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APPENDIX 20.

BILL TO CONSOLIDATE, AMEND AND EXTEND THE LAW RELATING TO
INSURANCE COMPANIES.

No. 4327-G/24.

REVENUE DEPARTMENT,
BOMBAY, 17th August, 1925.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.SUBJECT :—*Acts and Regulations—The Indian Insurance Companies Bill.*

SIR,

I am directed by the Governor in Council to forward a copy of Government Resolution No. 4327/24, dated 15th August, 1925, and to request that Government may be favoured with the opinion of your Association on the provisions of the Bill and specially on the points brought forward in the letter from the Government of India.

2. The reply to this reference may, please, be forwarded so as to reach Government by 25th September, 1925.—I have, etc.,

DAVAR,
for Deputy Secretary to the Government of Bombay,
Revenue Department.

No. 36-I.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 22nd June, 1925.

To

ALL LOCAL GOVERNMENTS AND ADMINISTRATIONS.

SIR,

I am directed to forward a draft of an Insurance Bill which, in accordance with Rule 18 of the Indian Legislative Rules, was published in the *Gazette of India*, dated the 20th June, 1925. I am to request that (with the permission of His Excellency the Governor in Council, etc.) the Bill may be given wide publication and that the Government of India may be favoured with the views of the Local Government, of the Judges of the High Court and of important commercial bodies on the draft Bill. The Statement of Objects and Reasons explains briefly the main objects of the Bill, and further information about its provisions will be found in the Notes on clauses. The Government of India think it unnecessary, therefore, in this letter to do more than refer to a few points of major importance on which opinions are specially desired.

2. In the first place, it will be observed that the Bill purports to regulate all forms of insurance business carried on in India. Hitherto, as Local Governments are aware, legislation in India has been confined to Life Assurance Companies and Provident Insurance Societies. The extended scope of this Bill is a development necessitated in the opinion of the Government of India by the growth of the insurance habit in India, and it is believed that this view will find general acceptance.

3. I am next to refer to certain important clauses which explain the general scheme of the Bill. Clause 10 prescribes deposits for every kind of insurance business, the object being to prevent the growth of mushroom companies. Clause 9 prohibits loans to directors except in stated circumstances. Chapter IV deals with the important question of accounts and returns. The annual preparation of a revenue account, a profit and loss account and a

balance-sheet is made obligatory, and the accounts must be properly audited. The shareholders and policy-holders (clause 33) have a right to copies of the accounts, and clause 38 makes it incumbent on the Governor-General in Council to publish a summary of them. Clause 25 prescribes a quinquennial actuarial valuation of life assurance companies. Clause 31 enables the Governor-General in Council to appoint Inspectors to examine the affairs of any insurance company and clause 32 confers on the Governor-General in Council power, in the event of his seeing reason to doubt the solvency of any life company, to require an actuarial valuation. Clauses 47 and 48 (c) are also important in this connection. It will be seen that, while considerable powers are reserved to the Government of India and while in some respects Government's existing powers of control over life companies are tightened up, the Government of India in preparing the Bill have adhered to the policy of the Life Assurance Act of 1912 and that they rely for the protection of the public mainly on deposits *plus* publicity. On the whole, it is thought this policy has justified itself by results, and the Government of India as at present advised are of opinion that stronger justification would be required for any radical departure from the policy hitherto accepted in respect of life assurance companies than they believe to exist. I am to enquire whether Local Governments are in general agreement with this view, or whether they would prefer that Government should exercise a stricter and more detailed control over the operations either of life assurance companies or of insurance companies generally than the Bill provides. In the latter event, I am to ask in what directions it is thought that control should be tightened.

4. Closely connected with this question is the question whether the Bill should contain provisions to the effect that insurance companies constituted outside of, but operating within, British India should be required to keep in British India, under Government control, assets equal to the reserve value of the policies issued by them in British India. The Insurance Laws of many countries contain provisions of this kind. It is claimed, in the first place, that such provisions would protect the interests of policy-holders in this country, in the event of the liquidation of any company not constituted in, but operating within, British India. In that event funds would be available in this country for the payment of the reserve value of the policies issued in British India. The reserve value of a policy of course is much less than the sum assured, and in the case of a life policy may be taken as roughly equivalent to the surrender value. The policy-holder in British India would therefore be protected to the extent of a sum equivalent to that which he would have received if he had surrendered the policy for a cash payment immediately prior to the date of liquidation. He receives no additional protection. This is the first advantage that is claimed for provisions of this kind. The second is that such restrictions, in so far as they hamper the operations of companies constituted outside the country, tend to foster the growth of indigenous companies.

5. On the other hand, there are various objections to the inclusion in the Bill of restrictive provisions of this nature. Experience has not shown that such provisions are necessary, and it might legitimately be argued that it is more in the general interest, in present circumstances in India, to foster the growth of the insurance habit by providing the safest possible insurance at the lowest possible price than to foster the growth of indigenous insurance companies. Moreover, the implications of the proposal should not be overlooked. A statutory valuation of assets would be the necessary consequence of provisions of this kind, and this statutory valuation would necessarily be applied to Indian as well as non-Indian companies. A large staff of Government actuaries would be required, and it would be impossible to avoid a large measure of interference with the management of companies. But there are other graver objections to statutory valuations. Where companies are left to themselves, experience leads them to adopt strict standards of valuation, and it is by these methods that many British companies have built up for themselves a world-wide reputation for strength and reliability. On the other hand, there is a danger that a statutory valuation may be a lenient valuation. The same basis of calculation must be applied to all companies, and the tendency may be for the valuation to be adjusted to the needs of the weaker rather than of the stronger companies. Indeed a statutory valuation may become little more than a test of bare solvency. On the other hand, the public is apt to place too great reliance on the results of the valuation, and the companies themselves, instead of strengthening their position by the continuous application of strict standards, may tend to remain satisfied with the bare minimum of a statutory valuation. In other words, the danger of a statutory valuation is that it may lead to a lowering of standards.

6. It is for these reasons that the Government of India have decided provisionally not to include any provisions of this nature in the Bill. They have contented themselves with prescribing (clause 29) that insurance companies constituted outside British India, to which the Assurance Companies Act, 1909, applies, should furnish, in addition to copies of the returns deposited with the Board of Trade, certain annual statements. These statements will show, *inter alia*, the assets held by the company in India and how much of the premium income of the year is in respect of business transacted by the company in India. These provisions are in accordance with the main principles of the Bill, and will enable the Indian public to decide whether or not to insure with that company. It will also be seen that the exemption now enjoyed by British companies from some of the provisions of the Indian Life Assurance Act, 1912, has been withdrawn, and that all the insurance companies, whether constituted within or without British India, have been placed practically in the same footing.

7. But the question discussed in the preceding three paragraphs of this letter is a difficult one, and the Government of India would be grateful for a full expression of opinion on it from Local Governments and commercial bodies.

8. I am next to invite attention to clause 32 of the Bill. This clause is entirely new, and its objects are briefly explained in the Notes on clauses. There appears to be a considerable volume of instructed opinion in favour of a clause of this kind in England at present, but the effect of such action as is contemplated by the clause on the credit of the company concerned requires careful consideration.

9. There is only one other point to which the Government of India think it necessary specifically to refer. Local Governments are no doubt aware that the Board of Trade has appointed an expert Committee to examine some of the provisions of the English Assurance Act of 1909. The preliminary conclusions of the Government of India may require revision in the light of the findings of this Committee. In the meantime, they have thought it advisable to set out these conclusions in the concrete form of a draft Bill, their object being to facilitate criticism and elicit opinion not only on the general policy of the Bill, but also on detailed provisions. The subject is a difficult and important one, and the Government of India recognize that Local Governments will require time to consider it in the light of the opinions they may receive. But they will be grateful if efforts could be made to let them have replies to this letter by the beginning of next November.—I have, etc.,

D. T. CHADWICK,
Secretary to the Government of India.

A BILL TO CONSOLIDATE, AMEND AND EXTEND THE LAW RELATING TO
INSURANCE COMPANIES.

Whereas it is expedient to consolidate, amend and extend the law relating to Insurance Companies; It is hereby enacted as follows:—

CHAPTER I.—*Preliminary.*

Short title, extent and commencement.

1. (1) This Act may be called the Indian Insurance Companies Act, 192 .

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on such date as the Governor-General in Council may, by notification in the *Gazette of India*, appoint.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context—

(a) "accident insurance business" means the issue of, or the undertaking of liability under, policies of insurance upon the happening of personal accidents, whether fatal or not, disease, or sickness, or any class of personal accidents, disease or sickness ;

(b) "actuary" means an actuary possessing such qualifications as may be prescribed;

(c) "certified," in relation to any copy or translation of a document required to be furnished by or on behalf of an insurance company, means certified by a responsible officer of the company to be a true copy or a correct translation, as the case may be ;

(d) "chairman" means the person for the time being presiding over the board of directors or other governing body of an insurance company ;

(e) "Court" means the principal Civil Court of original jurisdiction in a district, and includes the High Court in the exercise of its ordinary original civil jurisdiction ;

(f) "dividing society" means any insurance company which carries on business on the dividing principle, namely, under which the benefit secured by any policy issued by it is not fixed, but depends either partly or wholly on the results of the division of any portion of the premium income or funds amongst policies which have become due for payment either equally or in proportion to the premiums received under each class in any specified period ;

(g) "financial year," in relation to any insurance company, means each period of twelve months at the end of which the balance of the accounts of the company is struck, or, if no such balance is struck, then the calendar year ;

(h) "fire insurance business" means the issue of, or the undertaking of liability under, policies of insurance against loss by or incidental to fire ;

(i) "insurance company" means any person (other than a Provident Insurance Society registered under the Provident Insurance Societies Act, 1912) who carries on any class of insurance business in British India, and includes any person who intends to carry on any such business or has appointed or recognises any other person as his agent in British India with the object of obtaining insurance business of any class ;

(j) "life insurance business" means the issue of, or the undertaking of liability under, policies of assurance on human life, or the granting of annuities on human life ;

(k) "life insurance company" means an insurance company which carries on life insurance business either solely or in conjunction with any other business or businesses ;

(l) "life policy" means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life, and includes any instrument which provides for the payment of an annuity for a term dependent on human life ;

(m) "marine insurance business" means the issue of, or the undertaking of liability under, policies of insurance against loss or damage to any vessel or to goods, wares, merchandise or property of any kind in transit by water ;

(n) "policy" means a policy of insurance or assurance in any class of insurance business, and includes any policy under which there is for the time being an existing liability already accrued, or under which any liability may accrue ;

(o) "policy-holder" means the person who for the time being is the legal holder of a policy for securing a contract with an insurance company ;

(p) "prescribed" means prescribed by rules made under this Act ;

(g) "the Registrar," in relation to any insurance company, means the person performing the duty of the registration of companies under the Indian Companies Act, 1913, in VII of 1913 the province in which the principal office of the insurance company is situated ; and

(r) "workmen's compensation insurance business" means the insuring of employers against liability to pay compensation or damages to workmen.

CHAPTER II.—*General Provisions.*

3. (1) Every insurance company shall have a principal office in British India to
Principal office. which all communications and notices may be addressed.

(2) Any notice or process required to be served on an insurance company shall be sufficiently served if left at or sent by post to the principal office of the company.

4. Every insurance company shall, within one month from the commencement of
Particulars to be this Act or before it begins to carry on business, whichever is later,
filed. furnish to the Governor-General in Council—

(a) a certified copy of the charter, statutes, deed of settlement or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof ;

(b) the full address of the principal office of the company in British India ;

(c) the names of the directors, principal officer and the auditor of the company in British India ;

(d) a statement of the classes of insurance business carried on or intended to be carried on by the company in British India ;

and, in the event of any alteration being made in any such instrument or in the address of the principal office or in the names of such persons or in such classes of business as aforesaid, the company shall forthwith furnish to the Governor-General in Council particulars of the alteration.

5. An insurance company constituted in British India after the commencement of
Name of Company. this Act shall not have a name identical with that of a company already
in existence in British India, or so nearly resembling that name as to be likely to deceive.

6. Every insurance company shall cause a sufficient number of copies of its deed of
Deed of settlement. settlement or other instrument constituting the company to be printed,
and shall, on the application of any member or policy-holder, furnish to him a copy of such deed or instrument on payment of a sum not exceeding one rupee.

7. Every life insurance company constituted in British India, shall keep a list of the
List of members. names and addresses of its members and shall, on the application of any
member or policy-holder of the company, furnish to him a copy of such list on payment of a sum not exceeding six annas for every hundred words required to be copied.

8. Where any notice, advertisement or other official publication of an insurance
Publication of company contains a statement of the amount of the authorised, issued
capital. or subscribed capital of the company, the publication shall also contain a statement of the amount of the capital which has been paid up.

9. An insurance company constituted in British India shall not, after the commence-
Prohibition of ment of this Act, grant loans or temporary advances either on hypothe-
loans to directors, cation of property, or on personal security, except loans on its life
etc. policies within their surrender values, to any director, managing agent

or officer of the company or, where the insurance company is a firm, to any partner therein or to any other company or firm in which any such director, managing agent, officer or partner holds the position of director, managing agent, officer or partner.

CHAPTER III.—*Deposits.*

10. Subject to the provisions of this Chapter, every insurance company shall deposit and keep deposited with the Controller of Currency for and on behalf of the Governor-General in Council, in respect of any class or classes of insurance business carried on or intended to be carried on by it in British India, Government securities as defined in the Indian Securities Act, 1920, of the face value hereinafter specified in respect of that class or those classes, as the case may be, that is to say—

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- (a) of the face value of two hundred thousand rupees in respect of life insurance business ;
- (b) of the face value of one hundred thousand rupees in respect of each of the following classes, namely :—
 - (i) workmen's compensation insurance business,
 - (ii) accident insurance business,
 - (iii) fire insurance business, or
 - (iv) marine insurance business ; and
- (c) of the face value of one hundred thousand rupees in respect of any other class or classes of insurance business :

Provided that an insurance company shall not be liable to deposit Government securities of a total face value exceeding two hundred thousand rupees in respect of any of the classes of business referred to in clauses (b) and (c).

11. Every deposit required by Section 10 shall be made, in the case of an insurance company which is carrying on insurance business at the commencement of this Act or which begins to carry on such business within six months of such commencement, before the expiry of that period and, in other cases, before the insurance company begins to carry on such business :

Provided that, in the case of a life insurance company constituted in British India, the Governor-General in Council may, on the application of the insurance company, permit the deposit of securities in respect of life insurance business to be made in five annual instalments, of which the first shall be a deposit of securities of the face value of one hundred thousand rupees made before the expiry of six months from the commencement of this Act or before the company begins to carry on life insurance business, according as the company has begun to carry on such business before or after such expiry, and the remainder shall be deposits of securities of the face value of ten, twenty, thirty and forty thousand rupees respectively made in each case before the close of the calendar year next following that in which the previous deposit fell due for payment.

12. In the case of a mutual insurance company constituted in British India, the Governor-General in Council may, on the application of the company, exempt the company from making any deposit or permit the deposit of securities to be made at such rate or at such intervals as he thinks fit, and subject to such conditions as he may think desirable to impose with regard to payment of part of the premium income to trustees or, where the company carries on or intends to carry on life insurance business, to the frequency with which the company shall undergo actuarial investigation and to the principles on which such actuarial investigation shall be carried out.

13. Securities already deposited by an insurance company with the Controller of Currency in compliance with the Indian Life Assurance Companies Act, 1912, shall be deemed to have been deposited under this Act in respect of the life insurance business of the company. VI of 1912.
- Manner of dealing with deposits already made.*
14. The insurance company by which any deposit has been made under this Act shall be entitled to receive the income derived from the securities so deposited.
- Income from deposits.*
15. Securities deposited by an insurance company under this Act shall be deemed to be part of the assets of the company, but shall not be capable of being assigned or charged or be liable to attachment and, save as expressly provided by this Act, shall not be returnable to the insurance company or to any person on its behalf.
- Protection of deposits from attachment, etc.*
16. Where an insurance company has ceased to carry on in British India any class of insurance business in respect of which securities have been deposited under this Act, and its liabilities in British India in respect of business of that class have been satisfied or are otherwise provided for, the Court may, on the application of the company, order the securities deposited in respect of business of that class to be returned to the company.
- Refund of deposit.*
17. An insurance company may at any time substitute for any securities deposited under this Act any Government securities of the same face value.
- Substitution of deposit.*

CHAPTER IV.—*Accounts and Returns.*

18. (1) Save as hereinafter provided in this Chapter, every insurance company shall keep a separate account of all receipts and payments in respect of each class of insurance business carried on by it, and the excess of receipts over payments in each class shall form a separate insurance fund with an appropriate name.
- Separation of accounts and funds.*
- (2) For the purposes of this section, workmen's compensation insurance business transacted in British India shall be deemed to be a class of business separate from workmen's insurance business transacted elsewhere.
- (3) Any business carried on by an insurance company as incidental to insurance business of a particular class may be treated as insurance business of that class for the purposes of this Act.
19. Any insurance company which has, during the five years immediately preceding the commencement of this Act, kept a joint account and maintained a joint fund in respect of any two or more classes of insurance business, not being workmen's compensation insurance business transacted in British India or life insurance business, shall be entitled to continue to keep such account and maintain such fund, and any other insurance company may, on application made to the Governor-General in Council, be permitted to keep a joint account and maintain a joint fund in respect of any two or more of such classes of business as aforesaid.
- Joint accounts and funds.*
20. A fund formed in respect of any particular class or classes of insurance business shall be as absolutely the security of the policy-holders of that class or those classes as though it belonged to an insurance company carrying on those classes as though it belonged to an insurance company carrying on no other business, and shall not be liable for any contracts of the insurance company for which it would not have been liable had the business of the company been only that of insurance of that class or those classes, as the case may be, and shall not be applied, directly or indirectly, for any purposes other than those of the class or classes in respect of which the fund has been formed :
- Liability of funds.*

Provided that, in the case of an insurance company constituted before the commencement of this Act, nothing in this section shall be deemed to affect the liability of any fund to the prejudice of persons interested in contracts entered into by the company before such commencement.

Accounts and balance sheet. 21. (1) Every insurance company shall, at the expiration of each financial year, prepare—

- (a) a revenue account for the year in the form or forms, applicable to the class or classes of insurance business carried on by the company, set forth in the First Schedule or in such form or forms as may be prescribed and are so applicable ;
- (b) a profit and loss account in the form set forth in the Second Schedule, except where the company carries on insurance business of one class only and no other business ;
- (c) a balance-sheet in the form set forth in the Third Schedule ; and
- (d) a statement of the share capital in such form as may be prescribed.

(2) The accounts, balance-sheet and statement shall be audited in the prescribed manner by an auditor who shall possess such qualifications as may be prescribed or shall be approved by the Governor-General in Council in that behalf.

Particulars to be stated in every revenue account. 22. (1) The amounts to be shown in every revenue account shall be the net amounts after deduction of all amounts paid and received in respect of re-insurances of the risks of the insurance company, and may be stated to the nearest rupee.

(2) Where credit has been taken in the balance-sheet for any sum deducted from the expenses of management relating to any class of business, the sum so deducted shall be shown separately in the revenue account for that class of business.

(3) Every revenue account shall state how much of the premium income of the year relates to business of the insurance company transacted in India.

Liability for outstanding claims and reserve for unexpired risks. 23. (1) To every revenue account in which the estimated liability in respect of outstanding claims is required to be stated there shall be appended a separate statement in such form as may be prescribed showing particulars of the outstanding claims and the liability estimated in respect thereof.

(2) Every revenue account in which the reserve for unexpired risks is required to be stated shall, if the reserve is less than forty per centum of the premium income of the year, show how such reserve has been determined.

Particulars regarding assets to be stated in balance-sheet. 24. (1) Every balance-sheet shall state how the values placed on each of the investments set forth therein have been determined, and the value of any such investment shall not be in excess of the cost price or the market value, whichever is higher.

(2) A certificate shall be appended to the balance-sheet to the effect that the assets are in the aggregate fully of the value stated therein, less any investment depreciation reserve taken into account.

(3) If the insurance company holds any shares to which a liability attaches in respect of any amounts unpaid thereon, the full amount of the liability shall be stated separately in the balance-sheet.

(4) Where debentures have been issued or loans raised which are charged on any of the assets of the insurance company, full particulars of such charge shall be appended to the balance-sheet.

(5) Where the balance-sheet includes amongst the assets any sums representing expenses of organisation or extension, or the purchase of business or goodwill, or bad debts, or the adverse balance of the profit and loss or of any revenue account, a statement of such sums in the form prescribed shall be appended to the balance-sheet.

(6) The balance sheet shall have a statement appended to it showing the assets held by the insurance company in British India.

(7) Where any part of the assets of the insurance company is specifically deposited in any country outside British India under the law in force in that country as security to the holders of policies issued in that country, the country in which the policies were issued and the amount deposited therein in respect of each class of insurance business shall be stated in the balance-sheet.

25. (1) Every life insurance company shall once in every five years, or at such shorter intervals as may be required by the instrument constituting the company or by its regulations or by-laws, cause an investigation to be made into its financial condition by an actuary, and shall cause an abstract of the report of such actuary to be made in the form set forth in the Fourth Schedule.

Actuarial report and abstract.

(2) The provisions of sub-section (1) regarding the making of an abstract shall also apply whenever at any other time an investigation into the financial condition of a life insurance company is made with a view to the distribution of profits or to the ascertainment of its exact financial condition.

(3) There shall be appended to every such abstract as aforesaid a certificate to the effect that full and accurate particulars of every life policy under which there is a liability, either actual or contingent have been furnished to the actuary for the purpose of the investigation.

(4) There shall be appended to every such abstract as aforesaid particulars of the life policies in force on the date as at which the investigation is made, in the form set forth in the Fifth Schedule: Provided that, if the investigation is made annually by any company, such particulars need not be appended every year but at least once in every five years.

26. Where an investigation into the financial condition of a life insurance company is made as at a date other than the expiration of the company's financial year, the accounts for the period since the expiration of the last financial year and the balance-sheet as at the date at which the investigation is made shall be prepared and audited in the manner provided by or under this Act.

Audit at date of valuation.

27. Every life insurance company shall, at the expiration of each financial year, prepare statements giving such particulars regarding the business transacted during that year as are referred to in the form set forth in the Seventh Schedule or as may be prescribed.

Statements of new and discontinued policies.

28. Every account, balance-sheet, statement, and actuarial abstract required by any of the preceding provisions of this Chapter shall be printed, and four copies thereof, one of which shall be signed by the chairman and two directors of the company and by the principal officer of the company and, if the company has a managing director, by the managing director, or, in the case of a firm, by two partners therein, shall be furnished to the Governor-General in Council, in the case of accounts, balance-sheets and statements within six months, and in the case of actuarial abstracts within one year, after the close of the period to which the account, balance-sheet, statement or abstract relates:

Submission of returns.

Provided that the Governor-General in Council may in any case extend the period allowed by this section by such further period as he thinks fit.

29. An insurance company constituted outside British India to which the Assurance Companies Act, 1909, applies, may, in lieu of the returns required by Section 28, furnish the returns deposited with the Board of Trade by the company in compliance with that Act, provided that the following statements, signed by the principal officer of the company in British India, are also furnished along with those returns, namely :—

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Returns from companies carrying on business in the United Kingdom:

- (a) a statement showing, for each class of insurance business, how much of the premium income of the year to which the returns relate is in respect of business transacted by the company in India ;
- (b) a statement showing the assets held by the company in British India ;
- (c) where the company carries on life insurance business, a statement showing the life policies issued in India by the company during the year ; and
- (d) where the company carries on workmen's compensation insurance business, a revenue account in respect of such business transacted by the company in British India.

30. (1) If any return furnished to the Governor-General in Council appears to him to be inaccurate or defective in any respect, he may call upon the company to furnish a further statement correcting any such inaccuracies or supplying any such deficiencies.

Defective returns-

(2) Where the Governor-General in Council has called upon an insurance company to furnish a further statement as aforesaid, he shall specify the time within which such further statement shall be furnished, and may also stipulate that such further statement shall be certified by the auditor or by the actuary, as the case may be.

(3) Where any inaccuracy or deficiency disclosed by a further statement so furnished entails an alteration of the original returns, it shall be the duty of the insurance company to amend the returns accordingly.

31. (1) Where an insurance company has failed to furnish any return hereinbefore referred to, or to furnish a further statement when required to do so, within the specified time, or where the Governor-General in Council is of opinion that any such return or further statement discloses an unsatisfactory state of affairs or that such further statement is insufficient, he may appoint an inspector to examine into the affairs of the company and to report thereon in such manner as he may direct.

(2) Where an inspector has been appointed under sub-section (1), the provisions of Section 140 of the Indian Companies Act, 1913, shall apply for the purposes of any examination made by him.

9 Edw. 7, c.49.

(3) All expenses of and incidental to the inspection shall be paid by the insurance company and, in the event of the winding up of the insurance company before such expenses have been paid, shall be payable out of the assets of the company in priority to all other claims at the date of the winding up.

32. If the Governor-General in Council, on considering any return or further statement furnished by a life insurance company, is of opinion that the company is in such a position that there is reason to doubt its ability to fulfil its contracts, he may require it to submit its affairs to the examination of an actuary with a view to ascertaining the exact position and to formulating plans for dealing with it, and shall specify the time within which the actuary's report shall be furnished to him by the company.

Submission of the affairs of a company to an actuary for examination.

33. A printed copy of the accounts, balance-sheet, abstract, or statement, last furnished to the Governor-General in Council in accordance with the provisions of Section 28, shall, on the application of any member or policy-holder of the company, be forwarded to him by the company by post or otherwise.

Right of shareholders and policy-holders to copies of accounts, etc.

34. Every insurance company shall furnish to the Governor-General in Council a certified copy of every report on the affairs of the company submitted to the members or policy-holders of the company, forthwith after its submission to the members or policy-holders.

Filing of reports.

35. Every insurance company shall furnish to the Governor-General in Council an abstract of the proceedings of every general meeting of the company. Every such abstract shall be despatched within fifteen days after the holding of the meeting to which it relates.

Filing of abstract of proceedings of meeting.

36. Every return, furnished to the Governor-General in Council, or a certified copy thereof, shall be kept by the Registrar, and any such returns or copies shall be open to inspection, and any person may procure a copy of any such return or of any part thereof on payment of a fee of six annas for every hundred words or fractional part thereof required to be copied.

Custody and inspection of documents.

37. (1) Every return furnished to the Governor-General in Council which has been certified by the Registrar to be a return so furnished shall be deemed to be a return so furnished.

Evidence of documents.

(2) Every document purporting to be certified by the Registrar to be a copy of a return so furnished shall be deemed to be a copy of that return, and shall be received in evidence as if it were the original return, unless some variation between it and the original return be proved.

38. The Governor-General in Council shall from time to time cause to be published, in such manner as he may direct, a summary of the accounts, balance-sheets, statements, abstracts, and other returns under this Act, or purporting to be under this Act, which have been furnished to him, and may append to such summary any note of the Governor-General in Council thereon and any correspondence in relation thereto.

Summary of returns to be published.

39. No insurance company shall publish in British India any of its returns in forms other than those in which they have been furnished to the Governor-General in Council.

Returns to be published in statutory forms.

CHAPTER V.—*Amalgamation.*

40. No life insurance company constituted in British India shall amalgamate with another insurance company, or transfer its life insurance business or any portion thereof to another insurance company, unless the amalgamation or transfer is sanctioned by the Court.

Amalgamation or transfer.

41. (1) Before an application is made to the Court to sanction the amalgamation of two or more insurance companies of which any one is a life insurance company constituted in British India, or the transfer of any life insurance business of one such insurance company to another insurance company, notice of the intention to make the application, together with a statement of the nature of the amalgamation or transfer, as the case may be, and of the reason therefor, shall, at least two months before the application is made, be sent to the Governor-General in Council and to every holder of a life policy of each company who is resident in British India, and the following documents shall be furnished to the Governor-General in Council, and shall during the two months aforesaid be kept open for the inspection of the members and policy-holders at the principal and branch offices or agencies of the insurance companies concerned, namely :—

Statements required before amalgamation.

- (a) a draft of the agreement or deed under which it is proposed to effect the amalgamation or transfer ;

certified copies of statements of the assets and liabilities of the insurance companies concerned in such amalgamation or transfer ; and

- (c) certified copies of the actuarial or other reports, including a report by an independent actuary, on the proposed amalgamation or transfer.

(2) A notice required by sub-section (1) to be sent to a policy-holder may be addressed and sent to the person to whom the notices respecting the policy are usually sent, and any notice so addressed and sent shall be deemed to be notice to the holder of the policy.

42. When an application is made to the Court to sanction the amalgamation of two or more insurance companies of which any one is a life insurance company constituted in British India, or the transfer of any life insurance business of one such insurance company to another insurance company, the Court shall cause a statement of the nature and terms of the amalgamation or transfer, as the case may be, to be published in such manner and for such period as it may direct and, after hearing the directors or other persons whom it considers entitled to be heard, may sanction the arrangement if it is satisfied that no sufficient objection to the arrangement has been established.

Sanction of amalgamation by Court.

43. Where an amalgamation takes place between any insurance companies or where any insurance business of one insurance company is transferred to another, the insurance company formed by the amalgamation or the purchasing company, as the case may be, shall, within one month from the date of the completion of the amalgamation or transfer, furnish to the Governor-General in Council—

Statements required after amalgamation.

- (a) a certified copy of the agreement or deed under which the amalgamation or transfer has been effected ; and

- (b) a declaration under the hand of the chairman and the principal officer of each company that to the best of their belief every payment made or to be made to any person whatsoever on account of the amalgamation or transfer is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities or other property by or with the knowledge of any parties to the amalgamation or transfer.

CHAPTER VI.—Penalties and Procedure.

44. Any insurance company which makes default in complying with any of the requirements of this Act, and every director, manager or secretary, or other officer or agent of, or partner in, the company who is knowingly a party to the default, shall be punishable with fine which may extend to one thousand rupees, and, in the case of a continuing default, with an additional fine which may extend to five hundred rupees for every day during which the default continues.

Penalty for non-compliance with Act.

45. If any account, balance-sheet, statement, abstract or other document required by this Act is false in any particular to the knowledge of any person who signs it, such person shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

Penalty for falsifying documents.

46. No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence under this Act.

Cognisance of offences.

47. The Governor-General in Council may publish, in the *Gazette of India* and in such other manner as he may direct, particulars of default made by an insurance company in complying with any of the requirements of this Act, provided that the default is continuing for a period of three months after the date on which the attention of the insurance company has been drawn to the fact, and, in the case of an insurance company constituted in British India, may at the same time notify that this publication is a ground on which any member or policy-holder of the company may apply to the Court at the expense of the company for a winding up order.

Publication of default.

CHAPTER VII.—*Winding up.*

48. The Court may order the winding up, in accordance with the Indian Companies Act, 1913, of an insurance company constituted in British India, and the provisions of that Act shall apply accordingly, subject, however, to the modification that the company may be ordered to be wound up—

Special provisions as to winding up of insurance companies.

VII of 1923.

- (a) on the petition of any member or policy-holder at the expense of the company where a notification has been made to this effect by the Governor-General in Council under Section 47 ; or
- (b) on the petition of ten or more policy-holders presented with the leave of the Court, which leave shall not be granted until a *prima facie* case has been established to the satisfaction of the Court, and until security for costs for such amount as the Court may think reasonable has been given ; or
- (c) on application made on behalf of the Governor-General in Council specifying grounds on which it appears to him that the company is insolvent.

49. (1) Where the insurance business or any part of the insurance business of an insurance company has been transferred to another insurance company under an arrangement in pursuance of which the first-mentioned company (in this section referred to as the subsidiary company) or the creditors thereof has or have claims against the company to which such transfer was made (in this section referred to as the principal company), then, if the principal company is being wound up by or under the supervision of the Court, the Court shall (subject as hereinafter mentioned) order the subsidiary company to be wound up in conjunction with the principal company, and may by the same or any subsequent order appoint the same person to be liquidator for the two companies, and make provision for such other matters as may seem to the Court necessary, with a view to the companies being wound up as if they were one company.

Winding up of subsidiary companies.

(2) The commencement of the winding up of the principal company shall, save as otherwise ordered by the Court, be the commencement of the winding up of the subsidiary company.

(3) In adjusting the rights and liabilities of the members of the several companies between themselves, the Court shall have regard to the constitution of the companies, and to the arrangements entered into between the companies, in the same manner as the Court has regard to the rights and liabilities of different classes of contributories in the case of the winding up of a single company, or as near thereto as circumstances admit.

(4) Where any company alleged to be subsidiary is not in process of being wound up at the same time as the principal company to which it is alleged to be subsidiary, the Court shall not direct the subsidiary company to be wound up unless, after hearing all objections (if any) that may be urged by or on behalf of the company against its being wound up, the Court is of opinion that the company is subsidiary to the principal company, and that the winding up of the company in conjunction with the principal company is just and equitable.

(5) An application may be made in relation to the winding up of any subsidiary company in conjunction with a principal company by any creditor of, or person interested in, the principal or subsidiary company.

(6) Where a company stands in the relation of a principal company to one insurance company, and in the relation of a subsidiary company to some other insurance company, or where there are several insurance companies standing in the relation of subsidiary companies to one principal company, the Court may deal with any number of such companies together or in separate groups, as it thinks most expedient, upon the principles laid down in this section.

50. When an insurance company is being wound up, the liquidator or liquidators shall apply to the Court for an order for the return of the securities deposited by the company under this Act, and the Court shall, on such application, order the return of the deposit subject to such terms and conditions as it shall direct.

51. Where an insurance company is being wound up, the value of a policy of any class or of a liability under such a policy requiring to be valued in such winding up shall be estimated in the manner, applicable to policies and liabilities of that class, provided by the Sixth Schedule.

52. The rules in the Sixth Schedule shall be of the same force, and may be repealed, altered, or amended, as if they were rules made in pursuance of Section 246 of the Indian Companies Act, 1913, and rules may be made under that section for the purpose of carrying into effect the provisions of this Act with respect to the winding up of insurance companies.

53. Where an insurance company is being wound up, the liquidator, in the case of all persons appearing by the books of the company to be entitled to or interested in policies granted by the company, shall ascertain the value of the liability of the company to each such person, and shall give notice of such value to those persons in such manner as the Court may direct, and any person to whom notice is so given shall be bound by the value so ascertained unless he gives notice of his intention to dispute such value in such manner and within such time as may be specified by a rule or order of the Court.

54. The Court, in the case of a life insurance company which has been proved to be insolvent, may, if it thinks fit, in place of making a winding up order, reduce the amount of the contracts of the life insurance company upon such terms and subject to such conditions as it thinks just.

CHAPTER VIII.—*Supplement.*

55. (1) The Governor-General in Council may make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the qualifications to be possessed by actuaries and auditors under this Act;
- (b) the manner in which the accounts of insurance companies shall be audited and the particulars to be stated in the reports of auditors;
- (c) the form of revenue account, in respect of any class of insurance business for which no form has been set forth in the First Schedule;
- (d) the form of any statement required under clause (d) of sub-section (1) of Section 21, sub-section (1) and (2) of Section 23, sub-section (5) of Section 24, or Section 27;
- (e) the additional statements of business to be prepared by every dividing society and the manner in which any such statement shall be furnished to the Governor-General in Council;

- (f) the extent, if any, to which an insurance company may treat as an asset any premiums or instalments of premiums which have not actually become due for payment or in respect of which the periods during which payment may be made without penalty have expired before the close of the year of account, and the manner in which such items shall be shown in the accounts and balance-sheet ;
- (g) the determination of the business of an insurance company which shall be deemed to be business transacted in India or British India ;
- (h) the language and currency in which returns required by this Act shall be furnished and the certification of translations of any such returns ; and
- (i) any other matter which is to be or may be prescribed.
- (3) Rules so made shall be published in the *Gazette of India* and, on such publication, shall have effect as if enacted in this Act.

56. The Governor-General in Council may, on the application or with the consent of an insurance company, alter any form contained in the Schedules as respects that company, for the purpose of adapting it to the circumstances of that company.

57. The Governor-General in Council may, by notification in the *Gazette of India*, and subject to such restrictions and conditions as he may specify in the notification, exempt any insurance company from all or any of the provisions of this Act or of any rules made thereunder.

58. Where an insurance company which is registered under the Indian Companies Act, 1913, or is an existing company as defined in that Act, in any year furnishes its accounts and balance-sheet in accordance with the provisions of Section 28, the company may, at the same time, send to the Registrar a copy of such accounts and balance-sheet ; and, where such copy is so sent, it shall not be necessary for the company to file a balance-sheet with the Registrar as required by sub-section (1) of Section 134 of that Act, and the copy of the accounts and balance-sheet so sent shall be dealt with in all respects as if it were a balance-sheet filled in accordance with that section.

59. For Section 3 of the Provident Insurance Societies Act, 1912, the following section shall be substituted, namely :—

“ 3. Nothing in this Act shall apply to any Provident Insurance Society which pays or undertakes to pay on any policy an annuity exceeding fifty rupees or a gross sum exceeding five hundred rupees, or which receives or undertakes to receive by way of premium or contribution under any insurance policy any sum exceeding two hundred and fifty rupees where the said premiums or contributions are payable for one year or a limited number of years, or exceeding twenty-five rupees in any one year where the premiums or contributions are unlimited in number and terminable on death or the occurrence of an uncertain event :

Provided that, in determining whether this Act applies to any Provident Insurance Society, contracts entered into by the Society before the commencement of the Indian Insurance Companies Act, 1925, shall not be taken into consideration.

