing a record of the purposes for which stamp papers are sold and of compiling it somewhat on the lines of the returns adopted in England.

No. 1775-154 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 21st October, 1926.

THE DEPUTY SECRETARY TO THE GOVERNMENT OF BOMBAY,
FINANCE DEPARTMENT, BOMBAY.

SIR,

Subject :—*Taxation Enquiry Committee—Taxes on Transactions.*

I am directed to acknowledge receipt of your letter No. 5018-A of the 21st September 1926 together with enclosures, asking for the Association's views on certain proposals put forward by the Taxation Enquiry Committee in their report in paragraphs 277-317 dealing with the subject of stamp revenue.

2. My Committee propose to confine themselves only to the proposals made by the Taxation Enquiry Committee in paragraphs 293, 294 and 304 of their report. They do not wish to make any comments regarding the other paragraphs referred to in the Government of India's letter of the 17th July 1926, forwarded with your letter.

3. My Committee desire to protest most emphatically against the proposal made by the Taxation Enquiry Committee in paragraphs 293 and 294 that limited companies on registration should be subjected to an *ad valorem* duty assessed on the nominal capital. The Taxation Enquiry Committee have not made out any case for this proposal which is calculated to hamper the growth of joint stock companies, which is tantamount to hampering the industrial and material development of this country. My Committee regret that the Government of India instead of unequivocally condemning the proposed levy on capital incline to the view that it would not be desirable to adopt the proposal of the Taxation Enquiry Committee so long as the Super-tax on companies is retained. Government are doubtless aware that there is very wide spread and quite justifiable opposition to the continuance of the Super-tax on companies, which was only imposed as a war measure and which ought to be abolished without delay. It is, however, my Committee's considered opinion that Government would be taking a very wrong step if the abolition of the Super-tax on companies were to be regarded by them as a suitable opportunity for levying a duty on registration of companies as suggested by the Taxation Enquiry Committee. I am directed to repeat that there is no justification whatsoever for the proposal put forward by the Taxation Enquiry Committee which should be unequivocally condemned in the interests of the industrial and commercial development of this country.

4. Paragraph 304 of the report of the Taxation Enquiry Committee deals with the important question of blank transfers. My Committee much regret that notwithstanding the recommendation of the Atlay Committee, Government have not yet taken steps to render blank transfers illegal. The answer given by the Hon'ble Sir Charles Innes to the question put by Sir Darcy Lindsay in the Legislative Assembly in 1926 hardly carries conviction, and it is my Committee's considered opinion that the alleged difficulties in rendering blank transfers illegal are by no means insurmountable. The existing system not only deprives Government of revenue to which they are justly entitled, but sometimes entails on joint stock companies and individual shareholders difficulties of a serious nature. If the Indian Companies Act were so amended as to make the dating of the form of transfer compulsory by the seller as also the due registration thereof by the buyer within a period of two months from such date, and would empower companies to refuse to accept transfers not presented within that date, the difficulties attendant on the existing system of 'blank transfers passing from hand to hand for months or even years would be done away with and Government's revenue from the stamp duties would be considerably increased. It is my Committee's considered opinion that legislation on these lines is an urgent necessity, and they commend this proposal to the very earnest consideration of Government.

5. Government are aware that the Atlay Committee, while urging the total abolition of the blank transfer or as an alternative the limitation of its life to two months, recommended a reduction in the duty payable on transfers, and my Committee are entirely in agreement with the recommendations of the Atlay Committee.

6. It is my Committee's considered opinion that legislation rendering blank transfers a bad tender is long overdue, and they earnestly trust Government will at an early date take the necessary steps to amend the Indian Companies Act on the lines indicated in para 4 above.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 65.

STAMP DUTY PAYABLE ON BILLS OF EXCHANGE—PROPOSED REDUCTION.

No. 5055-A.

FINANCE DEPARTMENT,
BOMBAY CASTLE, 30th September, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Taxation Enquiry Committee—Usance Bills of Exchange—Rate of Stamp duty payable.*

In continuation of Government letter No. 5018-A dated 21st September, 1926, I am directed by the Governor in Council to forward a copy of letter, with its accompaniment, from the Government of India, Finance Department (Central Revenues), No. C-132-Stamp-26 dated 20th August, 1926, and to request you to obtain the views of your Association on the letter and to communicate them to this Department.—I have, etc.,

J. V. JOSHI,
*for Deputy Secretary to the Government of Bombay,
Finance Department.*

C. No. 132-Stamps-26.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES),
SIMLA, 20th August, 1926.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,
REVENUE DEPARTMENT.

SIR,

Subject :—*Stamp duty—Rate of—Usance Bills of Exchange—Proposed reduction or abolition of.*—

I am directed to forward a copy of a letter from the Secretary, Indian Chamber of Commerce, Calcutta, No. F. 11-26, dated the 9th August, 1926, on the subject noted above, and to request that with the permission of His Excellency the Governor in Council the points raised therein may be considered along with those raised in Mr. Tottenham's letter C. No. 103-Stamps-26, dated the 17th July, 1926, in connection with the Report of the Taxation Enquiry Committee. I am to add that the argument in paragraph 2 of the letter referred to has some similarity to the argument used in the concluding sentence of paragraph 284 of the Report of the Taxation Enquiry Committee about bonds and mortgages.—I have, etc.

V. S. SUNDARAM,
Under Secretary to the Government of India

Copy of letter No. F. 11-26, dated the 9th August, 1926, from the Secretary, Indian Chamber of Commerce, Calcutta, to the Secretary, Government of India, Finance Department (Central Revenues), Simla.

I am directed to address you in regard to the rate of Stamp Duty payable on the usance Bills of Exchange under the Indian Stamp Act, 1899.

2. Under Article 13 of the Schedule I of the Stamp Act the duty on Bills of Exchange when payable otherwise than on demand ranges from 3 annas to Rs. 27 up to Rs. 30,000 and is subject to Rs. 5 for additional Rs. 10,000, or part thereof in excess of Rs. 30,000. This scale of duty has always been regarded as high by the commercial public; and it therefore often happens that though some bills are drawn as payable on demand, a verbal understanding subsists between the parties as to the period for which credit of accommodation is granted. This practice is at present very wide-spread and is resorted to by all sections of the commercial public entirely with a view to take advantage of a lower rate of stamp duty payable demand on bill.

3. The effect of such a practice growing up to a large extent is serious and obvious enough. In the first place it leads to the creation of unduly large number of instruments of short-time credit and as such affects adversely expansion of credit. In the second place, under the practice the position of the debtor remains exposed to serious risks, and the creditor who nominally occupies a position of advantage, gains further ground over the debtor.

4. The position described in the previous paragraph relates no doubt entirely to the internal Bills of Exchange, but the position of the drawers of the foreign bills is different. They can devise no method to escape the liability to a heavy rate of stamp duty. It would be instructive to compare in this connection the rate of duty payable on these instruments in Great Britain. The Indian rate, it appears, is approximately double the British rate. To take for instance, in India the usance Bills for Rs. 30,000 are subject to a duty of Rs. 27 or 9/100 per cent. of the value of the instrument, whereas in Great Britain the duty payable on a Bill of £2,000 (corresponding to Rs. 30,000 at the rate of 1s. 4d. per rupee) is £1 only and represents a rate of duty not higher than 1/20 per cent. of the value of the instruments.

The Committee of the Indian Chamber, therefore, suggest that the Government of India should consider at a very early date the question of reduction of stamp duty on the usance Bills by at least 50 per cent. of the present rate of duty.

5. While on the subject of stamp duty payable on Bills of Exchange the Committee of the Indian Chamber desire to invite the attention of the Government to the inconvenience which is often met with in stamping internal Bills of Exchange by an adhesive stamp. The Committee of the Indian Chamber incline to the view that if postage stamps are allowed to be affixed on Hundis, such instruments will be more widely and popularly resorted to. The Committee, however, recognise the difficulty which may follow from an acceptance of this proposal in regard to the allocation of stamp revenue between the Postal Department and the Provincial Government, but, they consider that it is not altogether difficult to devise a workable scheme for the allocation of revenue between the two authorities on lines similar to those by which revenue from receipt stamps is dealt with at present. In any case, in the opinion of the Committee the administrative difficulty of the nature referred to here should not outweigh the benefit which would result to the public from the proposal herein put forward.

6. While this representation had been undergoing a final preparation, the attention of the Committee was drawn to the recommendation recorded by the Royal Commission on Currency and Finance in paragraph 116 of their report that the stamp duty on Bills of Exchange be altogether abolished. With such proposal, the Committee of the Chamber are in complete concurrence. It is not known, however, how far this will be acceptable to the Government. Should the duty be decided to be abolished, no occasion will arise for the consideration of the Committee's present proposal but they are emphatically of opinion that reduction asked for should be granted in the event the duty is allowed to continue.

*Paragraph 116 of the Report of the Royal Commission on Indian Currency and Finance,
Volume I.*

116. It is evident that a limitation of the monetary circulation to the real needs of the country postulates contraction and expansion of the currency in accordance with those needs. In a mainly agricultural country like India those needs fluctuate widely, not merely according to the seasons of the year, but also according to the abundance or otherwise of crops and the prices they command. If that part at any rate of the notes which the Bank issues to meet the need of expansion is secured by assets of a character corresponding to this need of expansion, that is, if these assets mature and are liquidated when the increased monetary circulation is no longer needed, the process of expansion and contraction becomes almost automatic. The true commercial bill, that is a bill drawn in respect of a genuine commercial transaction, has these characteristics in a pre-eminent degree. It is a self-liquidating asset in the sense that the liquidation of the commercial transaction liquidates the bill. It is for this reason that the charters of most of the central note-issuing banks provide for their note issues to be secured partly by commercial bills. The charter of the Reserve Bank of India should contain a similar provision. With a view to promote the growth of these commercial bills we recommend that the stamp duty on bills of exchange be abolished*. With the same aim, we also recommend the sale by post offices of bill forms in the English language and the vernacular in parallel.

We now turn to the other assets which are to be held by the Bank to secure its note issue.

* It was stated in evidence that in America there was at one time a stamp duty on bills of exchange. It was found to restrict the development of the type of paper essential to the functioning of a money market, to render difficult the adjustment of the Federal Reserve Bank rates and to interfere with the operation of the Reserve Bank. This duty was the first to be abandoned when at the end of the recent war America undertook the reduction of taxation.

No. 1814-155 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th October, 1926.

THE DEPUTY SECRETARY TO THE GOVERNMENT OF BOMBAY,
FINANCE DEPARTMENT, BOMBAY.

SIR,

Subject :—*Taxation Enquiry Committee—Usance Bills of Exchange—Rate of Stamp Duty Payable.*

I have the honour to acknowledge receipt of your letter of 30th September, reference No. 5055-A, with enclosures. In reply, I am directed to state that my Committee are in entire accord with the recommendation of the Royal Commission on Currency and Finance that the stamp duty on Bills of Exchange should be abolished. If, however, considerations of revenue make it difficult for Government to give effect to this recommendation of the Royal Commission on Currency and Finance, then my Committee maintain that the present rates of stamp duty on Bills of Exchange should be substantially reduced. In my Committee's opinion, the Indian Chamber of Commerce, Calcutta, have adduced very convincing reasons for a reduction in these rates in their letter of 9th August, 1926, to the Government of India, Finance Department, a copy of which accompanied your letter under reply, and my Committee do not deem it necessary to reiterate these reasons in this letter. They earnestly trust this much needed reform will be effected by Government without undue delay.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 66.

STANDARD TEST OF EFFICIENCY FOR SPRINKLERS.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 5th February, 1926.

TO THE TECHNICAL SUB-COMMITTEE.

DEAR SIRS,

On Tuesday, January 26th, Mr. Stones of the E. D. Sassoon Mills representing the Technical Sub-Committee together with Mr. Rustomji D. Bhowndree, Engineer of the Coorla Mills; Mr. W. A. Sutherland, Engineer of the Currimbhoy Mills; Mr. M. S. Balsara, Engineer of the Tata Mills; Mr. D. F. Webb, Engineer of the E. D. Sassoon Mills; Mr. Rustomji Edalji and Mr. Vamanrao Vithoba, Engineers of the Khatau Mankanji Mills, and Mr. T. Maloney, Secretary of the Bombay Millowners' Association, met a special Sub-Committee of the Bombay Fire Insurance Association to witness a test on sprinklers. The test had been arranged at the request of this Association in order to witness a practical demonstration of the efficiency testing apparatus of the Fire Insurance Association for sprinklers. Before the test took place the apparatus and nature of the test was explained by Mr. Cheminai. In conformity with the suggestions which had been made by our Association, the Secretary urged upon the Fire Insurance Association the great desirability of the Fire Insurance Association laying down a practical standard test of efficiency to which sprinkler installations should be asked to conform. If such a standard could be laid down and accepted by our Association, differences of opinion as to the efficiency of sprinklers could not arise. The Fire Insurance Association assured the gentlemen present that no such standard of efficiency could be laid down, but that after witnessing the test, they were positive that all present would agree that sprinklers which failed under it must be considered unsatisfactory and a source of serious danger in case of an outbreak of fire.

After witnessing the tests the engineers who had been present were asked to submit reports and to express an opinion as to whether they were satisfied that sprinklers which failed under the test should be condemned.

The reports of the engineers of the various mills show that the Association's view in regard to laying down a practical standard, was correct, and I suggest that we send copies of the engineers' reports to the Fire Insurance Association and point out the necessity of laying down certain definite rules for testing sprinkler heads of installations which it is proposed to condemn.

Mr. Webb's report contains several valuable suggestions in this connection, and there ought to be no difficulty in getting mills to agree that their sprinklers should be replaced subject of course to reasonable time being given for replacement if, say, more than two sprinklers out of ten chosen at random from any installation failed to open satisfactorily after heating for 15 seconds under a pressure of 20 lbs. in the testing apparatus of the Fire Insurance Association.—Yours, etc.,

T. MALONEY,
Secretary.

No. 1670.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 12th February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to enclose, for your information, a report on the Meeting between your Representatives and Representatives of this Association on the 26th ultimo and on the test of obsolete sprinkler heads subsequent thereto.

We shall be glad to have your advices on the subject of replacement of the obsolete sprinklers condemned by this Association to be inefficient at your earliest convenience.—
Yours faithfully,

A. F. FERGUSON & Co.,
Secretaries.

SPRINKLER INSTALLATION.

Obsolete Sprinklers.

A Meeting between Representatives of the Bombay Millowners' Association and the Bombay Fire Insurance Association, was held in the rooms of the latter at 4 p.m. on the 26th January 1926, at which the following gentlemen were present :—

Bombay Fire Insurance Association.—

Mr. F. J. Cheminai, (*Chairman*).
Mr. C. M. Ross.
Mr. H. E. Davies Simon.
Mr. R. J. Duff.
Mr. T. K. W. North (*Inspector*).

The Millowners' Association, Bombay.—

Mr. F. Stones (Superintendent, The E. D. Sassoon United Mills, Ltd.).
Mr. W. Sutherland (Superintendent Engineer, The Currimbhoy Mills, Ltd.).
Mr. D. F. Webb (Supdt. Engineer, The E. D. Sassoon United Mills, Ltd.).

Mr. Balsara (Chief Engineer, Tata Mills).

Mr. Rustamji B. Bhavanagree (Chief Engineer, Coorla Mills).

Mr. Rustomji Edalji (Chief Engineer, Khatau Makanji Mills and two Assistant Engineers).

Mr. Maloney (Secretary, Millowners' Association).

The Chairman in his opening remarks referred to the correspondence exchanged between the respective Associations on the subject of Obsolete Sprinklers and explained that the meeting had been convened with the object of fully discussing the general question of sprinkler installations and he then proceeded to describe some of the standard qualifications required in modern type sprinklers, *viz* :—

1. That the discharge capacity from a Sprinkler head should be a minimum of 12 gallons per minute at 5 lbs. running pressure.
2. That a Sprinkler head should be capable of withstanding 300 lbs. working pressure.
3. That a Sprinkler head should be capable of withstanding water hammer of a pressure increased from 0 lb. to 300 lbs. at least 500 times.
4. That the fusing point of the solder in a Sprinkler head should be not less than 155° F. and not more than 165° F.
5. That a Sprinkler head should open without halt or hindrance, and that all moving parts should be thrown clear of the Sprinkler and not impede the free distribution of water.
6. That a Sprinkler should be made of such material as to withstand corrosion and rough handling such as a sharp blow, etc.
7. That a Sprinkler head should function without pressure when heated to 155° F.

Thereafter the Chairman detailed a description of the Association's Testing Apparatus and stated that it was the intention, after a general discussion on the subject, to hold a demonstration at which Sprinkler heads considered to be obsolete and in respect of which replacement had been called for by the Fire Insurance Association would be tested in order that the Delegates present would have the opportunity of appreciating that consideration was given to every factor before such Sprinklers were condemned. He then invited the Millowners' Representatives to submit any views and comments they desired to put forward.

Mr. Maloney, the Secretary of the Millowners' Association, pressed the Fire Insurance Association to lay down a definite ruling to regard to what was to constitute an efficiency test as his Committee felt that the existing arrangements were unsatisfactory. He pointed out that renewals were being demanded by the Fire Insurance Association in respect of Installations declared to be in a bad condition, but which in the opinion of the affected Millowners would function satisfactorily in the event of a fire. The Chairman stated that it would not be difficult to lay down fixed regulations, but that the Fire Insurance Association had refrained from so doing inasmuch as legislation in this relation might be distinctly prejudicial to the Millowners for the reason that the only official ruling could be a combination of Items 5 and 7 of the standard qualifications detailed in his opening remarks. His Association was quite willing to continue recognising efficiency as the sole test for Sprinklers. They were also fully prepared to draw up Rules as desired by the Millowners, but under such Rules it was possible that several Installations at present qualifying for full discounts would suffer inasmuch as while they were considered efficient by the Bombay Association they would not pass the more strict rules laid down by the Fire Offices' Committee (Foreign) which Rules would necessarily have to be followed.

Mr. Ross took the opportunity of referring to the fact that the Association continued to allow "Witter" Sprinklers which were provided with tripping pieces to the deflectors even though this type had for some years past been declared totally obsolete by the Fire Offices' Committee (Foreign). This Sprinkler had recently been found after careful and exhaustive tests to be most unreliable for the following reasons:—

- (a) The hinge of the fuse link becomes jammed.
- (b) Parts of the Sprinkler become lodged in the deflector.
- (c) The valves adhere to the seat after the fuse link and beam have dropped when the Sprinkler is under pressure.
- (d) Tripping piece in some heads is fitted to the wrong side of the distributor.

After a further short discussion the meeting adjourned to witness the demonstration, a Report in relation to which is given below:—

BOMBAY FIRE INSURANCE ASSOCIATION.

Report on a Test of Sprinkler Heads.

Several heads of the "Witter" Type Sprinklers which had failed to act when tested at various times were shewn to the Visitors and the defects pointed out. It was also demonstrated during the actual tests which followed where the defects lay.

"WITTER."

Colaba Land & Mill Co.'s.—

- 1. Fused but beam and valve rested on the deflector.
- 2. Refused to open owing to hinge being jammed even after excessive heat for long period.

Khatau Makanji Mill.—

- 1. Leaked at the valve before test which prevented solder from acting.
- 2. Did not open ; head badly bent and hinge jammed.
- 3. Fused but beam jammed in the deflector.

Khatau Makanji Mill (Sprinklers brought by the Mill Engineer).—

- 1. Fused and opened in about 15 seconds.
- 2. Fused and opened in about 15 seconds.

These heads had apparently been cleaned.

"MORRIS" HEADS.

Rachael Mill.—

- 1. From Weaving Department under 30 lbs. Fused and links fell away and valve opened after a short pause.
- 2. From Sizing Department. Heated under 20 lbs. pressure for a very long period with no result.

(These heads were tested under approximately the working pressure in the departments from which they were removed.)

OLD "GRINNELL" HEADS.—

David Mill.—

1. Fused and opened satisfactorily.
2. Fused but beam and fuse link jammed and prevented valve from opening.

NEW "GRINNELL" HEADS.

1. Fused and opened but valve cap rested on deflector.

N.B.—It may be remarked that this is a most unusual occurrence in modern Sprinklers and might happen only once in a thousand times.

2. Fused and opened satisfactorily.

WATER TEST—(THE SPRINKLERS WERE DIPPED IN BOILING WATER 212° F.)

1. New "Grinnell" opened with a snap in 3 seconds.
2. "Witter" opened in 10 seconds.

(The difference in time taken for the above Sprinklers should be noted.)

It was explained to the Mill Delegates at the demonstration that, as was the case with former tests, the Fire Insurance Association's Inspectors when obtaining sample Sprinkler heads from the various Mills did not stipulate for any particular heads being submitted, but left it to the management to select samples at their discretion.

It will be realised from the above report that the Sprinklers already declared by the Fire Association to be obsolete did not function satisfactorily notwithstanding the fact that they were tested under the most favourable conditions possible.

No. 242-43 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 15th February, 1926.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letter of 12th February forwarding a Report of the Joint Meeting of the Representatives of our respective Associations on the 26th ultimo in connection with the question of tests of Sprinkler heads and the demonstrations held in that connection.

2. The Reports of the Engineers who attended the demonstration are at present being considered by my Committee and their views will be communicated to you in the course of the next few days.—Yours, etc.,

T. MALONEY,
Secretary.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 18th February, 1926.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRs,

The Reports sent by the Mill Engineers who attended the demonstration held on 26th January in connection with Sprinkler tests have now been considered by the Technical Advisory Sub-Committee and these reports have only served to confirm the view which this Association has always taken, *viz.*, that it is absolutely necessary that your Association, in consultation with this Association, should lay down a practical standard test of efficiency to which Sprinkler installations should be asked to conform. If such a standard could be laid down, differences of opinion as to the efficiency of Sprinklers could not arise.

I enclose herewith copies of three typical reports received from Mill Engineers and would draw your particular attention to the report of Mr. Webb who has come to the conclusion that your Association is not justified in condemning the Sprinklers which failed under the test of the 26th ultimo, without another test as suggested by him.

Under the circumstances my Committee are of opinion that differences will always arise unless a standard test of efficiency is laid down, and they commend this view to your very careful consideration. There would be very little difficulty in getting the members of this Association to agree that their Sprinklers should be replaced within a reasonable length of time, if, say, more than two sprinklers out of ten chosen at random from any installation failed to open satisfactorily after heating for 15 seconds under a pressure of 20 lbs. in the testing apparatus of your Association. My Committee trust it will be possible for you to lay down some such test which would be deemed fair and equitable by my Committee so that there might not be any occasion for differences to arise between our respective Associations.—
Yours, etc.,

T. MALONEY,
Secretary.

No. 1670.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 20th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Subject :—*Efficiency of Sprinkler Installations.*

Our Committee have now had an opportunity of carefully considering your letter No. 277-43 of the 18th ultimo on the above subject, as also the copies of Reports submitted by the Mill Engineers who were present on the occasion of the recent conference between the Sub-Committees of our respective Associations.

At the outset we are directed to assure you that our Committee are anxious to meet your Association as far as ever possible in relation to Sprinkler Installations. It is fully realised that replacements call for heavy expenditure on the part of Millowners, and such concessions as may be reasonably consistent with general efficiency will invariably be granted. It will be appreciated, however, that where serious defects are found to exist and Installations are not in a position to give that service which would be required of them in case of fire, it is not practicable for this Association to overlook such deficiencies, as the failure of even a limited percentage of Sprinklers to function in time of need could be expected to bring about momentous consequences to the Insurance Companies interested.

Your Committee lay stress on the importance of standard regulations being drawn up governing what is to be regarded as the efficiency test for Sprinklers. We have already explained that in the interest of your Members it would be preferable not to disturb the present practice of this Association which is distinctly favourable to your Members, as under existing conditions each Installation is treated on its individual merits, whereas fixed regulations would necessarily have to be applied to the Mills as a whole. Only one set of Rules could be made applicable, the Rules which govern first-class Installations in the United Kingdom, which are as follows :—

1. That the discharge capacity from a Sprinkler head should be a minimum of 12 gallons per minute at 5 lbs. running pressure.
2. That a Sprinkler head should be capable of withstanding 300 lbs. working pressure.
3. That a Sprinkler head should be capable of withstanding water hammer of a pressure increased from 0 lb. to 300 lbs. at least 500 times.
4. That the fusing point of the solder in a Sprinkler head should be not less than 155°F. and not more than 165°F.
5. That a Sprinkler head should open without halt or hindrance, and that all moving parts should be thrown clear of the Sprinkler and not impede the free distribution of water.
6. That a Sprinkler should be made of such material as to withstand corrosion and rough handling such as a sharp blow, etc.
7. That a Sprinkler head should function without pressure when heated to 155°F.

Our Committee regret that it would not be possible for the Fire Association to recognise any other standard of qualifications.

The Report from Mr. Webb, to which you specifically refer, has been attentively perused and the suggestions outlined therein have received the careful consideration of our Committee. The proposal, however, that Heads should be thoroughly cleaned before testing, we think on reflection you will agree, would be neither fair to this Association nor to the Proprietors whose Mills such Sprinklers are intended to protect. If a test is to be of any value whatsoever then it must be carried out under the conditions which actually exist. It is quite possible that a percentage of the Sprinklers which have been declared to be obsolete, and in respect of which replacement has been called for, would function with little hindrance after being treated in the manner suggested, but unless each and every Head were so overhauled there could be no argument in favour of the entire Installation being regarded as efficient consequential upon specially prepared Sprinklers having operated freely. We would take this opportunity of mentioning that before the several types of obsolete Sprinklers were condemned tests the question was most exhaustively considered by the Technical Experts of the Fire Offices' Committee (Foreign), London, and their decision was arrived at after numerous comprehensive tests, the results of which clearly indicated that such Installations as a whole would not function satisfactorily under fire conditions. That individual Sprinklers may do so is fully recognised, but from the outcome of our own tests, the reports of which are in your possession, there can be no doubt as to the Sprinklers previously referred to by us being un-serviceable.

In relation to your suggestion that if more than two Sprinklers out of ten chosen at random from any Installation fail to open satisfactorily after heating for 15 seconds under a pressure of 20 lbs. in the Testing Apparatus of this Association, then only replacement should be called for, we regret our Committee could not in any circumstances agree to such a proposal. In the first place it would be dangerous to a degree to regard an installation say 15 per cent. defective as an efficient fire fighting unit, apart altogether from the considered opinion expressed by the Experts of the Fire Offices' Committee (Foreign) in regard to Sprinklers

which have been condemned. Secondly, a head should open freely without water pressure, *i.e.*, merely a low gravity pressure, and although in the past all our tests have been carried out at high pressures—in fact under the most favourable conditions possible—our Committee could not recognise a standard based on your suggestions. Even the ineffectiveness of a few heads throughout an entire Mill might give rise to very serious consequences and as earlier stated, if a definite standard is required to be laid down then that standard can only be as hereinbefore detailed.

As your Members will appreciate, resultant on conferences between our respective Committees, insurance rates for Sprinklered Mills have been determined on an exceptionally low basis, in addition to which discounts of 55 per cent. and 60 per cent. have been fixed for Sprinkler Services. In cases, however, where the results of our tests (as distinct from those of the London Body) shew that Installations are defective, this Association cannot in reason consent to continuation of allowances for a service upon which it is not possible to place reliance. We have already approached you in regard to the Installations at the following Mills :—

Birla Mill No. 2 (late Indo-China Mill) ; Coorla Mill ; Alexandra Mill ; E. D. Sassoon Mill ; Khatau Makanji Mill ;

and are now directed to advise that a further period of four months has been sanctioned as from to-day's date for replacement. We shall be obliged if you will kindly notify the interested members accordingly with whom we are also communicating by this opportunity.

The other mills mentioned in our letter of 11th September have, our Committee are glad to observe, replaced their defective Sprinklers.

In October last our Inspector submitted a Report on the tests of Sprinkler heads taken from the Colaba Land & Mill Co.'s Mill,* a copy of which we are now directed to enclose. In view of the results, replacement is called for in respect of all Sprinklers of the type referred to in the Report, and it has been decided to allow a period of six months as from to-day's date for this purpose.

In conclusion, we would again assure you of our Committee's earnest desire for the closest co-operation with your Association in relation to all matters of mutual welfare, but where such serious conditions obtain as is the case in connection with the Sprinkler Installations of the various Mills under review, it is not possible to adopt any other course but to call for replacement.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

No. 675-43 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22nd April, 1926.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge the receipt of your letter No. 1670 dated the 20th March 1926 on the subject of the efficiency of Sprinkler Installations in certain Bombay Mills.

This question, as you are aware, has been receiving the attention of the Technical Advisory Sub-Committee of this Association for some time and I am glad to be able to inform you that after careful perusal of the results of the two tests conducted by your Association, my Committee agree that the sprinklers condemned as inefficient in the mills named in your letter should be replaced.

* Not printed.

The only observation my Committee wish to make in regard to replacement is that the time allowed for replacement should not be limited to four months as stated in your letter, but should be spread over a greater or lesser period according to the number of heads requiring to be changed.

My Committee regret that your Association have found it impossible to lay down a standard of efficiency on the lines suggested by them, but are glad to note that 'such concessions as may be reasonably consistent with general efficiency will invariably be granted.'

I am also directed to remind you of the agreement between the two Associations that efficiency shall be the sole test of sprinklers and my Committee trust that no installation will be condemned in future even though the sprinkler heads of the installation are of an 'obsolete' pattern unless the installation fails under a test similar to that to which the sprinklers referred to in your letter were subjected.

I am to inform you that a copy of this letter is being forwarded to the mills concerned together with a request that the orders for the replacement should be complied with as far as possible.—Yours, etc.,

T. MALONEY,
Secretary.

No. 1670.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 29th April, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to acknowledge receipt of your favour No. 675-43 of the 22nd instant the contents of which have received the careful attention of our Committee.

Our Committee are very pleased to learn the decision arrived at by your Association in relation to the several obsolete Sprinkler Installations which have been the subject of recent correspondence, and we are directed to assure you that this Association is fully agreeable to recognising efficiency as being the test of Sprinklers, in fact this principle has invariably been followed.

Regarding the point you raise as to the period for replacement, our Committee are willing to extend the time limit which was fixed for the specific Installations earlier detailed. Owing to the wide difference in the size and lay-out of the various Cotton Mills under the control of your Association, it is difficult to frame any hard and fast ruling for each, as obviously much longer time would be required in the case of say the Jacob Sassoon Mill than would be the case with the Apollo Mills, and it would appear desirable to treat each case on its respective merits. However, our Committee would welcome any views and suggestions your Association may desire to put forward in this relation, as for example the determination of a fixed number of heads per day, as it is desired that there should be complete agreement between our respective bodies on the important question under review.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

No. 821-43 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th May, 1926.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION LTD., BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letter No. 1670 of the 29th ultimo the contents of which are noted.

As regards the last sentence of your letter, my Committee have no suggestions to make as regards such questions as the determination of a fixed number of heads per day. They are of opinion that such questions should be settled in an equitable manner between your Association and the Mills concerned.—Yours, etc.,

T. MALONEY,
Secretary.

No. 1670.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 1st June, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to acknowledge, with thanks, the receipt of your letter No. 821-43 dated the 19th ultimo, contents of which have been noted by our Committee.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

APPENDIX 67.

WASTE PICKING IN MILLS, USE OF FIRE BUCKETS AS LUBRICATING OIL CONTAINERS.

No. 1250.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 22nd May, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Resultant on recent inspections of Bombay mills the Inspectors of the Association have drawn the attention of our Committee to the undesirable practice which prevails of using Fire Buckets as lubricating oil containers. The danger to be apprehended from such action will be obvious to your members as apart from any inherent hazard in the liquid itself, it is quite feasible that in the excitement created by an outbreak of fire and the obstruction to vision caused by the smoke on the spur of the moment oil and not water may be projected on to the flames with disastrous consequences.

The interested Insurance Offices have of course been instructed to take up the matter with the mills, but our Committee would appreciate any assistance your Association could render with the object of preventing the usage of Fire Buckets for oil storage purposes.

We have also been requested to address you on the subject of Waste Picking, a process which it would evidently appear is being carried on freely and extensively in many mills and we should be very glad if your Association would take up the question with members so that this objectionable practice may be discontinued. Waste Picking should be restricted to the departments and or godowns—if not carried on in the open—set apart for the purpose, other wise the rating of the working blocks is seriously prejudiced.

We await the favour of your early advices.—Yours, etc.,

A. F. FERGUSON, & Co.,
Secretaries.

No. 871-115 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 1st June, 1926.

ALL MEMBERS OF THE ASSOCIATION.

DEAR SIRs,

Subject :—*Using Fire Buckets as Lubricating Oil Containers and Waste Picking.*

I am directed to send you herewith copy of a letter received from the Bombay Fire Insurance Association on the above subject for your attention and necessary action.—Yours, etc.,

T. MALONEY,
Secretary.

No. 880-115 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 1st June, 1926.

THE SECRETARIES,

THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRs,

I am directed to acknowledge the receipt of your letter No. 1250 dated the 22nd May, regarding the practice which prevails in Bombay mills, of using Fire Buckets as lubricating oil containers and Waste Picking, and to inform you that a copy of your letter has been sent to all members of the Association.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 68.

CODE LANGUAGE.

No. 621-H-25.

POSTS AND TELEGRAPHS,
CALCUTTA, 8th January, 1926.

THE SECRETARY,

THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to inform you that at the last International Telegraph Conference held in Paris during the months of September and October 1925, several proposals were made by the different Administrations to modify Article 8 of the Regulation defining Code language, a

copy of which is enclosed herewith for ready reference. Under the present rules code language is composed of words not forming phrases intelligible in any of the eight languages permitted to be used in plain language telegrams, namely, English, French, German, Spanish, Italian, Dutch, Portuguese and Latin subject to the following conditions :—

- (1) The words whether real or artificial must be formed of syllables capable of being pronounced according to the usage of any of the eight languages.
- (2) The length of the words should not exceed ten letters.
- (3) Accentuated letters are not admissible.
- (4) Artificial combinations of two or more words of plain language, contrary to the usage of the languages, are not admissible.

If the first three conditions are not observed, the telegram will be treated as one in cipher language and charged at five letters per word and a telegram which contains words not fulfilling the fourth condition, is refused. The enforcement of these conditions has in practice given rise to many difficulties not only to the Administrations but to the public at large.

The first of these conditions, in regard to pronounceability is very difficult to enforce if a counter clerk receiving messages is not conversant with the 8 languages and words like the following have been passed by him:—beataajum, buplmfvpc, okiqjfezk, atusmyvas, leyzkpewdr, fujvuicpwu, etrrmeveem, klaxsjobs, efmulyjae, metrikise, qmyeoqbykv, biencvcegy, coisbqycob, xfewryypyf, aehcaremjm, ywayhvyuel, elgazthigz, awablisfik, gufdhjdfu, bujmcevprl tauchsueg, enluvimvto, iseztfycip, munwcfovrt, etc. The signalling and receiving of words, like these which are not pronounceable, are more difficult than of words which can be pronounced and kept in memory for a short time. This difficulty can not be allowed to continue as the system entails the following disadvantages :—

- (1) The booking of other telegrams is delayed and keeps the public a long time at the counter.
- (2) An excessive strain is imposed on all the staff employed in booking, receiving and signalling such messages.
- (3) Heavy mutilations occur which not only inconvenience the public but give rise extra unremunerative work to the Administrations by way of paid service advices for rectification.

The same charge is levied on code words having ten letters and on words in plain language having in average a length of 7 letters as has been found from experience, though in the case of the former, the work is more arduous.

Taking all these into Consideration, the conference came to the conclusion that it was advisable to modify the rules at an early date with a view to rectify the present defects.

The Conference appointed a Committee to enquire into the question and to suggest modifications to the present rules. The Committee has called for suggestions from different Administrations, the public and the Code makers. A proposal was made by some of the delegates at the Conference for limiting the code words to 5 letters instead of 10 as at present and for the removal of the present restrictions. The difficulty, however, is as regards charges for these 5 letter codes, each code word of 5 letters is charged for as one word under the present rates. Senders of telegrams who use the present code split up into two, will have to pay double for their telegrams whereas if the charge is halved the rate for code language telegrams will compare unfavourably with that for plain language telegrams. The whole question is an intricate one.

I am to request the favour of your expression of an opinion on the advantages and disadvantages of the proposal to limit code language to 5 letters. The Conference has asked that all suggestions are to reach its office at Berne not later than the 1st March 1926, and I shall be obliged if you will kindly send your reply to this office by 31st January 1926.—I have, etc.,

Sd Illegible,
Deputy Director-General Telegraph Traffic.

Extract from the International Telegraph Convention of St. Petersburg and the International Telegraph Service Regulations, Lisbon Revision, 1908.

VIII.

1. Code language is that which is composed of words not forming intelligible phrases in one or more of the languages authorised for telegraphic correspondence in plain language.

2. The words, whether genuine or artificial, must be formed of syllables capable of pronunciation according to the *current* usage of one of the following languages:—German, English, Spanish, French, Dutch, Italian, Portuguese or Latin. *Artificial word must not contain the accented letters a, a, a, e, n, o, u.*

Codes intended for correspondence in code language may be submitted to the Telegraph Administrations designated for the purpose, with a view to allow those concerned to obtain an assurance that the words contained in codes fulfil the conditions of the present paragraph.

3. Words in code language must not be longer than ten characters according to the Morse alphabet, *the combinations ao, aa, ao, oe, uo., being counted as two letters each. The combination ch is also counted as two letters in artificial words.*

4. Combinations not fulfilling the conditions of the two preceding paragraphs are regarded as language in letters having a secret meaning and are charged for accordingly. Nevertheless, those which may be formed by the union of two or more words in plain language contrary to the usage of the language are not admitted.

No. 252-33 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 17th February, 1926.

To

THE DIRECTOR-GENERAL OF POSTS & TELEGRAPHS, CALCUTTA.

SIR,

I am directed to acknowledge the receipt of your letter No. 621-H/25 dated the 8th January 1926, on the subject of Code Language.

While my Committee have no intention of belittling the difficulties which the cable and telegraph companies, and the general public dealing with telegrams in code, experience, they wish to point out that during recent years the number of mistakes in code messages have been very materially reduced, and considering all the advantages which the ten-letter code words give to users, they are very strongly opposed to the principle of ten-letter code words being discarded.

My Committee believe that the chief cause of the troubles referred to in your letter have been caused by the very general use of private codes of unsuitable construction and not conforming to the conditions laid down in Article VIII of the Telegraph Convention.

After considering the question in detail, my Committee wish to make the following suggestions:—

1. That the use of ten-letter words in code telegrams should be allowed to continue.
2. That ten-letter words made up of two five-letter words from any of the authorised codes should be permitted without any restrictions.

If, however, Government insist that code words of not more than five letters, unless taken from authorised code books, should be allowed then such words should be allowed at half the present rate for the letter code words.

3. Combinations of two plain language words should be permitted if the total number of letters in the combined word do not exceed ten in number.

If this facility were given to senders of telegrams there would be a tendency for the use of unsatisfactory private and unrecognised codes to decrease and a consequent diminution in the number of mistakes in the transmission of telegrams.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 69.

REGISTRATION OF TRADE MARKS IN INDIA.

No. 20634-37 P-I.

CAWNPORE, 19th February, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to say that recently a reference was made by me in consultation with the Board of Industries, United Provinces, to the Local Government requesting them to move the Government of India to frame an Act for the registration of Trade Mark in India. The want of such an Act has been felt by the manufacturers and Trade Mark owners in this province as well as in other provinces owing to the possibility which the existing conditions afford to bogus firms of imitating Trade Marks of established manufacturers. The Government have asked me to obtain the views of the Board of Industries on the question whether the proposed Trade Marks Registration Act should or should not include Cotton Marks. The case for exclusion was brought out by the Manchester Chamber of Commerce in 1903 in their note, a copy of which is enclosed. The Board of Industries at a meeting held on February 6th 1926, passed the enclosed resolution.

I shall therefore be much obliged if you would kindly favour me with an expression of your views on the subject at your earliest convenience.—I have, etc.,

Illegible,
for *Director of Industries, United Provinces.*

A copy of the Manchester Chamber of Commerce Note in connection with the Registration of Trade Marks in India.

ANNEX 2.

No. F. 12451, dated 12th May, 1903.

FROM

ELIJAH HELM, ESQ., SECRETARY, CHAMBER OF COMMERCE, MANCHESTER.

TO

EDWARD W. FITHIAN, ESQ.

The Board of Directors of this Chamber has under consideration the question of trade marks registration in India referred to in your Circular No. 458.

I am directed to inform you that the Manchester Chamber has long been opposed to the separate registration of trade marks in India. Its opposition is founded partly upon

long and abundant experience of trade marks administration with reference to the cotton classes (Nos. 23, 24 and 25). When the British Act of 1883 was under consideration, the difficulty was foreseen of securing proper registration in these classes owing to the enormous number of marks in use and the necessity of determining beforehand which marks were common property and which were justly capable of appropriation. A Committee of this Chamber was therefore constituted at the request of the Government, and after many months of arduous labour a classification on these lines was made. That Committee (the Trade and Merchandise Marks Committee of the Chamber) still retains some of its original members, and to it have been referred by the Registrar, ever since 1883, all doubtful applications in the cotton classes.

The work of deciding upon such reference which is constantly going on cannot be satisfactorily conducted except by persons of large experience, and such it is impossible to obtain in India, whether from officials or non-officials. In so far as these classes are concerned, therefore, the establishment of a Trade Marks Registration Office in India would inevitably lead to confusion, and would invite infringement and litigation.

Moreover, Lord Horschell's clause of the Merchandise Marks Act, Section 3 (2), has been found to be highly efficient for the protection of proprietary rights in even non-registered marks. There are Indian merchants in Manchester possessed of thousands of marks who constantly rely upon it and have in fact many hundreds of marks which they are able successfully to retain under that clause without registration. I should add that the Indian Merchandise Marks Act contains a similar clause which has been found effectual for its purpose.

*Copy of Resolution passed in the meeting of the Board of Industries, held on the
6th February, 1926.*

The Board considered the G. O. regarding the exclusion of cotton marks from the proposed legislation for registration of trade marks and decided that the views of the following bodies should be obtained and considered by the Board before they express their own opinion in the matter.

1. The Upper India Chamber of Commerce, Cawnpore.
2. The U. P. Chamber of Commerce, Cawnpore.
3. The Millowners' Association, Bombay.
4. The Indian Merchants' Chamber and Bureau, Bombay.

No. 514-91 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 24th March, 1926.

THE DIRECTOR OF INDUSTRIES,
UNITED PROVINCES, CAWNPORE.

SIR,

I am directed to acknowledge the receipt of your letter No. 20634-37 dated 19th February 1926, requesting the Association's views as to the necessity of a Trade Marks Act in India.

This subject on several occasions during the last fifty years has been discussed by my Committee and by the Government of India, and hitherto it has been considered that no useful purpose would be served by the enactment of a Trade Mark Registration Act in India.

It is indeed very doubtful as to whether the proprietary Trade Marks in use in this country would be as adequately protected under a Trade Marks Act as they are under the present law. The chief disadvantage caused by the absence of a Trade Marks Registration

Act is that existing Trade Marks are sometimes copied inadvertently, but even in such cases the owner of the trade mark so copied can obtain effective, rapid and ample satisfaction under the provisions of the Merchandise Marks Act, by proving priority of use.

In order to prevent the inadvertent imitation of cotton marks this Association has for many years adopted a system of registration of the marks, tickets and stamps used by all its members and an extension of this system of private registration would be probably of greater utility and less difficult than the enactment of a Trade Mark Registration Act with necessarily elaborate and cumbersome regulations and an unnecessarily expensive staff.

If however, in the future India becomes a great exporting country of proprietary brands of goods and it is found that owing to the absence of a Trade Marks Registration Act adequate protection against piracy of Indian Trade Marks is not possible in foreign countries, the position may need reconsideration.

I enclose a brief* summary of the attitude adopted by this Association when this subject was considered in 1907.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 70.

REGISTRATION OF TRADE MARKS IN GREECE.

THE SVADESHI MILLS CO., LTD.,
BOMBAY, 15th January, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We have our agents at Athens for the sale of our goods in the Levant and they had advised us to register in Greece the tickets and stamp that we applied on goods sent to that market and which constituted our trade marks. They had also stated that for the purpose of registering trade marks of companies situated outside Greece it was necessary for such companies to declare themselves subject and liable to the Greek Courts as regards all matters connected with the said trade marks and to appoint a lawyer of Athens as their constituted attorney and official legal representative for the purpose (in Greek "Antikliton"). They further asked for a certificate from the authorities concerned certifying that the trade marks in question were duly registered in India according to the Indian law for the protection of industrial and commercial trade marks and stating the date of such registration and the date until which it was valid. The Power of Attorney and the Certificate were required to be certified by the Greek Consul at Calcutta.

We sent to our agents a power of attorney in the form required and, as regards the certificate, as there is no law in India relating to the registration of trade marks, we sent a declaration which you were good enough to make relating to the registration with your Association of the trade marks in question.

Our agents now write to us as under :—

" In connection with the registration of your Trade Marks, we were informed by our lawyer that there is not a convention in the matter as regards India, as your colony did not join in the convention made by Great Britain. That was confirmed to us by the Commercial Attache and we requested him to see whether anything

* Not printed.

in the matter can be arranged. We understand that new conventions re : Trade marks are about to be made and it might be advisable for you to address the Indian Government on the subject."

We shall be glad if your Association will make such representations in the matter as may be necessary to the authorities concerned, as the commercial interests of the whole of India are involved therein.

We shall be thankful for any suggestions that you may make about the course of action to be adopted by us—Yours faithfully,

THE SWADESHI MILLS CO., LTD.

No. 59-45 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 18th January, 1926.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
COMMERCE DEPARTMENT, DELHI.

SIR,

I have the honour to forward you herewith a copy of a letter received from the Svadeshi Mills Co., Ltd., a member of this Association, regarding certain difficulties experienced by them in having their Trade Marks registered in Greece, owing to this country not having joined Great Britain in the Convention regarding Trade Marks. My Committee will feel much obliged if you will kindly furnish them with full information regarding this Convention as also regarding the new Convention which, it is understood, is to be made shortly. Before the Government of India come to any decision in regard to the new Convention, my Committee would like to express their views to Government, and therefore they will greatly appreciate an early reply to this letter.—I have, etc.,

T. MALONEY,
Secretary.

No. 299-T (8).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
DELHI, 9th March, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Convention regarding Trade Marks.*

With reference to your letter No. 59-45, dated the 18th January 1926, I am directed to forward a copy* of the Industrial Property Convention, 1911, Articles 6-9 of which relate to trade marks and trade names. It is not possible for the Government of India to adhere the convention as there is no law in this country for the registration of Trade Marks. For the same reason they did not participate in the recent Hague Conference at which the revision of the convention was to have been discussed and they have not been informed of the result of the deliberations of the Conference.—I have, etc.,

L. SEN,
Assistant Secretary to the Government of India.

No. 440-45 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 12th March, 1926.MESSRS. SVADESHI MILLS CO., LTD.,
BOMBAY.

DEAR SIR,

With reference to your letter dated 15th January 1926, on the subject of registration of your Trade Marks in Greece, I send you herewith a copy of the reply received to-day from the Commerce Department, Government of India.

A copy of the Industrial Property Convention sent by the Government of India is forwarded herewith, which please return after perusal.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 71.

THE POSITION OF JAIL INDUSTRIES IN THE BOMBAY PRESIDENCY
WITH SPECIAL REFERENCE TO A PROPOSAL TO INSTAL
POWER-DRIVEN MACHINERY.

D O. No. 197-III.

HOME DEPARTMENT
POONA, 14th August, 1926.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am to state that the Government of Bombay have appointed a Committee to examine the position of jail industries in this province, with special reference to a proposal to instal power-driven machinery in one of our jails. The object of this proposal is two-fold, first to teach long-term convicts a trade so that they may be able to earn a livelihood on release, and secondly to supply Government departments so far as possible with articles (principally textile) they require.

The Committee, which will sit in the Council Hall, Poona, from 31st instant to 3rd proximo, would be very glad to hear the views of your Association on the subject, and I am therefore to request that if there be no objection a representative may be nominated to attend a meeting of the Committee and give it the benefit of his advice. The date and time at which his presence is desired will be communicated to him direct on receipt of your reply, which may kindly be sent as early as possible.—Yours, etc.,

J. H. TAUNTON.

No. 1351-142 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th August, 1926.THE SECRETARY TO THE GOVERNMENT OF BOMBAY,
HOME DEPARTMENT, POONA.

DEAR SIR,

I have the honour to acknowledge the receipt of your letters No. D.O. 197-iii dated 14th and 25th August 1926, requesting this Association to appoint a representative to give evidence before the Jail Industries Committee in regard to a proposal to instal power-driven machinery in jails and to inform you that Mr. C. N. Wadia, C.I.E., M.L.C., will appear before the above Committee on behalf of this Association.—Yours, etc.,

T. MALONEY,
Secretary.

No. 1352-142 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th August, 1926.

C. N. WADIA, Esq., C.I.E., M.L.C.,
BOMBAY.

DEAR SIR,

In forwarding herewith a letter in original received from the Government of Bombay, Home Department, requesting this Association to appoint a representative to give oral evidence before the Jail Industries Committee, I am directed to inform you that, subject to your approval, the Committee would like you to appear before the above special Committee on behalf of this Association.

Please note that your evidence will be recorded by the Committee from the Council Hall, Poona, from the 31st instant to the 2nd proximo.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 72.

PROPOSED INTRODUCTION OF THE MESSAGE RATE SYSTEM OF TELEPHONE CHARGES IN BOMBAY.

REVENUE DEPARTMENT,
COUNCIL HALL,
POONA, 20th October, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to inform you that the Hon'ble Mr. J. L. Rieu, Member of Council, is meeting the Hon'ble Sir B. N. Mitra, Member of Council in charge of the Department of Industries and Labour of the Government of India, on Monday, November 1st, at 12 noon at the Secretariat, Bombay, to discuss with him the proposed introduction of the message rate system of telephone charges in Bombay, and I am to invite a representative of your Association to be present for purposes of consultation at the time that the discussion takes place.—I have, etc.,

J. W. SMYTH,
Secretary to the Government of Bombay, Revenue Department.

No. 1824-159 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th October, 1926.

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

SIR,

I have the honour to acknowledge the receipt of your letter of the 20th instant inviting a representative of the Association to attend the meeting between the Hon'ble Mr. J. L. Rieu and the Hon'ble Sir B. N. Mitra on 1st November to discuss the proposed introduction of the message rate system of telephone charges in Bombay.

Mr. A. Geddis, the Chairman of the Association, has been appointed by the Committee to represent the Association at the meeting. I am, however, to add that the Association's representatives have to give evidence before the Indian Tariff Board on 1st November at 12 noon, and it will be therefore more convenient if the meeting could be arranged at 11 a.m. so that it might be possible for Mr. Geddis to appear before the Tariff Board at 12 noon.—I have, etc.,

T. MALONEY,
Secretary

REVENUE DEPARTMENT,
COUNCIL HALL,
POONA, 28th October, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

With reference to your letter No. 1824-159 dated October 26th 1926, I am directed by the Governor in Council to state that he regrets that the hour of the meeting cannot be changed.—I have, etc.,

J. W. SMYTH,
Acting Secretary to the Government of Bombay.

No. 1856-159 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 30th October, 1926.