Explanation.—For the purposes of this section in its application to life insurance business, “ policy ” includes a series of policies on any one life.”

60. The Indian Life Assurance Companies Act, 1912, is hereby repealed.

THE FIRST SCHEDULE.

(See Section 21.)

(A) FORM APPLICABLE TO LIFE INSURANCE BUSINESS.

Revenue account of the.....for the year ending.....in respect of life insurance business.

	Rs.		Rs.
Amount of life insurance fund at the beginning of the year		Claims under life insurance policies admitted or intimated :—	
Premiums		By death	Sums assured. Bonus additions.
Interests dividends and rents .. .		By survivorship .. .	
Less income-tax		Surrenders, including surrenders of bonus additions	
Other receipts (accounts to be specified)		Annuities	
		Commission	
		Expenses of management	
		Other payments (accounts to be specified)	
		Amount of life insurance fund at the end of the year, as per Third Schedule .. .	
	Rs.		Rs.

NOTE.—Companies having separate funds for annuities or for different branches of life insurance business to return the particulars of their annuity business or of their business in each branch separately.

(B) FORM APPLICABLE TO WORKMEN'S COMPENSATION INSURANCE BUSINESS.*

Revenue Account of the.....for the year ending.....in respect of workmen's compensation insurance business transacted in British India.

	Rs.		Rs.
Amount of workmen's compensation insurance fund at the beginning of the year :—		Claims under policies :—	
Total estimated liability in respect of outstanding claims .. .		Lump payments	
Reserve for unexpired risks		Half-monthly payments .. .	
Additional reserve (if any)		Commission	
Premiums		Expenses of management	
Interest, dividends and rents .. .		Other payments (accounts to be specified) .. .	
Less income-tax		Amount of workmen's compensation insurance fund at the end of the year, as per Third Schedule :—	
Other receipts (accounts to be specified) .. .		Total estimated liability in respect of outstanding claims .. .	
		Reserve for unexpired risks	
		Additional reserve (if any)	
	Rs.		Rs.

(C) FORM APPLICABLE TO ACCIDENT INSURANCE BUSINESS.

Revenue Account of the.....for the year ending.....in respect of accident insurance business.

	Rs.		Rs.
Amount of accident insurance fund at the beginning of the year :—		Claims under policies :—	
Total estimated liability in respect of outstanding claims..		Sums insured	
Reserve for unexpired risks..		Periodical allowances	
Additional reserve (if any) ..		Commission	
		Expenses of management	
		Other payments (accounts to be specified).	
Premiums		Amount of accident insurance fund at the end of the year, as per Third Schedule :—	
Interest, dividends and rents ..		Total estimated liability in respect of outstanding claims ..	
Less income-tax		Reserve for unexpired risks ..	
		Additional reserve (if any) ..	
Other receipts (accounts to be specified).			
	Rs.		Rs.

(D) FORM APPLICABLE TO FIRE INSURANCE BUSINESS.

Revenue Account of the.....for the year ending.....in respect of fire insurance business.

	Rs.		Rs.
Amount of fire insurance fund at the beginning of the year :—		Claims under policies	
Liability in respect of outstanding claims		Contributions to fire brigades	
Reserve for unexpired risks.		Commission	
Additional reserve (if any) ...		Expenses of management	
		Other payments (accounts to be specified).	
Premiums		Amount of fire insurance fund at the end of the year, as per Third Schedule :—	
Interest, dividends and rents ..		Liability in respect of outstanding claims	
Less income-tax		Reserve for unexpired risks ..	
		Additional reserve (if any) ..	
Other receipts (accounts to be specified).			
	Rs.		Rs.

(E) FORM APPLICABLE TO MARINE INSURANCE BUSINESS.

Revenue Account of the.....for the year ending.....in respect of marine insurance business.

	Rs.		Rs.
Amount of marine insurance fund at the beginning of the year :—		Claims under policies	
Liability in respect of outstanding claims		Commission	
Reserve for unexpired risks.		Expenses of management	
Additional reserve (if any).		Other payments (accounts to be specified).	
Premiums (after deduction of returns, brokerage and discount).		Amount of marine insurance fund at the end of the year, as per Third Schedule :—	
Interest, dividends and rents ..		Liability in respect of outstanding claims	
Less income-tax		Reserve for unexpired risks ..	
Other receipts (accounts to be specified).		Additional reserve (if any) ..	
	Rs.		Rs.

THE SECOND SCHEDULE.

(See Section 21.)

Profit and Loss Account of the.....for the year ending.....

	Rs.		Rs.
Balance of last year's account ..		Dividends and bonuses to shareholders, payable on.....19....for the year ending.....19	
Interest, dividends and rents not carried to other accounts ..		Expenses not charged to other accounts ..	
Less income-tax		Loss sustained (accounts to be specified) ..	
Profit realised (accounts to be specified) ..		Other payments (accounts to be specified).	
Other receipts (accounts to be specified) ..		Balance as per Third Schedule	
	Rs.		Rs.

THE THIRD SCHEDULE.

(See Section 21.)

Balance Sheet of the on the 19.....

LIABILITIES.	Rs.	ASSETS.	Rs.
Shareholders' capital paid up (if any) ..		Investments :—	
Life insurance funds*		Deposit with the Controller of Currency (securities to be specified)	
Workmen's compensation insurance fund (Indian business)		Indian Government securities	
Workmen's compensation insurance fund (non-Indian business)		Indian Provincial Government securities.	
Accident insurance fund		British Government securities	
Fire insurance fund		Colonial Government securities	
Marine insurance fund		Other Government securities (to be specified)	
Other insurance funds (if any) to be specified		Indian Municipal and Port Trust securi- ties	
General reserve fund (if any)		Preference and guaranteed stocks and shares (to be specified).. .. .	
Profit and loss account		Debentures and debenture stock (to be specified).	
Investment depreciation reserve ..		Other securities (to be specified).. ..	
Outstanding claims under life insurance policies† :—		House and landed property :—	
Admitted but not paid ..		Mortgages	
Intimated but not admitted ..		Loans to municipal and other public bodies	
Annuities due and unpaid†		Loans on stocks and shares	
Other sums owing by the company† (to be stated separately under each class of business).		Loans on company's policies within their surrender values	
		Loans on personal security	
		Agent's balances	
		Outstanding premiums†	
		Outstanding interest, dividends and rents†.	
		Interest accrued but not payable† ..	
		Bills receivable	
		Cash :—	
		On deposit	
		In hand and on current account ..	
		Other assets (to be specified)	
	Rs.		Rs.

* Life companies having separate funds for annuities or for different branches of life insurance business to show amounts thereof separately.

† These items are or have been included in the corresponding items in the First Schedule.

NOTE 1.—A balance-sheet in the above form shall be rendered in respect of each separate fund for which separate investments are made.

NOTE 2.—Particulars must be given of all loans, except loans on policies within their surrender values, granted to any director or officer of the company, or to any other company in which any of the said directors or officers may hold the position either of director or of officer.

THE FOURTH SCHEDULE.

(See Section 25.)

STATEMENT respecting the VALUATION of the LIABILITIES under LIFE POLICIES of the.....
to be made and signed by the
 ACTUARY.

(The answers should be numbered to accord with the numbers of the corresponding questions.)

1. The date up to which the valuation is made.
2. The general principles adopted in the valuation, and whether these principles were determined by the instrument constituting the company or by its regulations or by-laws or how otherwise, and whether these principles have the approval of the Actuary.
3. The form in which the particulars of each policy under which there is a liability, either actual or contingent, have been furnished to the Actuary, and whether all the information and explanations have been furnished as required by him.
4. The method followed in the valuation of particular classes of assurances and annuities including a statement of the method by which the ages at entry and the ages at valuation have been arrived at.
5. The table or tables of mortality used in the valuation. The rate at each age of the mortality assumed and of the annuity value used in the valuation in cases where the tables employed are not published.
6. Whether the Actuary has made any investigation into the mortality experience of the company up to any date subsequent to the close of the previous valuation period, and whether the mortality experienced has been, on the whole, less or greater than that assumed in the valuation.
7. The rate or rates of interest assumed in the valuation.
8. The average rate of interest yielded by the assets; whether invested or uninvested, in each year during the period since the last investigation, after deduction of income-tax, calculated according to the following two formulæ :—

$$R = \frac{2I}{E+F-I}; \text{ and } S = \frac{2J}{G+H-J}$$

where R=average rate of interest, after deduction of income-tax, yielded by the total assets,

S=average rate of interest, after deduction of income-tax, yielded by the assets constituting the life insurance fund,

I=amount of interest, dividends and rents, less income-tax, shown in the profit and loss and revenue accounts,

J=amount of interest, dividends and rents, less income-tax, shown in the life insurance revenue account,

E=amount of capital and insurance funds at the beginning of the year,

F=amount of capital and insurance funds at the end of the year,

G=amount of life insurance fund at the beginning of the year, and

H=amount of life insurance fund at the end of the year,

9. The method by which the net premiums have been arrived at, together with a statement of the manner in which extra premiums have been dealt with.

10. The actual proportion of the annual premium income reserved as a provision for future expenses and profits, separately specified in respect of assurances with immediate profits, with deferred profits, and without profits and also in respect of all assurances. If the proportion be not uniform for all policies of the same class, state how the provision for future expenses and profits has been made.

11. The proportion of the premium income spent in payment of commission and other expenses in each year during the period since the last investigation, to be specified separately for new business and renewal business, on the assumption that the proportion of new premiums expended is (a) five times and (b) seven times that of renewals. For the purposes of this estimate, single premiums shall be excluded and a sum equal to five per cent. of their amount deducted from expenses for the cost of their introduction, and new premiums shall be taken to mean the premiums other than single premiums receivable in the twelve months after issue of the policies effected in the year of account.

12. The adjustments used in the valuation to allow for unequal incidence of the premium income, for premiums payable more often than once a year, for early payment of claims and for future expenses and profits in respect of limited payment and paid-up policies.

13. Whether all negative values have been eliminated from the valuation, and whether steps have been taken to prevent the policy reserve values being not less than the minimum surrender values.

14. Whether the basis of valuation differs in any respect, and, if so, in what respect, from the valuation made on the last occasion.

15. The consolidated revenue account since the last valuation, or, if no previous valuation has been made, since the commencement of the business. (This return to be made in the form annexed. No return under this heading will be required where a statement under this Schedule is deposited annually.)

16. The liabilities under life policies at the date of the valuation showing the number of policies, the amount assured, and the amount of premiums payable annually under each class of policy, both with and without participation in profits; and also the net liabilities and assets of the company, with the amount of surplus or deficiency. (These returns to be made in the forms annexed.)

17. Specimen policy reserve values held or required to be held according to the methods adopted in the valuation as well as specimen minimum surrender values in respect of whole-life assurance policies for Rs. 1,000 with premiums payable throughout life effected at the respective ages of 20, 30, 40 and 50, and immediately on payment of the 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 15th and 20th annual premium; with similar specimen policy reserve values and specimen minimum surrender values in respect of whole-life assurance policies subject to premiums payable for 20 years and of endowment assurance policies maturing at age 55. (This return to be made in the form annexed.)

18. Where the valuation discloses a surplus and the surplus is distributed among the policy-holders and shareholders—

- (1) the principles upon which such distribution is made, and whether these principles were determined by the instrument constituting the company or by its regulations or by-laws or how otherwise, and the number of years' premium to be paid before a bonus (a) is allotted, and (b) vests;

- (2) the amount of surplus allocated—
- (a) to the policy-holders with immediate participation, and the number and amount of the policies which participate ;
 - (b) to the policy-holders with deferred participation, and the number and amount of the policies which participate ;
 - (c) to the shareholders ;
 - (d) to reserve funds, or other accounts ;
- (3) specimens of the bonuses to be allotted to whole-life assurance policies for Rs. 1,000 which have been in force for five years, ten years, and upwards at intervals of five years respectively. If the bonuses vary for different ages at entry, specimens are to be given for ages 20, 30, 40 and 50, respectively. Similar specimen bonuses in respect of endowment assurance policies, according to age at entry, original term of policy and duration, to be stated.

19. Where the valuation discloses a deficiency which is not covered by the paid-up capital—the steps, if any, which can be taken by the company to meet the deficiency or whether the company should be wound up.

NOTE.—Separate statements to be furnished throughout in respect of each branch of life insurance business for which a separate fund is maintained, the basis of the division being stated. Where annuity certain, sinking fund or bond investment business is carried on, a separate statement signed by the actuary shall be furnished, showing the total number of policies valued, the total sums assured, and the total office yearly premiums, and also showing the total net liability in respect of such business and the basis on which such liability is calculated.

[FORM referred to in question No. 15 in Fourth Schedule.]

CONSOLIDATED REVENUE ACCOUNT of the.....for.....years
commencing.....and ending.....

	Rs.		Rs.
Amount of life insurance fund at the beginning of the period		Claims under life insurance policies admitted or intimated :—	
Premiums		By death	
Interest, dividends and rents ..		By maturity	
Less income-tax ..		Surrenders	
Other receipts (accounts to be specified).		Annuities	
		Commission	
		Expenses of management	
		Other payments (accounts to be specified).	
		Amount of life insurance fund at the end of the period, as per Third Schedule ..	
	Rs.		Rs.

NOTE.—If any sum has been deducted from the expenses of management account and taken credit for in the balance-sheet as an asset, the sum so deducted to be separately shown in the above statement.

[FORM referred to in question No. 16 in Fourth Schedule.]

SUMMARY and VALUATION of the POLICIES of the as at 19.....

Description of transactions.	PARTICULARS OF THE POLICIES FOR VALUATION.					VALUATION.				
	Number of policies.	Sums assured.	Bonus additions.	Office yearly premiums.	Net yearly premiums.	Value by the.... Table, interest.... per cent.				
						Sums assured.	Bonus additions.	Office yearly premiums.	Net yearly premiums.	Net liability.
	1	2	3	4	5	6	7	8	9	10
ASSURANCES.										
<i>I.—With immediate participation in profits.</i>										
For whole term of life ..										
Other classes (to be specified).										
<i>II.—With deferred participation in profits.</i>										
For whole term of life ..										
Other classes (to be specified).										
Total assurances with profits.										
<i>III.—Without participation in profits.</i>										
For whole term of life ..										
Other classes (to be specified).										
Total assurances without profits.										
Total assurances ..										
Deduct re-assurances (to be specified according to class in a separate statement) ..										
Net assurances										
Adjustments, if any (to be separately specified).										
ANNUITIES ON LIVES.										
Immediate		Amount per annum.								
Other classes (to be specified).										
Total of the results ..										

NOTE 1.—Items in this summary to be stated to the nearest rupee.

NOTE 2.—Separate returns and valuation results shall be furnished in respect of classes of policies valued by different tables of mortality, or at different rates of interest.

NOTE 3.—In cases also where separate valuations of any portion of the business are required under local laws in places outside British India, a summary statement shall be furnished in respect of the business so valued in each such place showing the total number of policies, the total sums assured and bonuses, the total office yearly premiums, and the total net liability on the bases as to mortality and interest adopted in each such place, with a statement as to such bases respectively.

[FORM referred to in question No. 16 in Fourth Schedule.]

VALUATION BALANCE SHEET of.....as at.....19....

<i>Dr.</i>	Rs.	<i>Cr.</i>	Rs.
To net liability under life assurance and annuity transactions (as per summary statement)		By life insurance funds (as per balance-sheet under Third Schedule)	
To surplus, if any		By deficiency, if any	

NOTE 1.—Where the balance-sheet includes amongst the assets thereof any sums representing expenses of organisation or extension, or the purchase of business or goodwill, or bad debts, or the adverse balance of any revenue or profit and loss account, and the amount of the assets exclusive of such sums and after deducting debts due by the company other than debentures and loans is less than the amount of the life insurance fund or, as the case may be, of the several insurance funds as shown in that balance-sheet, the amount of the life insurance fund shown in the valuation balance-sheet shall be reduced by the amount of the deficiency, or, as the case may be, by a sum bearing such proportion to that deficiency as the amount of the life insurance fund shown in the first-mentioned balance-sheet bears to the aggregate amount of all the insurance funds so shown.

NOTE 2.—Where debentures have been issued or loans raised which are charged on any of the assets of the company in which the life insurance fund is invested there shall be inserted in the valuation balance-sheet a note giving the particulars of the charge and stating that the result shown by the valuation is subject to the liability under the charge.

[FORM referred to in question No. 17 in Fourth Schedule.]

SPECIMEN POLICY RESERVE VALUES AND MINIMUM SURRENDER VALUES
UNDER A.....POLICY FOR Rs. 1,000.

Number of premiums paid.	AGE AT ENTRY 20.		AGE AT ENTRY 30.		AGE AT ENTRY 40.		AGE AT ENTRY 50.	
	Reserve value.	Minimum surrender value.	Reserve value.	Minimum surrender value.	Reserve value.	Minimum surrender value.	Reserve value.	Minimum surrender value.
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
15								
20								

NOTE.—Items in this form to be stated to the nearest rupee.

THE FIFTH SCHEDULE.

[See Section 25 (4).]

Particulars of Life Policies of the.....on the.....19...., to be signed by the Actuary.

(The answers should be numbered to accord with the numbers of the corresponding questions. Statements of re-assurances corresponding to the statements in respect of assurances are to be given throughout.) Separate statements are to be furnished in the replies to all the headings under this Schedule in respect of each section of the business for which a separate Summary and Valuation is given in Fourth Schedule. Answers to questions 2 to 9 to be stated to the nearest rupee.

1. The published table or tables of premiums for assurances for the whole term of life and for endowment assurances which are in use at the date above mentioned.

2. The total amount assured on lives for the whole term of life which are in existence at the date above mentioned, distinguishing the portions assured with immediate profits, with deferred profits, and without profits, stating separately the total reversionary bonuses and specifying the sums assured for each year of life from the youngest to the oldest ages, the basis of division as to immediate and deferred profits being stated.

3. The amount of premiums receivable annually for each year of life, after deducting the abatements made by the application of bonuses in respect of the respective assurances mentioned under Heading No. 2, distinguishing ordinary from extra premiums. A separate statement is to be given of premiums payable for a limited number of years, classified according to the number of years' payments remaining to be made.

4. The total amount assured under endowment assurances, specifying sums assured and office premiums separately in respect of each year in which such assurances will mature for payment. The reversionary bonuses must also be separately specified, and the sums assured with immediate profits, with deferred profits, and without profits separately returned.

5. The total amount assured under classes of assurance business, other than assurances dealt with under questions 2 and 4, distinguishing the sums assured under each class and stating separately the amount assured with immediate profits, with deferred profits, and without profits, and the total amount of reversionary bonuses.

6. The amount of premiums receivable annually in respect of each such special class of assurances mentioned under Heading No. 5, distinguishing ordinary from extra premiums.

7. The total amount of premiums which has been received from the commencement upon pure endowment policies which are in force at the date above mentioned.

8. The total amount of immediate annuities on lives, distinguishing the amounts for each year of life, and distinguishing male and female lives.

9. The amount of all annuities on lives other than those specified under Heading No. 8, distinguishing the amount of annuities payable under each class, and the amount of premiums annually receivable.

THE SIXTH SCHEDULE.

(See Section 51.)

I.—RULES FOR VALUING POLICIES IN CASE OF WINDING UP.

(A) AS RESPECTS LIFE POLICIES.

Rule for valuing an annuity.

An annuity shall be valued according to the tables used by the company which granted such annuity at the time of granting the same, and, where such tables cannot be ascertained

or adopted to the satisfaction of the Court, then according to such rate of interest and table of mortality as the Court may direct.

Rule for valuing a policy.

The value of the policy is to be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus or addition thereto made before the commencement of the winding up, and the present value of the future annual premiums.

In calculating such present values interest is to be assumed at such rate, and the rate of mortality according to such tables, as the Court may direct.

The premium to be calculated is to be such premium as according to the said rate of interest and rate of mortality is sufficient to provide for the risk incurred by the office in issuing the policy, exclusive of any addition thereto for office expenses and other charges.

(B) AS RESPECTS WORKMEN'S COMPENSATION POLICIES.

Rule for valuing a half-monthly payment.

The present value of a half-monthly payment shall be valued according to the tables used by the company which granted such half-monthly payment at the time of granting the same, and, where such tables cannot be ascertained or adopted to the satisfaction of the Court, then according to such rate of interest and table of mortality as the Court may direct.

Rule for valuing a policy.

The value of a current policy shall be such portion of the last premium paid as is proportionate to the unexpired portion of the period in respect of which the premium was paid, together with, in the case of a policy under which any half-monthly payment is payable, the present value of that half-monthly payment.

(C) AS RESPECTS ACCIDENT POLICIES.

Rule for valuing a periodical payment.

The present value of a periodical payment shall be valued according to the tables used by the company which granted such weekly payment at the time of granting the same, and, where such tables cannot be ascertained or adopted to the satisfaction of the Court then according to such rate of interest and table of mortality as the Court may direct.

Rule for valuing a policy.

The value of a current policy shall be such portion of the last premium paid as is proportionate to the unexpired portion of the period in respect of which the premium was paid.

(D) AS RESPECTS FIRE AND OTHER POLICIES.

Rule for valuing a policy.

The value of a current policy shall be such portion of the last premium paid as is proportionate to the unexpired portion of the period in respect of which the premium was paid.

THE SEVENTH SCHEDULE.

(See Section 27.)

(A) FORM OF STATEMENT OF NEW LIFE INSURANCE BUSINESS.

New life assurances and annuities effected in India by the.....
during the year ending.....

Class of policy.	Number of policies.	*Sums assured.	*Single premiums.	*Annual premiums.
		Rs.	Rs.	Rs.
Whole-life assurances				
Endowment assurances				
Other classes (to be specified)				
Total ..				
		*Amount per annum.		
Immediate annuities				
Other annuities (to be specified) ..				

* Exclusive of re-assurances.

A separate statement in the above form shall be furnished in respect of new life assurances and annuities effected out of India.

STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to provide for the Regulation of Insurance Companies operating in India.

There are two Acts at present in force in India relating to insurance companies. One is the Indian Life Assurance Companies Act VI of 1912, and the other is the Provident Insurance Societies Act V of 1912. It is considered that the law should regulate all forms of insurance business carried on in India. It is proposed, therefore, to repeal Act VI of 1912 and to replace it by this Bill. As will be seen from the definition of "Insurance Company" in clause 2 (i), the Bill will apply to every company which carries on, or intends to carry on, any class of insurance business in British India, either directly or indirectly through an agent. Companies registered under the Provident Insurance Societies Act have been excluded from the scope of the Bill, but it is proposed to amend Section 3 of this Act with the object of imposing the same limits as are at present prescribed in the case of life assurance business on every kind of insurance business carried on by Provident Insurance Societies.

In framing the Bill, it has been provisionally decided to continue the policy of the Indian Life Assurance Companies Act VI of 1912, and to rely for the protection of the public mainly on a policy of allowing no insurance company to carry on business in India, unless and until it has paid a deposit to Government. These deposits should prevent the establishment of mushroom companies. In addition, it is proposed to insist on the fullest measure

of publicity in regard to the working of each company, in order that the public may judge for themselves whether it is worked on sound and prudent lines. It is also proposed to tighten the control of Government over insurance companies in some respects.

C. A. INNES.

SIMLA, the 16th June, 1925.

NOTES ON CLAUSES.

Clause 2 (f).—The definition of 'dividing society' is taken from the existing rules, issued under the Indian Life Assurance Companies Act VI of 1912. Under clause 55 (2) (e) power is taken to prescribe by rule the additional statements of business to be prepared by such societies and the manner in which such statements shall be furnished to the Governor-General in Council.

Clause 2 (r).—The definition of "workmen's compensation insurance business" contains no reference to the issue of, or the undertaking of liabilities under, policies. It is provisionally thought necessary to bring within the scope of the Act associations of employers which, without issuing policies or undertaking liabilities under policies of insurance, carry on such business for the mutual insurance of their members. Such associations may be excused from making deposits under clause 12, and may be exempted from other provisions of the Bill under clause 57.

Clause 9.—It is thought that the practice which it is proposed to prohibit is objectionable and should not be allowed.

Clause 10.—It is proposed that every insurance company carrying on, or intending to carry on, business in British India should make a deposit of Government securities, and that the exemption from this obligation hitherto allowed by Sections 32 and 33 of Act VI of 1912 to assurance companies carrying on life assurance business in the United Kingdom should be withdrawn. The main purpose of the deposit is to prevent the growth of mushroom companies. On the other hand, it is not intended to prevent the establishment of new and sound companies. The amount of the deposits has been fixed with reference to these two considerations.

Clause 11.—It is proposed that life insurance companies constituted in British India should be allowed to make the deposit in five annual instalments. The concession is based on the provisions of Section 4 of Act VI of 1912. It is not considered necessary that the same concession should be allowed to companies carrying on other kinds of insurance business.

Clause 12.—Power is taken to exempt mutual societies, with or without conditions, from the obligation to make deposits. There are a number of Indian mutual companies which could not, without great hardship, make deposits.

Clause 15.—The object of the clause is to protect deposits from attachment under any judgment obtained by a creditor of the company. It is believed that deposits under the English Act of 1909 are not liable to attachment.

Clauses 18 and 19.—These clauses deal with the question of separate accounts and funds for each class of insurance business carried on by a company. Separate funds and accounts are made obligatory in respect of life insurance business and workmen's compensation insurance business transacted in India. But joint accounts can be allowed in the case of other kinds of insurance business. The proposals are in accordance with English law on the subject.

Clause 22.—Sub-clauses (1) and (2) repeat foot-notes (2) and (3) to Form A in the First Schedule to Act VI of 1912. Sub-clause (3) prescribes the supply of information which will be a valuable index to growth of the insurance habit in India,

Clause 23 (1).—In the case of accident insurance business and workmen's compensation insurance business, where an outstanding claim frequently takes the form of a periodical payment extending over a long period, it is important that full particulars of such claims and the liability estimated in respect thereof should be appended to the revenue account. The form of statement will be prescribed by rules under the Act. For similar statements, compare Forms C and D in the Fourth Schedule to the English Assurance Companies Act, 1909.

Clause 23 (2).—Leading fire insurance companies usually make it a rule that the reserve for unexpired risks should not be less than 40 per cent. of the premium income of the year. The practice is a wholesome one, and this clause is designed to encourage it.

Clauses 24 (1) and (2).—These two clauses are modelled on foot-note 2 to the form of balance-sheet in the Third Schedule of Act VI of 1912. It is considered important, for the protection of the public, that investments should be properly valued in the balance-sheet.

Clause 24 (3).—This clause is taken from foot-note 3 to the form of balance-sheet in the First Schedule of Act VI of 1912.

Clause 24 (4).—Compare Section 18 (1) of the English Industrial Assurance Act of 1923. In regard to life insurance companies in India, the practice enjoined by this clause is already obligatory under Rule 14 of the rules issued under Act VI of 1912.

Clause 24 (5).—This clause is modelled on Rule 8 (c) of the rules issued under Act VI of 1912.

Clause 24 (6).—Under Act VI of 1912, life assurance companies have to submit this information in a separate statement to be submitted along with their revenue account.

See also clause 29 (b).

Clause 24 (7).—See foot-note 1 to the form of balance-sheet in the Third Schedule of Act VI of 1912.

Clause 25.—See Section 8 of Act VI of 1912. Sub-clause (3) corresponds to Rule 5 of the Rules issued under the above Act.

Clause 29.—The forms prescribed in the Schedule to the Bill are modelled on those prescribed by the English Assurance Companies Act of 1909. It is sufficient, therefore, that companies constituted outside British India, to which the above Act applies, should submit copies of the returns which they are required to send to the Board of Trade. See Section 33 of Act VI of 1912. But additional statements relating to the business of the company in India are prescribed.

Clause 29 (d) prescribes that a company carrying on workmen's compensation insurance business in British India must submit a revenue account in respect of such business. Compare Form D in the First Schedule to the English Assurance Companies Act, 1909.

Clause 30.—Sub-clause (1) is taken from Section 11 (2) of Act VI of 1912. Sub-clauses (2) and (3) are modelled on Section 16 of the Industrial Assurance Act, 1923.

Clause 31 (1).—The provisions of Section 37 (1) of Act VI of 1912 have not been repeated in the Bill. No use has ever been made of these provisions. The clause is modelled on Section 37 (ii).

Clause 32.—This clause is new and represents an important departure. It enables Government to deal with a life insurance company whose returns show it to be on the verge of insolvency. Under Section 22 (b) of Act VI of 1912, which is repeated in clause 48 (c) of this Bill, the Governor-General in Council may apply to the court to have a company, which appears to him to be insolvent, wound up. But there may be cases in which strong actuarial

advice may restore an unsound company to a strong and flourishing condition, and it is proposed by this clause to give the Governor-General in Council power to require a life insurance company, in cases where there is reason to doubt its ability to fulfil its contracts, to submit its affairs to actuarial examination.

Clause 39.—The forms in which insurance companies have to submit their returns to the Governor-General in Council have been carefully drawn up in order that these returns may contain essential information. It is a necessary safeguard that this information should also be made available to the public.

Clause 41.—The procedure in regard to amalgamation has been slightly simplified. Compare Section 20 of Act VI of 1912.

Clause 47.—See Section 34 of Act VI of 1912. The clause makes it plain that the default shall be a ground on which any shareholder or policy-holder may apply, at the expense of the company, for a winding order. Section 34 of Act VI of 1912 does not say who is to approach the court for a winding up order.

Clause 54.—See Section 26 of Act VI of 1912.

Clause 55 (2) (f).—This matter is dealt with by Rule 15 of the rules issued under Act VI of 1912. In order to prevent abuses, it is considered necessary for the Governor-General in Council to have power to prescribe the extent to which the premiums referred to in the clause may be treated as assets.

Clause 57.—Taken from Section 41 of Act VI of 1912.

Clause 59.—The effect of Section 3 of the Provident Insurance Societies Act, 1905, is to limit the extent to which such societies might carry on life insurance business. The amendment proposed is designed to limit the extent to which provident insurance societies may carry on any kind of insurance business.

Notes on the Schedules.

Forms A, B, C and D are based on the corresponding forms of the English Act of 1909.

Form A in the draft does not follow the form in the English Act by requiring the following items to be shown separately for business within and out of the United Kingdom:

Premiums,

Consideration for annuities,

Claims by death,

Claims by maturity,

Surrenders,

Annuities,

Bonuses in cash,

Bonuses in reduction of premium;

Commission.

By the provisions of clauses 22 (3) and 92 (a), however, the Indian premium income must be stated separately not only for life insurance but for all classes of insurance business. As the consideration for immediate annuities can be ascertained from the returns under the new 5th Schedule it is not considered necessary to have a separate entry for that item as in the English Act.

Notes 1 and 2 to Form A in the English Act are covered by the foot-note to Form A in the draft Bill. Note 3 is covered by the provisions of clause 22 (1). Note 4 by clauses 22 (2) and 24 (5). Note 5 by clause 27. Note 6 by clause 55 (2) (g).

In Form D of the 1st Schedule to the draft Bill the amount of the outstanding claims is included in the fire insurance fund instead of being shown separately in the balance-sheet as in the English Act.

In the form of balance-sheet shown in the 3rd Schedule claims under life insurance policies have been split up into claims admitted but not paid and claims intimated but not admitted. On the assets side of the balance-sheet loans and mortgages are included under the general heading of investments. The heads under which many of the other investments have to be entered have been re-arranged to suit the conditions of Indian companies.

Note 1 to the form of balance-sheet in the English Act is dealt with in clause 24 (7) of the draft Bill. Note 2 by the foot-note to the form of balance-sheet in the draft Bill. Note 3 by clauses 24 (1) and 24 (2). Note 4 by clause 20 and the rule to be framed under clause 55 (2) (b).

The draft 4th Schedule contains under questions 8 and 17 items which under the English Act are dealt with under headings 10 and 11 of the 5th Schedule to that Act. It also includes several items previously dealt with by the rules issued under the Indian Life Assurance Act of 1912.

The principal changes compared with the English Act are under draft questions Nos. 6, 8, 11, 13, 14, 17 and 19. Also in the foot-notes to the two forms referred to in question No. 16. The forms corresponding to Forms C and D of the 4th Schedule to the English Act are provided for in draft clause 23 (1).

No reference has been made in the Bill to bond investment business as it is not intended to treat such business as insurance business. There are in Madras Presidency a very large number of persons or associations known as Nidhis who transact bond investment business on a small scale and in such a way that it would not be feasible to bring it under the operation of this Act.

The 6th Schedule in the Bill corresponds to the 6th Schedule of the English Act.

The draft 7th Schedule corresponds to Statement D of the Indian Life Assurance Act of 1912.

The 7th Schedule of the English Act is covered by clause 53 of the draft Bill.

No schedule has been prepared corresponding to the 8th Schedule to the English Act

No. 1258/124 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 27th October, 1925.

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

SIR,

I am directed by my Committee to acknowledge receipt of your letter No. 4327-G/24, dated the 17th of August, on the subject of the proposed legislation to regulate and control all forms of insurance business carried on in India, and in reply have much pleasure in submitting below their considered views on the subject.

2. The Government of India letter which accompanied the draft Bill states that the Bill is intended to regulate *all* forms of insurance business. Heretofore, legislation in India has been confined to life insurance companies. After careful consideration, my Committee are unanimously agreed that the importance and growing extent of insurance business of all kinds in India justifies the Government of India in seeking to protect the general public to the fullest extent possible by introducing regulations to ensure the continued stability of existing companies, encourage the growth of sound Indian concerns in preference to foreign concerns and to prevent the flotation of new companies except on sound lines.

3. As an Association we are chiefly concerned with accident and fire insurance, and while my Committee agree that a system of deposits is necessary for all classes of insurance business to prevent the growth of mushroom companies, it is considered that the proposals enumerated in Section 10 of the Bill do not provide an adequate protection of the interests of the Indian policy-holder, and they strongly recommend that the Bill should be modified in such a manner as to make it compulsory for all insurance companies and agents or companies issuing certificates of insurance under policies issued or to be issued elsewhere than in India, to deposit a sum in India equivalent to 33-1/3 per cent. of their annual premium income in approved Indian securities.

If such a provision were incorporated in the Bill, my Committee believe that the interests of the insured would be more amply protected than by compelling companies to make a deposit as suggested in clause 10, for the reason that the larger the premium income of the company or agent, the larger would be the amount of money deposited, and small but sound concerns would not be unfairly handicapped as compared with larger concerns. For example, a large company with a premium income of twenty lakhs from four classes of insurance business and large accumulated reserves would have very little difficulty, and would be in no sense handicapped by the deposit it would have to make under clause 10 in its present form, whereas an equally sound but much smaller concern dealing in the same four classes of insurance business might be very severely crippled by having to deposit an equal sum.

That it is necessary to enforce a deposit sufficient to prevent the growth or rather the flotation of mushroom companies, my Committee agree and for this purpose they recommend a total deposit of one lakh of rupees in Government securities.

4. In the interests of the development of insurance companies incorporated in India and for the more adequate protection of insured persons, my Committee are in favour of the introduction of provisions in the Bill requiring foreign insurance companies operating in British India to keep in British India under Government control assets equal to the reserve value of the policies issued by them in British India. This Association does not attach very great weight to the objections put forward in para 5 of the Government of India letter, 36-I of 22nd June, 1925, and is inclined to think that the difficulties attendant on the insertion of the provisions mentioned in para 4 of the same letter have been exaggerated, and the full extent of the benefits which would accrue to the country by the successful development of Indian insurance companies, and the investment of further very large sums of money in Indian securities, have been lost sight of.

5. As regards clause 32 of the Bill to which special attention is drawn in the Government of India letter, it is considered that it would be, on the whole, advantageous to give powers to the Governor-General in Council to order an actuarial examination of any insurance company's position which there is good reason to believe is not in a position to fulfil its contracts. Due safeguards should, however, be introduced, so that pending the results of any inquiry by Government, the business of the insurance company concerned should not be adversely affected owing to undue publicity being given to the enquiry. It might indeed be advisable for Government to have their examination *in camera*.

6. It is not quite clear from the provisions contained in Chapter VIII of the Bill whether Indian policy-holders have any protection in the event of the winding up of a foreign company carrying on business in India, and my Committee are of the opinion that the interests of Indian policy-holders should be safeguarded by the introduction of necessary

provisions in the Bill setting forth that the funds of any company invested in approved Indian securities in accordance with the Bill should be earmarked for the benefit of the Indian policy-holders in the event of winding up.

7. My Committee have the following criticisms to offer on particular clauses of the draft Bill :—

Clause 2, sub-clauses (a), (e), (h), (m) and (j).—In the definitions of insurance business as at present framed it would still be possible for Lloyds and similar concerns to issue certificates of insurance without having to give the special safeguards to Indian policy-holders which the proposed system of deposits, etc., enforce on other insurance companies. My Committee would therefore recommend an alteration in the definitions mentioned above which would bring those companies or agents who “ issue certificates of insurance under policies issued or to be issued elsewhere ” within the scope of the Bill by compelling them to make the deposits called for from other companies.

Clause 2, sub-clause (h).—At the present time, fire insurance policies often give cover against damage by riot and civil commotion. The definition might be suitably extended or an extra definition might be added making insurance against riot and civil commotion a separate class of insurance business for which a deposit is required under clause 10.

Clause 10.—It has been pointed out that owing to the depreciated value of certain Government securities, it would be possible to deposit securities of the face value required under this clause by the expenditure of a much smaller amount of money, and this to some extent reduces the extent of the safeguard which the deposits are intended to give. It should be laid down that Rs. 1,00,000 should be invested where the clause provides for a deposit of one lakh and so on.

A further point which is not made clear is whether adequate facilities will be given for varying the class of securities deposited with the Controller of Currency and the necessary provisions might be provided in the Bill.

With reference to the adequacy of the amount of the deposit, my Committee's attitude has been made clear in paragraph 3 of this letter.

Briefly, my Committee's proposals are that all companies should be asked to make a fixed deposit of one lakh of rupees for the whole of its insurance business instead of a deposit for each particular class of business and *in addition should* keep invested at least 33-1/3 per cent. of its annual premium income in approved securities. The amount of the annual premium income could be ascertained from the previous year's balance-sheet and statement of accounts, and the amount to be deposited could be adjusted annually. In the case of new companies the only deposit to be called for during the first year should be the fixed deposit of one lakh, then at the end of the first year's working the extra deposit of 33-1/3 per cent. of the annual premium income would have to be made.

Clause 19.—No really sound reasons have been advanced as to why separate accounts for all classes of insurance business should not be kept in all cases. If joint accounts have been kept for five years previous to the introduction of the new insurance legislation, this hardly constitutes a reason why, what is evidently considered an undesirable practice, should be allowed to continue.

Moreover, it is considered very advisable that foreign companies doing insurance business in British India should be compelled to keep *separate accounts* for each class of insurance business transacted in British India in contra-distinction to the same classes of insurance business transacted outside British India.

Clause 29.—The clause should, in the interests of the Indian policy-holder, be amended so as to provide that all foreign companies operating in British India should be required to render in addition to general world business balance-sheets and profit and loss accounts, a separate balance-sheet and profit and loss account showing the cost of management, premium reserve, etc., for their Indian business.

Other clauses.—Minor amendments might be necessary in other clauses and returns of the Bill, but for the present, my Committee have no further criticisms of importance to offer thereon.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 21.

BILL TO AMEND THE LAW RELATING TO CARRIAGE OF GOODS BY SEA.

A BILL TO AMEND THE LAW WITH RESPECT TO THE CARRIAGE OF GOODS BY SEA.

Whereas at the International Conference on Maritime Law held at Brussels in October 1922, the delegates at the Conference, including the delegates representing His Majesty, agreed unanimously to recommend their respective Governments to adopt as the basis of a convention a draft convention for the unification of certain rules relating to bills of lading :

And whereas at a meeting held at Brussels in October 1923, the rules contained in the said draft convention were amended by the Committee appointed by the said Conference :

And whereas provision has been made by the Carriage of Goods by Sea Act, 1924, that the said rules as so amended and as set out with modifications in the Schedule shall, subject to the provisions of that Act, have the force of law with a view to establishing the responsibilities, liabilities, rights and immunities attaching to carriers under bills of lading :

And whereas it is expedient that like provision should be made in British India ; It is hereby enacted as follows :—

1. *Short title and extent.*—(1) This Act may be called the Indian Carriage of Goods by Sea Act, 1925.

(2) It extends to the whole of British India.

2. *Application of Rules.*—Subject to the provisions of this Act, the rules set out in the Schedule (hereinafter referred to as "the Rules") shall have effect in relation to and in connection with the carriage of goods by sea in ships carrying goods from any port in British India to any other port whether in or outside British India.

3. *Absolute warranty of seaworthiness not to be implied in contracts to which Rules apply.*—There shall not be implied in any contract for the carriage of goods by sea to which the Rules apply any absolute undertaking by the carrier of the goods to provide a seaworthy ship.

4. *Statement as to application of Rules to be included in bills of lading.*—Every bill of lading, or similar document of title, issued in British India which contains or is evidence of any contract to which the Rules apply, shall contain an express statement that it is to have effect subject to the provisions of the said Rules as applied by this Act.

5. *Modification of Article VI of Rules in relation to coasting trade.*—Article VI of the Rules shall, in relation to the carriage of goods by sea in ships carrying goods from any port in British India to any other port in British India or Ceylon, have effect as though the said Article referred to goods of any class instead of to particular goods and as though the proviso to the second paragraph of the said Article were omitted.

6. *Modification of Rules 4 and 5 of Article III in relation to bulk cargoes.*—Where under the custom of any trade the weight of any bulk cargo inserted in the bill of lading is a weight ascertained or accepted by a third party other than the carrier or the shipper and

the fact that the weight is so ascertained or accepted is stated in the bill of lading, then, notwithstanding anything in the Rules, the bill of lading shall not be deemed to be *prima facie* evidence against the carrier of the receipt of goods of the weight so inserted in the bill of lading, and the accuracy thereof at the time of shipment shall not be deemed to have been guaranteed by the shipper.

7. *Saving and operation.*—(1) Nothing in this Act shall affect the operation of sections four hundred and forty-six to four hundred and fifty, both inclusive, five, hundred and two, and five hundred and three of the Merchant Shipping Act, 1894, as amended by any subsequent enactment, or the operation of any other enactment for the time being in force limiting the liability of the owners of seagoing vessels. ^{57 and 58 Vict. C. 60.}

(2) The Rules shall not by virtue of this Act apply to any contract for the carriage of goods by sea before such day, not being earlier than the first day of January, 1926, as the Governor-General in Council may by notification in the *Gazette of India* appoint, nor to any bill of lading or similar document of title issued, whether before or after such day as aforesaid, in pursuance of any such contract as aforesaid.

SCHEDULE.

RULES RELATING TO BILLS OF LADING.

ARTICLE I.—*Definitions.*

In these Rules the following expressions have the meanings hereby assigned to them respectively, that is to say—

- (a) "Carrier" includes the owner or the charterer who enters into a contract of carriage with a shipper :
- (b) "Contract of carriage" applies only to contracts of carriage covered by a bill of lading or any similar document of title, in so far as such document relates to the carriage of goods by sea, including any bill of lading or any similar document as aforesaid issued under or pursuant to a charter party from the moment at which such bill of lading or similar document of title regulates the relations between a carrier and a holder of the same :
- (c) "Goods" includes goods, wares, merchandises, and articles of every kind whatsoever, except live animals and cargo which by the contract of carriage is stated as being carried on deck and is so carried :
- (d) "Ship" means any vessel used for the carriage of goods by sea :
- (e) "Carriage of goods" covers the period from the time when the goods are loaded on to the time when they are discharged from the ship.

ARTICLE II.—*Risks.*

Subject to the provisions of Article VI, under every contract of carriage of goods by sea the carrier, in relation to the loading, handling, stowage, carriage, custody, care and discharge of such goods, shall be subject to the responsibilities and liabilities, and entitled to the rights and immunities hereinafter set forth.

ARTICLE III.—*Responsibilities and Liabilities.*

1. The carrier shall be bound, before and at the beginning of the voyage, to exercise due diligence to—

- (a) Make the ship seaworthy :

(b) Properly man, equip, and supply the ship :

(c) Make the holds, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage and preservation.

2. Subject to the provisions of Article IV, the carrier shall properly and carefully load, handle, stow, carry, keep, care for and discharge the goods carried.

3. After receiving the goods into his charge, the carrier, or the master or agent of the carrier, shall, on demand of the shipper issue to the shipper a bill of lading showing among other things—

(a) The loading marks necessary for identification of the goods as the same are furnished in writing by the shipper before the loading of such goods starts, provided such marks are stamped or otherwise shown clearly upon the goods if uncovered, or on the cases or coverings in which such goods are contained, in such a manner as should ordinarily remain legible until the end of the voyage :

(b) Either the number of packages or pieces, or the quantity, or weight, as the case may be, as furnished in writing by the shipper :

(c) The apparent order and condition of the goods :

Provided that no carrier, master or agent of the carrier, shall be bound to state or show in the bill of lading any marks, number, quantity, or weight which he has reasonable ground for suspecting not accurately to represent the goods actually received, or which he has had no reasonable means of checking.

4. Such a bill of lading shall be *prima facie* evidence of the receipt by the carrier of the goods as therein described in accordance with paragraph 3 (a), (b) and (c).

5. The shipper shall be deemed to have guaranteed to the carrier the accuracy at the time of shipment of the marks, number, quantity, and weight, as furnished by him, and the shipper shall indemnify the carrier against all loss, damages, and expenses arising or resulting from inaccuracies in such particulars. The right of the carrier to such indemnity shall in no way limit his responsibility and liability under the contract of carriage to any person other than the shipper.

6. Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the carrier or his agent at the port of discharge before or at the time of the removal of the goods into the custody of the person entitled to delivery thereof under the contract of carriage, or, if the loss or damage be not apparent, within three days, such removal shall be *prima facie* evidence of the delivery by the carrier of the goods as described in the bill of lading

The notice in writing need not be given if the state of the goods has at the time of their receipt been the subject of joint survey or inspection.

In any event the carrier and the ship shall be discharged from all liability in respect of loss or damage unless suit is brought within one year after delivery of the goods or the date when the goods should have been delivered.

In the case of any actual or apprehended loss or damage the carrier and the receiver shall give all reasonable facilities to each other for inspecting and tallying the goods.

7. After the goods are loaded the bill of lading to be issued by the carrier, master or agent of the carrier, to the shipper shall, if the shipper so demands, be a "shipped" bill of lading, provided that if the shipper shall have previously taken up any document of title to such goods, he shall surrender the same as against the issue of the "shipped" bill of lading, but at the option of the carrier, such document of title may be noted at the port of shipment

by the carrier, master, or agent with the name or names of the ship or ships upon which the goods have been shipped and the date or dates of shipment, and when so noted the same shall for the purpose of this Article be deemed to constitute a "shipped" bill of lading.

8. Any clause, covenant or agreement in a contract of carriage relieving the carrier or the ship from liability for loss or damage to or in connection with goods arising from negligence, fault or failure in the duties and obligations provided in this Article or lessening such liability otherwise than as provided in these Rules, shall be null and void and of no effect.

A benefit of insurance or similar clause shall be deemed to be a clause relieving the carrier from liability.

ARTICLE IV.—*Rights and Immunities.*

1. Neither the carrier nor the ship shall be liable for loss or damage arising or resulting from unseaworthiness unless caused by want of due diligence on the part of the carrier to make the ship seaworthy, and to secure that the ship is properly manned, equipped and supplied, and to make the holds, refrigerating and cool chambers and all other parts of the ship in which goods are carried fit and safe for their reception, carriage and preservation in accordance with the provisions of paragraph 1 of Article III.

Whenever loss or damage has resulted from unseaworthiness, the burden of proving the exercise of due diligence shall be on the carrier or other person claiming exemption under this section.

2. Neither the carrier nor the ship shall be responsible for loss or damage arising or resulting from—

- (a) act, neglect, or default of the master, mariner, pilot, or the servants of the carrier in the navigation or in the management of the ship.
- (b) fire, unless caused by the actual fault or privity of the carrier :
- (c) perils, dangers and accidents of the sea or other navigable waters :
- (d) act of God :
- (e) act of war :
- (f) act of public enemies ;
- (g) arrest or restraint of princes, rulers or people, or seizure under legal process :
- (h) quarantine restriction :
- (i) act or omission of the shipper or owner of the goods, his agent or representative :
- (j) strikes or lock-outs or stoppage or restraint of labour from whatever cause, whether partial or general :
- (k) riots and civil commotions :
- (l) saving or attempting to save life or property at sea :
- (m) wastage in bulk or weight or any other loss or damage arising from inherent defect, quality, or vice of the goods :
- (n) insufficiency of packing :
- (o) insufficiency or inadequacy of marks :
- (p) latent defects not discoverable by due diligence :
- (q) any other cause arising without the actual fault or privity of the carrier, or without the fault or neglect of the agents or servants of the carrier, but the burden of proof shall be on the person claiming the benefit of this exception to show that neither the actual fault or privity of the carrier nor the fault or neglect of the agents or servants of the carrier contributed to the loss or damage.

3. The shipper shall not be responsible for loss or damage sustained by the carrier or the ship arising or resulting from any cause without the act, fault or neglect of the shipper, his agents or his servants.

4. Any deviation in saving or attempting to save life or property at sea, or any reasonable deviation shall not be deemed to be an infringement or breach of these Rules or of the contract of carriage, and the carrier shall not be liable for any loss or damage resulting therefrom.

5. Neither the carrier nor the ship shall in any event be or become liable for any loss or damage to or in connection with goods in an amount exceeding £ 100 per package or unit, or the equivalent of that sum in other currency, unless the nature and value of such goods have been declared by the shipper before shipment and inserted in the bill of lading.

This declaration if embodied in the bill of lading shall be *prima facie* evidence, but shall not be binding or conclusive on the carrier.

By agreement between the carrier, master or agent of the carrier and the shipper another maximum amount than that mentioned in this paragraph may be fixed, provided that such maximum shall not be less than the figure above named.

Neither the carrier nor the ship shall be responsible in any event for loss or damage to or in connection with goods if the nature or value thereof has been knowingly misstated by the shipper in the bill of lading.

6. Goods of an inflammable, explosive or dangerous nature to the shipment whereof the carrier, master or agent of the carrier has not consented, with knowledge of their nature and character, may at any time before discharge be landed at any place or destroyed or rendered innocuous by the carrier without compensation, and the shipper of such goods shall be liable for all damages and expenses directly or indirectly arising out of or resulting from such shipment.

If any such goods shipped with such knowledge and consent shall become a danger to the ship or cargo, they may, in like manner be landed at any place or destroyed or rendered innocuous by the carrier without liability on the part of the carrier except to general average, if any.

ARTICLE V.—*Surrender of Rights and Immunities, and increase of Responsibilities and Liabilities.*

A carrier shall be at liberty to surrender in whole or in part all or any of his rights or immunities or to increase any of his responsibilities and liabilities under the Rules contained in any of these Articles, provided such surrender or increase shall be embodied in the bill of lading issued to the shipper.

The provisions of these Rules shall not be applicable to charter parties, but if bills of lading are issued in the case of a ship under a charter party they shall comply with the terms of these Rules. Nothing in these Rules shall be held to prevent the insertion in a bill of lading of any lawful provision regarding general average.

ARTICLE VI.—*Special Conditions.*

Notwithstanding the provisions of the preceding Articles, a carrier, master or agent of the carrier, and a shipper shall in regard to any particular goods be at liberty to enter into any agreement in any terms as to the responsibility and liability of the carrier for such goods, and as to the rights and immunities of the carrier in respect of such goods, or his obligation as to seaworthiness, so far as this stipulation is not contrary to public policy, or the care or diligence of his servants or agents in regard to the loading, handling, stowage, carriage, custody, care, and discharge of the goods carried by sea, provided that in this case no bill of lading has been or shall be issued and that the terms agreed shall be embodied in a receipt which shall be a non-negotiable document and shall be marked as such.

Any agreement so entered into shall have full legal effect.

Provided that this Article shall not apply to ordinary commercial shipments made in the ordinary course of trade, but only to other shipments where the character or condition of the property to be carried or the circumstances, terms and conditions under which the carriage is to be performed are such as reasonably to justify a special agreement.

ARTICLE VII.—*Limitations on the Application of the Rules.*

Nothing herein contained shall prevent a carrier or a shipper from entering into any agreement, stipulation, condition, reservation or exemption as to the responsibility and liability of the carrier or the ship for the loss or damage to or in connection with the custody and care and handling of goods prior to the loading on and subsequent to the discharge from the ship on which the goods are carried by sea.

ARTICLE VIII.—*Limitation of Liability.*

The provisions of these Rules shall not affect the rights and obligations of the carrier under any statute for the time being in force relating to the limitation of the liability of owners of sea-going vessels.

ARTICLE IX.

The monetary units mentioned in these Rules are to be taken to be gold value.

STATEMENT OF OBJECTS AND REASONS.

A bill of lading was originally a receipt for the goods placed on a ship and also a document for transferring the title of the goods to the consignee. With the development of trade, it became recognised as a negotiable instrument in which shippers, the carriers and the consignees or purchasers of the goods as well as bankers and underwriters became increasingly interested. Concurrently with this it became the custom to show on the bill of lading the terms of the contract on which the goods were delivered to and received by the ship, and from time to time new clauses were added usually in the direction of contracting the carrier out of liability for some kind of loss or damage to the goods. There thus arose great diversity between the conditions on which goods were carried by sea and considerable uncertainty about the liabilities which still attached to the carrier.

2. There has been a demand for many years among the different commercial interests which handle bills of lading for uniformity among all maritime countries in the definition of the liabilities and risks attaching to the carrier of goods by sea. Some countries, *e.g.*, Canada, Australia and the United States of America, enacted legislation prohibiting carriers of goods by sea from contracting themselves out of certain kinds of liability. The matter was discussed at several International Conferences between shipowners, shippers and bankers in an attempt to secure the universal adoption of an agreed set of rules.

3. A code of rules was drawn up in 1921 by the International Law Association at The Hague. These were subjected to criticism by the various interests affected till finally agreement was reached at the International Conferences on Maritime Law held in Brussels in October 1922 and again in October 1923. A code of rules defining the responsibilities and liabilities to which a carrier of goods by sea should be subject and also the rights and immunities he was entitled to enjoy was drawn up, and it was unanimously recommended that every country should give legal sanction to these rules. The United Kingdom has done so by the Carriage of Goods by Sea Act (14 and 15 Geo. 1924). It is proposed to do the same in India by this Bill.

4. This Bill follows closely the English Act. The agreed code of Rules are reproduced in the Schedule. Clause 5 of the Bill exempts from these rules goods carried in the coasting trade under documents other than bills of lading, whilst clause 6 saves the carrier from claims for shortage of weight in certain cases of bulk shipments, where, by the custom of the trade, the weight entered in the bill of lading is a weight ascertained or accepted by a third party other than the carrier or shipper and this fact is so stated in the bill of lading.

C. A. INNES.

The 19th January, 1925.

No. 685/98 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd May, 1925.G. A. THOMAS, Esq., I.C.S.,
Secretary to the Government of Bombay,
REVENUE DEPARTMENT, BOMBAY.

SIR,

I am directed by the Committee of the Bombay Millowners' Association to state their views regarding the Bill to amend the law with respect to the carriage of goods by sea which appeared in the *Bombay Government Gazette*, dated 2nd April, 1925, and to request you to communicate these views to the Government of India.

2. My Committee agree that there should be uniformity among all maritime countries as regards liabilities and risks attaching to the carrier of goods by sea, and they are of opinion that the code of rules drawn up by the International Conferences on Maritime Law held in 1922 and 1923 deserve the support of all commercial interests. The Bill under consideration, like the corresponding English Act, is based upon the recommendations of the said Conferences, and therefore my Committee are in general agreement with the principle and provisions of the Bill, subject to the one exception mentioned below.

3. My Committee apprehend that Section 5 of the Bill is likely to prove prejudicial to the coasting trade of this country which is at present being carried on with the facility of bills of lading, for the receipts to be granted under the new enactment in lieu of bills of lading are to be non-negotiable. My Committee therefore recommend that Section 5 of the Bill should be so amended as not to deprive the coastal trade of the benefit of the bills of lading which are treated as negotiable instruments.—I have, etc.,

J. P. WADIA,

Acting Secretary.

APPENDIX 22.

AMENDMENT OF INDIAN INCOME-TAX ACT.

ASSESSMENT OF PARTNERS IN A REGISTERED FIRM, ETC.

GOVERNMENT OF INDIA,
LEGISLATIVE DEPARTMENT,
23rd January, 1925.

The following Bill was introduced in the Legislative Assembly on the 2nd February, 1925:—

No. 5 of 1925.

23 of 1922

A Bill further to amend the Indian Income-tax Act, 1922, for the purpose hereinafter appearing. It is hereby enacted as follows:—

Short title.

1. This Act may be called the Indian Income-tax (Amendment) Act, 1925.

Amendment of Section 56, Act XI of 1922.

2. To Section 56 of the Indian Income-tax Act, 1922, the following proviso shall be added, namely:—

' Provided that, in computing the total income of a member of a registered firm, where any change occurs in the constitution of the firm, the profits or gains of the firm during the previous year shall be deemed to have been received in that year by the members of the firm as constituted at the time of making the assessment to super-tax in proportion to their shares in the firm at that time.'

STATEMENT OF OBJECTS AND REASONS.

Difficulty has been felt in assessing individually to super-tax in registered firms, where there has been a change in the constitution of the firm owing to one or more of the partners retiring, to new partners being taken into the firm, or to a change, for any other reason, in the share of profits to which the individual partners with reference to the shares held by them at the time of assessment, though on the profits of the firm during the previous year. The Bombay High Court, however, has recently held that the partners should be assessed not according to the shares to which they are entitled in the year of assessment, but according to the shares to which they were entitled in the previous year in which the profits were earned. The result of this decision is that in the case of retiring partners leaving the country, it is often impossible for the Income-tax Department to recover any super-tax at all from them; while at the same time the new partner who comes in during the year of assessment is not liable to pay the super-tax.

2. To get over this difficulty, it is proposed to legalise what has been the departmental practice hitherto, and the present Bill is intended to secure this object.

BASIL P. BLACKETT.

L. GRAHAM,
Secretary to the Government of India.

APPENDIX 23.

AMENDMENT OF INDIAN INCOME-TAX ACT.

RECOVERY OF SUPER-TAX FROM NON-RESIDENT SHAREHOLDERS.

No. F.-122-I.T./25.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES),
DELHI, 23rd February, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

Super-tax—Dividends—Non-resident Shareholder—Liability of Principal Officer of Company—Indian Income-tax Act, XI of 1922—Section 57 (2)—Proposed Amendment.

SIR,

Section 57 (2) of the Indian Income-tax Act, XI of 1922, runs as follows :—

“ Where any assessee who is liable to pay super-tax on the amount of the dividends receivable by him from any company is, to the knowledge of the principal officer of the company, residing out of British India, the principal officer shall be liable to pay the

super-tax due by such non-resident person in respect of the dividends received by him from the company, and shall have power to deduct the amount of such super-tax from the amount payable by the company to such assessee."

2. The intention of this section is plain. It was intended to enable super-tax to be collected by deduction at source from the dividends payable to a non-resident shareholder. It has been found, however, that owing to technical defects in the drafting of the section, the latter, as it stands, is of no practical use whatever. This is partly due to the use of the phrase "any assessee who is liable to pay super-tax." The section contemplates deduction from the dividends at the time of payment, but the "liability" to super-tax does not arise until the following year, since super-tax, like income-tax, is charged on the income of the previous year. Further, an "assessee" is defined in Section 2 (2) as "a person by whom income-tax is payable." "Income-tax" in this section includes super-tax [Section 58 (1)], but it seems doubtful whether income-tax or super-tax can be said to be "payable" by a person who has not been formally assessed to income-tax or super-tax. Nor is it clear how super-tax can be "due" from a person who has not been assessed to super-tax. Government therefore propose to amend the section so as to make it effective.

3. The question then arises what should be the precise scope of the amended section. The instructions in the Income-tax Manual are that the section, as it stands, should be regarded as authorising the principal officer of the company to deduct super-tax from the dividends due to a non-resident shareholder when the amount of that dividend taken by itself exceeds the sum of Rs. 50,000 (or in the case of a Hindu Undivided Family, Rs. 75,000). Here again it is doubtful whether this limitation of its scope is implied in the words "liable to pay super-tax on the amount of the dividends." However this may be it has to be decided whether the scope of the amended section should be specifically limited in this manner. It is clear that such a limitation must render the working of the section somewhat capricious and unfair as between different assessees. It would lead, for example, to the following results:—

- (1) A man who derives an income of Rs. 55,000 from a single company becomes liable to deduction of super-tax from this dividend at source whereas a man who has, say, an income of Rs. 40,000 from each of 5 companies—2 lakhs in all—is not liable to such deduction.
- (2) If a man happens to draw dividends each amounting to Rs. 55,000 from two companies, he suffers super-tax at one anna a rupee on Rs. 10,000 out of this income of Rs. 1,10,000, whereas if he draws a dividend of Rs. 1,10,000 from a single company, super-tax is deducted at the rate of one anna in the rupee on Rs. 50,000 out of this sum and at the rate of 1½ annas in the rupee on Rs. 10,000. The difference between the sums paid in the two cases is very large.
- (3) The general effect is that a non-resident shareholder does not necessarily, like a resident shareholder, pay super-tax at the correct rate or rates calculated with reference to his total income but at a rate or rates calculated with reference only to a fragment or fragments of his income.

4. In order, as far as possible, to avoid such anomalies and place the non-resident shareholder in the same position in respect of super-tax as anyone else, it has been suggested:—

- (1) That where the Income-tax Officer is aware that the total income from all sources of a non-resident shareholder is such as to render him liable to super-tax, he should communicate to the principal officer or officers of the company or companies in which he holds shares, the amount of super-tax that should be deducted from each dividend and the principal officer should then be bound to deduct super-tax accordingly. The Income-tax Officer could only of course estimate the amount with reference to the figures of former years. Any excess or deficiency would be liable to adjustment when the total amount of dividends received in any given year was ascertained.

- (2) Where the same person is the principal officer of two or more companies, it should be incumbent on him to deduct super-tax from the dividends due to a person holding shares in two or more such companies at the rate or rates applicable to the aggregate of the dividends in the absence of any communication from the Income-tax Officer as to the amount of super-tax to be deducted.

5. These suggestions are only tentative and of course require to be worked out in detail. I am directed to request that your Association will be so good as to favour the Government of India, at their early convenience, with their views and suggestions in regard to the proposed legislation.—I have, etc.,

V. S. SUNDARAM,
Under-Secretary to the Government of India.

No. 529/71 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th April, 1925.

THE UNDER-SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES), DELHI.

SIR,

I have the honour to acknowledge receipt of your circular letter No. F-122-IT./25 dated 23rd February, 1925, on the subject of the proposed amendment to Section 57 (2) of the Indian Income-tax Act.

2. My Committee have given their very careful consideration to the matter, and they are unanimously of the opinion that the proposed amendments are not a satisfactory solution of the anomalies pointed out in your letter.

3. As regards suggestion No. 1 made in the fourth para of your letter, the unsatisfactory nature thereof is indicated in the latter half of the para where you point out that the Income-tax Officer could only estimate the amount of super-tax with reference to the figures of former years, and that any excess or deficiency would be liable to adjustment when the total amount of dividends received in any given year was ascertained. Moreover, the suggestion will be of no practical use with regard to those non-resident shareholders who are liable to super-tax but whose income is not known to the Income-tax Officer.

4. As regards suggestion No. (2), my Committee are emphatically against the principal officer of a company being made responsible for the collection of the super-tax due from some of the shareholders of the company. The principal officer of a company cannot necessarily be expected to be conversant with all the intricacies of the Income-tax Act, and in my Committee's opinion it is unreasonable to expect him to find out which of the shareholders are liable to pay super-tax.

5. My Committee maintain that the simplest solution of the anomalies pointed out in your letter would be that all joint stock companies should be asked to furnish to the Registrar of Joint Stock Companies the names of such of their shareholders as are not residing in India, and the total dividends earned by such shareholders, and from these particulars it should be easy for the Income-tax Officer to find out exactly which non-resident shareholders are liable to pay super-tax.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 24.**PROVIDENT FUNDS—ASSESSMENT OF EMPLOYERS' CONTRIBUTIONS.**

No. 1094/71 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd September, 1925.

ALL MEMBERS OF THE
BOMBAY MILLOWNERS' ASSOCIATION.

DEAR SIRs,

Several members of the Association have Provident Funds for the benefit of their employees, and I am directed to draw the special attention of such members to the following proviso in paragraph 45 of the "Notes and Instructions regarding the Income-tax Law and Rules" from which it will be noticed that although an employer's contributions to the Provident Fund are not exempted from income-tax, actual payments made to employees from the Provident Fund, so far as they are made from contributions of employers, are to be treated as "business expense," and a corresponding allowance has to be made on that account in the income-tax payable by the firm, company, etc., making such payments from the Provident Fund:—

"Where, however, such funds remain in the hands or under the control of the employers, no contributions by the employers can be allowed as a business expenses; but in such cases actual payments made to employees leaving the service of the employer should be allowed as a business expense in the year in which such payments are made, so far as such payments are made from the contributions of the employers whether in that year or in preceding years."

2. The attention of the Committee of the Association was drawn to the above proviso in the course of a discussion the Committee had some time back with Mr. A. R. Loftus Tottenham, C.I.E., I.C.S., First Member, Board of Revenue. It would appear that this proviso is not generally known, with the result that when a company makes actual payments from the Provident Fund to an employee on his leaving the service, etc., it fails to claim a deduction in income-tax on account of that portion of the payment which represents its own contribution to the Provident Fund. I am therefore directed to draw the attention of the members to this proviso, so that they might not fail to claim the requisite deduction from the income-tax whenever they make actual payments to their employees from the Provident Fund.—Yours faithfully,

T. MALONEY,
Secretary.

APPENDIX 25.**DEVELOPMENT DEPARTMENT CHAWLS.**

No. 1357/91 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 21st November, 1925.

THE DIRECTOR,
DEVELOPMENT DEPARTMENT, BOMBAY.

SIR,

For some time past the Committee of this Association have 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 of cotton, 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. My Committee would like to be furnished with detailed explanation on the points mentioned below, and they have directed me to request you kindly to furnish them with the requisite information at your earliest convenience.

3. 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. From the Report of the Working of the Development Directorate for the year ending 31st March, 1925, it appears that the final revised estimate for the reduced programme of 211 chawls or 16,864 tenements amounts to Rs. 3,51,57,100, *i.e.*, Rs. 2,084 per tenement against Sir George Lloyd's estimate of Rs. 1,100 per tenement. Thus, the original estimate of expenditure has been exceeded by nearly 90 per cent. In view of the considerable discrepancy between the original estimate and actual expenditure incurred, my Committee would like to be furnished with the details on which Sir George Lloyd's estimate was based, and the detailed figures of the costs actually incurred by the Development Department for the housing scheme up to date.

4. I am directed to point out that the Preamble to Bombay Act XX of 1920 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. According to the latest information available, it would appear that it has now been definitely decided not to erect more than 16,864 tenements. My Committee therefore submit that equity requires that there should be a proportionate reduction in the rate of the Town Duty on cotton, but unfortunately the very heavy expenditure incurred so far would appear to make it difficult for Government to abolish or even to reduce the duty. My Committee are unanimously of the opinion that when it was found that the expenditure was to be something like 90 per cent. in excess of the original estimate Government would have been well advised if they had at once published the figures, and stopped proceeding further with the work of erecting chawls. Had this been done an enormous and needless burden on the public exchequer would have been averted and my Committee will be pleased to be furnished with the reasons why this obviously wise course was not adopted.

5. 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. Before approaching Government in this connection my Committee would like to be furnished with the information asked for above, and they would greatly appreciate a very early reply to this letter.—I have, etc.,

T. MALONEY,
Secretary.

No. 53/D.D.

DEVELOPMENT DIRECTORATE,
OLD CUSTOM HOUSE YARD, FORT,
BOMBAY, 25th November, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Industrial Housing Scheme of the Development Directorate.*

DEAR SIR,

I beg to acknowledge the receipt of your letter No. 1357-91, dated the 21st November, 1925, asking for certain information in connection with the scheme mentioned above, and to state that it is receiving attention.—Yours faithfully,

—VACHHA,
for Deputy Director of Development.

APPENDIX 26.

THE BOMBAY RENT ACT.

BILL No. I OF 1925.

A BILL FURTHER TO AMEND THE BOMBAY RENT (WAR RESTRICTIONS) ACT, 1918, AND THE BOMBAY RENT (WAR RESTRICTIONS NO. 2) ACT, 1918.

(As published in the "Bombay Government Gazette" of the 22nd January, 1925.)

Bom. II of 1918. Whereas it is expedient further to amend the Bombay Rent (War Restrictions) Act, Bombay VII of 1918. 1918, and the Bombay Rent (War Restrictions No. 2) Act, 1918, in manner hereinafter appearing; And Whereas the previous sanction of the Governor-General required by Section S & S Geo. v. 61. 80-A 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 Bombay Rent (War Restrictions) Amendment Act, 1925.

Bom. II of 1918. 2. In sub-section (4) of Section 1 of the Bombay Rent (War Restrictions) Act, 1918, hereinafter called the principal Act, for the figures and words "1925, in respect of any premises used as a dwelling-house" the figures and words "1928, in respect of any premises used wholly or principally as a dwelling-house of which the standard rent exclusive of the percentage allowable under this Act does not exceed Rs. 50 in the municipal district and cantonment of Karachi and Rs. 85 in any other place" shall be substituted.

Amendment of Section 1 of Bom. II of 1918. 3. In clause (a) of sub-section (1) of Section 2 of the principal Act,

(1) in sub-clause (i) for the words "the schedule" the words "Schedule A" shall be substituted;

(2) in sub-clause (ii) after the word 'let' where it occurs for the second time the words "with the addition of the percentage shown in Schedule B hereto" shall be inserted; and

(3) in sub-clause (iii)

(i) for the word 'twenty' the word 'ten' shall be substituted; and

(ii) after the word 'rent' where it occurs for the second time the words "plus the percentage shown in Schedule A hereto of such rent" shall be inserted.

Amendment of Section 2 of Bom. II of 1918. 4. (1) (a) In sub-section (3) of Section 9 of the principal Act the words "after the 21st day of August 1922," and the words "after the said date and" shall be omitted;

(b) after the word "premises" wherever it occurs in the said sub-section the words "or any part thereof" shall be inserted.

(2) after sub-section (3) the following shall be inserted, namely—

"(4) the fact that a tenant who entered into possession of any premises by reason of his being *bona fide* in the employment of his landlord has ceased to be in his employment shall be deemed to be a satisfactory cause within the meaning of sub-section (2).

"(5) Nothing in sub-section (1) shall apply in the case of any premises in the City of Bombay which appear to the Municipal Commissioner for the City of Bombay to be in a ruinous condition, or likely to fall, or in any way dangerous to any person occupying, resorting to or passing by such premises or any other building or place in the neighbourhood thereof and in respect of which notice under Section 354 of the City of Bombay Municipal Act, 1888, has been issued by the said Commissioner ^{Bombay 1888} to the owner or occupier of the said premises."

Schedules.

5. For the schedule to the principal Act the following schedules shall be substituted, namely :—

" SCHEDULE A.

[See Section 2 (a) (i), and (iii).]

The additional percentage referred to in sub-clauses (i) and (iii) of clause (a) of sub-section (1) of Section 2 shall be the percentage shown in column 3 and payable as therein specified, in respect of premises of the monthly rental shown in column 1 and situate in the area specified in column 2.

1	2	3
Rental not exceeding Rs. 50.	In any place in which the Act is in operation.	From the 1st day of January 1926 up to and including the 31st day of December 1926 30
		From the 1st day of January 1927 up to and including the 31st day of December 1927 40
		From the 1st day of January 1928 up to and including the 31st day of December 1928 50
Rental exceeding Rs. 50 but not exceeding Rs. 85.	In any place in which the Act is in operation except the municipal district and cantonment of Karachi.	From the 1st day of January 1926 up to and including the 31st day of December 1926 40
		From the 1st day of January 1927 up to and including the 31st day of December 1927 50
		From the 1st day of January 1928 up to and including the 31st day of December 1928 60

SCHEDULE B.

[See Section 2 (a) (ii).]

The additional percentage referred to in sub-clause (ii) of clause (a) of sub-section (1) of Section 2 shall be the percentage shown in column 3 and payable as therein specified, in respect of premises of the monthly rental shown in column 1 and situate in the area specified in column 2.

1	2	3
Rental not exceeding Rs. 50.	In any place in which the Act is in operation.	From the 1st day of January 1926 up to and including the 31st day of December 1926 20
		From the 1st day of January 1927 up to and including the 31st day of December 1927 30
		From the 1st day of January 1928 up to and including the 31st day of December 1928 40
Rental exceeding Rs. 50 but not exceeding Rs. 85.	In any place in which the Act is in operation except the municipal district and cantonment of Karachi.	From the 1st day of January 1926 up to and including the 31st day of December 1926 30
		From the 1st day of January 1927 up to and including the 31st day of December 1927 40
		From the 1st day of January 1928 up to and including the 31st day of December 1928 50

Bombay VII of
1918

6. In sub-section (2) of Section 1 of the Bombay Rent (War Restrictions No. 2) Act, 1918, hereinafter called the subsidiary Act, for the figures and words "1925, in respect of any premises used as a dwelling-house" the figures and words "1928, in respect of any premises used wholly or principally as a dwelling-house" shall be substituted.

Amendment of Section 1
of Bom. VII of 1918.

Amendment of Section 4
of Bom. VII of 1918.

7. To clause (b) of sub-section (1) of Section 4 of the subsidiary Act the word "and" shall be added; and after the said clause the following shall be inserted, namely:—

"(c) authorise a landlord to open and take possession of his premises when the tenant has not occupied the premises for three successive months and has failed to pay the rent-due."

Amendment of Section
17 of Bom. VII of 1918.

8. To Section 17 of the subsidiary Act the following sub-section shall be added, namely:—

"(5) Nothing in sub-sections (1) and (2) shall apply in the case of any premises in the city of Bombay which appear to the Municipal Commissioner for the City of Bombay to be in a ruinous condition, or likely to fall or in any way dangerous to any person occupying, resorting to or passing by such premises or any other building or place in the neighbourhood thereof and in respect of which notice under Section 354 of the City of Bombay Municipal Act, 1888, has been issued by the said Commissioner to the owner or occupier of the said premises."

Bombay III of
1888.

STATEMENT OF OBJECTS AND REASONS.