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

SIR,

Subject :—*Meeting between the Hon'ble Mr. J. L. Rieu and the Hon'ble Sir B. N. Mitra to discuss the proposed introduction of message rate system of telephone charges and the Association's representative.*

I have the honour to invite your attention to my letter No. 1824-159 dated 26th October regarding the above subject and to inform you that Mr. Lalji Naranji will represent this Association at the above meeting instead of Mr. A. Geddis.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 73.

ADMISSION OF BARBERS IN MILL COMPOUNDS.

THE CENTURY SPINNING AND MANUFACTURING CO., LTD.,
BOMBAY, 8th October, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re: *Barbers at Mills.*

There is one evil practice in our mills which might very easily be stopped by joint action that is, the presence of barbers and the waste of working time during which they

serve their clients. The practice arose when the mills worked 14 hours a day and it was tolerated because the hands were so worked. Now, however, the hands work only 10 hours a day and they have ample time to get shaved either before the mill starts or after it closes or during the mid-day recess. We ourselves do not allow the barbers in the compound for more than 3 hours, but it requires joint action on the part of all millowners to do away with this waste of time entirely and tarrying in compound by the operatives. I suggest therefore that from the 1st of December next all mills members of the Association should entirely prohibit barbers in the mills compound.—Yours, etc.,

C. N. WADIA.

No. 1825-157 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 27th October, 1926.

TO ALL MEMBERS OF THE ASSOCIATION.

DEAR SIRs,

I am directed to forward you herewith a copy of a letter received from Mr. C. N. Wadia, C.I.E., recommending that from 1st December 1926, all mills, members of the Association, should entirely prohibit barbers in the mill compound.

2. The letter was considered by the Committee of the Association at their last meeting, and it was generally felt that Mr. Wadia's suggestion was an excellent one, as a good deal of time is wasted by operatives going out of their Departments on the plea of getting a shave. At the same time, the Committee felt that the total prohibition of barbers in the mill compound might lead to discontent among the workpeople. The Committee are of the opinion that a beginning might be made by admitting barbers in the mill compound only during the recess hour, and they think it advisable that you should give notice to your operatives that from 1st December barbers will be admitted only during the recess hour.

3. It need hardly be added that this is only a recommendation from the Committee, but it is hoped all members will give effect to this recommendation which will lead to greater efficiency.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 74.

AMENDMENT OF DOCKS BY-LAW No. 96.

No. C/16-3/1803.

BOMBAY PORT TRUST DOCKS,
BALLARD ROAD,
BOMBAY, 1st July, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIRs,

Subject :—*Amendment of Docks By-law No. 96.*

I have to inform you that in order to conform to Customs requirements the Trustees have decided with the sanction of Government that with effect from the 1st August 1926 importers when applying for delivery of goods at the Docks transit sheds or Bonded Ware-

houses will be required to present, along with the Customs duplicate Import Bill of Entry, a true copy thereof superscribed in bold type "Bill of Entry for Port Trust use" and this copy shall be for the use of the Port Trust and be retained by the Docks Manager, and shall be printed in red ink.

The entries on this Port Trust copy will be facsimiles of those on the Customs copy, and both will circulate together till delivery is completed. All Port Trust endorsements will be made on the Port Trust copy, and not on the Customs copy as at present. This procedure will expedite the release of the Customs copy for their Audit and Accounts purposes, and will enable the Port Trust to dispose of claims for refunds expeditiously.

Docks By-law No. 96 has been amended to give effect to the above decision, *vide* Notification No. 190-867 dated the 23rd June 1926, published in the *Bombay Government Gazette* (Part I) of the 24th idem.

Copies of this Notification have been supplied to the licensed dalals ; and importers who intend to print their own stocks are requested to see that the form corresponds with Customs requirements in size, quality of paper, colour and particulars.

For general guidance the colours of Bills of Entry are recapitulated below :—

(1) Bill of Entry for Consumption	.. White.
(2) " " Bond	.. Yellow
(3) " " Clearance from Bond	.. Blue.
(4) " " <i>Bona fide</i> Government Stores	.. Pink.

Yours, etc.,

C. V. RICH,
Manager.

No. 1018-4-A. of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 6th July, 1926.

TO ALL MEMBERS OF THE ASSOCIATION.

DEAR SIRS,

I am directed to enclose herewith for your information and guidance a copy of letter No. C/16-31/803 dated the 1st July 1926 from the Manager, Bombay Port Trust Docks, in regard to amendment of Docks By-law No. 96.—Yours faithfully,

J. P. WADIA,
Asst. Secretary.

APPENDIX 75.

MEASURES FOR THE PREVENTION OF PROFESSIONAL BEGGARY IN BOMBAY.

No. 72-37-C.

GENERAL DEPARTMENT,
BOMBAY CASTLE, 6th April, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Subject :—*Measures for the prevention of professional beggary.*

I am directed to forward herewith a copy of the report * by Mr. O. H. B. Starte, I.C.S., on the measures for the prevention of professional beggary in Bombay City and to request that Government may be favoured with the views of the Association on the various proposals made therein at an early date.—I have, etc. *

G. M. THENGE,
for *Under-Secretary to the Government of Bombay.*

No. 730-105 of 1926.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 4th May, 1926.THE UNDER-SECRETARY TO THE GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT, BOMBAY.

SIR,

Subject :—*Measures for the prevention of professional beggary.*

I have the honour to acknowledge the receipt of your letter No. 72-37/C, dated the 6th April 1926, forwarding three copies of the report by Mr. O. H. B. Starte, I.C.S., on the measures for the prevention of professional beggary in Bombay City.

2. My Committee wish to record their appreciation of the great assiduity and erudition which Mr. Starte has brought to bear on his report. Mr. Starte's proposals, however, cannot be carried out without a heavy drain on the financial resources of Government necessitating, in all probability, enhanced taxation. My Committee are emphatically of the opinion that at present Government's sole care should be to reduce the burdens of taxation as much as possible, especially on the industries of the country, and therefore they are strongly opposed to Government launching upon any scheme involving heavy expenditure to be met eventually by enhanced Provincial or Municipal taxation.

3. The proposals outlined by Mr. Starte have the unqualified approval of my Committee, provided Government are in a position to give effect to these proposals without resorting to additional taxation. If this be not found possible, then my Committee think the path of wisdom for the Government of Bombay would be to hold over for the present such ambitious schemes as are outlined in Mr. Starte's report, and to confine themselves to more modest and inexpensive measures, whereby the prevailing nuisance of professional beggary may be appreciably minimised if not altogether eradicated.—I have, etc.,

T. MALONEY,
Secretary.

Report for the year 1926.

Section IV.

SPEECH OF THE FINANCE MEMBER
ON
INTRODUCTION OF BUDGET FOR 1927-28.

SPEECH OF THE FINANCE MEMBER INTRODUCING THE BUDGET
FOR 1927-28.

INTRODUCTORY.

Sir, Looking backwards brings little solace to a new Assembly which is called upon to examine the outturn of past Budgets for which it was not itself in any way responsible. This is the first Budget of His Excellency Lord Irwin's Government: it is the first Budget which this Assembly will deal with, and it is the first to be introduced in this new and spacious Council House in New Delhi. Honourable Members will, therefore, be far more interested in the prospects for the year 1927-28 than in a retrospect of the years 1925-26 and 1926-27. Indeed, with the approaching completion of the first ten years of the Reforms, our eyes and the eyes of India are rightly straining forward to the vision of the future and there is neither need nor inclination for us to brood overmuch over the successes and still less over the failures of the past. I propose accordingly to be as brief as possible in what I have to say to-day about the Budgets for 1925-26 and 1926-27.

Actual outturn of 1925-26.

2. Not that we have any reason for dissatisfaction—quite the contrary—with the financial story of those years. Once again, the final results of the year 1925-26 reveal over-caution in our revised estimates. The audited accounts show an improvement of just over 2 crores on the revised estimate of 1.30 crores. It is difficult to single out any particular head which accounts for this improvement. Customs produced 93 lakhs more than we expected when the revised figures were drawn up, the yield in the last two months of the year being exceptionally high. But this excess was to some extent counterbalanced by failure of other heads of revenue to fulfil anticipations. On the expenditure side, nearly every head contributed to the improved net surplus. The final result is a realised surplus of 3.31 crores. The usual comparative table showing the comparative outturn in each of the last ten years is attached to the printed Budget Speech.

REVIEW OF THE YEAR 1926-27.

General Conditions.

3. The visible balance of trade including private imports of treasure for the ten months ended 31st January 1927 was in India's favour by 27.16 crores as compared with 85.76 crores a year ago, this result being largely explained by the fall in the price of jute and cotton and the lateness of the season. Recent figures suggest that the delay will lead to a considerable expansion in the volume of exports in the last months of the financial year. Speaking at the Annual Meeting of the Bombay Stock Exchange on February 11th, the President, Mr. K. R. P. Shroff, correctly described the year as generally good for trade and business, though it continued depressed for the cotton trade. It would have been even more satisfactory, had conditions abroad not restricted business, for example, the coal strike in England and the Civil War in China. The fall in the price of cotton, though overdue has temporarily increased the difficulties of the cotton industry, but the ultimate effect of a larger demand following on cheaper production is already bringing its compensations. Uncertainty regarding the stability of exchange militated during the autumn against that feeling of security which is the surest foundation for sound business conditions and accentuated the effects of the lateness of the season. In the money market, the most notable feature of the calendar year 1926 was an exceptional absence of stringency, and it is only recently that the seasonal demands for money combined with special reasons for hesitancy in the exchange market and concentrated into the first months of the new year instead of being spread over the period from October onwards have led to a rise in the Bank rate to 7 per cent., a figure which has been usual at this period of the year but was not touched between May 1925 and February 1927. Even now, the stringency is less marked than in the winters of 1923-24 and 1924-25.

REVENUE, 1926-27.

Customs.

4. Customs receipts are expected to exceed the estimate by 1.30 crores, as a result of the buoyancy of the yield from sugar and protective duties. The proceeds in 1925-26 of the sugar duty were 71 lakhs more than for 1924-25 and nearly double those of 1923-24, and were thought to have been inflated owing to the heavy fall in the world price of sugar in that year. But our cautious estimate of 5.70 crores for 1926-27 has now to be raised by 1.25 crores. Protective duties on steel in spite of their success in giving protection have

proved unexpectedly efficacious in bringing in revenue and are now expected to produce 2.85 crores as against an estimate of 2.35 crores. This represents of course the total proceeds of these duties, not simply the excess over what the ordinary revenue duties would have brought in.

Taxes on Income.

5. Taxes on Income are now estimated to bring in 29 lakhs less than the Budget estimate of 16.15 crores, but this is due almost entirely to an increase in refunds in connection with double income-tax relief consequent on the reduction in the standard rate of income-tax in Great Britain.

Salt.

6. Our receipts from Salt were fully up to anticipations up to the end of December, but the hope, however slenderly buttressed, that the new Budget might bring a reduction of duty seems to spring eternal in the breast of the salt merchant and the most recent figures suggest that clearances have been retarded pending the opening of the Budget. If so, the March figures may show a substantial recovery, but I have felt it prudent to place the revised estimate at 6.70 crores, a reduction of 20 lakhs on the original estimate.

Opium.

7. The net receipts from Opium are now estimated at 3.12 crores, an improvement of 86 lakhs on the Budget figure. We were unduly cautious in our forecast of the immediate effect of our new policy of restricting exports, while a poor crop succeeding three successive bumper years led to a saving of 48 lakhs in our payments to cultivators, etc.

Other heads.

8. There is no change in the figure of 6.01 crores for the Railway contribution and among other revenue heads I need only mention a special receipt of 31 lakhs on account of German reparation which represents a payment in respect of the period before 1st April, 1926 and does not therefore go direct to reduction or avoidance of debt under the provisions of the Finance Act of 1926.

EXPENDITURE, 1926-27.

9. On the Expenditure side the most important variations are an excess of 67 lakhs in the net Military expenditure and a saving of 82 lakhs on interest on deadweight debt. The latter is due to the reduction in the rate of interest paid on new borrowings. The excess on the Military Budget arises mainly from the necessity of increased expenditure on purchase and manufacture of ordnance and other stores amounting to 70 lakhs. Unfortunately this is not a non-recurrent but a recurrent increase explainable by the fact that we have come to the end of our power to draw on the surplus stores left over after the War.

Revised surplus.

10. The revised estimate of revenue comes to 130.25 crores and the revised estimate of expenditure to 127.15 crores as compared with the original estimate of 130.43 crores and 130.38 crores. Thus for the fourth year in succession we are left with a realised surplus. The revised Budget of 1926-27 shows a balance on the right side of 3.10 crores.

11. The following statement shows the main variations in the revised estimate in lakhs of rupees :—

	Better.	Worse.
Customs	1,30	..
Taxes on Income .. .. .	..	29
Salt .. .. .	..	20
Opium (net)	86	..
Interest receipts	34	..
Extraordinary receipts	36	..
Interest on deadweight debt	82	..
Civil Administration	18	..
Military Expenditure (net) .. .. .	..	67
Other heads	35	..
	4,21	1,16
Total, better, ..	3,05	
Budget surplus ..	5	
Revised surplus ..	3,10	

Gross and net estimates.

12. These figures are drawn up on the basis which has been customary for the purpose of the presentation of the Indian Budget for many years, but, as pointed out by the Public Accounts Committee in their Report on the Accounts of the year 1924-25, they do not, strictly speaking, represent either the gross or the net revenue and expenditure of the Government of India. A break of continuity is always to be deprecated and I have not thought it desirable to depart from the method of presentation sanctioned by past practice. There are indeed drawbacks in any form that might be adopted. But that the present form is, in some ways, inconvenient and may even be misleading is illustrated by our experience in 1926-27. In spite of considerable improvements in the main Revenue heads, it is very surprising to discover that the revised estimate of revenue for 1926-27 actually shows a decline of 18 lakhs as compared with the original estimate. The explanation has to be found in the way in which the Railway figures are brought into the figures of the General Budget. Both the receipts and expenditure on Railway Account, which appear as item in the General Budget, are substantially lower in the revised Budget than in the original. Yet the Railway contribution is exactly as originally estimated and has undergone no change whatever. The revised surplus of 3.10 crores for 1926-27 is accounted for to the extent of rather over 2 crores by a real improvement in our revenue; yet the revised figure for revenue is less than the original. The figures of net revenue and expenditure referred to below give a truer picture in this respect. On the other hand, the net figures tend to obscure the magnitude of the Government of India's activities and of the expenditure which they and the Assembly control. We must turn to the gross figures to get an adequate conception of what these are.

13. The gross expenditure of the Government of India including the working expenses of the Railways and of the Posts and Telegraphs and Irrigation Departments aggregates well over 200 crores. The exact figure is 204.72 crores. Even this figure excludes certain small items of expenditure which are shown net—not gross—in our accounts. I have now imposed on the Finance Department, to whose loyal and exacting labours during the Budget season the Government and the Assembly and in a special degree the Finance Member are deeply indebted, the task of arriving at exact figures in this connection. For the purpose of presentation of the facts to the House and the country, the gross expenditure figure of 204.72 crores conveys a sufficiently true picture.

14. The task of working out accurate figures of our net revenue and expenditure requires preliminary decisions on many problematical points, for example, the question arises whether expenditure on the collection of taxes should appear as expenditure or as a deduction from the revenue raised by means of those taxes; or again, whether the interest received on our advances to the Provincial Loans Account should be treated as a deduction from our interest charges or as revenue. Statement D of the Budget sets out the figure of net revenue and expenditure on the same basis as last year. According to that Statement, our net expenditure amounts to 84.07 crores. One fact which the figures of net revenue and expenditure bring out with somewhat startling clearness is the extent to which under the reformed constitution the activities of the Government of India have been transferred to the Provincial Governments, the functions of the Central Government being limited in the main to the defence of India, her relations with the exterior and with the Indian Princes, major communications, the Public Debt and the Currency, some miscellaneous duties in connection with subjects such as surveys, archæology and research, and the responsibility for general superintendence, direction and control of the Provincial Governments.

WAYS AND MEANS AND PUBLIC DEBT.

15. Before proceeding to set out the figures for 1927-28, I propose to turn next to the Ways and Means Budget and the Public Debt, the portion of the annual financial statement which enshrines the permanent tendencies and results of financial policy. The Ways and Means position may be briefly summarised as follows:—

Liabilities.

	(Crores)	
	Revised. 1926-27.	Budget. 1927-28.
Railway Capital Outlay	27.0	25.0
Other capital outlay (including Delhi, Posts and Telegraphs, Vizagapatam Harbour, etc.)	2.0	2.2
Provincial Governments' transactions	8.9	6.4
Discharge of debt (net)	37.0	20.5
	74.9	54.1

Resources.

Rupee loan (net)	26.0	27.0
Postal Cash Certificates	6.1	5.4
Other unfunded debt (including Postal Savings Bank)	6.6	6.2
Debt redemption	5.1	5.2
Depreciation and Reserve Funds	6.1	2.7
Exchange	10.4	—5
Miscellaneous (net)	4.4	—2.2
Reduction of cash balance	10.2	10.3
	74.9	54.1

16. Once again the position revealed by these figures is extremely gratifying. The net amount of the new market loan, 26 crores, in 1926-27 was less than the amount of our railway capital expenditure alone, and considerably less than the total figure of productive capital outlay. In 1926-27, against 26 crores borrowed in the open market, we shall have discharged debt amounting to 37 crores, including 8.18 crores of Treasury Bills held in the Paper Currency Reserve. The amount of debt which we expect to have to discharge in India in 1927-28 is about 18 crores, while the tentative figure for the money to be raised by a loan in the open market is 27 crores. We hope to finance practically the whole of our own programme amounting to some 27 crores of capital expenditure on reproductive enterprises in 1927-28 and the capital programmes of the Provincial Governments also, while asking the market for less than 10 crores of new money. In these circumstances, we have reason to hope that this sum together with the money which we need to replace maturing debt, including, if we so decide, conversion of some of the bonds maturing after 1927, will be forthcoming on favourable terms.

17. We have successfully avoided the issue of any new sterling loan since May 1923 and the Budget includes no provision for any external loan in 1927-28. On the contrary, it includes provision for repaying £2.7 million in London. In this connection, the House will be interested to know that since the end of the financial year 1923-24, the last year in which we issued a sterling loan, up to 31st March 1927, we have spent outside India £26.2 million for purposes of capital outlay and £9.9 million on reduction of sterling debt, a total of £36.1 million. The whole of this outlay has been financed without resort to external borrowing. We expect during 1927-28 to spend £8.7 million on capital account outside India, and £2.7 million on reduction of sterling debt, a total for 1927-28 of £11.4 million. If, therefore, as we hope, we avoid sterling borrowing in 1927-28, we shall have covered about £48 million of capital disbursements outside India without borrowing abroad. Our remittance programme for 1927-28, for purposes of our outgoings both on capital and on revenue account, amounts to £35½ million, as compared with a revised estimate of £27½ million for 1926-27.

18. I am once again tempted to invite attention to the market prices of Indian Government securities in India which show how greatly India's credit has improved within recent years.

MARKET PRICE ON

	1st Feb- ruary 1923.	1st Feb- ruary 1924.	1st Feb- ruary 1925.	1st Feb- ruary 1926.	1st Feb- ruary 1927.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
5 per cent. Tax-free loan, 1945-55.	88 4	96 10	97 15	100 12	107 5
3½ per cent. Indian Government rupee loan	57 0	66 0	66 9	70 8	77 7

The following further figures which compare the prices of India stock and other stock in London on certain dates are also very significant and support the conclusion which I drew last year, namely, that the credit of the Government of India stands considerably higher in the London market in relation to the British Government and other gilt-edged borrowers than it did either in 1914 or 1923, or, for the matter of that, in 1926. While the prices of British Government and other securities have actually gone down during 1926, those of India stock show an appreciable improvement :—

	30th April 1914.	30th April 1923.	1st Feb. 1926.	31st Dec 1926.
India 3 per cent. loan	75½	60½	58	59½
India 3½ per cent. loan	88½	70½	68	71½
Local loans 3 per cent. stock	87	69½	64½	63½
London County Council :				
3½ stock	97	79½	73	72½
3 per cent. stock	81	68½	63	62

19. The fact which these figures bring out, that India 3½ per cent. rupee stock has been quoted for the last year at a figure appreciably higher than that at which India 3½ per cent. sterling stock has been obtainable in London, has led to very considerable transfers of money from India to London in order to take advantage of the higher yield of the sterling stock. In other words, in addition to the reduction of India's sterling debt due to direct Government action, individual Indian investors have been reducing India's external liabilities by themselves buying back the titles to some part of her sterling loans and transferring them into Indian hands. This process may legitimately be regarded as the first step towards India's becoming a creditor nation in the ordinary sense of that phrase. She is, of course, already a creditor nation in the sense that she regularly exports more commodities than she imports, but hitherto she has been content to take payment mainly in the precious metals. The process to which I have referred is one which offers great hopes for the future. It has not, however, been without some temporary inconveniences, and a major cause of comparative weakness of exchange during the year 1926-27 has undoubtedly been the movement of capital from India to London due to the higher rates for both long-term and short-term money which have prevailed in London for the greater part of the financial year. A fall in the rates for money in London is, I hope, within sight and will be of material assistance to India in helping to consolidate the improved market prices for Indian Government stocks in India.

20. The following statement carries on for a further year the figures regarding India's debt which I gave in my last Budget Speech :—

Statement showing the Debt of India, outstanding at the close of each financial year.

	31st March 1923.	31st March 1924.	31st March 1925.	31st March 1926.	31st March 1927.
<i>In India :</i>					
		(In crores of Rs.)			
Loans	339.83	358.81	370.38	368.29	374.48
Treasury Bills in the hands of the public ..	21.59	2.12	..	..	..
Treasury Bills in the Paper Currency Reserve	49.65	49.65	49.65	49.65	41.47
Other Obligations—					
Post Office Savings Banks	23.20	24.79	25.64	27.23	29.12
Cash Certificates	3.13	8.42	13.12	20.96	27.04
Provident Funds, etc.	36.17	39.00	42.39	46.36	51.03
Total Loans, etc. ..	411.07	410.58	420.03	417.94	415.95
Total Other Obligations ..	62.50	72.21	81.15	94.55	107.19
Total in India ..	473.57	482.79	501.18	512.49	523.14
<i>In England :</i>					
		(In millions of £)			
Loans	222.92	244.53	263.39	266.35	265.04
War Contribution	19.71	19.27	18.81	18.32	17.81
Capital value of liabilities undergoing redemption by way of terminable railway annuities	61.31	60.10	58.84	57.53	56.18
Provident Funds, etc. .. .. .	.04	.13	.16	.21	.27
Total in England ..	303.98	324.03	341.20	342.41	339.30
		(In crores of Rs.)			
*Equivalent at 1s. 6d. to the Rupee ..	405.31	432.04	454.93	456.55	452.40
Total Debt ..	878.88	914.83	956.11	969.04	975.54
% for Central Government ..	536.65	557.09	600.05	623.38	654.42
Productive for Provinces	87.49	97.56	106.43	114.60	119.41
Unproductive { Total Productive ..	624.14	654.65	706.48	737.98	773.83
{	254.74	260.18	249.63	231.06	201.71
Total ..	878.88	914.83	956.11	969.04	975.54

*At 1s. 4d. to the rupee the figures would be :— 455.97 486.04 511.80 513.61 508.95

21. In the year 1926-27, while our total debt will have increased from 969.04 to 975.54 crores, our sterling debt will have decreased from 456.55 to 452.40 crores. Our productive debt will have increased from 737.98 crores to 773.83 crores, and our unproductive debt will have decreased from 231.06 to 201.71 crores. Satisfactory as these figures are in themselves, they are still more pleasing in their reaction on our Budget expenditure and on the rate of interest at which we borrow in India whether for new capital outlay for productive purposes or for repayment of maturing debt. Thanks mainly to our policy of making regular provision for reduction or avoidance of debt, we borrowed in the market in India at the rate

of 4.69 per cent. subject to income-tax in 1926 as compared with 6 per cent. tax-free in 1922, and the charge on the Budget of 1927-28 for interest on dead-weight debt is about 5½ crores less than it was in 1923-24, a saving considerably larger than the total amount of our present provision for reduction or avoidance of debt.

BUDGET ESTIMATES FOR 1927-28—REVENUE.

Customs.

22. The ground is now cleared for the presentation of the figures of revenue and expenditure of 1927-28. I put the net revenue from Customs at 49.15 crores, an increase of 2.75 crores over the original estimate and of 1.46 crores over the revised estimate for 1926-27. Allowance has been made for a reduction of about 40 lakhs in the revenue from protective duty on steel owing to the effect of the new Steel Industry Protection Bill. It is wise to anticipate some reduction in the imports of sugar as compared with the very high figures of the past two years. The reductions under these two heads should, however, be compensated for by the normal growth of revenue under other heads.

Taxes on Income.

23. Under the head of 'Taxes on Income,' I put our net receipts at 16.50 crores which is 35 lakhs more than the Budget figure for the current year and 65 lakhs more than the revised estimate. The improvement under this head is due in part to slightly more profitable trade generally and in part to the substitution of tax-subject for tax-free Government of India securities.

Salt.

24. The original estimate of revenue from salt duty for 1926-27 was 6.90 crores and I put the figure for 1927-28 at 7 crores, the increase being justified on the basis of the normal growth in consumption.

Opium.

25. Under the head 'Opium,' we have to allow for a reduction of 10 per cent. in our exports in accordance with the policy announced last year. On the other hand, the considerable reduction which has been effected in the area of cultivation curtails our out-goings. I put the figure for gross revenue from Opium at 3.83 crores, which is 35 lakhs less than the revised figure for the current year, and the expenditure at 91 lakhs which is 16 lakhs less than the figure in the revised estimates for 1926-27. The net revenue will accordingly be 2.92 crores as compared with 3.12 crores in the current year.

Railway.

26. The net receipts from Railways for 1925-26 were considerably below those for 1924-25 and in spite of the increased value of 1 per cent. on the capital charge, the contribution falls from 6.01 crores in 1926-27 to 5.48 crores in 1927-28.

Other civil revenue heads.

27. Our receipts under other heads of revenue are estimated at 15.70 crores, being a reduction of 1.74 crores from the original estimate for 1926-27. This estimate assumes the continuance, pending the inauguration of the Reserve Bank, of the present practice of crediting to revenue the excess over £40 million in the Gold Standard Reserve and the income from investments of the Paper Currency Reserve. The amount of these receipts has of course, been diminished as the result of the reduction both of the sterling and of the Government of India rupee securities in the latter Reserve.

28. Our total estimate of revenue for 1927-28 comes to 128.96 crores as compared with an original estimate of 130.43 crores for 1926-27 and a revised estimate of 130.25 crores.

EXPENDITURE.

Military Expenditure.

29. I estimate our net military expenditure for 1927-28 at 54.92 crores, or almost the same figure as the original military estimate for 1926-27, but 63 lakhs less than the revised figure for that year. The disappearance of post-war charges for demobilised officers accounts for a saving of 64 lakhs, but this is counterbalanced by the extra provision necessary for the expansion of the Air Force, by increased expenditure on improving the barrack accommodation for both British and Indian troops, and by the necessity for an additional outlay of 80 lakhs on ordnance and other stores to which I have already alluded. The following table exhibits the figures of net military expenditure for each year since 1921-22 :—

1921-22	69.81	crores.
1922-23	65.27	„
1923-24	56.23	„
1924-25	55.63	„
1925-26	56.00	„
1926-27 (Revised estimate)	55.55	„
1927-28 (Budget estimate)	54.92	„

Though the Army has still considerable stocks of surplus stores for disposal, it is clear that we have practically come to the end of our power to reduce military expenditure by living upon existing stocks. The true reduction of expenditure in 1926-27 and 1927-28 as compared with the three previous years is considerably larger than the bare figures suggest, if allowance be made for the value of the stocks consumed but not paid for in the earlier years. Only the sternest economy and the strictest vigilance can now prevent our military Budget from showing a tendency to rise rather than to fall, and the present level of expenditure seems to be very nearly the minimum absolutely essential to maintain in a state of full efficiency an army of the strength at present authorised. It will interest the House to know that the figure of 54.92 crores for 1927-28 includes an additional provision of 5 lakhs in consequence of the decision to create the Royal Indian Navy. Of the savings the most important are 15 lakhs in pension charges and 13 lakhs in pay of British officers and troops.

Civil expenditure.

30. The most significant variation in our civil expenditure from the figures of the current year occurs under the head 'Interest on dead-weight debt,' which I put at 10.63 crores as compared with 12.53 crores in the Budget for the current year. I have already drawn attention to the way in which our steady adherence to the policy of making regular provision for reduction and avoidance of debt and confining new borrowings to productive purposes is bringing in an annual dividend to the tax-payer in the shape of a progressively increasing saving in the charge for interest on dead-weight debt. The saving in gross interest charges is not less striking and the people of India are securing year by year, in addition to the tax-payers' saving on interest on dead-weight debt, all the advantages of lower interest charges on the capital which is being newly invested in productive works of development. This benefit is felt alike by the Railways, the Irrigation and the Forest Departments, and the Provincial Governments as a whole to whom an improvement in the credit of the Government of India brings a much-valued boon in bringing down the rate of interest they have to pay on the sums borrowed by them from the Provincial Loans Fund or direct from the market.

Beneficial services.

31. For the last two years, the Government of India have been seeking gradually to restore some of the cuts made on the advice of the Retrenchment Committee in the Government of India's expenditure on beneficial services. It is no reflection on the Retrenchment Committee to say that some of the cuts were short-sighted. Temporary expedients had to be adopted in the then existing financial situation. It was absolutely essential that expenditure should be reduced and it is to the labours of that Committee that we owe our

present ability to take a somewhat longer view. Among the new items of expenditure, which have been approved by the Standing Finance Committee, I would draw special attention to the five-year programme for the expansion of education in the Frontier Provinces and other territories directly administered by the Government of India. This programme was drawn up by the Department of Education, Health and Lands on the suggestion of the Finance Department and is, we hope, only the first of a series of programmes relating to the other activities of that Department which largely monopolises the privilege, so far as the Government of India is concerned, of watching over those comparatively few services which have not been transferred to the Provincial Governments, where expenditure is directly and obviously related to the advancement of the social well-being of the masses of the people. The programmes for additional expenditure on sanitation and other services are not yet ready, though individual items of new expenditure on these services are included in the estimates for 1927-28. The educational programme which extends up to 1931-32 involves, during the five years, an additional non-recurring expenditure of 29½ lakhs and a recurring expenditure, rising gradually from 4 lakhs in 1927-28 to 10½ lakhs in 1931-32. The total amount of additional expenditure for the year 1927-28 is just under 12 lakhs. So long as the Provincial contributions remain unliquidated, the Government of India have felt themselves precluded from embarking on ambitious project of optional expenditure within their own domain. But they feel it only right that citizens of the territories directly administered by them should not be required to forgo entirely their claim to a share in the surpluses which have enabled and are enabling the Government of India to effect a progressive reduction in the Provincial contributions. The educational schemes, on which the money will be spent, vary widely in character as do the areas for the administration of which the Government of India is responsible. These areas include places as remote from each other as Manipur and the Andaman Islands on the east and Aden on the west and as divergent in area and population as the Province of Delhi and Baluchistan. The five-year programme is entirely based on estimates received from the local authorities of their present and future requirements. By far the major part of the grants will be devoted to the expansion and improvement of vernacular education; and among the more important of the proposals included in the programme are the introduction of compulsory education in the Imperial Capital and the opening of three hundred new primary schools in the North-West Frontier Province. With the funds now placed at their disposal the local administrators will be able to raise and maintain the standard of education in the areas under their charge, so far as the peculiar character of those areas admit, up to the standard reached in the neighbouring Provinces of British India.

Posts and Telegraphs.

32. For the year 1926-27 the revised Budget points to a net loss of 7 lakhs as compared with the original estimate of 10 lakhs on the working of the Indian Postal and Telegraph Department, to which must be added the loss of 2 lakhs as compared with an original estimate of 7 lakhs under the Indo-European Telegraph Department. In 1927-28 we expect to improve slightly on these results. The gross receipts of the Indian Postal and Telegraph Department are put at 10.80 crores, while working expenses, including 57 lakhs for interest on capital, amount to a slightly larger total resulting in a net loss of Rs. 76,000. Provision has been made under the head of 'Working Expenses' for additional expenditure amounting to 12½ lakhs for new measures specially designed to improve the pay and allowances of members of the subordinate staff of the Department whose grievances have been receiving the close and sympathetic attention of my Hon'ble Colleague Sir Bhupendra Nath Mitra.

33. The Indian Postal and Telegraph Department is, as the House is aware, treated not as a profit-earning institution but as an organisation whose energies are directed to supplying postal and telegraph facilities to the general public in as full a measure as is compatible with the fundamental principle that the Department should not be a burden on the general tax-payer. Under normal conditions, the working expenses and interest charges should be, as nearly as possible, the same as the gross revenue of the Department. With the gradual improvement in trade, it is permissible to hope that the revenues will grow to an extent sufficient to show a substantial surplus over working expenses and interest charges. But that happy state of affairs is not yet actually in sight. It is clear, therefore, that any important reduction in the present postal and telegraph rates cannot be secured without saddling the general tax-payer with the necessity of paying a heavy subsidy.

34. In the case of the Indo-European Telegraph Department, the estimated net results of working in 1927-28 show a small loss of 3 lakhs which is slightly more than the figure in the current year

Budget Surplus.

35. Our estimate of the aggregate expenditure of the Government for 1927-28 comes to 125.26 crores. Our estimate of revenue on the basis of existing taxation is, as already stated, 128.96 crores, resulting in a surplus of 3.70 crores.

Effect of reversion to 1s. 4d

36. The surplus of 3.70 crores for 1927-28 is arrived at on the assumption that there will be no departure during the year from the established rate of exchange of 1s. 6d. per rupee. The House will, I know, desire to be informed what effect a reduction of the rate of exchange from 1s. 6d. to 1s. 4d. would have on the Budget figures which I have presented. It is by no means easy to arrive at an accurate estimate. In a statement which is being circulated to-day, the many and various considerations which have to be taken into account in order to show the effect of a reduction to 1s. 4d. on the Budget for 1927-28 are set out in some detail. The effect on the Budgets for the following years is also considered in the same statement. The conclusion arrived at is that on the assumption that during the year 1927-28 it will be unnecessary to compensate any Government employees in any way for the loss of approximately 11 per cent. in the value of their wages, the reduction of the ratio to 1s. 4d. would result in 1927-28 in a total worsening of our position by 5.26 crores. I do not feel that it is my duty to-day on behalf of the Government to make suggestions how the resulting deficit of 1.56 crores should be provided for. The ratio controversy will be discussed on its merits next week and it will be time enough, when that controversy has been decided, to consider in detail the reactions of the decision on our Budget. Nor is it my intention to-day to enter into any discussion of the merits of the rival ratios. It is enough to observe that if the Government are correct in their contention that an arbitrary reduction in the exchange value of the rupee will bring no permanent benefit whatever to India while inevitably involving immediate and heavy sacrifices and losses, then surely the large sacrifice involved in the dislocation of the Budget, though not necessarily the most serious of the sacrifices that would be incurred, is an important and relevant consideration which it would have been folly for us to ignore or obscure.

CHANGES IN TAXATION.

37. The surplus of 3.70 crores is arrived at on the basis of the existing level of taxation. With 5.45 crores of Provincial contributions (apart from Bengal's contribution of 63 lakhs) still unliquidated, it is obvious that we cannot afford to give away any important portion of the surplus in reductions of taxation if we are to live up to our declared intention of directing our financial policy to the reduction and eventual extinction of the Provincial contributions as soon as may be. We are, therefore, not yet in a position to make full use of the valuable report of the Taxation Enquiry Committee whose recommendations the Government and the country have been studying during the past year. I shall, I hope, have the approval of the House in saying that our general policy as regards taxation ought to be directed first towards a more equitable distribution of its incidence, so far as that may be attainable with due regard to the other canons of taxation, and the abolition of those imposts which are obnoxious in principle, such as some of the existing export duties, and that, when our finances permit, we should aim at a gradual reduction of taxation to a level which will give some relief to the tax-payer and leave a larger margin available for the Provincial Governments' needs. Once the Provincial contributions have been extinguished, we shall find ourselves in a freer atmosphere in which we can consider the question of taxation entirely or almost entirely from the standpoint of the Central Administration. With a surplus of 3.70 crores, the House will, I think, not desire us to propose additional taxation for the purpose of increasing the surplus. In 1927-28, therefore, we clearly cannot do more than effect minor changes, the net results of which will not be seriously to modify the surplus of revenue over expenditure.

Export duty on hides.

38. The first proposals which I have to put before the House in regard to taxation affect two of our existing export duties, the export duty on hides and the export duty on tea. The export duty on hides has been condemned by the Fiscal Commission and the Taxation Enquiry Committee as wrong in principle and dangerous in effects. The trade is at present in a depressed condition and the Government have for some years seen no justification for the retention of the duty except on purely revenue grounds. The export duty on skins, which is open to some of the same objections, is both more productive and less positively harmful than the export duty on hides, and we do not feel that we are in a position this year to propose its reduction or abolition. We do, however, propose the immediate abolition of the export duty on hides involving a loss of 9 lakhs of revenue.

Export duty on tea, etc.

39. The export duty on tea brings in approximately 50 lakhs a year. Our finances clearly do not permit of its abolition unless we can find some means of compensating ourselves for the loss involved. Fortunately, we are in a position to make a proposal which will secure the disappearance of the export duty on tea with no ultimate loss to the revenue and at the same time offer definite advantages to the producers of tea. The tea companies are now assessed to income-tax on 25 per cent. only of their total profits, the balance being regarded as agricultural income and therefore not liable to income-tax. The proportion of 25 per cent. was based on imperfect data and later enquiries show that the non-agricultural profits of the tea companies amount to at least 50 per cent. of the whole. The Government, therefore, propose that the export duty on tea should be abolished and that the tea companies should in future be assessed to income-tax at 50 per cent. of their total net income, subject to the proviso that where there is a market for green tea and the non-agricultural profits can be exactly ascertained, income-tax should be assessed on the total of such non-agricultural profits. The abolition of the export duty on tea costs us 50 lakhs. We expect to get an additional 45 lakhs from income-tax on the non-agricultural profits in 1927-28 rising to 50 lakhs in 1928-29.

Import duty on motor cars, etc.

40. The next proposal which the Government have to make is one which will, I hope, be universally popular. We propose that the import duty on motor cars should be reduced from 30 per cent. to 20 per cent. *ad valorem* and the import duty on tyres from 30 to 15 per cent. After making allowance for the stimulus to imports which this reduction of duty is expected to give, I estimate the cost of this proposal at 10 lakhs only. The reduction is in accordance with the views of the Taxation Enquiry Committee which rightly drew attention to the importance of encouraging the development of motor transport in India. Neither the Government nor, I think, the House would feel perturbed if the Provincial Governments seized the opportunity of this reduction of the import duty to impose Provincial taxation on the users of motor cars for the improvement and development of their systems of road communication.

Import duty on rubber seeds, etc.

41. There will be found included in the Finance Bill a provision for removing to the list of articles which can be imported free of duty rubber seeds and rubber stumps which are at present subject to a duty of 15 per cent. *ad valorem*. The proceeds of this duty are inconsiderable but it is hampering an important adolescent industry in Burma, whose production promises to become an increasingly valuable item in our export trade. The Government of Burma have made a special representation to the Government of India in support of this concession. We are very glad to be in a position to meet their wishes.

Stamp duty on cheques.

42. I have one more proposal to make for reduction of taxation. The Government have decided to accept the recommendation made independently in several quarters and endorsed by the Currency Commission that the stamp duty on cheques should be abolished.

With a view to the development of the banking habit in India, we propose at the same time to abolish the duty on other Bills of Exchange payable on demand. For the moment, we do not propose the abolition of the stamp duty on Bills of Exchange not payable on demand which requires further consideration and will involve a loss of about 25 lakhs of revenue. It will be desirable that the abolition of the stamp duty on cheques and other Bills of Exchange payable on demand should not come into force until the 1st of July next in order to give the banks time to make the necessary preparations. The cost of the abolition of the duty on cheques in a full year will be 7 lakhs but is estimated to amount for the nine months in 1927-28 to 5 lakhs only. This loss falls on the Provincial Governments but does not make any very material difference even to those Governments such as Bengal and Bombay, where the bulk of the duty is collected. In these circumstances, the Government do not think it necessary to compensate the Provincial Governments for the temporary loss of revenue involved, partly in view of the relief which will be given to those Governments in other directions, as the House will presently observe, and partly because we hope to be in a position a year hence to bring forward proposals for a division of the Stamps Head into Central and Provincial, coupled with a revision of the Devolution Rules which will fully make good to the Provinces what they will give up under the head 'Stamps.' The cost of abolishing the duty on other Bills of Exchange payable on demand will fall on Central Revenues, but will not be considerable, and I have felt it unnecessary to make any special provision for it.

Import duty on tobacco.

43. Apart from the loss of 5 lakhs owing to the abolition of stamp duty on cheques which will not affect the Central Government's Budget, the proposed reductions and changes in taxation involve a diminution of our revenue by 24 lakhs. In order partially to cover this loss, the Government propose to increase the import duty on unmanufactured tobacco from Re. 1 to Re. 1-8 per lb., an increase which is fully justified on statistical grounds and while giving some additional protection to Indian grown tobacco, will not materially affect the Indian cigarette industry which is now in a strong position. I expect to obtain 18 lakhs from this source.

Net effect on surplus.

44. The net effect of these measures on our estimates for 1927-28 will be a reduction of 51 lakhs under the head 'Customs' and an increase of 45 lakhs from Taxes on Income, with the result that our surplus will then stand at 3.64 crores.

FINAL PROPOSALS.

Surplus recurrent.

45. Our surplus of 3.64 crores for 1927-28 can, I think, reasonably be regarded as a recurrent one. The year 1928-29 will no doubt present us with problems of its own with a further falling off in our Opium revenue and in our receipts from Railways, if the revised Railway estimate for the current year on which the contribution for 1928-29 will be based is not wide of the mark. Special provision will also be necessary in 1928-29 for the premium (which is really deferred interest) on the 5½ per cent. bonds redeemable at 105 in 1928 in so far as these are not converted in advance of maturity. The inauguration of the Reserve Bank too may entail a temporary diminution in our revenue in the first year or two of its existence. On the other hand, our customs tariff should continue to show a progressively increasing yield and there is ample room for expansion in our income-tax receipts without any increase of rates, and our interest charges, apart from the special item mentioned, are likely to show a further appreciable shrinkage. We are not called upon to take special precautions against a bad monsoon in advance of that much-dreaded event.

Provincial contributions.

46. The natural use of a recurring surplus is to reduce Provincial contributions. I propose,—and I am sure that the House will unanimously agree,—that our surplus should be devoted to a permanent reduction by 3½ crores of the Provincial contributions distributed in strict accordance with the provisions of the existing Devolution Rules. This will leave only 1.95 crores of the contributions unremitted, excluding the Bengal contribution. Bengal is entitled to a share in the recurring remission of 3½ crores to the extent of 9 lakhs,

so that her contribution of 63 lakhs will be reduced to 54 lakhs. As, however, Bengal will not be paying any contribution during 1927-28, the actual cost to the Government of India of the permanent remission of $3\frac{1}{2}$ crores of the Provincial contributions will amount only to 3.41 crores in 1927-28

47. Unfortunately, the amount of our surplus is not sufficient to enable us to make a clean sweep of all the Provincial contributions. It falls short of the amount required by 1.81 crores. It is an interesting coincidence that the deficiency is approximately equal to the amount of revenue sacrificed a year ago when the Cotton Excise Duty was remitted. Even more unfortunate is the fact that the permanent remission of $3\frac{1}{2}$ crores, while bringing welcome relief to every Province, leaves 37 lakhs out of Bombay's contribution of 56 lakhs still unliquidated. The Bombay Government's Budget is, I am sorry to say, in a very unsatisfactory state. Bombay is faced with a considerable realised deficit on the working of 1926-27 and is under the shadow of a further estimated deficit of 51 lakhs in 1927-28 on other than Development transactions, which will be reduced to 32 lakhs by the remission of 19 lakhs of her contribution, this being Bombay's share of the $3\frac{1}{2}$ crores. The Bombay Government have made a very strong appeal for help to the Government of India. It is needless for us to embark upon a critical examination of the causes of Bombay's difficulties. Even though we might be inclined not to acquit Bombay altogether of responsibility in the matter, we must in fairness recognise that the existing Devolution Rule 15 regarding the grant to the Provinces of an interest in the proceeds of Taxes on Income which was designed for the benefit of Bombay and Bengal in particular, has altogether failed in its purpose. Any special claims Bengal might have urged in this connection have been liquidated by the relief already accorded; she has been relieved from 1922-23 onwards of the payment of any part of her annual contribution of 63 lakhs, a gift of the aggregate value of 3.15 crores up to 31st March 1927. The only corresponding gift made to Bombay was a special non-recurring reduction of her contribution of 22 lakhs for the year 1925-26 only.

48. In these circumstances, the Government of India have been convinced that a very special effort ought to be made in 1927-28 on Bombay's behalf. We are equally convinced of the inexpediency of altering the existing Devolution Rule for the distribution of relief among the Provinces in a way which would help Bombay at the expense of other Provinces. Some other solution must be found and the Government of India propose to find it by having recourse to the realised surplus of 1926-27. This amounts, as I have already stated, to 3.10 crores. After careful consideration, we have decided that the best way out of our difficulty will be to use a part of this surplus for the purpose of remitting the whole of the remainder of the Provincial contributions for the year 1927-28. This procedure will permit us to meet Bombay's needs in full measure and enable her to balance her Budget for 1927-28 without in any way infringing the rights or arousing the resentment of any of the other Provinces. On the contrary, it will bring them additional and welcome relief. It will carry with it relief to all the Provinces from any liability to pay any contribution to the Central Government in 1927-28. I may add, in order to make the story complete, that we propose also to relieve Coorg of her contribution of Rs. 12,000.

49. The following table shows the distribution of the recurring and the non-recurring remissions in the case of each Province :—

	(Lakhs)	
	Recur- ring remission.	Non-re- curring remission
Madras	1,16	49
Bombay	19	37
Bengal	9	54
U. P.	99	52
Punjab	60	26
Burma	31	19
C. P.	8	14
Assam	8	7
Total	3,50	2,58

Special relief to Bombay.

50. These measures will exhaust the surplus in the Central Government's Budget for 1927-28 and reduce to 1.29 crores the estimated surplus in the revised Budget of 1926-27. The proposals so far made regarding the Provincial contributions, while fully meeting Bombay's needs for 1927-28, do nothing to make up to her for the disappointment of her expectations regarding a share in the proceeds of Taxes on Income under Devolution Rule 15 in the past year. In order that the Bombay Government may not feel that we are deaf to her claims on this account, we propose further that a sum of 28 lakhs out of the still remaining surplus for 1926-27 should be devoted to relieving Bombay of one-half of her contribution of 56 lakhs for the current year. We propose to couple this special concession with the condition that her Budget for 1927-28 shall show a balance on the right side. I am glad to know from the figures of the Bombay Budget presented in the Bombay Legislative Council last week, that there is every prospect of this condition being satisfied.

51. There remains a sum of 1.01 crores still left unallocated out of the realised surplus of 1926-27. I have already observed that the inauguration of the Reserve Bank in 1928-29 may cause some temporary diminution of the Central Government's revenue. It would be undesirable, if we can avoid it, to make any special call on the tax-payer for the purpose of tiding over temporary Budget difficulties connected with the financing of the new Gold Bullion Standard and Reserve Bank. The Government accordingly propose to utilise the remainder of the realised surplus of 1926-27 as a nest egg either for the purpose of relieving the Budgets of 1928-29 and 1929-30 of temporary charges incident to the inauguration of the new currency system or for the purpose of increasing the strength of the reserves to be handed over to the Reserve Bank as cover for the note-issue or for both purposes, according as circumstances dictate.

Revenue Reserve.

52. The procedure which we propose is to open a special Deposit Account and pay into it the whole of the realised surplus for 1926-27. In the estimated receipts for 1927-28, there would be included a payment from this Account to revenue of the sum required to balance revenue and expenditure in 1927-28, on present figures 1.81 crores. The amount finally credited to revenue in 1927-28 would, however, be not this exact amount but such sum as may ultimately prove necessary in order to bridge whatever the final gap may be between the expenditure for the year and the ordinary revenue, apart from this assistance from the special reserve. In order that this may be done, the Government propose to present to the House, at the time when the Finance Bill is taken into consideration, a special supplementary estimate covering the transfer to the special reserve of the surplus of 1926-27.

53. I desire to emphasise clearly the fact that the non-recurrent remission of the Provincial contributions must be regarded as definitely temporary, so that if a recurring surplus is not available a year hence sufficient to enable us to make this remission permanent, it will be necessary either to restore the temporarily remitted contributions wholly or in part or else to propose fresh taxation.

54. The House will recognise that even though the Government are formally safeguarded against the accusation of counting unhatched chickens by the provision that the final portion of the Provincial contributions is remitted for one year only, they are clearly taking the risk that if the monsoon of 1927 is specially unfavourable, both the Government and the House, and in a special degree the Finance Member, will be faced next year with difficulties which will in a measure be self-imposed.

55. Our proposals are also open to another objection which I should be the last to minimise. They involve a diversion of the realised surplus of 1926-27 from its proper application to the reduction or avoidance of debt. The House will, I am sure, do me the justice of recognising that I have not been backward in insisting on the virtues of strictness and purism in the matter of debt redemption. My defence for this lapse from virtue must be that the complete liquidation of our liabilities to the Provinces in respect of Provincial contributions is a very big prize, justifying a very special effort, and that a succession of

realised surpluses has enabled us to outdistance our own fixed programme of debt redemption in the last few years, and that the fixed programme remains unmodified and involves us in any case in a charge of 5.12 crores for reduction or avoidance of debt in 1927-28. We can, I think, justifiably make this concession without denying our principles, in order to secure the advantages for India, economic and social, and the stimulus to the successful working of the Reforms, which will flow from the release of 5.45 crores of revenue to the Provinces for expenditure on those nation-building services which all true friends of India and of the Reforms have so deeply at heart.

56. Finally, we should not be unmindful of the fact that so long as Provincial contributions remained unliquidated, the occurrence of a bad monsoon, which would affect Provincial finances more directly and more severely than Central finances, would make the position of the Central Government an uneasy one in the face of demands from the Provinces for assistance from the Central Budget, a state of affairs which will be fundamentally changed once we have ceased to exact any contributions. From the standpoint of our Ways and Means Budget, the complete release of the Provincial contributions makes less difference than might at first sight be expected. It is improbable that the Provinces will find it expedient to embark immediately on heavy additional expenditure, as time will be required for working out plans and programmes. Indeed, so far as the year 1927-28 is concerned, I anticipate that the surplus of 1926-27 will in effect, remain in our balances and be available temporarily for the avoidance of debt, so that the amount of new money which we shall ask for from the market, when we issue our Rupee Loan in the summer, will not be increased as a result of these proposals.

57. Let me sum up the Government's plans for dealing with the surpluses of 1926-27 and 1927-28. The current year's surplus of 3.10 crores will be reduced to 2.82 crores by the special remission of 28 lakhs of the Bombay Government's contribution for 1926-27. This sum of 2.82 crores will be transferred in its entirety to a special reserve so that the revised estimate for the current year will not exhibit either a revenue surplus or a deficit. The next year's surplus of 3.64 crores will be supplemented by such sum, at present estimated at 1.81 crores, as may be required to be transferred from the special reserve in order that the outturn of the year 1927-28 may also show neither a deficit nor a surplus. The credit balance in the special reserve at the close of 1927-28, at present estimated at 1.01 crores, will be kept in hand as a nest egg for use in connection with the inauguration of the new Gold Bullion Standard and Reserve Bank.

CONCLUSION

58. Each of the three Budgets laid before the Second Assembly was not only balanced at the time of its introduction but has presented India with an appreciable realised surplus of revenue over expenditure. The necessity of reducing the salt tax from Rs. 2-8 to Rs. 1-4 per maund in the Budget of 1924-25 postponed the beginning of the remission of the Provincial contributions. The Budgets for 1925-26 and 1926-27, relieved finally of the uncertainties of Railway Finance by the separation of the Railway Budget from the General Budget, effected a reduction in the Provincial contributions amounting to 3.75 crores or, if the Bengal contribution be included, a reduction from 9.83 crores by 4.38 crores to 5.45 crores. In addition, the Budget for 1926-27 signalled the demise of the unlamented Cotton Excise Duty. In its first Budget, this new Assembly has before it proposals for the complete extinction, at any rate so far as the year 1927-28 is concerned, of the Provincial contributions.

59. I account it a great stroke of good fortune for myself and a happy augury for the financial work of the new Assembly that its first Budget should be the first since the Reforms in which our revenues are independent of assistance from the provincial tax-payer. Ever since the Reforms were inaugurated, the Provincial contributions have been a millstone round the neck both of the Central Government and of the Provincial Governments, poisoning their mutual relations and hampering their every action. Their quality, even more than their amount, has strained the resources of the giver and the patience of the recipient. They have brought curses, not blessings, both to him who has given and to him who has taken. The year 1927-28 sets India free from this incubus.

60. It is true that final and complete freedom has still to be won and that we are still relying on the Budget of 1928-29 to consolidate the ground now occupied. The year before us must be devoted to a further and final effort to this end. But meanwhile the Provincial Governments will have at their immediate disposal large additional resources and they can turn confidently to the work of framing projects for the advancement of the well-being of their citizens. Governments and, in particular, Finance Departments, and even Finance Members, are often taunted with being heartless and inhuman, and it is doubtless difficult, and occasionally dangerous, to wax sentimental over figures. There is nothing to capture the imagination or stir the emotions in the figure of 5.45 crores. But what romance lies behind this figure when it is translated into spending capacity in the hands of the Ministers in the Provinces! It is always wise, when discussing figures and accounts, to remember that money represents nothing more than a power to command goods and services. The programme of educational expenditure in the territories directly administered by the Government of India, to which I referred earlier in my speech, involves over a period of 5 years a total expenditure, recurring and non-recurring, of 68 lakhs. In addition to improved accommodation and a higher standard of teaching for hundreds of existing schools and thousands of existing scholars, these 68 lakhs represent something like 600 new schools and 30,000 children brought within reach, for the first time, of the privileges of education year by year. What will 5.45 crores a year transfigured into goods and services, available year by year in the hands of the Provincial Governments, mean in the promotion of human happiness, in the prevention of preventable disease and ignorance, in the widening of the opportunities for a good life for many crores of the people of India! It is in the belief that by the acceptance of this Budget, Members of this House have it in their power to promote the health and happiness of millions of the masses of India that I commend the Government's proposals to the House and to the country.

BASIL P. BLACKETT.

The 28th February, 1927.

Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1916-17 to 1925-26.

(See paragraph 2 of speech.)

[In thousands of Rupees.]

	REVISED ESTIMATE.			ACTUALS.		
	Revenue.	Expenditure.	Surplus (+) Deficit (-).	Revenue.	Expenditure.	Surplus (+) Deficit (-).
1916-17	97,25,67	88,27,37	+8,98,30	98,53,10	87,31,37	+11,21,73
1917-18	1,14,84,48	1,06,27,74	+8,56,74	1,18,70,58	1,06,57,52	+12,13,06
1918-19	1,27,94,65	1,34,79,88	-6,85,23	1,30,40,66	1,36,13,72	-5,73,06
1919-20	1,44,07,56	1,59,18,67	-15,11,11	1,37,13,98	1,60,79,27	-23,65,29
1920-21	1,35,10,35	1,48,03,61	-12,93,26	1,35,63,32	1,61,64,17	-26,00,85
1921-22	1,13,15,32	1,41,94,52	-28,79,20	1,15,21,50	1,42,86,52	-27,65,02
1922-23	1,20,70,17	1,37,95,52	-17,25,35	1,21,41,29	1,36,43,05	-15,01,76
1923-24	1,31,96,04	1,29,89,97	+2,06,07	1,33,16,63	1,30,77,63	+2,39,00
1924-25	1,34,82,26	1,30,82,68	+3,99,58	1,38,03,92	1,32,35,66	+5,68,26
1925-26	1,31,35,25	1,30,04,87	+1,30,38	1,33,32,98	1,30,01,80	+3,31,18

Report for the year 1926.

Section V.

DOCUMENTS AND STATISTICS.

Correction Slip to Millowners' Report (1926)—Statistical Section.

- Page 591. **Table 14.** Last column—In figures for calendar year 1926 :
6th line—Read 587,363 instead of 8887,363.
- „ 593. **Table 16.** The total imports of artificial silk yarn for calendar year 1926 is given as 4,428 thousand pounds. This figure has subsequently been corrected as 4,012 thousand pounds. The total import of yarn of all descriptions into India in the calendar year 1926 will therefore be 57,900,000 pounds and not 58,316,000 pounds.
- „ 594. **Table 17.** Last column—calendar year figures :
7th line—Read 884 for 2884.
17th line—Read 62 for 26.
- „ 600. **Table 23.** Last column—last line. Read 32,474 for 32,744.
- „ 603. **Table 26.** The total imports from U. S. A. in the calendar year 1926 should be read as 15,504 and not as 15,304.
- „ 608. **Table 29.** The imports of grey plain piecegoods from Japan for the calendar year 1926 should be read as 61,509 instead of 61,590.
- „ 609. **Table 30.** Last column—first line—Read 3,554 for 3,854. In 1925-26 the total export of Coloured, Printed or Dyed Lungis from India was 33,413 thousand yards and not 34,133 thousand yards.
Exports of Grey (unbleached) ' Other sorts ' to Persian Gulf for calendar year 1926 should be 3,314 instead of 3,341.
- „ 612. **Table 34.** Last column—last line—Read 3,130 for 3,135.
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STATISTICS.

As was stated in the preliminary portion of the Report, the tables printed in the following pages show considerable variations from those published during previous years. The tables now given represent an attempt to give in an easily comprehensible form essential information of a statistical nature regarding the textile trade of India as a whole. In addition, information will also be found in certain tables concerning the textile trade of Bombay City and Island which is the largest individual centre of the cotton trade in India.

A number of interesting tables are also included concerning the Textile trade of Japan, India's keenest competitor in the home and export markets.

Most of the tables are self-explanatory and no notes regarding their interpretation are necessary. The following notes are only intended to assist in arriving at correct conclusions regarding the progress of the Indian Textile Trade during the last few years.

Table 3.—Progress of Cotton Mill Industry in India. The temporary fall in the production of yarn and cloth in the years 1923-24 and 1925-26 are accounted for by the fact that in these two years there were general strikes in Bombay City and Island extending over periods of 2 months and 2½ months respectively.

Table 7.—Statement showing the cotton arrivals into Bombay during the season 1925-26 as compared with 9 previous seasons. A noteworthy feature of this table is the comparatively large importation of American cotton last year. More than 28,000 bales were imported during the 1925-26 season and it is understood that during the current season, the imports will be in the neighbourhood of 300,000 bales.

On entry into India, all American cotton has to be fumigated. At the time of writing the approximate charges for fumigation during the fair season, *i.e.*, 1st November to 31st May is Rs. 3-1-0 per bale and during the rest of the year Rs. 3-12-0 per bale. Further particulars regarding fumigation charges are given on page 59 of the Report.

Tables 16 and 17.—Statements showing the imports of cotton yarn into India and Bombay during the last 20 years. Notable features of the tables are the large imports of artificial silk and mercerised yarn during the last few years.

Tables 18 and 19.—Statements showing the imports of cotton piece-goods into India and Bombay during the last 20 years. The figures for the calendar year 1926 indicate a considerable revival in the piece-goods import trade into India when compared with 1925-26. Table 19 shows that the bulk of the additional imports went to ports other than Bombay.

Table 20.—Summary of imports of cotton yarn into India in 1926 as compared with two previous financial years. This table shows the shares of the import trade in yarn held by the chief importing countries.

Table 21.—Detailed statement of imports of cotton yarn into India in 1926 as compared with two previous financial years. This table shows in detail the counts and types of yarn imported into India from the various countries.

Tables 22 and 23.—Summary and Details of imports of cotton yarn into Bombay in 1926 as compared with two previous financial years. These tables give information similar to that contained in Tables 20 and 21, but, for the Port of Bombay.

Table 26.—Summary of imports cotton piece-goods into India in 1926 as compared with two previous financial years. This table gives at a glance the quantities of the main classifications of piece-goods imported into India from the chief importing countries. Table 27 gives the information contained in table 26 in very much greater detail.

Tables 28 and 29.—Details and Summary of imports of cotton piece-goods into Bombay in 1926 as compared with two previous financial years. These tables contain information similar to that contained in Tables 27 and 26 respectively but for the Port of Bombay.

Table 30.—Detailed statement of exports of Indian-made piece-goods from India. When perusing this table the foot note explaining the exact areas covered by the territories mentioned should be carefully studied. The preponderance of coloured goods in the total piece-goods export trade is very striking.

Table 31.—Contains information similar to that given in Table 30 but for the Port of Bombay. It might be noted that the great bulk of piece-goods exported from the Port of Bombay are manufactured in the mills of Bombay City and Island.

Tables 32 and 33.—Statements showing the re-exports of piece-goods and yarn from India and Bombay respectively. The figures show that the great bulk of the re-export in cotton piece-goods passes through Bombay.

Tables 34 and 35.—Statements showing the quantities of cloth and yarn available for consumption in India. These tables are among the most interesting and instructive statistics ever published concerning the extent of the Indian market for yarn and piece-goods. The very great increase in the placings of Indian piece-goods in the Indian market is specially noteworthy as also is the decrease in the total imports of foreign piece-goods. The figures showing the balance of yarn available for consumption in India to some extent give an indication as to the importance of the handloom weaving industry of India.

Tables 36 to 39 (both inclusive) contains information extracted from the publications issued by the Japan Cotton Spinners' Association and indicate very clearly the phenomenal progress made by the Japanese Cotton Textile Industry during the last decade.

Table 40. Is extracted from the statistics published by the British Board of Trade and indicates the relative importance of the three chief Presidency Ports of India in the yarn and piece-goods import trade. It should be noted that the figures for the Port of Bombay as given in this table are not strictly comparable with the Government of India statistics for that Port on which all other tables relating to Bombay in this section are based.

BOMBAY MILLOWNERS' ASSOCIATION,

T. MALONEY,

BOMBAY, 4th May, 1927.

Secretary.

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BOMBAY

TABLE NO. I.
SPINDLES AND LOOMS SET UP IN INDIA, THE UNITED
STATES OF AMERICA, GREAT BRITAIN, GERMANY,
CHINA AND JAPAN.

The following figures have been obtained from various sources and may be taken as being approximately correct. In order, however, to make the record as complete as possible, the Committee of the Association will be obliged, if members and others who have any additional particulars available will kindly forward them to the Secretary for inclusion in any future statements that may be published:—

SPINDLES.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1870	....	7,132,415	33,995,000	....	....	....
1871	....	....	....	....	....	....
1872	....	....	....	....	....	....
1873	....	....	....	....	....	....
1874	....	....	....	....	....	....
1875	....	....	....	4,200,000	....	....
1876	1,100,112	....	....	....	....	....
1877	1,244,206	....	....	....	....	....
1878	1,289,706	....	....	....	....	....
1879	1,452,794	....	....	....	....	....
1880	1,461,590	10,653,435	....	....	....	....
1881	1,513,096	....	....	....	....	....
1882	1,620,814	....	....	....	30,000	....
1883	1,790,388	....	....	....	....	....
1884	2,001,667	....	43,000,000	....	....	....
1885	2,145,646	....	43,000,000	....	....	....
1886	2,261,561	....	42,700,000	....	....	....
1887	2,421,290	....	42,740,000	....	....	....
1888	2,488,851	....	43,000,000	....	....	....
1889	2,762,518	....	43,500,000	....	....	....
1890	3,274,196	14,384,180	43,750,000	....	....	....
1891	3,351,694	14,640,000	44,750,000	....	....	....
1892	3,402,232	15,200,000	45,270,000	....	385,314	....
1893	3,575,917	15,700,000	45,270,000	....	381,781	....
1894	3,649,736	16,100,000	45,190,000	....	530,074	....
1895	3,809,929	16,650,000	45,400,000	6,571,332	580,945	....
1896	3,932,946	17,333,396	44,900,000	....	692,384	....
1897	4,065,618	18,228,991	44,500,000	....	768,328	....
1898	4,259,720	18,434,244	44,900,000	7,115,500	1,027,817	....
1899	4,728,333	19,329,092	45,600,000	....	1,170,337	....
1900	4,945,783	19,472,232	45,600,000	8,031,400	1,274,000	550,000
1901	5,006,936	20,196,835	46,100,000	8,434,601	1,234,976	....
1902	5,006,965	20,907,212	49,727,107	....	1,230,697	....
1903	5,043,297	21,212,827	49,700,000	....	1,381,306	....
1904	5,118,121	22,197,522	49,500,000	....	1,345,585	....
1905	5,163,486	22,861,043	50,964,874	8,832,016	1,426,594	....
1906	5,279,595	24,628,379	52,796,230	9,121,259	1,472,253	....
1907	5,333,275	25,681,509	52,585,362	9,730,209	1,540,452	750,000
1908	5,756,020	26,133,442	55,218,024	9,850,209	1,795,879	....
1909	6,053,231	27,914,085	57,026,422	10,162,872	1,954,892	....
1910	6,195,671	28,299,482	57,731,829	10,200,000	2,099,764	....
1911	6,357,460	29,064,492	58,002,435	10,480,090	2,170,796	831,000
1912	6,463,929	29,962,713	58,140,220	10,725,732	2,176,748	833,112
1913	6,596,862	30,579,000	58,481,000	10,920,426	2,414,499	947,406
1914	6,778,895	32,227,840	59,317,187	10,162,872	2,657,174	1,000,000
1915	6,848,744	32,400,792	59,905,000	10,163,000	2,807,514	....
1916	6,839,877	32,653,164	59,811,222	....	2,875,904	1,029,218
1917	6,738,697	33,535,000	60,973,000	....	3,060,478	1,126,568
1918	6,653,871	34,219,156	57,685,841	....	3,227,678	....
1919	6,689,680	34,648,928	59,182,683	....	3,488,262	1,416,556
1920	6,763,076	34,946,721	60,079,394	8,262,872	3,813,680	1,585,300
1921	6,870,804	35,632,193	60,053,246	8,693,221	4,161,126	1,650,000
1922	7,331,219	36,584,487	58,712,303	9,400,000	4,517,612	1,888,348
1923	7,927,938	37,397,060	59,819,000	9,605,000	4,197,966	3,531,214
1924	8,313,273	37,924,000	59,511,000	10,060,000	4,870,232	3,569,440
1925	8,510,683	37,833,000	59,903,000	10,060,000	5,292,040	3,414,062
1926	8,714,168	37,650,000	60,285,000	10,300,000	5,586,027	....

Note.—The figures for India are taken from the Association's Mill Statement.
The figures for Japan are taken from the half-yearly publication of the Japan Cotton Spinners' Association.
The rest of the figures are taken from the Comtelbuero Year Book.

TABLE NO. 2.
LOOMS.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1870	....	....	441,000	....	....	....
1871	....	....	....	....	....	....
1872	....	....	....	....	....	....
1873	....	....	....	....	....	....
1874	....	....	....	....	....	....
1875	....	....	....	....	....	....
1876	9,139	....	....	....	....	....
1877	10,385	....	....	....	....	....
1878	10,533	....	....	....	....	....
1879	13,018	....	....	....	....	....
1880	13,502	....	....	....	....	....
1881	13,707	....	....	....	....	....
1882	14,172	....	....	....	....	....
1883	15,373	....	....	....	....	....
1884	16,262	....	....	....	....	....
1885	16,537	....	561,000	....	....	....
1886	17,455	....	....	....	....	....
1887	18,536	....	....	....	....	....
1888	19,496	....	....	....	....	....
1889	21,561	....	....	....	....	....
1890	23,412	....	....	....	....	....
1891	24,531	....	....	....	....	....
1892	25,444	....	660,000	....	....	....
1893	28,164	....	....	....	....	....
1894	31,154	....	....	....	....	....
1895	35,338	362,067	606,585	245,000	5,000	....
1896	37,270	354,358	....	....	....	....
1897	37,584	379,341	....	....	2,852	....
1898	38,013	384,745	....	240,000	2,798	....
1899	39,069	392,690	....	....	2,757	....
1900	40,124	439,465	648,820	211,818	5,045	....
1901	41,180	411,106	....	211,818	....	....
1902	42,584	477,072	....	....	....	....
1903	44,092	488,760	684,000	....	5,043	....
1904	45,337	503,027	....	....	5,085	....
1905	50,139	515,006	704,357	230,200	8,140	....
1906	52,668	525,630	704,357	230,200	9,601	....
1907	58,436	536,815	725,221	....	9,462	....
1908	67,920	546,160	736,325	....	11,146	....
1909	76,898	555,398	739,382	....	13,813	....
1910	82,725	625,719	741,197	230,200	17,702	....
1911	85,352	633,909	741,260	....	20,431	....
1912	88,951	671,873	758,712	....	21,898	3,738
1913	94,136	709,255	786,205	....	24,224	4,755
1914	104,179	696,387	805,452	230,200	25,443	....
1915	108,009	689,840	808,145	....	30,068	....
1916	110,268	719,358	808,796	....	31,295	4,755
1917	114,621	725,366	807,543	....	36,181	5,853
1918	116,484	712,426	787,679	....	40,391	....
1919	118,221	700,620	790,936	....	44,401	7,193
1920	119,012	708,079	798,083	190,200	50,583	7,660
1921	123,783	719,123	790,399	190,200	54,994	....
1922	134,620	707,469	799,000	190,200	60,393	10,814
1923	144,794	744,686	795,244	240,700	64,460	22,477
1924	151,485	760,625	791,674	240,700	68,579	21,644
1925	154,202	762,808	788,197	240,700	73,381	25,934
1926	159,464	760,133	786,309	240,700	74,193	....

(Please see foot-note to previous table.)

TABLE No. 3.
PROGRESS OF COTTON MILL INDUSTRY IN INDIA.

	BOMBAY CITY AND ISLAND.						ALL-INDIA.											
	Average Working.		Cotton Consumed.	Yarn Spun.	Cloth Woven.	Average Number of hands employed.	Average Spindles.	Working Looms.	Cotton Consumed.	Yarn Spun.	Cloth Woven.	Average Number of hands employed.						
	Spindles.	Looms.											Spindles.	Looms.				
	1.	2.	3.	4.	5.	6.	1.	2.	3.	4.	5.	6.						
	Year ending 30th June.			Year ending 31st March.		Year ending 30th June.		Year ending 30th June.			Year ending 31st March.		Year ending 30th June					
	Not available	Not available	Bales of 392 lbs.	Not available	Bales of 400 lbs.	(in yds.)	Not available	Not available	Bales of 392 lbs.	Bales of 400 lbs.	(in yds.)	Not available	Not available	Bales of 392 lbs.	Bales of 400 lbs.	(in yds.)	Year ending 30th June	
1	Do.	Do.	744,800	Do.	.....	.....	Do.	Do.	1,453,352	1,284,558	329,423,397	Do.	Do.	1,351,740	882,437	341,176,942	161,189
2	Do.	Do.	695,758	Do.	.....	.....	Do.	Do.	1,765,038	1,432,345	409,744,993	Do.	Do.	1,739,340	1,440,586	406,316,717	172,883
3	2,369,273	20,815	986,228	Do.	213,380,279	86,913	4,715,149	39,191	1,744,766	1,444,054	460,554,273	4,701,318	1,4677	1,744,766	1,444,054	460,554,273	181,031	
4	2,339,372	22,745	972,734	Do.	218,577,652	89,915	4,701,318	1,4677	1,879,244	1,445,953	549,529,065	4,815,050	45,507	1,879,244	1,445,953	549,529,065	181,399	
5	2,398,467	25,442	1,072,452	833,858	304,568,146	92,924	4,815,050	45,507	1,702,296	1,595,738	564,990,190	5,017,537	49,137	1,702,296	1,595,738	564,990,190	208,616	
6	2,527,082	27,738	1,141,264	873,449	307,078,709	100,798	5,017,537	49,137	1,980,170	1,634,251	708,139,874	5,038,569	52,283	1,980,170	1,634,251	708,139,874	195,275	
7	2,494,488	29,311	1,115,750	926,649	408,569,624	98,101	5,038,569	52,283	1,991,500	1,595,738	808,426,561	5,291,336	61,167	1,991,500	1,595,738	808,426,561	203,696	
8	2,528,977	33,589	1,079,194	882,879	471,817,448	101,536	5,291,336	61,167	2,109,000	1,642,075	824,489,164	5,526,233	66,097	2,109,000	1,642,075	824,489,164	221,195	
9	2,584,886	34,657	1,098,704	894,115	455,639,081	105,751	5,526,233	66,097	1,935,010	1,568,410	963,869,482	5,290,473	69,599	1,935,010	1,568,410	963,869,482	233,624	
10	2,439,869	36,148	984,058	825,197	532,224,755	104,550	5,290,473	69,599	1,905,866	1,524,318	1,042,741,653	5,392,691	73,549	1,905,866	1,524,318	1,042,741,653	236,924	
11	2,493,163	38,380	953,450	801,068	563,224,913	104,500	5,392,691	73,549	2,050,102	1,562,575	1,136,151,590	5,493,477	77,074	2,050,102	1,562,575	1,136,151,590	243,637	
12	2,556,706	39,639	1,077,616	819,102	622,451,272	109,691	5,493,477	77,074	2,096,016	1,721,182	1,220,442,545	5,736,701	82,577	2,096,016	1,721,182	1,220,442,545	253,786	
13	25,67,810	39,975	10,72,210	9,09,202	64,21,01,710	110,033	5,736,701	82,577										
	Year ending 31st August.			Year ending 31st August.		Year ending 31st August.		Year ending 31st August.			Year ending 31st August.		Year ending 31st August.		Year ending 31st August.		Year ending 31st August.	
14	2,597,913	41,643	1,078,038	887,561	592,366,008	109,860	5,848,283	85,158	2,143,126	1,706,942	1,164,291,588	5,848,283	85,158	2,143,126	1,706,942	1,164,291,588	260,276	
15	2,455,468	41,667	1,026,050	805,383	562,322,867	111,924	5,704,320	86,868	2,102,632	1,629,961	1,135,707,952	5,704,320	86,868	2,102,632	1,629,961	1,135,707,952	265,346	
16	2,551,736	47,250	1,096,174	941,857	771,266,499	118,303	5,900,896	95,965	2,197,718	1,806,061	1,441,514,550	5,900,896	95,965	2,197,718	1,806,061	1,441,514,550	274,361	
17	2,736,014	52,421	1,134,814	889,748	830,185,157	125,713	6,067,770	100,824	2,198,164	1,702,768	1,578,132,789	6,067,770	100,824	2,198,164	1,702,768	1,578,132,789	276,771	
18	2,671,450	52,887	1,068,492	893,221	933,137,872	124,199	5,987,685	101,141	2,085,678	1,651,439	1,614,126,458	5,987,685	101,141	2,085,678	1,651,439	1,614,126,458	282,227	
19	2,652,115	52,320	999,756	765,475	757,903,744	126,368	6,046,323	102,977	2,044,230	1,537,601	1,450,726,160	6,046,323	102,977	2,044,230	1,537,601	1,450,726,160	293,277	
20	2,814,718	54,664	957,150	794,297	863,292,197	140,208	6,238,771	105,169	1,952,318	1,589,400	1,639,779,227	6,238,771	105,169	1,952,318	1,589,400	1,639,779,227	311,078	
21	2,896,926	57,159	1,060,598	856,141	836,506,933	147,740	6,407,037	111,708	2,120,230	1,650,006	1,580,849,746	6,407,037	111,708	2,120,230	1,650,006	1,580,849,746	332,179	
22	2,952,183	58,848	1,074,198	871,736	921,926,856	149,224	6,549,112	117,318	2,203,540	1,733,929	1,731,573,296	6,549,112	117,318	2,203,540	1,733,929	1,731,573,296	343,723	
23	3,013,593	60,808	1,059,630	870,248	870,284,518	148,771	6,760,218	120,806	2,151,698	1,764,733	1,725,284,187	6,760,218	120,806	2,151,698	1,764,733	1,725,284,187	347,380	
24	2,929,786	62,087	821,466	673,966	855,883,055	148,414	6,962,553	128,320	1,917,748	1,521,569	1,701,574,355	6,962,553	128,320	1,917,748	1,521,569	1,701,574,355	356,887	
25	3,181,654	66,329	994,732	818,857	986,028,304	153,009	7,454,161	135,516	2,226,310	1,798,475	1,970,446,852	7,454,161	135,516	2,226,310	1,798,475	1,970,446,852	367,877	
26	2,860,076	63,403	777,970	654,906	871,840,734	149,069	7,264,234	136,033	2,113,384	1,715,068	1,954,460,667	7,264,234	136,033	2,113,384	1,715,068	1,954,460,667	373,508	

NOTE:—Columns 1, 2 and 3.—Figures taken from the Association's Mill Statement

Columns 4 and 5.—Are taken from "Monthly Statistics of Spinning and Weaving" published by the Government of India.

Column 6.—Same as columns 1, 2 and 3.

Production was at a standstill in all the mills in the Bombay City and Island for about 2 months in 1924 (end of January to March) and for a further period of 2½ months in 1925-26 (Sep. 15th to 1st Dec.).

TABLE No. 4:

THE WORLD'S COTTON CROPS, 1911-12 to 1925-26
(Bales approximately 500 lbs.).

(000's omitted.)

Years.	America, Linters included	India*.	Egypt.	Russia.	China.	Others.	Total.	Percentage on 1914-15
†1911-12 ..	16,109	3,288	1,485	859	2,552	1,058	25,351	91
1912-13 ..	14,091	4,424	1,507	883	2,298	1,160	24,363	88
1913-14 ..	14,614	5,066	1,537	980	2,303	1,287	25,787	92
1914-15 ..	16,738	5,209	1,298	1,157	2,363	1,154	27,919	100
1915-16 ..	12,013	3,738	961	1,402	2,057	984	21,155	76
1916-17 ..	12,664	4,492	1,022	1,105	1,714	1,027	22,024	79
1917-18 ..	12,345	4,055	1,262	603	1,836	1,086	21,187	76
1918-19 ..	12,817	3,977	964	420	2,084	1,296	21,558	77
1919-20 ..	11,921	5,799	1,114	246	1,968	1,483	22,531	81
1920-21 ..	13,700	3,600	1,206	116	1,373	1,471	21,466	77
1921-22 ..	8,360	4,485	972	52	1,364	1,440	16,673	60
1922-23 ..	10,320	5,073	1,243	52	2,022	1,603	20,313	73
1923-24 ..	10,811	5,161	1,306	295	1,785	1,871	21,229	76
1924-25 ..	14,497	6,088	1,455	450	1,976	2,325	26,791	96
1925-26 ‡ ..	16,900	6,038	1,600	927	2,068	2,500	30,033	106

*400 lb. bales.

†Year ending 31st August.

‡Estimates.

NOTE :—Figures taken from the tables published in the " Bombay Cotton Annual" issued by the East India Cotton Association.

TABLE NO. 5.

PRODUCTION AND CONSUMPTION OF RAW COTTON IN INDIA.

(Indian Trade Journal dated 24-2-27.)

The following statement compares the estimates of the total outturn of cotton in India for the last two years with the sum of exports and internal consumption. The figures of mill consumption are those supplied by the Indian Central Cotton Committee and refer in the case of mills in British provinces to Indian cotton alone. The estimate of mill consumption in Indian States refers to all cotton, but the proportion of foreign cotton used is not likely to have been large during these two years. Import figures have not therefore been taken into consideration for the purposes of the comparison set forth below. A conventional estimate has been made for extra factory or local consumption. It should be borne in mind that estimates of the "Carry-over" from one year to another have not been taken into account owing to complete information not being available regarding stocks.*

	YEAR ENDING 31ST AUGUST	
	1926.	1925.
	Thousand bales (400 lbs.)	Thousand bales (400 lbs.)
Exports to United Kingdom	153	216
.. to Continent (Europe excluding United Kingdom) ..	1,034	1,245
.. to Far East	2,550	2,490
.. to Other Countries	38	47
Total ..	3,775	3,998
Home Consumption—		
Mills†	1,983	2,175
Extra-factory or local‡	750	750
Total ..	2,733	2,925
Approximate crop	6,508	6,923
Estimated in forecast	6,250	6,088
Excess (+) or deficit (—) neglecting carry-over	+258	+835

* Stocks of cotton in Bombay were 504,000 bales on 31st August, 1925, and 387,000 bales on 31st August, 1926.

† The figure of mill consumption is that compiled by the Indian Central Cotton Committee, Bombay, on the basis of returns made under the Indian Cotton Cess Act.

‡ Conventional estimates.

TABLE NO. 6.

STATEMENT SHOWING THE STOCKS OF COTTON HELD BY INDIAN MILLS ON 1ST AUGUST 1926 AND ON 1ST FEBRUARY, 1927.
(In bales regardless of weight).

	Bombay City and Island.		All-India.	
	1-8-26.	1-2-27.	1-8-26.	1-2-27.
COTTON MILL STOCKS.				
(In actual bales regardless of weight):				
(a) American (Linters and waste not included)	6,405	14,646	8,106	25,318
(b) East India	177,556	99,650	606,827	436,041
(c) Egyptian	1,392	1,557	2,918	2,439
(d) Sundries	3,017	4,111	12,335	9,666
Total	188,370	119,964	630,186	473,464

Figures from the Cotton Census taken at the instance of the International Federation of Master Cotton Spinners' and Manufacturers' Associations.

TABLE No. 7.

The following Table gives details of cotton arrivals into Bombay during the 1925-26 season compared with the total of the nine previous years.
(Actual weight converted into bales of $3\frac{1}{2}$ cwis. each.) (Season ending 31st August in each case.)

NOTE:—The following figures are extracted from the daily returns issued by the Bombay Chamber of Commerce.

	1916-17	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
Khandeish	300,091	173,785	196,138	363,057	252,352	355,071	361,633	340,771	297,806	292,847
Central India	181,778	70,337	176,068	219,617	262,329	226,427	313,158	302,050	351,654	386,999
Barsi Naggar and Hyderabad Gaorani	131,834	95,570	200,550	333,811	133,521	373,985	346,392	310,279	308,365	299,702
Berar	405,076	250,217	449,838	632,578	415,881	763,045	666,233	647,314	574,520	479,843
Central Provinces	94,415	51,643	217,606	268,287	270,833	267,147	272,566	268,766	259,870	247,023
Dholleras	417,484	401,635	67,987	271,785	198,353	317,414	440,075	184,907	316,809	285,748
N. W. Provinces	285,361	137,284	86,449	182,894	166,729	170,053	84,929	122,536	133,887	131,256
Rajputana	192,947	46,960	56,558	53,379	95,012	153,576	135,270	90,203	84,216	117,015
Sind-Punjab	342,656	291,325	479,636	388,316	281,170	220,121	276,592	310,881	365,478	296,512
Broach	306,674	216,248	201,794	275,393	240,822	222,630	414,378	307,772	486,985	313,681
Compta Dharwar	221,268	240,766	159,725	186,918	252,996	147,400	132,693	187,493	222,650	168,007
Western Northern	150,824	192,189	152,221	160,318	112,046	63,574	85,340	93,019	126,862	117,182
Coconada	27,981	29,348	14,653	10,925	17,493	8,365	4,182	2,888	2,403	3,302
Tinnevelly and Cambodia	45,785	82,099	65,978	57,957	63,857	64,238	47,384	30,322	41,369	68,875
Persians	296	1,370	2,649	2,841	292	3,226	5,737	9,764	6,904	5,627
Americans	68	2	1,265	....	81,105	23,058	1,632	2	9,649	28,130
Egyptians	463	....	121	....	2,699	2,050	1,421	3,718	648	638
East Africans .. .. .	....	....	....	....	....	....	51,069	77,932	74,289	88,569
Comilla, Burmah and Other Sorts	15,346	25,667	13,797	18,948	31,226	81,099	603	877	3,513	3,700
TOTAL	3,120,347	2,306,445	2,543,033	3,427,024	2,878,716	3,462,479	3,641,287	3,291,494	3,667,877	3,334,656

TABLE No. 8.
STATEMENT SHOWING THE WEEKLY PRICES OF COTTON IN BOMBAY
(IN Rs. PER CANDY OF 784 LBS.)

(The figures are extracted from the Weekly Statistics of the East India Cotton
Association, Ltd.)

Week ending.	BENGAL F. G.		BROACH.		OOMRA FINE.	
	Price.	Delivery.	Price.	Delivery.	Price.	Delivery.
2nd January 1926.	290	Spot.	365	Apl./May.	352	Spot.
8th "	285	"	360	"	347	"
15th "		Market.	closed.			
22nd "	288	Spot.	359	"	353	"
29th "	285	"	354	"	355	"
5th February	281	"	350	"	350	"
12th "		Market	closed.			
19th "	288	Spot.	361	"	349	"
26th "	283	"	377	Spot.	342	"
5th March	273	"	370	"	335	"
12th "	272	"	371	"	337	"
19th "	265	"	368	"	332	"
26th "	263	"	358	"	325	"
6th April	265	"	361	"	328	"
9th "	265	"	358	"	328	"
16th "	262	"	353	"	325	"
23rd "	254	"	344	"	318	"
30th "	233	"	326	"	297	"
7th May	243	"	338	"	307	"
14th "	253	"	344	"	319	"
21st "	253	"	340	"	323	"
28th "	252	"	336	"	319	"
4th June		Not quoted.				
11th "	262	Spot	346	"	329	"
18th "	256	"	343	"	323	"
25th "	252	"	340	"	323	"
2nd July	256	"	336	"	321	"
9th "	257	"	337	"	322	"
16th "		Market	closed.			
23rd "		Market	closed.			
30th "	289	Spot.	352	"	340	"
6th August	291	"	354	"	342	"
13th "	297	"	345	"	299	Dec./Jan.
20th "	250	Dec./Jan.	350	"	302	"
27th "	262	"	350	"	312	"
3rd September	263	"	350	"	312	"
10th "		Market	closed.			
17th "	256	Dec./Jan.	318	Apl./May.	305	"
24th "	253	"	314	"	299	"
1st October	241	"	300	"	284	"
8th "	225	"	281	"	265	"
15th "	219	"	274	"	259	"
22nd "	204	"	256	"	240	"
29th "	197	"	245	"	230	"
8th November		Market	closed.			
12th "	206	Dec./Jan.	250	"	238	"
19th "	223	"	264	"	255	"
26th "	243	Spot.	256	"	257	Spot.
3rd December	226	"	248	"	243	"
10th "	218	"	243	"	237	"
17th "	219	"	246	"	235	"
27th "	220	"	249	"	235	"

TABLE No. 9.

STOCKS OF YARN AND CLOTH HELD BY BOMBAY MILLS.

The following table shows the stocks of Yarn and Cloth held by Bombay Mills compiled from returns received by the Association :—

Date of Returns.	YARN STOCKS IN BALES.			CLOTH STOCKS IN BALES.		
	Approximation of stock for all Bombay Mills.			Approximation of stock for all Bombay Mills.		
	Sold but delivery not taken.	Unsold.	Total unclear- ed.	Sold but delivery not taken.	Unsold.	Total unclear- ed.
1922.						
December 31st	21,400	20,800	42,200	44,000	84,000	128,000
1923.						
March 31st	28,400	38,000	66,400	46,000	104,500	150,500
May 31st	21,000	49,000	70,000	36,000	124,000	160,000
June 30th	25,500	47,500	73,000	31,500	128,000	159,500
July 31st	19,000	43,000	62,000	33,000	129,000	162,000
August 31st	17,000	36,000	53,000	36,000	141,000	177,000
September 30th	29,500	28,000	57,500	51,000	121,000	172,000
October 31st	23,500	19,500	43,000	44,000	101,000	145,000
November 30th	29,000	17,000	46,000	44,500	84,500	129,000
December 31st	21,000	29,000	50,000	27,000	98,000	125,000
1924.						
January 31st	21,000	41,000	62,000	30,000	115,000	145,000
February 29th	14,000	25,000	39,000	30,000	84,000	114,000
March 31st	12,000	16,000	28,000	32,000	63,000	95,000
April 30th	9,000	21,000	30,000	33,000	59,000	92,000
May 31st	12,000	14,000	26,000	33,000	74,000	107,000
June 30th	12,000	17,000	29,000	46,000	63,000	109,000
July 31st	12,000	21,000	33,000	50,000	62,000	112,000
August 31st	15,000	25,000	40,000	55,000	66,000	121,000
September 30th	9,000	28,000	37,000	49,000	70,000	119,000
October 31st	13,000	21,000	34,000	45,000	65,000	110,000
November 30th	12,000	19,000	31,000	37,000	66,000	103,000
December 31st	11,000	25,000	36,000	36,000	75,000	111,000
1925.						
January 31st	13,000	28,000	41,000	42,000	85,000	127,000
February 28th	16,000	30,000	46,000	45,000	90,000	135,000
March 31st	23,000	26,000	49,000	45,000	105,000	150,000
April 30th	20,000	33,000	53,000	43,000	107,000	150,000
May 31st	16,000	40,000	56,000	47,000	114,000	161,000
June 30th	13,000	45,000	58,000	55,000	131,000	176,000
July 31st	20,000	36,000	56,000	59,000	126,000	185,000
August 31st	14,000	36,000	50,000	59,000	117,000	176,000
September 30th	14,000	32,000	46,000	56,000	103,000	159,000
October 31st	8,000	23,000	31,000	48,000	69,000	112,000
November 30th	5,000	16,000	21,000	30,300	54,000	84,300
December 31st	8,000	14,000	22,000	22,000	53,000	75,000
1926.						
January 31st	11,000	17,000	28,000	25,000	58,000	83,000
February 28th	13,000	25,000	38,000	27,000	52,000	79,000
March 31st	13,000	32,000	45,000	26,000	61,000	87,000
April 30th	11,000	39,000	50,000	31,000	68,000	99,000
May 31st	13,000	33,000	46,000	29,000	80,000	109,000
June 30th	18,000	30,000	48,000	36,000	91,000	127,000
July 31st	20,000	22,000	42,000	46,000	98,000	144,000
August 31st	17,000	26,000	43,000	58,000	101,000	159,000
September 30th	14,000	26,000	40,000	50,000	95,000	145,000
October 31st	13,000	31,000	44,000	44,000	88,000	132,000
November 30th	13,000	27,000	40,000	38,000	80,000	118,000
December 31st	9,000	25,000	34,000	32,000	89,000	121,000

NOTE :—The approximate monthly production of yarn in Bombay Mills is about 73,000 bales of 400 lbs each of which about 50,000 bales are used in the production of cloth.

The rapid reduction in the cloth and yarn stocks early in 1924 and at the end of 1925 was due to the fact that all the mills in the City and Island were closed down.

TABLE NO. 10

AVERAGE WHOLESALE PRICES OF PIECEGOODS AND YARN
PRODUCED BY BOMBAY MILLS.

Date.	PIECEGOODS.			YARN.	
	Longcloth.	T.Cloths.	Chadars.	Twist. No. 10's.	Twist. No. 20's.
	As.	As.	As.	As.	As.
Year ending December 31st, 1905 ..	9.39	9.56	9.30	5 29/32	7.0
Year ending December 31st, 1906 ..	9.46	9.45	9.38	5 29/32	7 5/16
Year ending December 31st, 1907 ..		Not Available.			
Year ending December 31st, 1908 ..	9 7/16	9 1/16	8 15/16	5 3/32	6 1/4
Year ending December 31st, 1909 ..		Not Available.			
Year ending December 31st, 1910 ..	9 15/16	9 3/16	9 3/16	6 27/32	7 13/16
Year ending December 31st, 1911 ..		Not Available.			
Year ending December 31st, 1912 ..	10 13/16	10 1/2	9 1/2	7 5/32	8 1/2
Year ending December 31st, 1913 ..		Not Available.			
Year ending December 31st, 1914 ..	9 1/2	9 3/16	9 5/16	5 1/2	6 23/32
Year ending December 31st, 1915 ..	9 1/16	8 7/16	8 7/16	5	6 1/32
Year ending December 31st, 1916 ..	11 1/2	11 1/2	10 1/2	6 7/16	8 9/32
Year ending December 31st, 1917 ..	17 1/2	16 3/16	14 15/16	9 7/16	12 29/32
Year ending December 31st, 1918 ..	29 1/2	26 3/2	25 1/2	16 29/32	20 31/32
Year ending December 31st, 1919 ..	26 3/2	24 9/16	24 1/2	16 19/32	21 3/16
Year ending December 31st, 1920 ..	29 1/2	27 1/2	27 9/16	16 11/16	24 1/2
Year ending December 31st, 1921 ..	26 3/16	24 3/2	24 5/16	12 9/32	17
Year ending December 31st, 1922 ..	25 11/32	22 1/2	23 3/2	12 1/2	16 15/16
Year ending December 31st, 1923 ..	21 3/2	19 15/16	19 13/16	12 1/16	15 19/32
Year ending December 31st, 1924 ..	22 1/2	21 1/2	20 9/16	14 1/2	17 11/32
Month ending January 31st, 1925 ..	20 1/2	19 9/16	19 9/16	13	15 1/2
Month ending February 28th, 1925 ..	20 1/2	19 7/16	19 7/16	12 9/16	14 13/16
Month ending March 31st, 1925 ..	20 1/2	19 1/2	19 1/2	12 1/2	14 11/12
Month ending April 30th, 1925 ..	20 1/2	19 1/2	19 1/2	14 11/16	14 11/16
Month ending May 31st, 1925 ..	20	19 1/16	18 1/2	13 11/16	13 11/16
Month ending June 30th, 1925 ..	19 1/2	18 1/2	18 3/16	10 15/16	13 1/2
Month ending July 31st, 1925 ..	18 1/2	17 1/2	17 1/2	11 1/16	13 1/2
Month ending August 31st, 1925 ..	18 1/2	17 9/16	17 5/16	11 3/16	13 1/2
Month ending September 30th, 1925 ..	18	17 1/2	17 1/16	11 1/2	13 1/2
Month ending October 31st, 1925 ..	19	17 29/32	17 29/32	11 7/16	13 1/2
Month ending November 30th, 1925 ..	18 1/2	17 5/16	17 3/16	11 1/2	13 1/2
Month ending December 31st, 1925 ..	17 1/2	16 1/2	16 3/32	11 1/2	12 1/2
Month ending January 31st, 1926 ..	17 1/2	16 1/2	16	10 1/2	12 1/2
Month ending February 28th, 1926 ..	17 1/2	16	16	10 1/2	12 1/2

From March 5th, 1926, more detailed statistics of prices have been published by the Association. These are given in the next page.

TABLE No. 10—contd.

AVERAGE WHOLESALE PRICES OF GREY UNBLEACHED PIECE-GOODS IN 1926

Fortnight ending	Longcloth	Shirtings	Dhoties (up	Drills	T-cloths	Domestics	Domestics	Salita	Chadars	Khadi
	S. Quality 37×37½×9 Per lb.	35×38×9 Per lb.	to ½" Nakhi border, 32×9×1½. Per lb.	29½×40×13½ Per lb.	30×24×6 Per lb.	24×48×10 Per lb.	26×61×11 Per lb.	40×66×25 Per lb.	50×6×2½ Per lb.	28×24×7½ Per lb.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
5th March, 1926	1 2 3	1 1 3	1 2 0	0 15 6	1 1 0	1 0 6	1 0 3	1 0 6	1 1 3	0 12 6
19th March, 1926	1 2 3	1 1 3	1 2 3	0 15 6	1 0 6	1 1 0	1 0 6	1 0 9	1 1 0	0 12 6
2nd April, 1926	1 2 0	1 0 9	1 1 9	0 15 6	1 0 0	1 0 3	0 15 6	1 0 6	1 0 9	0 12 3
16th April, 1926	1 2 0	1 0 9	1 1 6	0 15 3	0 15 6	1 0 0	0 15 6	1 0 0	1 0 6	0 12 3
30th April, 1926	1 1 9	1 0 6	1 1 6	0 14 6	0 15 6	1 0 6	0 15 0	1 0 0	1 0 3	0 11 9
14th May, 1926	1 1 9	1 0 6	1 1 0	0 14 9	0 15 6	1 0 6	0 15 0	1 0 0	1 0 3	0 11 9
28th May, 1926	1 1 6	1 0 6	1 1 3	0 14 9	0 14 6	0 15 9	0 15 6	1 0 3	0 15 9	0 11 9
11th June, 1926	1 1 3	0 15 9	1 0 9	0 14 9	0 14 0	1 0 0	0 15 6	0 15 9	1 0 0	0 11 6
25th June, 1926	1 1 0	0 15 9	1 0 9	0 15 0	0 14 0	1 0 0	0 15 6	0 15 9	1 0 0	0 11 6
9th July, 1926	1 0 9	0 15 9	1 0 9	0 14 6	0 14 0	0 15 9	0 15 0	0 15 9	0 15 9	0 11 6
23rd July, 1926	1 0 3	0 15 9	1 0 9	0 14 6	0 14 0	0 15 6	0 15 3	0 15 9	0 15 6	0 11 6
6th August, 1926	1 0 0	0 15 3	1 1 0	0 14 0	0 14 6	0 15 0	0 15 0	0 15 3	0 15 6	0 11 6
20th August, 1926	1 0 3	0 15 3	1 1 0	0 14 0	0 14 6	0 15 3	0 15 0	0 15 3	0 15 6	0 11 6
3rd September, 1926	1 0 6	0 15 0	1 0 3	0 14 0	0 14 6	0 15 3	0 14 9	0 15 0	0 15 6	0 11 0
17th September, 1926	1 0 0	0 15 0	1 0 0	0 14 0	0 14 6	0 15 0	0 14 9	0 15 0	0 15 6	0 11 0
1st October, 1926	1 0 0	0 15 0	1 0 0	0 14 6	0 14 6	0 15 0	0 14 9	0 15 0	0 15 6	0 11 6
15th October, 1926	0 15 6	0 14 9	0 15 9	0 13 0	0 14 9	0 14 3	0 13 9	0 14 6	0 15 6	0 10 6
29th October, 1926	0 15 3	0 14 9	0 15 6	0 13 0	0 14 9	0 14 0	0 13 9	0 14 6	0 15 3	0 11 0
12th November, 1926	0 14 9	0 14 0	0 15 0	0 13 0	0 14 9	0 14 0	0 13 9	0 14 0	0 15 0	0 11 6
26th November, 1926	0 14 0	0 13 3	0 14 3	0 11 6	Not quoted	0 13 3	0 13 3	0 12 9	0 13 3	0 10 3
10th December, 1926	0 14 0	0 13 0	0 14 3	0 11 9	Not quoted	0 13 0	0 13 0	0 12 9	0 13 0	0 9 9
24th December, 1926	0 14 0	0 13 0	0 14 3	0 11 9	0 13 9	0 13 0	0 13 0	0 12 9	0 13 6	0 9 9

NOTE:—Figures extracted from the current quotations issued by the Association.

TABLE NO. 10.—(Contd.)

AVERAGE WHOLESALE PRICES FOR WHITE AND COLOURED PIECE-GOODS AND GREY YARN IN 1926.