The Bombay Rent (War Restrictions) Acts of 1918 (Bombay Acts II and VII of 1918) were passed with the object of restricting the raising of rent in Bombay and certain other places as, owing to the war, the supply of accommodation had not kept pace with the demand. Bombay Act II of 1918 was the main Act, while Bombay Act VII of 1918 was a subsidiary one dealing with small premises of which the standard rent, without the additional percentage allowed to landlords, did not exceed Rs. 20 a month. The operation of these Acts was subsequently extended by Bombay Act III of 1923 up to the 31st August, 1924, in the municipal district and cantonment of Karachi, and in other places in which the Act was in operation up to the 31st December, 1925, as regards dwelling-houses, and up to the 31st August, 1924, as regards other premises. The Acts ceased to be in operation as regards other premises both in Karachi and elsewhere on the 31st August, 1924; but by Bombay Act III of 1924 they were extended in respect of premises used as dwelling-houses in the municipal district and cantonment of Karachi also up to the 31st December, 1925. Thus the operation of both Acts will expire in Karachi and elsewhere on the 31st December, 1925.

It has, however, been ascertained after careful inquiry that, though there has been a fall in the rent of residential premises with a higher rental, there has been little or no fall in the rent of residential premises with a lower rental, and that the want of accommodation in the case of the latter class of premises is still very keenly felt. It is, therefore, considered necessary to extend the protection of the Acts for three years in the case of residential premises of which the standard rent without additional percentage allowed to landlords does not exceed Rs. 50 in the case of Karachi, and does not exceed Rs. 85 in the case of any other area in which the Act is in operation. At the same time it is equitable that the landlords should receive an adequate return for their capital, taking into consideration the changes that have taken place in the economic conditions since the Acts were passed; and provision has therefore been made for a sliding scale of increases which will enable the landlords to secure a total increase of rent, ranging from 20 per cent. to 60 per cent. beyond the above-mentioned standard rent. As indicated above, the operation of the Acts has already expired in the case of non-residential premises, and no change is proposed in respect of such premises. The Bill deals with both the original Acts of 1918.

Notes on specific clauses of the Bill requiring explanation are given below :—

Notes on clauses.

Clauses 2 and 6.—Difficulty has arisen in connection with the words “used as a dwelling-house;” the words “used wholly or principally as a dwelling-house” have therefore been inserted in the Bill.

Clause 3.—As the Act is being extended for a further period of three years, it is equitable that landlords should be allowed a somewhat higher percentage of increase than that allowed by the existing Act. Schedule A is therefore substituted for the present schedule to Bombay Act II of 1918, allowing a percentage up to a maximum of 50 as compared with 33½ in the present Act. It is also equitable to allow landlords a percentage of increase in respect of premises coming under sub-clauses (ii) and (iii) of Section 2 (1) (a) of Bombay Act II of 1918 similar to that allowed in respect of premises coming under sub-clause (2) of the said section.

Clause 4 (1).—This clause extends the provisions of Section 9 (3) to sub-leases which took place before 21st August, 1922. There is no reason to make an exception in favour of tenants who sublet their premises before 21st August, 1922. The words “or any part thereof” have been inserted to deal with an evasion of the provisions of the Act.

Clause 4 (2).—New Section 9 (4) provides that when a tenant obtains accommodation by reason of his being in the employment of his landlord he shall not continue to occupy the premises without the consent of his landlord if his employment terminates. There are cases in which housing accommodation is provided by the employers for their employees and the employee refuses to vacate the premises even after his employment has terminated.

Clauses 4 (2) and 8.—Provision has also been made excluding from the protection of the Acts those tenants who occupy premises which are in a ruinous condition or are likely to fall and are a source of danger. Cases have occurred in Bombay City in which tenants in occupation of such premises have refused to vacate them when called upon to do so, and unnecessary delay occurred before they could be ejected by resort to the courts. In the interest of the tenants themselves and of their neighbours it is desirable that in such cases the tenants should be made to vacate the premises immediately, in order to enable the premises to be demolished or put in order, as the case may be.

Clause 7.—Certain petty premises are left by the tenants unoccupied for long periods, no rent being paid. It is desirable that the landlords should have power to open and take possession of such premises.

13th January, 1925.

COWASJI JEHANGIR (JR.)

No. 533/74 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th April, 1925.

To

THE CHAIRMAN AND MEMBERS OF THE SELECT COMMITTEE APPOINTED TO CONSIDER BILL NO. I OF 1925 OF THE BOMBAY LEGISLATIVE COUNCIL BEING A BILL FURTHER TO AMEND THE BOMBAY RENT (WAR RESTRICTIONS) ACT, 1918, AND THE BOMBAY RENT (WAR RESTRICTIONS NO. 2) ACT, 1918.

The Representation of the Bombay Millowners' Association.

GENTLEMEN,

The Bombay Millowners' Association (hereinafter referred to as “the Association”) is, as you are no doubt aware, representative of practically the entire textile industry in Bombay.

2. The Association has been furnished with a copy of the above Bill No. I of 1925, and assumes that the Select Committee appointed to consider the Bill is not only willing to consider but invites for consideration representations from either body (Landlord or Tenant) regarding the provisions of the Bill.

3. The Association represents a very large body of employers and housers of labour, and submits with the greatest respect that its representation is entitled to every consideration at the hands of the Select Committee.

4. The Association is entirely in accord with the provisions of the Bill so far as they go, but submits that in one material respect, those provisions do not go far enough. Reference is made to the proposed addition by clause 4 (2) of the Bill of sub-section (4) to Section 9 of the Principal Act. The addition is as follows :—

“ (4) the fact that a tenant who entered into possession of any premises by reason of his being *bona fide* in the employment of his landlord has ceased to be in his employment shall be deemed to be a satisfactory cause within the meaning of sub-section (2).”

5. The new Section 9 (4) will no doubt enable employers of labour to maintain control of the housing accommodation which they have provided for their employees by ensuring that such accommodation is confined to their employees, but the Association submits that such control, while remedying a long-felt grievance, is insufficient, and that the only fair and equitable way of dealing with chawls erected by employers of labour to house that labour is to exempt altogether chawls so erected from the provisions of the Rent Acts.

6. In support of this submission the Association would remind the members of the Select Committee that a number of millowners, acting upon the suggestion, or possibly in deference to the wishes, of the Governor-in-Council, that millowners should construct chawls to house their own labour, did in fact construct or commence to construct chawls for their workmen so far back as 1915, in some cases with the assistance of the City of Bombay Improvement Trust Board in pursuance of the provisions of Section 32 B to I of the Improvement Trust Act, 1898, as amended by Bombay Act I of 1913 which sanctioned the framing of schemes for the construction of dwellings for the poorer classes, and in some cases without such assistance.

7. In the years 1915, 1916 and 1917 labour in Bombay was difficult to obtain and with a view to attract labour, those millowners who constructed chawls for housing their employees, offered the rooms at ridiculously low rents, and in many cases as much as 50 per cent. below the economic rent, so that the chawls represented an annual loss to the mills concerned. Cases can be cited in which the maximum rent sanctioned by the Improvement Trust Board under a Poorer Classes Accommodation Scheme was Rs. 8 per room per month whereas the rooms were actually let to employees of the millowner concerned at an average rent of Rs. 3 per room per month.

8. In this connection it must be borne in mind that in 1915, 1916 and 1917 the Rent Act had not been introduced and was not in fact even contemplated. As a result of the introduction of the Rent Act in 1918 and the relation back to the 1st January, 1916, to fix the standard rent, millowners have been forced to continue to let the rooms in their chawls at the originally low rents, and to make an annual loss of some thousands of rupees in respect thereof.

9. It is true that under the provisions of the Bombay Rent (War Restrictions No. 2) Act, 1918, it is possible to approach the Rent Controller with a view to his declaring rooms in chawls to be small premises and fixing or raising the standard rent thereof, but the procedure is somewhat cumbersome and the decision of the Rent Controller is liable to be over-ruled by the Rent Committee, with the result that resort is not ordinarily had to that procedure.

10. The Association further submits that millowners having at the instance of Government erected at considerable expense to themselves, dwellings, for the poorer classes

in their employ, should be permitted to manage and control such dwellings free of any interference by Government. It has never been the wish or desire of the millowners to make a profit out of these dwellings and even if such dwellings were freed from rent control there is no likelihood of the millowners endeavouring to make a profit out of what they have regarded as their obligations as employers of labour.

11. Even assuming that chawls erected by employers to house their employees were totally exempted from the provisions of the Rent Acts as now suggested, even so millowners could not hope, and would not in fact expect to be able to recover an economic rent for the rooms in view of the number of chawls erected by the Development Department which are at present unoccupied for want of tenants. Any attempt on the part of the millowners to raise the rent of the rooms in their own chawls beyond a reasonable figure could only tend to drive their employees into the chawls of the Development Department. The existence of the chawls of the Development Department in close proximity to the chawls of the millowners, and subsidised as they are by the town duties on cotton levied from millowners and paid to the Municipality for the sole purpose of reducing the rent of the Development Department chawls to a figure within the means of the average mill-worker would operate as a most effective check on any profiteering or excessive levying of rent by millowners at the expense of their employees.

12. The Association therefore submits that the evils, which the introduction of the Rent Acts was designed to remedy or obviate, are effectively remedied or obviated in the case of chawls erected by millowners to house their own employees by the existence of the chawls of the Development Department and also of the Improvement Trust; whereby the supply of dwelling houses for the poorer classes is far in excess of the present demand and is likely to remain so for the proposed extended period of the Rent Acts and that it is only just and equitable that millowners who erected, or entertained and carried out the erection of chawls at considerable expense to meet the wishes or suggestions of the Governor-in-Council, before the introduction of a Rent Act was even contemplated, should be given an opportunity, by the total exemption of such chawls from the operation of the Rent Acts, to end a hitherto annual loss on their capital outlay;

13. The Association, therefore, would respectfully urge upon the Select Committee an amendment of Bill No. I of 1925 so as to totally exclude from the further operation of the Rent Acts after the 31st December, 1925, chawls or dwelling houses erected by employers for the housing of their own employees.—We have, etc.;

N. N. WADIA,
Chairman;

J. P. WADIA,
Acting Secretary.

APPENDIX 27.

PROPOSED LEVY OF FEES FOR THE SERVICE OF ELECTRICAL INSPECTORS.

PUBLIC WORKS DEPARTMENT;

BOMBAY CASTLE, 9th May, 1925.

No. 940-I.—The following draft of an order regarding the levy of fees for the services of the Electrical Inspectors which the Governor in Council proposes under Rule 5 (2) of the Indian Electricity Rules, 1922, to issue is published for the information of persons likely to be affected thereby, and notice is given that the draft order will be taken into consideration after the expiry of two months from the date of this notification. Any objection or

suggestion with respect to the draft order which may be sent to the Joint Secretary to the Government of Bombay, Public Works Department, before the expiry of the period aforesaid will be considered by the Governor in Council :—

DRAFT ORDER.

“ In exercise of the powers conferred by Rule 5 (2) of the Indian Electricity Rules, 1922, and of all other powers enabling him in this behalf, the Governor in Council is pleased to direct by this order that fees for testing and inspection and generally for the services of electric inspectors under the Indian Electricity Act, 1910 (IX of 1910), shall be levied in accordance with the following rules, namely :—

1. *Levy of fees.*—The fees leviable under this order shall be levied in accordance with the scale of fees hereinafter mentioned ; Provided that if there shall be more than one inspection, examination or test in any period of twelve calendar months, only one fee shall be levied during that period :

Provided further that if during the said period of twelve months any subsequent inspection or test shall, in the opinion of an electric inspector, have become necessary in any case owing to the neglect or failure of the licensee or owner to carry out within a reasonable time any written instructions of the electric inspector for any alteration in any generating station, receiving station, or tramway system or in any installation, appliance or apparatus previously inspected, the fee for a second inspection during any such period shall be one-fourth of the fees hereinafter prescribed therefor and for a third inspection one-half of such fees.

Explanation.—In this order ‘ owner ’ means the owner or occupier of any building, place, carriage or vessel in which electrical energy is generated, received, or used or is about to be generated, received or used.

Scale of Fees.

A.—For any inspection, examination or test in pursuance of Rule 4 and Rules 51 to 57 of the said rules where energy is or is about to be supplied or used at high and medium pressure except in those cases to which the items B to H specifically refer, namely :—

Capacity.	Fee.
1 to 5 Kilowatts	Re. 1 to Rs. 5 according to the number of Kilowatts.
5 to 20 Kilowatts	Rs. 7-8.
20 to 50 Kilowatts	Rs. 10.
50 to 100 Kilowatts	Rs. 20.
100 to 500 Kilowatts	Rs. 150.
500 to 1,000 Kilowatts	Rs. 250.
Above 1,000 Kilowatts	Rs. 350.

The fee shall be paid by the owner to whom the electrical energy is or is about to be supplied.

B.—For the inspection, examination or test of any generating station or other place in which electrical energy is generated and of any receiving station :—

Capacity.	Fee.
	Rs.
1 to 50 Kilowatts	25.
50 to 250 Kilowatts	50.
250 to 500 Kilowatts	150.
500 to 1,000 Kilowatts	250.
1,000 to 5,000 Kilowatts	350.
Above 5,000 Kilowatts	500.

In the case of a generating station or other place in which electrical energy is generated the fee shall be paid by the licensee or other person generating electrical energy. In the case of a receiving station, the fee shall be paid by the owner.

C.—For the inspection, examination or test of any electrical installation, appliances or apparatus in any place or premises used or intended to be used for a theatre or for a cinematograph exhibition or for a public entertainment or amusement or any other public place :—

	Rs.
(i) for the initial inspection, examination or test	200
(ii) for any inspection, examination or test in any subsequent period of twelve calendar months	100

D.—For the inspection, examination or test of any electrical installation, appliances or apparatus in any factory within the meaning of the Indian Factories Act, 1911 (XII of 1911):—

(i) In any factory in which there is any installation, appliance or apparatus for lighting or for purposes other than power, whether electrical energy is supplied by a licensee or other person or generated in the premises of the factory.	Rs. 100.
(ii) In any factory supplied with electrical energy by a licensee for power.	The fee leviable under A above,
(iii) In any factory in which electrical energy is generated in the premises of the factory for power.	Seventy-five per cent. of the combined fees in A and B above according to the number of Kilowatts.

The fees shall be paid by the owner, and the fee for the inspection of any installation, appliance or apparatus for lighting in any factory shall be in addition to the fee for the inspection of any installation, appliances or apparatus for power in such factory.

E.—For the inspection, examination or test of the electrical appliances or apparatus in any lifts worked by electrical energy.	Rs. 15.
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The fee shall be paid by the owner.

F.—For the inspection and examination of any electric traction system including trolley wires and overhead equipment and tests of bounding and leakage currents.	Rs. 100 per day with a minimum fee of Rs. 150.
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The fee shall be paid by the licensee or the owner of the electric traction system.

G.—For the inspection of any temporary electrical illuminations.	Rs. 15.
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The fee shall be paid by the owner.

H.—For the inspection, examination or test of any main, distributing main or service-line for the existence of leakage therefrom which may result in electrolysis or any other injury, to any water gas or other pipes or any appliances in connection therewith. Per hour according to the time occupied but not less than Rs. 30.

If leakage is discovered in any such main or service-line, the fee shall be paid by the licensee or the owner of the main or service-line. If leakage is not discovered, the fee shall be paid by the owner of any such water, gas or other pipes or of the appliances in connection therewith.

2. *Fees for inspection, etc., to whom to be paid.*—The fees leviable under this order for inspection, examinations or tests under Rule 4 of the said rules shall, unless otherwise specified, be paid to the electric inspector by every licensee or every other person, firm, or company generating, supplying, transmitting, receiving or using electric energy.”—By order of the Governor in Council,

K. S. FRANJI,
Joint Secretary to Government.

BOMBAY CASTLE, 9th May, 1925.

No. 940-II.—The following draft of a notification regarding the levy of fees for tests, etc., carried out at the Government Electrical Laboratory, Bombay, which the Government of Bombay propose to issue is published for the information of persons likely to be affected thereby, and notice is given that the draft notification will be taken into consideration after the expiry of two months from the date of this notification. Any objection or suggestion with respect to the draft notification which may be sent to the Joint Secretary to the Government of Bombay, Public Works Department, before the expiry of the period aforesaid will be considered by the Government of Bombay :—

DRAFT NOTIFICATION. .

“ It is notified for general information that the Government Electrical Laboratory, Bombay, in the charge of the Electrical Engineer to Government is prepared to undertake any sort of electrical testing, etc., for the public on payment of fees in accordance with the scale of fees laid down below which shall, if required, be payable in advance :—

Laboratory Tests, etc.—

Note.—No charge to be made for preparing the estimate of the cost and all articles to be delivered at and removed from the Laboratory free of cost to Government.

For testing at 3 points—	Rs.
<i>Volt Meters—</i>	
Any range	5
<i>Ammeters—</i>	
Not exceeding 100 amperes	5
Exceeding 100 amperes but not exceeding 500 amperes	8
Exceeding 500 amperes	12
<i>Wattmeters—</i>	
Any voltage but current up to 100 amperes	10
Any voltage but current exceeding 100 amperes but not exceeding 500 amperes	15
Any voltage and current over 500 amperes	20
<i>Frequency Meters</i>	5

Power Factor Meters—

Current capacity up to 5 amperes	5
Exceeding 5 but not exceeding 10 amperes	8
Exceeding 100 but not exceeding 500 amperes	12

Combination instruments to be regarded as two separate instruments and to be charged for accordingly.

Meters for multiple circuits to be charged for according to the number of circuits.

Energy Meters (D. C. or A. C. single phase with or without shunt coils)—

	Rs.
Current capacity up to 25 amperes	10
Exceeding 25 amperes but not exceeding 200 amperes	15
Exceeding 200 amperes but not exceeding 500 amperes	20
Exceeding 500 amperes	25

Energy Meters (A. C. two phase or three phase)—

Current capacity up to 25 amperes	15
Exceeding 25 amperes but not exceeding 200 amperes	20
Exceeding 200 amperes but not exceeding 500 amperes	25
Exceeding 500 amperes	30
For each point tested beyond three points in any energy meter	4
For each point beyond three tested points in any direct reading instrument	2
In the case of any direct reading instrument if arranged to record and if such record is required to be verified, extra fee for every record verified	5

For testing and submitting a calibration curve—

Volt Meters—

Any range	20
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Ammeters—

Not exceeding 100 amperes	20
Exceeding 100 amperes but not exceeding 500 amperes	30
Exceeding 500 amperes	40

Wattmeters—

Any voltage but current not exceeding 100 amperes	30
Any voltage but current not exceeding 500 amperes but exceeding 100 amperes	40
Any voltage but current exceeding 500 amperes	50

<i>Meggors or Ohmmeters,</i>	20
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Combination sets—

Each section to be considered as a separate meter and charged for accordingly. Meters for multiple circuits to be charged for according to the number of circuits.

Energy Meters (D. C. or A. C. single phase with or without shunt coils)—

	Rs.
Current capacity up to 25 amperes	25
Exceeding 25 amperes but not exceeding 200 amperes	35
Exceeding 200 amperes but not exceeding 500 amperes	45
Exceeding 500 amperes	60

Energy Meters (A. C. two phase or three phase)—

Current capacity up to 25 amperes	35
Exceeding 25 amperes but not exceeding 200 amperes	45
Exceeding 200 amperes but not exceeding 500 amperes	55
Exceeding 500 amperes	70

Batches of meters of the same capacity, design and make, if sent in lots of not less than five, for each lot of five only four meters to be charged for. If energy meters require to be adjusted before test or calibration an extra fee of Rs. 10 per meter to be charged.

Resistances—

	Rs.
For any resistance tested to an accuracy of 0.1 per cent	5
For any resistance tested to the highest accuracy obtainable at one temperature	20

Disputed Energy Meters—

For testing a single meter of any description in the Laboratory up to 50 amperes capacity.	10
Exceeding 50 amperes but not exceeding 200 amperes	15
Exceeding 200 amperes but not exceeding 500 amperes	20
Exceeding 500 amperes	25

If the disputed meter is to be tested on a consumer's premises the above fees to be increased by Rs. 5 each.

Where a record or pressure is taken on a consumer's premises a fee of Rs. 20 for the first 24 hours and a further fee of Rs. 10 for each subsequent 24 hours during which the consumer desires the record to be taken.

Sub-standards—

	Rs.
For an instrument intended to be used as a sub-standard and submitted for special examination and testing	100
If intended to be kept under observation for a period longer than one month, for each additional month or part of a month	50

Any tests other than those scheduled above to be arranged for specially and the fees to be quoted on application."—By order of the Government of Bombay,

K. S. FRAMJI,
Secretary to Government.

No. 803/109 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th July, 1925.

THE JOINT SECRETARY TO THE GOVERNMENT OF BOMBAY,
PUBLIC WORKS DEPARTMENT, BOMBAY.

SIR,

With reference to Government Notifications Nos. 940-I and 940-II, dated 9th May, 1925, in connection with the fees proposed to be levied for services of electrical inspectors and for tests, etc., carried out at the Government Electrical Laboratory, I have the honour to request that Government may be pleased to postpone consideration of the matter till the end of this month.

2. The question of the fees proposed to be levied for electrical inspection vitally affects this Association, and my Committee are collecting certain particulars in connection therewith. It is much regretted that it will not be possible for my Committee to submit their views within the specified time, viz., 9th July, 1925, and therefore my Committee respectfully request that Government may be pleased to extend the time till 31st July, 1925.—I have, etc.,

J. P. WADIA,
Acting Secretary.

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No. 940-M.

PUBLIC WORKS DEPARTMENT,
PUBLIC WORKS OFFICE,
BOMBAY, 10th July, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Fees for the Services of Electrical Inspectors, etc.*

SIR,

In reply to your letter No. 803/109, dated 7th July, 1925, I am directed by the Governor in Council to inform you that Government are pleased to extend the time within which you may submit your views on the subject till 31st July, 1925.—Yours faithfully,

E. M. DUGGAN,
*Under-Secretary to the Government of Bombay,
Public Works Department.*

No. 916/109 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 31st July, 1925.

THE JOINT SECRETARY TO THE GOVERNMENT OF BOMBAY,
PUBLIC WORKS DEPARTMENT, BOMBAY.

SIR,

By instructions of my Committee, I have the honour to address you on the draft order No. 940-I regarding the levy of fees for the services of Electrical Inspectors, published in the *Bombay Government Gazette* dated 14th May, 1925. At the outset I am to convey my Committee's thanks to His Excellency the Governor in Council for having agreed to postpone consideration of the draft order till 31st July, 1925, in accordance with the request made in the Association's letter No. 803/109 dated 7th July, 1925.

2. In the first place, before examining the draft order on its own merits, my Committee desire me to state that it is a matter of great regret to them that at a time when the mill industry is face to face with a crisis of unparalleled gravity and when this Association has been persistently demanding for the industry some relief from the Imperial and Provincial Governments, the Government of Bombay should have thought fit to bring forward this proposal for a further increase in the heavy burdens already imposed upon the industry by the Imperial and Provincial Governments and by the Municipality. My Committee desire to impress upon Government with all the emphasis at their command that the mill industry is now taxed to its farthest limits, and it would be suicidal to increase the burdens upon this great and important industry at a time when every possible assistance and relief should be forthcoming from Government to resuscitate the industry from its present state of unparalleled depression.

3. Apart from the fact that the present is certainly not the opportune moment for Government to propose the imposition of fresh charges upon the industry, my Committee after a very careful consideration of the draft order under reference are unanimously of the opinion that not only are the proposed charges for electrical inspection exorbitant, but there is no justification for the levy of these charges by Government.

4. Government are no doubt aware that inspection of electrical installations in mills and other factories is carried on by Electrical Inspectors of the Bombay Fire Insurance Association, and mills have to pay certain fees to the Fire Insurance Association in connection with these inspections. As recently as 1921, these fees were substantially increased by the

Fire Insurance Association. It will be readily agreed that the inspection carried on by the Inspectors of the Fire Insurance Association is, as a rule, extremely thorough and minute, and in view of this my Committee are unanimously of the opinion that inspection by Government Inspectors is supererogatory and may be safely done away with. Moreover, so far as my Committee are aware, Government Inspectors very often make a mere cursory inspection of electrical installations when they come to know that particular installations were only recently examined by the Inspectors of the Fire Insurance Association.

5. From the scale of fees it appears that the charge for the inspection of installations having medium or high pressure about 1000 K.W. capacity is proposed to be Rs. 350. The total horse-power of most mills in Bombay exceeds this figure and therefore mills will have to pay the above heavy fees plus Rs. 100 for inspection of the lighting installation. These figures are undoubtedly exorbitant, in comparison with the charges made by the Fire Insurance Association.

6. My Committee hope they have made it sufficiently clear in this letter that there is no justification for these new charges, but if Government still maintain that Government should be paid for these inspections, then my Committee would suggest that mills and other like concerns which already pay heavy fees to the Fire Insurance Association for the same purpose should be exempted from paying additional fees to Government. My Committee trust Government will recognise the justice of the plea put forward in this letter and will modify the draft order accordingly.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 28.

INDIAN ELECTRICITY RULES.

PUBLIC WORKS DEPARTMENT,
BOMBAY CASTLE, 1st September, 1925.

No. 1898.—The following notification by the Government of India, Department of Industries and Labour, is republished :—

“ No. G. (Elec.)-1, dated Simla, the 13th August, 1925.

The following draft of further amendments to the Indian Electricity Rules, 1922, which it is proposed to make in exercise of the powers conferred by Section 37 of the Indian Electricity Act, 1910 (IX of 1910), is published as required by Section 38 of the said Act, for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 25th November, 1925.

Any objection or suggestion which may be received from any person in respect of the draft before the date specified will be considered by the Governor-General in Council.

Draft Amendments.

1. After Rule 40 of the said Rules the following heading and rule shall be inserted, namely :—

‘ Precautions to be adopted by consumers.

40.-A. (1) No electrical installation work, including additions, repairs and adjustments to existing installations, upon the premises of or on behalf of any consumer for the purposes of a supply of energy to such consumer, shall be carried out except by or under the direct supervision of a person holding a certificate of competency issued by the Local Government in accordance with rules made by the Local Government for the grant and cancellation of such certificates.

(2) This rule shall come into force in any province or part thereof on such date as the Local Government may, by notification in the local official Gazette, appoint.'

2. After Rule 106 the following rule shall be inserted, namely :—

'106-A.—Consumers shall be responsible for the observance of Rule 40-A and for every breach of that rule the consumer upon whose premises or on whose behalf the installation work was carried out shall be punishable with fine which may extend to three hundred rupees and in the case of a continuing breach with a further fine which may extend to fifty rupees for every day after the first during which he is convicted of having persisted in the breach.'

(*Sd.*) A. A. L. PARSONS,
Secretary to the Government of India.

By order of His Excellency the Right Honourable the Governor in Council,
K. S. FRAMJI,
Joint Secretary to Government.

No. 1161/134 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 6th October, 1925.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND LABOUR, SIMLA.

SIR,

I am directed by the Committee of this Association to address you on Government Notification No. G9 (Elec.)-1, dated the 13th August, 1925, regarding certain amendments proposed to be made in the Indian Electricity Rules.

2. My Committee approve of the amendments as far as they apply to additions, repairs and adjustments of a major nature. In my Committee's opinion, however, the proposed amendment if made applicable to slight repairs, etc., will cause serious inconvenience to the general public. It could not have been the intention of Government that slight repairs such as renewing a bulb, screwing up a ceiling-rose, making a new connection to a lamp in case of short circuit, etc., should be carried out by a certified electrician. My Committee trust Government will be pleased to make the requisite alterations in the proposed amendments so as to render them applicable only to major installations and repairs.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 29.

DRAFT AMENDMENTS OF CURRENCY NOTES (REFUND) RULES.

No. F/20-XI-F.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT,
SIMLA, 15th October, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to forward for the information of your Association a copy of this Department Resolution No. F. 20-XI-F., dated the 15th October, 1925, on the subject of the amendments of the Currency Notes (Refund) Rules published in the *Gazette of India* under Notification No. 3201-F., dated the 24th November, 1921.—I have, etc.,

A. AYANGAR,
Offg. Assistant Secretary to the Government of India.

FINANCE DEPARTMENT,
SIMLA, 15th October, 1925.

RESOLUTION.

No. F./20-XI-F.—It is proposed to make the following amendments in the Currency Notes (Refund) Rules, 1921, in exercise of the powers conferred by Section 29 of the Indian Paper Currency Act, 1923 (X of 1923). The amendments will not come into force before the 1st April, 1927, and any objections made before the 31st March, 1926, will be taken into consideration.

2. The object of the proposed amendments is to discourage the cutting of notes. This practice has been proved by the repeated experience of the Currency Department to lend itself to the commission of fraud. The examination of divided notes also entails the expense of much time and care in the offices of the Department and consequent delay in encashment, and inconvenience to the public. Such delay can, of course, be minimised by the appointment of larger establishments than would otherwise be necessary, but the additional cost to the taxpayer of such establishments is heavy and the difficulties of dealing with divided notes has increased considerably with the expansion of the note circulation and is now a distinct impediment to the smooth administration of the currency note system. It seems desirable, therefore, to take steps to discourage the practice which if not actually prohibited in other countries, is only recognised tacitly, because it has not reached elsewhere the dimensions prevailing in India; and, though there are objections of a temporary nature to a change of system in this respect, it is thought that the time has come when these temporary difficulties should be faced. It is recognised, however, that any procedure to be adopted with this end in view must be considerate and cautious and the amendments proposed are framed on conservative lines. The only two changes of importance in the Refund Rules are the following :—

- (a) No claims on half or mismatched notes of the denominations of Rs. 5 and Rs. 10 will be admitted, *i.e.*, the possession of a half note of one of these denominations will no longer constitute a claim to payment of the full value of the note, although cut notes properly joined together will be paid as hitherto, and claims on mutilated notes will be admitted if the portion presented is clearly more than half the note and the note can be identified by the enquiring officer as genuine.
- (b) On half notes of the denominations of Rs. 50 and upwards half the value of the note will be paid at a Currency Office fourteen working days after its presentation, provided that in the meantime the counterpart has not been presented with a claim to the full value of the note. On the other hand, claims to full value on a note of which only a half is presented will be dealt with in the same way as claims on lost or wholly destroyed notes, and claimants will not obtain payment till after the lapse of 5 or 6 years instead of obtaining payment after the lapse of a period varying from six months to a year. In short, the effect of this change is to make it easier for the public to obtain half value on a half note, but to make it more difficult for them to obtain full value on a half note. It will, therefore, increase the risk of cutting notes.

3. The main objection which may be urged against the proposed amendments is that they would increase the risk of remittance of notes by post. In view of the facilities for cheap remittance which are now given by Government and the Imperial Bank by means of bank transfers, currency transfers, money orders and postal insurance of notes up to the value of Rs. 2,000, it does not appear that the public would be seriously inconvenienced if notes were never cut for remittance by post. But the amendments proposed in the rules will not absolutely prevent the cutting of notes for remittance by post: they will merely increase the risk of doing so, and it will be open to the public to take this risk if they wish to do so, or to insure against it.

DRAFT AMENDMENT OF CURRENCY NOTES REFUND RULES.

Rule 2.—Substitute the following for Rule 2 (g):—

“A mutilated note means a note of which a portion is missing, provided that the portion presented is clearly more than half of the note, and that if the portion presented has been joined, each part of such portion is identifiable as part of the same note.”

Rule 3—For Rule 3 (1) as substituted by the G.I., F.D. Notification ^{Accounts and Finance} _{Paper Currency} No. 2252-F., dated the 7th November, 1922, substitute the following:—

“ Claims in respect of notes of which the denomination does not exceed ten rupees may be presented at any office of issue and shall be dealt with at the office of issue at which they are presented.”

Delete Rule 3 (2) as inserted by the above notification and re-number the present Rules 3 (3) and 3 (4) as Rules 3 (2) and 3 (3).

Rule 5.—Substitute “ ten rupees ” for “ two and a half rupees ” at the end of sub-rule (2).

Insert the following as Rule 6A:—

“ 6A. Claims to the value of a half note shall be rejected unless the number of the note is identified by the enquiring officer on the half note ; and the half note is entire and has not been divided and joined together.”

In Rule 7 delete from the words “ unless the portion presented ” to the end and substitute “ unless in the opinion of the enquiring officer the portion presented clearly forms part of a genuine note and the missing portion is too small to be used in support of any other claim under these rules.”

In Rule 9 insert the words “ of a denomination exceeding ten rupees ” after “ mutilated note.”

Rule, 11.—Substitute the following for Rule 11:—

“ (1) Claims to the half value of a note of which half only is presented by the claimant shall be dealt with as follows:—

- (a) If a counterclaim to the full value of the note has not been received before the presentation of the claim or within fourteen working days thereafter half the value of the note may be paid to the claimant on the expiration of such fourteen days.
- (b) If full value of the note has already been paid on a claim under Rule 14, the claim shall be rejected.
- (c) If a counterclaim to the full value of the note has been received before the presentation of the claim or is received before payment of half the value of the note in accordance with clause (a), the enquiring officer shall consider both claims together and may order that one claimant be paid forthwith the full value of the note, or that both claimants be paid forthwith half the value of the note or may reject both claims.”

- (2) Claims in respect of a mismatched note shall be deemed to be separate claims in respect of each half thereof, and shall be dealt with as provided in sub-rule 1.

Rule 13.—Insert the words “ or of which the portion presented is neither a half note nor a mutilated note ” after the words “ wholly destroyed ” in Rule 13 (1) (b).

Rule 14.—Substitute the following for Rule 14:—

“ 14. If the enquiry has been made in respect of a claim under Rule 13 (1) (a), the Deputy Controller on receipt of the record from the enquiring officer, or the enquiring officer, if empowered under the proviso to Rule 6 (a), may pass orders as follows:—

- (1) If the counterpart has been presented and half the value of the note has been paid under Rule 13, he may order half the value of the note to be paid forthwith ;
- (2) If the counterpart has been presented with a claim to half the value or the full value of the note and that claim is pending, he shall consider the two claims together and may order that one claimant be paid forthwith the full value of the note, or that both claimants be paid forthwith half the value of the note, or may reject both claims."
- (3) If the counterpart has not been presented,
- (a) if he is not satisfied that the counterpart has been lost or destroyed in such circumstances that there is no probability of its being presented at some future date, he may order payment of half the value of the note forthwith ;
- (b) if after considering the record of the enquiry under sub-rule (2) of Rule 13 he is so satisfied, and is satisfied that the claimant was the last lawful holder of the whole note, he shall cause to be published in the *Gazette of India* and in three successive issues of the local official Gazette, a notification stating the particulars of the note of which one half is alleged to have been lost or destroyed, and the name of the claimant, and calling upon any person having a claim in respect of such note to submit the same forthwith ;
- (c) if, on the expiration of two years from the date of the first publication under the sub-clause (b), the counterpart of the half note has not been presented, the Deputy Controller may order an amount equivalent to the full value of the note to be invested in Government securities, or to be deposited in the Post Office Savings Bank ;
- (d) if, on the expiration of a period which shall be determined by the Deputy Controller, but which, unless the Governor-General in Council otherwise directs, shall not be less than five years after such first publication, the counterpart of the half note has not been presented, the Deputy Controller shall order the securities referred to in sub-clause (c), or the deposit in the Post Office Savings Bank, as the case may be, with the interest which has in the meantime accumulated thereon, to be delivered to the claimant, or, if the claimant is dead, to his legal representative, on a bond, with or without sureties, executed in the form set forth in Schedule I or II ;
- (e) if, prior to the expiration of such period, the counterpart is presented with a claim to the full value or half the value of the note, the proceedings under sub-clauses (b) to (d) shall be cancelled and the two claims shall be dealt with under clause (2)."

List of Schedules.

Substitute " Rule 14 (3) (d) " for " the proviso to Rule 14 (c) " in entries under Schedules I and II.

Schedule I.

For "lost " at the end of the second paragraph substitute $\frac{\text{"wholly destroyed "}}{\text{lost}}$;

Schedule II.

For "lost " at the end of the second paragraph substitute $\frac{\text{"wholly destroyed "}}{\text{lost}}$.

No. 1419/148 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th December, 1925.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE DEPARTMENT, DELHI.

SIR,

I have the honour under directions of my Committee to address you on Government Resolution No. F/20-XI-F. dated 15th October, 1925, in connection with the proposed amendments of Currency Notes Refund Rules.

2. My Committee note that the object of the proposed amendments is to discourage the cutting of notes, which practice, in Government's opinion, lends itself to the commission of fraud. It is also stated in the Resolution that in view of the facilities for cheap remittance which are given by Government and the Imperial Bank, by means of bank transfers, currency transfers, money orders and postal insurance of notes to the value of Rs. 2,000 the proposed amendment will not seriously inconvenience the public.

3. I am directed to point out that the general public have a decided preference for making remittances by currency notes rather than by the other procedures mentioned by Government. The reasons are not far to seek. Bank facilities are not available everywhere, and besides the rates for money orders and the commission charged for bank drafts, etc., make it difficult for the general public to avail themselves of these facilities and lead them to remit money by currency notes cut into halves. It is my Committee's considered opinion that the rates for money orders should be substantially reduced so as to make this system of remitting money more popular among the general public. My Committee have little doubt that a reduction in the rates for money orders will in the long run bring in larger revenues to Government by increasing the number of money orders.

4. In my Committee's opinion, the proposed innovations in the most popular system of making remittances will not be received favourably by the small remitters unless Government first popularise the money order system by effecting reductions in the existing rates.

5. As stated above, bank facilities are not available everywhere and when hundies cannot be obtained, merchants have to send currency notes. The post office will not accept any insurance for over Rs. 2,000 and when remittance of, say, Rs. 5,000 has to be made the sender will have to make three insured packets. This will seriously inconvenience the receiver who has to take delivery from the post office.