Fortnight ending	WHITE BLEACHED.				DYED GOODS.		FANCY GOODS.								YARN (Price per lb)								
	Long-cloth 36x40x10 ¹ / ₂ Per Piece	Striped Shirting 25x24x3 ¹ / ₄ (up to 15% Colour) Per piece	Twills 31 ¹ / ₂ x40x7 ¹ / ₂ Per piece	Khadi 50x40x20. Per piece	Dyed Long-cloth (Black) 35x38x9. Per piece	Dyed Long-cloth (naphthol red) 45x26x3 ¹ / ₂ Per piece	Susi, Grey Weft. 21x24x2 11/16 (up to 20% colour) Per piece	Susi, 22x24x3 50% colour, Per piece	Check 22x24x3 ¹ / ₂ 100% colour, Per piece	Sholapur Coating 27x24x6 ¹ / ₂ 100% colour Per piece	Sholapur Coating 25x24x5 ¹ / ₂ 100% colour Per piece	Striped Drills 24x24x5 (up to 20% colour) Per piece	Kashmere Cloth 24x24x4 (Cotton Dyed) Per piece	Towels. 30x16 2/3x7 Per dozen.	4s Bump (nominal)	6s. All Waste.	8 ¹ / ₂	10 ¹ / ₂	12 ¹ / ₂	16s	20s.	24s	
	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	Rs. a p.	
5th March 1926	13 14 0	4 14 0	12 13 0	20 8 0	11 13 0	Not quoted.	2 15 0	3 11 3	4 0 3	8 12 0	7 2 0	5 3 0	4 4 0	9 13 0	0 8 0	Not quoted.	Not quoted.	0 10 0	0 10 6	0 11 6	0 12 0	0 13 6	
19th March	13 12 0	4 14 0	12 4 6	20 8 0	11 4 0	Not quoted.	2 14 9	3 13 9	4 1 9	12 6 0	7 2 0	5 3 0	4 4 0	9 13 0	0 7 0	Not quoted.	Not quoted.	0 10 0	0 10 6	0 11 6	0 12 0	0 13 6	
2nd April	13 12 0	4 14 0	12 4 6	20 8 0	11 4 0	Not quoted.	2 15 0	4 0 0	4 1 0	12 4 0	7 2 0	5 2 0	4 4 0	9 13 0	0 8 0	Not quoted.	Not quoted.	0 9 6	0 10 0	0 11 0	0 12 0	0 13 6	
16th April	13 14 0	4 15 0	13 8 0	20 8 0	11 4 0	Not quoted.	3 2 0	3 12 6	4 0 6	12 4 0	7 2 0	5 0 3	4 2 0	9 13 0	0 8 0	0 7 0	Not quoted.	0 9 3	0 10 0	0 11 0	0 11 6	0 13 3	
30th April	13 8 0	4 13 6	13 8 0	20 8 0	11 4 0	Not quoted.	2 11 6	3 12 0	4 0 9	11 8 0	6 8 0	4 14 6	4 0 0	9 13 0	0 8 0	0 7 0	Not quoted.	0 9 0	0 9 6	Not quoted.	0 11 0	Not quoted.	
14th May	13 8 0	4 12 6	13 8 0	Not quoted.	10 14 0	Not quoted.	2 11 6	3 12 0	4 0 9	11 8 0	6 8 0	4 14 6	4 0 0	8 10 0	0 6 0	0 7 0	0 8 0	0 9 0	0 9 6	Not quoted.	0 11 0	Not quoted.	
28th May	13 8 0	4 12 0	13 8 0	17 8 0	11 4 0	Not quoted.	2 12 0	3 12 0	4 1 6	11 8 0	6 4 0	4 12 0	4 0 0	8 10 0	0 6 6	0 7 0	0 7 9	0 8 9	0 9 3	Not quoted.	0 10 9	Not quoted.	
11th June	13 8 0	4 12 0	Not quoted.	17 0 0	11 4 0	Not quoted.	2 12 0	3 12 0	4 1 6	11 4 0	6 4 0	4 11 0	3 14 0	8 10 0	Not quoted.	0 6 6	0 7 9	0 8 9	0 9 0	Not quoted.	0 10 9	Not quoted.	
25th June	13 8 0	4 10 0	Not quoted.	17 0 0	11 4 0	Not quoted.	2 12 0	3 12 0	4 1 6	11 4 0	6 4 0	4 8 0	3 14 0	8 9 0	Not quoted.	0 6 6	0 7 9	0 8 6	0 9 3	Not quoted.	0 10 9	Not quoted.	
9th July	13 4 0	4 9 0	10 0 0	17 0 0	10 12 0	Not quoted.	4 6 0	2 13 0	3 10 6	3 14 6	11 8 0	6 4 0	4 5 3	3 14 0	8 8 0	0 6 3	0 6 6	0 7 9	0 8 6	0 9 3	0 10 3	0 10 9	Not quoted.
23rd July	13 4 0	4 9 0	10 0 0	16 14 0	10 12 0	Not quoted.	4 6 0	2 13 0	3 10 6	3 14 0	11 8 0	6 4 0	4 5 3	3 14 0	8 8 0	0 6 0	0 6 3	0 8 0	0 8 6	0 9 0	0 10 3	0 10 9	Not quoted.
6th August	13 4 0	4 8 0	9 14 0	16 14 0	10 12 0	Not quoted.	4 6 0	2 13 0	3 10 6	3 14 0	11 8 0	6 4 0	4 5 3	3 14 0	8 3 0	0 5 6	0 6 3	0 7 6	0 8 3	0 9 0	0 10 3	0 10 9	0 12 6
20th August	13 6 0	4 8 0	9 14 0	16 14 0	10 10 0	Not quoted.	4 6 0	2 12 0	3 10 6	3 14 0	11 8 0	6 4 0	4 5 0	3 14 0	8 3 0	0 5 6	0 5 3	0 7 6	0 8 0	0 9 6	0 10 3	0 10 9	0 12 6
3rd September	13 6 0	4 8 0	9 14 0	16 14 0	10 10 0	Not quoted.	4 6 0	2 10 3	3 9 6	3 14 0	11 8 0	6 4 0	4 9 0	4 0 0	7 12 0	0 5 6	Not quoted.	0 7 6	0 8 0	0 9 6	0 10 3	0 10 9	0 12 6
17th September	13 6 0	4 6 0	9 14 0	16 14 0	10 10 0	Not quoted.	4 6 0	2 10 3	3 9 6	3 14 0	11 8 0	6 4 0	4 9 0	4 0 0	7 12 0	0 5 6	Not quoted.	0 7 6	0 8 0	0 9 0	0 10 0	0 10 9	0 12 6
1st October	13 6 0	4 6 0	9 14 0	16 12 0	10 10 0	Not quoted.	4 6 0	2 10 3	3 9 0	3 13 0	11 2 0	6 2 0	4 9 0	4 0 0	7 10 0	0 5 6	Not quoted.	0 7 6	0 8 0	0 9 0	0 10 0	0 10 9	0 12 6
15th October	13 0 0	4 6 0	9 4 6	Not making.	10 2 0	Not making.	2 10 3	3 7 0	3 12 0	11 4 0	6 2 0	4 3 6	3 13 0	7 12 0	0 5 3	Not quoted.	Not quoted.	0 7 9	0 9 0	Not quoted.	Not quoted.	0 12 3	
29th October	13 0 0	4 6 0	9 4 0	Not quoted.	10 1 9	Not quoted.	2 10 0	3 7 0	3 12 0	11 4 0	6 2 0	4 3 0	3 13 0	7 12 0	0 5 3	Not quoted.	Not quoted.	0 7 9	0 9 0	Not quoted.	Not quoted.	0 12 3	
12th November	12 12 0	4 6 0	9 4 0	Not quoted.	10 2 0	Not quoted.	2 6 0	3 7 0	3 12 0	11 4 0	6 2 0	4 3 0	3 12 0	7 12 0	0 5 3	Not quoted.	Not quoted.	0 7 6	0 8 3	0 9 0	0 9 6	0 12 3	
28th November	12 12 0	4 2 3	8 8 0	14 0 0	9 9 0	Not quoted.	2 5 3	3 2 0	3 3 0	11 4 0	6 2 0	4 1 6	3 8 0	7 12 0	0 3 6	0 5 0	0 6 0	0 7 3	0 7 9	0 8 9	0 9 3	0 11 0	
10th December	Not quoted	4 2 3	8 0 0	Not quoted.	9 4 6	Not quoted.	2 5 0	3 3 0	3 7 3	11 0 0	6 0 0	3 15 0	3 7 0	7 5 0	0 3 9	0 5 6	0 6 3	0 7 0	0 8 0	Not quoted.	0 9 3	0 11 0	
24th December	Not quote	4 2 3	Not quoted.	Not quoted.	9 6 0	Not quoted.	2 4 3	3 4 0	3 6 3	11 0 0	6 0 0	3 15 0	3 7 0	7 5 0	Not quoted.	0 5 9	0 6 0	0 7 0	0 7 6	0 8 0	0 8 9	0 11 0	

TABLE NO. II.
EXCHANGE VARIATIONS IN 1926 FOR TELEGRAPHIC TRANSFERS AND THE
PRICE OF SILVER.

1926.	Bombay/ London.	Bombay/ New York	Bombay/ Shanghai.	Bombay/ Hongkong.	Bombay/ Yokohama.	Price in Bombay for 100 tolas (of ready silver.)
		Per 100 dollars.	Per 100 taels.	Per 100 dollars.	Per 100 yens.	
	s.	Rs.	Rs.	Rs.	Rs.	Rs. a . p.
January	1/6 5/32	273	206½	161½	120.28	70 11 0
February	1/6 9/64	272½	203½	160½	124	69 4 6
March	1/6 1/32	274½	201½	155	124.23	68 9 0
April	1/5 13/16	277½	199½	153½	129.53	68 2 6
May	1/5 59/64	277	204½	156½	129.92	70 1 6
June	1/5 7/8	276½	202½	155	129.32	68 9 6
July	1/5 7/8	276½	199½	152½	129.97	67 12 0
August	1/5 15/16	276½	193½	146	131.26	65 5 6
September	1 15/16	276½	177	143½	135.55	62 6 0
October	1/5 27/32	277½	168½	144½	135.02	58 10 6
November	1/5 51/64	278½	165½	135½	136.45	58 15 6
December	1/5 57/64	278½	167½	134½	136.21	57 15 6

NOTE:—These figures were supplied by Messrs Premchand Roychand & Sons, Exchange Brokers, Bombay.

TABLE No. 12.
STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN INDIA.
(In thousands of pounds)

	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24. †	1924-25.	1925-26. †	Calendar Year. 1926.
BRITISH INDIA—																				
1 to 10	146,008	143,592	128,941	111,183	112,109	132,432	125,722	125,511	133,726	107,143	93,331	84,663	81,044	81,181	94,251	97,603	80,123	87,505	89,339	110,482
11 to 20	325,328	341,176	332,751	316,913	315,435	343,054	333,953	322,113	332,372	347,767	325,045	292,335	321,733	334,403	345,837	343,815	299,062	343,396	316,531	358,712
21 to 30	117,793	120,000	112,522	123,932	140,452	143,355	153,837	143,454	181,425	161,493	173,794	131,216	174,240	189,824	193,330	197,325	168,219	205,347	191,063	221,712
31 to 40	21,710	20,394	15,575	17,674	13,940	19,144	18,971	18,193	19,021	23,283	23,610	18,593	16,535	14,833	16,707	15,836	19,143	18,774	18,498	24,849
Above 40	2,708	4,693	3,554	1,838	2,193	2,935	2,633	2,213	1,933	4,461	5,748	4,513	3,512	2,067	2,364	2,195	3,255	5,809	5,816	10,292
Wastes	223	41	70	395	704	631	679	475	651	346	223	231	253	314	472	162	324	330	1,319	2,590
TOTAL	613,772	629,131	593,424	576,933	531,842	653,532	614,853	614,957	633,155	644,447	623,801	531,531	597,355	621,655	653,011	631,936	570,125	661,162	623,871	723,924†
NATIVE STATES—																				
1 to 10	3,184	4,373	6,490	4,537	4,072	4,570	5,032	5,516	5,531	3,533	2,031	2,657	3,143	2,763	4,816	5,375	4,721	5,291	6,385	5,935
11 to 20	15,597	17,583	21,720	19,526	20,893	23,333	21,951	21,213	23,816	22,163	21,957	21,175	25,262	25,125	25,565	26,832	28,005	33,619	32,493	37,046
21 to 30	5,451	5,425	6,664	8,474	8,831	9,491	11,153	9,783	9,319	10,019	9,874	8,939	9,417	10,262	9,832	11,634	13,758	18,465	22,726	23,594
31 to 40	311	311	249	331	311	437	741	502	552	821	789	606	545	159	194	94	524	593	1,239	1,797
Above 40	1	14	35	3	....	2	12	19	8	116	94	53	18	....	26	....	6	14	18	142
Wastes .. .. .	....	....	....	....	....	....	....	....	....	....	....	....	19	41	20	52	190	247	196	187
TOTAL	24,523	27,693	34,159	32,931	34,183	37,831	37,924	37,023	33,270	33,633	33,775	34,481	33,435	33,347	40,452	43,958	47,204	58,228	63,057	68,802
GRAND TOTAL, BRITISH INDIA AND STATES—																				
1 to 10	149,192	147,935	135,431	115,722	116,179	137,002	130,784	131,010	145,337	111,932	103,452	87,321	84,189	83,943	93,067	102,978	84,843	92,796	95,724	116,418
11 to 20	340,916	359,262	353,471	333,439	333,331	353,393	331,909	313,326	333,189	333,933	313,002	314,541	347,000	353,527	371,452	375,617	327,067	377,015	349,024	390,759
21 to 30	123,244	125,425	119,183	137,469	149,332	153,835	163,995	153,240	163,744	171,493	183,667	189,214	183,657	193,083	203,162	213,959	181,977	223,812	213,789	245,305
31 to 40	22,010	20,694	15,825	18,035	21,281	19,642	19,712	18,701	18,573	24,082	24,393	19,189	17,080	15,024	16,900	15,930	19,667	19,368	19,737	26,645
Above 40	2,707	4,697	3,593	1,841	2,193	2,933	2,633	2,233	1,933	4,577	5,842	4,555	3,550	2,067	2,389	2,195	3,251	5,822	5,834	10,435
Wastes	226	41	70	395	704	631	679	475	651	346	223	231	275	355	492	214	514	578	1,515	2,777
GRAND TOTAL	633,295	653,831	627,592	613,927	625,031	683,473	682,777	651,935	722,425	681,107	630,576	615,040	635,760	633,003	693,463	705,894	617,329	719,390	686,428†	792,626†

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*Year ending 31st March.
†During the years 1923-24 and 1925-26 all the mills in the City and Island of Bombay were closed for about 2 months and 2½ months respectively.
‡ Includes 805 lbs. for which details are not known.
do. 288 do. do.

TABLE NO. 13.

STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN BOMBAY ISLAND.

(In thousands of pounds).

	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.
Nos. 1 to 10..	110,340	106,937	92,973	81,141	81,453	95,429	89,352	88,219	97,875	73,500	71,167	55,970	56,406	58,242	71,274	74,226	56,123	61,164	56,982	75,498
Nos. 11 to 20..	175,186	181,702	176,312	171,214	170,766	188,102	186,217	162,658	197,320	198,700	186,336	151,433	173,435	183,839	175,505	171,828	125,910	156,150	116,959	152,442
Nos. 21 to 30..	60,026	61,520	55,443	63,046	70,059	74,851	74,751	66,553	77,108	77,591	90,916	90,604	81,274	94,134	94,753	95,406	79,538	98,955	79,114	102,109
Nos. 31 to 40..	6,685	6,271	4,322	4,314	4,552	4,421	3,831	4,017	3,832	4,824	6,991	6,669	5,161	5,178	6,000	5,587	6,605	7,961	5,885	8,858
Above 40	863	1,187	974	650	705	837	822	600	557	1,226	1,847	1,447	1,405	921	989	1,028	1,338	3,212	2,503	3,834
Wastes, etc. ..	52	29	55	62	106	41	52	106	51	58	32	67	38	143	173	24	73	101	520	1,085
TOTAL ..	352,152	357,646	330,079	320,427	327,641	363,681	355,025	322,153	376,743	355,899	357,289	306,190	317,719	342,457	348,694	348,099	269,587	327,543	261,963	343,887

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* Year ending 31st March.

Please see foot-note to table 12 regarding strikes in 1923-24 and 1925-26.

TABLE NO. 14.

DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN INDIAN MILLS.

GRAND TOTAL, INDIA (British India and Indian States).

In thousands of yards.

Description.	1907-08	1908-09	1909-10.	1910-11.	1911-12.	1912-13	1913-14.	1914-15.	1915-16	1916-17	1917-18.	1918-19.	1919-20	1920-21.	1921-22	1922-23.	1923-24.	1924-25.	1925-26	Calendar year 1926
GREY AND BLEACHED PIECE-GOODS																				
Chadars Yards ..	42,826	38,765	51,041	56,089	68,177	75,396	69,870	65,603	75,163	67,761	54,049	37,914	68,093	59,194	59,428	63,202	58,003	61,614	62,078	65,106
Dhutis Yards ..	237,900	233,878	249,574	253,246	268,460	291,476	284,770	259,974	323,640	330,949	325,017	369,357	337,602	340,128	455,637	431,145	399,214	458,404	516,394	690,425
Drills and Jeans Yards ..	21,573	24,708	22,084	25,804	27,567	28,931	27,813	30,789	46,329	56,503	78,611	54,284	80,845	74,305	60,452	56,306	54,974	77,191	74,150	80,076
Cambrios and Lawns Yards ..	3,152	2,759	4,088	4,171	6,326	7,053	5,053	3,545	5,701	6,379	8,277	5,195	8,473	5,951	7,347	5,554	3,649	5,395	3,167	3,135
Printers Yards ..	7,744	26,186	33,003	33,469	26,399	29,450	30,384	28,007	26,800	31,599	26,593	23,067	29,837	28,284	35,622	39,073	34,831	32,777	25,872	22,518
Shirtings and Longcloth Yards ..	207,227	206,314	244,896	287,568	313,053	302,624	292,488	320,705	419,625	427,753	450,630	393,779	444,501	456,240	487,034	470,549	443,848	525,524	521,126	888,363
T-cloth, Domestics and Sheetings Yards ..	120,315	123,841	140,593	139,438	142,107	148,095	128,969	134,288	151,401	192,132	137,396	110,511	122,402	97,388	84,117	81,002	68,075	77,742	74,073	83,806
Tent Cloth Yards ..	6,184	7,693	5,780	5,968	6,062	5,782	5,814	8,962	11,844	17,181	24,550	36,870	5,671	7,508	7,255	6,588	6,573	9,894	9,005	7,907
Khadi, Dungee or Khaddar Yards ..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	87,153	87,406	96,625
Other sorts Yards ..	14,126	21,827	20,460	23,645	25,229	25,384	27,286	29,627	34,264	35,913	35,899	45,733	66,649	60,886	87,859	118,371	128,488	46,675	41,035	43,406
TOTAL .. Yards ..	680,037	685,972	771,517	829,197	883,361	914,191	872,446	880,502	1,094,867	1,136,170	1,141,022	1,076,711	1,164,073	1,129,883	1,284,752	1,271,790	1,197,654	1,382,368	1,414,304	1,580,462
Coloured Piece-goods Yards ..	128,380	13,858	192,352	213,545	252,771	306,251	291,846	255,206	346,647	441,962	473,105	374,015	475,706	450,967	446,822	453,494	503,920	588,078	540,157	645,153
Grey and Coloured Goods other than Piece-goods Dozens.	464	400	429	486	417	415	638	512	653	660	706	721	659	707	629	1,213	514	611	956	1,074
Cotton Goods mixed with Silk or Wool Pounds ..	.....	.....	.....	.....	.....	.....	.....	.....	.....	43	253	307	204	227	178	165	270	272	708	1,876
Grand Total { Pounds	808,427	824,469	963,869	1,042,742	1,136,152	1,220,443	1,164,292	1,135,708	1,441,515	1,578,133	1,614,126	1,450,726	1,639,779	1,580,850	1,731,573	1,725,284	1,701,574	1,970,447	1,954,461	2,225,515
Grand Total { Yards	.....	.....	.....	.....	.....	.....	.....	.....	.....	43	253	307	204	227	178	165	270	272	708	1,876
Grand Total { Dozens	464	400	429	486	417	415	638	512	653	660	706	721	659	707	629	1,213	514	611	956	1,074

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Note — Figures in block type apply to British India only.

*Year ending 31st March.

Until the year 1924-25, Khadi, Dungee or Khaddar production was included in 'other sorts.' Similarly mixed cotton goods were not shown separately until 1916-17. Previous to 1st April 1926, the actual production figures of cloth were not recorded, the figures given in the tables relate to the quantities on which excise duty had become payable. (See Cotton Duties Act of 1896 for detailed interpretation of the term 'manufactured'.)

TABLE No. 15.
DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN BOMBAY MILLS.
(In thousands of yards)

Description of Goods.	*1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.
GREY AND BLEACHED GOODS—																				
Chadars Yds	31,958	27,556	34,777	33,640	39,831	39,726	35,962	28,819	33,336	31,655	27,816	14,820	29,010	25,102	28,248	25,239	24,318	25,734	26,795	29,995
Dhuties "	69,743	57,751	56,700	52,385	54,207	54,701	56,703	46,726	61,727	48,341	65,429	88,605	78,919	77,547	121,793	102,025	97,624	110,997	115,412	143,998
Drills and Jeans "	9,774	10,509	10,469	12,566	14,109	14,865	14,838	17,567	29,660	36,452	55,596	33,292	50,170	46,034	35,504	31,523	33,294	49,907	38,408	49,323
Cambrics and Lawns "	2,212	1,859	2,508	2,479	4,252	5,951	3,636	2,831	3,476	4,075	5,269	3,190	3,897	2,470	4,448	2,186	1,560	2,443	1,449	340
Printers "	985	408	310	157	78	123	278	79	116	122	61	314	449	376	1,479	1,674	280	165	1,041	927
Shirtings and Longcloths "	159,414	151,290	173,587	195,809	219,009	198,955	189,617	201,048	269,383	236,283	297,201	233,227	255,628	270,724	311,600	289,340	278,940	326,482	306,776	371,738
T-Cloths, Domestics & Sheetings "	89,110	93,639	102,004	98,545	96,057	92,935	78,322	84,275	108,768	144,514	93,344	64,672	82,792	66,848	53,722	48,427	39,457	45,034	36,195	42,239
Tent Cloth "	2,056	2,023	1,520	1,343	1,631	1,684	1,535	3,103	5,642	7,189	8,820	21,026	2,745	2,924	2,499	1,924	1,488	2,261	2,205	2,399
Khadi, Dungri or Khaddar .. .. "	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	30,574	27,514	46,721
Other Sorts "	4,364	4,671	4,859	5,752	7,472	6,792	7,941	7,418	7,773	6,662	9,644	12,669	14,827	12,313	26,633	44,980	45,897	11,549	10,302	10,898
TOTAL	369,616	349,707	386,736	402,676	430,646	415,732	388,834	391,867	519,881	515,292	563,180	471,814	518,436	504,339	585,926	547,318	522,859	605,145	566,097	700,581
COLOURED PIECE-GOODS Yds.	102,201	105,932	145,489	160,549	185,805	226,370	203,531	170,456	251,385	314,893	369,958	286,090	344,856	332,168	336,001	322,966	333,024	380,883	305,744	386,085
GREY AND COLOURED GOODS other THAN PIECE-GOODS. Doz.	396	327	344	366	308	246	478	348	478	532	581	616	486	503	420	487	349	429	721	784
COTTON GOODS MIXED with SILK OR WOOL Lbs.	..	..	..	..	..	..	..	..	..	15	96	113	58	113	64	99	139	115	468	1,140
GRAND TOTAL Yds.	471,817	455,639	532,225	563,225	622,451	642,102	592,365	562,323	771,266	830,185	933,138	757,904	863,292	836,507	921,927	870,285	855,883	986,028	871,841	1,086,666
Doz.	396	327	344	366	308	246	478	348	478	532	581	616	486	503	420	487	349	429	721	784
Lbs.	15	96	113	58	113	64	99	139	115	468	1,140

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* Year ending 31st March.

NOTE:—Until the year 1924-25, Khadi, Dungee or Khaddar production was included in 'other sorts.' Similarly mixed cotton goods were not shown separately until 1916-17. Previous to 1st April 1926, the actual production figures of cloth were not recorded, the figures given in the tables relate to the quantities on which excise duty had become payable. (See Cotton Duties Act of 1896 for detailed interpretation of the term 'manufactured'.)

(See Cotton Duties Act

TABLE No. 16.
IMPORTS OF COTTON YARN INTO INDIA.
(Quantities in thousands of pounds.)

Classifications of Yarn.	1907-08.	'08-09.	'09-10.	19-11.	'11-12	'12-13.	'13-14.	'14-15.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	Calendar Year 1926.
GREY SINGLES—																				
1s to 10s	212	332	146	82	68	180	97	79	113	29	16	99	41	216	91	89	107	99	80	85
11s to 15s	66	60	224	48	45	108	43	46	69	99	63	99	114	148	55	36	102	81	22	26
16s to 20s	462	743	382	75	79	816	511	68	131	614	70	7,060	182	6,993	6,555	12,652	6,377	6,629	4,201	2008
21s to 25s	38	81	66	38	25	406	227	34	71	5	23	..	32	128	900	449	231	168	168	136
26s to 30s	2,000	2,118	3,066	1,359	2,908	2,546	2,845	4,732	3,587	884	446	1,927	531	3,436	4,063	4,650	893	677	415	202
31s to 40s	9,041	9,600	10,035	6,745	9,797	10,665	8,833	9,255	8,454	4,800	2,255	12,805	2,079	13,885	19,035	21,061	12,943	21,383	21,680	20,924
41s to 50s	2,024	2,304	2,076	2,066	2,356	2,585	3,062	2,892	2,731	1,580	1,413	3,316	1,061	1,429	2,517	2,131	2,078	1,983	1,288	2,031
Above 50s	3,476	3,982	4,217	3,210	3,498	3,926	3,470	2,886	2,997	2,117	1,346	2,718	..	(See classifications below)	&	fcot note.				
51s to 60s .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	767	1,776	2,708	1,772	2,490	3,123	3,559
61s to 100s .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	1,143	851	2,742	1,957	2,463	1,997	1,756	2,000
Above 100s .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	50	37	135	123	137	114	242	165
GREY Two Folds (Doubles)	..	..	..	..	..	..	..	..	..	..	..	..	849	3,183	4,974	4,063	3,434	5,023	5,222	5,799
WHITE (BLEACHED)	..	..	..	..	..	..	..	..	..	..	..	..	1,077	2,040	2,520	1,894	2,650	3,427	3,751	4,112
COLOURED SINGLES.—																				
1s to 20s	842	1,348	889	568	707	1,204	603	283	519	562	205	132	120	234	260	292	271	361	469	293
21s to 25s	762	1,532	718	790	625	1,433	669	305	436	583	355	461	308	304	319	352	242	309	375	396
26s to 30s	801	1,135	837	702	857	909	842	617	739	497	155	136	136	321	174	58	100	257	160	119
31s to 40s	12,114	12,815	12,263	10,867	14,760	17,275	14,825	14,238	12,834	11,218	7,810	3,980	4,773	8,958	7,705	5,596	6,684	6,305	4,614	4,165
41s to 50s	748	1,086	438	532	526	999	451	521	904	587	403	221	92	455	221	5	68	50	84	232
Above 50s	1,221	1,208	895	819	751	1,258	876	722	880	602	408	480	478	473	558	235	503	391	433	533
COLOURED Two Folds (Doubles)	..	..	..	..	..	..	..	..	..	..	..	..	448	1,060	772	490	598	810	973	694
MERCERISED COTTON YARN	..	..	..	..	..	..	..	1,819	1,175	1,742	1,135	902	470	1,280	794	1,320	2,019	2,664	2,845	4,165
UNSPECIFIED DESCRIPTION	3,509	3,181	4,049	4,601	4,957	5,724	6,818	4,368	4,788	3,609	3,297	3,161	353	127	24	49	4	57	27	29
SEWING THREAD	1,354	1,193	1,345	1,452	1,715	1,772	1,705	1,191	1,920	2,384	1,755	1,360	1,705	1,496	1,004	1,230	1,534	1,660	2,154	2,135
ARTIFICIAL SILK YARN	..	..	..	..	..	..	..	..	..	..	..	51	168	74	71	225	406	1,171	2,671	4,428
TOTAL. ..	38,670	42,717	41,645	33,956	43,674	51,807	45,876	44,055	42,347	31,914	21,155	39,506	16,970	48,903	58,200	60,729	46,515	58,738	56,513	58,316

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NOTE:—Before the year 1919-20 all yarns above 50 Counts were grouped as "above 50s" It was only in 1920 that Govt. introduced the three additional classifications viz. 51s to 60s, 60s to 100s, and above 100s. Before 1919-20 Greyfolds (doubles,) white bleached, Coloured two folds were not separately shown. The same remark applies to mercerised yarn prior to 14-15 and artificial silk yarn prior to 18-19; previously they were included in the general heading unspecified descriptions.
* Year ending 31st March,

TABLE No. 17.

IMPORTS OF COTTON YARN INTO BOMBAY.

(Quantities in thousands of pounds.)

Classifications of Yarn:	'1907-08.	'08-09.	'09-10.	'10-11.	'11-12.	'12-13.	'13-14.	'14-15.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	Calendar Year 1926.
GREY SINGLES—																				
1s to 10s	102	307	65	40	20	..	64	22	12	..	1	97	40	110	49	80	73	17	30	..
11s to 15s	5	24	134	2	..	..	..	..	..	..	1	42	71	29	8	..	..	4	4	5
16s to 20s	117	473	150	27	16	609	420	10	41	491	6	6,265	144	5,295	4,716	8,445	4,003	2,044	1,365	290
21s to 25s	18	80	29	29	13	322	196	1	25	1	19	..	8	73	300	41	37	..	..	6
26s to 30s	1,477	1,760	2,468	1,236	2,404	1,940	2,135	4,008	3,205	779	436	1,384	451	2,362	3,354	4,486	833	574	397	151
31s to 40s	2,867	3,665	4,170	2,555	3,613	3,635	3,650	3,154	4,128	1,671	953	8,208	1,046	7,510	10,300	11,244	8,238	11,933	12,874	12,250
41s to 50s	576	1,038	1,146	816	971	1,382	1,378	1,464	1,466	1,044	867	3,089	775	682	1,673	1,482	1,372	1,358	743	284
Above 50s	983	1,554	2,642	1,312	1,420	1,515	1,822	1,301	1,214	1,103	734	1,864	..	(See classifications below)	..	..	..	..	..	..
51s to 60s .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	564	784	912	343	297	627	926	665
61s to 100s .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	509	381	1,178	838	888	803	385	654
Above 100s .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	8	22	33	13	17	39	1,270	41
GREY TWO FOLDS (Doubles)	..	..	..	..	..	..	..	..	..	..	..	..	839	3,089	3,948	3,564	2,888	3,954	4,123	5,521
WHITE (BLEACHED)	..	..	..	..	..	..	..	..	..	..	..	..	587	1,234	1,482	1,060	1,585	1,916	1,990	2,217
COLOURED SINGLES.—																				
1s to 20s	46	98	230	8	17	52	52	1	40	34	1	..	2	24	2	7	3	36	3	1
21s to 25s	11	5	5	180	4	7	9	5	5	4	3	..	..	13	1	2	..	..	..	1
26s to 30s	125	227	268	76	137	181	238	174	182	133	44	30	49	91	72	35	8	61	22	..
31s to 40s	1,990	2,153	1,970	1,184	1,866	2,336	2,077	1,719	2,241	1,874	871	445	630	1,172	1,146	443	892	753	376	3
41s to 50s	259	162	103	40	20	19	7	1	198	183	10	79	71	100	211	..	58	31	57	..
Above 50s	375	229	256	69	50	48	74	59	33	37	13	17	5	16	25	1	6	13	27	..
COLOURED TWO FOLDS (Doubles)	..	..	..	..	..	..	..	..	..	..	..	..	306	2,743	566	242	385	487	463	..
MERCERISED COTTON YARN	..	..	..	..	..	..	..	1,530	1,020	1,612	1,047	874	453	1,209	770	1,286	1,964	2,607	2,731	4,076
UNSPECIFIED DESCRIPTION	4,101	1,267	2,571	2,377	2,794	3,147	3,480	1,437	1,413	895	1,048	707	..	..	..	..	..	22	11	2
SEWING THREAD	321	324	416	445	587	534	504	384	695	1,383	906	642	412	545	384	465	601	681	721	664
ARTIFICIAL SILK YARN	..	..	..	..	..	..	..	..	..	..	..	51	168	69	63	201	356	879	2,002	3,367
TOTAL	11,375	13,264	16,523	10,392	13,930	15,785	16,106	15,268	15,908	11,245	6,962	23,794	7,539	25,556	31,631	34,535	24,509	28,875	29,376	31,647

(See footnote to Table 16.)

* Year ending 31st March:

TABLE No. 18.
STATEMENT SHOWING THE VARIOUS CLASSES OF PIECE-GOODS IMPORTED INTO BRITISH INDIA.
Quantities in thousands of yards.

DESCRIPTION.	*1907-08.	1908-09.	1909-10.	1910-11	1911-12.	1912-13	1913-14	1914-15.	1915-16.	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26	Calendar year. 1926
PIECE-GOODS—																				
GREY, UNBLEACHED (PLAIN AND BORDERED)—																				
Chadars	5,714	1,413	3,340	4,117	2,422	3,812	2,800	3,161	1,784	1,647	263	1	296	439	367	634	730	831	780	1,052
Dhuties, Saris, etc.	501,395	462,355	604,311	523,063	575,385	724,089	806,067	666,236	610,338	520,161	398,001	304,314	348,193	291,255	383,411	506,657	432,658	489,881	429,271	509,069
Drills and Jeans	16,843	17,688	19,097	17,256	19,359	28,767	21,288	18,903	23,187	21,171	7,575	23,673	9,811	17,616	16,123	14,275	16,802	17,282	19,427	15,329
Flannels											36	19	2	2	412	6	61	19	22	
Jaconets and Madapollams	139,657	100,338	115,479	117,230	116,860	142,000	150,364	111,472	101,699	82,935	62,730	48,909	40,764	39,061	55,176	83,594	72,983	89,407	57,039	74,327
Longcloths	581,212	451,600	483,540	463,515	497,790	622,134	545,388	514,540	406,478	184,919	122,847	159,611	114,484	181,893	129,364	280,131	119,036	206,741	171,327	166,635
Printers	310	151	219	78	210	433	60										13	4	2	
Sheetings	604	175	650	84	213	1,740	151	742	1,833	35,092	30,272	53,793	17,778	46,358	50,164	44,516	60,742	39,361	30,413	19,870
T-cloth and Domestics	7,856	6,815	8,554	3,691	4,627	10,268	6,377	4,544	2,177	121	2,815	2,696	1,564	2,942	398	584	510	531	482	369
Unspecified Sorts	773	1,720	1,842	1,047	1,985	1,887	1,695	637	752	944	936	403	451	642	605	221	488	1,394	323	210
TOTAL ..	1,253,794	1,042,286	1,236,831	1,130,081	1,218,852	1,535,129	1,534,189	1,320,235	1,148,247	846,990	625,475	583,420	533,341	580,208	635,608	931,025	703,956	845,502	709,085	786,906
WHITE, BLEACHED.—																				
Chadars	967	689	454	1,199	1,244	1,847	2,673	1,937	689	1,538	679	273	419	479	396	414	487	718	277	311
Checks, Spots and Stripes	9,980	8,617	9,492	12,643	11,741	13,087	16,101	9,576	12,751	11,169	5,172	1,312	3,939	8,950	1,542	5,793	8,458	11,024	7,020	10,122
Dhuties, Saris, etc.	79,017	51,729	57,189	53,316	62,649	73,392	104,343	103,179	51,967	63,496	41,623	35,797	37,913	35,672	31,944	44,959	45,693	68,896	72,590	109,993
Drills and Jeans	6,301	3,785	3,657	4,887	7,507	7,201	5,752	5,198	6,832	6,880	3,901	4,447	3,259	6,315	2,023	3,140	3,421	6,347	6,106	5,499
Flannels											390	17	19	367	11	52	38	35	67	
Jaconets, etc.	199,950	151,654	141,976	190,740	173,959	226,243	307,851	212,547	176,081	183,101	13,549	4,424	10,314	11,624	5,737	7,118	8,292	9,294	9,398	13,762
Lawns											5,929	4,157	8,666	4,688	8,679	7,698	9,193	8,855	16,100	
Longcloth and Shirting	156,106	109,270	94,304	100,112	155,961	179,894	115,259	115,896	163,430	123,180	113,337	65,940	77,328	108,521	48,163	69,365	67,215	122,724	93,787	93,073
Mulls											151,218	129,483	109,660	93,911	138,314	159,134	164,657	185,629	168,603	205,565
Nainsooks	247,510	195,208	166,327	198,265	191,846	235,870	204,757	134,893	170,762	168,986	150,193	27,134	59,128	121,718	67,551	90,752	88,468	105,367	76,998	66,861
Sheetings	366	230	157	292	205	205	208	189	347	265	739	219	214	260	38	135	220	153	164	212
T-cloth and Domestics	7	29	12	20	12	14	11	27	15	8	46	246	6	4			17	1	25	4
Twills	2,599	2,920	2,709	3,201	3,554	5,604	8,268	6,587	10,874	9,128	6,974	2,255	6,207	13,409	3,349	6,382	7,275	13,342	12,276	11,553
Unspecified Sorts	30,720	16,662	17,995	19,845	20,930	25,402	28,123	14,191	17,858	22,082	15,133	9,258	9,543	11,888	2,410	6,569	13,419	16,152	8,995	12,680
TOTAL White, Bleached ..	733,525	477,744	493,042	586,519	629,608	768,758	793,345	604,221	611,405	589,833	502,353	286,635	322,047	421,784	306,167	402,492	415,357	548,876	465,112	545,781
COLOURED, PRINTED OR DYED:—																				
Cambrics	72,833	64,967	82,225	112,763	101,483	101,604	113,586	72,080	41,495	48,716	50,759	29,267	29,440	54,357	17,701	36,186	44,139	44,472	34,737	38,720
Chadars	99	95	138	95	292	147	289	208	136	12	7	7	19	22	1	4	2	58	3	49
Checks, Spots and Stripes						10,849	19,722	10,164	9,510	17,284	11,341	5,331	5,643	3,588	3,657	6,474	8,512	15,446	10,770	14,868
Dhuties, Lungis and Sarongs	16,602	29,185	28,280	26,902	29,645	38,370	40,915	24,253	22,527	24,807	11,938	5,394	11,098	16,278	11,344	17,676	12,776	15,238	17,908	20,697
Drills and Jeans	8,737	11,482	14,589	16,895	20,863	22,523	29,998	20,008	19,593	20,090	22,797	16,856	7,009	19,335	9,628	16,049	17,213	25,349	32,358	38,914
Flannels											9,672	4,175	1,294	9,744	1,413	1,610	3,900	6,302	10,301	18,677
Prints and Chintz	200,261	127,954	121,658	151,568	135,314	178,856	209,709	104,644	85,943	106,872	100,986	70,025	48,905	114,722	28,735	44,689	61,529	59,533	56,026	49,801
Saris and Scarves	49,396	51,295	43,488	56,360	65,789	74,913	74,250	75,599	34,082	39,567	28,608	17,320	14,125	38,177	15,944	19,166	32,655	30,772	29,280	34,040
Shurtings	62,136	71,213	75,606	105,391	86,541	108,190	152,574	76,681	55,759	64,121	60,838	24,703	27,985	71,571	25,015	38,231	47,603	69,317	72,450	87,766
Twills	14,063	24,907	21,069	24,766	27,230	26,695	31,374	17,536	12,127	16,505	23,465	10,812	7,524	31,179	5,753	9,289	16,810	22,243	24,530	24,530
Sateens																			3,588	3,660
Coatings and Trouserings																			7,283	10,320
Italian Cloth and Sateens																			12,934	26,004
Velvets and Velvetens																			1,219	1,526
Unspecified Sorts	120,286	91,382	75,773	96,778	122,276	117,064	159,352	93,602	77,566	116,985	75,182	43,429	55,254	120,283	19,089	54,415	98,253	118,240	56,613	59,818
TOTAL ..	544,414	472,483	462,825	591,519	589,433	682,212	831,770	494,775	358,739	454,959	395,594	227,319	208,296	489,256	138,279	243,789	347,493	406,971	365,836	429,390
FENTS OF ALL KINDS. ..	..	..	..	..	..	36,430	37,824	26,430	26,709	41,740	32,086	24,600	17,064	18,472	9,746	15,989	19,020	21,882	23,680	21,883

* Year ending 31st March.

TABLE NO. 19.
STATEMENT SHOWING THE VARIOUS CLASSES OF PIECEGOODS IMPORTED INTO BOMBAY.
(Quantities in thousands of yards.)

Description.	*1907-08	1908-09	1909-10	1910-11	1911-12	1912-13	1913-14	1914-15	1915-16	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26	Calendar Year 1926.
PIECE-GOODS.																				
GREY, UNBLEACHED (PLAIN AND BORDERED).																				
Chadars	21,556	20,862	24,766	32,049	33,477	25,378	33,113	26,084	13,945	8,545	8,024	7,626	6,493	6,625	2,460	7,683	7,965	11,015	7,962	6,685
Dhuties, Saries, etc.	9,713	10,291	12,586	10,868	11,837	16,306	10,331	9,893	11,227	12,022	4,828	9,971	7,311	12,602	8,743	9,554	12,376	10,231	12,258	8,101
Drills and Jeans																				
Flannels	47,663	25,102	34,276	38,771	35,176	39,878	39,031	22,168	21,523	23,490	24,250	20,259	10,876	12,556	22,282	20,816	16,500	25,161	13,188	13,913
Jaconets and Madapollams	106,205	83,701	103,625	115,889	90,516	143,980	121,050	109,264	54,624	43,126	31,115	78,241	26,204	66,247	35,661	58,580	35,834	54,777	65,388	55,804
Longcloth	309	152	214	74	210	421	60													
Printers	477	18	613	37	182	1,593	140	726	1,149	34,351	29,530	44,757	17,481	44,019	46,849	36,612	53,781	29,262	21,662	11,971
Sheetings	2,543	1,264	943	411	713	815	1,331	1,476	40	38	1,991	2,349	481	2,016	277	419	29	289	127	98
T-Cloth and Domestics	150	626	62	71	313	618	342	172	315	393	387	58	51	185	390	28	55	457	41	27
Unspecified Sorts																				
TOTAL	188,616	142,016	177,085	198,170	172,424	228,989	205,504	169,783	102,823	121,965	100,541	163,261	68,904	143,250	116,662	133,696	126,540	131,303	120,791	96,694
WHITE, BLEACHED:—																				
Chadars	5,341	2,409	2,950	3,389	2,264	3,502	2,903	1,446	1,336	1,125	1,202	273	613	916	236	682	1,073	1,360	1,547	2,305
Checks, Spots and Stripes	8,956	11,915	5,941	12,025	12,783	13,425	25,054	21,972	9,809	10,522	8,388	10,411	9,825	4,972	3,260	7,219	6,853	10,371	12,554	9,904
Dhutis, Saries, etc.	2,978	1,890	2,009	3,086	4,167	3,796	3,148	2,431	3,228	3,601	1,143	675	1,548	3,031	417	499	1,399	2,126	2,492	2,596
Drills and Jeans																				
Flannels	62,429	37,202	43,182	54,517	47,134	56,623	82,039	51,097	33,882	35,238	1,589	1,515	3,154	3,593	518	1,397	1,964	1,745	3,221	4,430
Jaconets, etc.																				
Lawns	51,200	28,167	31,414	31,098	49,458	52,800	34,138	35,753	37,985	37,695	3,022	30,724	25,445	27,671	11,607	11,610	16,359	32,882	21,640	18,789
Longcloth and Shirting																				
Mulls	83,908	42,298	66,014	80,607	66,132	79,275	73,107	45,297	39,132	44,949	38,166	10,118	13,722	35,144	10,203	13,314	22,738	24,670	22,438	9,438
Nansooks	160	78	75	51	103	80	67	111	101	78	592	25	104	105	7	14	38	64	74	62
Sheetings	1,017	321	416	723	488	650	1,201	544	934	1,378	392	375	859	1,633	68	239	690	1,518	2,501	3,082
T-Cloth and Domestics	18,939	8,135	9,956	11,947	14,239	16,504	18,081	8,462	9,483	12,564	8,797	7,174	4,970	4,915	957	2,681	4,431	5,864	4,249	5,181
Twills																				
Unspecified Sorts																				
TOTAL	234,928	132,471	161,971	197,460	196,791	226,712	239,740	167,170	135,919	147,158	120,503	90,267	85,681	102,050	49,902	61,870	87,409	115,468	101,591	69,880
COLOURED, PRINTED OR DYED:—																				
Cambrics	28,777	21,484	32,128	38,794	31,809	39,203	45,735	33,959	18,198	18,507	19,527	11,632	11,988	14,010	3,312	10,717	15,356	4,664	14,624	15,451
Chadars	6	14	10	52	186	82	4		102		6	6	18	22		2	2	29		18
Checks, Spots and Stripes						2,540	7,631	3,147	2,091	4,199	3,422	1,363	1,864	4,460	458	1,682	1,449	3,929	4,390	7,014
Dhutis, Lungis and Sarongs	783	440	446	1,135	1,149	1,471	1,141	732	489	431	153	457	265	44	146	107	240	310	478	
Drills and Jeans	5,342	3,948	4,385	5,492	4,682	4,961	5,116	4,494	5,488	9,191	6,139	2,445	1,555	3,489	1,997	2,903	3,057	6,034	7,072	8,346
Flannels																				
Prints and Chintz	75,233	46,961	70,451	92,203	77,673	108,169	123,114	66,030	52,648	66,786	60,290	48,431	27,452	66,480	11,586	23,268	40,707	37,136	39,123	31,701
Saris and Scarves	19,132	14,159	12,050	18,633	22,556	22,733	31,931	28,126	12,877	12,205	7,371	6,493	5,335	11,739	3,049	6,324	12,296	12,358	14,079	8,590
Sheetings	22,772	21,156	21,203	30,662	29,749	34,667	44,143	28,382	14,281	16,005	12,322	6,920	5,602	14,116	4,689	10,797	14,135	15,041	17,884	22,372
Twills	2,452	1,538	1,863	2,631	2,428	2,281	2,959	3,367	2,220	2,867	3,466	4,908	1,334	4,469	903	1,126	1,573	3,273	5,823	7,185
Sateens																				
Coatings and Trouserings																				
Italian Cloth and Sateens																				
Velvet and Velvetens																				
Unspecified Sorts	62,051	41,476	38,179	48,547	61,036	58,739	84,030	50,177	43,424	59,652	36,283	26,230	27,711	56,664	7,919	22,684	46,917	49,538	16,217	10,488
TOTAL	216,548	151,176	180,715	238,149	231,268	274,846	345,802	216,414	151,669	189,895	152,673	108,998	83,780	177,842	34,071	79,792	136,320	143,850	131,296	133,976
Foots of all Descriptions						31,834	31,43	19,050	16,432	24,428	23,567	21,271	13,274	13,787	8,813	15,283	17,770	20,256	22,056	20,133

* Year ending 31st March.

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TABLE NO. 20.
SUMMARY OF IMPORTS OF COTTON YARN INTO INDIA IN 1926 AND TWO PREVIOUS FINANCIAL YEARS.
(In thousands of pounds.)

Description of Yarn	United Kingdom.			Japan.			U. S. of America.			Italy.			Belgium.			Netherlands.			Switzerland.			Germany			Other Countries.			Total.		
	1924-25	1925-26	1926	1924-25	1925-26	1926	1924-25	1925-26	1926	1924-25	1925-26	1926	1924-25	1925-26	1926	1924-25	1925-26	1926	1924-25	1925-26	1926	1924-25	1925-26	1926	1926	1925-26	1924-25	1924-25	1925-26	1926
Grey Singles	9,468	7,060	11,352	26,287	23,557	19,327	.	14	36	7	11	7	..	..	2	..	..	..	10	8	5	1	..	..	481	85	407	36,255	32,735	31,135
Coloured Singles ..	5,452	4,001	3,821	30	144	162	..	..	..	191	392	245	80	33	27	553	464	605	1,066	869	868	3	19	23	287	213	66	7,672	6,135	5,819
White Bleached. . .	2,791	3,064	3,378	635	688	727	..	..	..	1	..	7	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	3,427	3,751	4,112
Grey Folded	1,249	809	1,639	3,689	4,570	4,073	..	..	..	..	6	72	..	..	..	..	..	..	..	1	..	..	..	..	85	36	15	5,023	5,222	5,799
Coloured Folded ..	764	891	668	11	52	12	..	..	..	8	1	..	..	..	..	8	9	..	19	19	11	..	1	2	..	..	..	810	973	694
Mercerised	897	330	297	1,661	2,514	3,852	..	..	8	2	..	..	..	..	..	..	..	..	..	..	..	..	1	8	4	..	..	2,664	2,845	4,165
Artificial Silk .. .	703	761	478	7	7	2	..	..	..	393	1,309	2,566	19	121	81	37	130	302	3	97	286	7	157	147	2	89	153	1,171	2,671	4,012
Unspecified Descriptions	37	24	18	12	2	12	..	..	..	6	..	..	..	..	..	..	..	..	2	..	..	..	..	..	..	1	1	57	27	29
Rope	682	853	825	1	2	10	5	94	100	..	12	10	..	..	..	..	2	1	..	..	..	..	2	1	12	11	22	700	976	971
Sewing Thread .. .	1,899	1,714	1,778	42	88	44	3	..	..	10	17	3	22	52	42	46	58	100	..	..	..	4	41	27	134	184	142	1,160	2,154	2,135
TOTAL	23,543	19,307	24,249	32,375	33,622	28,223	8	108	144	618	1,748	2,910	131	206	152	644	663	1,007	1,100	994	1,171	15	221	208	1,005	620	806	59,439	57,489	58,871

For each Country Statistics for three years are given, the first two are years ending 31st March 1925 and 1926 and the last is the Calendar year 1st January to 31st December, 1926.

TABLE NO. 22.
SUMMARY OF IMPORTS OF COTTON YARN INTO BOMBAY IN 1926 AND PREVIOUS TWO FINANCIAL YEARS.
(In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			U. S. of America.			Italy.			Belgium.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1924-25	1925-26	1926.	1924-25	1925-26	1926	1924-25	1925-26	1926	1924-25	1925-26	1926	1924-25	1925-26	1926	1924-25	1925-26	1926.	1924-25	1925-26	1926	1924-25	1925-26	1926	1924-25	1925-26	1926	1924-25	1925-26	1926
Grey Singles ..	4,165	2,307	4,289	13,001	14,503	10,433	..	..	20	7	11	..	..	2	..	..	..	10	8	5	1	..	..	253	23	207	17,435	16,852	14,956	
Coloured Singles	520	333	288	25	33	6	..	..	..	26	6	3	..	5	1	2	6	..	290	101	114	..	2	2	31	..	1	894	484	415
White Bleached	1,368	1,400	1,633	547	590	577	..	..	..	1	..	7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,916	1,990	2,217	
Grey Folded ..	1,013	489	1,479	2,867	3,591	3,955	..	..	..	..	6	72	..	..	..	..	..	..	..	1	..	..	..	..	74	36	15	3,954	4,123	5,521
Coloured Folded	461	449	416	4	2	..	..	..	..	2	..	..	..	..	..	..	..	..	19	12	9	..	1	5	..	..	..	487	463	430
Mercerised ..	945	285	256	1,656	2,445	3,804	..	..	8	2	..	..	..	..	..	..	..	..	..	..	..	1	8	4	..	..	..	2,607	2,731	4,076
Artificial Silk ..	466	461	414	7	6	..	..	..	..	371	1,172	2,318	2	28	18	26	72	181	3	83	244	3	113	74	1	67	119	879	2,002	3,367
Unspecified ..	10	9	1	5	2	..	..	..	..	5	..	..	..	..	..	..	..	2	..	..	..	..	..	..	..	..	1	22	11	2
Rope	501	666	686	1	..	7	5	93	100	..	10	10	..	..	..	..	..	1	..	..	..	..	2	1	12	11	22	519	782	827
Sewing Thread ..	559	566	501	15	20	6	..	..	..	..	..	..	5	13	8	..	34	77	19	..	..	2	8	16	81	80	56	681	721	664
TOTAL ..	10,007	6,963	9,963	18,127	21,191	18,789	5	93	128	414	1,204	2,409	7	46	30	28	112	259	344	205	372	6	126	105	456	218	420	29,394	30,158	32,474

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For each Country Statistics for three years are given; the first two are years ending 31st March 1925 and 1926 and the last is the Calendar year 1st January to 31st December 1926.

TABLE No. 26.

SUMMARY OF IMPORTS OF COTTON PIECE GOODS INTO INDIA IN 1926 AND PREVIOUS TWO FINANCIAL YEARS.

(Quantities in thousands of Yards.)

	United Kingdom.			Japan.			U.S. of America.			Italy.			Belgium.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1924-25	1925-26	1926.	1924-25	1925-26	1926.	1924-25	1925-26	1926.	1924-25	1925-26	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25	'25-26	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926	1924-25.	1925-26.	1926.
Grey Plain	237,302	146,409	154,873	108,998	128,428	118,350	2,648	2,460	2,241	..	7	3	..	2	..	6	17	39	..	17	..	..	23	67	5,590	2,130	2,110	354,544	279,853	277,713
Grey Bordered ..	490,119	414,982	481,483	841	14,181	27,651	..	..	..	..	..	..	..	..	..	10	10	..	3	..	..	..	18	6	56	31	490,966	429,232	509,193	
White Bleached ..	532,915	446,266	525,837	4,484	4,675	3,483	35	160	307	549	988	1,715	23	48	91	5,402	6,328	5,801	4,906	5,804	7,462	85	110	213	477	733	872	548,876	465,112	545,781
Printed	176,340	150,589	147,285	4,897	8,162	8,118	57	87	219	2,115	3,270	6,430	9	..	241	944	1,723	1,296	358	293	423	267	366	1,236	4,023	2,587	2,556	189,010	168,877	167,802
Dyed	121,386	82,682	113,531	12,394	17,630	24,228	151	483	674	2,770	1,756	2,186	372	67	93	1,973	2,586	3,812	1,445	788	1,548	443	373	466	1,261	506	616	142,195	106,871	147,153
Woven Coloured ..	40,677	34,313	46,373	23,688	43,750	50,146	84	72	75	4,764	4,781	5,250	517	870	1,620	3,290	5,791	7,956	664	467	769	805	1,019	1,529	1,277	1,025	718	75,766	92,088	114,435
Fents of all descriptions ..	15,249	11,646	9,952	..	..	18	6,982	11,884	11,770	61	76	13	..	..	8	94	18	27	17	13	56	13	38	32	66	5	8	21,882	23,680	21,883
Towels in the piece ..	4	1	9	..	..	11	..	..	..	..	..	..	..	..	..	..	..	3	..	..	..	..	..	..	..	..	7	1	20	
Piece goods of Cotton and Artificial Silk.	8,164	6,513	14,182	6	9	31	28	66	214	4,964	4,978	11,774	607	319	847	22	34	73	2,090	2,317	5,336	811	554	2,058	328	572	1,314	17,020	15,362	35,830
Canvas	500	528	729	15	17	29	1	3	4	111	115	171	..	..	..	3	..	..	..	..	8	7	56	46	3	9	18	640	728	1,005
TOTAL ..	1,622,656	1,293,729	1,494,254	155,323	216,852	232,065	9,386	15,215	15,304	15,334	15,971	27,542	1,528	1,306	2,999	11,734	16,507	19,014	9,483	9,702	15,602	2,431	2,539	5,664	13,031	7,983	8,273	1,840,906	1,579,804	1,820,817

For each Country Statistics for three years are given ; the first two for years ending 31st March 1925 and 1926 and the last is the Calendar year 1st January to 31st December 1926.

TABLE No. 27

DETAILED IMPORTS OF COTTON PIECE-GOODS INTO INDIA IN 1926 AND PREVIOUS TWO FINANCIAL YEARS.

(In thousand Yards.)

	United Kingdom.			Japan			U.S.A.			Italy.			Belgium			Netherlands.			Switzerland.			Germany			All other countries.			Total.				
	'24-25	'25-26	1926.	'24-25.	'25-26	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.		
GREY (UNBLEACHED).																																
PLAIN GREY.																																
Chadars	35	46	4	..	24	37
Dhutis, Saris & Scarves	758	804	1,134	18	114	172	..	..	..	..	5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	108
Drills & Jeans	359	854	532	14,459	16,190	12,506	2,203	2,153	2,099	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	15,310
Flannels & Flannelettes	20	8	3	..	8	..	30	2,153	2,099	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	11
Jaconets including Madapolams, etc.	88,978	56,840	74,188	293	122	89	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	3
Longcloth & Shirtings	145,842	87,230	78,378	59,769	83,566	87,851	130	20	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	74,296
Printers	11	4	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2
Sheetings	113	98	283	34,293	28,201	17,609	285	214	123	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	19,856
T-cloth & Domestic	387	277	254	151	195	107	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	365
Unspecified Descriptions	1,121	255	116	14	8	15	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	173
Total Plain Grey	237,302	146,409	154,873	108,998	128,428	118,350	2,648	2,460	2,241	..	7	3	..	2	..	6	16	39	..	56	..	..	23	67	5,590	2,491	2,140	354,544	279,853	277,713	
BORDERED GREY.																																
Chadars	798	637	1,005	..	10	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,013
Dhutis, Saris & Scarves	488,380	414,185	480,262	705	14,153	27,479	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	507,777
Drills & Jeans	29	6	9	..	10	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	19
Flannel & Flannelettes	10	8	11	..	..	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	19
Jaconets, etc.	128	27	18	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	31
Longcloth & Shirtings	820	109	122	98	..	144	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	278
Printers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	11	..	14	..	40	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	14
T-cloths & Domestic	2	6	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4
Unspecified Descriptions	243	4	38	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	38
Total Bordered Grey	490,119	414,982	481,483	841	14,181	27,651	..	..	..	..	..	..	..	..	..	10	10	..	..	..	..	..	..	..	..	..	..	..	..	..	509,193
Total Grey Unbleached	727,421	561,391	636,356	109,839	142,609	146,001	2,648	2,460	2,241	..	7	3	..	2	..	6	26	49	..	20	..	..	23	85	5,590	2,646	2,171	645,510	709,085	786,906	
WHITE BLEACHED.																																
Chadars	713	277	311	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	311
Checks, Spots & Stripes	11,554	6,373	9,138	6	42	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10,122
Dhutis, Saris & Scarves	68,868	72,577	109,958	4	1	20	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	109,993
Drills & Jeans	3,581	3,400	3,469	2,753	2,883	1,969	4	4	37	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5,499
Flannel & Flannelettes	7	12	15	24	45	28	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	44
Jaconets, Madapolams, etc.	8,333	7,089	9,894	1	98	34	2	50	187	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	13,762
Lawns	9,064	8,366	15,683	..	9	5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	16,100
Longcloth & Shirtings	116,532	86,505	96,458	1,488	1,278	1,086	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	93,073
Mulls	185,532	167,261	205,512	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	205,565
Salpooks	104,058	75,482	64,204	..	120	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	76,994
Sheetings	140	111	188	8	24	14	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	212
T-cloths & Domestic	7	4	4	..	12	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4
Twills	13,246	12,167	11,443	45	8	70	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	11,553
Unspecified Descriptions	12,310	6,639	9,580	133	359	240	29	83	69	310	250	424	19	31	70	344	10	11	2,734	1,374	1,961	..	..	..	..	..	..	..	..	..	12,680
Total White Bleached	532,918	446,266	525,837	4,434	4,675	3,483	35	160	307	849	988	1,715	33	48	91	5,402	6,328	5,801	4,906	4,804	7,462	85	110	213	468	734	872	648,676	465,112	546,781		

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TABLE No. 29.

SUMMARY OF IMPORTS OF COTTON PIECE-GOODS INTO BOMBAY IN 1926 AND PREVIOUS TWO FINANCIAL YEARS.

(Quantities in thousands of Yards).

	United Kingdom.			Japan.			U.S. of America.			Italy			Belgium			Netherlands.			Switzerland			Germany.			Other Countries.			Total.			
	1924-25.	1925-26.	1926.	1924-25	1925-26	1926.	1924-25	1925-26	1926.	1924-25	1925-26	1926.	'24-25	'25-26.	1926.	'24-25	'25-26	1926	'24-25	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25	'25-26.	1926.	1924-25.	1925-26.	1926.	
Grey Plain	47,316	27,149	26,233	66,940	82,881	61,590	1,549	1,337	1,112	..	5	..	..	..	..	..	2	2	..	1	..	..	23	65	4,391	1,622	1,375	120,195	113,020	90,296
Grey Bordered ..	10,717	7,232	5,225	390	483	1,127	..	..	..	..	..	..	..	..	..	..	..	..	..	4	..	..	18	..	..	53	28	11,107	7,772	6,398
White Bleached ..	108,928	93,902	80,568	985	679	504	33	135	227	230	547	1,031	14	32	65	2,075	2,295	1,979	2,967	4,344	5,039	59	87	162	177	272	306	115,468	101,591	89,880	
Printed	70,864	69,533	50,634	535	1,292	2,828	57	87	202	1,173	1,123	1,786	1	5	86	..	..	11	141	188	264	87	18	33	47	23	9	72,905	72,318	55,803
Dyed	48,122	35,449	46,331	3,640	3,581	4,358	139	279	338	1,733	1,114	921	210	42	48	31	25	67	1,201	560	1,060	175	180	202	908	189	218	56,159	41,420	53,543	
Woven Coloured ..	6,739	6,678	9,131	4,978	7,170	11,649	20	31	15	1,634	1,690	1,722	320	562	909	16	78	107	199	223	347	306	231	655	573	190	97	14,785	17,556	24,631	
Fents of all descriptions ..	13,993	10,421	8,656	..	..	18	5,939	11,509	11,359	59	76	10	..	..	8	92	11	7	17	13	50	1	25	21	66	..	4	20,226	22,055	20,133
Towels in the piece ..	3	1	2	3	6	1	2
Piece goods of Cotton and Artificial Silk ..	3,360	3,351	7,865	6	1	4	16	54	202	2,895	2,973	5,124	412	278	670	2	14	39	1,664	2,022	4,818	749	352	1,461	119	263	875	9,223	9,328	21,059	
Canvas	309	317	395	2	7	23	..	3	4	95	99	129	..	..	..	3	2	..	..	8	2	30	34	2	1	7	413	458	600	
TOTAL ..	310,351	253,384	235,039	77,478	86,795	82,020	7,803	13,437	13,455	7,820	7,626	10,723	958	919	1,735	2,218	2,426	2,211	6,191	7,355	11,586	1,388	946	2,651	6,282	2,632	2,920	420,489	385,622	362,343	

See foot-note to Table 20.

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TABLE No. 32.

RE-EXPORTS OF FOREIGN MANUFACTURED PIECEGOODS AND YARN FROM BRITISH INDIA.

	YARN (In thousand pounds).												PIECEGOODS (In thousand yards).															
	Twist & Yarn.			Rope.			Sewing Thread.			Total.			Grey.			White.			Coloured etc.			Fents.			Total.			
	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	
European Countries ..	10	26	6	..	..	..	4	3	..	14	29	6	1,395	435	74	11	83	20	28	96	73	5	5	37	1,439	620	203
China & Hongkong ..	..	50	..	..	..	..	..	..	..	..	50	..	..	4	118	1	1	..	5	9	10	..	..	..	6	14	128
Egypt & North Africa ..	4	24	4	..	..	..	..	..	..	4	24	4	1,085	330	263	..	39	3	2	3	..	..	..	1,087	372	266	
Red Sea Ports ..	121	94	75	..	..	..	3	2	1	124	96	76	7,587	1,939	808	830	584	405	1,336	828	750	..	..	5	9,755	3,353	1,969
East Africa ..	33	17	19	..	..	..	66	46	40	99	83	59	7,924	2,970	2,730	397	381	282	2,896	2,836	1,954	..	..	5	11,217	6,183	4,971
Levant & Black Sea Ports..	9	5	71	..	..	..	..	..	..	9	5	71	157	123	330	..	..	..	..	..	..	..	..	6	157	123	336
Ceylon & Straits ..	3	14	8	..	..	..	4	3	4	7	19	12	1,317	931	771	920	883	1,048	879	903	631	..	..	..	8,118	2,716	2,450
Persian Gulf ..	786	769	675	2	1	1	14	12	12	802	782	688	13,256	8,981	6,394	4,354	5,148	3,4	9	9,320	7,468	8,284	1	..	11	26,936	21,599	18,178
South Africa ..	..	..	..	..	..	..	7	5	13	7	5	13	71	34	18	147	205	248	139	166	146	..	..	..	357	405	412
Other countries ..	..	..	50	..	..	..	..	..	..	..	1	50	172	2	14	3	4	..	23	5	8	52	25	29	250	36	..
TOTAL ..	966	1,002	908	2	1	1	99	71	70	1,067	1,074	980	32,964	15,750	11,520	6,663	7,329	5,495	14,628	12,314	11,857	58	31	93	54,320	35,425	28,965	

See foot-note to Tables 20 and 24.

TABLE No. 33.

RE-EXPORTS OF FOREIGN MANUFACTURED PIECEGOODS AND YARN FROM BOMBAY.

Countries.	YARN (In thousand Pounds)												PIECEGOODS (In thousand Yards).														
	Twist & Yarn.			Rope.			Sewing Thread.			TOTAL.			Grey.			White.			Coloured.			Fents.			TOTAL.		
	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.	'24-25.	'25-26.	1926.
European Countries ..	3	..	2	..	..	..	..	1	..	3	1	2	1392	425	64	1	18	7	8	16	34	5	2	31	1405	461	136
China and Hongkong ..	..	50	..	..	..	..	..	..	..	..	50	..	..	2	1	1	6	5	9	4	..	..	..	..	6	10	12
Egypt and North Africa ..	4	24	4	..	..	..	..	..	..	4	24	4	1070	330	245	..	29	..	2	3	18	..	..	..	1072	362	263
Red Sea Ports ..	121	94	75	..	..	..	3	2	1	124	96	76	7547	1939	808	830	584	393	1336	828	749	..	..	..	9712	3351	1951
East Africa ..	33	18	19	..	..	..	66	46	40	98	64	59	7964	2970	2846	397	381	286	2896	2835	1948	..	..	5	11257	6186	5085
Levant and Black Sea Ports	9	5	71	..	..	..	..	..	..	9	5	71	157	123	330	..	..	..	..	1	..	..	..	..	157	124	330
Ceylon and Straits ..	3	13	8	..	..	..	3	3	4	6	16	12	488	500	307	600	662	665	448	607	501	..	..	6	1536	1770	1479
Persian Gulf ..	786	769	675	2	..	1	14	12	12	802	781	687	12991	8887	6248	3887	4792	2978	7019	5384	6329	..	..	11	23897	19063	15566
South Africa ..	..	..	..	..	..	..	7	5	13	7	5	13	71	34	18	35	88	82	118	166	142	..	..	..	224	288	242
Other Countries ..	..	..	50	..	..	..	1	..	..	2	..	50	1	..	..	2	4	..	23	5	8	50	26	29	77	34	37
TOTAL	959	974	904	2	1	1	84	68	69	1055	1042	975	31681	15208	10868	5752	6559	4417	11855	9853	9733	55	28	82	49342	31649	25100

See foot-note to Tables 20 and 24

TABLE No. 34.

TABLE SHOWING THE APPROXIMATE YARDAGE OF PIECEGOODS AVAILABLE FOR CONSUMPTION IN INDIA.

(In Millions of Yards.)

	1907-08	'08-09.	'09-10	'10-11	'11-12	'12-13	'13-14	'14-15.	'15-16	'16-17	'17-18.	'18-19.	'19-20	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26
Total Indian Mill Production	808	824	963	1,043	1,136	1,220	1,164	1,136	1,441	1,578	1,614	1,451	1,640	1,581	1,732	1,725	1,792	1,970	1,954
Less—Exports by Sea	74	78	94	100	81	87	89	67	113	264	189	149	197	146	161	157	165	181	165
Exports by Land	38	35	32	34	37	38	41	43	48	45	45	38	42	24	26	29	36	49	68*
Balance	696	711	837	909	1,018	1,095	1,034	1,026	1,280	1,269	1,380	1,264	1,401	1,411	1,545	1,539	1,591	1,740	1,721
Imports	2,532	1,993	2,193	2,308	2,438	3,023	3,197	2,446	2,148	1,934	1,556	1,212	1,081	1,510	1,090	1,593	1,486	1,823	1,564
Total	3,228	2,704	3,030	3,217	3,456	4,118	4,231	3,472	3,428	2,203	2,936	2,476	2,482	2,921	2,635	3,132	3,077	3,563	3,285
Less—Exports by Sea	63	49	52	68	76	67	62	35	41	97	85	114	89	61	74	75	61	54	35
Exports by Land	67	73	71	78	100	108	93	83	88	65	65	53	56	44	36	51	51	59	120*
Total quantity of Piecegoods available for consumption in India	3,098	2,582	2,907	3,071	3,280	3,943	4,076	3,354	3,299	2,041	2,786	2,309	2,337	2,816	2,525	3,006	2,965	3,450	3,135

From 1907-08 to 1924-25 the figures in both the tables are taken *en bloc* from the "Notes on Hand Loom Weaving" by Mr. R. D. Bell.
 NOTE:—With effect from 1st April 1925, the Government of India discontinued the publication of "Accounts relating to the trade by land of British India with other countries." Since then, the statistics in question are published in Special Supplements to the *Indian Trade Journal* in an abbreviated form. The revised form does not affect the above table materially but in Table 35 it has not been possible to separate the land export figures for Indian and foreign yarn. This however, does not affect the approximate accuracy of the figure showing the balance of yarn available for consumption in India.

TABLE No. 35.

TABLE SHOWING THE APPROXIMATE POUNDAGE OF YARN AVAILABLE FOR CONSUMPTION IN INDIA.

(In Millions of Lbs.)

	1907-08.	'08-09.	'09-10.	'10-11.	'11-12.	'12-13.	'13-14.	'14-15.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.
Total Indian Mill Production	638	657	627	610	625	688	682	652	722	681	660	615	636	660	693	706	617	719	686
Less—Exports by Sea	216	235	227	183	151	204	198	134	160	169	122	64	152	83	81	57	39	37	32
Exports by Land	8	7	7	8	10	11	9	9	8	9	8	8	9	6	7	7	7	9	7*
Balance	414	415	393	419	464	473	475	509	554	503	530	543	475	571	605	642	571	673	647
Imports	37	42	40	33	42	50	44	43	40	30	19	38	15	47	57	59	45	56	52
Total	451	457	433	452	506	523	519	552	594	533	549	581	490	618	662	701	616	729	691
Less—Export by Sea	1	1	1	1	1	1	1	1	1	2	1	1	3	..	1	2	2	1	6
Exports by Land	6	6	5	4	7	9	7	8	8	5	6	5	4	3	3	5	4	4	..
Quantity of Yarn available for consumption in India	444	450	427	447	498	513	511	543	585	526	542	575	483	615	658	694	610	724	698
Cloth produced in India in millions of pounds. Approximate equivalent in Yarn to (allowing 15% size and 5% waste)	189	192	229	246	267	285	274	277	352	377	381	350	384	367	403	405	402	459	465
Real balance of Yarn available for sale in India	274	277	221	226	258	256	263	294	268	187	199	260	137	285	295	329	248	311	280

*Includes re-exports also.

See foot-note to Table 12 regarding strikes in Bombay mills.

TABLE No. 36.
PROGRESS OF JAPAN COTTON MILLS DURING THE LAST 15 YEARS.
 (The information is extracted from the half-yearly statistics published by the Japan Cotton Spinners' Association.)

Term.	No. of Companies.	Capital.		Reserve Funds.	No. of Mills.	Spindles		Doubling Spindles.	Looms.
		Authorised.	Paid up.			Ring.	Mule.		
		Yen.	Yen.			Yen.			
June, 1912	31	86,465,150	62,942,492	25,526,124	139	2,105,760	52,868	304,572	20,902
December, 1912	41	105,136,400	72,866,495	28,533,314	147	2,125,000	51,748	317,324	21,893
June, 1913	44	115,536,400	82,522,909	31,217,859	150	2,237,904	49,360	308,672	23,784
December, 1913	44	113,036,401	86,444,059	33,808,119	152	2,365,094	49,405	320,812	24,224
June, 1914	43	114,036,400	88,710,272	35,454,288	154	2,526,172	51,170	330,384	25,315
December, 1914	42	109,676,400	85,820,424	36,639,349	157	2,606,004	51,170	348,766	25,443
June, 1915	42	109,226,400	85,211,327	37,348,858	159	2,724,452	48,530	348,739	28,487
December, 1915	41	110,176,400	86,011,677	38,663,064	161	2,754,124	53,390	355,318	30,068
June, 1916	39	108,426,400	86,033,187	39,806,107	160	2,764,588	51,450	365,566	30,562
December, 1916	40	137,290,150	99,641,818	48,952,381	161	2,825,944	49,960	370,681	31,295
June, 1917	39	152,730,150	108,186,750	56,847,311	163	2,890,760	51,170	375,306	33,040
December, 1917	43	162,830,150	115,623,020	70,037,275	170	3,008,568	51,910	383,458	36,181
June, 1918	41	176,202,650	127,055,220	71,457,603	170	3,064,922	51,910	583,074	37,607
December, 1918	43	192,877,650	138,494,595	92,426,047	177	3,175,768	51,910	384,872	40,391
June, 1919	48	202,177,650	147,157,670	110,447,795	184	3,282,754	52,330	400,307	42,400
December, 1919	54	221,927,650	165,758,695	139,073,867	190	3,435,932	52,330	410,690	44,401
June, 1920	56	315,427,650	248,180,420	153,923,042	198	3,637,310	52,330	434,736	49,826
December, 1920	56	394,327,650	276,535,896	165,697,053	198	3,761,250	52,330	466,460	50,583
June, 1921	58	410,017,650	286,789,308	172,110,853	201	3,939,534	49,370	492,204	51,761
December, 1921	61	429,577,650	295,648,358	182,040,774	217	4,116,616	44,510	533,384	54,994
June, 1922	67	472,807,650	319,612,328	194,010,558	232	4,338,759	44,510	573,486	59,693
December, 1922	64	462,107,650	317,148,075	202,774,376	235	4,472,112	45,500	602,032	60,765
June, 1923	62	468,427,650	321,654,393	209,984,818	235	4,618,946	48,470	635,212	62,205
December, 1923	70*	530,277,650	376,272,935	217,407,870	241	4,422,428	14,370	510,031	64,460
June, 1924	69*	559,750,000	396,081,600	213,411,662	245	4,832,552	17,340	581,583	66,283
December, 1924	69*	575,302,500	398,163,443	219,043,315	247	5,100,546	25,150	685,995	68,579
June, 1925	64*	570,612,500	394,567,318	223,098,069	242	5,266,000	26,040	723,824	71,702
December, 1925	64*	551,362,500	382,714,817	223,531,448	243	5,413,094	34,090	759,632	73,381
June, 1926	65*	558,416,650	394,488,167	228,827,952	247	5,551,607	34,420	780,404	74,193

* Including non-members of the Japan Cotton Spinners' Association.

TABLE NO. 37.
JAPAN'S COTTON CONSUMPTION.

(Figures extracted from the half-yearly publication of the Japan Cotton Spinners' Association).

Years.	Indian.	American.	Chinese.	Egyptian.	Annam and Saigon.	Korean.	Sundries.	Total.
	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.
1903	220,058,084	66,841,125	81,711,917	8,308,958	7,206,191	..	6,116,958	390,243,233
1904	145,470,175	37,289,983	127,976,550	7,346,125	6,290,700	..	4,452,475	328,826,008
1905	215,531,242	124,278,875	70,662,350	7,365,525	2,621,333	..	2,831,175	423,290,500
1906	213,902,368	119,326,058	97,386,216	6,718,950	2,688,083	..	4,251,825	444,273,500
1907	265,737,875	111,216,408	67,479,692	7,008,467	5,027,208	..	3,645,008	460,114,658
1908	230,701,058	95,674,700	76,140,575	9,406,175	7,154,158	..	4,166,275	423,242,941
1909	306,535,475	105,293,050	53,332,225	13,087,891	6,366,292	..	4,787,692	489,402,625
1910	372,808,800	69,456,508	79,219,308	11,374,717	4,823,683	..	5,909,009	543,592,025
1911	297,798,250	111,540,908	110,200,125	13,506,525	1,837,833	..	4,321,184	539,204,825
1912	368,062,933	214,251,250	31,654,633	15,086,558	3,735,384	..	3,441,058	636,231,816
1913	434,685,666	202,441,016	46,621,309	16,699,942	7,547,250	..	4,143,508	712,138,691
1914	549,868,658	170,397,933	36,528,292	15,161,483	4,742,225	..	7,158,842	783,857,433
1915	559,320,525	209,035,492	18,389,108	13,436,266	2,641,083	..	4,998,742	807,821,216
1916	593,978,108	235,615,875	29,506,075	16,421,546	9,069,166	6,744,540	4,251,590	895,586,900
1917	590,521,080	242,144,925	42,305,808	14,717,091	3,715,905	8,194,558	4,344,308	905,943,675
1918	453,072,641	280,374,975	83,091,375	14,769,342	3,187,334	11,790,775	6,941,733	853,228,175
1919	376,648,588	355,589,221	130,970,193	15,588,908	2,265,292	11,454,470	5,037,182	897,553,824
1920	482,881,416	310,370,393	30,684,616	11,558,208	2,041,258	9,412,820	5,367,604	852,316,315
1921	521,998,441	304,763,617	3,037,340	14,600,500	3,923,158	8,744,408	3,479,358	860,546,824
1922	615,242,183	389,759,225	3,626,017	19,652,842	5,563,967	8,354,600	5,680,941	1,047,879,775
1923	652,798,508	296,423,592	25,836,858	22,140,542	2,519,492	12,054,233	7,929,408	1,019,702,633
1924	563,969,233	282,197,025	58,888,450	36,176,192	1,461,775	20,443,692	5,877,333	969,013,700
1925	637,749,440	378,526,322	47,050,425	34,567,864	2,712,025	18,994,691	9,742,440	1,129,343,210
1926

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NOTE:—Korean cotton before 1916 is totalled under "Sundries."

TABLE No. 38.

JAPAN'S COTTON YARN PRODUCTION AND EXPORTS.

YEAR.	Average Working Spindles.	Production. (Bales of 400 lbs.)				Exports. (Bales of 400 lbs.)						
		16s.	20s.	Others.	Total.	China.	Hongkong.	British India.	Philippine Islands.	Korea.	Other countries	Total.
1903	1,297,966	330,667.5	175,843.0	295,227.5	801,738.0	279,274	17,742	5	1,233	8,945	4	307,203
1904	1,249,086	251,867.0	157,048.0	286,297.5	695,212.5	215,159	22,749	..	1,512	17,840	47	257,308
1905	1,329,404	309,173.0	209,816.0	386,547.5	905,536.5	232,666	7,384	90	2,311	24,867	64	267,383
1906	1,404,714	323,664.0	227,628.0	393,873.5	945,165.5	243,219	6,253	15	2,277	15,462	121	267,348
1907	1,458,020	341,433.0	218,665.0	423,384.5	983,482.5	190,868	7,829	396	2,215	25,073	93	226,475
1908	1,367,631	224,897.5	209,475.0	444,198.0	878,570.5	134,267	6,511	41	2,645	21,807	2,573	167,843
1909	1,569,080	295,802.0	229,763.5	499,678.5	1,025,244.5	230,102	3,389	15	1,524	14,725	3,123	258,878
1910	1,741,168	338,175.0	258,412.5	538,193.0	1,134,780.5	301,535	17,953	701	3,503	19,825	4,118	347,635
1911	1,784,064	295,065.5	262,298.5	571,903.0	1,129,267.0	234,324	12,918	1,809	3,076	22,828	10,054	285,009
1912	1,984,191	346,844.5	335,821.0	669,544.0	1,352,209.5	304,199	29,091	989	3,625	21,034	15,994	374,933
1913	2,167,926	396,645.5	371,522.5	749,814.0	1,517,982.0	389,297	34,031	3,258	3,296	15,237	23,620	468,739
1914	2,369,801	388,992.0	439,672.5	837,516.0	1,666,181.0	455,124	66,124	3,144	4,791	19,020	21,787	569,990
1915	2,463,376	393,027.0	443,040.5	884,197.0	1,720,264.5	463,921	65,241	1,565	3,629	26,688	14,848	575,892
1916	2,757,299	409,053.0	497,291.0	1,019,234.5	1,925,579.0	440,158	50,381	11,744	1,889	26,137	16,839	547,148
1917	2,850,637	359,623.0	528,603.0	1,035,615.5	1,923,841.5	356,576	58,405	9,313	3,260	27,597	15,702	470,853
1918	2,936,495	228,818.5	511,538.0	1,063,509.5	1,803,866.0	231,689	62,598	79,426	5,685	13,053	29,062	421,513
1919	3,179,568	204,486.6	539,748.0	1,176,548.0	1,920,782.5	156,261	35,638	4,753	693	16,047	16,945	230,337
1920	3,191,753	196,928.5	191,141.5	1,128,906.0	1,816,976.0	166,711	58,349	47,615	2,548	5,535	24,167	304,925
1921	3,162,353	215,682.5	436,629.5	1,159,038.0	1,811,350.0	174,584	56,211	37,164	1,418	..	22,884	292,261
1922	3,967,265	205,489.5	746,731.0	1,276,025.5	2,228,246.0	212,862	83,394	68,319	2,896	..	26,591	394,062
1923	4,079,855	170,357.0	680,708.0	1,320,088.0	2,171,153.0	121,568	40,108	58,937	2,267	..	28,778	248,325
1924	4,115,692	135,844.0	631,476.0	1,305,497.5	2,072,817.5	96,536	61,493	80,840	1,799	..	29,692	270,361
1925	4,669,753	142,796.0	779,203.5	1,514,784.0	2,436,783.5	132,778	58,788	87,172	3,176	..	28,888	310,801
1926 first half year ending 30th June .. .. .	..	129,250.5	411,860.0	774,405.0	1,315,515.5	46,042	20,703	41,922	1,744	..	15,353	125,763

TABLE No 39
JAPAN'S CLOTH PRODUCTION AND EXPORTS.

Year.		Average Working looms.	Production of cotton piece goods.		Yarn consumed.*
			Yards.	lbs.	
1903	.. .. .	4,963	72,702,213	20,771,345
1904	.. .. .	4,891	80,947,348	22,484,284
1905	.. .. .	6,420	114,908,132	36,454,146
1906	.. .. .	8,491	{ 137,773,415 { Doz. 32,784	40,702,848
1907	.. .. .	9,245	{ 135,253,029 { Doz. 02,533	44,262,958
1908	.. .. .	9,496	147,443,838	47,676,427
1909	.. .. .	11,585	181,976,972	57,388,586
1910	.. .. .	14,911	226,313,958	71,197,654
1911	.. .. .	17,884	289,039,671	82,498,136
1912	.. .. .	20,208	342,584,684	93,562,721
1913	.. .. .	23,299	416,725,357	11,159,616
1914	.. .. .	24,911	454,901,674	126,863,966
1915	.. .. .	27,687	502,076,621	124,632,631
1916	.. .. .	30,110	560,181,108	136,413,408
1917	.. .. .	31,920	594,649,419	142,770,758
1918	.. .. .	36,365	656,935,420	160,301,569
1919	.. .. .	40,969	739,390,012	179,788,560
1920	.. .. .	44,635	762,037,360	189,651,320
1921	.. .. .	44,109	700,697,985	179,427,501
1922	.. .. .	51,033	869,327,652	214,327,505
1923	.. .. .	52,972	1,000,708,890	240,979,975
1924	.. .. .	56,351	1,030,905,658	241,319,095
1925	.. .. .	---	1,179,524,733	273,182,000
1926	.. .. .	....	....	296,194,000

* Sub-work by Spinners' only.

Sub-work by spinners means that the table in question was prepared from the reports of the weaving companies which are affiliated to the Japan Cotton Spinners Association.

TABLE NO. 40.
STATISTICS.

STATEMENT of Imports of Piece-Goods of British Manufacture (Grey, Bleached, Coloured and Printed) and of Yarns (Grey and Dyed) from Great Britain into Bombay, Calcutta and Madras, from the years 1857 to 1926, both inclusive.

YEAR.	PIECE-GOODS.			YARNS		
	Bombay.	Calcutta.	Madras	Bombay.	Calcutta.	Madras.
	Yards.	Yards	Yards.	Lbs.	Lbs.	Lbs.
1857..	137,761,636	235,190,273	9,375,347	2,838,644	10,691,863	2,370,741
1858..	281,836,364	416,362,074	15,431,647	8,744,517	18,369,490	4,036,325
1859..	307,086,509	520,899,016	20,425,632	12,899,875	20,043,485	5,741,441
1860..	267,443,986	403,351,123	20,648,072	4,571,134	16,641,847	5,656,930
1861..	272,573,717	418,671,687	14,628,188	5,578,828	13,933,256	3,694,985
1862..	178,803,604	295,508,637	9,748,215	4,811,384	9,594,896	1,675,239
1863..	232,321,038	234,645,916	16,352,677	5,592,995	10,394,931	3,702,562
1864..	189,812,984	223,036,538	14,787,062	4,268,662	8,742,699	3,447,635
1865..	175,486,677	319,047,954	17,291,103	4,073,811	6,981,809	2,232,948
1866..	243,476,368	351,572,331	22,081,805	6,877,968	10,795,517	4,629,986
1867..	316,784,109	528,434,956	23,253,498	6,568,619	13,006,019	4,684,638
1868..	555,337,050	619,101,683	31,793,397	7,780,033	13,236,453	6,873,398
1869..	296,158,439	518,741,346	29,683,469	7,981,949	11,858,210	7,773,636
1870..	272,898,226	687,639,911	45,750,099	9,946,299	16,816,936	6,649,598
1871..	305,416,233	684,926,367	47,560,133	6,097,531	12,041,848	8,876,841
1872..	262,849,273	657,123,291	48,177,871	6,163,813	11,490,636	8,616,040
1873..	349,631,830	664,987,114	57,666,809	8,667,090	11,192,248	8,918,841
1874..	292,843,697	765,762,164	49,878,834	8,867,978	14,041,520	10,510,639
1875..	305,917,934	744,439,224	44,683,288	6,863,763	12,945,102	10,104,020
1876..	356,940,508	733,913,330	54,875,423	8,246,211	12,090,167	9,664,609
1877..	354,779,192	885,688,850	39,106,318	10,624,710	14,364,841	8,683,595
1878..	344,068,807	749,233,431	47,038,579	7,754,005	13,967,396	8,373,916
1879..	343,811,233	788,759,250	61,375,691	7,469,113	10,580,436	9,581,363
1880..	531,050,559	1,007,531,497	77,010,037	13,024,923	16,446,089	12,108,002
1881..	544,890,697	947,329,460	82,451,852	12,326,706	13,597,371	11,099,762
1882..	500,248,293	883,611,784	106,615,818	12,019,123	14,780,667	13,069,871
1883..	572,738,196	878,949,353	107,868,579	16,220,463	13,478,764	11,033,824
1884..	568,220,318	908,294,475	120,841,003	14,299,380	15,313,840	13,114,875
1885..	547,773,459	911,987,148	93,757,204	14,132,372	13,473,067	99,597,197
1886..	700,061,881	1,159,407,968	143,318,736	17,087,709	14,177,149	13,937,810
1887..	585,502,258	988,370,500	117,502,619	14,990,151	14,040,137	13,432,638
1888..	652,344,548	1,045,951,384	138,271,060	16,595,176	14,778,545	14,570,258
1889..	634,608,171	1,031,000,980	144,140,943	13,011,348	11,836,681	13,393,848
1890..	665,550,786	1,037,911,379	115,224,797	15,805,515	12,455,601	13,284,690
1891..	572,065,309	961,686,226	108,083,576	15,526,869	12,484,617	14,666,189
1892..	548,944,867	1,013,742,658	93,892,712	12,427,053	10,108,327	10,390,439
1893..	604,439,138	1,009,441,511	106,086,291	10,466,233	13,124,097	11,387,889
1894..	719,324,449	1,161,138,343	140,749,235	11,723,808	10,529,734	12,547,763
1895..	484,780,087	925,203,136	99,427,566	10,857,586	10,689,066	10,188,466
1896..	574,410,316	1,163,967,702	86,265,292	11,649,977	13,403,663	15,402,931
1897..	472,597,133	932,328,974	121,396,515	11,788,246	13,299,211	13,650,022
1898..	557,597,951	1,202,254,978	91,950,978	10,238,969	11,412,068	11,673,878
1899..	611,556,220	1,266,926,546	93,492,746	10,441,484	10,729,842	11,532,812
1900..	461,938,302	1,086,463,274	120,383,837	5,892,081	9,435,371	9,496,085
1901..	629,976,200	1,127,753,500	129,392,500	7,911,750	11,050,890	9,564,200
1902..	475,541,800	1,176,051,500	119,878,000	6,299,820	7,411,640	9,438,560
1903..	520,373,400	1,119,542,300	129,898,800	5,300,460	6,442,050	6,699,580
1904..	593,591,100	1,193,265,900	145,618,800	6,221,400	6,613,460	8,056,710
1905..	637,039,600	1,292,516,900	119,829,700	11,368,420	11,443,550	10,175,810
1906..	611,705,100	1,189,552,900	142,636,200	10,548,720	10,300,210	10,260,270
1907..	646,598,400	1,298,662,500	131,107,800	10,419,750	9,921,670	7,601,280
1908..	470,956,400	1,005,027,600	200,664,400	10,894,540	9,019,320	10,432,380
1909..	481,389,100	1,180,586,000	108,497,400	16,251,580	8,448,010	6,169,190
1910..	624,859,600	1,129,898,600	109,976,800	8,410,140	6,384,450	6,891,410
1911..	622,316,400	1,226,065,400	138,414,300	12,842,440	9,179,460	8,364,340
1912..	658,026,700	1,451,819,200	173,698,700	13,298,110	11,913,170	10,745,130
1913..	804,333,100	1,547,872,400	210,797,700	13,628,700	7,519,860	9,497,740
1914..	617,498,700	1,378,930,300	160,552,000	13,538,110	9,985,330	8,280,700
1915..	354,966,900	1,052,246,400	106,332,200	15,423,650	8,974,950	10,801,200
1916..	481,857,500	1,035,437,900	88,153,700	8,931,510	5,922,490	7,583,020
1917..	851,853,300	898,872,200	78,886,500	5,185,900	5,646,600	6,295,900
1918..	429,754,300	449,044,800	33,046,000	2,054,500	2,211,400	3,490,800
1919..	275,575,100	423,299,200	37,684,300	3,217,300	2,401,100	3,201,100
1920..	569,054,700	656,277,100	69,872,000	10,850,000	5,096,900	6,011,600
1921..	265,737,000	744,049,100	50,486,100	18,383,900	7,573,200	7,257,800
1922..	410,565,000	854,974,300	77,837,700	21,204,800	7,284,200	7,471,600
1923..	478,873,200	797,622,700	89,096,800	9,024,500	5,154,800	5,978,300
1924..	553,405,800	938,652,800	91,324,300	9,281,600	4,280,600	5,613,800
1925..	524,511,000	767,333,700	72,441,200	6,245,000	4,181,900	4,457,100
1926..	504,044,200	902,411,600	93,138,100	8,809,600	4,286,300	6,244,800

STATISTICS OF COTTON SPINNING AND WEAVING IN THE INDIAN MILLS in the nine months, April 1926 to December 1926, compared with the 1924-25 and 1925-26.

No. 1.—ABSTRACT STATEMENT of the QUANTITY (in pounds) of YARN Spun.

[NOTE.—The statistics of yarn represent the quantities of all yarn actually spun in the mills whether they are subsequently woven in the mills or not.]

	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.
	1924-25.	1925-26.	1926.
BRITISH INDIA.			
Bombay	474,292,059	423,450,896	384,211,779
Madras	54,221,060	57,836,673	48,707,667
Bengal	25,672,310	24,122,721	22,671,234
United Provinces	56,323,499	50,293,876	50,354,782
Ajmer-Merwara	3,26,241	4,535,208	3,347,948
Punjab	1,760,787	2,944,560	2,240,251
Delhi	6,448,438	8,060,573	7,676,741
Central Provinces and Berar	38,116,287	40,428,204	28,631,319
Burma	1,067,012	1,638,070	480,113
TOTAL ..	661,161,693	673,370,871	548,321,834
FOREIGN TERRITORY.			
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Hyderabad, Wadhwan, Gwalior (Ujjain), Kishangarh and Pondicherry (a)	58,228,301	63,066,608	52,460,186
GRAND TOTAL ..	719,389,994	686,427,479	600,782,020

(a) Including the production of one mill only.

No. 2.—ABSTRACT STATEMENT of the QUANTITY of WOVEN GOODS Produced.

[NOTE.—The weight in pounds represents the weight of all woven goods; the measure in yards relates to grey and coloured piece-goods, and is estimated from the poundage on a conventional basis; the figures in dozens relate to grey and coloured goods other than piece-goods, and to hosiery, the weight of these being estimated mainly on a conventional basis and included in the poundage]

		12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.
		1924-25.	1925-26.	1926.
BRITISH INDIA.				
Bombay	pounds.	347,692,537	342,030,412	304,904,410
	yards.	1,564,900,621	1,510,385,860	1,335,284,235
	dozens.	579,884	885,391	642,507
Madras	pounds.	17,493,589	16,934,416	13,754,582
	yards.	56,703,297	54,667,281	43,816,882
	dozens.	116,012	139,678	136,707
Bengal	pounds.	1,389,430	8,708,196	5,555,257
	yards.	24,698,997	36,966,122	23,591,614
	dozens.	47,474	80,277	70,861
United Provinces	pounds.	16,087,918	18,478,741	16,033,830
	yards.	55,616,582	64,704,588	55,652,329
	dozens.	40,632	48,280	66,649
Ajmer-Merwara	pounds.	2,287,955	3,447,588	2,467,733
	yards.	8,770,684	12,78,589	9,078,982
	dozens.	159	68	86
Punjab	pounds.	512,051	1,177,942	1,015,097
	yards.	1,816,959	3,988,838	4,040,419
	dozens.	.....	.....	2
Delhi	pounds.	4,876,011	6,540,418	6,316,063
	yards.	14,510,867	19,628,266	19,958,879
	dozens.	927	4,104	4,256
Central Provinces and Berar	pounds.	19,448,463	19,464,296	14,408,375
	yards.	72,630,086	71,270,288	53,807,162
	dozens.	19,117	27,230	15,890
TOTAL ..	pounds.	413,767,934	416,782,009	364,455,347
	yards.	1,799,640,593	1,774,381,802	1,545,231,002
	dozens.	806,205	1,183,668	936,958
FOREIGN TERRITORY.				
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Hyderabad, Wadhwan, Gwalior (Ujjain), and Pondicherry (a)	pounds.	45,071,681	48,257,060	38,292,157
	yards.	170,751,645	180,078,865	141,933,224
	dozens.	81,633	86,782	71,431
GRAND TOTAL ..	pounds.	458,839,645	465,039,069	402,747,504
	yards.	1,470,399,238	1,954,460,667	1,687,164,226
	dozens.	887,838	1,272,350	1,008,389

(a) Including the production of one mill only.

EXPLANATION.

The Statistics contained in pages 618 to 635 (both inclusive) are extracted from the Monthly Spinning and Weaving Statistics issued by the Director-General of Commercial Intelligence and Statistics, Calcutta. When studying these figures it should be noted that the figures given for the completed years 1924-25 and 1925-26 are not comparable with the figures for nine months April-December 1926 given in the last column of these statistics.

The main reasons for giving the nine months' figures in preference to the official year 1926-27 are :—

(1) The 1926-27 figures will be published only about the end of June. This results in a corresponding postponement of the date of publication of the Report. To eliminate this difficulty it is intended that the next issue of the Report should contain calendar years' figures instead of official years.

(2) Even if it were arranged to publish the figures for the completed year 1926-27 in this volume, it is not thought that they would be comparable with the figures for 1925-26 and 1924-25 on account of the fact that since the introduction of the Cotton Industries Statistics Act from 1st April 1926 the figures of cloth production represent the actual quantities produced in the mills and not the quantities upon which the excise duty had become payable. (Please see Cotton Duties Act, 1896, for detailed interpretation of the term "manufactured" prior to 1st April 1926.)

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun.

BOMBAY PRESIDENCY.

BOMBAY ISLAND.

Count or Number.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.	Count or Numbers.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.
	1924-25.	1925-26	1926.		1924-25	1925-26	1926.
1	5,516,449	3,956,368	4,061,681	1	5,241,412	3,611,657	3,766,144
2	4,712,547	4,916,762	6,140,481	2	3,580,995	3,776,091	5,162,931
3	2,470,230	1,741,347	1,930,873	3	2,340,678	1,603,902	1,846,610
4	5,537,846	6,018,732	4,688,863	4	4,225,862	4,568,186	3,618,067
5	230,810	238,008	366,147	5	227,496	235,041	364,825
6	8,028,685	7,085,220	5,101,755	6	7,741,278	6,598,894	4,866,936
7	11,032,514	11,610,318	10,691,892	7	10,155,557	10,653,565	9,657,303
8	8,524,103	6,587,193	6,859,391	8	8,335,595	6,359,716	6,778,00
9	7,862,210	8,692,321	7,312,731	9	5,901,454	6,743,965	5,794,854
10	15,028,937	15,497,708	15,961,387	10	13,413,238	12,831,445	14,116,410
TOTAL, Nos. 1 to 10.	68,944,351	66,336,997	63,385,231	TOTAL, Nos. 1 to 10.	61,163,565	56,981,442	55,972,080
11	17,504,579	11,412,399	14,006,310	11	16,004,873	8,890,806	12,540,252
12	20,845,029	15,567,474	13,212,391	12	18,804,856	13,164,917	11,587,144
13	16,196,585	15,992,788	8,966,289	13	12,112,968	11,778,658	6,423,099
14	14,952,706	11,346,240	13,559,803	14	13,104,163	8,947,745	11,179,791
15	7,223,593	7,739,512	6,256,861	15	6,583,503	6,590,375	5,558,448
16	14,143,092	13,020,473	12,366,956	16	9,853,205	8,868,525	8,918,564
17	5,827,346	4,085,997	4,574,126	17	5,095,167	3,482,803	4,070,247
18	15,799,433	12,281,729	10,172,853	18	13,055,958	9,695,402	8,419,886
19	3,332,509	2,579,582	2,710,167	19	1,100,866	1,033,243	1,302,704
20	110,417,195	102,539,050	83,339,981	20	60,434,229	44,505,991	45,287,226
TOTAL, Nos. 11 to 20.	226,242,067	197,165,334	169,165,735	TOTAL, Nos. 11 to 20.	156,149,723	116,958,465	115,287,361
21	38,234,475	33,055,446	29,791,273	21	27,207,784	21,236,607	18,166,411
22	30,634,358	24,981,405	25,700,875	22	21,910,544	18,465,725	19,786,091
23	3,576,431	3,019,092	2,052,027	23	1,217,298	849,525	826,888
24	35,334,898	26,984,595	26,936,689	24	29,541,265	21,875,867	22,134,643
25	788,168	1,167,820	705,566	25	447,711	999,364	629,098
26	9,932,308	7,451,772	6,159,530	26	4,453,803	3,267,299	3,049,496
27	3,801,453	4,140,713	3,156,585	27	2,708,238	2,766,317	2,214,919
28	7,455,957	8,693,187	6,361,418	28	4,246,583	3,543,278	3,393,502
29	1,80,9179	814,509	1,483,663	29	308,353	499,771	418,450
30	27,485,921	30,024,140	25,556,079	30	6,908,149	5,610,453	7,145,942
TOTAL, Nos. 21 to 30.	159,052,148	140,332,679	127,903,705	TOTAL, Nos. 21 to 30.	98,954,678	79,114,206	77,765,440
31	606,852	1,141,647	1,146,174	31	273,385	187,723	304,401
32	6,351,819	5,034,609	4,924,987	32	3,541,912	2,132,639	2,305,054
33	595,511	857,617	1,096,244	33	246,959	419,771	430,815
34	867,443	887,932	994,574	34	567,876	496,883	490,388
35	7,228	152,093	276,842	35	2,183	35,476	67,259
36	826,115	663,546	1,088,912	36	775,300	563,061	535,949
37	38,751	212	242	37	37,752	....	....
38	162,886	346,734	192,007	38	4,633	26,722	49,908
39	63,727	....	....	39	....	....	....
40	4,986,884	4,491,763	5,351,796	40	2,511,384	2,023,115	2,769,846
TOTAL, Nos. 31 to 40.	14,506,691	13,576,153	15,071,778	TOTAL, Nos. 31 to 40.	7,961,384	5,885,390	6,953,620
Above 40.	5,351,261	5,421,945	7,843,878	Above 40	3,212,045	2,503,388	3,007,841
Wastes, etc.	195,541	617,788	941,450	Wastes, etc.	101,361	519,627	855,316
GRAND TOTAL	474,292,059	423,450,896	384,211,779	GRAND TOTAL	327,542,756	261,962	259,841,658

Note—The suburb of Coorla, in the Thana district, is treated for statistical purposes as part of the island of Bombay.

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.

AHMEDABAD.

MADRAS.

Count or Number.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.	Count or Number.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.
	1924-25.	1925-26.	1926.		1924-25.	1925-26.	1926.
1	121,277	168,533	153,857	1	....	....	....
2	133,678	154,637	147,257	2	373,131	381,989	508,526
3	....	....	24,998	3	....	....	....
4	559,112	1,093,814	790,892	4	170,115	321,331	416,035
5	....	....	....	5	3,132	3,368	....
6	22,312	34,516	204	6	603,419	594,131	373,295
7	286,104	341,607	422,525	7	911,128	948,513	493,133
8	674	16,377	3,765	8	435,134	423,271	174,049
9	615,130	389,038	132,465	9	92,023	212,532	29,907
10	250,549	812,290	277,322	10	610,086	697,112	399,127
TOTAL, Nos. 1 to 10.	2,853,838	3,015,632	1,953,285	TOTAL, Nos. 1 to 10.	3,199,218	3,582,247	2,397,072
11	214,569	143,335	69,007	11	1,360,116	1,330,257	1,192,784
12	525,658	957,714	872,612	12	1,199,983	1,265,446	1,030,380
13	2,017,645	1,886,049	1,057,449	13	723,527	331,945	259,434
14	463,668	604,016	793,628	14	709,909	576,801	495,997
15	177,957	714,616	296,770	15	3,031,118	3,816,534	3,288,770
16	772,272	829,449	918,282	16	274,196	349,261	192,561
17	403,184	251,472	116,609	17	856,133	769,597	637,524
18	1,487,906	1,122,950	541,316	18	1,203,892	827,629	1,362,623
19	1,997,863	1,316,482	1,095,079	19	4,105,009	4,013,509	3,208,962
20	29,268,131	36,956,307	23,388,385	20	8,838,603	9,775,855	9,159,758
TOTAL, Nos. 11 to 20.	37,263,853	44,782,933	29,149,137	TOTAL, Nos. 11 to 20.	22,302,473	23,056,834	20,776,813
21	9,044,623	9,168,117	7,993,882	21	7,725,816	8,056,095	6,555,014
22	5,470,537	4,227,870	3,595,640	22	2,954,478	3,836,905	3,468,003
23	2,302,133	2,151,109	1,191,978	23	1,149,916	992,134	895,126
24	2,623,607	1,653,452	2,327,860	24	6,461,952	6,763,458	4,855,559
25	263,366	113,712	56,680	25	13,727	124,338	654,167
26	3,793,919	2,271,084	1,379,211	26	2,328,343	2,453,171	1,895,522
27	1,002,755	1,083,562	794,588	27	86,921	8,160	28,303
28	3,039,949	4,637,415	2,556,462	28	2,353,207	2,483,721	2,525,043
29	1,449,424	293,048	1,053,556	29	....	....	....
30	16,802,689	21,416,117	15,797,958	30	2,125,114	1,734,120	1,602,715
TOTAL, Nos. 21 to 30.	45,803,002	47,050,486	36,747,815	TOTAL, Nos. 21 to 30.	25,699,474	26,461,102	22,479,462
31	215,005	700,825	793,862	31	....	....	....
32	2,165,249	2,061,671	1,882,233	32	1,909,207	2,577,144	1,920,311
33	348,552	437,846	641,668	33	....	....	....
34	263,281	389,899	502,381	34	46,953	10,753	1,281
35	5,040	116,535	209,583	35	....	....	....
36	49,962	100,215	544,883	36	26,816	....	2,070
37	57	212	242	37	....	....	....
38	125,929	262,747	94,156	38	....	....	....
39	63,461	....	154,827	39	43,609	....	....
40	1,713,149	1,695,538	1,660,342	40	761,402	891,305	774,922
TOTAL, Nos. 31 to 40.	4,949,685	5,765,488	6,484,183	TOTAL, Nos. 31 to 40.	2,847,987	3,479,202	2,693,384
Above 40.	1,595,849	2,126,153	3,677,203	Above 40.	170,031	120,796	122,352
Wastes, etc.	416	....	...	Wastes, etc.	1,825	396,236	233,384
GRAND TOTAL ..	92,006,641	102,740,694	78,011,623	GRAND TOTAL ..	51,221,060	57,836,673†	44,707,667

†Includes 740,256 lbs.† for which details are not available.