6. In my Committee's opinion, the best course for Government to adopt is to make the new rules applicable only in the case of currency notes of lower denominations than Rs. 100, and even that only after the existing rates for money orders are sufficiently reduced so as to make the small remitter favourably inclined towards this system of remitting money.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 30 (B).

WATER TAX.

THE CENTURY SPINNING & MANUFACTURING CO., LTD.,
BOMBAY, 21st November, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Will you kindly bring to the notice of the Committee the proposed raising of the water tax to mills by the Bombay Municipality from 12 annas to 16 without making any corresponding rise in the rated tax for water on other consumers. This is entirely opposed to the

spirit of any Municipal taxation and equity in law. Also it is against the Municipal Act wherein it is distinctly laid down that no more charge for water shall be levied than the cost-price thereof. I think our solicitors should be consulted in the first instance and asked to draw a strong remonstrance against monstrous method of taxing Peter at the expense of Paul and I suggest early steps be taken in regard to this very urgent matter.—Yours faithfully,

For The Century Spinning and Manufacturing Co., Ltd.,

C. N. WADIA,
Agents:

THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
BOMBAY, 22nd December, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re: Increase of Water Tax by the Bombay Municipal Corporation.

The Century Spinning and Manufacturing Co., Ltd., wrote a letter to our Committee a few days ago regarding the resolution passed by the Standing Committee to increase the water rate charged to the mills from 12 annas to 16 annas per 1,000 gallons, while they have kept the water rate on the house property (in spite of the recommendation of the Municipal Commissioner to be raised to 4½ per cent.) at only 3½ per cent., and it was suggested that we should enter an emphatic protest in the matter.

The Committee at the last meeting discussed this question and resolved to advise our representative on the Bombay Municipal Corporation, Mr. Mody, to raise a debate on this question at the Corporation meeting. But it is absolutely necessary that full facts and particulars should be given to him if we are to succeed in the protest we want to enter from our Association. The following facts will therefore be of use :—

Up to the year 1917 the rate charged was ..	.. 0 8 0	per 1,000 gallons.
From the year 1918 it was reduced to ..	.. 0 7 9	..
From the year 1922 it was increased to ..	.. 0 12 0	..

and besides since 1923 they are charging the full rate of 12 annas for water used for flushing purposes which was formerly only annas 4 per 1000 gallons.

and now, the water rate is to be 16 annas per 1,000 gallons.

The result is while the water rate on household property has remained fixed at 3½ per cent. and not been increased during all these years, the rate to the mills has been doubled.

It will be seen from the statement enclosed that in 1914-15 our industry in Bombay consumed 615,652,750 gallons of water which at the rate of 8 annas per 1,000 gallons worked out to Rs. 3,07,826. In 1924-25 our industry consumed 10,15,808,670 gallons of water which at the rate of 12 annas per 1,000 gallons worked out to Rs. 7,61,856. So, although our mills are using only 50 per cent. more water than in the year 1914-15, still we are paying about two and a half times more in water tax, and if the rate is increased to 16 annas per 1,000 gallons as is now proposed, then the Municipality will get over three times the revenue which they used to get in 1914-15.

It would be argued that the rateable value on all properties have doubled, and therefore the householder pays double the rate at the rate of 3½ per cent. than what he used to do before. But this is not so, as owing to the restrictions of the Rent Act and other causes, the rateable value of old house property has not been doubled for old houses, and only an increase of 15 per cent. has been allowed by the Rent Act for increase of rents, and a corresponding increase in the rateable value. So, that analogy does not apply.

But in our case, our rateable value for all our buildings have been increased over double. Therefore, not only our rateable value has been increased by two and a half times, but our water rate also is proposed to be doubled, while for the householders in the city, the rateable value has been increased only by 15 per cent. as allowed by the Rent Act, and their water rate has practically remained the same, or merely enhanced by the corresponding increase of 15 per cent. as per Rent Act. So, it will be apparent that the industries are being charged for water at a much higher figure than the rate for householders.

It would be further contended that the duty of the Municipality is to supply water to houses, but for industries they can supply only if there is a surplus, and therefore for the surplus water to the industry they can charge any rate they like. This is a wrong argument and cannot be substantiated because our Municipality has undertaken to supply water to the householders in Bandra, Kurla and everywhere else, which they have no right to do if they cannot supply enough water to the householders and rate-payers as well as to the industries in the town and island of Bombay, on which their very existence depends, and their first duty is to supply water to the industries in Bombay in preference to the householders in Salsette.

It is a well-established principle and which our Municipality will have to recognise very soon, that all corporations in England and all over the world charge a lower rate to the industries than to the householders, and when our Municipality have completed the extension of the Tansa Reservoir and bring a larger quantity of water they will have to look to increase of consumption of water by industries and give them favourable rates so as to encourage the industries in this city. Why, therefore, in view of the large quantity of water about to be brought into Bombay very soon in the course of the next 12 months, the Municipality should for the present increase the rate for water tax to industries like Bombay mills, Port Trust and other large bodies, and hamper also the shipping of this Port ?

A further point we have to bring to notice that the municipality is supplying water to Bandra and all suburban Municipalities at the rate of 8 annas per 1,000 gallons and they in turn are charging mills in their localities 10 annas rate. So, why should Bombay mills be penalized,

Therefore, as our Committee have decided the other day, we must not only instruct our representative, Mr. Mody, on the Corporation, but before Mr. Mody can speak there and raise the point, in our opinion, our Association should address a letter to the Corporation protesting against the proposed increase in the water rate.

If it be possible both on the question of assessment to general tax and the water tax, we should ask the Bombay Chamber of Commerce, Port Trust, the Engineering Association, and other associations to have a joint meeting, and if possible make a common protest. Then only we will be able to convince the Municipality of the position they have taken up in increasing the taxes.—Yours faithfully,

NOWROSJEE WADIA & SONS,
Agents.

Statement showing the Taxes levied in respect of the Mills during the following years.

Years.	General Tax.	Halalkhore Tax.	Water Tax by Meter.	Total.
1914-15	At 9 $\frac{7}{8}$ % Rs. 3,32,452-10-5	At 3 % Rs. 1,02,539-4-10	At As. 8 per 1,000 Gallons Rs. 3,07,826-6-0	Rs. a. p. 7,42,818 5 3.
1918-19	At 9 $\frac{7}{8}$ % Rs. 5,55,472-13-2	At 3 % Rs. 1,68,763-11-0	At As. 7 $\frac{1}{2}$ per 1,000 Gallons Rs. 4,72,671-3-11	11,96,907 12 1
1921-22	At 9 $\frac{7}{8}$ % Rs. 5,99,545-4-5	At 3 % Rs. 1,82,145-7-0	At As. 7 $\frac{1}{2}$ per 1,000 Gallons Rs. 5,01,932-14-7	12,83,623 10 0
1922-23	At 11 $\frac{1}{2}$ % Rs. 7,32,967-6-4	At 3 % Rs. 1,91,198-6-5	At As. 12 per 1,000 Gallons Rs. 6,96,680-14-2	16,20,846 10 11
1923-24	At 11 $\frac{1}{2}$ % Rs. 9,53,287-7-0	At 3 % Rs. 2,48,678-5-0	At As. 12 per 1,000 Gallons Rs. 8,65,881-8-0	20,67,847 4 0
1924-25	At 11 $\frac{1}{2}$ % Rs. 9,62,886-15-0	At 3 % Rs. 2,52,138-8-0	At As. 12 per 1,000 Gallons Rs. 7,61,856-8-0	19,76,881 15 0

THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
BOMBAY, 27th December, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re : Increase of Water Tax by the Bombay Municipal Corporation.

We wrote to you a long letter on the 22nd December regarding the above matter. In that letter we showed that the mills consumed in the year 1924-25 1,015,806,670 gallons of water. If we divide this by 365 days, it shows that the mills use a little over two and three quarter million gallons of water per day, for which they paid in the year 1924-25, Rs. 7,61,856.

As the Municipality bring for the consumption of Bombay on an average about 33 to 34 million gallons per day, it will be worth while finding out what is the total revenue the Municipality is getting from water rate in the whole of Bombay, and how our proportion of 2 $\frac{3}{4}$ million gallons per day bear to the total revenue derived. Is it in proportion to the water used for household purposes or not? We think we can make out a very good case if we show that we are paying about three times or more for our water than what the householders pay.

It will therefore be advisable to get the figures for the total water rate received by the Municipality.—Yours faithfully,

NOWROSJEE WADIA & SONS,
Agents.

No. 5/27 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 30th December, 1924.

THE SECRETARY,
MUNICIPAL CORPORATION, BOMBAY.

SIR,

I have the honour, under directions of my Committee, to address you on Resolution No. 8309 passed by the Standing Committee on 18th November last and to request you to be good enough to place my Committee's views thereon before the Municipal Corporation.

2. It is proposed under the Resolution to maintain the water tax on rateable value at its present level of 3½% and to increase the tax by meter measurement to 14 annas per 1,000 gallons in certain cases and to 16 annas in other cases including cotton mills. In other words, in the opinion of the Standing Committee the house-owners should be exempted from contributing towards the expenditure incurred by the Municipality in connection with the new water-works scheme, and the whole of the burden should be borne by the industries of the city.

3. My Committee would not have objected so strongly to the proposal of the Standing Committee if the new schemes which have led to the proposed enhancement in taxation were undertaken by the Municipality to supply the special needs of the industries, or if the number of persons employed in the industries had increased to an extent to justify the enhanced demand it is proposed to make on industries. My Committee understand that early next year the City of Bombay is to receive about ten million gallons more water per day. Almost the whole of this will be used by the general consumer who, if the proposals of the Standing Committee are adopted, will not contribute any more than at present for the extra supply received. Industrial concerns, on the other hand, which would derive little if any benefit from the extra supply, will be made to pay a water tax 33½ per cent. higher than at present.

4. Moreover, my Committee are informed that the Municipality is supplying water to Bandra and suburban municipalities at the rate of 8 annas per 1,000 gallons, and these municipalities are charging industrial concerns at the rate of 10 annas per 1,000 gallons, and my Committee submit that this arrangement cannot be deemed fair or equitable. It is my Committee's considered opinion that the industries of the city on which so much of its prosperity depends have a greater claim to the consideration of the Municipality than the population and the industries of the suburban districts.

5. It is generally recognised in England and other continental countries that industrial concerns should be charged for consumption of water at a lower rate than house-owners, and my Committee venture to submit that the Bombay Municipality should not have so radically departed from this recognised principle of municipal taxation. In my Committee's opinion it is most essential that in this important respect the Bombay Municipality should now come into line with the municipalities in England and other continental countries.

6. My Committee also desire to draw the very serious attention of the Corporation to the constantly increasing amounts of taxation the cotton mill industry has been paying to the Municipality during recent years as is evidenced by the table forwarded herewith. The total amounts paid by the cotton mills as General Tax, Halalkhore Tax and Water Tax in 1914-15 and 1923-24 are reproduced below and will show at a glance the enormous increase in the mills' contributions as far as these three principal sources of Municipal revenue are concerned :-

	General Tax.		Halalkhore Tax.		Water Tax.		Total.	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
1914-15	3,32,452	10 5	1,02,539	4 10	3,07,826	6 0	7,42,818	5 3
1923-24	9,53,287	7 0	2,48,678	5 0	8,65,881	8 0	20,67,847	4 0

7. The basis of assessment for mills as fixed in 1912 was increased by 50 per cent. in 1918-19, and this enhanced assessment was further increased by 25 per cent. last year. The water tax stood at 8 annas per 1,000 gallons in 1914-15 and was increased to 12 annas in 1921-22. It is now proposed to increase it to Re. 1, *i.e.*, an increase of 100 per cent. over the rate prevailing in 1914-15 and of 33½ per cent. over the rate prevailing in 1921-22. House-owners have not been penalised to anything like the same extent, the rate charged for water having remained constant at 3½ per cent. on rateable value.

8. Moreover, from 1st January, 1921, a town duty of Re. 1 per bale has been levied on raw cotton imported into Bombay which costs the mills from 10 to 11 lakhs of rupees annually. This duty was levied for defraying the costs of chawls built for millhands under the Bombay Development Scheme, but in no other country would employers be asked to contribute towards the expenses of building residential quarters for their employees. It is, however, a well-known fact that millhands have not been able to take advantage of

these chawls on account of high rents and other reasons, and the chawls have been let at high rents to others. There can be no doubt as to the sheer injustice of this burden of 10 to 11 lakhs annually on the mill industry of Bombay.

9. The gross unfairness of the Standing Committee's proposals is most apparent from the following comparison :—

In the year 1923-24 the total water consumed in Bombay City and Island was 17,876 million gallons, the total revenue derived was 53½ lakhs of rupees. The total water consumed by cotton mills was 938 million gallons for which they paid slightly more than 7 lakhs.

Thus although cotton mills consumed only 5¼ per cent. of the total amount of water used, they paid no less than 13 per cent. of the total revenue or two and a half times as much as they would have done under an equitable arrangement. On the basis of their consumption a fair charge for the water used by the cotton mills would have been Rs. 2,81,000, which means that the mills even with a 12 annas rate paid Rs. 4,20,000 more than they should in equity have done. If the water rate is increased to 16 annas the mills will have to pay 2½ lakhs more than at present and 6½ lakhs more than their fair share.

10. My Committee are confident that the facts and figures mentioned above will convince the Corporation of the inadvisability and unfairness of increasing the water rates to mills. Sir M. Visveswaraya in his preliminary report on Municipal Retrenchment and Reform very justly said that "the material progress of Bombay depends almost wholly upon the progress of industry and trade, and it is essential that the administration and development of the city should proceed upon lines calculated to assist, to the greatest possible extent, the steady and constant growth of these two avenues of employment and wealth." The policy hitherto followed by the Municipality of imposing heavy taxation on the industry giving means of livelihood to a lakh and half of labourers can hardly be said to be in consonance with the very salutary principle enunciated by Sir M. Visveswaraya.

11. In conclusion, my Committee trust that the Corporation will recognise that bare justice requires that their sanction should not be accorded to the recent Resolution of the Standing Committee. The cotton mill industry is already taxed beyond its capacity, and any proposal to impose on it this additional taxation will, my Committee are confident, meet with the unequivocal condemnation of the members of the Corporation.—I have, etc.,

T. MALONEY,
Secretary.

Statement showing the Quantity of Water by Meter Measurement supplied under Sub-Heads and Water Tax by Measurement realized at different rates for the uniform quantity of 1,000 Gallons.

	1914-15.		1923-24.	
	Gallons.	Amount.	Gallons.	Amount.
Hotels	2,55,23,005	@ As. 8 Rs. 12,761-8-1	6,35,18,250	@ As. 12 Rs. 47,638-11-0
Cotton factories	54,69,14,848	@ As. 8 Rs. 2,73,457-7-0	93,80,29,315	@ As. 12 Rs. 7,03,522-3-9
Flour factories	2,35,84,750	@ As. 8 Rs. 11,792-6-0	1,97,62,450	@ As. 12 Rs. 14,821-13-0
Other factories	23,34,08,620	@ As. 8 Rs. 1,16,704-4-11	38,34,92,222	@ As. 12 Rs. 2,87,619-2-8
Milch cattle stables	10,10,53,877	@ As. 4 Rs. 25,263-7-6	14,56,17,250	@ As. 8 Rs. 72,808-9-7
Government buildings	22,77,93,579	@ As. 4 Rs. 50,303-4-2	15,63,23,750	@ As. 4 Rs. 39,080-14-11
Railways	52,39,93,475	@ As. 6½ Rs. 2,12,872-5-5	74,49,31,875	@ As. 8 Rs. 3,72,465-14-7
Port Trust	21,47,61,005	@ As. 6½ Rs. 87,246-10-5	52,03,62,375	@ As. 8 Rs. 2,60,181-3-0
Suburbs	15,26,05,525	Rs. 1,15,261-8-10	47,35,89,230	At different rates. Rs. 2,68,429-13-0
Miscellaneous	78,88,61,755	Rs. 2,11,816-5-6	1,12,34,25,635	At different rates. Rs. 4,63,414-11-7
	2,83,84,10,430 or 77,76,466 gallons per day.	Rs. 11,17,479-3-10	4,56,90,52,352 or 12,517,951 gallons per day.	Rs. 25,29,983-1-1

No. 65/27 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 14th January, 1925.

THE SECRETARY,
BOMBAY MUNICIPAL CORPORATION, BOMBAY.

SIR,

At a meeting of the Bombay Municipal Corporation, held on the 8th instant, the Chairman of the Standing Committee, when introducing the Budget Estimates of the Municipality for the year 1925-26, referred to the representation recently made by the Millowners' Association protesting against the proposed enhancement of the water rate payable by mills.

In the portion of his speech dealing with the Millowners' protest, the Chairman of the Standing Committee put forward two contentions :—

(1) That whether the enhanced water tax was charged to millowners or not, it would ultimately fall on the population, the millowners like the house-owners being only the media through whom the water tax was collected.

(2) That the water tax was a less objectionable tax than the Cotton Excise Duty, and millowners should direct their complaints against the Excise Duty instead of protesting against the water tax.

As regards the first contention, assuming for a moment that the enhanced tax could be passed on to the consumer, it should be remembered that only a very small percentage of the goods produced in the mills of Bombay City and Island are purchased by the population of Bombay. The great bulk of them are sent to up-country markets, and it necessarily follows that if the tax was passed on to the consumer, it would be paid not by the population of Bombay, who are to receive the benefits of the new water-works schemes, but by the inhabitants of villages in all parts of India to whom an increased water-supply in the City and Island of Bombay means nothing and upon whom it confers no benefits whatsoever. In the case of house-owners, the tax would be presumably passed on to the tenants in the shape of rent, who at any rate would benefit by the increased water-supply to be provided by the Municipality.

But it is an egregious fallacy to maintain that there is no limit to the taxes which can be levied on an industry and recovered from the consumer by increasing the price of the products of that industry. The Chairman of the Standing Committee, when putting forward this argument, apparently forgot that there exists any such thing as competition, or that there is a limit to the consumers' capacity to pay. As regards cotton goods, this limit of capacity to pay has apparently been reached, for at the present time the prices realised for the yarn and cloth produced by the mills of Bombay are in many cases less than the cost of production. My Committee feel that the time has come when the burden of Imperial and Local taxation on the mill industry of Bombay, which provides a livelihood for so great a number of the inhabitants of the city should be reduced.

No industry can flourish which is so over-burdened with taxation as the Bombay mill industry. The excessive taxation it has to bear leads to an increase in the prices of its manufactures, decreases consumption, and leads to dumping of goods by foreign countries such as Japan, to the economic detriment of the country in general and Bombay in particular.

As regards the second argument brought out in the speech of the Chairman of the Standing Committee, my Committee are confident that the proposition that because an industry is subjected to an iniquitous tax like the Excise Duty—therefore it has no right to protest against an inequitable enhancement of the water tax—will not be endorsed by any member of the Corporation. It is difficult to believe that the Chairman of the Standing Committee expected his statement to be taken seriously by the members of the Corporation, or by the general public. The question of protesting against the Cotton Excise Duty has not been lost sight of by the Association, it has protested against it for 28 years and will

continue to fight until the duty is removed, but that certainly constitutes no reason why the Association should not protest against the enhancement of the water tax.

It would be superfluous to traverse again in this letter the arguments put forward in my Committee's protest against the enhancement of the water tax, but they feel it necessary that this criticism of the Chairman's reference to their representation should be considered by the Corporation, and rely upon the Corporation to discuss their protest upon its merits, and to reject the proposal of the Standing Committee to enhance the water charges to mills on the grounds that it would be neither just nor equitable to levy this fresh tax upon the already over-burdened mill industry of Bombay.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 30 (C).

MUNICIPAL ASSESSMENT OF MILLS.

THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
BOMBAY, 22nd December, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re. Assessment of Land and Buildings for Rateable Value by the Municipal Corporation.

We have to draw the attention of your Committee to the exorbitant manner in which the Municipality are now levying assessment on mills, and in our opinion, the time has come when our Association should approach the Corporation for a just and fair rectification of assessment as regards the mill lands and buildings:

1. It must be remembered that from 1913, the assessment was levied on mills at the rate of 4 per cent. on the actual cost value of land and 6 per cent. on the cost of the building as shown in the Company's books.

2. In March 1918, this system of assessment was revised and the Municipality arranged the assessment as follows:—

4 per cent. on the value of land as ascertained at the then market rate for land, and

6 per cent. on the cost of building as shown in the books of the Company, increased by 50 per cent. in value.

3. Again in August 1923, this assessment on the above basis for buildings as then in force from 1918 was increased by a further 25 per cent.

4. To quote a typical instance, we give below the figures of assessment for our Spring Mills:—

(a) In 1913, our assessment was:—

	Rs.
104,503 sq. yds. land, book value	Rs. 2,03,339
4 per cent.	8,133.6
Cost of building according to books	Rs. 11,85,166
6 per cent.	71,109.9
Total gross assessment ..	<u>79,243.5</u>

(b) In March 1918 the assessment was increased as under :—

Land 102,783 sq. yds. at Rs. 4 per sq. yd.=Rs. 4,11,132 at 4 per cent.	16,445
Buildings Rs. 11,85,166 plus 50 per cent. enhancement on cost, Rs. 17,40,583 at 6 per cent.	1,04,435
Total gross assessment	1,20,880

(c) Between 1918 and 1922, we increased our mill and this addition cost us Rs. 22,84,690; and this at 6 per cent. was assessed at	1,37,081
Added to this the above total of	1,20,880
as shown in (b), our assessment up to March 1923 was	2,57,961
and in August 1923 this assessment was further in- creased by 25 per cent.	64,490
or a total gross assessment of	3,22,451

which is in force at present.

5. It will therefore be seen from the above assessment that for the original land which cost us about Rs. 2 per sq. yd., the Municipality valued in 1918 at Rs. 4 per sq. yd., or doubled the assessment, and then when they increased the assessment by further 25 per cent. in 1923, they raised the value to Rs. 5 per sq. yd., and charge 4 per cent. on that basis.

6. As for the value of buildings, they increased it by 50 per cent. in August 1918, and again by 25 per cent. in 1923 over the 50 per cent. increase. So, the cost has been increased by $87\frac{1}{2}$ per cent. That means that they are valuing the increased cost of building at $87\frac{1}{2}$ per cent. to what it was before the war.

7. It will be seen from the above statement that the additions we made in 1918 to 1922 costing us Rs. 22,84,690, which were built at the time when building work was dearest and for which they took our full cost value, have again been increased by 25 per cent. We do not understand why, but we suppose that they made an all-round ruling without considering the facts. If such buildings had been built at the top of their price, surely in fairness this last 25 per cent. increase should not apply to these additional buildings raised between 1918 and 1922.

8. It cannot be contended that the cost of building is now more than double that of 1913. Between 1918 and 1922 it was double, but the Municipality owing to this arrangement are not only charging double, but two and a half times on the new additions.

9. In taking the cost of the building, they have not only assessed the building itself but they have assessed all mill tanks also whether they are built, or simply plain dug out of the ground, and also on chimneys. By no stretch of imagination it can be contended that such buildings are rateable and can be used for housing purposes.

10. From the statements we have received, we find that in 1914-15 the general tax was levied at the rate of $9\frac{7}{8}$ per cent. and since 1921-22 it has been increased to $11\frac{1}{2}$ per cent. The figures are as under :—

Year.	Net Rateable value.	Per cent.	General Tax received by Municipality.	
			Rs.	Rs.
1914-15	33,66,610	9 7/8	3,32,452	
1918-19	56,25,040	Do.	5,55,472	
1921-22	60,71,340	Do.	5,99,545	
1922-23	63,73,625	11 1/2	7,32,967	
1923-24	82,89,450	Do.	9,53,287	
1924-25	83,73,920	Do.	9,62,886	

From the above it will be seen that the rateable value of the mills has been increased to more than two and a half times, while the tax received by the Municipality is increased to nearly three times.

11. We would therefore like your Committee to ask for figures from every mill, compare the present assessment with the previous assessment made on the mills, and then by collecting statistics, approach the Municipal Commissioner with a good case to revise the system of assessment obtaining in force at present, and press upon him not to charge the 25 per cent. increase on the buildings which have been constructed during 1918 and 1922. The whole way in which the present assessment is being levied seems to us chaotic, and unless we make an emphatic protest, we do not know where we will be if the Municipality go on increasing the assessment as they are doing at present from time to time.

12. We must also remember that they have again proposed to increase the water rate charged to the mills from 12 annas to Re. 1 per 1,000 gallons which only a few years ago used to be 8 annas.

Further, it is proposed to levy terminal charges next year on a scale hitherto unheard of, to which we must make an emphatic protest.

13. Again, we must bear in mind that our industry is paying Re. 1 per bale on every bale of cotton used for providing dwellings for our millhands, and for covering interest charges on the amount laid out on such dwellings. This tax is levied by the Municipality, which passes on to the Development Department about Rs. 11,00,000 every year, and this is an additional tax on our industry in Bombay only. The further anomaly is that these workmen's dwellings have been built and the rate fixed for rental is so high that our workmen cannot take advantage of such dwellings and they go to other places of living, and the same dwellings which were built for our millhands have been let at high rents to other residents in Bombay and we have to bear the charges for same.

14. Then again we find that according to the Government Notification dated 14th May, 1924, it is decided that half the total cost of the survey under the provisions of Section 10 of the Bombay City and Survey Act, IV of 1915, be levied and recovered on a scale fixed by the Governor in Council and published in the above Government Resolution. Under these rules the survey fee is levied for every Cadestral Survey Number on a fixed basis plus another fee calculated on the basis of rateable value. This is a new innovation and we do not understand why the Government have put a tax on the Cadestral survey of our industry.

From statement appended, it will be seen that the total taxes paid by our industries to the Bombay Municipal Corporation has increased from Rs. 7,42,818 to Rs. 19,76,881, and this is becoming a burden on Bombay mills.

We write this letter because our mill industry is not passing through very promising times, and it is the duty of everybody concerned in the industry to look into the facts and figures and cut down expenditure wherever they can. But between the Government and the Municipality instead of helping us to retrench, they are increasing our assessments and taxes without any limit, and the time has arrived when we must enter an emphatic protest

against any unjust taxes levied on the industry if this industry is to thrive here. Up to now our industry was supposed to be the goose that laid golden eggs, but if they kill the goose, they won't have the golden eggs either for themselves or for anybody else.— Yours faithfully,

NOWROSJEE WADIA & SONS,
Agents.,

Statement showing the Taxes levied in respect of the Mills during the following years.

Years.	General Tax.	Halalkhore Tax.	Water Tax by Meter.	Total.		
				Rs.	a.	p.
1914-15	At 9 $\frac{1}{4}$ % Rs. 3,32,452-10-5	At 3 % Rs. 1,02,539-4-10	At As. 8 per 1,000 Gallons. Rs. 3,07,826-6-0	7,42,818	5	3
1918-19	At 9 $\frac{1}{4}$ % Rs. 5,55,472-13-2	At 3 % Rs. 1,68,763-11-0	At As. 7 $\frac{1}{4}$ per 1,000 Gallons Rs. 4,72,671-3-11	11,96,907	12	1
1921-22	At 9 $\frac{1}{4}$ % Rs. 5,99,545-4-5	At 3 % Rs. 1,82,145-7-0	At As. 7 $\frac{1}{4}$ per 1,000 Gallons Rs. 5,01,932-14-7	12,83,623	10	0
1922-23	At 11 $\frac{1}{2}$ % Rs. 7,32,967-6-4	At 3 % Rs. 1,91,198-6-5	At As. 12 per 1,000 Gallons Rs. 6,96,680-14-2	16,20,846	10	11
1923-24	At 11 $\frac{1}{2}$ % Rs. 9,53,287-7-0	At 3 % Rs. 2,48,678-5-0	At As. 12 per 1,000 Gallons Rs. 8,65,881-8-0	20,67,847	4	0
1924-25	At 11 $\frac{1}{2}$ % Rs. 9,62,886-15-0	At 3 % Rs. 2,52,138-8-0	At As. 12 per 1,000 Gallons Rs. 7,61,856-8-0	19,76,881	15	0

No. 118/51 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd January, 1925.

THE MUNICIPAL COMMISSIONER,
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

I am directed to address you in regard to the question of the assessment of the rateable value of mills and extensions to mills completed since March 31st, 1918. You will doubtless remember the circumstances which led this Association to agree to an increase in the rateable value of mill properties. In your original letter on the subject (MC/517-D, dated 9-5-1923) you clearly outlined your reasons for asking for a revision of the method of assessment in the following words:—

“ I find on enquiry that the method of assessment adopted in 1912 and continued in 1918-19 was defective in so far as the book value of the buildings only was taken into calculation for purposes of fixing the assessment whereas the proper course was to take the present value of all buildings.”

In order to avoid the trouble, time and expense which would have been involved in estimating the 'present value' of mills buildings it was mutually agreed that assessments should be increased by 25 per cent. which presumably would bring book values more or less up to present values.

For some inexplicable reason the case of mills, built or extended since the previous revision of assessments in 1918, was overlooked but my Committee submit that it is obviously unfair that book values should be increased in such cases, and that the practice which has

been followed by the Assessor and Collector since 1923 in enhancing the assessment of mills and extensions completed since 31st March, 1918, is in contravention to the spirit of the agreement made with the Association last year.

Under these circumstances my Committee request that the necessary orders be given by you for the grant of a refund of the extra taxes which have been paid by mills in respect of constructions or extensions completed since 31st March, 1918, owing to the misinterpretation of the 1923 agreement by the Assessor and Collector of Taxes.

To illustrate the injustice of the present system of assessment in respect of new buildings I will quote the example of the Bombay Dyeing and Manufacturing Company, Limited, Spring Mill. In March 1918 the rateable value of the Bombay Dyeing and Manufacturing Company, Limited, was calculated as follows:—

	<i>Rateable value.</i>
	Rs.
Land 102,783 sq. yds. @ Rs. 4 per sq. yd. = Rs. 4,11,132, at 4 per cent.	= 16,445
Buildings Rs. 11,85,166 at cost plus 50 per cent. enhancement on cost = Rs. 17,40,583, at 6 per cent.	= 104,435
	<hr/>
Gross assessment	.. 1,20,880
Between 1918 and 1922 new buildings were erected at a cost of Rs. 22,84,690, at 6 per cent.	= 1,37,081
	<hr/>
Making a total gross assessment in March 1923 .. .. .	.. 2,57,961
In August 1923 this assessment was enhanced by 25 per cent.	.. 64,490
	<hr/>
Making a total gross assessment .. .. .	.. 3,22,451
	<hr/>

My Committee maintain that the enhancement levied on the Bombay Dyeing and Manufacturing Company, Limited, should not have been levied on the cost of the buildings erected subsequent to 1918 for the reason that the present value of these extensions in 1923 was if anything considerably less than the book value owing to their having been erected when building materials were at the top of the market. The 25 per cent. increase in assessment should only have been made applicable to erections in existence when the 1918 agreement was made, and the Bombay Dyeing and Manufacturing Company, Limited, have apparently been over-assessed to the extent of Rs. 30,200.

There are other mills in Bombay which have been also over-assessed under similar circumstances as the Bombay Dyeing and Manufacturing Company, Limited. My Committee feel that you will appreciate the justice of the facts placed before you in this representation, but if you consider it necessary would be prepared to appoint a Sub-Committee to meet you in order to investigate this specific question in greater detail.—I have, etc ,

T. MALONEY,
Secretary.

A. & C/No. A 107 of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, 20th October, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—25 per cent. Increase in the Assessment of Mill Structures Erected since 1918.

SIR,

I have the honour to refer to your letter No. 118/51 dated 23-1-1925 and to inform you that I cannot agree to allow any refund of taxes paid, as according to the strict letter of the law the agreement arrived at between the Bombay Millowners' Association and the

Corporation cannot be disturbed during the quinquennium 1923-24—1928-29. As however, the high cost of building materials of structures put up since the year 1918 was not specifically discussed at that time, I am prepared on grounds of equity to consider objection applications against the increased valuations in the current year, on the ground that the valuations cover an increase of 25 per cent. in the case of the valuations of structures added to the mills since the year 1918.—I have, etc.,

H. B. CLAYTON,
Municipal Commissioner.

APPENDIX 30 (D).

TERMINAL TAX.

No. 33/28 of 1925.

THE MILLOWNERS' ASSOCIATION,
Bombay, 7th January, 1925.

THE MUNICIPAL COMMISSIONER,
BOMBAY.

SIR,

SUBJECT:—*Terminal Tax.*

My Committee have been given to understand that the Income Committee of the Corporation have recently submitted a report to the Corporation containing detailed proposals in regard to terminal taxes which they suggest might be levied to replace the present system of refundable town duties.

2. In this connection I am directed to invite you to refer to the previous correspondence with the Association, from which it will be seen that Mr. H. P. Mody was originally nominated to represent the views of the Association before the Committee. In June 1923 Mr. S. D. Saklatvala replaced Mr. H. P. Mody as the Association's representative when the latter became President of the Corporation.

On the 9th July, 1923, Mr. Saklatvala, along with the representatives of the Bombay Chamber of Commerce and the Indian Merchants' Chamber, discussed the list of articles which it was then considered advisable to make subject to a terminal tax. From the report of this meeting tendered to the Association by Mr. Saklatvala it appears that the Income Committee invited suggestions generally, and particularly with regard to the possibility of increasing the number of articles upon which a light terminal tax might be levied. On the 17th July, 1923, Mr. Saklatvala rendered to the Income Committee certain proposals which had been previously approved by the Association, and at the close of his letter indicated the extreme desirability of being given another opportunity of meeting the Income Committee for a discussion of the conclusion reached by them as a result of the suggestions made by this Association, the Indian Merchants' Chamber and the Bombay Chamber of Commerce.

3. Under these circumstances my Committee are extremely surprised that the Income Committee of the Corporation should have submitted their final report to the Corporation without having given the representatives of the three important bodies named a chance of expressing their opinion thereon.

4. My Committee believe that the schedule and the rates at which it is proposed to levy the tax are open to serious objections in certain instances and suggest that the Corporation should refer back the report to the Income Committee together with a recommendation that important industrial, mercantile and commercial bodies be consulted. Unless such a course is adopted my Committee feel that it will be necessary for the various Associations concerned to urge the Government of Bombay to withhold their consent to the Corporation's suggestions for enacting the necessary legislation.

5. In anticipation of my Committee's suggestions being acceded to I am to request that copies of the Income Committee's report may be forwarded to them for consideration and comment at a very early date.—I have, etc.,

T. MALONEY,
Secretary.

No. 50/28 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th January, 1925.

THE MUNICIPAL COMMISSIONER,
BOMBAY.

SIR,

SUBJECT :—*Terminal Tax.*

With reference to my letter No. 33/28 of the 7th instant, I have the honour to request you to be so good as to amend the fourth paragraph thereof as below :—

“ A full stop should be put after the word ‘ instances ’ in the third line and then the following should be added :—

“ In case of articles like coal, oil, stores, etc., the proposed ‘ terminal tax ’ will be an additional burden on mills in Bombay, because these goods are already subject to heavy import duty. I am therefore to suggest that the Corporation. . . .”—I have, etc.,

T. MALONEY,
Secretary.

No. 127/28 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th January, 1925.

THE COMMISSIONER,
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

Re : Terminal Tax.

Further to my letter of the 7th instant on the above subject, my Committee, in anticipation of the Corporation referring back to the Income Committee their report for modification in consultation with important trading interests, desire me to outline their principal objections against the schedule recommended by the Income Committee for the imposition of the proposed terminal tax.

My Committee's chief criticism against the schedule is that it contains several articles which are used practically wholly by cotton mills and therefore violates one of the sound principles laid down by the Income Committee themselves, *viz.*, that the burden of taxation should be distributed as equally as possible upon all sections of the tax-paying community.

I am directed to state that the total contributions of the Bombay mill industry towards municipal revenues aggregate something like thirty lakhs of rupees annually and the recent resolution of the Corporation in connection with the water tax will saddle on the industry a further burden of over two and a half lakhs. The proposals put forward by the Income Committee regarding the terminal tax are calculated to make a further drain on the resources of the cotton mills to the tune of about eight lakhs of rupees annually. My Committee maintain with all the emphasis at their command that it is as injudicious as it is unfair to levy such heavy taxation on Bombay's premier industry on which so much of the prosperity of the city depends. As is well known, the indigenous industry finds it increasingly difficult to hold its own against competition from Japan which owing to a very high degree of protection afforded by its Government is able to sell in the Indian market piece-goods at prices which are very often less than the cost of identical goods turned out by Indian mills. This

very regrettable result is largely due to the taxes which have been piled upon the cotton mill industry for Imperial, Provincial and Municipal purposes, without any regard to the taxable capacity of the industry. My Committee wish to submit most respectfully that the city's Corporation should be the last to adopt a policy calculated to hamper the healthy development of its greatest industry. Such a policy, inadvisable at all times, is particularly to be deprecated at present when the industry is passing through a period of unparalleled depression and when it stands urgently in need of being relieved of a portion of its burdens instead of being saddled with additional taxation. Failure on the part of Government or the Corporation to take cognisance of this fact in connection with their taxation policy will seriously imperil the future prosperity and development of the Indian cotton mill industry to the advantage of her foreign competitors.

My Committee have no objection to the principle of a non-refundable tax, but they cannot contemplate with equanimity the schedule framed by the Income Committee, the adoption of which would penalise the cotton industry to an unjustifiable extent, as the following comments with regard to some of the more important items in the schedule conclusively show.