No. 3--DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun--continued.

UNITED PROVINCES.

BENGAL.

Count or Number.	12 MONTHS. APRIL--MARCH.		9 MONTHS. APRIL--DEC.	Count or Number.	12 MONTHS. APRIL--MARCH.		9 MONTHS. APRIL--DEC.
	1924-25	1925-26.	1926.		1924-25.	1925-26.	1926.
1	....	....	....	1	....	....	....
2	....	2,990	121,209	2	301,168	348,872	269,653
3	....	26	....	3	17,493	24,971	14,931
4	556,881	656,916	471,240	4	228	....	....
5	1,643,216	1,179,543	1,220,243	5	....	....	37
6	494,567	751,928	501,502	6	28,115	35,563	76,751
7	1,741,067	2,163,125	1,571,987	7	407,957	458,662	392,654
8	110,543	20,166	63,274	8	85,641	49,332	191,967
9	116,943	542,746	262,556	9	473,036	264,214	294,599
10	793,612	828,412	1,012,482	10	483,234	387,057	490,884
TOTAL, Nos. 1 to 10.	5,451,859	6,179,824	5,226,393	TOTAL, Nos. 1 to 10	1,796,877	1,568,671	1,731,476
11	9,881,874	12,150,648	10,296,947	11	3,312,837	2,768,730	3,498,129
12	3,275,813	3,183,887	1,817,844	12	1,128,060	1,094,590	922,541
13	2,925,082	3,112,347	3,460,633	13	1,517,281	1,197,867	1,773,689
14	6,719,791	6,802,311	5,275,901	14	1,024,062	814,273	502,240
15	1,068,738	984,722	978,836	15	2,622,181	2,028,849	1,645,545
16	4,880,302	4,699,713	4,734,600	16	2,225,252	2,118,945	1,813,896
17	6,789,534	7,695,225	4,895,178	17	2,448,809	2,185,867	1,810,379
18	3,505,953	4,068,941	3,065,257	18	88,479	103,422	79,155
19	3,070,601	1,651,762	1,990,007	19	1,351,141	1,854,966	732,456
20	863,218	687,363	619,708	20	1,486,532	1,047,534	2,495,681
TOTAL, Nos. 11 to 20.	42,683,916	45,021,919	37,054,911	TOTAL, Nos. 11 to 20	17,207,949	14,715,493	15,273,711
21	1,526,479	1,108,462	923,566	21	853,032	2,389,886	1,198,933
22	2,389,278	2,233,246	1,046,928	22	2,110,882	2,349,696	1,198,247
23	763,360	1,416,583	1,385,050	23	29,675	250,452	126,896
24	1,820,879	2,370,634	1,835,523	24	2,216,458	1,044,534	979,361
25	59,932	....	....	25	10,457	3,326	....
26	555,038	1,164,179	801,961	26	510,821	216,394	100,996
27	....	....	522,516	27	....	2,954	12,416
28	46,423	32,341	73,184	28	....	175,222	93,685
29	....	....	17,828	29	....	....	....
30	234,737	387,466	356,493	30	566,621	959,272	646,332
TOTAL, Nos. 21 to 30.	7,396,196	8,708,011	7,562,754	TOTAL, Nos. 21 to 30.	6,300,946	7,391,191	4,356,866
31	....	....	....	31	....	....	....
32	17,083	44,343	72,141	32	212,942	391,517	470,337
33	....	....	....	33	....	....	....
34	791	346	8,090	34	100,380	61	....
35	....	....	....	35	....	....	....
36	31,209	182,047	227,901	36	....	233	....
37	....	....	....	37	....	....	....
38	....	....	....	38	....	....	....
39	....	....	....	39	....	....	....
40	220,575	4,936	40,053	40	37,540	24,919	14,976
TOTAL, Nos. 31 to 40.	269,658	232,170	348,189	TOTAL, Nos. 31 to 40.	350,862	416,801	485,313
Above 40.	163,312	89,840	131,420	Above 40.	15,676	18,568	32,937
Wastes, etc.	58,553	62,094	31,115	Wastes, etc.	....	....	790,931
GRAND TOTAL ..	58,323,499	60,293,876	50,354,782	GRAND TOTAL ..	25,672,310	2,412,272	22,671,234

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.

AJMER-MERWARA.

PUNJAB.

Count or Number.	12 MONTHS. APRIL—MARCH.		9 MONTHS. APRIL—DEC.	Count or Number.	12 MONTHS. APRIL—MARCH.		9 MONTHS. APRIL—DEC.
	1924-25.	1925-26.	1926.		1924-25.	1925-26.	1926.
1	....	....	....	1	....	....	....
2	....	....	....	2	....	....	....
3	....	....	....	3	....	....	....
4	....	....	....	4	....	....	....
5	....	....	....	5	....	....	....
6	....	837	....	6	....	....	....
7	3,262	55,193	147,647	7	....	....	26,25
8	234,687	215,821	162,502	8	....	32,099	....
9	247,880	664,104	476,644	9	33,693	290,401	201,422
10	237,936	301,223	202,544	10	31,037	46,843	113,919
TOTAL, Nos. 1 to 10.	723,765	1,236,978	989,337	TOTAL, Nos. 1 to 10.	67,780	369,343	341,695
11	57,489	124,973	92,862	11	662,388	791,566	559,271
12	270,627	399,780	291,541	12	14,402	59,918	18,485
13	315,071	419,975	224,846	13	286,692	723,462	591,600
14	487,549	488,744	291,557	14	190,775	206,690	36,873
15	6,159	1,505	18,753	15	61,867	320	4,080
16	315,681	282,027	168,863	16	32,621	32,922	3,695
17	3,990	....	32,070	17	6,834	2,627	6,649
18	....	....	....	18	....	521	....
19	....	....	....	19	....	6,3491	28,988
20	596,220	927,465	696,332	20	280,009	501,131	429,307
TOTAL, Nos. 11 to 20.	2,082,786	2,643,819	1,816,824	TOTAL, Nos. 11 to 20.	1,535,648	2,387,648	1,678,948
21	43,964	30,617	50,294	21	....	....	....
22	8,754	....	....	22	....	52,573	15,733
23	2,275	....	....	23	....	....	112,154
24	....	53	....	24	75,170	1,313	....
25	....	....	824	25	32,322	....	....
26	....	2,033	807	26	35,434	108,284	84,489
27	....	....	807	27	....	....	....
28	....	....	667	28	....	....	....
29	....	....	389	29	....	....	....
30	390,937	625,660	460,863	30	14,433	24,349	....
TOTAL, Nos. 21 to 30.	445,930	658,393	514,650	TOTAL, Nos. 21 to 30.	157,359	186,549	212,376
31	....	....	....	31	....	1,110	....
32	....	....	10,380	32	....	....	....
33	....	....	....	33	....	....	....
34	....	108	....	34	....	....	....
35	....	....	....	35	....	....	....
36	....	20	....	36	....	....	....
37	....	....	....	37	....	....	....
38	....	....	....	38	....	....	....
39	....	....	....	39	....	....	....
40	7,760	3,535	11,323	40	....	....	....
TOTAL, Nos. 31 to 40.	7,760	3,661	21,703	TOTAL, Nos. 31 to 40.	....	1,110	....
Above 40	....	1,689	2,059	Above 40.	....	....	....
Wastes, etc.	....	618	3,375	Wastes, etc.	....	....	7,332
GRAND TOTAL	3,216,241	4,545,208	3,347,943	GRAND TOTAL	1,760,787	2,944,650	2,240,251

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and
the COUNTS (or numbers) of YARN Spun—continued.

DELHI.

CENTRAL PROVINCES & BERAR.

Count or Number.	12 MONTHS. APRIL—MARCH.		9 MONTHS. APRIL—DEC.	Count or Number.	12 MONTHS. APRIL—MARCH.		9 MONTHS. APRIL—DEC.
	1924-25.	1925-26.	1926.		1924-25.	1925-26.	1926.
1	....	....	....	1	154,305	290,579	86,098
2	....	226,591	319,630	2	304,388	413,572	325,161
3	....	....	....	3	6,128	16,398	107,303
4	....	1,569	....	4	341,794	267,929	290,255
5	....	....	....	5	403	887	15,680
6	....	....	2,986	6	279,260	218,834	277,480
7	3,978	5,431	....	7	2,155,343	2,328,053	2,485,890
8	100,316	49,066	281,640	8	274,653	145,440	95,486
9	97,822	59,695	....	9	1,959,047	2,358,887	2,837,331
10	756,911	100,997	772,515	10	874,227	837,235	549,362
TOTAL, Nos 1 to 10.	1,222,044	443,349	1,376,771	TOTAL, Nos. 1 to 10.	6,349,548	6,877,814	7,070,056
11	2,109,65	2,041,245	1,724,650	11	2,167,772	2,206,927	1,745,301
12	460,716	22,746	322,236	12	3,554,618	4,768,892	3,697,308
13	1,622,632	1,420,492	1,742,619	13	2,187,379	2,139,057	1,666,087
14	150,475	91,897	138,555	14	1,794,721	2,157,459	799,011
15	645,466	854,283	228,379	15	960,503	779,797	795,002
16	992,070	1,004,038	662,571	16	2,673,840	3,001,340	1,752,949
17	64,332	134,032	71,972	17	1,107,729	1,457,034	671,932
18	106,149	3,753	127,958	18	520,283	255,602	341,496
19	20,144	6,266	7,544	19	787,919	973,761	710,592
20	314,745	271,888	812,499	20	4,853,332	6,391,416	3,878,061
TOTAL, Nos. 11 to 20.	6,485,794	5,850,640	5,838,983	TOTAL, Nos. 11 to 20	20,603,096	24,123,285	19,057,759
21	359	2,978	....	21	202,359	756,403	730,822
22	27,477	....	....	22	526,610	614,389	763,061
23	....	....	34,722	23	....	6,592	....
24	52,574	....	8,802	24	2,709,583	2,769,651	2,006,916
25	12,927	....	54	25	48,774	415,229	126,016
26	91,478	....	408,620	26	846,161	1,157,885	538,567
27	....	....	....	27	....	....	6,565
28	28,347	....	....	28	188,546	140,415	257,373
29	....	....	....	29	....	....	....
30	74,954	151,471	5,843	30	198,559	280,383	167,835
TOTAL, Nos. 21 to 30.	288,116	154,449	458,041	TOTAL, Nos. 21 to 30.	4,720,592	6,140,947	4,597,215
31	....	....	....	31	....	....	....
32	....	....	....	32	192,278	278,062	280,283
33	....	....	....	33	....	9,303	....
34	....	....	....	34	254,055	471,975	262,950
35	....	....	....	35	....	....	....
36	334	....	....	36	9,354	227	12,386
37	....	....	....	37	....	....	....
38	....	....	....	38	1,059	144	....
39	....	....	....	39	....	....	6,095
40	....	....	....	40	30,008	31,836	55,353
TOTAL, Nos. 31 to 40	334	....	....	TOTAL, Nos. 31 to 40	486,754	791,517	617,067
Above 40.	....	....	....	Above 40.	93,381	108,366	114,425
Wastes, etc.	....	....	2,946	Wastes, etc.	....	74,388	174,797
GRAND TOTAL	8,060,573*	6,448,438	7,676,741	GRAND TOTAL	32,258,371	38,116,287	28,631,319

* Includes 64,285 lbs. for which details are not available.

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—concluded.

BURMA.

Count or Number.							12 MONTHS. APRIL—MARCH.		9 MONTHS. APRIL—DEC.
							1924-25.	1925-26.	1926.
1	..	..	..	..	..	..	....	....
2	..	..	..	..	..	..	....	....
3	..	..	..	..	..	..	....	6,368
4	..	..	..	..	..	..	....	8,077
5	..	..	..	..	..	..	....	....
6	..	..	..	..	..	..	....	3,878
7	..	..	..	..	..	..	22,240	8,690
8	..	..	..	..	..	..	....	....
9	..	..	..	..	..	..	....	....
10	..	..	..	..	..	..	....	....
TOTAL, Nos 1 to 10							22,240	27,013
11	..	..	..	..	..	..	622,733	1,103,475
12	..	..	..	..	..	..	....	349,150
13	..	..	..	..	..	..	141,481	164,300
14	..	..	..	..	..	..	....	60,475
15	..	..	..	..	..	..	268,620	48,750
16	..	..	..	..	..	..	....	32,375
17	..	..	..	..	..	..	34,178	74,825
18	..	..	..	..	..	..	....	11,100
19	..	..	..	..	..	..	....	....
20	..	..	..	..	..	..	....	....
TOTAL, Nos. 11 to 20							1,067,012	1,574,155	453,100
21	..	..	..	..	..	..	....	91,325
22	..	..	..	..	..	..	....	....
23	..	..	..	..	..	..	....	....
24	..	..	..	..	..	..	....	350
25	..	..	..	..	..	..	....	....
26	..	..	..	..	..	..	....	....
27	..	..	..	..	..	..	....	....
28	..	..	..	..	..	..	....	....
29	..	..	..	..	..	..	....	....
30	..	..	..	..	..	..	....	....
TOTAL, Nos. 21 to 30							91,675
31	..	..	..	..	..	..	....	....
32	..	..	..	..	..	..	....	....
33	..	..	..	..	..	..	....	....
34	..	..	..	..	..	..	....	....
35	..	..	..	..	..	..	....	....
36	..	..	..	..	..	..	....	....
37	..	..	..	..	..	..	....	....
38	..	..	..	..	..	..	....	....
39	..	..	..	..	..	..	....	....
40	..	..	..	..	..	..	....	....
TOTAL, Nos. 31 to 40						
Above 40						
Wastes, etc.						
GRAND TOTAL..							1,067,012	1,688,070 ^c	480,113*

* Represent figures for 4 months, April to July 1926 only, the mill having been closed from August 1926.

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—concluded.

TOTAL OF BRITISH INDIA.

Count or Number.	12 MONTHS. APRIL—MARCH.		9 MONTHS APRIL—DEC.
	1924-25.	1925-26.	1926.
1	5,807,028	4,009,017	4,147,779
2	6,027,009	6,595,873	7,684,650
3	2,504,126	1,774,073	2,029,475
4	6,524,588	7,427,877	6,074,470
5	1,883,125	1,421,843	1,602,107
6	9,373,620	8,791,365	6,337,677
7	16,429,412	18,159,904	15,821,047
8	9,585,614	7,638,005	7,830,319
9	11,244,367	14,129,689	11,415,190
10	18,126,124	19,391,445	19,502,220
TOTAL, Nos. 1 to 10	87,505,013	89,339,091	82,444,944
11	37,653,188	34,778,113	33,465,404
12	31,517,552	26,686,306	21,312,726
13	25,665,268	25,771,117	18,745,672
14	26,334,139	21,665,777	21,099,937
15	15,916,354	16,809,552	13,193,011
16	25,906,522	24,386,908	21,696,081
17	17,557,900	16,462,338	12,710,930
18	20,857,437	17,679,509	15,169,342
19	12,842,287	10,466,074	9,286,746
20	129,145,051	121,917,830	101,313,347
TOTAL, Nos. 11 to 20	343,395,778	316,531,484	268,116,786
21	49,145,147	45,780,286	39,249,902
22	38,712,139	34,842,438	32,792,847
23	5,528,249	5,678,640	4,605,985
24	48,679,008	39,968,047	36,622,550
25	1,319,855	1,458,644	1,486,627
26	15,019,879	12,533,818	9,990,492
27	3,888,374	4,151,827	3,727,192
28	9,996,002	11,668,642	9,311,370
29	1,809,179	816,125	1,501,879
30	31,249,617	34,166,420	28,796,225
TOTAL, Nos. 21 to 30	205,347,449	191,062,888	168,085,069
31	606,852	1,142,757	1,146,174
32	8,829,113	8,287,333	7,678,439
33	604,814	857,455	1,096,244
34	1,487,542	1,338,515	1,266,895
35	7,223	152,093	276,842
36	884,367	846,193	1,331,269
37	38,251	5,093	242
38	163,010	352,047	192,007
39	107,336	22,253	6,095
40	6,045,997	5,483,647	6,248,427
TOTAL, Nos. 31 to 40	18,774,505	18,498,186	19,242,634
Above 40	5,808,696	5,816,074	8,247,071
Wastes, etc.	330,252	1,318,607	2,185,330
GRAND TOTAL	661,161,693	623,370,871*	548,321,834

*No. 4.—DETAILED STATEMENT of the QUANTITY (in pounds)
and the COUNTS (or numbers) of YARN Spun.*

INDIAN STATES

Count or Number.	12 MONTHS. APRIL—MARCH.		9 MONTHS. APRIL—DEC.
	1924-25.	1925-26.	1926.
1	201,806	91,990	104,883
2 .. .. .	.....	.....	69,622
3	276,746	373,677	209,421
4	264,050	326,953	263,362
5	28,068	16,692	54,673
6	280,074	529,606	626,199
7	1,266,092	1,592,574	685,551
8	280,517	491,017	198,690
9	1,024,933	1,261,696	858,302
10	1,668,324	1,700,399	1,318,016
TOTAL, Nos. 1 to 10 ..	5,290,640	6,384,604	4,388,719
11	1,018,209	1,355,408	1,187,677
12	2,045,710	1,730,821	1,630,895
13	502,939	657,852	1,032,681
14	5,281,941	4,591,051	3,788,275
15	4,792,606	6,021,703	2,234,458
16	3,941,746	2,662,645	3,183,239
17	1,186,885	751,989	744,289
18	3,360,974	2,245,108	1,970,511
19	1,642,069	2,061,610	2,048,581
20	9,845,741	10,414,770	11,100,008
TOTAL, Nos. 11 to 20 ..	33,618,820	32,493,057	28,925,614
21	4,067,964	6,598,567	4,381,398
22	2,897,989	2,777,552	1,223,098
23	1,677,644	2,192,167	2,038,678
24	2,393,854	3,014,126	2,0085,220
25	249,920	450,812	761,468
26	1,845,772	2,078,577	1,790,326
27	1,007,100	1,063,580	994,995
28	1,542,746	1,849,278	1,490,287
29	583,747	613,410	334,709
30	2,197,878	2,087,400	2,323,323
TOTAL, Nos. 21 to 30 ..	18,464,614	22,725,469	17,423,502
31	141,591	178,106	218,838
32	101,432	684,361	478,259
33 .. .. .	.....	3,043	11,371
34	201,861	19,763	49,676
35 .. .. .	.....	24,613	115,839
36	8,162	51,292	48,322
37 .. .. .	.....	.....	453
38 .. .. .	.....	18	.....
39	10,192	.....	.....
40	129,965	278,101	527,954
TOTAL, Nos. 31 to 40 ..	593,203	1,236,297	1,450,712
• Above 40 ..	13,531	18,250	129,699
Wastes, etc. ..	247,493	195,931	141,940
GRAND TOTAL ..	58,228,301	63,056,608	52,460,186

No. 5.—*DETAILED STATEMENT of the QUANTITY (in pounds)
and the COUNTS (or numbers) of YARN Spun—concluded.*

GRAND TOTAL, INDIA (British India and Indian States).

Count or Number.	12 MONTHS. APRIL—MARCH.		9 MONTHS. APRIL—DEC.
	1924-25.	1925-26.	1924.
1	6,008,834	4,101,007	4,252,662
2	6,027,009	6,595,873	7,754,282
3	2,780,872	2,147,750	2,238,896
4	6,788,638	7,754,830	6,337,832
5	1,911,193	1,438,535	1,656,780
6	9,653,694	9,320,971	6,963,876
7	17,695,504	19,752,478	16,506,598
8	9,866,131	8,129,022	8,029,009
9	12,269,330	15,391,385	12,273,492
10	19,794,448	21,051,844	20,820,236
TOTAL, Nos. 1 to 10	92,795,653	95,723,695	86,833,663
11	38,671,397	36,133,521	34,653,081
12	33,563,262	28,417,127	22,943,621
13	26,168,207	26,429,069	19,778,353
14	31,616,080	23,256,823	24,888,212
15	20,708,960	22,831,255	15,433,059
16	29,848,268	27,049,613	24,884,320
17	18,744,835	17,248,227	13,455,219
18	24,218,411	19,924,617	17,139,853
19	14,484,356	12,407,684	11,335,327
20	138,990,822	132,326,600	112,531,355
TOTAL, Nos. 11 to 20	377,014,598	349,074,541	297,042,400
21	53,213,111	52,378,853	43,631,300
22	41,610,128	37,619,990	34,015,945
23	7,205,893	7,870,807	6,644,663
24	51,072,862	42,982,173	38,707,770
25	1,569,775	1,907,456	2,248,095
26	16,865,651	14,612,395	11,780,818
27	4,895,474	5,215,407	4,722,187
28	11,538,748	13,520,920	10,801,657
29	2,392,976	1,429,536	1,836,588
30	33,447,495	36,253,820	31,119,548
TOTAL, Nos. 21 to 30	223,812,063	213,788,357	185,508,571
31	748,443	1,320,863	1,365,012
32	8,930,545	8,971,694	8,156,698
33	604,814	870,498	1,107,615
34	1,689,403	1,358,278	1,316,571
35	7,223	176,706	392,681
36	892,529	897,485	1,379,591
37	38,251	5,893	695
38	163,010	352,065	192,007
39	117,528	22,253	6,095
40	6,175,962	5,761,748	6,776,381
TOTAL, Nos. 31 to 40	19,367,708	19,737,483	20,693,346
Above 40	5,822,227	5,834,324	8,376,770
Wastes, etc.	577,745	1,514,538	2,327,270
GRAND TOTAL	719,389,994	686,427,479	600,782,020

No. 6.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS.*

Produced.

BOMBAY PRESIDENCY.

Description.	12 MONTHS. APRIL—MARCH.		9 MONTHS. APRIL—DEC.	
	1924-25.	1925-26.	1926.	
<i>Grey and bleached piece-goods—</i>				
Chadars	pounds ..	15,943,126	16,601,754	14,288,787
	yards ..	45,854,981	46,035,300	38,687,518
Dhutis	pounds ..	72,037,312	80,904,738	67,642,665
	yards ..	357,809,695	389,975,599	338,682,179
Drills and jeans	pounds ..	12,484,822	10,666,686	9,209,894
	yards ..	54,413,402	44,927,406	37,893,681
Cambrics and lawns	pounds ..	593,556	520,962	265,074
	yards ..	3,474,873	2,893,436	1,444,600
Printers	pounds ..	4,120,605	3,036,849	1,413,103
	yards ..	17,764,322	13,163,986	6,292,504
Shirtings and longcloth	pounds ..	100,106,957	97,737,683	83,291,543
	yards ..	453,320,844	431,167,508	365,198,890
T-cloth, domestics and sheetings	pounds ..	12,089,664	11,816,551	12,093,977
	yards ..	58,469,478	54,843,424	51,360,003
Tent cloth	pounds ..	2,137,598	1,575,261	1,035,156
	yards ..	5,563,472	3,824,301	2,067,057
Khadi, Dungri or Khaddar (a)	pounds ..	15,321,264	13,372,083	16,494,958
	yards ..	4,104,645	37,006,083	44,070,555
Other sorts	pounds ..	6,372,894	6,235,416	3,891,766
	yards ..	29,595,867	27,915,522	15,406,854
TOTAL	pounds ..	241,207,798	242,467,981	209,626,923
	yards ..	1,061,371,679	1,051,752,555	901,103,841
<i>Coloured piece-goods</i>				
Grey and coloured goods other than piece-goods	pounds ..	102,566,184	94,545,902	89,419,391
	yards ..	501,528,942	458,633,305	434,180,894
Hosiery	dozens ..	1,919,048	2,514,545	2,043,625
	dozens ..	469,131	769,433	560,138
Miscellaneous	dozens ..	185,272	242,848	190,532
	dozens ..	110,753	116,498	82,369
Cotton goods mixed with silk or wool	pounds ..	1,659,174	1,605,937	2,162,071
	yards ..	135,061	653,199	1,461,868
GRAND TOTAL	pounds ..	347,672,537	342,030,412	304,904,410
	yards ..	1,564,800,621	1,510,385,160	1,335,284,735
	dozens ..	579,884	885,938	642,507

BOMBAY ISLAND.

Description.	12 MONTHS. APRIL—MARCH.		9 MONTHS. APRIL—DEC.	
	1924-25.	1925-26.	1926.	
<i>Grey and bleached piece-goods—</i>				
Chadars	pounds ..	9,846,500	10,408,213	9,910,792
	yards ..	25,734,288	26,795,034	25,013,560
Dhutis	pounds ..	21,115,663	21,854,701	20,811,336
	yards ..	110,996,543	115,412,150	114,425,276
Drills and jeans	pounds ..	11,311,884	9,018,280	8,448,766
	yards ..	49,906,678	38,407,817	34,671,927
Cambrics and lawns	pounds ..	447,042	223,443	40,825
	yards ..	2,442,682	1,449,052	203,515
Printers	pounds ..	33,033	238,147	36
	yards ..	164,919	1,041,540	144
Shirtings and longcloth	pounds ..	71,844,535	68,864,828	64,455,560
	yards ..	326,482,134	306,776,092	284,857,219
T-cloth, domestics and sheetings	pounds ..	9,692,334	8,018,751	8,599,724
	yards ..	45,033,825	36,194,764	34,289,149
Tent cloth	pounds ..	930,634	978,722	888,735
	yards ..	2,261,293	2,204,664	1,760,928
Khadi, Dungri or Khaddar (a)	pounds ..	10,808,805	9,723,619	14,511,614
	yards ..	30,573,950	27,513,538	39,210,638
Other sorts	pounds ..	2,794,659	2,667,206	2,171,044
	yards ..	11,548,972	10,302,353	7,284,865
TOTAL	pounds ..	138,825,089	131,995,910	129,878,432
	yards ..	605,145,284	566,097,074	541,717,321
<i>Coloured piece-goods</i>				
Grey and coloured goods other than piece-goods	pounds ..	78,161,540	63,429,517	64,261,744
	yards ..	380,883,020	305,743,730	307,321,149
Hosiery	dozens ..	1,851,483	2,409,237	1,962,849
	dozens ..	429,010	721,452	511,945
Miscellaneous	dozens ..	90,534	75,799	48,054
	dozens ..	83,396	72,034	45,719
Cotton goods mixed with silk or wool	pounds ..	1,347,738	1,281,047	1,755,170
	yards ..	115,201	467,666	1,013,455
GRAND TOTAL	pounds ..	220,391,585	199,659,133	198,879,664
	yards ..	986,028,304	871,840,768	849,038,470
	dozens ..	512,406	793,484	557,664

Note.—The suburb of Coorla, in the Thana District, is treated for statistical purposes as part of the Island of Bombay.

(a) Separately specified with effect from April, 1924.

No. 6.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced—continued.*

AHMEDABAD.

Description.	12 MONTHS. APRIL—MARCH.		9 MONTHS, APRIL—DEC.	
	1924-25.	1925-26.	1926.	
<i>Grey and bleached piece-goods.—</i>				
Chadars	pounds ..	4,752,163	4,826,414	3,369,446
	yards ..	16,272,284	15,692,438	11,452,675
Dhutis	pounds ..	39,536,072	47,110,779	38,265,993
	yards ..	189,624,778	221,272,524	185,375,839
Drills and jeans	pounds ..	267,962	663,734	223,460
	yards ..	1,113,993	2,778,128	1,023,007
Cambrics and lawns	pounds ..	122,447	219,412	219,724
	yards ..	894,041	1,128,191	1,207,075
Printers	pounds ..	2,811,764	1,883,406	720,499
	yards ..	11,647,192	7,840,944	3,150,666
Shirtings and longcloth	pounds ..	22,772,429	22,821,029	14,020,996
	yards ..	108,329,530	104,897,142	66,142,913
T-cloth, domestics and sheetings	pounds ..	2,159,784	3,312,412	2,754,668
	yards ..	12,048,985	16,125,480	13,724,638
Tent cloth	pounds ..	1,104,936	499,114	14,786
	yards ..	3,042,048	1,362,631	49,386
Khadi, Dungri or Khaddar (a)	pounds ..	3,200,746	1,099,591	566,137
	yards ..	10,046,672	2,975,868	1,499,151
Other sorts	pounds ..	2,346,240	2,455,601	934,513
	yards ..	12,303,889	13,142,242	5,218,932
TOTAL	pounds ..	79,074,543	84,924,492	61,090,222
	yards ..	365,323,412	387,215,588	288,849,282
<i>Coloured piece-goods.. .. .</i>				
	pounds ..	14,238,865	20,123,522	15,965,531
	yards ..	81,059,633	111,027,005	90,433,598
<i>Grey and coloured goods, other than piece-goods.</i>				
	pounds ..	9,596	13,203	13,814
	dozens ..	12,123	8,806	11,907
<i>Hosiery</i>				
	pounds ..	94,736	166,233	142,478
	dozens ..	27,356	44,204	36,652
<i>Miscellaneous</i>				
	pounds ..	262,017	276,571	364,768
<i>Cotton goods mixed with silk or wool</i>				
	pounds ..	7,903	174,267	436,204
GRAND TOTAL	pounds ..	93,687,660	105,678,288	78,013,017
	yards ..	446,383,045	498,242,593	379,282,880
	dozens ..	39,479	503,10	48,559

MADRAS.

Description.	12 MONTHS. APRIL—MARCH.		9 MONTHS, APRIL—DEC.	
	1924-25.	1925-26.	1926.	
<i>Grey and bleached piece-goods.—</i>				
Chadars	pounds ..	157,763	268,941	240,768
	yards ..	342,269	621,318	543,362
Dhutis	pounds ..	1,699,436	1,767,524	1,422,188
	yards ..	8,025,511	8,578,548	7,271,256
Drills and jeans	pounds ..	1,091,845	958,349	502,111
	yards ..	3,916,529	3,178,679	1,475,180
Cambrics and lawns	pounds ..	5,437	3,661	28,915
	yards ..	32,148	22,626	79,760
Printers	pounds ..	....	....	....
	yards ..	....	....	....
Shirtings and longcloth	pounds ..	1,558,804	1,255,590	2,338,280
	yards ..	5,316,008	4,407,685	8,901,854
T-cloth, domestics and sheetings	pounds ..	632,687	646,740	39,738
	yards ..	2,228,501	2,455,303	147,196
Tent cloth	pounds ..	3,090	4,294	3,159
	yards ..	5,069	7,944	5,033
Khadi, Dungri or Khaddar (a)	pounds ..	1,227,515	722,887	514,921
	yards ..	4,147,657	1,928,762	983,651
Other sorts	pounds ..	313,412	321,451	165,387
	yards ..	1,244,367	1,214,221	460,062
TOTAL	pounds ..	6,689,965	5,949,437	5,255,467
	yards ..	25,258,059	22,416,086	19,867,354
<i>Coloured piece-goods</i>				
	pounds ..	9,58,397	9,709,158	7,768,154
	yards ..	31,45,238	32,241,195	23,949,528
<i>Grey and coloured goods other than piece-goods.</i>				
	pounds ..	432,951	545,315	542,350
	dozens ..	90,028	121,582	117,874
<i>Hosiery</i>				
	pounds ..	61,653	36,551	47,438
	dozens ..	25,984	18,096	18,833
<i>Miscellaneous</i>				
	pounds ..	950,633	693,955	8,102
<i>Cotton goods mixed with silk or wool</i>				
	pounds ..	....	....	133,071
GRAND TOTAL	pounds ..	17,493,599	139,824,41	13,754,582
	yards ..	56,703,297	468,763,17	43,816,882
	dozens ..	116,012	5,965	136,707

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced—continued.

BENGAL.

Description.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.
	1924-25.	1925-26.	1926.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds .. 123	267	369,665
	yards .. 1,308	2,703	1,678,435
Dhutis	pounds .. 2,415,152	4,709,868	2,521,819
	yards .. 13,421,605	23,579,301	13,078,581
Drills and jeans	pounds .. 43	5,883	17,232
	yards .. 112	53,130	142,279
Cambrics and lawns	pounds .. .. .	.. .	.. .
	yards .. .. .	.. .	.. .
Printers	pounds .. .. .	.. .	32,517
	yards .. .. .	.. .	143,910
Shirtings and longcloth	pounds .. 2,383,978	2,779,796	1,719,793
	yards .. 10,157,846	12,015,843	6,700,045
T-cloth, domestics and sheetings	pounds .. .. .	.. .	.. .
	yards .. .. .	.. .	.. .
Tent cloth	pounds .. .. .	.. .	1,126
	yards .. .. .	.. .	4,173
Khadi, Dungri or Khaddar (a)	pounds .. 132,747	282,263	62,703
	yards .. 838,140	1,254,852	318,371
Other sorts	pounds .. 28,136	6,943	340,929
	yards .. 229,486	63,293	1,010,272
TOTAL	pounds .. 4,960,179	7,785,120	5,065,788
	yards .. 24,698,497	36,966,122	23,104,066
<i>Coloured piece-goods</i>			
	pounds .. .. .	.. .	99,225
	yards .. .. .	.. .	487,548
<i>Grey and coloured goods other than piece-goods.</i>			
	pounds .. .. .	.. .	.. .
	dozens .. .. .	.. .	.. .
<i>Hosiery</i>	pounds .. 176,337	287,037	246,934
	dozens .. 49,474	80,270	70,881
<i>Miscellaneous</i>	pounds .. 252,914	636,046	99,008
<i>Cotton goods mixed with silk or wool</i> .. .. .	.. .. .	.. .	44,274
GRAND TOTAL	pounds .. 5,389,430	8,708,197	5,555,257
	yards .. 24,698,497	36,966,123	23,591,614
	dozens .. 49,474	80,272	70,881

UNITED PROVINCES.

Description.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.
	1924-25.	1925-26.	1926.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds .. 1,721,247	1,822,409	891,897
	yards .. 5,075,703	4,856,025	2,040,031
Dhutis	pounds .. 3,958,868	5,813,658	6,190,970
	yards .. 16,338,380	24,020,355	25,260,670
Drills and jeans	pounds .. 607,372	1,016,534	665,244
	yards .. 1,920,452	3,217,957	1,968,595
Cambrics and lawns	pounds .. 171,222	18,680	44,199
	yards .. 684,485	76,260	200,178
Printers	pounds .. 678,645	529,719	541,459
	yards .. 2,423,259	2,062,760	1,733,202
Shirtings and longcloth	pounds .. 2,252,913	2,389,585	2,165,870
	yards .. 8,526,071	8,512,760	7,815,923
T-cloth, domestics and sheetings	pounds .. 2,399,008	2,853,513	2,305,944
	yards .. 8,503,206	9,542,607	7,070,517
Tent cloth	pounds .. 657,434	484,336	567,581
	yards .. 1,328,663	1,055,078	1,274,987
Khadi, Dungri or Khaddar (a)	pounds .. 1,540,564	1,847,353	133,123
	yards .. 5,237,797	6,027,008	471,580
Other sorts	pounds .. 122,512	134,560	1,256,466
	yards .. 571,444	640,100	4,306,514
TOTAL	pounds .. 14,109,785	16,910,347	14,762,753
	yards .. 50,609,460	60,010,910	52,142,177
<i>Coloured piece-goods</i>			
	pounds .. 1,311,375	1,256,986	933,549
	yards .. 5,007,122	4,693,678	3,510,152
<i>Grey and coloured goods other than piece-goods.</i>			
	pounds .. 232,694	203,364	246,222
	dozens .. 29,172	31,980	50,539
<i>Hosiery</i>	pounds .. 23,944	42,489	39,491
	dozens .. 21,460	16,300	16,110
<i>Miscellaneous</i>	pounds .. 208,776	11,042	51,770
<i>Cotton goods mixed with silk or wool</i> .. .. .	.. .. .	36,862	54,513
GRAND TOTAL	pounds .. 16,087,918	18,478,741	16,033,830
	yards .. 55,616,582	64,704,588	55,652,329
	dozens .. 40,632	48,280	63,649

* Includes lbs. 66, 652 for which details by classes are not available.

† 713,114

‡ 164,482

(a) Separately specified with effect from April, 1924.

No. 6.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS*

Produced—continued.

AJMER-MERWARA.

Description.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.
	1924-25.	1925-26.	1926.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds.. 49,618	61,317	85,581
	yards .. 83,072	145,234	185,682
Dhutis	pounds.. 1,101,651	1,404,915	983,625
	yards .. 4,984,109	6,136,057	4,236,113
Drills and jeans	pounds.. 2,874	18,258	7
	yards .. 6,139	66,849	16
Cambrics and lawns	pounds.. .. .	.. .	.. .
	yards .. .. .	.. .	.. .
Printers	pounds.. 113,358	120,849	60,507
	yards .. 379,158	367,363	196,333
Shirtings and longcloth	pounds.. 24,228	341,582	108,268
	yards .. 115,769	1,342,819	1,296,056
T-cloth, domestics and sheetings	pounds.. 8,157	151,097	114,260
	yards .. 37,909	637,820	470,827
Tent cloth	pounds.. .. .	.. .	.. .
	yards .. .. .	.. .	.. .
Khadi, Dungri or Khaddar (a)	pounds.. 915,407	1,268,807	773,082
	yards .. 3,007,992	4,068,870	2,498,892
Other sorts	pounds.. 63,172	73,889	113,439
	yards .. 91,168	.. .	180,178
	TOTAL { pounds .. 2,278,465	3,440,714	2,438,769
	{ yards .. 8,705,316	12,765,084	9,064,097
<i>Coloured piece-goods</i>	pounds.. 8,910	5,649	3,849
	yards .. 65,368	15,475	14,885
<i>Grey and coloured goods other than piece-goods</i>	pounds.. 580	1,225	826
	dozens .. 159	68	86
<i>Hosiery</i>	pounds.. .. .	.. .	.. .
	dozens .. .. .	.. .	.. .
<i>Miscellaneous</i>	pounds.. .. .	.. .	19,779
<i>Cotton goods mixed with silk or wool .. .. .</i>	.. .	.. .	4,510
	GRAND TOTAL { pounds .. 2,287,955	3,447,588	2,467,733
	{ yards .. 8,770,684	12,780,556	9,078,982
	{ dozens .. 159	.. .	86

PUNJAB.

Description.	12 MONTHS, APRIL—MARCH		9 MONTHS, APRIL—DEC.
	1924-25.	1925-26	1926.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds.. 61,543	144,090	117,989
	yards .. 168,606	399,515	365,687
Dhutis	pounds.. 21,807	175,385	145,432
	yards .. 78,444	580,918	481,544
Drills and jeans	pounds.. 13,486	15,612	7,865
	yards .. 38,943	47,258	24,284
Cambrics and lawns	pounds.. .. .	8,008	558
	yards	34,748	1,240
Printers	pounds.. .. .	.. .	.. .
	yards .. .. .	.. .	.. .
Shirtings and longcloth	pounds.. 4,627	69,856	183,957
	yards .. 22,800	31,821	1,228,838
T-cloth, domestics and sheetings	pounds.. .. .	59,747	31,957
	yards	46,259	176,279
Tent cloth	pounds.. .. .	4,263	.. .
	yards	15,789	.. .
Khadi, Dungri or Khaddar (a)	pounds.. 386,124	718,845	501,518
	yards .. 1,390,388	2,395,247	1,635,052
Other sorts	pounds.. 3,301	14,858	19,457
	yards .. 6,325	335	84,247
	TOTAL { pounds .. 490,891	1,160,667	1,008,733
	{ yards .. 1,705,503	3,871,880	3,997,171
<i>Coloured piece-goods</i>	pounds.. 21,160	17,275	6,354
	yards .. 111,456	116,953	43,248
<i>Grey and coloured goods other than piece-goods</i>	pounds.. .. .	.. .	10
	dozens .. .. .	.. .	2
<i>Hosiery</i>	pounds.. .. .	.. .	.. .
	dozens .. .. .	.. .	.. .
<i>Miscellaneous</i>	pounds.. .. .	.. .	.. .
<i>Cotton goods mixed with silk or wool .. .. .</i>	.. .	.. .	.. .
	GRAND TOTAL { pounds .. 512,051	1,177,942	1,015,097
	{ yards .. 1,816,959	3,988,838	4,040,419
	{ dozens .. .. .	.. .	2

(a) Separately specified with effect from April, 1924.

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced—continued.

DELHI.

Description.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.
	1924-25.	1925-26.	1926.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds .. 728,300 yards .. 1,789,961	587,159 1,415,794	1,018,812 2,556,102
Dhutis	pounds .. 1,215,731 yards .. 4,859,885	1,384,795 5,179,137	1,423,168 5,605,351
Drills and jeans	pounds .. 18,326 yards .. 52,693	10,300 34,767	24,137 83,121
Cambrics and lawns	pounds yards .. .. .	.. .. . .. .. .	21,983 132,300
Printers	pounds yards .. .. .	.. .. ... .. .	.. .. ... .. .
Shirtings and longcloth	pounds .. 91,474 yards .. 295,411	122,030 445,184	180,150 758,049
T-cloth, domestics and sheetings	pounds .. 21,000 yards .. 73,276	72,626 285,926	160,203 641,911
Tent cloth	pounds .. 737,094 yards .. 1,623,392	1,004,591 2,280,533	648,458 1,359,127
Khadi, Dungri or Khaddar (a)	pounds .. 1,838,312 yards .. 4,941,488	3,008,510 8,668,719	2,370,861 6,943,048
Other sorts	pounds .. 2,056 yards .. 16,024	129 946	190,348 483,143
TOTAL	pounds .. 4,653,093 yards .. 13,652,100	6,190,140 18,311,006	6,028,120 18,602,152
<i>Coloured piece-goods</i>	pounds .. 221,068 yards .. 868,737	343,824 1,317,260	279,287 1,356,727
<i>Grey and coloured goods other than piece-goods.</i>	pounds .. 1,850 dozens .. 927	6,458 4,106	8,253 4,256
<i>Hosiery</i>	pounds dozens .. .. .	.. 4 .. 4	.. .. ... .. .
<i>Miscellaneous</i>	pounds .. .. .	.. 4	.. .. .
<i>Cotton goods mixed with silk or wool</i> .. .. .	.. .. .	.. .. .	403
GRAND TOTAL	pounds .. 4,876,011 yards .. 14,510,867 dozens .. 279	6,540,41 19,628,26 4,10	6,316,063 19,958,879 4,256

CENTRAL PROVINCES AND BERAR.

Description.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.
	1924-25.	1925-26.	1926.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds .. 1,104,576 yards .. 2,747,295	1,133,236 2,873,324	756,604 1,850,863
Dhutis	pounds .. 6,830,378 yards .. 29,342,804	7,322,952 30,684,593	5,170,106 21,887,304
Drills and jeans	pounds .. 1,558,971 yards .. 4,911,731	1,440,892 4,789,813	1,354,253 4,762,455
Cambrics and lawns	pounds .. 6,300 yards .. 24,864	7,786 46,207	136,933 621,654
Printers	pounds .. 444,717 yards .. 2,093,318	337,592 1,680,092	256,690 1,328,191
Shirtings and longcloth	pounds .. 1,963,375 yards .. 7,895,497	2,159,535 8,757,390	1,943,867 7,959,226
T-cloth, domestics and sheetings	pounds .. 710,206 yards .. 2,916,306	402,257 1,574,651	207,192 861,561
Tent cloth	pounds .. 413,478 yards .. 806,290	321,199 598,525	84,009 177,365
Khadi, Dungri or Khaddar (a)	pounds .. 824,480 yards .. 2,718,891	1,084,879 3,135,718	913,994 2,651,273
Other sorts	pounds .. 447,266 yards .. 1,832,558	167,546 977,393	95,006 460,281
TOTAL	pounds .. 14,308,747 yards .. 55,289,544	14,377,974 55,116,706	10,918,654 42,560,173
<i>Coloured piece-goods</i>	pounds .. 4,396,175 yards .. 17,340,542	4,242,311 16,153,582	2,950,021 11,246,989
<i>Grey and coloured goods other than piece-goods.</i>	pounds .. 312,417 dozens .. 19,117	443,907 27,230	281,681 15,800
<i>Hosiery</i>	pounds dozens .. .. .	.. 42,139.. .. .	.. .. ... .. .
<i>Miscellaneous</i>	pounds .. 431,124	367,965	254,231
<i>Cotton goods mixed with silk or wool</i> .. .. .	.. .. .	.. .. .	3,788
GRAND TOTAL	pounds .. 19,448,463 yards .. 72,630,086 dozens .. 19,117	19,464,296 71,270,288 27,230	14,408,375 53,807,162 15,890

(a) Separately specified with effect from April, 1924.

No. 6.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced—concluded.*

TOTAL OF BRITISH INDIA.

Description.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.	
	1924-25.	1925-26.	1926.	
<i>Grey and bleached piece-goods—</i>				
Chadars	{ pounds ..	19,766,299	20,619,173	17,760,103
	{ yards ..	56,063,192	53,350,203	47,947,680
Dhutis	{ pounds ..	89,280,335	103,483,833	85,499,973
	{ yards ..	427,860,433	488,733,508	416,500,998
Drills and jeans	{ pounds ..	15,777,739	14,132,614	11,780,747
	{ yards ..	65,260,001	56,315,859	46,349,611
Cambrics and lawns	{ pounds ..	773,515	559,097	497,662
	{ yards ..	4,216,370	3,073,277	2,479,732
Printers	{ pounds ..	5,357,325	4,025,009	2,304,276
	{ yards ..	22,660,057	17,274,201	9,694,140
Shirtings and longcloth	{ pounds ..	108,391,356	106,855,657	92,131,728
	{ yards ..	485,650,236	467,001,082	399,858,881
T-cloth, domestics and sheetings	{ pounds ..	15,831,522	15,952,531	14,953,271
	{ yards ..	72,228,676	69,385,990	60,728,294
Tent-cloth	{ pounds ..	3,948,694	3,393,947	2,339,489
	{ yards ..	9,326,883	7,782,170	4,887,722
Khadi, Dungri or Khaddar (a)	{ pounds ..	22,186,413	22,305,727	21,765,160
	{ yards ..	66,436,998	64,485,259	59,602,422
Other sorts	{ pounds ..	7,352,749	6,954,792	6,072,798
	{ yards ..	33,587,339	30,808,800	22,391,551
TOTAL	{ pounds ..	283,698,923	298,282,380	255,105,207
	{ yards ..	1,243,290,188	1,261,210,349	1,070,441,031
<i>Coloured piece-goods</i>	{ pounds ..	117,883,269	110,121,105	101,459,830
	{ yards ..	556,357,405	513,171,453	474,789,971
<i>Gray and coloured goods other than piece-goods.</i>	{ pounds ..	2,899,540	3,704,810	3,122,967
	{ dozens ..	608,534	954,397	748,785
<i>Hosiery</i>	{ pounds ..	447,206	651,060	524,425
	{ dozens ..	197,671	231,171	188,173
<i>Miscellaneous</i>	pounds ..	3,502,621	3,314,942	2,594,959
<i>Cotton goods mixed with silk or wool</i> .. .. .	.. .. .	171,923	707,712	1,647,959
GRAND TOTAL	{ pounds ..	413,767,964*	416,782,009	364,455,347
	{ yards ..	1,799,647,593	1,774,381,802	1,545,231,002
	{ dozens ..	806,205	1,185,568	936,958

(a) Separately specified with effect from April, 1924.

No. 7.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS

Produced.

INDIAN STATES.

Description.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.	
	1924-25.	1925-26.	1926.	
<i>Grey and bleached piece-goods—</i>				
Chadars	{ pounds ...	1,879,542	2,168,124	1,790,596
	{ yards ..	5,550,735	5,725,388	4,488,515
Dhutis	{ pounds ..	7,226,746	6,650,546	6,899,327
	{ yards ..	30,543,503	27,660,810	29,386,901
Drills and jeans	{ pounds ..	2,742,960	3,974,247	2,013,754
	{ yards ..	11,931,046	17,834,285	8,089,712
Cambrics and lawns	{ pounds ..	367,994	21,667	10,111
	{ yards ..	1,178,868	93,172	61,834
Printers	{ pounds ..	2,402,333	1,978,974	1,243,372
	{ yards ..	10,116,829	8,597,796	5,605,540
Shirtings and longcloth	{ pounds ..	9,667,391	13,164,209	10,029,268
	{ yards ..	39,874,191	54,124,862	40,937,966
T-cloth, domestics and sheetings	{ pounds ..	1,601,000	1,418,062	1,780,937
	{ yards ..	5,513,082	4,687,343	5,933,073
Tent cloth	{ pounds ..	207,532	596,770	165,493
	{ yards ..	566,903	1,222,736	406,096
Khadi, Dungri or Khaddar	{ pounds ..	7,248,053	8,138,660	5,477,678
	{ yards ..	20,715,564	22,920,957	14,718,653
Other sorts	{ pounds ..	3,222,755	2,871,517	2,461,369
	{ yards ..	13,087,379	10,226,124	8,785,998
TOTAL	{ pounds ..	36,566,306	40,982,776	31,871,905
	{ yards ..	139,073,100	153,093,473	118,414,290
<i>Coloured piece-goods</i>				
	{ pounds ..	7,679,914	6,574,195	5,700,754
	{ yards ..	31,673,545	26,985,392	23,518,934
<i>Grey and coloured goods other than piece-goods.</i>				
	{ pounds ..	52,631	21,701	14,801
	{ dozens ..	2,451	1,407	1,616
<i>Hosiery</i>	{ pounds ..	222,015	221,201	197,881
	{ dozens ..	79,182	85,375	69,815
<i>Miscellaneous</i>	pounds ..	446,682	457,187	506,601
<i>Cotton goods mixed with silk or wool .. .. .</i>	.. .. .	100,083	....	215
GRAND TOTAL	{ pounds ..	45,071,681	48,257,060	38,292,157
	{ yards ..	170,751,645	180,078,000	141,933,224
	{ dozens ..	81,633	86,782	71,431

No. 8.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced.*

GRAND TOTAL, INDIA (British India and Indian States).