Item No. 1.—Coal is already subject to an import duty of 8 annas per ton and it is obvious that the proposed terminal tax on this material will fall most heavily on the cotton mills which are the largest consumers. It is my Committee's considered opinion that if it may not be deemed practicable to delete coal altogether from the schedule, the rate in no case should exceed two annas per ton.

Item No. 3.—The tax on gunnies and hessian cloth will fall practically wholly upon the mills and therefore cannot be said to be fair or equitable in its incidence. It is my Committee's considered opinion that the item should be altogether deleted.

Item No. 4 (2).—Liquid fuel is another material used practically wholly by mills, and its inclusion in the schedule is an illustration of the manner in which the schedule violates the principle laid down by the Income Committee themselves and referred to in para 2 above.

Items Nos. 9 & 16.—In my Committee's opinion, the proposed rate for taxing timber and cement are much too high.

Item No. 23.—The inclusion of 'dyes' in the schedule will again affect the textile industry only and should for that reason be condemned. Moreover, it should be noted that the tax on dyes will affect not only the mill industry but the handloom industry which consumes a much greater quantity than the mill industry.

Item No. 28.—It is perhaps scarcely necessary for my Committee to point out the inadvisability of imposing any tax on machinery and millwork in view of the unanimity of opinion prevailing in the country that everything should be done to foster industries.

My Committee are confident that the Corporation will recognise that the schedule drawn up by the Income Committee is most inequitable and requires drastic modifications. It should certainly be possible so to recast the whole schedule that the resulting income to the Municipality would be the same or even more without unduly penalising the city's only large industry.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 30 (A),

MUNICIPAL TAXATION.

No. 579/51 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22nd April, 1925.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY, BOMBAY.
SIR,

Under directions from the Committee of the Bombay Millowners' Association, I have the honour to request that you will take into your immediate and most serious consideration

the matters hereinafter mentioned with regard to the rates at which mills are assessed for the purpose of Municipal taxation and to state that it is this Association's earnest prayer that such relief may be granted to the Bombay cotton mill industry, as the circumstances require.

2. In the first instance my Committee desire me to invite your attention to the position in which cotton mills find themselves as regards their present rates of assessment for Halalkhore tax.

3. By Section 140 (b) of the City of Bombay Municipal Act, 1888, it is provided that there shall be levied on buildings and lands in the City of Bombay a Halalkhore tax of so many per centum, not exceeding three, of their rateable value as will, in the opinion of the Corporation, suffice to provide for the collection, removal and disposal by municipal agency, of all excrementitious and polluted matter from privies, urinals and cesspools and for efficiently maintaining and repairing the Municipal drains constructed or used for the reception or conveyance of such matter, subject, however, to the proviso that the amount of such tax to be levied in respect of any hotel, club or other large premises may be specially fixed under Section 172 of the Act.

4. By Section 142 (1) (b) of the Act, it is provided that the Halalkhore tax shall be levied in respect of premises in which whereversituate, there is a privy, water-closet, cesspool-urinal, bathing place or cooking place connected by a drain with a Municipal drain.

5. By Section 172 (1) of the Act, the Commissioner may whenever he thinks fit, fix the Halalkhore tax to be paid in respect of any hotel, club or other large premises at such special rates as shall be approved by the Standing Committee in this behalf, either generally or in any particular case, whether the service in respect of which such tax is leviable be performed by Halalkhores or by substituted means or appliances.

6. In accordance with an order of the Municipality all the mills of the city have been fitted with water flushes in the sanitary conveniences provided for their workpeople and, as a result of this, no services are now rendered by municipal Halalkhores at the mill premises. The conveniences are maintained in working order and kept clean by special staffs at the expense of the mill authorities. Polluted matter is removed from the lavatories to the drains by a system of water-flushing, the cost of which is borne entirely by the mills which have to pay for the water used at 16 annas per 1,000 gallons, the present water rate for trade purposes. Until recently mills were charged at a lower rate for flushing water, *viz.*, four annas per 1,000 gallons, and two gallons of water per man per day used to be allowed free of charge for drinking purposes. In several mills the levels of mill drains are lower than the municipal drains and as a consequence pumps have had to be installed to pump the sewage to the higher level so as to cause it to flow into the municipal drains. The cost of these pumps and the maintenance and working charges have been borne by the mills.

7. Under the above circumstances my Committee submit that at the present time as only the function of 'disposal' of polluted matter is effectively performed by municipal agency, mills are in all fairness entitled to some reasonable concession in the rate of assessment to Halalkhore tax to compensate for the expenditure actually incurred by them in regard to 'collection' and 'removal' of the excrementitious and polluted matter from the sanitary conveniences attached to the mill premises, and where pumps are installed to lift sewage, my Committee maintain that the cost of installations, maintenance and working of such pumps should be borne by the Municipality and further, the rate of water used for flushing and drinking purposes should be reduced to four annas per 1,000 gallons.

8. My Committee respectfully submit that under the aforesaid circumstances a good case is made out for the exercise of the discretion vested in the Municipal Commissioner under Section 172 (1) of the Act and they request that you will see fit to fix the future Halalkhore tax to be paid by the mills at a special rate considerably lower than the rate hitherto charged under Section 140.

9. I am directed, in the next place, to refer to Resolution No. 8309 regarding water tax passed by the Standing Committee on the 18th November, 1924, regarding which my Committee crave permission to place their views before the Corporation.

10. By the terms of the above Resolution which was subsequently endorsed by the Corporation, it is proposed, notwithstanding your recommendations 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 present level of $3\frac{1}{4}$ per cent. and at the same time to increase the charge for water supplied by meter measurement under Section 169 to fourteen annas per 1,000 gallons in some cases and in other cases, including mills, to Re. 1 per 1,000 gallons, from which it would appear that in the opinion of the Standing Committee house-owners and others should be exempted from contributing towards the amount expended by the Municipality in connection with the new scheme of water-supply for Bombay and that the whole burden thereof should be borne by the industries of the city.

11. This Association would not have objected so strongly to the above proposals, if the new schemes of water-supply which have led to the necessity for enhanced taxation had been undertaken by the Municipality to supply the special needs of the industry or if the number of persons employed in the industry had increased to an extent sufficient to justify the proposed enhanced demand. Such, however, is not the case. My Committee understand that early next year the City of Bombay is to receive an additional 10,000,000 gallons of water a day. Almost the whole of this extra supply will in fact be used by the general consumer householder or tenants of houses, who, if the present proposals are adhered to and adopted, will not contribute to the cost of it in any way. The industries on the other hand, will derive little, if any, benefit from such extra supply and will at the same time be made to pay a water tax of $33\frac{1}{3}$ per cent. more than they have done upto recently.

12. My Committee are informed that the Municipality is supplying water to the Bandra and other suburban municipalities at the rate of eight annas per 1,000 gallons and that these municipalities are charging industrial concerns at the rate of ten annas per 1,000 gallons, and they submit that in view of the rates already charged in the City and Island of Bombay this is neither reasonable nor equitable. In this connection I am directed to record that it is my Committee's considered opinion that the industries of the city upon which so much of its prosperity depends, have an even greater claim to the consideration of the Municipality than have consumers in suburban districts.

13. It is generally recognised in England and other European countries that industrial concerns ought to be charged for water at a lower rate than house-owners and others, and my Committee venture to point out that the Standing Committee have by the above proposal made a complete departure from this recognised principle of Municipal taxation, and are charging to the industry a rate of Re. 1 (equivalent to 1s. 6d.) per 1,000 gallons, a rate unheard of in any civilized modern city.

14. My Committee wish to take this opportunity to draw your attention to the constantly increasing taxes which have been paid by the cotton mills to the Municipality. The total amounts paid by the cotton mills for General tax, Halalkhore tax and Water tax in 1914-15 and 1923-24 are as follows, and show at a glance the enormous increase in the mills' contribution so far as the three principal sources of municipal revenue are concerned.

	General Tax.		Halalkhore Tax.		Water Tax.		Total.	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
1914-15	3,32,452	10 5	1,02,539	4 10	3,07,826	6 0	7,42,818	5 3
1923-24	9,53,287	7 0	2,48,678	5 0	8,65,881	8 0	20,67,847	4 0

15. The water tax stood at eight annas per 1,000 gallons in 1914-15 and up to 1917-18. It was reduced from 1918-19 to seven annas six pies and was increased to twelve annas in 1921-22. It has now been increased to Re. 1 *i.e.*, an increase of 100 per cent. over the rate prevailing in 1914-15 and of $33\frac{1}{3}$ per cent. over the rate prevailing up to 1924-25. This increase will give an additional revenue to the Municipality of Rs. 2,88,627, bringing the total contribution of the industry to Rs. 23,55,474. House-owners have not been penalised to anything like the same extent, the rate charged for water having remained constant at $3\frac{1}{4}$ per cent. on the rateable value of their premises.

16. The gross unfairness of the treatment meted out to the Bombay mill industry will be most apparent from the following comparison :—

In the year 1923-24 the total water consumed in Bombay City and Island was 17,876 million gallons and the total revenue derived in respect of the water tax was Rs. 53½ lakhs. The total water consumed by the cotton mills was 938 million gallons for which they paid slightly more than Rs. 7 lakhs. Thus, although the cotton mills consumed only 5¼ per cent. of the total amount of water used, they paid no less than 13 per cent. of the total revenue or more than twice as much as they should have done under an equitable arrangement. On the basis of a fair charge for the water used they would have paid Rs. 2,81,000 which means that the mills even with a twelve annas rate paid Rs. 4,20,000 more than they should in equity have done. Now that the water rate has been increased to annas 16, the mills will have to pay Rs. 2½ lakhs more than formerly and 6½ lakhs more than their fair share.

17. My Committee desire to state that their views with reference to the proposals contained in the Resolution of the Standing Committee as set out in paragraphs 9 to 16 hereof inclusive have already been conveyed to the Secretary of the Corporation in a letter of the 30th December, 1924, to which no reply has so far been received.

18. The then Chairman of the Standing Committee had stated that in his opinion the criticism of the millowners was unwarranted and unjustifiable. The Corporation, he said, had a very large programme affecting the water-works this year. He did not think that the mill industry was over-taxed. He further argued that the mill industry should first agitate for the removal of an admittedly unjust and iniquitous tax like the Cotton Excise Duty before complaining of the additional burden imposed on the industry in the shape of an enhanced water tax. My Committee do not deem it necessary at this stage to challenge the opinion and argument of the late Chairman of the Standing Committee, although it could be clearly demonstrated that both are without foundation and irrelevant to the present issue.

19. At a meeting of the Corporation held on the 20th January, 1925, Mr. H. P. Mody, the Association's representative on the Corporation, moved an amendment that the Budget Estimate in respect of the revenue for the year 1925-26 from water tax be adopted at Rs. 69,00,000 instead of Rs. 71,46,500 as proposed by the Standing Committee, the estimate in respect of receipt from water supplied by meter measurement for (a) cotton and other mills and (b) bleaching mills being calculated at the rate of twelve annas per 1,000 gallons instead of Re. 1 as proposed. This amendment was thrown out.

20. I am directed to add that the Bombay Chamber of Commerce have associated themselves with the views of my Committee regarding the water tax and have already addressed a letter to the Municipal Secretary on the subject.

21. My Committee further desire me to point out that the Municipality has in the past made a huge surplus every year on water revenue, which has averaged nearly Rs. 6 lakhs for the last six years. It may be pointed out that this is contrary to the provisions of the Municipal Act which do not permit of any surplus being made on the water revenue—Section 140 (a) of the Act authorising the imposition of a tax which shall be reasonable with reference to the expense of providing a water-supply for the city.

22. My Committee are confident that the facts and figures mentioned above will convince you and will also convince the Corporation of the inadvisability and unfairness of increasing the water rate to mills and will further satisfy them that there is an overwhelming case for at least retaining the water tax at its previous level of twelve annas, if not for reducing it further.

23. My Committee trust that it will be recognised that justice requires that the whole question should be reconsidered and I am to repeat what my Committee have already brought to your notice by their letters of the 7th, 9th and 24th January, 1925.

24. I am next directed to address you regarding the report which the Income Committee of the Corporation have recently submitted to the Corporation containing detailed proposals in regard to terminal taxes which they suggest might be levied to replace the present system of refundable town duties.

25. In this connection Mr. H. P. Mody was originally nominated to represent the views of this Association before the Committee, but in June 1923 Mr. S. D. Saklatvala replaced Mr. H. P. Mody as the Association's representative when the latter became President of the Corporation.

26. On the 9th of July, 1923, Mr. Saklatvala with the representatives of the Bombay Chamber of Commerce and the Indian Merchants' Chamber discussed the list of articles which it was then considered advisable to make subject to a terminal tax. It appears that the Income Committee invited suggestions generally and particularly with regard to the possibility of increasing the number of articles upon which a light terminal tax might be levied. On the 17th July, 1923, Mr. Saklatvala tendered to the Income Committee certain proposals which had been previously approved by this Association and at the close of his letter indicated the extreme desirability of having another opportunity of meeting the Income Committee for a discussion of the conclusions reached by them as a result of the suggestions made by this Association, the Indian Merchants' Chamber and the Bombay Chamber of Commerce.

27. Notwithstanding the above, the Income Committee submitted their final report to the Corporation without having given the representatives of this Association and the other two leading commercial bodies above named a chance of expressing their opinions thereon.

28. My Committee believe that the schedule and the rates at which it is proposed to levy the tax are open to serious objection in certain instances. In case of articles like coal, oil, stores, etc., the proposed terminal tax will be an additional burden on mills in Bombay, because these goods are already subject to heavy import duty, and under these circumstances my Committee suggested to you in their letter of the 7th January that the report be referred back to the Income Committee with a recommendation that important industrial, mercantile and commercial bodies be consulted.

29. My Committee have already in their letter of the 24th January explained that their chief criticism of the proposed schedule is that it contains several articles which are used almost exclusively by cotton mills and therefore violates the principle laid down by the Income Committee themselves, *viz.*, that the burden of taxation should be distributed as equally as possible amongst the tax-paying community.

30. My Committee direct me to point out that they have no objection, in principle, to a non-refundable tax, but they cannot contemplate with equanimity the schedule which has been framed by the Income Committee and which, if adopted by the Corporation, would entail an additional tax on the industry of about 8 lakhs of rupees.

31. My Committee particularly request that you will bring their views as expressed in paragraphs 24 to 30 inclusive before the Corporation.

32. Since the 1st January, 1921, a town duty of Re. 1 per bale has been levied on raw cotton imported into Bombay, which town duty costs the mills from Rs. 10 to Rs. 11 lakhs annually. The said town duty was levied to make up the loss which it was anticipated would be sustained by letting on very low rents, the chawls erected for millhands under the Bombay Development Scheme. I am desirous to observe that in no other country employers would be asked to contribute towards the expenses of building residential quarters for their employees. It is, however, well known that the millhands have, in fact, not been able to take advantage of the chawls in question on account of the high rents charged and for other reasons and the said chawls have been let at high rents to others, and under the circumstances there can, it is submitted, be no doubt as to the sheer injustice of the said burden of Rs. 10 to Rs. 11 lakhs annually charged upon the mill industry of Bombay.

33. My Committee desire to draw your attention to the excessive burdens of taxation, Imperial, Provincial and Municipal, imposed upon the cotton mill industry of India. To the Government of India the mill industry has to pay the $3\frac{1}{2}$ per cent. excise duty and in addition 15 per cent. on all stores, dyes, chemicals, etc., imported for use in mills. Besides, the industry has to bear $2\frac{1}{2}$ per cent. duty on all machinery imported by them; and this tax may without fear of contradiction be characterised as a 'Capital Levy' of $2\frac{1}{2}$ per cent. Then if the industry makes a profit, Government claim a very large share of it by way of income-tax and super-tax. Lately the mill industry has been subjected to a tax of Re. 1 per bale of cotton, this tax being imposed for the benefit of the Development Department of Bombay in order that the rents charged for workmen's dwellings may be reduced. The millhands are, however, not in a position to take advantage of these chawls owing to the high rents demanded and these chawls are now let to others. Then there is a further tax of four annas per bale of cotton for the purposes of the Central Cotton Committee. Recently the Workmen's Compensation Act has gone to swell the burdens already imposed upon the industry. Each of these various taxes may amount to a small sum individually, but collectively they amount to a large sum and thus hamper industrial growth. My Committee submit that so far as the City of Bombay is concerned, its prosperity, to a very large extent, is due to the mill industry, and it is not right or proper that the progress and development of the city's premier industry should be hampered by this excessive burden of taxation. As is well known, the indigenous industry finds it increasingly difficult to hold its own against competition from Japan which, owing to a very high degree of protection afforded by its Government, is able to sell in the Indian market piece-goods at prices which are very often less than the cost of identical goods turned out by Indian mills. This Association wishes to submit most respectfully that the city's Corporation should be the last to adopt a policy calculated to hamper the healthy development of its greatest industry, particularly at present when the industry is passing through a period of unparalleled depression and when it stands urgently in need of being relieved of a portion of its burdens instead of being saddled with additional taxation.

34. In conclusion, I am directed to request that you may be pleased to receive a deputation from this Association so that the grievances of the Bombay mill industry as regards the heavy burden of Municipal taxation imposed thereon may be fully discussed, and a fair and equitable arrangement be arrived at.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. MC/47/D of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, 27th April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to acknowledge the receipt of your letter No. 579/51 dated the 22nd April, 1925, and to state that, if you so desire, I shall arrange to meet a deputation of the Association as soon as I have gathered certain information.—I have, etc.,

H. B. CLAYTON,
Municipal Commissioner.

No. A/150 of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, 25th August, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to refer to your letter No. 579/51 of the 22nd of April, 1925, and in doing so to express my regret that various causes, including indisposition, have operated to prevent me from dealing with it at an earlier date. I have now received and considered the

reports of all the officers concerned and am prepared either to reply *seriatim* to your letter or, as proposed in para 34 thereof, to meet a deputation in a friendly way to discuss the points at issue. If your Association prefers the latter course, I would suggest Thursday, September the 3rd, at any time between 12 midday and 3 p.m. (S.T.) as suitable. I shall doubtless have a Corporation meeting at 3-40 p.m. (S.T.). So, it will be hardly advisable to fix a later hour. If this time is inconvenient, I will do my best to give another time more suitable for the Association if you will suggest it. I should be glad to learn from you at an early date whether you desire me to reply in writing, in the first instance, or to discuss the matter as proposed.—I have, etc.,

H. B. CLAYTON,
Municipal Commissioner.

No. 991/51 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 27th August, 1925.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY, BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. A/150 dated 25th August, 1925, and to tender you my Committee's best thanks for agreeing to meet a deputation from this Association for a discussion of the various points raised in the Association's letter of 22nd April. The deputation will probably consist of the gentlemen named below and they desire to meet you on Thursday, 3rd September, at 12-30 p.m. (S.T.) It is hoped this will be convenient to you.

N. N. WADIA, Esq., C.I.E., M.L.C. (*Chairman*).
RATANSI D. MORARJI, Esq. (*Deputy Chairman*).
SIR DINSHAW M. PETIT, BART.,
N. B. SAKLATVALA, Esq., C.I.E.
H. P. MODY, Esq.,
JEHANGIR BOMANJI PETIT, Esq., and
F. STONES, Esq., O.B.E.,

I have, etc.,

J. P. WADIA,
Acting Secretary.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th September, 1925.

TO THE COMMITTEE.
GENTLEMEN,

In accordance with the resolution passed at the meeting of the Committee held on 4th May, 1925, we met the Municipal Commissioner in his office on Thursday, the 3rd September, 1925, and give below an account of our discussion with him regarding Municipal taxation and other matters which have formed the subject of correspondence between the Association and the Municipal Commissioner.

2. Mr. Robottom, the Assessor and Collector of Taxes, was present throughout the discussion, and at a later stage when the question of anti-malaria action in respect of mill tanks was considered, Dr. Sandilands, the Health Officer, was invited to take part in the discussion.

3. For facility of reference we have attached to this report a copy each of the Association's representations to the Municipal Commissioner dated 23rd January, 1925, and 22nd April, 1925.

4. The first subject discussed was the Halalkhore tax. In this connection we emphasised the points brought out in paras 6 and 7 of our representation of 22nd April, 1925, and urged that a good case had been made out for the Commissioner to use the

discretion vested in him under Section 172 to fix the rate of Halalkhore tax payable by mills at a lower rate than the one hitherto charged. The Commissioner contended that statistics compiled by the Municipality went to show that the Municipality was not overcharging the tax-payers for the work in connection with the removal and disposal of excrementitious and polluted matter from privies, urinals and cesspools. The fact that the mills of the city had been fitted with water-flushes in the sanitary conveniences provided for the workpeople did not warrant, in the Commissioner's opinion, a reduction in the Halalkhore tax, for, he pointed out that this argument might be brought forward by private houseowners. The Commissioner also contended that the Municipality could not be expected to make any allowance on account of the pumps which had been installed in certain mills where the levels of mill drains were lower than the municipal drains, so that the sewage might be pumped to the higher level in order to cause it to flow into the municipal drains.

5. We were more successful with the Commissioner while discussing with him the question of water tax. He appeared to be impressed with the facts and figures mentioned in para 16 of our representation of 22nd April, 1925. From figures of 1924-25, it was ascertained in discussion 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 the water tax. We urged that mills had a very strong case for demanding a reduction in the present exorbitant rate of water tax, and the Commissioner agreed to place our case before the Standing Committee for their consideration.

6. We did not deem it necessary to discuss the subject of terminal tax, for the matter will in due course come up before the Government of India, and it would be best for us to take up the matter with the Government of India at the proper time.

7. We next drew the Commissioner's attention to our letter of 23rd January, 1925, wherein we had dealt with the question of the assessment of the rateable value of mills and extensions to mills completed since 31st March, 1916. The Commissioner stated that he did not want to go into this question in detail, and that he was not just then in a position to give a definite reply on the subject. He, however, admitted that the contention advanced by us in our letter of 23rd January in respect of assessment of mills which were extended since 31st March, 1916, was fair and reasonable, and that we had made out a good case in support of our request that the mills built or extended since 31st March, 1916, should not be charged 25 per cent. extra in assessment as a result of the agreement of 1923, for, when settling this, somehow or other, the case of such mills was overlooked. The Commissioner promised that the matter would be very sympathetically considered and that the necessary orders would be issued for the readjustment of the extra amount.

8. The last question discussed was the one relating to the anti-malaria action in respect of the mill tanks. The Commissioner stated that there was no doubt that these tanks were breeding places for mosquitoes and constituted a danger to health. He emphasised that some measures would have to be effected sooner or later to eradicate this alleged source of danger to health. We pointed out the grave practical difficulties in closing up or covering the mill tanks, and also the objections raised by the Bombay Fire Insurance Association in their letter to our Association dated 1st July, 1925, a copy of which was forwarded by the Committee to the Municipal Commissioner on 21st July, 1925. He said that he had a conference with the Committee of the Fire Insurance Association and that Association would be satisfied if a water-tight tank of the capacity of 2½ lakhs gallons was provided to meet their requirements. It was decided that Dr. Sandilands should go into the whole question with our Mr. Stones, and that pending a report from Dr. Sandilands and Mr. Stones, no further notices would be served by the Municipal Commissioner calling upon mills to fill in or cover their tanks.—Yours faithfully,

N. N. WADIA,
 JEHangir B. PETIT,
 FRED STONES,
 DINSHAW PETIT,*
 H. P. MODY.
 J. P. WADIA,
Acting Secretary.

* I was not able to attend the conference with the Commissioner.

APPENDIX 31.**REFUND OF MUNICIPAL TAXES FOR THE STRIKE PERIOD.**

A.&C/No. 4273D of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, 7th November, 1925.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.
SIR,

I have the honour to say that it has been brought to my notice that millowners and their agents withhold payment of municipal bills on the ground that they have applied for refund on account of closure of mills.

I enclose herewith a copy of the rules laid down for the purpose of claiming refund on account of closure of mill and request you to draw the attention of the millowners to the procedure to be followed. Any refund that may be admissible on account of closure of mills will be allowed after the proposals are submitted for audit in the usual way. I shall therefore thank you if you will be so good as to advise the millowners and their agents that property tax bills are payable half-yearly in advance in accordance with Section 197 of the Municipal Act.—I have, etc.,

(ILLEGIBLE),
*Acting Assessor and Collector.***RULES RE: CLOSURE OF THE MILLS.**

- (a) Notice in writing to be sent to the Municipal Commissioner on closure of the mills.
- (b) The closure in each case must be for not less than 60 consecutive days.
- (c) On the mill resuming work immediate notice in writing is given.
- (d) Only one application will be entertained for each official half-year (*i.e.*, April to September and October to March).
- (e) Notice of continued closure must be given within 7 days from the commencement of each half-year.

No. 1382/31 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 28th November, 1925.THE ACTING ASSESSOR AND COLLECTOR OF MUNICIPAL TAXES,
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. A&C/4273D dated 7th November, 1925, forwarding a copy of the Rules laid down for the purpose of claiming refunds of municipal taxes on account of the closure of the mills.

2. My Committee understand that the mill agents intimated to the Municipality last September the closure of mills owing to the general strike of millhands. It was, however, not known generally that under the rules another notice was necessary in respect of the official year commencing with 1st October, and it appears that several mills did not submit the second notice in time. However, on receipt of your letter of the 7th instant the mills were asked to submit a separate notice in respect of the six months commencing with 1st October. Had official intimation of the rule been given to the Association last September, members of the Association would certainly have again notified to the Municipality the

continued closure of the mills. Considering that the closure of the mills owing to the general strike of the millhands is a fact well known to the public and that the intimation of the rules was not given to the Association in time, my Committee trust you will agree that it would be inequitable to disallow any refunds on the technical ground that mills did not submit the second notice in time. An assurance from you to this effect would be greatly appreciated by this Association. It need hardly be added that in future the formalities required by the Municipality in this connection will be carefully complied with.

3. My Committee, however, desire me to urge that in their opinion Sections 174 and 175 of the Bombay Municipal Act should be made applicable in the case of cotton mills closed on account of strike or other reasons for the period laid down in those sections, and there would appear to be no justification for special rules being framed in the case of mills.

4. If it be held for any reason that mills closed during a strike cannot be said to come within the operation of the above-mentioned sections then my Committee submit that the special rules in the case of mills should be at least framed on the lines of those sections. The rules forwarded by you are calculated to mete out less favourable treatment to mills than to other assesses who are entitled to the benefit of Sections 174-175 and my Committee respectfully submit that such differential treatment is inequitable and against the spirit of the Act.

5. Under Section 174 of the Act, the whole of the Halalkhore tax for the period the premises remain vacant has to be refunded provided the period of vacancy is not less than thirty consecutive days. Under the special rules for mills, a closure of sixty consecutive days is necessary before the refund can be claimed, and nothing is stated in the rules as to whether the whole amount would be refunded or not. As a matter of fact instances have occurred where full refund was not granted.

6. Again, under Section 176 (3), when a vacancy continues from one half-year into the next following half-year the notice is required to be given to the Commissioner within thirty days from the commencement of the next following half-year. My Committee submit it is not fair that in the case of mills the period should be reduced to one of seven days.

7. My Committee trust the points mentioned above will be very sympathetically considered by the Municipality and that the necessary orders will be passed forthwith to prevent any injustice being done to the mills in the matter of refunds.

8. The favour of an early reply will be much appreciated.—I have, etc.,

T. MALONEY,
Secretary.

No. A & C/4273/D of 1925-26.

MUNICIPAL COMMISSIONER'S OFFICE,
BOMBAY, 5th January, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.
SIR,

Referring to your letter No. 1382/31 dated 28th November, 1925, addressed to the Assessor and Collector, I have the honour to state that silent mills are not entitled to the benefit of refund of property taxes claimable on the ground of vacancy under Sections 174 and 179 of the Municipal Act.

I have, however, in view of the difficulties pointed out by you ordered that the lateness in giving notice of the continued closure of the mills should be condoned and that one third reduction in the valuation of the closed mills should be allowed from the date of notice of closure received by the Assessor and Collector up to the 1st December, 1925, the date on which the strike ended.—I have, etc.,

N. D. MEHTA,
Deputy Municipal Commissioner.

APPENDIX 32.**BATHING PLACES FOR MILL OPERATIVES.**

No. C.S./19-A of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, 15th August, 1925.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

The Sanitary Measures Committee of the Corporation at their meeting held on 9th July suggested the opening of negotiations with the millowners in the city on the question as to whether they would be prepared to provide bathing places for the employees working in their mills.

I should be obliged if you would furnish me with information as to the views of the millowners on this question and state whether such bathing places have already been provided in any of the mills in Bombay.

In France, as you are no doubt aware, the provision of baths for workers in coal mines was made compulsory by law more than 10 years ago.—I have, etc.,

H. B. CLAYTON,
Municipal Commissioner.

No. 1010/117 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 1st September, 1925.THE MUNICIPAL COMMISSIONER FOR THE CITY OF BOMBAY,
BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. C.S./19-A dated the 15th August, and to state in reply that my Committee see no reason why millowners should be expected to provide bathing places for the employees working in their mills. There can be no comparison between the case of workers in coal mines in France and the case of operatives working in the cotton mills of Bombay.

My Committee regret it is not possible for them to entertain the suggestion made by the Sanitary Measures Committee of the Corporation.—I have, etc.,

J. P. WADIA,
*Acting Secretary.***APPENDIX 33.****CONDITIONS OF LABOUR IN INDIAN MILLS.**SHAWOOD, COLINTON,
EDINBURGH, 18th August, 1925.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I take the liberty of sending you the enclosed cutting from to-day's *Scotsman* containing statements reported to have been made at the Annual Conference of the Amalgamated Unions of Operative Bakers, Confectioners and Allied Workers at Nottingham with regard

to the employment of children in the Bombay cotton mills. I feel perfectly certain that the facts are not in accordance with the statements made and as so many statements of a similar character are made and appear in the Press unchallenged I think it would be well if steps were taken to nail this one to the wall. The subject of the remarks is a pet theme at home at present and if nothing is done to controvert these statements they will be taken up by other speakers and there is no saying what mischief they may lead to—as witness Shanghai and the agitation that has been going on in that connection.—Yours faithfully,

A. G. WATSON.

No. 1107/3 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 25th September, 1925.

A. G. WATSON, ESQ.,
SHAWOOD, COLINTON,
EDINBURGH.

DEAR SIR,

I am directed to acknowledge receipt of your letter of the 18th ultimo and to tender you my Committee's best thanks for having drawn their attention to the grossly inaccurate statements made by Messrs. Banfield and Ferris at the Fifteenth Annual Conference of the Amalgamated Union of Operative Bakers, Confectioners and Allied Workers.

2. My Committee will feel much obliged if you will kindly forward the enclosed letter to the Editor of the *Scotsman* for publication in his paper. The letter would have been sent direct to him but for the fact that the exact address of the *Scotsman* is not known.

3. It is really very unfortunate that such grossly misleading statements should be made regarding the cotton mill industry of this country and my Committee are very grateful to you for having drawn their attention to the matter. It is hoped that after the letter to the *Scotsman* statements such as those made by Messrs. Banfield and Ferris will not be repeated.

Again thanking you for your trouble.—I remain, etc.,

T. MALONEY,
Secretary.

No. of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd September, 1925.

THE EDITOR,
THE "SCOTSMAN," EDINBURGH.

SIR,

I am directed by the Committee of my Association to request you to allow me a little space in the columns of your esteemed paper in order to contradict categorically certain statements made by Mr. W. Banfield, General Secretary, and Mr. T. Ferris, Vice-Chairman of the Amalgamated Union of Operative Bakers, Confectioners and Allied Workers at the Fifteenth Annual Conference held at Nottingham in August last, and reported in your paper on August 28th.

Mr. W. Banfield made the entirely ridiculous statement that "the capital which ran the cotton mills in Bombay was the same as that which ran those in Lancashire." There is no Lancashire capital in the cotton mills of Bombay, and practically the whole of the share capital is held by Indians, and in the majority of cases the management is entirely in the hands of Indians.

At a later stage of the proceedings, Mr. T. Ferris made the amazing statement, " that children of five were working in the mills and at the age of seven were working twelve hours per day and seven days per week."

Never in the history of the cotton industry of India have any such conditions existed and to-day the conditions of work in India for labour of all classes compare favourably with any country in the East.

If Mr. Ferris would take the trouble to enquire he would find that working conditions are regulated by very strictly enforced Factory Acts and Regulations. For his information and for the benefit of the general public it should be stated that the Factory Acts provide:-

- (1) No person (man, woman or child) shall be employed more than sixty hours in any one week.
- (2) No child shall be employed in any factory unless he is more than 12 years of age, and has been certified by a qualified medical practitioner as physically fit to be employed in a factory.
- (3) No person under 15 may be employed more than six hours per day.
- (4) No child between 12 and 14 and no woman, whatever her age, shall be employed in any factory before half-past five o'clock in the morning or after seven o'clock in the evening.

As a matter of fact, no cotton mill in Bombay works more than ten hours per day, and no mill starts work before 7 o'clock in the morning. There is an hour's break for the midday meal from twelve noon to one o'clock and no child works more than five hours per day.

It would be far more to the point if Mr. Ferris and his friends turned their attention to the conditions of labour in Japanese mills where women and children are employed twelve hours a day and throughout the night.

The following extract from an article by T. Kadgimoto in the *Osaka Mainichi*, one of the most widely circulated daily newspapers in Japan, should provide Mr. Ferris with food for thought, and give Lancashire an idea as to why they are losing their trade in India, East Africa, China and the Levant:—

" The mills are at work day and night, all the year round with never a day off, but for a few near New Year and Bon holidays and the girls are kept at work twelve hours a day; the night shift succeeding the day shift workers at 6.0 p.m. to be at work till 6.0 next morning when the day shift take their place. In each case reigns a steady twelve hours' work with but an hour's rest at noon or at midnight. This is slavery. . . .

" I found out further that these girls are made to sleep twenty of them in a room of twenty mats in the factory dormitory. What with twelve hours work out of twenty-four and being packed like sardines in a box at night, it is no wonder that many of them go home with wrecked health, only to seek rest in their early graves. Early I say because most of them are young girls of twelve to fifteen and four or five years of exacting physical mental labour must sap their vitality."—Yours faithfully, etc.,

T. MALONEY,
Secretary.

SHAWOOD, COLINTON,
EDINBURGH, 17th October, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I have to thank you for your letter No. 1107/3 of 25th September, and have had pleasure in handing over your letter to the *Scotsman* office for publication. It appeared in the issue of the 14th instant and I enclose a cutting of it.

I am glad you refuted the statements made. The *Scotsman* is the principal daily paper in Scotland, is published in Edinburgh and has a wide circulation and it is well that such irresponsible statements as those which were made should not be allowed to circulate without being contradicted.

You'll notice the Editor has deleted that portion of your letter which referred to conditions in Japan, but that is after all immaterial to your purpose in view.—Yours faithfully

A. G. WATSON,

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th November, 1925.

A. G. WATSON, ESQ.,
SHAWOOD, COLINTON, EDINBURGH.

DEAR SIR,

I am directed to acknowledge receipt of your letter of 17th October with enclosure, and to tender you the Association's best thanks for all your kind trouble.—Yours, etc.,

T. MALONEY,
Secretary.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 6th November, 1925.

THE EDITOR,
"THE ASIATIC REVIEW,"
WESTMINSTER CHAMBERS, 3, VICTORIA STREET, LONDON, S.W.1.

DEAR SIR,

The attention of the Committee of the Bombay Millowners' Association has been drawn to the article on "Labour Legislation in India" contributed to the October number of your Review by Lady Chatterjee.

2. Many of the views expressed by Lady Chatterjee are such as would not be endorsed by those who have practical experience of the needs of Labour in this country. My Committee, however, do not propose to offer any criticisms on the views expressed by Lady Chatterjee, but they desire your and Lady Chatterjee's attention to be drawn to the fact that certain statements made by her are not in accordance with facts.

3. In more than one place in her article Lady Chatterjee has stated that in the Bombay cotton mill industry wages of operatives are paid six weeks in arrears. This is not true, for the operatives get their wages for a particular month within the first ten to fifteen days of the succeeding month.

4. The remarks made in the last paragraph but one of the article regarding fines are also wide of the mark. Lady Chatterjee says, "many firms have very elaborate systems of fines in force. Not only do they make deductions of wages for double the length of absence, but they also withhold wages when workers leave without giving due notice. The fines relating to faulty work are also in many cases severe. As the workers are, in the majority of cases illiterate, and as wages are, in the Bombay cotton mill industry, for instance, paid six weeks in arrears, it is not possible for them either to check the amount of the fines deducted from their wages or even to comprehend exactly for what reasons the fines have been imposed."

The above statement constitutes a complete travesty of the true facts so far as the cotton mill industry is concerned. Fines are imposed only when workmen turn out bad work, *e.g.*, when cloth is spoilt and unsaleable. The fines, however, are comparatively very light. It is entirely incorrect to say, as Lady Chatterjee does, that reduction of wages is made for double the length of absence. It is regrettable that starting from wrong premises that wages are paid six weeks in arrears, and that heavy fines are imposed on workmen, Lady Chatterjee draws conclusions which are altogether unwarranted.

5. As regards the Weekly Payments Bill introduced by Mr. Chaman Lal in the Legislative Assembly and which meets with the warm approval of Lady Chatterjee, she and your readers generally will be interested to know that some months before Mr. Chaman Lal's Bill was introduced His Excellency Sir Leslie Wilson, Governor of Bombay, personally took up with this Association the question of making fortnightly payments to mill-workers instead of monthly payments as hitherto. Individual members of the Association were requested to elicit the opinion of the workpeople as to whether they would prefer monthly or fortnightly wages. An overwhelming majority of workpeople expressed themselves strongly opposed to the introduction of the system of fortnightly payments of wages and insisted on the continuance of the present system. My Committee desire me to draw your special attention to pages 105—107 and 408—416 of the Association's Report for 1924, a copy of which I have pleasure in forwarding to you in a separate cover for your kind acceptance. You will find therein set forth the views of the mill operatives in great detail. If the mill operatives had shown any preference for the system of fortnightly payments, the Association would have certainly asked its members to pay wages to operatives every fortnight. In the light of this information you will agree that Lady Chatterjee's remarks in connection with Mr. Chaman Lal's Bill are not well-founded and take no cognisance of the real needs and wishes of Indian labour.

6. At present the cotton mill industry is passing through a very grave crisis, and at such a time the misstatements made by a person in the position of Lady Chatterjee are likely to do incalculable mischief. My Committee therefore trust you will be good enough to spare some space in your valued Review for the publication of this letter which sets forth the correct facts.—Yours faithfully,

T. MALONEY,
Secretary.

"THE ASIATIC REVIEW,"
LONDON, 26th November, 1925.

The Editor begs to thank the Secretary of the Millowners' Association for the letter of November 6th, bearing on Lady Chatterjee's article in the October issue, and is arranging for the publication of the criticisms in the next (January) issue. Previous to the receipt of your letter, he had already had a communication from the author upon the same subject.

Extract from the "Bombay Chronicle," 30th October, 1925.

BOMBAY MILL STRIKE.

SYMPATHY OF WORLD'S WORKERS.

INTERNATIONAL FEDERATION OF TRADES UNIONS' APPEAL.

The Secretariat of the International Federation of Trades Unions, Amsterdam, issued the following appeal to the world's workers on behalf of the mill operatives of Bombay on 29th October, 1925:—

INTERNATIONAL RELIEF FOR INDIA.

(I. F. T. U.) As has already been announced, 20,000 workers in the Bombay cotton factories went on strike on September 15th. The number of the strikers increased very quickly and there are now 150,000, out of a total of 156,000 employed in the whole Bombay textile industry, standing out. The strike is the result of an attempt on the part of the employers to cut down wages. The workers are already very badly paid, and they are rightly making a determined stand to defend the little they have.

As up to the present it has not been possible to reach an agreement, the All-India Trade Union Congress has sent a telegram to the International Federation of Trade Unions, asking for international relief.

Although the Indian trade unions are not yet affiliated to the I. F. T. U., the Executive considered that the appeal should be answered and a relief action organised. The All-India Trade Union Congress has made good progress within the last few years, and is doing everything it can to improve the wretched lot of the Indian workers, and their efforts have already met with success in some cases. It is to be hoped that the Indian trade unions will be so well developed before long that they will be able to enter the international trade union movement on an equal footing with the other national movements.

The I. F. T. U. has already wired a sum of money to India from the funds at its disposal, as a token of the solidarity of its affiliated organisations. It has now asked the National Centres to place further means at its disposal, which it can transmit immediately by telegraph to India. It is left to the National Centres to decide whether they will draw from their funds for this purpose, or make special collections.

THE TEXTILE WORKERS IN BOMBAY ARE STARVING.

(I. F. T. U.) The full significance of the textile workers' strike in Bombay, and the heroic resistance which is being offered, can only be fully appreciated when it is realised that their conditions of living were so bad, even before the strike, that it would have been no wonder if the half-starved wretches had not been able to summon up enough energy to defend themselves. That they have done so is a fine proof of the awakening class-consciousness; and if they are supported, it will mean not only solidarity in the usual sense, but a recognition of the will to social progress in the East, a fact of great importance to the European workers. For Europe too it is a matter of great moment that the starvation wages of the Indian textile workers shall not be reduced any further.

There has been no change in the situation of the strike.

Two or three mills have opened their doors again, but only a few hundred workers have gone back. The factories had arranged to pay their operatives their wages for September at a reduced rate, but hardly a handful of men turned out to receive their pay, and a large number of men who were assembled round the mills refused to receive wages with a cut. The strike is going on with undiminished vigour. But starvation is staring them in the face. The Indian workers are turning their eyes to the West, and it is the duty of the workers of the West to help them.

Statement issued by the Committee of the Bombay Millowners' Association dated 26-11-1925.

The attention of the Bombay Millowners' Association has been drawn to an appeal recently issued by the Secretariat of the International Federation of Trade Unions, Amsterdam, to affiliated trade unions on behalf of the mill operatives of Bombay. Similar allegations to those contained in this appeal, with regard to the wages and conditions of living of the Indian textile workers have at various times been made in and outside Parliament and in the Press, and the Bombay Millowners' Association take this opportunity of refuting these totally incorrect statements which can only have been made through ignorance or wilful perversion of facts.

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 Bombay Millowners' Association three years before the Government of India ratified the Washington Hours 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.

Housing: (2) 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 facts which have been enumerated in the preceding paragraphs speak for themselves. 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. 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 wages which compare very favourably with the wages of clerks. And the clerical classes in India are of the same type from 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.”

APPENDIX 34.

PROVISION OF CRECHES IN MILL AREA.

Proceedings of a Special Meeting of the Committee of the Bombay Millowners' Association, held on Tuesday, 14th July, 1925, at 2-30 p. m.

The Hon. Mr. Cowasji Jehangir, C.I.E., O.B.E., J.P., Member of the Executive Council of the Government of Bombay, and Mr. C. W. A. Turner, I.C.S., Secretary to the Government of Bombay, General Department, having expressed a desire to discuss with the Committee the question of establishing creches in the mill area, a special meeting of the Committee was held for the purpose on Tuesday, 14th July, 1925, at 2-30 p.m. (S.T.), when besides the Hon. Mr. Cowasji Jehangir and Mr. C. W. A. Turner, the following members were present:—

N. N. WADIA, Esq., C.I.E. (*Chairman*)

THE HON. SIR DINSHAW E. WACHA, KT.,	H. H. SAWYER, Esq.,
SIR FAZULBHOY CURRIMBHOY, KT., C.B.E.	F. STONES, Esq., O.B.E.,
J. A. KAY, Esq., M.L.C.,	H. F. COMMISSARIAT, Esq.,
JEHANGIR B. PETIT, Esq.,	and
H. P. MODY, Esq.,	J. P. WADIA, Esq. (<i>Acting Secretary</i>).

The Chairman opened the proceedings by welcoming the Hon. Mr. Cowasji Jehangir, an ex-member of the Committee, and expressing the Committee's gratification at seeing the Hon. Mr. Cowasji Jehangir once again in their midst, though not as a member of the Committee but as a member of the Executive Council of His Excellency the Governor of Bombay.

The Hon. Mr. Cowasji said he was much pleased to meet the Committee of the Association and wished prosperity to the Association.

He next went on to say that his object in meeting the Committee of the Association was that Government wanted to discuss with millowners the question of establishing creches for the use of children of women employed in the mill industry. He referred to the resolu-

tion passed by the First International Labour Conference held at Washington in 1919 concerning the employment of women before and after childbirth, and to the Conference held in Simla in May, 1921, when the suitability of the Washington resolution to the conditions prevailing in India was fully discussed. The Hon. Mr. Cowasji said that the conclusions reached by the Simla Conference were communicated to this Association by Government, and the Association in their letter dated 1st July, 1921, had expressed their opinion that a very great deal could be accomplished by means of voluntary help from the factory owners. At this stage the Chairman stated that the position had changed since then, and he pointed out that the Government of Bombay themselves in their letter dated 13th February, 1925, had stated that the provision of creches should not be made obligatory on the millowners. The Hon. Mr. Cowasji Jehangir replied that he would explain in a moment that it was not the intention of the Government of Bombay to ask for contributions in cash from the millowners.

The Hon. Mr. Cowasji Jehangir went on to say that the Government of Bombay had nothing to do with the Maternity Benefits Bill introduced by Mr. Joshi in the Legislative Assembly. The Government of Bombay had already expressed the opinion that the Bill was impracticable. The Government of Bombay, however, held that a good case had been made out for the establishment of creches in Bombay on a larger scale than was the case at present. The Hon. Mr. Cowasji referred to the heavy infant mortality in Bombay and pointed out that the statistics in this connection had attracted the attention of the public not only in India but in England. The Government of Bombay were of opinion that the practice of giving opium to babies was prevailing to an alarming extent among women employed in factories, etc., and in order to minimise this evil, establishment of creches was very necessary. The Hon. Mr. Cowasji remarked that in the opinion of the Government of Bombay, more creches should be provided by co-operation between Government, Millowners and the Infant Welfare Society. Government were prepared to pay the running costs if millowners agreed on their part to supply accommodation and the equipment for the creches. The Hon. Mr. Cowasji pointed out that this meant that Government were shouldering the major portion of the responsibility.

The Hon. Mr. Cowasji next went on to say that Government proposed to have creches for groups of mills. It would not be possible to have a creche for each mill as costs would be prohibitive. Government had therefore grouped the Bombay mills in 11 groups, and there would be one creche for each group. These groups employed about 24,000 women. Mills situated in isolated places and employing about 7,000 women were left out of account. Of the 11 creches contemplated, seven were meant for 75 children each, three for fifty children each and one for sixty children. These creches were small considering the number of females employed, but Government wanted to make a small beginning only. The annual costs were estimated at Rs. 65,000 going up to Rs. 1,20,000. Government were prepared to budget for this amount provided millowners would agree to provide the housing and equipment of these creches. It was estimated that the cost of equipping a creche for fifty children would be Rs. 1,000 and the cost of equipping a creche for 100 children would be Rs. 1,600. The Hon. Mr. Cowasji, however, stated that these figures appeared to him to be low and possibly the costs of equipment would be a little more.

The Hon. Mr. Cowasji next went on to say that in connection with this grouping of mills, there were two points regarding which Government wanted to know the Association's views. Firstly, whether women employed in one mill would be allowed to go into another mill where the creche was situated and secondly, in case a mill in a particular group is situated at some distance from the mill where the creche is located, would the women of the former mill take the trouble of going into the latter mill?

Mr. H. P. Mody suggested that instead of having creches in the locality where the women worked during the day it would be better to have creches in the locality where they resided, e.g., in the neighbourhood of the chawls of the Development Department. The Hon. Mr. Cowasji replied that that matter was under consideration and added that the question of the location of the creches was not finally settled and was open to reconsideration, and fresh groups might be formed corresponding to the locality in which the millhands lived. The Hon. Mr. Cowasji further remarked that Government proposed that these creches should be

run by the Infant Welfare Society and should be inspected by the Factory Inspector. He desired to know if millowners were prepared to place at Government's disposal suitable rooms, either hired or their own property.

The Hon. Sir Dinshaw E. Wacha inquired why Government were showing this solicitude for females employed in the mill industry, when a much larger number was employed outside the mill industry. Moreover, in Sir Dinshaw's opinion the question of infant welfare was one which concerned the Municipality, and millowners should not be asked to tackle the problem. The Hon. Mr. Cowasji replied that welfare of labour was a reserved subject and the Municipality would not take up such matters. Mr. Kay inquired whether Government required special new buildings for the purpose or whether old buildings would do. The Hon. Mr. Cowasji replied that Government did not aspire to have ideal places for these creches and any decent and clean place would do. Sir Fazulbhoy Currimbhoy stated that this was not the opportune moment for asking millowners to incur any fresh expenditure. He suggested that certain mills had already got creches, and Government should begin by taking over these creches and managing them on model lines. The Chairman, Mr. Kay and Mr. Sawyer stated that their experience about the creches in their own mills was not very encouraging for these creches were not taken advantage of to any appreciable extent. Mr. Turner stated that his experience in Sholapur was that the benefits of the creches were fully appreciated by millhands. The Hon. Mr. Cowasji in conclusion said that Government would write to the Association in the matter fully explaining the views and proposals of Government. The Chairman assured the Hon. Mr. Cowasji that the matter would be very carefully considered by the Committee.

The Chairman next referred to the reply received from the Government of Bombay to the Association's letter regarding the Bill to amend the Bombay Smoke Nuisances Act and stated that the reply was vague and unsatisfactory. The Hon. Mr. Cowasji stated that the idea originated with the Retrenchment Committee who pointed out that under the Municipal Act the responsibility for smoke nuisances belonged to the Municipality. There was some correspondence with the municipalities who were unwilling to take up the work but who were agreeable to the Act being amended in order to make the municipalities pay the costs of the working of the Smoke Nuisances Department. The Chairman stated that municipalities were not likely to bear these costs without passing them on to the industries. The Hon. Mr. Cowasji replied that the municipalities had not got the power to levy new taxes. Mr. H. P. Mody stated that the water tax or the general tax might be increased. The Hon. Mr. Cowasji replied it was not possible for Government to give a guarantee that these taxes would not be increased by the Municipality.

As regards the question of increased boiler fees, the Hon. Mr. Cowasji stated that if a sufficient saving was effected by transferring the costs of the Smoke Nuisances Department to the Municipality, Government would make a reduction in the boiler inspection fees, but it was not possible for Government to give any guarantee at this stage.

The Chairman next referred to the chawls erected by the Development Department for the use of millhands. He stated that the original programme was to erect 50,000 tenements and for this purpose a tax of Re. 1 per bale of cotton was levied. The original programme was, however, modified and Government now proposed to have only 16,000 tenements. The Hon. Mr. Cowasji replied that the original calculations were found to be faulty, and if the original programme was to be adhered to, it would be found necessary to increase the present tax of rupee one per bale. Owing to bad debts and other reasons Government were continually losing on these chawls. Further discussion was, however, postponed, as a special Sub-Committee is examining the whole question and a representation is likely to be made to Government, the Hon. Mr. Cowasji promising to supply full details of the expenditure of the Development Department.

The Hon. Mr. Cowasji next requested the Chairman to give him confidentially an account of the conference with the labour leaders and the views held by the Committee on the question of reduction of wages. The Chairman gave a detailed account of the conferences with Sir Basil Blackett, and the Hon. Mr. Chadwick and also the labour leaders. In the

course of his remarks the Chairman gave expression to the Association's disappointment at the fact that Government were not rendering any assistance to the cotton industry at this most critical period in its history.

In conclusion, the Chairman thanked the Hon. Mr. Cowasji and Mr. Turner for their presence, and the meeting was dissolved.

J. P. WADIA,
Acting Secretary.

No. 1066-D.

GENERAL DEPARTMENT,
POONA, 25th July, 1925.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to address you regarding a scheme which Government have under contemplation for providing creches in central situations in the mill areas in Bombay City where women who are employed in the mills can leave their children aged from 0—4 years while they are at work,* and to request you kindly to place it before the members of your Association for their consideration, and let me have their views and criticisms regarding it in due course.

2. It is estimated that on an average there are 31,000 women employed in the mills in Bombay, and that there are 25 children of 0-4 years of age per 100 women. Assuming that only one-fifth of these are taken to creches we should have to provide accommodation for about 1,225 children. At the outset, however, Government do not anticipate that even as many as one-fifth of the children of the age above specified will actually be brought to the creches, and they do not consider it to be necessary to provide accommodation for so many as 1,225 children at any rate until the scheme has been proved to be a success, and there is a genuine demand from the women workers for more creches.

3. It is proposed to divide the mill areas into groups and to provide a central creche for each group of mills. I am to send you herewith a map* showing the proposed groups. It will be seen from this map that certain mills are isolated, and it is calculated that in these mills 7,000 women are employed. For the present Government do not propose to take steps to provide separate creches for these isolated mills. They aim only at providing 11 central creches for the groups of mills shown in the appended list in which over 24,000 women workers are employed. For these groups Government propose that the millowners concerned should provide the creches properly equipped and maintain the equipment in good order. In selecting a building either within or outside a mill compound the main points for consideration are that—

- (1) it should be clean, in sanitary surroundings, and airy ;
- (2) it should have an ample supply of pipe water ;
- (3) it should have sufficient cubic space for the inmates which may be calculated at 25 cubic feet per child.

As regards the equipment, I append a statement kindly furnished by the Infant Welfare Society for your information. It is for the members of the Association to consider and decide for themselves whether a creche—intended for a group of mills—should be provided in one mill compound, or should be situated in a hired building in the vicinity of the group of mills concerned. Another suggestion is that the creches should be situated in the vicinity of the dwelling places of the workers rather than near the mills. There appears to be some-

*Not printed.

thing to be said for this suggestion and Government will be glad of the advice of the Association regarding it. Such creches would, however, only be suited for weaned infants.

4. For the present Government propose that creches for 75 children per group should be provided in groups 2, 3, 4, 5, 7, 10 and 11 and 4 creches for 50 children each in groups 1, 6, 7 and 9, *i.e.*, affording accommodation for 725 children as against the original estimate of 1,225 framed on the basis of one-fifth only of the children of 0—4 years being brought to the creches. Taking 25 cubic feet as the requisite cubic space for each child, then the floor space required for a creche for 50 children will be 1,200 square feet and for a creche for 75 children will be 1,800 square feet. It will be seen that Government are proceeding on a very conservative basis in framing their estimate of requirements.

5. If the millowners agree to provide the buildings and equipment required for the creches, Government propose to provide the recurring expenditure required for running the creches themselves. It is estimated that at the outset this recurring expenditure will amount to about Rs. 65,000 per annum, and that, if the creches prove popular, it will rise possibly to Rs. 1,20,000 in the course of a few years. They propose to hand over the actual management of the creches to the Infant Welfare Society—which is ready to undertake this responsibility—and may be able to contribute towards the cost of the creches from funds at its disposal. It is hoped that if the Millowners' Association accepts the scheme, the members will agree to the Society taking over the management of the creches. If this is settled Government will hand over the funds, which they may undertake to provide,—in the form of grants to the Society.

6. The above is a rough outline of the scheme which Government have in view, and as I have already stated, Government will be very glad to receive any remarks and criticisms on it which the members of your Association may be pleased to make. They trust that the Association will be sympathetic towards the scheme, and that the members will agree to join in it. Government recognise that in view of the present state of the mill industry in Bombay, the time is perhaps not the most propitious for putting forward such a scheme. They are, however, convinced that the interests of the millowners themselves are so vitally involved in any attempt to secure the welfare of the women mill-workers and their children in Bombay, that they do not hesitate even in the present critical times to approach the Association on the subject.—I have, etc.,

C. W. A. TURNER,
Secretary to the Government of Bombay,
General Department.

Article.	For 50 Children.		For 100 Children.	
	No.	Cost	No.	Cost
		Rs. a.		Rs. a.
<i>Equipment.</i>				
Cots	12	240 0	24	480 0
Mattresses	15	23 8	30	47 0
Sheets	60	22 8	120	45 0
Draw Sheets	100	37 8	200	75 0
Blankets (1 large cut in 4, cost Rs. 4-12-0 each)	24	27 0	48	54 0
Mackintosh (1 yd. makes 3) 1 yd, cost Rs. 3-12-0)	4 yds.	15 0	8 yds.	30 0
Towels (1 large makes 2) (cost Rs. 13-4-0 each)	150	82 13	300	165 10
Kurtas	300	67 8	600	135 0
Napkins	200	20 0	400	40 0
Doctor's Towels	12	6 0	12	6 0
Sisters' do.	24	7 0	36	10 8
Mats (Rs. 1-12-0 each)	10	17 8	20	35 0

Article.	No.	Cost		No.	Cost	
		Rs.	a.		Rs.	a.
<i>Equipment.</i>						
Benches	2	10	0	4	20	0
Cupboards for linen	2	140	0	2	140	0
Meat Safe	1	20	0	1 large.	30	0
Kitchen Table	1	15	0	1 "	20	0
Writing Table	1	30	0	1	30	0
Chairs	3	24	0	3	24	0
Chambers (aluminium)	6	15	0	12	30	0
Stand for Chambers	1	20	0	2	40	0
Buckets	2	5	0	4	10	0
Bath Boards	2	5	0	4	10	0
Tub (zinc)	1	5	8	1 large.	10	0
Boiler (for bath water)	1	10	0	1 "	15	0
Sigris	2	2	4	3 "	4	8
Large Degchis	2	10	0	2	10	0
Small Degchis	2	4	0	2 medium	6	0
Ghindi and stand	1	3	8	1	3	8
Jug	1	3	0	1	3	8
Mug	1	0	8	2	1	0
Lactometer	1	3	8	1	3	8
Medicine Glass }	1	1	6	1	1	6
Minim Glass }	1	1	6	1	1	6
Saucepan	1	2	4	1 large.	4	0
Wattis	30	6	0	60	12	0
Palis	30	7	8	60	15	0
Teaspoons	12	0	12	12	0	12
Towel pegs	1	8	0	2	16	0
Beatrice Stove	1	8	0	1	8	0
Clinical Thermometer	1	1	8	1	1	8
Lotion Bowls	2	0	12	2	0	12
Kidney Tray	1	0	8	1	0	8
Kitchen Knife	1	1	12	1	1	12
Kitchen Spoons	2	0	12	2	1	12
Khujas	2	1	4	4	2	8
Large Thalís	2	1	14	2	1	14
Baby Scales	1	35	0	1	35	0
Medicine Cupboard	1	15	0	1	15	0
.. .. .		985	5	..	1,651	14
<i>Recurrent Expenses.</i>						
Nurse	1	55	0	2	110	0
Ayáhs	3	60	0	5	100	0
Sweeper	1	10	0	1	20	0
Dhobi	1	20	0	1	35	0
Milk ($\frac{1}{2}$ seer per child) .. .. .	..	234	6	..	468	12
Food .. .. .	..	25	0	..	50	0
Medicine .. .. .	..	15	0	..	30	0
Coal .. .. .	..	6	8	..	10	0
Soap .. .. .	..	3	8	..	7	0
Kerosene Oil .. .. .	..	1	0	..	2	0
Butter and Bread .. .. .	..	8	0	..	16	0
Rs.		438	6	..	848	12

No.	Suggested grouping of creches.	Women Operatives.	Children.
1	Meyer, Edward, Crescent Planet	1,600	80
2	Mathradas, Bombay Industrial, Dawn, Fazulbhoy, Presidency, Pearl, Premier	3,100	155
	<i>Note.</i> —The Fazulbhoy Mills creche is situated in this group.		
3	Globe, Century, Textile, Crown, Standard, Zenith ..	2,600	130
4	Asur Veerji, Kilachand, Phoenix, Madhorao Scindia, Jamshed	2,000	100
5	Ebrahim Pabani, Currimbhoy and Mahmadbhoy, David (1 and 2)	2,300	115
6	Apollo, Sir Shapurji Broacha's Mills	1,800	90
7	Indian Manufacturing Co., Bradbury, Bomanji Petit, Hindustan, Simplex	2,100	105
8	Finlay, Morarji, Jacob Sassoon, New Islam	2,800	140
9	Jubilee, Swan, Birla, New China, Moon Mills	1,200	60
10	Wadia Woollen and Hongkong, New Kaiser-i-Hind, New City, E. D. Sassoon, Alexandra, Rachel Sassoon, New Great Eastern	2,500	125
11	Jivraj Baloo, Manekji Petit, Raja Bahadur Motilal, Alliance Cotton	2,200	110
	<i>Note.</i> —The creche of the Infant Welfare Society is situated in this group.		

No. 1066-D—IV.

GENERAL DEPARTMENT,
BOMBAY, 4th September, 1925.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Scheme for Providing Creches in Mill Areas in Bombay.*

SIR,

I am directed by the Governor in Council to refer to Government letter No. 1066-D, dated the 25th July, 1925, on the subject noted above, and to enquire when a reply may be expected.—I have, etc.,

R. F. GORVALA,
for Under-Secretary to the Government of Bombay,
General Department.

No. 1084/1115 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th September, 1925.

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

SIR,

SUBJECT:—*Scheme for Providing Creches in Mill Areas in Bombay.*

With reference to your letter No. 1066-D—IV dated 4th instant, my Committee regret they have not been able as yet to go into the question of the provision of creches in the mill area dealt with in Government letter No. 1066-D of 25th July, 1925, the reason being that the very serious crisis in the cotton mill industry has been naturally engaging the attention of the Committee to the exclusion of almost all other questions. My Committee, however, hope to take up this matter next month, and their views thereon will be communicated to Government in due course.—I have, etc.,

T. MALONEY,
Secretary.

No. 1358/1115 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd November, 1925.

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

SIR,

I am directed to acknowledge receipt of your letter No. 1066-D, dated 25th July, 1925, on the subject of provision of creches in the mill areas in Bombay.

2. The proposals put forward in your letter are, briefly:—

- (a) That eleven central creches should be provided with accommodation for about 725 children of women operatives in the mills.
- (b) That the millowners should provide the buildings and equipment required.
- (c) That Government would provide the recurring expenditure for running the creches.
- (d) That the creches should be handed over and managed by the Infant Welfare Society.

3. My Committee have gone into the question of the costs which the acceptance of the above proposals would entail on the industry, and they find that the total cost of putting up suitable structures for accommodating creches and of equipping 725 beds as per the scheme outlined in your letter works out to Rs. 2,35,000, while the annual recurring cost is estimated at Rs. 11,120. You will be perhaps interested to have the details on which these estimates are made, and I am accordingly giving these below:—

Initial Cost :

	Rs.
Building a creche for 50 children—1,200 sq. ft. floor space would cost including cost of land not less than	16,000
A creche for 75 children—1,800 sq. ft. not less than	22,000
	38,000
Four creches for 50 children	64,000
Seven creches for 75 children	1,54,000
	2,18,000

Equipment :

According to the Welfare Society estimate, cost of equipping a 50-bed creche is Rs. 1,000 and a 100-bed creche Rs. 1,600. On this basis the equipment of a 75-bed creche might be expected to cost Rs. 1,350. It will be, however, remembered that the Hon'ble the General Member when he met my Committee on 14th July, 1925, had stated that this was probably an under-estimate, and my Committee therefore propose to add a further 25 per cent. For a 50-bed creche this would increase the cost to Rs. 1,250 and for a 75-bed creche the cost would roughly be Rs. 1,700. Total initial cost of equipment of eleven creches would therefore be:—

4 × 1,250	Rs. 5,000
7 × 1,700	,, 11,900
	Rs. 16,900

Renewals of Equipment :

These, it is proposed, should be borne by the mills. Sheets, mattresses, blankets, mackintoshes, towels, etc., would have to be renewed at least once per year and in addition there would be breakages, etc., etc. My Committee estimate that the cost of these renewals and replacements would not be less than 40 per cent. of the initial cost of equipment. This would mean an annual recurring expense of Rs. 6,760.

- Repairs to buildings at 2 per cent. of cost would mean another Rs. 4,360 per annum.

Thus, the total initial cost of buildings and of equipping 725 beds as per the scheme outlined in your letter would be Rs. 2,35,000 and the annual recurring cost would be Rs. 11,120.

4. The most important question which my Committee have to consider is whether the money they are called upon to spend in connection with the scheme would be said to have been well spent.

I am directed to state that some of the members of my Committee have had practical experience of the working of creches in their mills, and the experience of a majority of them has led them to the conclusion that these creches are not taken advantage of to any appreciable extent by those for whose benefit they are intended. The Hon'ble the General Member and yourself will remember what the Association's Chairman, Mr. N. N. Wadia, Mr. J. A. Kay and Mr. H. H. Sawyer said about the creches in their respective mills at the meeting held on 14th July, 1925. This practical experience which some of the members of my Committee have had, has made them very sceptical as to the advisability of launching upon that elaborate and costly scheme of providing creches which is outlined in your letter.

5. Moreover, if the creches were placed in the compound of a particular mill, and if the women employees from other mills had to go to that particular mill for feeding their children, etc., certain difficulties would arise which ought not to be overlooked. The opera-

tives lose enough time now, but there would be every excuse for their losing more then, and in any case it would not be in the interests of discipline for operatives to wander into the premises of other mills practically at their own sweet will.

6. The other alternative is that the creches should be near the chawls of the factory operatives. Such an arrangement would make it practically impossible for a female operative to feed her child during working hours and there would be no practical means of ascertaining whether the children in a particular creche were the children of women factory workers. My Committee venture to submit that in 70 per cent. of cases they would not be, and it is certainly unfair that mills should be asked to build and equip creches for the general working population of Bombay.

7. My Committee are anxious not to be misunderstood. They are firmly of opinion that Government should do everything in their power for the preservation of the health of infants in the poor and backward classes of society, and they believe that creches, if run on sound and practical lines, would fill a great desideratum. If Government would undertake to equip creches for the whole female population of Bombay the mills would willingly pay their correct quota. But it is my Committee's considered opinion that apart from the question of heavy costs involved, the scheme outlined in your letter is not practicable and is foredoomed to failure for reasons indicated above. My Committee really cannot understand why Government should solely concern themselves with the children of female operatives employed in the mills, when a much larger number of women were employed in other industries and occupations.

8. My Committee trust they have made it quite clear that the costs to be entailed on the industry by the acceptance of the scheme described in your letter are quite prohibitive, and that there are other weighty reasons which make it difficult for them to give favourable consideration to the proposals put forward in your letter. They, however, wish to suggest that the Infant Welfare Society might be asked to take over the creches already in existence at some of the mills, and Government should provide the money required to run these creches on model lines. If at the end of, say, two years, the scheme has borne fruit and there is a demand for further creches, a scheme somewhat similar to the one suggested in your letter, but embracing women workers as a whole and not only factory workers—the costs of which should be borne in satisfactory proportions by all employers of female labour including the Municipality, the Improvement Trust, the Port Trust, the Local Government, etc.,—might be framed, and I am to state that such a scheme would meet with the most sympathetic and favourable consideration of my Committee. It is my Committee's considered opinion that schemes of social welfare, large or small, affecting the entire labouring classes of a city are universally recognised as primarily and essentially the duties of a State and not of certain individuals or classes or organised bodies, that they should be carefully considered from all points of view before being tentatively introduced.—I have, etc.,

T. MALONEY,
Secretary.

No. H/27/A of 1925-26.

BOMBAY MUNICIPALITY,
PUBLIC HEALTH DEPARTMENT,
BOMBAY, 19th August, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

In reference to the attached copy of the Resolution passed by the Corporation at their meeting on 27th July, 1925, I should be much obliged if you would kindly supply the following information:—

1. The number of spinning and weaving mills in Bombay,
2. The number in which creches for infants have been provided, and
3. In regard to each mill in which a creche is provided—
 - (a) The average number of women employed, and
 - (b) The number of infants that can be accommodated in the creche without overcrowding.—I have, etc.,

J. E. SANDILANDS,
Executive Health Officer.

Corporation Resolution No. 4537, dated the 27th July, 1925.

"That the Municipal Commissioner be requested to report (a) the number of spinning and weaving mills in Bombay that have established creches for the protection of infants of women working in the mills, (b) the number of such mills as have not provided them, and (c) the desirability or otherwise of all the mills establishing such creches for the protection of infants."

No. 1086/115 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 21st September, 1925.

THE EXECUTIVE HEALTH OFFICER,
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. H. 27/A dated 19th August, and to supply the following information from the returns received:—

1. Number of spinning and weaving mills in Bombay City and Island .. 82
2. The number in which creches for infants have been provided ... 8
3. In regard to each mill—

(a) The average number of women employed is as follows:—

No.	Name of Mill.	Average No. of women employed.	No. of Infants that can be accommodated.
i.	The Bombay Dyeing & Mfg. Co., Ltd.	707	50
ii.	The Khatau Makanji Spg. & Wvg. Co., Ltd.	327	11
iii.	The Manockjee Petit Mfg. Co., Ltd.	1,220	50
iv.	The Pearl Mills, Ltd.	555	70
v.	The Fazulbhoy Mills, Ltd.	304	
vi.	The Ebrahim Pabaney Mills, Ltd.	769	
vii.	The Premier Mills, Ltd.	282	
viii.	The Currimbhoy Mills, Ltd.	925	

(b) The number of infants that could be accommodated in the creche without overcrowding in each mill is given in column 4 above.—I have, etc.,

T. MALONEY,
Secretary.

No. 9920 of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, 3rd December, 1925.THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour, by desire of the Municipal Corporation of Bombay, to forward to you for information and favourable consideration the following Resolution passed by them at their meeting held on the 24th November, 1925:—

“ That the letter from the Commissioner, No. H. 27/A, dated the 10th October, 1925, forwarding a report regarding the provision of creches in Bombay mills, be recorded.

“ 2. That the Corporation are of opinion that it is highly desirable to provide creches in all the mills of the city for the protection of infants of women employed in the mills.

“ 3. That a copy of this Resolution be forwarded to the Millowners' Association for information and favourable consideration.”

2. The Commissioner's letter referred to in the Resolution is also forwarded herewith. —I have, etc.,

R. P. DESAI,
Acting Municipal Secretary.

Letter from the Commissioner, No. H/27/A, dated the 10th October, 1925.

“ I have the honour to refer to Corporation Resolution No. 4537 of 27th July, 1925, and to append a copy of letter No. 1086/115 of 21st September, 1925, from the Secretary of the Millowners' Association which furnishes the information called for. The provision of sanitary and well-managed creches at the mills is evidently desirable. The question as to whether or not the cost of their provision and maintenance should be borne in whole or in part by the millowners is a difficult one on which it is clearly possible for the widest divergence of opinion to exist.”

Letter from the Secretary, Millowners' Association, No. 1086/115, dated the 21st September, 1925, to the Executive Health Officer above referred to:—

No. 1460/115 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22nd December, 1925.THE ACTING MUNICIPAL SECRETARY,
MUNICIPAL CORPORATION, BOMBAY.

SIR,

I have the honour to acknowledge receipt of your letter No. 9920 of 1925, dated 3rd December, 1925, forwarding a resolution passed by the Municipal Corporation on 24th November, 1925, on the subject of the provision of creches in Bombay mills.

2. The Corporation will be interested to know that some time back the Government of Bombay, General Department, addressed a letter to the Association outlining for the Association's favourable consideration a scheme for the provision of creches for the benefit and comfort of children of women employed in mills. I am directed to forward for the information of the Corporation a copy of the Association's reply to Government to which my Committee have hardly anything to add.

3. As pointed out in the letter to the Government of Bombay, my Committee are firmly of the opinion that everything possible should be done for the preservation of the health of infants in the poor and backward classes of society and that creches, if run on sound and practical lines, would fill a great desideratum. My Committee, however, fail to understand why the Government or the Municipality should concern themselves solely with the children of female operatives employed in the mills, when a much larger number of women are employed in other industries and occupations including service in the Municipality.

4. My Committee will be pleased to render every possible assistance to the Municipality in any attempts it may make for the establishment of creches for the benefit of the poor and backward classes of the city, whether employed in mills or not, but on the understanding that no fresh taxation will be imposed on the industry to meet the costs of the equipment and maintenance of the creches. These costs should be met by the Municipality without the aid of fresh taxation, for it cannot be too strongly impressed upon the Municipality that the municipal taxes imposed on the industry are far beyond the taxable capacity of the industry, and are, on careful examination, found to violate the principles of equity, as was made abundantly clear in the representations made by the Association to the Municipality during the last few months. The Municipality may count upon this Association's whole-hearted support of any schemes it may inaugurate for the welfare of labour, provided such schemes are not the fore-runners of additional taxation.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 35.

PROTECTION FOR THE INDIAN COAL INDUSTRY.

SUMMARY OF RECOMMENDATIONS AND CONCLUSIONS.

CHAPTER I.

(1) A review of the position of Indian coal in overseas ports shows that the problem can be stated in the two words: 'quality' and 'price.' (Paragraph 23.)

CHAPTER II.

(2) As regards quality, the best Indian coal can compete in any market in the East, but for such competition to be effective only the best coals should be exported and particular care must be taken not to allow the overseas purchaser to be misled as regards the precise quality of coal which will be delivered. (Paragraph 27.)

(3) Except in Rangoon and Madras, Indian coal can scarcely hope to compete in overseas markets if its pit-head price is higher than Rs. 2 to Rs. 2-8 for Singapore, Rs. 5-5 for Colombo and Rs. 5 for Bombay and Karachi. (Paragraph 36.)

CHAPTER III.

(4) Rs. 5 per ton may be taken as the average raising cost for the Jharia field and Rs. 6 per ton for the Raniganj field. (Paragraph 38.)

(5) The prohibition of the employment of female labour would have serious effects of raising costs. (Paragraph 39.)

(6) In present conditions there is no possibility of any reduction in wages. (Paragraph 40.)

(7) The increased use of mechanical appliances for coal cutting would not reduce raising costs unless it were accompanied by an improvement in railway facilities which would permit of an increased output. (Paragraph 41.)

(8) Various minor improvements in working methods are possible in some mines but these would not materially affect raising costs. (Paragraph 43.)

(9) The two main methods of reducing costs are an increase in output and the avoidance of stacking. (Paragraph 44.)

(10) If stacking could be avoided, at least 8 annas per ton on the total output of coal would be saved. (Paragraph 44.)

CHAPTER IV.

(11) The railways in India are faced with exceptional difficulties owing to the congested state of the coalfields. (Paragraph 45.)

(12) A regular and adequate wagon supply throughout the year is essential, and, although an improvement has been effected by the wagon-pooling system and increased facilities, much remains to be done in this respect, specially on the Bengal-Nagpur Railway. (Paragraphs 47 and 48.)

(13) A detailed examination of the capacity of each depot station should be made. Any depot station should be enlarged if it is found to be too small to allow a full wagon supply being given to collieries on the sections served by it when they are being given to collieries on other sections. (Paragraph 49.)

(14) The Bally Bridge should be constructed with the least possible delay and the advisability of its being used by the Bengal-Nagpur Railway should be further examined. (Paragraphs 50 and 51.)