Description.	12 MONTHS, APRIL—MARCH.		9 MONTHS, APRIL—DEC.	
	1924-25	1925-26.	1926.	
<i>Gray and bleached piece-goods—</i>				
Chadars	{ pounds ..	21,645,841*	22,787,297	19,550,699
	{ yards ..	61,613,927	62,075,591	52,436,195
Dhutis	{ pounds ..	96,507,057	110,134,379	92,399,300
	{ yards ..	453,406,936	516,394,318	445,887,899
Drills and jeans	{ pounds ..	18,520,699	18,106,861	13,794,501
	{ yards ..	77,191,047	74,150,144	54,439,323
Cambrics and lawns	{ pounds ..	1,144,509	580,764	507,773
	{ yards ..	5,395,238	3,166,449	2,541,566
Printers	{ pounds ..	7,759,653	6,003,983	3,547,648
	{ yards ..	32,776,886	25,871,997	15,299,680
Shiftings and longcloth	{ pounds ..	118,058,747	120,019,866	102,160,996
	{ yards ..	525,524,427	521,125,944	440,796,847
T-cloth, domestics and sheetings	{ pounds ..	17,462,522	17,370,593	16,734,208
	{ yards ..	77,741,758	74,073,333	66,661,367
Tent cloth	{ pounds ..	4,156,226	3,990,717	2,504,982
	{ yards ..	9,893,789	9,004,906	5,293,818
Khadi, Dungri or Khaddar	{ pounds ..	29,434,466	30,444,387	27,242,838
	{ yards ..	87,152,562	87,406,216	74,321,077
Other sorts	{ pounds ..	10,575,504	9,826,309	8,534,167
	{ yards ..	46,674,718	41,034,924	31,177,549
TOTAL	{ pounds ..	325,265,229	339,265,156	286,977,112
	{ yards ..	1,382,368,288	1,414,303,822	1,188,855,321
<i>Coloured piece-goods</i>				
.. .. .	{ pounds ..	125,563,183	116,695,300	107,160,584
	{ yards ..	588,030,950	540,156,845	498,308,905
<i>Gray and coloured goods, other than piece-goods.</i>	{ pounds ..	2,952,221	3,726,511	3,137,768
	{ dozens ..	610,985	955,804	750,401
<i>Hosiery</i>	{ pounds ..	676,221	872,261	722,306
	{ dozens ..	276,853	316,546	257,988
<i>Miscellaneous</i>	pounds ..	3,949,303	3,772,129	3,101,560
<i>Cotton goods mixed with silk or wool</i>	pounds ..	272,006	707,712	1,648,174
GRAND TOTAL	{ pounds ..	* 458,839,645	465,039,069	402,747,504
	{ yards ..	1,970,399,238	1,954,460,667	1,687,164,226
	{ dozens ..	887,838	1,272,350	1,008,389

Report for the year 1926.

Section VI.

RULES AND REGULATIONS.

Rules for the Registration of Trade Marks.
Rules for Arbitration on Piece-goods. Standard Contract Form.
Provident Fund Rules, Etc.,

RULES AND REGULATIONS.

*Revised and adopted down to the Annual General Meeting held on
3rd March, 1927.*

1. The Association shall be called the Bombay Millowners' Association. Name.
2. The Office of the Association will be situate in Bombay.
3. The objects of the Association are :— Objects of
the Associa-
tion.
 - (a) To encourage friendly feeling and unanimity amongst Millowners and users of steam water and/or electric power on all subjects connected with their common good.
 - (b) To secure good relations between members of the Association.
 - (c) To promote and protect the trade commerce and manufactures of India in general and of the cotton trade in particular.
 - (d) To consider questions connected with the trade, commerce and manufactures of its members.
 - (e) To collect and circulate statistics and to collect classify and circulate information relating to the trade commerce and manufactures of its members.
 - (f) To take all steps which may be necessary for promoting, supporting or opposing legislative and other measures affecting the trade commerce or manufactures of its members.
 - (g) To make representations to Local Central and Imperial authorities on any matter connected with the trade commerce and manufactures of its members.
 - (h) To arbitrate in the settlement of disputes arising out of transactions in piece-goods and yarn between parties willing or agreeing to submit to arbitration in accordance with the arbitration rules of the Association.
 - (i) To advance and promote commercial and technical education connected with the trade and commerce of its members.
 - (j) To undertake special enquiries and initiate or support any action for securing the redress of legitimate grievances connected with the trade or commerce of its members.
 - (k) To take any action which may be conducive to the extension of the trade and commerce of its members or incidental to the attainment of this object.
 - (l) To subscribe, to become a member of and co-operate with any other Association whether incorporated or not whose objects are altogether or in part similar to those of this Association and to procure from or communicate to any such Association such information as may be likely to forward the objects of this Association.
 - (m) To establish or aid in the establishment of funds to benefit employees of the Association or the dependents of such persons and to subscribe donate or guarantee money for charitable or benevolent purposes at the discretion of the Association.
 - (n) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Association directly or indirectly.

Persons
eligible for
membership.

4. Any individual, firm or Company owning one or more mill or mills or one or more press or presses or one or more ginning or other factory or factories actuated by steam, water, electric and/or other power shall be eligible for membership of the Association.

Definition
of the term
"member."

5. The expression "Member" in these rules shall ordinarily mean the person, firm or Company, as the case may be, by whom or by which any such mill or mills, press or presses, or factory or factories as last aforesaid is or are actually owned, but shall where the context so requires or permits also mean and include the person or persons for the time being entitled or empowered in accordance with these rules to act and vote on behalf of any member of the Association.

Voting
Power of
members.

6. At any General Meeting of members of the Association every member shall be entitled to one vote for every complete sum of Rs. 50/- paid by him as annual subscription under Rule 35 hereof.

7. Each individual, who, as an individual, shall be a member of the Association, shall subject as hereinafter mentioned, be entitled either to act and vote on his own behalf or to empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign his name per procuracy, to act and vote on his behalf.

8. Every partner in any firm, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of his firm, and the firm may also empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign the name of the firm per procuracy, to act and vote on behalf of the firm.

9. Every Director of a Joint Stock Company, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company, and the Agent, Secretary or Manager, as the case may be, of such Company, and every partner in any firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, and likewise any one or more persons, who shall have been duly authorized by the Agent, Secretary or Manager, as the case may be, of such Company, or by the firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, to sign either the name of such Agent, Secretary or Manager or the name of such firm, per procuracy, shall also, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company.

10. The name of every person entitled or empowered to act and vote on behalf of any member of the Association, whether such person be the member himself or any other person, shall be notified in writing by such member to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, and if more than one person shall be entitled or empowered to act and vote on behalf of any member, such member shall notify in writing to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned; the order of precedence in which such persons shall be entitled to act and vote on behalf of such member.

11. When any member shall notify to the Secretary of the Association that any one or more persons, other than the member himself, is entitled or empowered to act and vote on behalf of such member, such member shall, in such notification, state the capacity in which such person or each of such persons is so entitled or empowered to vote, that is to say, either as a member of a firm or as a Director or Agent or Secretary or Manager of a Company or as the holder of a power to sign per procuracy or otherwise as the case may be.

12. If the name of any person shall be notified as a person empowered to act and vote on behalf of a member by virtue of being the holder of a power to sign per procuracy, the notification shall be accompanied by the document authorizing such person to sign per procuracy, in order that the same may be registered by the Secretary, and the Secretary shall, after registering the document, return it to the person who sent it.

13. The Association shall provide a Register, to be called " Register of members and of persons entitled to act and vote for members " (hereinafter in these rules referred to as " the said Register "), and the names of all members of the Association shall be entered in the said Register together with the name of each person entitled or empowered, in accordance with these rules, to act and vote for such members, so soon as the name of such persons and all particulars regarding him and all formalities shall have been duly notified and observed in accordance with these rules, and when the name of more than one person shall have been notified as entitled to act and vote for any one member of the Association, the names of such persons shall be numbered in the order of precedence in which such persons are entitled to act and vote for such member.

14. No person shall be entitled to act or vote on behalf of any member of the Association unless and until his name shall have been entered in the said Register as a person entitled to act and vote for such member.

15. If two or more persons, who shall be entitled to act and vote on behalf of one and the same member of the Association, shall be present at any meeting of the Association, that one, who takes priority in the order of precedence in the said Register, shall alone be entitled to vote at such meeting.

16. If any one person shall, according to these rules, be entitled to act and vote for more than one member of the Association, such person shall be entitled to act and to exercise the right of voting, according to these rules, for each member, on whose behalf he is so entitled to act and vote.

17. Members of the Association shall be elected by ballot in the manner hereinafter mentioned.

Mode of
collecting
members.

18. Every candidate for election as a member of the Association must be proposed by one member of the Association and seconded by another, and a letter of proposal signed by the proposer or seconder must be sent to the Managing Committee of the Association (hereinafter called " The Committee ").

19. After the receipt by them of a proposal duly made and seconded according to these rules of a candidate for election as a member of the Association, the Committee shall fix a day for the commencement of the ballot for the election of such candidate.

20. Not less than seven days before the day so fixed as aforesaid for the commencement of the ballot for the election of any candidate, notice in writing shall be given by the Committee to all members of the Association of the name of the candidate and of his proposer and seconder and of the date so fixed as aforesaid for the commencement of the ballot for the election of such candidate.

21. The Committee shall, before the day appointed for the commencement of the ballot for the election of a candidate for membership of the Association, appoint a scrutineer for such election.

22. The Association shall, for the purposes of all elections by ballot, provide a ballot-box with a lock and key and with an aperture sufficiently large to admit of the deposit therein of voting papers.

23. Before the time appointed under these rules for the commencement of the ballot for the election of any candidate for membership of the Association, the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same, and the same shall not be opened until after the expiration of the full time appointed for such ballot.

24. The Committee shall provide voting papers for the election of a member of the Association in such form as they shall, from time to time, think fit and shall send one of such voting papers to each member of the Association, not less than seven days before the

day fixed according to these rules for the commencement of the ballot for the election of any candidate for membership of the Association.

25. If any person entitled or empowered to vote concerning the election of a candidate for membership of the Association shall desire to exercise his right of voting, he shall fill up a voting paper in accordance with the directions contained therein, stating whether he votes for or against the election of such candidate and shall sign the paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

26. Voting papers may be deposited in the ballot-box in accordance with these rules at any time between the hours of 10-30 a.m. and 4 p.m. on the day appointed for the commencement of the ballot or on any one of the six succeeding days, exclusive of Sundays or Gazetted Holidays.

27. The ballot-box shall, at 4 p.m. on the seventh of the days appointed for the election of any candidate for membership, be opened by the Secretary in the presence of the scrutineer, and the votes shall be counted and scrutinized by the scrutineer, and the scrutineer shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

28. No candidate for election as a member shall be deemed to have been elected unless the number of votes recorded is greater than one-fourth of the total number of the votes which would have been recorded if all members had voted. One adverse vote in every six votes recorded shall exclude. The result of every election shall be recorded in the Minutes of the Proceedings of the Committee.

29. If any candidate for election as a member of the Association shall not be elected, his proposer shall be informed of his non-election by the Secretary.

30. Particulars of the voting for the election of any candidate for election as a member of the Association shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to any one whomsoever.

31. A candidate, who shall have been proposed for election as a member of the Association and shall not have been elected, shall not be again eligible for election as a member of the Association until after the expiration of six months from the date of the election at which he shall not have been elected.

32. If a candidate for election as a member of the Association be elected, his election shall be notified in writing by the Secretary to his proposer and likewise to the candidate himself, and a copy of the last annual report of the Association and also a copy of the Rules of the Association, together with a bill for the entrance fee payable by such member on election and the amount of the annual subscription payable in accordance with these rules shall be sent to him by the Secretary.

Membership
subscription.

33. Every member who shall after the date on which these rules shall come into force be elected a member of the Association shall pay on election an entrance fee of Rs. 100,

34. Every member who shall after the date on which these rules shall come into force be elected a member of the Association after the 1st January but before the 1st October in any year shall in addition to the entrance fee pay such proportion of the annual subscription for that year as shall be attributable to the period between the date of election and the 31st December of that year. Every member similarly elected after the 30th September in any year shall pay in addition to the entrance fee one-quarter of the annual subscription for that year.

35. Each member of the Association shall pay the annual subscription to the Association which may from time to time be determined by the Committee. Provided that the resolution of the Committee determining such annual subscription shall be passed by a majority of

not less than two-thirds of the members of the Committee present at a special meeting called for the purpose of determining such subscription.

36. Annual subscriptions shall be payable in advance on the 1st January in each year in respect of the period from the 1st January to the 31st December in that year, and a member shall not be entitled to exercise any of the privileges of membership if his subscription is more than two calendar months in arrear.

37. A member who shall fail to pay his subscription for a period of three calendar months after it has become payable shall, *ipso facto*, cease to be a member of the Association and his name shall forthwith be removed from the said Register. Provided that the Committee may for good cause shown for such non-payment of the subscription as to which the decision of the Committee shall be final and binding upon the member in default, and upon payment of the subscription in arrear revoke the cancellation of membership and order the name of such member to be reinstated in the said Register. Subscriptions in arrear shall be treated as a debt due to and recoverable by the Association.

38. Each member shall, on election to the Association, sign a form of adherence to the rules of the Association in the form from time to time approved by the Committee and until such form shall have been signed a member shall not be entitled to exercise any of the privileges of membership. Form of adherence to be signed by members.

39. Every member of the Association shall have power to terminate his membership thereof by giving not less than three calendar months' previous notice in writing (expiring at any time) to the Secretary of the Association of his desire to terminate such membership and upon the expiration of any such notice such member shall cease to be a member of the Association and his name shall forthwith be removed from the said Register. Mode of resigning from membership.

40. The affairs and funds of the Association shall be managed by a Managing Committee hereinbefore and hereinafter called "The Committee" to be constituted as hereinafter mentioned. The Committee, its constitution and mode of election.

41. The members of the Association shall, in each year between the 1st and the 31st day of January, elect the Committee from amongst the list of persons whose names appear in the said Register as persons entitled to act and vote for members.

42. The Committee shall consist of a Chairman, a Deputy Chairman and not more than eighteen ordinary members, making a maximum of twenty members in all.

43. The Committee, holding office for the time being, shall appoint a day between the 1st and the 31st day of January in each year for the election of the Chairman, the Deputy Chairman and the eighteen ordinary members of the Committee for the ensuing year, and shall cause notice of the day so appointed for such election as aforesaid to be advertised in at least one English and one Vernacular newspaper published in Bombay.

44. The Secretary of the Association shall also give to each member of the Association not less than seven days' notice in writing of the day appointed for the said elections and of the names of all authorised representatives of members who are eligible for election as members of the Committee.

45. The members of the Committee shall be elected by ballot.

46. The Committee shall, before the day appointed for the said election, appoint a scrutineer for each of the said elections.

47. Before the time appointed under these rules for the commencement of the ballot upon the day appointed for the said elections the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same and the same shall not be opened until 4 p.m. upon that day.

48. The Committee shall provide separate voting papers for—

- (a) the election of a Chairman of the Committee,
- (b) the election of a Deputy Chairman of the Committee,
- (c) the election of eighteen ordinary members of the Committee,

in such form as they shall, from time to time, think fit and shall send to each member of the Association not less than seven days before the day fixed for the said elections, one voting paper in respect of the election of the Chairman, one voting paper in respect of the election of the Deputy Chairman and one voting paper in respect of the election of the ordinary members of the Committee.

49. On the day appointed for the said elections voting shall commence at 10-30 a.m. and terminate at 4 p.m.

50. If any person entitled or empowered to vote concerning the election of the members of the Committee shall desire to exercise his right of voting, he shall, in the case of the election of a Chairman, write on a voting paper relative to the election of a Chairman the name of the person representing a member of the Association whom he desires should be appointed such Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of a Deputy Chairman, write on a voting paper relative to the election of a Deputy Chairman the name of the person representing a member of the Association whom he desires should be appointed such Deputy Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of the eighteen ordinary members of the Committee, write on a voting paper relative to the election of the ordinary members of the Committee, the names of the eighteen persons representing members of the Association whom he desires should be appointed as ordinary members of the Committee as aforesaid and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover

51. Voting papers regarding the elections of a Chairman, Deputy Chairman and the ordinary members of the Committee may be deposited in the ballot-box in accordance with these rules between the hours of 10-30 a.m. and 4 p.m. on the day which shall have been appointed under these rules for such elections.

52. At 4 p.m. on the day appointed for the said elections the ballot-box shall be opened by the Secretary of the Association in the presence of the scrutineer and the votes shall be counted and scrutinised by the scrutineer, who shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

53. Particulars of the voting for the election of the members of the Committee shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to any one whomsoever.

54. Those persons in whose favour the largest number of votes shall have been cast for the respective appointments of Chairman, Deputy Chairman and ordinary members of the Committee shall be deemed to have been appointed Chairman, Deputy Chairman and ordinary members of the Committee respectively.

55. Two representatives of any one member entitled under Rule 6 to ten votes or less shall not be on the Committee at the same time, and if two representatives of any one such member shall be elected to serve on the Committee at the same time, the election of that representative who obtains the lesser number of votes shall be void. In case of an equality of votes, the Chairman of the retiring Committee shall have a casting vote.

56. No member of the Association shall vote for more than one Chairman, one Deputy Chairman and eighteen ordinary members of the Committee.

57. If any person who shall have been elected according to these rules either as Chairman of the Committee or as Deputy Chairman of the Committee shall decline to

accept the appointment there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be.

58. If any person who shall have been elected in accordance with these rules as an ordinary member of the Committee shall decline to accept the appointment the person who shall have received the next largest number of votes shall be considered to have been elected, and if there shall be no such person then the vacancy shall be filled by the retiring Committee.

59. If in any ballot for a Chairman or Deputy Chairman of the Committee there shall be an equality of votes for the appointment, there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be. If in any ballot for the election of the eighteen ordinary members of the Committee there shall be an equality of votes for the eighteenth appointment, the Chairman of the retiring Committee shall have a casting vote.

60. The new Committee shall take office upon the conclusion of the first Annual General Meeting of the members of the Association held after their election, and shall continue to hold office until the conclusion of the next Annual General Meeting of the members of the Association, when they shall retire but shall be eligible for re-election.

61. If any member of the Committee shall be absent from the regular meetings of the Committee for more than three consecutive months he shall, unless he shall have previously obtained leave of absence from the Committee, be deemed to have vacated his office.

62. When any vacancy other than a vacancy in the office of Chairman or Deputy Chairman shall occur in the Committee, the members of the Committee shall have power to appoint any duly qualified person to fill such vacancy who shall hold office until the conclusion of the next Annual General Meeting of the members of the Association when he shall retire but shall be eligible for re-election. Similarly if any member of the Committee shall have previously obtained leave of absence from the General Meetings of the Committee, the members of the Committee shall have power to appoint any duly qualified person to act as a member of the Committee during the absence of such member.

63. If any vacancy other than a temporary vacancy shall occur in the office of Chairman or Deputy Chairman of the Committee, such vacancy shall be filled by the election according to these rules by the members of the Association of any duly qualified person. A temporary vacancy may be filled by the members of the Committee from their own number.

64. The Chairman of the Committee shall, if present, preside at all meetings of the Committee held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and failing both, the chair shall be taken by one of the members of the Committee who shall be appointed by the other members of the Committee present at such meeting.

The procedure to be adopted by the Committee in conducting business.

65. In case of a tie in voting in Committee the Chairman for the time being shall have a casting vote in addition to his own vote.

66. Five members of the Committee shall constitute a quorum.

67. The Committee shall meet at least once in every month.

68. The Committee shall have power to require from any member an explanation as to any act done or conduct pursued by such member which in the opinion of the Committee shall be in contravention of the rules of the Association or to the detriment or discredit of the Association or shall be injurious to the welfare and interests of the Association. If any such explanation shall be refused or having been given shall be deemed unsatisfactory, the Committee shall cause a Special General Meeting of the Association to be convened to consider the acts and conduct of such member, and the Association shall have power if a

Powers of the Committee.

quorum be present at such Special General Meeting to resolve by a majority of not less than two-thirds of the votes cast at the meeting to declare that such member is expelled from the Association.

69. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association and shall not be entitled to claim any refund on account of subscription which may have already been paid.

70. Previous to each Annual General Meeting of the members of the Association, the Committee shall prepare a report of the proceedings of the Association during the year prior to such General Meeting and shall cause the same to be printed and shall send at least one printed copy thereof to each member of the Association not less than seven days prior to the date fixed for the said Annual General Meeting. The Committee may also, if they see fit to do so, send any one or more copies of the said report to any individual or Corporation or Association to whom or to which they may think it desirable in the interests of the Association to send the same.

71. The Committee shall have authority to appoint Solicitors to the Association and the Committee may consult them whenever they deem it expedient to do so.

72. At the first meeting of the Committee held after the holding of the Annual General Meeting of the members of the Association in each year, the Committee shall appoint three or more of their number to form a Sub-Committee for the purpose of deciding questions other than arbitrations, arising under the rules of the Association relating to the registration of trade marks, and the decision of such Sub-Committee on such questions shall have the same effect as if given by the entire Committee. Any vacancy which may from time to time occur in any such Sub-Committee shall be filled by the Committee by the appointment thereof to of another member of the Committee.

73. The Committee may from time to time appoint a Sub-Committee to investigate and to report upon any matter whatsoever and may invite any member of the Association not being a member of the Committee to serve on any such Sub-Committee, or may consult any outside authority if for any special reason such a course may seem to them advisable.

74. Sub-Committees other than a Sub-Committee appointed under Rule 72 shall have no executive or substantive power or authority, and the duty of every Sub-Committee shall be to report to the Committee the result of its investigations, deliberations or other proceedings.

Duties of
Secretary &
Assistant
Secretary.

75. A Secretary of the Association shall be appointed and his remuneration shall be fixed by the Committee. The Secretary shall devote himself entirely to the business and affairs of the Association except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Association and of funds connected with or in any way controlled by the Association. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Association. He shall give notice as desired by the Chairman or Deputy Chairman of all meetings of the Association, of the Committee, of the Departmental Committees and Sub-Committees of the Association and of all Associations working in connection with the Association. He shall duly notify members of their election, collect all dues from members of the Association or from any Committee or any Association working in connection with the Association. He shall prepare the Annual Report of the Association and the reports of all Committees and of all Associations connected with the Association under the guidance of the Chairman and the Committee and generally shall perform all such duties as are incidental to his office and generally act under the orders of the Chairman or in his absence of the Deputy Chairman and the Committee. In all matters appertaining to the detailed duties of his office as above enumerated he shall follow the policy and instructions laid down by the Chairman or in the absence of the Chairman by the Deputy Chairman.

76. An Assistant Secretary of the Association may be appointed, and if so appointed, his remuneration shall be fixed by the Committee. The Assistant Secretary shall during any temporary absence of the Secretary owing to sickness or any other cause or during the absence of the Secretary on leave perform all or any of the duties of the Secretary as may be assigned to him.

77. Minutes of all proceedings of the Committee shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time. Minutes
Book of the
Committee.

78. A general meeting of the members of the Association to be called the Annual General Meeting shall be held in each year at such time as the Committee may appoint. General
Meetings of
Members.

79. The Committee may also at any time call a General Meeting should it seem to them expedient to do so.

80. If any four members of the Association shall by a requisition in writing signed by the said four members respectively addressed to the Committee and containing a statement of their reasons for the requisition request the Committee to call a General Meeting of the members of the Association the Committee shall call such General Meeting to be held within fourteen days after the receipt by the Committee of the said requisition, and if the Committee shall refuse or neglect to call such General Meeting to be held within the time aforesaid, the said four members who shall have signed the said requisition, shall have power themselves to call such General Meeting to be held on such day as they themselves shall appoint.

81. Seven clear days' notice of every Annual General Meeting shall be given by advertisement in at least one English and one vernacular newspaper published in Bombay and seven clear days' notice shall also be given to members of every Special General Meeting, except Urgent General Meetings specially convened by the Chairman or the Committee.

82. No business shall be transacted at any General Meeting unless a quorum according to these rules shall be present at such meeting.

83. At any General Meeting a quorum shall be constituted if the number of votes of the members represented at the meeting shall exceed 25 per cent. of the total number of votes of all the members for the time being of the Association.

84. If on the day originally appointed for holding a General Meeting a quorum according to these rules shall not, within thirty minutes of the time appointed for the commencement of the meeting, be present, the meeting shall be adjourned to such time on such day not being less than 10 days thereafter as the Committee may determine and if a quorum shall not, within fifteen minutes after the time appointed for the commencement of such adjourned meeting, be present, the members then present shall constitute a quorum and may transact the business for which the meeting was convened.

85. Whenever any meeting shall be adjourned under Rule 84 on the ground that a quorum was not present within the prescribed time, seven clear days' notice shall be given by the Committee by advertisement in at least one English and one vernacular newspaper published in Bombay of the day and time to which such meeting shall have been adjourned.

86. The Chairman of the Committee shall, if present, preside at all General Meetings of the members of the Association held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and, failing both of these, the Chair shall be taken by one of the members of the Committee, who shall be appointed by the other members of the Committee, present at such meeting.

87. The voting at any General Meeting shall be in the first instance, by show of hands, but this shall not preclude any member present from demanding a poll. If a poll is demanded the number of votes to which each member shall be entitled shall be calculated in accordance with Rule 6. The result of a poll shall supersede a vote taken by show of

hands. In the case of a tie in voting at any General Meeting the Chairman for the time being of the meeting shall have a casting vote.

88. Minutes of all proceedings at every General Meeting of the members of the Association shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time.

89. Every resolution which shall have been duly passed according to these rules at any General Meeting of the members of the Association shall be binding upon all the members of the Association.

Special General Meeting for concerted general action. 90. All proposals or recommendations for concerted general action respecting the mills which the Committee of the Association may consider to be concerned in respect to a strike, lockout, short-time working or organised lessening of production, payment of bonus, increases or reductions in wages, or any other matter whatsoever, shall only be adopted if passed by a majority of not less than 85 per cent. of the votes cast at a Special General Meeting duly called for the purpose of considering such proposals or recommendations.

Expulsion of members for contravening resolutions adopted at the General Meeting. 91. Any member of the Association who shall contravene the terms of any proposal which has been approved and adopted by the members of the Association under Rule 90 hereof shall be liable to be summarily expelled from the Association by a resolution of the Committee declaring that such member is expelled; provided that such resolution shall be passed by a majority of not less than three-fourths of the members of the Committee present at a Special Meeting called for the purpose of considering such contravention.

92. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association, and shall not be entitled to claim from the Association any refund on account of subscription which may have already been paid.

93. A firm or Joint Stock Company or other Corporation which shall be expelled under the last preceding rule shall be eligible for re-election after the expiry of six months from the date of expulsion provided not less than three members in addition to the proposer and seconder concur in the proposal for re-election.

Funds and properties of the Association. 94. The control of the funds of the Association shall be vested in the Committee, who in addition to the powers expressly conferred on them by these rules may exercise all such powers, and do all such acts and things as may be exercised or done by the Association and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting, and in particular may from time to time at their discretion raise or borrow or secure the repayment of any sum or sums of money in all respects as they think fit.

95. If at any time during the year the funds at the disposal of the Committee are insufficient or are likely to be insufficient to defray the estimated expenditure for the remaining portion of the year, then the Committee shall, in such case, call a General Meeting of the members of the Association and lay the accounts of the Association before such meeting.

96. The Committee shall cause proper books of account to be kept of the transactions of the Association and of the assets, credits and liabilities thereof, which books of account shall be kept at the office of the Association or at such place or places, and in the charge of such person or persons as the Committee may from time to time direct.

97. At least seven days previous to each Annual General Meeting of members of the Association the Committee shall send to each member of the Association a duly audited income and expenditure account, and a balance-sheet, containing a summary of the property and liabilities of the Association and made up to the 31st December of the year immediately preceding the meeting, and such account and balance-sheet shall be laid before the members at the Annual General Meeting of the Association in each year.

98. The Committee for the time being shall have power to invest and deal with any of the moneys of the Association not immediately required for the purposes thereof in such securities and in such manner as they may think fit and from time to time to vary or realise such investments.

99. The Committee shall have the power to determine the manner in which bills; loans, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by and on behalf of the Association.

100. There shall be two Trustees of the Association and the first Trustees shall be Mr. H. P. Mody and Mr. Ratansi D. Morarji. Subsequent Trustees shall be appointed by resolution of the Committee. Any person for the time being entitled to act and vote for a member shall be eligible as a Trustee. Any Trustee who shall cease to be entitled to act and vote for a member shall *ipso facto* cease to be a Trustee. Any Trustee may be removed by a majority of three-fourths of the members of the Association present at a meeting duly convened for the purpose of considering such removal.

101. All the funds and properties of the Association shall be vested in the Trustees who shall have the custody of all securities and documents of title relating thereto and shall deal with and dispose of the same and the income thereof in accordance with the written directions from time to time given to them by the Committee for the time being.

102. Neither the Chairman, Deputy Chairman, nor any ordinary member of the Committee nor the Secretary nor any Trustee shall be answerable for anything other than his own acts or defaults, nor shall he be answerable for any act done by him for the sake of conformity only, nor for any moneys of the Association other than such as shall come into his own hands, nor for any collector or receiver of moneys appointed by the Committee, nor for any misfortune, loss or damage happening to the Association by reason of any deed done or executed by him as a Chairman, Deputy Chairman or ordinary member of the Committee or as Secretary or Trustee, nor by reason of any error in judgment or mere indiscretion on his part in the performance of his duties, nor otherwise on any account, except for wilful negligence or fraud. Every person being Chairman, Deputy Chairman, or an ordinary member of the Committee or Secretary or Trustee of the Association, his heirs, executors or administrators shall at all times be indemnified and saved harmless out of the funds of the Association from and against all costs, losses, damages and expenses whatsoever incurred or sustained by him in the execution of his power or duties, and every person having been or being a Chairman, Deputy Chairman, or ordinary member of Committee or Secretary or Trustee of the Association, his heirs, executors and administrators shall be indemnified and saved harmless out of the funds of the Association against all actions, suits, claims and demands whatsoever brought or made against him or them in respect of any engagement of the Association save such as may be incurred by his own personal wilful neglect or default.

Responsibility of the Chairman, Deputy Chairman, Secretary & members of the Committee.

103. These rules shall come into force on the First day of March 1925 on which the 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.

The date when the rules come into force & the mode of altering the rules.

RULES FOR THE REGISTRATION OF TRADE MARKS.

*Revised and adopted down to the Annual General Meeting of the
Association held on 3rd March 1927.*

Interpretation. 1. Throughout all these rules the following words shall bear and include the following meanings :—

- (a) 'The Association' means the Bombay Millowners' Association.
- (b) 'Member' means a member of the Bombay Millowners' Association.
- (c) 'The Secretary,' means the Secretary of the Bombay Millowners' Association.
- (d) 'The Managing Committee' means the Managing Committee of the Bombay Millowners' Association.
- (e) 'Trade mark' includes 'ticket' and 'stamp.'
- (f) 'Colourable imitation' includes a trade mark, which is likely to become known by or to acquire the same name as that by which another trade mark is already known or which such other trade mark has already acquired.

Essentials of a registrable trade mark. 2. For the purposes of these rules a registrable Trade Mark must consist of a distinctive mark, device or design not being a name, signature or word or words (invented or otherwise) either alone or in combination with one or more of the following :—

- (a) The name of a Company, individual or firm represented in a special or particular manner.
- (b) An invented word or invented words.
- (c) A word or words having no direct reference to the character or quality of the goods and not being according to its ordinary signification a geographical name or surname.

Provided—

- (1) that any trade mark registered in the Permanent Register of the Association prior to the 31st March 1924 shall be registrable as a trade mark under this Rule ;
- (2) that no trade mark shall be accepted for registration which contains or consists of any scandalous design, or any matter the use of which would by reason of its being calculated to deceive or otherwise be disentitled to protection in a Court of Justice, or would be contrary to law or morality ;
- (3) that no trade mark shall be accepted for registration which contains or consists of a representation of the Royal Arms (or Arms so closely resembling the Royal Arms as to be calculated to deceive), or of a photograph or photographs of any member or members of the Royal Family.

Classification goods.

3. All goods to which these rules apply shall be divided into the following classes :—

Class 1.—Cotton yarns and threads being either grey or bleached.

Class 2.—Cotton yarns and threads being coloured either in whole or in part.

Class 3.—Cotton piece-goods of all kinds.

Registers.

4. The Association shall keep two registers, one of which shall be called 'The Permanent Register' and the other 'The Suspense Register.'

5. Every member shall send to the Secretary an application in writing addressed to the Secretary and signed by the member or by some person duly authorized to sign the same on behalf of the member, to register with the Association every trade mark, not already registered by such member with the Association, which is or is to be the property of such member and which such member desires to apply to any produce of the mill or mills, factory or factories owned by such member.

Duty of members to register trade marks and mode of applying to register same.

6. Every such application shall specify the name by which the trade mark to which the application relates is intended to be known and the class or classes of goods to which the trade mark is intended to be applied and shall be accompanied by one copy of the trade mark for the use of the Association and also by such further number of copies thereof as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members.

7. Every member shall send to the Secretary such number of copies of every trade mark which is the property of a dealer dealing with such member, and which such member intends to apply to any produce of the mill or mills, factory or factories, owned by such member as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members, accompanied by a statement in writing specifying the name by which any such trade mark is intended to be known, and the class or classes of goods to which the trade mark is intended to be applied. The Secretary shall so soon as may be after the receipt thereof send to every member a copy of such trade mark together with a copy of such statement

8. The Secretary shall forthwith on receipt of an application for registration of a trade mark with the Association made in conformity with these rules enter the said trade mark in the 'Suspense Register' for use on goods of the class or classes specified in the application.

Secretary to enter every trade mark which a member shall apply to register in the Suspense Register.

9. The Secretary shall so soon as may be after any application shall have been made for the registration of any trade mark with the Association, send to every member a copy of such application with an intimation of the date when it was made and that such trade mark has been entered in the Suspense Register and shall also send with such intimation one copy of such trade mark, and also if the application shall have been accompanied by a notification in conformity with Rule 21 that the member, who shall have made the application, is not willing to refer to arbitration any matter relating to the application, one copy of such notification and shall after the expiration of three weeks from the date of the despatch of such intimation send a reminder to each member who shall not in the interval have acknowledged the receipt of such intimation or otherwise intimated that such intimation has been received by such member.

Notice of every application to register a trade mark to be sent to every member.

10. The entry of a trade mark in the Suspense Register shall not confer upon the member upon whose application the same shall have been so entered any right against any other member in respect of the trade mark so entered save and except a right to apply for the removal of any other trade mark from the Suspense Register as in Rule 11 hereinafter set forth.

Effect of entry of trade mark in Suspense Register.

11. Any member may apply that any trade mark which has been entered in the Suspense Register may be removed therefrom on the ground that it is an imitation colourable or otherwise of another trade mark which at the time of the entry of the trade mark objected to was then already in the Suspense Register and had been entered therein on application of the member applying for such removal and was intended to be applied to the same class or classes of goods as the class or classes to which the trade mark objected to is intended to be applied.

Applications for removal of trade mark from the Suspense Register.

12. Every application for removal of a trade mark from the Suspense Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the ground on which the same is made.

13. Every application for removal of a trade mark from the Suspense Register shall be determined, in the manner hereinafter prescribed ; and if, when the same shall have been so determined, the application shall be upheld, the trade mark for the removal of which the application shall have been made, shall forthwith be removed from the Suspense Register.

Objections to entry of a trade mark in the Permanent Register.

14. Any member may object to any trade mark being entered in the Permanent Register on the ground that such trade mark is an imitation colourable or otherwise of a trade mark which has already, on the application of such objecting member, been entered in the Permanent Register for use on goods of a class or classes similar to the class or classes of goods to which the trade mark, in respect of which an application has been made, is intended to be applied, and that such trade mark, so already entered, is habitually applied by such objecting member to such class or classes of goods.

15. Every such objection shall be made within one month after the application to register the trade mark objected to shall have been made and shall be in writing addressed to the Secretary and signed by the objecting member or by some person duly authorized to sign on behalf of the objecting member and shall set forth the grounds of objection.

16. Any member may within three calendar months from the date of his becoming a member for the first time apply that any trade mark which shall have been registered in the Permanent Register, at any time before the expiration of the said period of three months, shall be removed therefrom on the ground—

That the trade mark so already registered in the Permanent Register is an imitation colourable or otherwise of a trade mark for the registration of which such member has applied for use on goods of a class or classes similar to the class or classes of goods to which the trade mark so already registered in the Permanent Register is applied, and that such trade mark for the registration of which such newly joined member has so applied as aforesaid has been habitually applied by such newly joined member to the said class or classes of goods.

17. When any member being the owner of a mill shall have ceased to be a member for any reason, other than expulsion, and shall subsequently again become a member by virtue of the ownership of the same mill, or, when any mill, being the property of a member, shall have passed to a new owner and such new owner shall become a member by virtue of the ownership of the said mill, such member, who shall have again become a member, may at any time, within one month from the date of his having so again become a member or such new owner, who shall have become a member, may at any time within one month from the date of his becoming a member apply—

(a) That a trade mark which shall have been entered in the Permanent Register subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this Rule or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this Rule, as the case may be, shall be removed from the Permanent Register ;

or

(b) That if any trade mark shall have been or shall be entered in the Permanent Register in compliance with an application for the registration of the same which has been made subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this Rule, or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this Rule, as the case may be, the said trade mark shall be removed from the Permanent Register, on the ground either in the case (a) or in the case (b)—

That the said trade mark is an imitation colourable or otherwise of a trade mark previously registered with the Association by the member who shall have so ceased to be a member as aforesaid or by the member who was for the time being the owner of the mill which has so passed to a new owner as aforesaid for use on goods of a class or classes similar to the class or classes of goods for use on which the trade mark so objected to shall have been registered and that a fresh application for the registration of the mark so previously registered as aforesaid has been made by the applicant.

18. Every application for removal of a trade mark from the Permanent Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the grounds on which the same is made.

19. Every application under Rules 16 and 17 for removal of a trade mark from the Permanent Register shall be accompanied by twelve or such other number of copies as the Managing Committee may from time to time prescribe of the trade mark said by the applicant to have been previously registered with the Association.

20. If any member, being the owner of a trade mark which shall have been registered in the Permanent Register shall so alter the trade mark as in the opinion of a majority of the Trade Marks Sub-Committee to render it likely to deceive, or materially different, either in name or design, from the registered trade mark, and shall use the mark so altered on goods of a class or classes similar to the class or classes of goods for use on which registration of the original mark was obtained, the member concerned may be required to apply in the manner prescribed for registration of the altered trade mark as a new trade mark and in default of compliance with any such requisition within one month after receipt thereof by the member concerned, the altered trade mark shall be deemed an unregistered trade mark.

21. Notwithstanding anything contained in these rules or in the Form of Adherence prescribed under Rule 36 of the Rules and Regulations of the Association any member who shall have become a member for the first time may send a notification in writing addressed to the Secretary with any application, made by such member, to register a trade mark, which shall be sent to the Secretary within one month from the date when such member shall become a member notifying that he is not willing to refer to arbitration any matter relating to the application with which the notification is sent; and whenever any such notification is sent as aforesaid no member shall in the matter to which the notification relates be bound by the rules relating to arbitration.

Liberty to refuse to refer to arbitration in certain cases:

22. In like manner, notwithstanding anything contained in these rules or in the Form of Adherence in Rule 36 mentioned, if any member who shall have received notice of any application to register a trade mark, which shall have been sent to the Secretary, by a member who shall have become a member for the first time, within one month from the date when such member shall have become a member shall object, in the manner prescribed by these rules, to the said trade mark being entered in the Permanent Register on the ground specified in Rule 14, such objecting member may send with such objection, a notification in writing addressed to the Secretary notifying that he is not willing to refer to arbitration any matter relating to such objection to the application of which he shall have so received notice as aforesaid and specifying such application and objection; and whenever any such notification is sent no member shall in the matter to which such notification relates be bound by the rules relating to arbitration.

Provided always that if a member who shall have become a member for the first time shall prove to the satisfaction of the Managing Committee that for a period of not less than five consecutive years immediately preceding the date when such member shall have become a member he has habitually applied the said trade mark to goods of a class or classes similar to the class or classes of goods to which such objecting member shall have habitually applied the trade mark of which the said trade mark is alleged by such objecting member to be an imitation colourable or otherwise, then such objecting member shall be deemed to have sent to the Secretary such a notification in writing as above mentioned, and the provisions of Rules 37 to 43 (inclusive) so far as the same are applicable shall forthwith operate and have effect.

23. All questions in dispute between two members arising out of or incidental to any

- (a) application to register a trade mark,
- (b) application to remove a trade mark from the Suspense Register,
- (c) application to remove a trade mark from the Permanent Register,

shall, if no such notice, as is permitted by these rules, of unwillingness to refer to arbitration shall have been given in connection with the same, be determined by arbitration in the manner prescribed by the following rules:—

Determination of questions relating to any application to register a trade mark or to any application to remove a trade mark from the Suspense Register or from the Permanent Register, as to which notice of refusal to refer to arbitration has not been given:

24. Either member may give the other member notice of the appointment of an arbitrator on behalf of the member giving such notice and may call upon such other member to appoint and to notify to the member who shall give the notice of the appointment of an arbitrator within seven days from the date of the giving of the notice; and on receipt of such notice such other member must, if he should desire to appoint an arbitrator, appoint him within seven days from the receipt of such notice and notify such appointment within the same time to the member from whom he shall have received the notice to appoint an arbitrator.

25. If the member to whom such notice as in Rule 24 mentioned shall have been given fail to appoint and to notify to the member who shall have given the notice of the appointment of an arbitrator within seven days from the service of the notice upon him the matter in dispute shall stand referred to the arbitrator already appointed as sole arbitrator.

26. If a matter in dispute shall stand referred to an arbitrator as sole arbitrator he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him.

27. If two arbitrators shall be duly appointed in accordance with these rules, they shall within 3 days from the date when such one of them as was last appointed shall have been appointed and before proceeding with the reference appoint an umpire.

28. If two arbitrators and an umpire shall have been duly appointed, the two arbitrators shall, if they can agree upon their award, make their award within fourteen days after the appointment of the umpire.

29. If two arbitrators and an umpire shall have been duly appointed but the two arbitrators shall either fail to agree upon their award or fail to make it within fourteen days from the appointment of the umpire, the matter in dispute shall stand referred to the umpire.

30. When a matter in dispute shall stand referred to an umpire he shall make his award within fourteen days from the date when the matter in dispute shall stand referred to him.

31. If

(a) a matter in dispute shall stand referred to a sole arbitrator but such arbitrator shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him ;
or

(b) two arbitrators shall have been duly appointed but shall fail, from any cause whatever, to appoint an umpire within three days from the date of the appointment of such one of the arbitrators as shall have been last appointed ;
or

(c) a matter in dispute shall stand referred to an umpire but such umpire shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him ;
the matter in dispute shall in any of such cases stand referred to a referee who shall be appointed by the Managing Committee.

32. When a matter in dispute shall stand referred to a referee he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him and it shall be deemed to stand referred to him so soon as he shall have been informed of his appointment by the Managing Committee.

33. The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall, when he or they make an award, reduce it into writing, sign it and forward it to the Managing Committee who shall file it in a separate file, in which such awards shall alone be filed.

34. Every award, whether made by a sole arbitrator, two arbitrators, an umpire or a referee, which shall be duly made under the authority of and in conformity with these rules, shall be conclusive and binding upon the parties to the arbitration in which the award was made and the Association shall give effect to it.

(a) No person shall be appointed an arbitrator, umpire or referee, under the foregoing rules, who shall not be either a member of the Association or a person entitled to act and vote on behalf of a member of the Association, and any appointment made in contravention of this rule shall be null and void.

35. The following fees on arbitrations shall be chargeable by the Association to members :— Fees on arbitrations.

- (a) In cases where there is a sole arbitrator, Rs. 15, which shall be paid by the member who has failed to appoint an arbitrator within the time prescribed by these rules.
- (b) In cases where each party has appointed one arbitrator, the sum of Rs. 30, whereof each member, a party to the arbitration, shall pay Rs. 15.
- (c) In cases where an umpire is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.
- (d) In cases where a referee is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.

The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall have power to direct by any award made by him or them under these rules that any fee paid by any member, a party to the arbitration in which such award shall have been made, shall be refunded to him by the other member, a party to the said arbitration.

36. The Association shall, whether the fees payable under these rules in connection with any arbitration shall have been duly paid to it or not, pay to each arbitrator, umpire and referee who shall have acted in such arbitration a fee of Rs. 15.

37. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, make Procedure when any application made to register a trade mark, or any objection made to register a trademark as to which notice of refusal to refer to arbitration has been given.

- (a) any application to register a trade mark,
- or
- (b) any objection to a trade mark being entered in the Permanent Register,

accompanied by a notification that the member is not willing to refer to arbitration any matter relating to the application or objection, as the case may be, with which the notification is sent, no steps shall be taken by the Association in the matter of the application or objection specified in such notification for a period of two months from the receipt by the Secretary of such notification.

38. Any member, who shall have made any such application or objection as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, may, at any time during the said period of two months in the said Rule 37 mentioned, institute legal proceedings either to establish the right of such member to the trade mark to which such application or objection relates or to restrain any other member from using such trade mark or to procure the punishment of such member for using the same and such proceedings may be taken either in a Civil or a Criminal Court.

39. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such application as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the application relates, the said application shall be rejected and the said trade mark be removed from the Suspense Register and shall not be entered in the Permanent Register.

40. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such objection as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the objection relates, the said objection shall be rejected, and the application to register the trade mark, to which such objection relates, shall be dealt with under these rules, as if no such notification had been given.

41. If, within the said period of two months in Rule 37 mentioned, such legal proceedings as in Rule 38 mentioned shall have been instituted, no steps shall be taken in the matter of the application or objection concerning the trade mark to which such legal proceedings relate until such legal proceedings shall have been finally determined.

42. When such legal proceedings as in Rule 38 mentioned shall have been finally determined, if it shall have been held by the Court:—

(a) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Registers shall have been made, is an imitation colourable or otherwise of another trade mark, the trade mark so held to be an imitation colourable or otherwise shall not be registered;

or, if it shall have been held by the Court—

(b) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is not an imitation colourable or otherwise of another trade mark, the same shall, if it be in the opinion of the Managing Committee a proper mark to be registered as a trade mark, be entered therein.

43. The production to the Managing Committee of a certified copy of a decree passed by a Civil Court of competent jurisdiction in British India from which no appeal lies or in respect of which the time for appealing has expired or the production of a certified copy of a judgment of a Criminal Court from which no appeal lies, or in respect of which the time for appealing has expired, shall be conclusive evidence of everything therein appearing to have been held, decided or found, and the Managing Committee shall act in accordance therewith.

All trade marks registered with the Association, on or before the First day of April 1912 to be entered in the Permanent Register. 44. All trade marks which shall have been registered with the Association on or before the First day of April 1912 either under the Rules for Primary Registration or under the Rules for Secondary Registration, which were in force prior and down to the said First day of April 1912, shall be entered in the Permanent Register and shall be deemed respectively to have been entered therein as of the respective dates on which the same were originally registered with the Association.

Effect of entry of trade mark in Permanent Register. 45. Registration of a trade mark in the Permanent Register under these rules for use on goods of the class or classes specified in the entry in such register shall, *prima facie*, be held to secure to the said member an exclusive right as against all other members to the use of the said trade mark on goods of the class or classes so specified.

46. These rules shall come into force on the First day of April 1924 on which date they shall supersede all other rules relating to the Registration of Trade Marks.

BOMBAY MILLOWNERS' ASSOCIATION.

RULES FOR ARBITRATIONS ON PIECE-GOODS.

WHEREAS it has been represented to the Bombay Millowners' Association, hereinafter called the Association, that it is desirable that disputes and differences between members and merchants should be more speedily and economically settled, and whereas it is considered desirable that judgments should be framed by competent practical authorities on Indian piece-goods, the following Arbitration Rules have been framed as a means to these ends:—

Rule 1.—There shall be appointed triennially by the Committee of the Association a panel of Arbitrators consisting of thirty members. Fifteen Arbitrators shall be selected from amongst the representatives of members of the Association, and the remaining fifteen Arbitrators shall be selected by the Committee of the Association from amongst the dealers in Indian-made piece-goods. Panel of Arbitrators.

Rule 2.—From amongst the panel of Arbitrators elected in accordance with Rule 1, the Committee of the Association shall elect triennially six persons, who shall be eligible to act as Umpires in any disputes submitted to the Association for arbitration. Panel of Umpires.

The Secretary or Acting Secretary for the time being of the Association shall be, and is hereby appointed to act as Secretary in all arbitrations conducted by the Association in accordance with these rules. Secretary

He shall also keep a record in the form, from time to time prescribed by the Committee of the Association, of all arbitrations conducted by the Association, receive all fees in connection therewith and keep the necessary books of account, and shall diligently perform all other duties prescribed by, or necessary under these rules.

Rule 3.—In all cases in which any dispute has arisen in relation to a piece-goods contract which provides for a decision thereon by the Association, or in relation to any piece-goods contract in respect of which the parties thereto have subsequently agreed in writing to submit to such a decision, each party to the dispute shall appoint an Arbitrator to act on his behalf. The Arbitrators so appointed shall in all cases be chosen from the panel of Arbitrators elected in accordance with Rule 1. Appointment of Arbitrators.

Rule 4.—The appointment of Arbitrators in accordance with Rule 3 shall be made in writing addressed to the Secretary upon Form I prescribed by the Association, and shall be signed by both parties to the dispute or persons duly authorised to sign on their behalf.

Appointment of
Arbitrator by one
party.

Rule 5.—Where a dispute has arisen or differences exist with reference to a contract which provides for arbitration in accordance with these rules, then, notwithstanding anything in Rules 3 and 4, either party to the dispute may, by notification to the Secretary on Form II, appoint an Arbitrator to act on his behalf, such Arbitrator to be chosen from the panel of Arbitrators elected in accordance with Rule 1.

Notification to
other party.

Rule 6.—Upon receipt of a notification of the appointment of an Arbitrator by one party in accordance with Rule 5, the Secretary shall give written notice to the other party to the dispute of the appointment of an Arbitrator by the first party and shall call on the second party to appoint an Arbitrator.

Reference to sole
Arbitrator, if
second Arbitrator
is not appointed
after 15 days.

Rule 7.—Upon receipt of a written notice in accordance with Rule 6, the notified party shall within fifteen days appoint an Arbitrator, selected from the panel of Arbitrators, to act on his behalf. The appointment of an Arbitrator under this rule shall be made upon Form III and sent to the Secretary of the Association.

If, after due notice as aforesaid, the party fails to appoint an Arbitrator to act on his behalf, the dispute shall stand referred to the Arbitrator appointed by the other party under Rule 5 as sole Arbitrator, and any award which he may make shall be final and binding upon both parties.

Rule 8.—Before proceeding to adjudicate in any dispute in which two Arbitrators have been appointed in accordance with the preceding rules, the Arbitrators shall select an Umpire and communicate the name of the Umpire so selected to the Secretary of the Association. The Umpire so chosen shall be selected from the panel of Umpires appointed in accordance with Rule 2 and his name shall not be communicated to the Secretary unless he has consented to act.

Rule 9.—If the Arbitrators are unable to agree as to their Umpire, they shall notify the Association of their disagreement and shall request the Committee of the Association to appoint an Umpire from the panel of Umpires. Upon receipt of a notification that an Umpire has been appointed and has consented to act, the Arbitrators shall thereupon proceed with the hearing of the reference.

Rule 10.—If for any reason the Arbitrators fail to agree they shall within one month of entering upon the reference or within such extended time as is permitted by Rule 17 or Rule 18, refer the dispute, for adjudication by the Umpire.

Rule 11.—No Umpire shall be appointed to adjudicate in any dispute to which he or his employers are a party.

Arbitrators to be
disinterested.

Rule 12.—In selecting Arbitrators the parties to the dispute shall ensure that no person is selected or shall adjudicate in any dispute in which he or his employers are interested, and that not more than one person from the same firm shall be appointed as an Arbitrator.

Rule 13.—If an Arbitrator or Umpire dies or for any reason becomes incapable of acting, a new Arbitrator or Umpire shall forthwith be appointed.

Death of an Arbitrator or Umpire.

Rule 14.—The Arbitrators shall appoint a time and place for hearing of the reference and within seven days of the notice in that behalf the parties to the dispute shall prepare and submit written statements of their respective cases.

Submission.

Rule 15.—If after a notice in accordance with Rule 14 a party to a dispute fails to submit a statement, the Arbitrators may without further notice proceed with the adjudication of the dispute at the time and on the date fixed for the hearing on the basis of the statement submitted by the other party.

Submission by one party.

Rule 16.—If separate statements are put forward by each party, the Arbitrators may at their discretion cause a copy of each statement, with or without accompanying enclosures or extracts therefrom, to be submitted to the opposing party for information and remark if desired.

Submission available for inspection by other party.

Rule 17.—The Arbitrators may, at their discretion, extend the time for the submission of a written statement but shall not be bound to receive or consider any written statement of either party, tendered after the expiration of the original or the extended time as the case may be.

Rule 18.—The Arbitrators or the Umpire shall have general authority to require from either or both of the parties to the dispute such further verbal or written statements, explanations, and other information, evidence and materials as they or he may consider necessary for the adjudication of the dispute and may, in such instances, by endorsement on the reference paper, extend the time for making an award by a period not exceeding one English calendar month.

Power to call for extra or verbal evidence.

Rule 19.—The Arbitrators or the Umpire may proceed with the reference in the absence of any party who shall after due notice refuse or neglect to attend without having satisfied the Arbitrators or the Umpire, as the case may be, that good and sufficient reason exists for such neglect or refusal.

Hearing in absence of one party.

Rule 20.—At the time appointed for the reference the parties shall have ready at the rooms of the Association or elsewhere as directed the sale samples duly attested, and if required sample packages or complete bales. Samples, packages or bales so sent will be at the sender's risk and must be accompanied by a peon in charge and by a cooper to open the packages.

Sample for Inspection.

Rule 21.—The Arbitrators or the Umpire, as the case may be, may, with the consent of both parties, before making a final award, and at the expense of the parties to the dispute, consult and adopt the advice of

Advice of Counsel.

solicitors or counsel on any question of law, evidence, practice or procedure arising in the course of the reference. In such instances the time for making an award may be extended by a period not exceeding one English calendar month.

Award to be made in certain time.

Rule 22.—When a dispute stands referred to two Arbitrators they shall make their award in writing in Form V, within one month of first entering upon the reference, or within the extended period allowed by them under Rule 17 or Rule 18.

Award of sole Arbitrator.

Rule 23.—When a dispute stands referred to a sole Arbitrator he shall make his award in writing on Form VI, within one month of first entering upon the reference, or within the extended period allowed by him under Rule 17 and Rule 18.

Umpire's award.

Rule 24.—When a dispute stands referred to an Umpire he shall make his award in writing on Form VII within fourteen days of entering upon the reference or within the extended time allowed under Rule 17 or Rule 18.

Award to bear appropriate stamps

Rule 25.—The award in Forms V, VI or VII bearing stamps to the value laid down under the provisions of the Stamp Duties Act for the time being in force, shall be lodged with the Secretary and shall state clearly the liability of each party in respect of the fees, charges and expenses in connection with the arbitration.

Copies of award to disputants.

Rule 26.—When completed a signed copy of the award shall be sent by the Secretary to each of the parties to the dispute, for compliance with the terms thereof.

Extent of award.

Rule 27.—The Arbitrators or the Umpire may by their or his award determine what they or he shall think fit to be done by either of the parties concerned, respecting the matters referred.

Award binding on all parties.

Rule 28.—The parties shall in all things abide by and obey the award which shall be binding on the parties and on their respective representatives notwithstanding death or legal disability occurring to any party before or after the making of the award, and so that death or legal disability shall not operate as revocation of the submission.

Setting aside award.

Rule 29.—No objection shall be taken or be entertained to any application to file an award except and unless such objection is made upon the grounds laid down in Section 14 of the Indian Arbitration Act, 1899.

Further award.

Rule 30.—Whenever an award directs that a certain act or thing shall be done by one party to the reference and such party fails to comply with the award, the party in whose favour the award was made may make an application for a further award determining the amount of damages or compensation payable by reason of such failure, and the Committee of the Association on receipt of such application shall proceed to appoint

Arbitrators or an Umpire who may or may not be the same persons or person who made the first award. The arbitration on the said application shall then proceed in accordance with these rules and the award thereon may be filed separately or together with the original award.

Rule 31.—Neither party to a dispute which has been submitted to arbitration as provided in these rules shall bring or prosecute any suit or proceedings whatsoever against the Arbitrators, or the Umpire, or the Secretary for the time being of the Association, for or in respect of any suit or proceedings save for the enforcement of the award against the other party.

Immunity of Arbitrators.

Rule 32.—The provisions of the Indian laws relating to arbitration in so far as they are not inconsistent with these rules, shall apply in the conduct of all arbitrations conducted by the Association.

Application of Indian arbitration laws.

Rule 33.—In respect of any arbitration conducted in accordance with these rules fees shall be paid in accordance with the following Schedule:—

Fees.

SCHEDULE.

- Rs. 15 for each Arbitrator.
- Rs. 30 for any Umpire appointed in accordance with these rules.
- Rs. 10 as fees due to the Association for clerical duties in connection with the arbitration and filing of the award.

Rule 34.—A bill showing the amount due in respect of fees, stamp duties, etc., due to the Arbitrators, the Umpire, and the Association, by each party to the dispute shall accompany any copy of the award sent in accordance with Rule 26, and shall be paid within seven days of the receipt thereof.

Recovery of fees.

Rule 35.—In addition to the fees mentioned in Rule 33 the parties to the dispute shall pay as and when demanded by the Secretary, and as set out in the award, all other fees or charges incurred during the arbitration in accordance with Rule 20.

Rule 36.—All notices required by these rules to be given shall be in writing and shall be sufficiently given if left at the last known place of a bode 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 a bode or business, and not returned through the post as undelivered before the completion of the award in Forms V, VI or VII, and shall if sent by post be considered to have been given at the time at which the letter would in the ordinary course be delivered.

Notices.

CONTRACT.

No. _____

Bombay _____ 192 :

We, the undersigned (hereinafter called "the Buyers"), hereby agree to purchase from _____ (hereinafter called "the Company"), the undermentioned goods upon the following terms and conditions, that is to say:—

Quality No.	Description.	Dimensions.			No. of Bales.	Pieces in each Bale.	Total pieces.	Total lbs.	Rate nett at Mills.			Per	Quality as.	Finish as	Fold.	Border.	Headings.	Designs.	Assortment of designs in each Bale.	Ticket or Stamps.	
		In.	yds.	lbs.					Rs.	a.	p.										

3055

1. The quality of the goods shall accord with the recognised standard quality cloth manufactured by the Company.

1-a. The quality of the goods shall accord with the sample submitted to and approved by the Buyers.

2. The Company does not guarantee, except where a particular assortment is specially stipulated, any fixed assortment in the deliveries of goods of various dimensions and patterns, and 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 assortment.

3. The Buyers agree to accept at the price herein fixed an assortment of bales to the extent of 10 per cent. more or less than the contract quantity, but as regards such limit the Buyers shall not be obliged to take up more than 5 bales more or less of each sort, including any loose pieces of each sort.

4. In the case of goods sold at a fixed rate per pound the Buyers shall not raise any objection or claim compensation for short weight so long as the average weight per bale in each lot delivered does not vary from the invoice weight by more than 2 per cent. The Company does not guarantee the weight of any goods sold by the piece.

5. The Buyers shall not be entitled to any allowance or compensation for any deficiency in the width of Dyed, Bleached and/or Calendered goods when such deficiency does not exceed one inch.

6. In the case of a sale of ready goods, payment therefor shall be made and delivery thereof taken by the Buyers within eight days of sale.

7. In the case of a sale of goods for future delivery, the Buyers shall on the last day of each English Calendar month take delivery and pay for in cash against delivery of as many bales as shall have been made ready during that month and either at the Mill premises or at the godowns of the Company as the Company may direct.

8. The Company shall not be under any obligation to notify the Buyers of the number of bales ready for delivery at the end of each English Calendar month, but it shall be the duty of the Buyers to ascertain the number of bales ready for delivery from time to time and to pay for and take delivery of the bales accordingly; if the Company shall notify the Buyers of the number of bales ready for delivery at any time, such notification shall be deemed to have been given as a matter of favour only and without any obligation or undertaking on the part of the Company to give notice in future.

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 godowns of the Company, as the case may be, including the risk of delay in delivery due to the non-booking of the goods by the Railway or Shipping Company for which the Company takes no responsibility.

10. Where goods are to be delivered in lots or by instalments, this contract shall be deemed and construed as a separate contract in respect of each lot or instalment, and the rights and liabilities of the Company and the Buyers respectively shall be the same as though a separate contract had been made in respect of each lot or instalment.

11. All goods of which delivery shall not be taken by the Buyers in accordance with the terms of this contract, shall, as from the date on which delivery thereof ought to have been taken, be deemed to have been appropriated to this contract and the Buyers shall be deemed to have assented to such appropriation without any further consent on their part than is evidenced by their being parties to and signing this contract. From the date of such appropriation the said goods shall be held by the Company for the account of the Buyers and

at their sole risk as regards loss, damage, deterioration or otherwise and the price of the goods plus all charges shall carry interest in favour of the Company from due date at the rate of 9 per cent. per annum and the Company shall be entitled at its sole discretion and without any previous notice to the Buyers to sell the said goods on account and at the risk of the Buyers either by public auction and/or private sale and either together or in lots and at such time or times and on such terms and conditions as the Company may think fit. If the net sale proceeds of the goods shall be less than the amount due to the Company for the price of the goods plus interest and all charges, the Buyers shall pay the deficiency to the Company on demand.

12. The Company shall have a general lien on all goods of the Buyers for the time being in the possession of the Company (including goods already paid for but of which delivery may not have been taken by the Buyers) for the total amount due to the Company for the time being under this contract and also for any amount due to the Company under any other contract with the Buyers either alone or jointly with another or others.

13. In respect of all goods of which delivery shall not be taken by the Buyers on the due date the Buyers agree to pay to the Company on demand annas 8 per bale per month or any part of a month for godown rent and annas 4 per bale per month or any part of a month for insurance calculated from the due date for taking delivery thereof to the date on which actual delivery shall be taken by the Buyers.

14. If any goods while in the possession of the Company shall be destroyed and/or damaged from any cause whatsoever after the due date for delivery thereof to the Buyers any sum recovered from the insurance of such goods against such destruction and/or damage may be applied by the Company in satisfaction in whole or in part, as the case may be, of the price of the said goods plus interest and all charges, and if the sum so recovered shall be less than the price of the said goods plus interest at 9 per cent. and all charges the Buyers shall pay the deficiency to the Company on demand, and on the other hand if the sum so recovered shall be greater than the price of the said goods plus interest at 9 per cent. and all charges, the Sellers shall pay the excess so recovered to the Buyers on demand.

15. If the Company shall be unable to deliver the whole or any part of any goods sold for future delivery by the time specified for delivery thereof by reason of the mills working short time, or its being expedient to stop the mills temporarily or by reason of fire, war, stoppage or hindrance in the supply of raw materials or fuel, explosion, accident, strike, riot, lock-out or other disorganisation of labour or transport, breakdown of machinery, or any other inevitable or unforeseen event of any kind whatsoever 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 of the events or circumstances before mentioned, PROVIDED ALWAYS that should the inability to deliver be continuous during period of three consecutive English Calendar months then the Buyers shall be entitled by notice in writing of their intention to do so, to cancel the contract in respect of any bales then remaining to be manufactured.

16. If for any other reasons than those mentioned in the last preceding clause any portion of the contract goods is not ready for delivery by the specified time, it shall be lawful for the Buyers at their option either to cancel the contract in so far as it relates to the balance of the goods not then ready for delivery, or to extend the time of delivery for such period as the Company may reasonably require, not exceeding one month, PROVIDED ALWAYS that if the Buyers shall elect to cancel the contract it shall be incumbent upon them to give to the Company within seven days after the due date for delivery of the goods not then ready notice in writing of their intention to cancel, and in default of such notice within the time aforesaid the Buyers shall be precluded from cancelling the contract and the time for delivery shall be deemed to have been extended for such period as the Company may reasonably require, not exceeding one month, to make ready for delivery the balance of the goods then undelivered.

17. In any of the cases provided for in the last two preceding clauses the Buyers shall not be entitled to make any claim for damages, allowance, compensation or otherwise in respect of such non-delivery or late delivery and shall pay for the goods delivered a price which shall bear the same proportion to the total price of all the goods as the goods delivered bears to all the goods agreed to be delivered, and in the event of the time for delivery being, or being deemed to have been extended, all the provisions of this contract shall apply equally to the extended time as to the time originally specified, including therein the remedies reserved to the Company for failure on the part of the Buyers to pay for and take delivery of the goods when ready within the extended period and including the liability of the Buyers for interest.

18. The Buyers shall not be entitled to make any claim for an allowance or otherwise in regard to the condition of the goods when once the goods have left the mill premises or the godowns, as the case may be, of the Company.

19. The Buyers shall not be entitled to make any claim for an allowance or otherwise on the ground that the goods delivered are not in accordance with the contract unless notice in writing of their intention to make such claim shall have been given to the Company within one calendar month after the date of actual delivery of the goods to the Buyers or to a carrier or other agent on behalf of the Buyers. In default of any such notice the goods delivered shall be deemed to be in all respects in accordance with the contract.

20. In the event of any goods the subject of this contract or any portion thereof being destroyed or so damaged by fire, water or other cause beyond the control of the Company as to render them unmerchantable while stored at the mills or godowns of the Company pending due date for delivery, the contract in respect of such goods shall be deemed to have been cancelled by mutual consent and the Buyers shall have no claim whatsoever against the Company in respect of such goods, but if the price of such goods shall have been then paid the Buyers shall be entitled to a refund thereof.

21. All disputes and questions whatsoever which shall arise between the parties hereto out of or in connection with this agreement or as to the construction or application thereof or the respective rights and obligations of the parties hereunder or as to any clause or thing herein contained, or any account or valuation to be made hereunder or as to any other matter in any way relating to these presents, shall be referred to arbitration in accordance with the rules of the Bombay Millowners' Association for the time being in force regulating arbitrations with respect to piece-goods.

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.

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND RULES.

- Name.** *Rule 1.*—The Fund shall be called the Bombay Millowners' Association Provident Fund.
- Definitions.** *Rule 2.*—In these rules, unless there is something repugnant in the subject or context—
- “ Association ” means the Bombay Millowners' Association.
- “ Committee ” means the Committee for the time being of the Bombay Millowners' Association.
- “ Trustees ” means the Trustees of the Fund for the time being as hereinafter provided.
- “ Salary ” or “ Pay ” means only the fixed monthly salary received by each employee from the Association and does not include any acting, officiating or personal allowance, bonus, commission or other remuneration or profit whatever uncertain in amount or derived by any employee by any means, outside his fixed ascertained salary.
- “ Fund ” means the Provident Fund constituted hereunder.
- “ Member ” means any person in the service of the Association who is also a subscriber to the Fund.
- “ Service ” means continuous service ; and the test whether service is continuous is the payment to an employee of a salary continuously during the period of service, and dates from the beginning of each employee's service, whether such service begins before, on, or after 1st May, 1924 : Provided that an employee who is granted leave on loss of pay shall not thereby be considered as having broken the continuity of his service. In the case of an employee who may have left the service of the Association for any reason and has been subsequently re-engaged, his service will be reckoned from the date of his re-engagement.
- “ Employee ” means a salaried officer or servant of the Association.
- Object of the Fund.** *Rule 3.*—The object of the Fund shall be to provide every employee, who is a member, with a sum of money, the amount of which will be ascertainable according to these rules, on termination of his service with the Association.
- Management of Fund.** *Rule 4.*—The Fund shall be managed by the Committee of the Association for the time being whose decision shall be final and binding upon all members.
- Trustees of Fund.** *Rule 5.*—The Committee shall appoint annually two of their number to be Trustees of the Fund, in whom the Fund shall be vested.
- In the event of a vacancy occurring in any year the Committee shall appoint another of their number to fill the vacancy for the remainder of the year.
- Compulsory contribution.** *Rule 6.*—Contribution to the Fund shall be compulsory on all permanent employees of the Association who are in receipt of pay exceeding Rs. 60 per mensem, but employees whose service with the Association commenced previous to 15th April, 1924, shall have the option of joining, such option to be declared by the 15th May, 1924.
- Rules binding on all members.** *Rule 7.*—These Rules shall operate to bind every member who shall become a member by exercising his option under Rule 6 in the same way as if he had become a member by entering the service of the Association after the said 15th April, 1924.

Rule 8.—Every employee who shall be or become a member shall be subject to these rules, and shall sign an agreement in the Form A annexed to these rules. Agreement to be signed.

Rule 9.—Every member shall contribute 8½ per cent. of his salary to the Fund, which shall be deducted from his pay on the last day of each month. Scale of member's contributions.

Rule 10.—The Association will, on the 30th June and the 31st December, in each year contribute and pay to the Fund a sum which shall be equal to the aggregate contributions of all the members during the half-year preceding each of such days respectively. Association's contributions.

Rule 11.—The contribution of any employee absent on leave or furlough shall, during the period of such absence, be assessed on the salary allowed to him during such absence, but any employee shall be at liberty, subject to the consent of the Committee, to contribute on the full amount of his salary if he should so desire, provided notice in writing of such desire shall have been given by him to the Committee prior to the due date for payment of salary next after such employee shall have obtained leave or furlough. Contributions of members during leave.

Rule 12.—The Committee from time to time shall pay into the Imperial Bank of India or such other bank as the Committee may select, to the credit of an account to be opened in the names of the Trustees, all moneys received by them. All moneys to the credit of such account shall be dealt with in accordance with these rules and such account shall be operated on only by cheques bearing the signatures of the two Trustees in addition to the signature of the Secretary of the Association. Cheques to be signed by Trustees and Secretary.

Rule 13.—The moneys of the Fund not immediately required for the purposes of the Fund shall from time to time, but not later than 12 months after being credited to the Fund, be invested by the Trustees, in their own names, in any security in which trust property may be lawfully invested under the Indian Trusts' Act, 1882. The Trustees shall have power to vary or transpose such investments into or for others, as may at any time be deemed expedient; or such money may be placed in deposit with any bank or banks as the Trustees may think expedient. Available funds to be invested.

Rule 14.—The Trustees shall from time to time, upon the written requisition of the Committee, pay to them such sum or sums as may be required for the purposes of these rules and shall if necessary raise the moneys required for the same by a sale of the securities held by the Trustees or of a sufficient part thereof or by a loan on the security of the same. Power to make sale of securities.

Rule 15.—A separate account shall be kept in Form B with respect to each member showing the amount of the subscriber's personal contributions, with interest thereon as it becomes due, and also his share of the contributions of the Association, lapses and forfeitures, with interest thereon. Separate account for each member in Form.

Rule 16.—The account of each member will be made up on the 31st December in each year, and interest at 5 per cent. per annum will be allowed on the amount standing to the credit of each member during such year, and the Association will contribute the difference, if any, between the amount of interest realised by the investment and 5 per cent. as aforesaid. Interest allowed.

Rule 17.—A statement of account of each member shall be made up in Form C to 31st December of each year, and each member shall be required to certify in writing upon such account that the amount therein shown as standing to his credit is correct. Annual statement to each member.

Rule 18.—No member shall be entitled to claim payment of any money out of the Fund except as is by these rules expressly provided.

Rule 19.—The full amount standing to a subscriber's credit, including his own and the Association's contributions, together with interest accrued, shall be payable— Total amount payable.

(1) on the death of the subscriber to his nominee or heir under Rule 27;

(2) to the subscriber on his retirement from the service of the Association, provided that he has—

(a) completed fifteen years' service; or,

(b) established to the satisfaction of the Committee that his retirement is necessitated by incapacity for further service.

Committee's power to waive forfeitures

Rule 20.—A subscriber who leaves the service of the Association without fulfilling the conditions of Rule 19 shall be entitled only to payment of his own accumulated subscriptions, together with the interest which has accrued thereon, provided that the Committee shall have absolute discretion to waive forfeiture of the subscriber's interest in the Association's contributions and the income derived therefrom if this concession is, in their opinion justified.

Dismissal for grave misconduct.

Rule 21.—In the event of a subscriber being dismissed from the Association for grave misconduct or dishonesty, of which fact the decision of the Committee shall be final and binding upon the subscriber, the whole of his interest in the Fund may be forfeited for the benefit of the Fund.

Division of forfeitures.

Rule 22.—Except as provided in Rule 21, and subject to the provisions of Rule 20, any lapse or forfeiture which may accrue during the year shall be divided amongst the members in proportion to the amount of the subscriptions they have contributed during the year and such sums shall be placed to their credit and shall be paid to them if and when they shall respectively become entitled to their shares of the contributions of the Association.

Member's right to the amount of his own subscription.

Rule 23.—A subscriber's contributions to the Fund and the amount credited to his account as income earned thereon, shall be his property funded for his benefit and, save as provided by Rule 21, shall not be forfeitable in any circumstances except as may be provided by law.

Member's right to Association's contribution.

Rule 24.—A subscriber's interest in the contribution made by the Association to the Fund does not commence until he retires from the service of the Association, and qualifies for admission to the benefit of the Association's contribution under these rules.

Advances from the Fund.

Rule 25.—Advances from the amount standing to their credit on account of their own subscriptions may, at the discretion of the Committee, be granted to subscribers in deserving cases of sickness or other urgent cause, for themselves or for their families; such advance to be subsequently repaid by instalments to be fixed by the Committee in each case with interest, at such rate and payable at such times and whether simple or compound, as the Committee may direct.

Closing of member's account.

Rule 26.—A subscriber's account shall be closed—

(1) when he dies, on the day after the date of his death;

(2) when he quits the service of the Association, from the day on which he quits it.

When a subscriber's account is closed, such amount, if any, as may be decided by the Committee, shall be added in respect to the portion of the year since the 31st December preceding.

No further contribution and interest shall be credited in respect of any period subsequent to that date.

Procedure on withdrawal.

Rule 27.—(i) Each subscriber shall, on joining the Fund, furnish a declaration in the Form D annexed showing how he wishes the amount to his credit in the Fund to be disposed of on his death. Such declaration is revocable at any time during the subscriber's lifetime

but a fresh declaration shall be operative only on being received by the Committee. On a subscriber's marriage or re-marriage any declaration previously made will forthwith become null and void. If the nominee is a minor, the subscriber must, at the time of nomination, also appoint a person of full age to whom the amount standing to the subscriber's credit is to be paid on behalf of the minor nominee in the event of the subscriber dying before the minor nominee attains his majority.

If a subscriber fails to make and maintain the required nomination, the amount which would have been credited to his account on account of the Association's contributions and income thereon shall lapse to the Fund, but the Committee, at their absolute discretion, may order such payment in this respect to the deceased's widow or family as they may deem fit.

On the death of a subscriber the full amount standing to his credit shall be paid within three months of the date of death without deduction, either to his nominee as provided or (if his nominee is a minor at the time such amount is payable) to the person for the time being appointed to receive such amount on behalf of the minor nominee irrespective of the period for which the subscriber has served. In the event of no valid nomination being in existence, the amount standing to the deceased subscriber's credit and shown in the Form prescribed in Rule 15 shall be paid to his legal heirs.

(ii) If the withdrawing subscriber be living he shall apply to the Committee for payment of the amount to his credit. The Committee shall thereupon decide the further amounts, if any, which are to be credited to the subscriber's account under these rules and shall cause payment to be made to the subscriber.

(iii) When payment of a subscriber's account to himself or to his nominee (or in cases where no valid nomination was in existence to his legal heirs) has been accepted, no further claim shall lie against the Fund nor shall the Committee's decision as to the amounts credited to the subscriber's account be questioned.

Rule 28.—Any loss to the Fund from any cause whatever and all other costs, charges and expenses to which the Committee or the Association shall be put in connection with the Fund for any reason whatsoever shall be borne by and be a charge upon the Fund. Expenses of the Fund.

Rule 29.—The accounts of the Fund shall be made up yearly on the 31st December. Annual making up of accounts.

Rule 30.—A subscriber's interest in the Fund in respect either of principal or interest shall be strictly personal, and no member shall be entitled to transfer or assign, whether by way of security or otherwise howsoever, his interest or any part thereof in the Fund and no such transfer or assignment shall be valid, and the Trustees or Committee shall not recognise or be bound by notice to them or any of them of any such transfer or assignment, and all moneys standing in the books of the Fund to the credit of any member so transferring or assigning his interest as aforesaid shall forthwith be forfeited as from the date of such transfer or assignment to the use of the Fund and be dealt with accordingly; and, further, if any prohibitory order or attachment or process of a Civil Court be served upon the Trustees or the Committee or any of them or any person on their behalf by which any moneys standing to the credit of any member in the books of the Fund shall be attached or be ordered to be paid into a Civil Court or be ordered to be withheld from such member, such moneys shall forthwith be forfeited to the use of the Fund and be dealt with accordingly: Provided that the Committee shall be at liberty in their uncontrolled discretion at any time thereafter to give such moneys or any part thereof for the benefit of such member or his wife, children or relations and the Trustees shall deal with such moneys accordingly on the written requisition of the Committee. Member not entitled to assign or transfer his interest in the Fund.

Rule 31.—If any member shall transfer or assign his interest in the Fund as aforesaid, or if such interest shall be attached or otherwise dealt with or affected as indicated by Rule 30, the Association may forthwith cease all contributions to the Fund in respect of such member and all moneys standing to the credit of such member represented by or referable to contributions by the Association and the interest thereon shall forthwith be transferred Procedure in case member's interest has been assigned.

by the Trustees from the credit of such member to the credit of a suspense account, and if for a period of one year from the date of such transfer the Trustees shall not have received from the Committee written instructions to re-transfer the said moneys and interest, or so much thereof as shall not have formed the subject of any such instructions of the Committee as aforesaid, shall, upon the expiration of the said period of one year, be deemed to be moneys which have lapsed or become forfeited and shall be dealt with in accordance with Rule 22.

Indemnification of Trustees. *Rule 32.*—The Association shall hold every Trustee indemnified against all proceedings, costs, and expenses occasioned by any claim in connection with the Fund not arising from his negligence or fraud.

Power to close Fund. *Rule 33.*—The Committee shall have the power to close the Fund at any time if considered advisable or necessary, in which event, the moneys in the Fund will be distributed among the members in accordance with their accounts.

Certificate as to amount of balance. *Rule 34.*—In all cases wherein a certificate shall be required of the amount of the balance standing in the books of the Fund to the credit of a deceased member for the purpose of obtaining, free of stamp duty, a grant of probate or letters of administration or any other purpose, such certificate shall be in the Form E.

Power to make new rules. *Rule 35.*—The Committee shall have the power, after one month's notice to members, to make any alterations, amendments or additions which they may consider necessary in or to these rules.

Date of enforcement of rules. *Rule 36.*—These rules shall come into force on 1st May, 1924.

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM A.

Form of Agreement prescribed in accordance with Rule 8.

I hereby declare that I have read the foregoing rules of the Bombay Millowners' Association Provident Fund and that I agree to be bound by them.

Dated _____ *day of* _____ 19 *at* _____

Name in full

Date of birth

Date of joining appointment

Nature of appointment

Salary per mensem..... Rupees.

Signature : Address :—.....

Witness (name) : { Address :—.....
Occupation :—

Witness (name) : { Address :—.....
Occupation :—

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM B.

Form of account prescribed by Rule 15.

Name of Member :— _____

Joined the service of the Association on _____

Name of Nominee :— _____

Joined the Provident Fund on _____

Date of Payment.	Amount of salary per mensem.	Membership subscription for the month of	Member's subscription.			Interest on member's subscription.			Association's contribution.			Interest on Association's contribution.			Amount of forfeitures credited to member.			Total amount at credit of member.			REMARKS.	
			Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.		
Brought forward ..																						

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BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM C.

Statement showing the sums standing to the credit of Mr.
 employed as....., issued solely for his information.

FOLIO NUMBER OF ACCOUNT.....

PARTICULARS.						
	Rs.	a.	p.	Rs.	a.	p.
Member's subscription and interest standing to his credit on 31st December, 192 . as per last Memo.						
Member's subscription and interest credited during the year 192						
Association's contribution with forfeitures and interest standing to the credit of member on 31st December, 192 , as per last Memo.						
Association's contribution with forfeitures and interest less expenses credited during the year 192						
Total amount at credit on 31st December, 192 ..						

NOTE.—This Memo cannot be hypothecated nor used in any way as being a security to a third party.

The name of the nominee, as at present registered, is :—

.....

.....

BOMBAY, 31st December, 192 .

Secretary.

Certified that the amount shown above as standing to my credit on 31st December, 192 , is correct.

Bombay, the.....day of.....192... Signature.....

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM D.

Form of Declaration prescribed in accordance with Rule 27.

No.....

Folio No.....

I,....., employed as.....in the service of the Bombay Millowners' Association, hereby declare that in the event of my demise before retirement the sum of money standing to my credit in the Bombay Millowners' Association Provident Fund shall be distributed in the manner shown against their names in the tabular statement below.

The amount due to any nominee named hereunder, who is a minor, at the time of my death, should be paid to the person whose name appears in the corresponding line in column 5 :—

1	2	3	4	5
Name & address of nominee or nominees.	Relationship with the subscriber.	Whether a major or minor. If a minor, date of birth should be stated.	Amount or share of deposit.	Name and address of person to whom payment is to be made on behalf of any minor.

Here state whether married or unmarried :—

Witness.....

Witness.....

Signature.....

Dated.....day of.....19....

N.B.—If a member wishes to revoke the above nominations he must endorse it to that effect and make a fresh nomination.

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM E.

Certificate prescribed in accordance with Rule 35.

No.....

It is hereby certified that the balance standing in the books of the Provident Fund of the Bombay Millowners' Association to the credit of of.....numbered as above on the..... day of.....was Rupees..... Dated this day of.....19... Entered..... Examined.....

Trustees:—

**RULES FOR THE ELECTION OF REPRESENTATIVES
OF THE ASSOCIATION ON THE BOARD OF THE
VICTORIA JUBILEE TECHNICAL INSTITUTE.**

The Association is entitled to elect two members on the Board of the Victoria Jubilee Technical Institute so long as it continues to contribute not less than Rs. 2,000 per annum for the maintenance of the Institute.

1. Any member of the Association shall be eligible to act as Representative of the Association on the Board of the Victoria Jubilee Technical Institute.
 2. The period of office of any elected Representative of the Association on the Board of the said Institute shall be one of three years. At the end of such period he shall retire but may be re-elected.
 3. The appointment of the Association's Representatives shall be made at a general meeting of the Association and such Representatives shall *ex-officio* be members of the Committee of the Association.
 4. In the event of the disqualification of any of the Association's Representatives under Section 9 or 10 of the Rules and Regulations of the said Institute, or in the event of the decease or resignation of such Representative, or in the event of his ceasing for any reason to be a member of the Association, the Committee shall appoint a successor, who shall hold office up to that date at which the Representative whom he succeeds would, under Rule 2, have retired.
 5. In the event of the absence of any of the Association's Representatives from three or more consecutive meetings of the Board, or in the event of any of the Association's Representatives applying for leave of absence, the Committee may, if they think fit and with the consent of the Board of the said Institute, appoint a substitute who shall hold office until the Representative whom he replaces resumes attendance or up to that date at which the Representative whom he replaces would, under Rule 2, have retired.
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**RULES FOR THE ELECTION OF A REPRESENTATIVE OF
THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE
ON THE IMPROVEMENTS COMMITTEE CONSTITUTED
UNDER THE PROVISIONS OF THE CITY OF
BOMBAY IMPROVEMENT TRUST
TRANSFER ACT, 1926.**

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary ten clear days before the day fixed for the election.
2. The Secretary of the Association shall circulate the names of the applicants four clear days before the election.
3. The Committee shall appoint two days, which shall be duly advertised, upon which the balloting shall take place. The ballot-box shall be open from 10 A.M. till 6 P.M. on each day.
4. Votes may be given either in person or through any one duly authorised by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.
5. The Committee shall appoint two scrutineers, who, at 6 P.M. on the second day of the ballot, shall open the box and declare the result.
6. The candidate who has the largest number of votes shall be declared duly elected.
7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.
8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.
9. In the event of a casual vacancy the above course shall be followed in the appointment of a substitute.
10. In the event of the temporary absence of a Representative of the Association on the Improvements Committee, necessitating the appointment of a substitute under Section 13 (2), such appointment shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

**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 authorised by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.

5. The Committee shall appoint two scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.

6. The candidate who has the largest number of votes shall be declared duly elected.

7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.

8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.

9. In the event of a casual vacancy the above course shall be followed in the appointment of a substitute.

10. In the event of the temporary absence of a Representative of the Association on the Board of Trustees, necessitating the appointment of a substitute, such appointment shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

**PROCEDURE IN CONNECTION WITH THE ELECTION
OF THE REPRESENTATIVES OF THE ASSOCIATION
ON THE LEGISLATIVE ASSEMBLY AND THE
BOMBAY LEGISLATIVE COUNCIL.**

Explanatory Note.

Prior to November 1920, the date of the first elections to the new Councils constituted under the Reforms Scheme, the Association's Representative on the Bombay Legislative Council had been elected in accordance with the provisions of the Association's Rules for the election of such members. Under the rules framed under the Government of India Act, 1919, however, the Association becomes a Commerce and Industry Constituency and is entitled to elect one member to the Legislative Assembly and one member to the Bombay Legislative Council. Election to these bodies will henceforth be held in accordance with special Rules and Regulations drawn up by the Government of India and the Local Government in that respect. The Rules and Regulations in question have been published in the *Gazettes*, but the following summary of their provisions, so far as they relate to elections in this Constituency, has been prepared for the convenience of members.

Notes as to the procedure to be followed in connection with the election of Members of the Association for the Bombay Millowners' Association Constituency of the Indian Legislative Assembly and the Legislative Council of the Governor of Bombay.

N.B.—It must be distinctly understood that the following Notes are drawn up merely for the convenience of members and are in no way to be considered as over-riding the Rules and Regulations framed under Section 7 of the Government of India Act, 1919.

Rules.
Part II and
Part III.

1. Members only of the Bombay Millowners' Association as defined in Rule 4 of the Association's Rules and Regulations will be eligible to vote at elections for, and be eligible for nomination as candidates for election to the above Councils.

The term member includes any person entitled to exercise the rights and privileges of membership on behalf of any person, firm, company, or other corporation registered as such member, provided such person is not disqualified under the provisions of Part II of the Electoral Rules, and has been duly nominated, in accordance with Clause 3 of these Notes by the said member.

Regulations.
Part I.

2. The Secretary for the time being of the Association will be the Returning Officer for the Constituency.

Regulations.
Part II.

3. The Secretary will immediately before each election call upon each member to nominate a person, who is duly qualified under Rules 6, 7 or 8 of the Association's Rules and Regulations and who is not otherwise disqualified, for registration on an electoral roll and except as is hereinafter provided, only such person as is so nominated and registered will be eligible to vote on behalf of such member at the ensuing election, and be eligible for nomination as a candidate for election at the ensuing election.

Regulations.
Part II,
Clause 1 (3) and
Clauses 4 & 5.

4. The Secretary will on or before a date to be fixed by the Local Government publish the Electoral Roll provided for in Clause 3 of these Notes at the Head-Quarters of the Association, and at the time of publishing the roll will in like manner publish a notice in the form prescribed in Schedule I attached to these Notes.

Regulations.
Part II, Clause 6.

5. On receipt of the orders made by the Revising Authority in regard to any claims or objections that may be raised, the Secretary will make such cancellations in, and will prepare a list of such additions to, the Electoral Roll as may be required in accordance with such orders and will re-publish such amended Electoral Roll and list of additions at the Head-Quarters of the Association on or before a date to be fixed by the Local Government.

- | | |
|---|---|
| <p>6. The Electoral Roll will come into force from the date of re-publication provided for in Clause 5.</p> | <p>Rules.
Part III,
Clause 9 (4).</p> |
| <p>7. The Electoral Roll as amended and supplemented by the list of additions will be conclusive evidence for the purpose of determining whether any person is an elector in this Constituency.</p> | <p>Regulations.
Part II,
Clause (7).</p> |
| <p>8. A fresh Electoral Roll will be prepared for each election in the prescribed manner.</p> | <p>Regulations.
Part VIII,
Clause (j).
Rules.
Part IV,
Clause 11.</p> |
| <p>9. Any person whose name appears on the Electoral Roll of the Association may be nominated as a candidate for election in the manner hereinafter provided.</p> | <p>Regulations.
Part III,
Clause 1 (1).</p> |
| <p>10. Nominations will be by means of a nomination paper in Form I appended to the Electoral Regulations and which will be supplied by the Secretary to any member asking for the same.</p> | <p>Regulations.
Part III,
Clause 1 (2).</p> |
| <p>11. Every nomination paper will be subscribed by two members as proposer and seconder and will be signed by the candidate as assenting to the nomination.</p> | <p>Regulations.
Part III,
Clause 1 (3).</p> |
| <p>12. Where a member subscribes a larger number of nomination papers, those first received up to the number allowed will be deemed to be valid and the remainder invalid. Where in any such case the Secretary is not available to determine which nomination papers were received first, all such papers will be deemed to be invalid.</p> | <p>Regulations.
Part III,
Clause 1 (4).</p> |
| <p>13. Each candidate will be nominated by a separate nomination paper.</p> | <p>Regulations.
Part III,
Clause 2 (1).</p> |
| <p>14. Save as provided in Clause 15, every nomination paper will be presented to the Secretary at the Head-Quarters of the Association by the proposer or seconder on or before a date and at a time, if any, appointed by the Local Government in this behalf.</p> | <p>Regulations.
Part III,
Clause 2 (2).</p> |
| <p>15. A candidate may be nominated by a nomination sent by post so as to reach the Secretary before the time appointed as aforesaid in Clause 14. The proposer and seconder will append to such nomination paper a certificate from a Gazetted Revenue or Judicial Officer that they have signed the paper in his presence and that they are members of the Association.</p> | <p>Regulations.
Part III,
Clause 3 (1) & (2).</p> |
| <p>16. A candidate who has been duly nominated for election may withdraw his candidature by a written and signed communication delivered to the Secretary not less than fourteen clear days before the date fixed for the recording of votes ; or if the period between the dates fixed for the scrutiny of nomination papers and the recording of votes is less than fourteen clear days, not later than the date fixed for such scrutiny. The Secretary will forthwith publish any such withdrawal in such newspapers as he may select and, where the name of the candidate has been inserted in any voting paper, will cause the same to be cancelled.</p> | <p>Rules.
Part IV,
Clause II (3).</p> |
| <p>17. A candidate who has withdrawn his candidature will not be allowed to cancel the withdrawal or to be re-nominated as a candidate for the same election.</p> | <p>Regulations.
Part III,
Clause 3 (3).</p> |
| <p>18. In the event of the death of a candidate between the date fixed for the presentation of nomination papers and the date fixed for recording votes, all proceedings with reference to such election will be commenced afresh with the exception of proceedings in connection with the drawing up of the Electoral Roll as provided for in Clauses 3 to 6. Fresh dates for the stage of such election will be prescribed by the Local Government.</p> | <p>Regulations.
Part III,
Clause 4 (1).</p> |
| <p>19. On the date and at the time appointed by the Local Government for the scrutiny of nomination papers, every candidate or his election agent, and his proposer and seconder may attend at the Head-Quarters of the Association and the Secretary will allow them to examine all nomination papers which have been received by him.</p> | |

- Regulations.
Part III,
Clause 4 (2).
20. The Secretary will examine the nomination papers and will decide all objections which may be made to any nomination paper on the ground that it does not comply with the provisions of Clauses 9, 10, 11, 12 and 13, and may reject, either of his own motion, or on such objection, any nomination paper on such ground or on the ground that it was not received at or before the time appointed for the nomination of candidates ; or that the candidate has not complied with the provisions of Clause 22 ; the decision of the Secretary, with the reasons therefor, will be endorsed by him on the nomination paper in respect of which such decision is given.
- Regulations.
Part III,
Clause 5 (1).
21. The Secretary will forthwith publish in such newspapers as he may select the names of the candidates who have been validly nominated, and the order in which the names of the candidates will appear in the voting paper.
- Rules.
Part IV,
Clauses 11
and 15
22. On or before the date on which a candidate is nominated the candidate will make in writing and sign a declaration appointing either himself or some other person who is not disqualified under the Electoral Rules to be his election agent and no candidate will be deemed to be duly nominated unless such declaration has been made.
- Rules.
Part IV,
Clause 16 (1).
23. The appointment of an election agent, whether the election agent appointed be the candidate himself or not, may only be revoked by a writing signed by the candidate and lodged with the Secretary and will operate from the date on which it is so lodged.
- Rules
Part IV,
Clause 16 (2).
24. In the event of such a revocation or of the death of any election agent, whether such event occurs before, during or after the election, then the candidate will appoint forthwith another election agent and declare his name in writing to the Secretary.
- Rules.
Part IV,
Clause 17 (1).
25. Within one month or such longer period as the Governor may allow after the date of the declaration of the election, every candidate, either personally or through his election agent, will cause to be lodged with the Secretary a return of his election expenses containing the particulars specified in Schedule III appended to the Electoral Rules.
- Rules.
Part IV,
Clause 17 (2).
26. Every such return will contain a statement of all payments made by the candidate or by his election agent or by any persons on behalf of the candidate or in his interests for expenses incurred on account of, or in respect of, the conduct and management of the election and further a statement of all unpaid claims in respect of such expenses of which he or his election agent is aware.
- Rules.
Part IV,
Clause 17 (3)
27. The return will be accompanied by declarations by the candidate and his election agent which will be in the form contained in Schedule III appended to the Electoral Rules, and will be made on oath or affirmation before a Magistrate.
- Rules.
Part IV,
Clause 17 (4).
28. The Local Government will cause to be prepared in such manner, and maintained for such time, as it may direct, a record showing the names of all candidates at every election under these rules and the date on which the return of election expenses of each candidate has been lodged with the Secretary.
- Rules.
Part IV,
Clause 12 (1).
29. If the number of candidates who are duly nominated and who have not withdrawn their candidature before such time as the Local Government may fix in this behalf exceeds that of the vacancies, a poll will be taken.
- Rules.
Part IV,
Clause 12 (2).
30. If the number of such candidates is equal to the number of vacancies, all such candidates will be declared to be duly elected.
- Rules.
Part IV,
Clause 12 (3).
31. If the number of such candidates is less than the number of vacancies, all such candidates will be declared to be elected and the Governor will, by a notification in the *Bombay Government Gazette*, call for fresh nominations for the remaining vacancy or vacancies and if any such are received, will call upon the Association to elect a member or members, as the case may be.
- Rules.
Part IV, Clause
12 (4), and Regula-
tions, Parts V &
VI.
32. Votes will be given by ballot and no votes shall be received by proxy. The voting paper will be in Form II-A appended to the Electoral Regulations, and the procedure laid down in Parts V and VI of the Electoral Regulations for the recording of votes will be followed.

33. Each member shall be entitled to one vote only.

Regulations.
Part V,
Clause 1 (c)
and (d).

34. Votes will be counted by or under the supervision of the Secretary, and any candidate or candidates, or in the absence of a candidate, a representative duly authorised by him in writing will have the right to be present at the time of counting.

Regulations.
Part VI,
Clause 1 (1).

35. When the counting has been completed, the Secretary will forthwith declare the candidate to whom the largest number of votes has been given, to be elected.

Rules.
Part IV,
Clause 12 (7).

36. Where any equality of votes is found to exist between any candidates and the addition of one vote will entitle any of the candidates to be declared elected, the determination of the person to whom such one additional vote will be deemed to have been given will be made by lot to be drawn in the presence of the Secretary of the Association and in such manner as he may determine.

Rules.
Part IV,
Clause 12 (8).

37. The Secretary will without delay report the result of the election to the Secretary to the Council, who will publish the name of the candidate elected in the *Bombay Government Gazette*.

Rules.
Part IV,
Clause 12 (9).

SCHEDULE.

Regulations.
Part II,
Clauses 4 & 5.

Notice under Regulation 4, Part II of the Legislative Assembly Electoral Regulations and of the Bombay Legislative Council Electoral Regulations.

1. The Electoral Roll of the Bombay Millowners' Association Constituency is hereby published in accordance with Regulation 3, Part II.

2. Any person entered on the roll who objects to any entry in the roll or any person claiming to be entered in the roll should lodge his claim or objection in the following manner:—

(a) Such claim or objection shall be made in writing and shall specify the Constituency in question, the grounds on which the right of any person to be entered in the roll is asserted or denied, the evidence which the claimant or objector intends to lead, the address of the claimant or objector, his number, if any, in the Electoral Roll and the area in the roll for which he is entered and in the case of an objection, the number in the Electoral Roll of the person to whose entry objection is taken and the area in the roll for which he is entered.

(b) Four copies of the claim or objection shall be delivered or sent by post so as to reach the office of the Judge authorised to receive the claim or objection under the Regulations on or before the third day from the publication of the roll, excluding the day of such publication.

(c) A claim or objection which is not lodged in the manner herein prescribed or by a person not entitled to lodge the same, shall be rejected.

3. Claims and objections relating to this roll should be sent to the Chief Judge of the Court of Small Causes, Bombay.

**RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE
BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON
THE BOMBAY MUNICIPAL CORPORATION.**

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.

2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.

3. The Committee, in consultation with the Municipal Commissioner, shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot box shall be open from 11 A.M. till 5 P.M. on that day.

4. Votes may be given either in person or through any one duly authorised by a member of the Association each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.

5. The Committee shall appoint two Scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.

6. The candidate who has the largest number of votes shall be declared duly elected.

7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.

8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.

9. In the event of a casual vacancy, an appointment to fill such vacancy shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

Sections of the City of Bombay Municipal Act, III of 1888, as amended by Act VI of 1922 pertaining to the Election of Councillors by the Bombay Millowners' Association.

(1) The Corporation shall consist of one hundred and six Councillors, as follows, Section 5,
namely:—

Seventy-six Councillors elected at Ward elections ;

Sixteen Councillors appointed by Government ;

Four Councillors elected as follows :—

- One by the Bombay Chamber of Commerce,
- One by the Indian Merchants' Chamber and Bureau,
- One by the Bombay Millowners' Association,
- One by Fellows ;

and ten co-opted Councillors elected by transferable vote by the Councillors elected and appointed under the preceding clauses of this section.

Section 6. (1) The first members of the Corporation, constituted according to the provisions of section 5, shall come into office on the first day of April, 1889.

(2) Councillors selected or appointed to succeed retiring Councillors shall come into office on the day for the retirement of the Councillors whom they are to succeed.

Section 7. All members of the Corporation constituted as aforesaid shall retire from office at noon on the first day of April, three years after they take office, which day is in this Act referred to as the day for retirement.

Section 8. Any person who ceases to be a Councillor shall, unless disqualified, be re-eligible.

Section 15. A person shall not be qualified to be elected to be a Councillor at an election at a Chamber or Association mentioned in sub-section (1) of section 5 or at a Fellows' election, unless he is at the time of the election a member of that Chamber or Association or a person entitled to exercise the rights and privileges of membership on behalf and in the name of any firm, company or corporation registered as a member of such Chamber or Association or a Fellow, as the case may be, and unless, in the case of a Fellow, he resides in the city.

Section 22. (1) General Elections of Councillors shall be fixed by the Commissioner, subject to the provisions of Section 23, to take place triennially on such days in the months of January and February as he shall think fit.

(2) The first General Election shall be held in the year 1889.

(3) Elections to fill casual vacancies shall be fixed by the Commissioner to take place on such days as he shall think fit, as soon as conveniently may be after the occurrence of the vacancies.

Section 23. The dates for all General Elections shall be fixed in the following order, and with the following intervals, namely:—

Firstly.—The Ward elections shall be fixed to take place simultaneously for all the Wards.

Secondly.—The day for the election by the Chamber or Association mentioned in sub-section (1) of section 5 shall be fixed at an interval not exceeding twenty-one days after the day fixed for the Ward elections.

Thirdly.—The day for the Fellows' election shall be fixed at an interval not exceeding fourteen days after the day fixed for the elections by the Chamber and Association mentioned in sub-section (1) of section 5.

Fourthly.—The election of co-opted Councillors shall be held on a day fixed by the Commissioner subsequent to the abovementioned elections and the appointment of Councillors by Government but prior to the day for retirement.

Section 31. (1) Elections of Councillors by the Chamber and Association mentioned in sub-section (1) of section 5 shall be made by the members for the time being of the said Chamber or Association subject to the provisions of section 15, in such manner as shall from time to time be determined at a meeting of the said Chamber or Association convened in accordance with the rules at the time in force in this behalf.

(2) The Secretary to the said Chamber or Association shall make a return in duplicate to the Commissioner setting forth the name in full of every person so elected.

Section 32. (1) The result of every election shall be declared by fixing, as soon as may be after the election, in some conspicuous place in the Chief Municipal Office, a notice certifying the names of the persons, if any, elected, and in the case of a contested election the number of votes recorded for each candidate.

(2) The said notice shall be signed in the case of a Ward election, and in the case of an election by Councillors, by the Commissioner, and in the case of an election by a Chamber or Association mentioned in sub-section (1) of section 5, by the Secretary of such Chamber or Association, and in the case of a Fellows' election by the Registrar of the University of Bombay.

BOMBAY MILLOWNERS' ASSOCIATION.

LIST SHOWING THE VARIOUS STATISTICAL RETURNS PUBLISHED BY
THE ASSOCIATION, THEIR RESPECTIVE SUBSCRIPTIONS, ETC.

	MEMBERS.		NON-MEMBERS.		POSTAGE.	
	Yearly.	Charge per copy.	Yearly.	Charge per copy.	Yearly.	Per copy.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Yarn and Piece-goods Trade Statistics of Bombay	1 copy free, additional copies @ Rs. 2-8-0 each		24 0 0	2 8 0	Free	Free
Yarn and Piece-goods, Trade Statistics of Br. India	do.		24 0 0	2 8 0	do.	do.
Statistical Abstract of Indian Cotton In- dustry	do.		....	2 8 0	do.	do.
Current Quotations of Local - made Piece- goods and Yarns— Issued fortnightly *..	....	....	6 0 0	0 6 0	0 12 0	0 0 6
Rules and Regulations of the Association ..	....	0 8 0	....	1 0 0	....	{ 0-2-0 Inland. 0-4-0 Mail.
Annual Report of the Association	2 copies free and for additional copies each Rs. 12-8-0.		....	12 8 0	....	{ 1-8-0 Inland. 3-0-0 Mail.
Mill Statement showing Cotton Spinning and Weaving Mills work- ing and in course of erection in India on 31st August each year —Issued yearly.	2 paper and 1 cloth copies free and for additional copies each— Paper .. 3 0 0 Cloth .. 4 0 0		Paper .. 3 0 0 Cloth .. 4 0 0		Paper .. 0 4 0 Cloth .. 0 8 0	

* Free to Members.