(15) The prevention of delays between Bandel and Naihati by the provision of relief train crews should be considered. (Paragraph 50.)

(16) The ten-hours system of supplying wagons to collieries should be extended on the East Indian Railway and introduced on the Bengal-Nagpur Railway. (Paragraph 52.)

(17) Every effort should be made to supply empty wagons to collieries at regular hours, and to facilitate this the daily wagon allotment should be restricted to empty wagons actually on hand and empty wagons actually in sight. (Paragraph 53.)

(18) The possibility of installing private weighbridges should be fully investigated by an officer placed on special duty for the purpose. Where such weighbridges are introduced, the colliery should be compensated for the cost of working them by a reduction in the present coalfield terminal. (Paragraph 54.)

(19) Adjacent collieries should combine to have a joint representative always present at the railway weighbridge. (Paragraph 54.)

(20) Every effort should be made by the railways to assemble in full train loads wagons intended for the same ship and shippers should assist the railways by arranging for coal to be loaded in train loads either by a single colliery or by collieries on pilot sections served by the same depot station. (Paragraph 55.)

(21) A constant and unremitting check should be kept on the time taken at every state of the movement of wagons from the coalfields to the docks and back and on the turn-round of wagons in the port. (Paragraph 56.)

(22) The control over the movement of trains should be so worked as to enable traffic intended for the docks to be pushed through as rapidly as possible. (Paragraph 57.)

(23) The number of stations at which the examination of trains takes place should be reduced to the absolute minimum. (Paragraph 59.)

CHAPTER V.

(24) Working expenses on both the East Indian and the Bengal Nagpur Railways have increased by a very much higher percentage than have their ultimate receipts from coal. (Paragraph 60.)

(25) It is impossible to calculate the exact cost of hauling one ton of coal one mile. (Paragraph 60.)

(26) A comparison between the present railway rates charged on export coal in India and South Africa is favourable to Indian coal. (Paragraph 61.)

(27) No statistical case can be made out for reducing the railway charges on coal but such a reduction should be made on general grounds. (Paragraph 62.)

(28) On these grounds the rebate on export coal should be raised from 25 to 37½ per cent. (Paragraph 62.)

(29) There is not sufficient justification for a rebate on bunker coal. (Paragraph 63.)

(30) The procedure for obtaining the rebate on shipment coal should be overhauled with a view to insuring payment with as little delay as possible. (Paragraph 64.)

(31) The grant of a rebate on export coal is preferable to that of a reduced rate. (Paragraph 65.)

(32) There is not sufficient justification for a rebate on coal sent to Bombay by the all-rail route. (Paragraph 66.)

(33) There is no case for a rebate on coal sent up-country from Indian ports. (Paragraph 67.)

(34) The position in regard to the prepayment of railway freight on coal should be reviewed by the railways. (Paragraph 68.)

(35) We have no recommendations to make with regard to seasonal rates. (Paragraph 69.)

CHAPTER VI.

(36) The system of alternative indents for wagon supplies might be given a trial, but the number of alternative indents permissible should be limited to three or four. (Paragraph 70.)

(37) Six months should be sufficient time for the railways to arrive at a decision whether a siding or an extension should be sanctioned and when sanction has been given, not more than six months should ordinarily elapse before the work is completed. (Paragraph 71.)

(38) Applicants should be permitted to put in their own sidings or to extend existing sidings on the terms which apply to private sidings when the railways are not prepared to undertake the work on account of doubts as to whether it would prove remunerative. (Paragraph 71.)

(39) The specific gravity of Indian coal varies so greatly that a load-line on wagons for coal is misleading. All wagons should be marked with a mineral loading index figure, as suggested by the East Indian Railway, to enable the colliery manager to calculate the height to which each wagon may be loaded. (Paragraph 72.)

(40) The feasibility of providing open wagons, which when loaded flush with the top would not be overloaded, should be explored. Meanwhile the present margins of one ton for overloading and two tons for underloading are suitable and should be retained. (Paragraph 72.)

(41) The railways should make a practice of carefully verifying the tare marked on each wagon. (Paragraph 73.)

(42) As an experiment, the levy of penalties in certain cases of wagon delays at collieries should be suspended. (Paragraph 74.)

(43) Particular attention should be paid by collieries to the examination of wagons before loading and before despatch with special reference to the fixing of door pins. (Paragraph 75.)

(44) Open and covered wagons should be grouped separately before being sent out in pilot loads, and, if this is done, colliery managers and loading contractors should take special care to see that the covered wagons are utilised, whenever possible, for up-country traffic. (Paragraph 75.)

(45) There should be more out-door supervision both by the colliery and by the railway staff. (Paragraph 76.)

(46) Monthly meetings in the coalfields between the railway and colliery representatives should be revived. (Paragraph 77.)

(47) When asked for, more than one railway receipt should be issued where wagons are loaded in rakes and half rakes for one destination. (Paragraph 77.)

(48) There is no objection to the splitting up of rakes and half rakes where coal is loaded by collieries served by the same depot station. (Paragraph 78.)

(49) To prevent pilferage, special attention should be paid to the safe custody of coal in the depots at Howrah and Shalimar. (Paragraph 79.)

(50) Open wagons only should be supplied to collieries which instal mechanical loading appliances. (Paragraph 80.)

(51) The aim should be to provide only open wagons for all dock traffic from the coalfields. (Paragraph 80.)

(52) Preferential wagon supplies should be restricted to loco coal, including coal for inland river navigation companies and for ocean-going steamers from Calcutta under mail contracts with Government, to coal for works of public utility and to certified coal for export, the balance of the wagons available being distributed to collieries on a proportionate basis. (Paragraph 81.)

(53) This system should be brought into force as soon as possible, but at least six months' notice of the proposed change should be given to the coal trade and to consumers. (Paragraph 81.)

(54) Preferential wagon supplies allotted to collieries under recommendation 52 should not be cumulative. (Paragraph 81.)

(55) If preferential wagon supplies are restricted as proposed, the retention of the Coal Transportation Officer will not be necessary. (Paragraph 81.)

(56) When the post of Coal Transportation Officer has been abolished a whole-time railway officer should be appointed to facilitate the movement of export coal. (Paragraph 81.)

(57) When the new railway collieries reach their full development, the wagon position in the Ranigunj and Jharia coalfields will be greatly eased. (Paragraph 81.)

CHAPTER VII.

(58) The turn-round of wagons at the docks could be improved, but delays in shipping coal are mainly due to the irregular arrival of the wagons intended for a particular steamer. (Paragraph 86.)

(59) If the facilities for the movement of coal traffic at the docks are improved to the extent contemplated by the Port Commissioners, they should prove sufficient to deal adequately with any extension of the existing coal traffic which can be regarded as probable in the near future. (Paragraph 86.)

(60) It is essential to continue the careful check at present exercised over the turn-round of wagons in the docks. (Paragraph 86.)

(61) Railway officers from the coalfields should from time to time be placed on special duty at the docks to acquaint themselves with the working of the coal traffic there and similarly corresponding officers on the Port Trust staff should be placed on special duty in the coalfields. (Paragraph 86.)

(62) Where shippers ask that their coal should be loaded by the Beckett's plant in order to avoid breakage, every effort should be made to comply with their request. (Paragraph 87.)

(63) Save in exceptional circumstances, the first part of each cargo of coal should be loaded by the Beckett's plant. (Paragraph 87.)

(64) A total of four million tons of coal can be loaded annually at the port even if only one of the two Beckett's plants is used for coal. (Paragraph 87.)

(65) The question of the most suitable type of mechanical loading appliances for Calcutta should be investigated at an early date by an expert committee which should report on the best type of mechanical loading plant adapted to all types of open wagons. (Paragraph 87.)

(66) This committee should also investigate the possibility of using shoots for coal loaded by hand into steamers. (Paragraph 87.)

(67) The Port Commissioners should not wait until a berth is actually declared open before informing the railways of the fact but should give them a few days' notice beforehand. (Paragraph 88.)

(68) There is no necessity to modify the present procedure in regard to dumping at the docks but, should it be considered desirable at any time to impose a limit on the amount of coal dumped, this should not be less than forty per cent. of the cargo intended for a particular ship. (Paragraph 88.)

(69) The financial conditions of the port are not such as to justify a drastic reduction of the charges on coal. (Paragraph 89.)

(70) No statistical case for reducing the present level of charges can be established, but a reduction should be made on general grounds. (Paragraph 89.)

(71) This reduction should take the form of a reduction of 4 annas in the river dues on certified export coal. (Paragraph 89.)

(72) A change in the present system of the control of labour at the docks does not seem likely to result in any gain either in economy or efficiency. (Paragraph 90)

(73) Facilities for bunkering steamers at the docks can be provided if there is a general demand for them. (Paragraph 91.)

(74) We consider that the rents for bunker depots are in accordance with the present economic conditions and have no recommendations to make in this connection. (Paragraph 91.)

(75) No alteration is called for in regard to the charges at present levied by the Port Commissioners on coal bunkered either from the docks or from the depots. (Paragraph 93.)

(76) The possibility of extending the pontoons and gangways at the Howrah depot into deeper water with a corresponding extension of the sidings should be considered. (Paragraph 94.)

(77) The responsibility of deciding when dredging at both the Howrah and the Shalimar depots should be done should rest with the Port Commissioners. (Paragraph 94.)

CHAPTER VIII.

(78) On the present basis of the cost of working steamers, steamer freights for coal cannot be considered excessive. (Paragraph 97.)

(79) There is no evidence that coal freights are being artificially maintained at their present level. (Paragraph 97.)

(80) Calcutta does not attract tramp steamers and therefore for a steady supply of tonnage over a long period freight on coal must be paid at the economic level. (Paragraph 98.)

(81) Coal can be shipped from ports in South Africa, the United Kingdom and Japan at ballast rates in tramp steamers to Karachi, Bombay, Colombo and Singapore. (Paragraph 98.)

(82) Steamer freights from Calcutta are fixed on the basis of the demand for tonnage and of the available supply of tonnage at ports all over the world and cannot be controlled by Government action. (Paragraph 99.)

(83) There is no prospect in the near future of a reduction in the freight for coal from Calcutta. (Paragraph 100.)

CHAPTER IX.

(84) It would be very difficult for individual exporters of coal to re-establish themselves in overseas markets owing to the bad repute into which Indian coal has fallen and a Grading Board should, therefore, be immediately established which would grade collieries which produce coal for export and would arrange the issue of certificate for each consignment of coal exported. (Paragraphs 101 and 102.)

(85) Any system of grading and certificates should be such as to command the confidence of buyers overseas and not to relieve the exporter of any responsibility as to quality. (Paragraph 103.)

(86) It would take too long and it would be too expensive to establish immediately a new organisation for the grading of Indian coal. (Paragraph 104.)

(87) The organisation of the Chief Mining Engineer to the Railway Board should be utilised for the purpose of grading coal. (Paragraph 104.)

(88) The most suitable constitution for the Grading Board would be the Chief Mining Engineer as Chairman, a representative of the Indian Mining Association, a representative of the Indian Mining Federation, a nominee of the Bengal Chamber of Commerce and a nominee of the Bengal National Chamber of Commerce. The last two members would represent the consumers' interests on the Board. (Paragraph 104.)

(89) The general outline is given of a scheme for classifying all Indian coals and it is suggested that a grading list should be published by the Grading Board as soon as possible, classifying the different collieries and seams on this system and giving the analysis of their coal. (Paragraph 105.)

(90) The names of collieries should not be included in the grading list without their consent. (Paragraph 105.)

(91) Only those collieries which are included in the grading list would be eligible for the special concessions from the railways and from the Port Commissioners, which we recommend above, and only certified coal from those collieries would be given such concessions. (Paragraph 105.)

(92) It is unnecessary for the coal shipped for railways by the Chief Mining Engineer to the Railway Board to be certified before it is allowed any of the concessions. (Paragraph 105.)

(93) The decision of the Grading Board as to the classification of any colliery or seam in the grading list should be final. (Paragraph 105.)

(94) Any coal should be eligible for inclusion in the grading list. (Paragraph 105.)

(95) The system suggested for inspecting certified coal is described. (Paragraphs 106 to 108.)

(96) The defects in certain consignments of coal to which references were made by witnesses in overseas ports, are considered not to be due to any defect in the system of inspection by the Chief Mining Engineer's staff. (Paragraph 107.)

(97) Coal dumped at the docks by private shippers should be arranged in separate stack for each vessel. (Paragraph 108.)

(98) Certificates for coal certified under our proposal should be in the form given. (Paragraph 109.)

(99) The cost of analysis required should be paid by the colliery concerned and the cost of inspection by the levy of a fee of one anna per ton of coal inspected. (Paragraph 110.)

(100) The question of the weighment of export coal should be referred to the expert committee recommended in paragraph 65 above which would be strengthened for this purpose. (Paragraph 111.)

(101) The assistance of the Chief Mining Engineer and his staff will probably not be available for more than two years and at the end of that time a scheme should be introduced for the inspection of export coal by independent officers employed by the Grading Board. (Paragraph 112.)

(102) Exporters of coal to Bombay should be prepared to submit their coal to analysis when selling to consumers in Bombay who have adopted the system of purchase on calories. (Paragraph 113.)

(103) The advantages and disadvantages of the system of sale on analysis are examined. (Paragraph 113.)

(104) Except where a particular section only of a seam is being worked, the classification of a seam containing section of uneven quality should be based on the analysis of a sample taken from the whole face of the seam. (Paragraph 113.)

(105) The extension of the system of certification to bunker coal is not practicable. (Paragraph 114.)

CHAPTER X.

(106) Pooling of coal for export is impossible in India. (Paragraphs 115 to 118.)

CHAPTER XI.

(107) Propaganda by exporters of Indian coal is necessary at overseas ports. (Paragraph 120.)

(108) In ports where competing coals are sold on these terms, the prices of Indian coal should be quoted in sterling instead of in rupees; payment should be permitted on delivery; and payment of freight should be on the quantity shown in the bill of lading less an allowance of two per cent. in lieu of weighment. (Paragraph 121.)

(109) Certain improvements are suggested in the statistics published by the Director-General of Commercial Intelligence. (Paragraph 122.)

(110) Before any large contract for coal is made either by the Imperial or by a Local Government the advice of the Chief Mining Engineer to the Railway Board should be taken. (Paragraph 123.)

(*Sd.*) F. NOYCE (*President*).

„ C. S. WHITWORTH.
 „ FRANCIS C. LEGGE.
 „ S. C. STUART-WILLIAMS.
 „ A. A. F. BRAY.
 „ W. C. BANERJEE.*
 „ R. N. MOOKERJEE.
 „ J. W. A. BELL.

„ H. P. V. TOWNEND (*Secretary*).

March 28th, 1925.

APPENDIX 36.

PROTECTION FOR THE INDIAN COAL INDUSTRY.

INQUIRY BY THE TARIFF BOARD.

No. 640.

TARIFF BOARD, 1, COUNCIL HOUSE STREET,
 CALCUTTA, 9th November, 1925.

THE SECRETARY,
 THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to enclose six copies of a pamphlet containing the application of the Indian Mining Federation for the imposition of protective duties on coal, together with the

* Subject to a note of dissent.

Board's questionnaire and a press *communiqué* published by the Board. The pamphlet is on sale, and copies can be obtained from the Government Book Depot and authorised book-sellers, price 2 annas.

2. I am to say that the Board will be glad to receive an expression of the views of the Millowners' Association regarding the proposed duties on coal. Most of the points on which the opinion of the Association is desired are covered by the questions in the first section of the questionnaire, but there are a few others regarding the comparative cost to industries of using coal, hydro-electricity or fuel oil, and these have been included in the supplementary questionnaire attached to this letter. If the Association are unable to give an opinion as a body on any of the questions in the supplementary questionnaire, *e.g.*, the comparative economy of the use of coal or fuel oil in a textile mill, it will meet the object of the Board equally well if they could be supplied with the opinions of individual mills selected by the Committee of the Association as the most likely to be in possession of up-to-date information on the subject.

3. I am to request that any representation which the Association desire to submit, and their answers to the printed and supplementary questionnaires may reach the Board not later than the 1st December if possible. If the Association wish to give oral as well as written evidence, the Board would be glad to have the earliest possible intimation of the fact.—I have, etc.,

C. B. B. CLEE,
Secretary.

SPECIAL QUESTIONNAIRE.

1. How many of the mills affiliated to the Association used as their source of power (a) coal, (b) hydro-electricity and (c) fuel oil in—
 - (i) 1913-14, (ii) 1924-25?
2. What would be the approximate equivalent in tons of coal of—
 - (a) the hydro-electric power used in 1924-25 by mills affiliated to the Association?
 - (b) the fuel oil used in 1924-25 by mills affiliated to the Association?
3. What is the cost at present of fuel oil—
 - (a) c.i.f. Bombay, and (b) landed and duty paid?
4. What quantity of fuel oil may be taken as approximately equivalent to one ton of coal?
5. With coal and oil at their present prices, how does the cost of a ton of coal compare with the cost of the equivalent quantity of fuel oil?
6. In deciding whether the use of fuel oil in place of coal should be introduced or continued in a mill, what circumstances must be taken into account (*e.g.*, convenience in handling, economy in labour charges, etc.) other than the cost of the quantity of each kind of fuel required to carry out a certain amount of work?
7. When all the circumstances are taken into account, is coal or oil regarded as the more economical fuel for use in a textile mill with prices as they are at present?
8. What are the rates per unit charged to consumers of hydro-electric power in Bombay at present?
9. What number of units may be taken as approximately equivalent to one ton of coal?

10. With the present price of coal and the present rates for hydro-electric power, how does the cost of one ton of coal compare with the cost of the equivalent number of power units ?

11. In deciding whether the use of hydro-electric power in place of coal should be introduced or continued in a mill, what circumstances must be taken into account other than the cost of the coal and the cost of the number of power units required to carry out a certain amount of work ?

12. When all the circumstances are taken into account, is coal or hydro-electricity regarded as the more economical source of power in a textile mill with prices and rates as they are at present ?

INDIAN MINING FEDERATION, CALCUTTA.

WRITTEN.

Statement I.—Letter dated the 28th October, 1925, from Indian Mining Federation, Calcutta.

In compliance with the request contained in your letter No. 550, dated the 7th October, 1925, I am directed to forward herewith a statement by the Committee of the Indian Mining Federation regarding the claim of protection to the Indian coal industry.

— I am now to enquire what will be the programme of the Board's enquiry and particularly, when would they desire the representatives of the Committee to appear before them to support their written statement.

3. Six additional copies of the statement together with the enclosures are also forwarded herewith, as desired. It is understood that the statement submitted will be printed by you *in extenso* in which case, the Federation shall be obliged to be furnished with 300 copies thereof, if necessary on payment.

Statement by the Indian Mining Federation before the Tariff Board regarding the claims for a Protective Duty on Imported Coal in India.

I.—Extent of Import of Foreign Coal.

A necessary prelude to an attempt at economic and partial justification of the Indian coal industry for the imposition of a protective duty on imported coal in India is a correct appreciation of the extent of import of foreign coal into India and generally a correct understanding of the coal trade situation to-day. In Statement I, appended to this memorandum are set out the statistics showing the production of Indian coal (including output of Native States) and the quantity of foreign coal imported into this country in the recent years. It will have been observed on a reference to this statement that while the average quantity of foreign coal imported each year during the five years 1906-10 was 3.4 lakhs and during the five years 1911-16 4.42 lakhs, it rose to 1 million and 1.1 million during the years 1921 and 1922 respectively. There has been a decline in import since but the quantity imported during the first 8 months of 1925 is 3.2 lakhs or in other words, the import continues even at the present moment roughly at the rate of 5 lakhs tons a year. The actual import, however, of the remaining months of this year may falsify this estimate but in that case it would be easy to understand why the import of the later months did not keep pace with those of the earlier months. At all events, but for the disturbing factor of the serious and protracted mill strike at Bombay, an annual import of 5 lakhs of tons would be a reasonable and accurate estimate of the extent of the import of foreign coal into India at the present moment.

2. A quantity of 5 lakhs of tons represents doubtless a comparatively small fraction of the total Indian output. Assuming 19½ million tons as the average output of Indian

coal, the present import may be regarded to represent no higher than 2.5 per cent. of the total output. This percentage worked out on the figure of total output is, however, grossly misleading. A correct appreciation of the influence of the foreign coal in the Indian market can be obtained not by its comparison with the total output of Indian coal but with reference to the total quantity of commercially available Indian coal which finds effective market. In Statement II, will be found statistics of production of coal within British India in different provinces. It will at once appear that in certain provinces as well as in some of the Native States coal is raised in insignificantly small quantity and cater almost entirely to rigidly restricted and local markets. In any computation of the quantity of coal commercially available for the entire Indian market these small local outputs do not enter. Assuming these local outputs at 1 million tons, the gross average total production of the important Indian coalfields stands at 18.5 millions; of this another allowance of 2.5 millions may be taken as representing wastage and colliery consumption, thus leaving a net average production of the important coalfields at 16 million tons a year. This figure again includes the output of the railway-owned collieries averaging annually about 1.5 million tons. Deducting this quantity, the total average commercially available Indian coal in the Indian market is 14.5 million tons a year. The imported coal estimated at 5 lakhs of tons a year thus represents 3.45 per cent. of this annual quantity.

3. In this connection, it is necessary to refer here to another fact. Coal is not the only foreign fuel competing with Indian coal at the home market—there is also the imported oil fuel. It is remarkable how the import of oil fuel has been fast increasing in the recent years. From 35 million gallons in 1919, it has risen to 90 million gallons in 1924, as it would appear from Statement III attached to this memorandum. The import of 90 million gallons of oil fuel means a displacement of more than 6 lakhs tons of Indian coal from the home market representing roughly 4.15 per cent. of the total Indian commercially available coal. The Committee of the Federation desire to impress on the Board the gravity of the competition of the oil fuel more so as they have later on in this memorandum formulated proposals bearing this fact in view. It is, in effect, the suggestion of the Indian Mining Federation that so far as protective measures are concerned, the imported oil fuel must be regarded *on principle* in the same category as imported coal.

II.—Effect of Import of Foreign Coal.

4. From the position indicated in the previous paragraph it may appear that the claim of the Indian coal industry for protection is open to the criticism that the amount of competing foreign coal in the Indian market is not very large in proportion to the total commercially available output of the country. The Committee of the Indian Mining Federation can have no hesitation in accepting the data of this criticism as a statement of fact but they would at the same time point out that any conclusion which might be drawn from this fact regarding the effect of foreign coal on the Indian market must take full cognizance of the two following considerations:—

- (1) The imported coal is not marketed throughout the country but compete intensively at important centres with Indian coal. From the Statement IV attached to this memorandum, it will have been observed that full 60 per cent. of the foreign coal representing roughly 3 lakhs of tons is imported into Bombay against a total market there of not more than 4.5 lakh tons a year. Another 23 or 24 per cent. is imported in Karachi representing 120 thousand tons a year against a total estimated market there of not more than 180 thousand tons a year. The question of 5 lakhs of tons of foreign coal competing in the Indian market is not a question of foreign competition with 3.45 per cent. of Indian output but assumes a much more serious importance inasmuch as it imperils the market of Indian coal in two important centres, namely, Bombay and Karachi.
- (2) There is, however, a still more important and graver aspect of the question. In appraising the claim of the Indian coal industry for protection, the fact must be clearly recognised that the Indian coal trade to-day is in a serious slump. For reasons which will presently be briefly described, the coal trade at the present moment is passing through an unusual depression. The import of foreign coal

is merely one of the elements in the depression but the question how far this depression can be attributed to the influx of foreign coal is no measure of the necessity of protection required for rehabilitation of the Indian coal trade. Had the other depressing factors been absent, probably there would have been no need for protection. With these, however, in full operation, the import of foreign coal is aggravating the depression and, as such, requires to be guarded against. A general depression is the dominating factor in the coal trade situation to-day and in fact it is the extent of depression which justifies the protective measures.

5. As the Indian Fiscal Commission clearly recognised, the coal trade in India has never been in a profitable position. Leaving aside absolutely temporary improvements, the only period of steady and fair prosperity which the coal trade knew was between the years 1918 and 1921. Almost following the armistice there was an industrial boom in the country which stimulated a great demand for coal. This hectic demand is writ large on the figures of consumption of coal by the small industries in the year 1919. This unusual demand of the small industries (for the industrial activities only gave rise to small industrial concerns) synchronised happily with an increase of demand for Indian coal in the overseas market. The closing months of 1919 marked the high-water mark of this temporary prosperity of the coal trade for though throughout the whole of 1920 the export demand for Indian coal continued firm, the demand of the small industries sharply declined next year. By the January 1921, the foreign ports closed for the Indian coal but the unprecedented bunkering demand owing to a large volume of tonnage having entered the Indian ports, the strength of the market yet remained unabated. By the year 1922, economic dislocation in Europe and restriction on purchasing power led to the sharp decline of India's foreign trade with the result that the bunkering demand most markedly fell and with it the last support of an improved coal market was removed. The statistics bearing on the position of these years are indicated in the Statement V attached to this memorandum. The menacing development in the Indian coal market in the shape of the import of foreign coal was evidenced as early as May 1921. But its effect was obscured for a time owing to the general demand in the country, particularly the bunkering demand. But by the end of the year 1922, after the Indian market had been dumped by more than 2 millions of tons of foreign coal, the effects were clearly traceable in the steadily falling prices, by which time the only surviving factor of strength in the market, namely, the bunkering demand had also most sharply reacted.

6. To sum up, the import of foreign coal at the present moment is only one of the elements in the present depression, the other factors operative being the lack of industrial and bunkering demand and the complete loss of the overseas market.

III.—*Economic Justification of Protection for Coal Trade.*

7. An attempt has hitherto been made to determine the extent to which the import of foreign coal is reacting unfavourably on the Indian coal trade generally. Such an attempt, however, must be regarded to have been made absolutely without prejudice to arguments which would presently follow in support of protection for the Indian coal trade. As the Committee of the Federation view it, the effect of the imported coal on the Indian coal trade generally is an immaterial issue for their present purpose to study. So long as a protective policy has been justified on theoretical grounds and the position of competition with foreign coal has been proved to be against the Indian coal, the case of the Federation may be regarded as completely made out.

8. In paragraph 97 of their Report the Indian Fiscal Commission laid down three conditions which must be fulfilled by an industry in order to justify its claim for protection. Briefly stated these conditions are: (1) the industry must be one possessing natural advantages; (2) the industry must be one which without the help of protection is not likely to develop as rapidly as desirable in the interest of the country; (3) the industry must be one which will eventually be able to face foreign competition without protection.

9. As regards natural advantages, the most important question relating to the coal industry is of course the potential resources of India. In this connection it would be sufficient to state that the resources of India are abundant. In Statement VI attached to this memo-

randum would be found a comparative statement showing the coal resources of India and other principal countries of the world. Another question relevant to the coal resources is their quality. In this connection a statement is enclosed (No. VII) which would show the composition of the various grades of Indian coal and coal of the other countries. It would appear that while the qualities of Indian coal remarkably vary, even the marginal grades are likely to meet all ordinary industrial purposes. As regards other factors of production, such as labour supply and a large market, the Indian industry is distinctly in an advantageous position. The only desideratum of the industry hitherto was the defective transport system on which the Indian Fiscal Commission laid much stress, but the Committee of the Indian Mining Federation are glad to be able to report that the position has since then very remarkably improved.

10. As regards the second condition laid down by the Fiscal Commission, it is the view of the Indian Mining Federation that a protective tariff is one of the three measures which should effectually rehabilitate the Indian coal trade. It is difficult to state with precision what the effect of a tariff unaided by other measures would be on the trade. But the Committee are generally certain that even singly the effect would be great. With regard to this condition again, it is clear from paragraph 100 of the Report that the Commission did not intend it to be applied except in the case of comparatively young industries. The case of an industry temporarily depressed or atrophied was also distinctly contemplated by the Commission and with regard to this class of industry the condition (2) can be less applied than in the case of other industries.

11. Turning to the third condition laid down by the Commission, it would no doubt be possible, other factors of depression being absent, to remove the protective duty on foreign coal, once the Indian industry has been rehabilitated. But here again, the condition need not be taken very seriously, as the Commission distinctly holds in paragraph 98 that "another class of industry which should be regarded with a favourable eye is that in which there is a possibility that in course of time the whole of the country can be supplied by the home production. In the case of such an industry the burden on the consumers determines automatically. As soon as the foreign import ceases to come in, the price ceases to be regulated by the foreign price *plus* the import duty. It is regulated by the internal competition." Price is fixed at a figure forced down by internal competition and it is under such circumstances immaterial whether the duty is removed or not.

12. It is not probably necessary to labour at length the fact that the ordinary conditions of protection are fulfilled by the Indian coal industry. For the industry is one which falls both under the category of those essential for national defence as also of the basic industries. In paragraph 106 of their Report, the Indian Fiscal Commission states "that they have no hesitation in affirming the principle that any industry which is essential for the purpose of national defence and for which the conditions in India are not unfavourable should, if necessary, be adequately protected," irrespective of the general conditions which they have laid down for the industries. Again, in paragraph 108 of their Report, the Commission thus place the case of the basic industry; the "decision whether protection should be given to basic industries should rest rather on considerations of national economics than on the economics of the particular industry." Further in paragraph 105 the Commission recommends for consideration the case of the industry which may be at such a distance from certain part of the country adjoining the sea-board that it is unable to compete in those parts with goods imported by sea. It would appear and will be still more clear after the position of competition has been stated that this observation exactly covers the case of the coal industry in its present application for protection against foreign coal.

13. Much has been said to establish that the Indian coal industry satisfies almost all the theoretic tests which the Indian Fiscal Commission laid down to entitle an industry to a protective tariff. Attention might, however, be drawn to paragraph 114 of the Report of the Indian Fiscal Commission in which the Commissioners discuss specifically the proposition for protection of the Indian coal industry put forward before them by the Indian Mining Federation. The Commission records their opinion that the Indian coal industry is "one of those cases in which we are convinced that the protection of the basic industry or raw material would not be to the advantage of the country as a whole." Unfortunate as the

conclusion of the Commission was, it was based largely on the view that the coal industry was suffering in the early part of 1922 from a special and temporary disability, namely, that arising from a defective railway transportation. The present severe depression which was evidenced in the closing months of 1922 could not, however, be foreseen either by the coal trade or by the Fiscal Commission towards the close of 1921 or in the early part of 1922. After a careful study of the Commission's observations in paragraph 114, it is difficult to escape from the conclusion that the refusal of the Commission to recommend a protective measure for the coal trade was not of a categorical character but was based almost entirely on the view that the problem of the coal trade was unconnected with the problem of foreign competition. As the Commission clearly remarks that till the unfavourable transportation conditions are removed, "no measure of protection would bring prosperity and when they are removed, the industry will need no protection." The Commission, however, in no uncertain terms recognised the importance of the coal industry and expressed the desire that the coal resources of India should be sufficiently developed. It was, therefore, distinctly the view of the Commission that it is necessary that the industry should be placed on a more profitable basis. Having regard to this general attitude to the coal industry and the fact that the coal trade to-day is not suffering, as the Commission conceived, from any special difficulty but from a general depression in which the foreign competition plays a definite part, it may be assumed that the observations of the Commission do not weaken the present case of the Indian coal industry for protection.

IV.—Position of Competition.

14. It is now proposed to examine the actual position of competition which has in the previous paragraph been assumed to be unfavourable for Indian coal.

15. The case for a protective duty on imported coal in India was pithily but effectually summed up by the Indian Coal Committee in paragraph 36 of the Report in which they state that Indian coal can only hope to compete in Bombay and Karachi if the pit-head price is not higher than Rs. 5. This finding read together with the conclusion of the Committee recorded in paragraphs 39 and 41 of their Report that the average raising cost in the Jharia and Raneegunj fields are Rs. 5 and Rs. 6 a ton respectively and that this scale of the cost of production does not admit of any reduction, would seem to establish beyond any doubt that Indian coal is in need of protection against foreign coal in the centres of competition. The cases of Bombay and Karachi have been specially mentioned for, as already pointed out in Statement IV, between these two places no less than 85 per cent. of the foreign coal is landed. It has, moreover, to be taken into consideration that the case against Indian coal in the competition with foreign coal in various centres has been under-estimated to the extent of annas 8 per ton, as pointed out by Mr. Banerjee in paragraph 7 of his minute of dissent as a member of the Coal Committee. To sum up, on the data disclosed before and accepted by the Coal Committee, Indian coal is being under-sold to the extent of Re. 1-8 per ton, assuming the collieries' profit at Re. 1 per ton and taking into account the extent of under-estimation referred to by Mr. Banerjee. The position no doubt has changed since the Coal Committee examined it. The Committee recommended a direct assistance to the Indian coal to the extent of 12 annas (this rate in the case of Jharia and 10 annas in the case of Raneegunj coal roughly) and though definite announcement has not yet been made, it is certain for all practical purposes that the Government have accepted this recommendation. It may, therefore, be argued that with this additional assistance successful competition of Indian coal with foreign coal in Bombay and Karachi has been rendered possible within a very narrow margin of doubt, if not, entirely. To meet such criticisms, it will be of advantage to review the position of competition afresh in the light of the latest development.

16. To start with let the c.i.f. price of Indian coal be calculated for Bombay and Karachi. As the steamer freights to both the places are identical, the quotation too would be the same. The various items making up the c.i.f. price are indicated and added up below:—

Cost of coal at pit-head	..	..	Rs. 5 (Jharia).
Railway freight	..	—	Rs. 2-12 (Jharia coal).
Port Commissioners' charges	..	—	Re. 1-2 (including grading fee and cost of supervision).

Insurance	Annas 3.
Allowance for shortage	Annas 5 (being 4 per cent. of f.o.b. cost).
Finance	Annas 4.
Agency charges at destination ..	Annas 4.
Steamer freight	Rs. 8-4.
	<hr/>
TOTAL .. .	Rs. 18-2.

These figures of c.i.f. price exclude any allowance for profits of the undertaking. Assuming this at Re. 1 per ton, the c.i.f. price at which Indian coal can be quoted at Bombay and Karachi is Rs. 19-2. It is, however, to be carefully remembered that quality taken into consideration throughout the calculation is of the best grade.

17. As against this c.i.f. price at which the best grade Indian coal can be quoted at Bombay and Karachi, some of the most important competing foreign coals are being quoted at a markedly lower figure. The Statement VIII enclosed with this memorandum exhibits the position of competition of Indian and foreign coal at Bombay at present and in the recent months. This statement is compiled from the reports published in "*Commerce*" and though not free from inaccuracies can be generally regarded as of a dependable character. The Committee, however, reserve the right of correcting any of these figures in a supplementary statement, should they find it necessary. It would appear that Transvaal (Witbank) coal has been sold in Bombay at Rs. 19-4 ex-scales, which mean a c.i.f. quotation of Rs. 17 per ton. This would disclose so far as this coal is concerned an under-quotation below the price at which Indian coal can be quoted to the extent of Rs. 2-2 per ton. It is true that intrinsically the best grade of Jharia coal is most decidedly superior to the Transvaal coal but in the present state of competition quality for quality Bengal coal will have to quote below the South African coal or in other words, which is the same thing, price for price Bengal will have to supply coal of a quality superior to what is supplied by South Africa. Assuming this line of argument, it can be held that Transvaal and Natal coal are each selling at Bombay at a price Rs. 2 per ton lower than the figure at which they should sell in order that the best grade of Indian coal may find market there at a profit. For the purpose of this conclusion the price of Transvaal and Natal coal has been taken at Rs. 19-4 and Rs. 21-4 respectively ex-scales or Rs. 17 and Rs. 19 per ton c.i.f. Bombay.

18. The calculation given above relates to South African coal. The only other coal imported in appreciable quantity at Bombay is British coal. A shipment of first class Japanese coal is also reported to have recently arrived at Bombay but the Committee of the Federation possess at present no precise information with regard to this coal. Regarding the British coal, the quality is so markedly superior to that of Indian coal that it is difficult to estimate the exact position of competition between the two. Generally speaking, the British coal is sold Rs. 5 to Rs. 10 a ton higher than best Indian coal. Recently, however, some North County low-priced British coal has also been landed at Bombay and offered as low as Rs. 19 a ton c.i.f. The impression of the Committee of the Federation is that if the price of the British coal can be increased by Rs. 7 per ton, the best grade of Indian coal will have a fair chance of competing successfully with it.

19. In paragraphs 17 and 18, only the position of competition at Bombay has been described. The position in other centres, particularly at Karachi, is identical. The market at Bombay is, therefore, intended to be regarded as typical of the state of competition throughout the country.

20. Hitherto in estimating the position of competition between the Indian and foreign coal, it has been assumed that only the best grade of coal would be exported and it is on that assumption that it has been held that South African coal should sell Rs. 2 and British coal Rs. 7 a ton higher in price respectively than the rate at which they have been selling now. But the very important question arises—what would be the effect on the coal trade generally if the very best grades of Indian coal can find a market at a price which would just leave it a modest profit on the undertaking. It has been already stressed at great length that the problem at the present moment of the coal trade is the problem of depression and so long as

the best grades of Indian coal are unable to command a price higher than what would leave it a bare profit, the depression in the coal trade will continue. It is to be very carefully remembered that the qualities of Indian coal remarkably vary. While the raising cost of production of practically all grades of coal is more or less the same, there is an intrinsic difference in quality which must under normal conditions lead to differential rates of prices. In order that the lowest grade of coal must earn a modest profit, it is necessary that the highest grade should earn a price several rupees over its cost of production. The disparity in price between the different grades of Indian coal is a marked feature of the coal trade and there cannot be any disputing this very familiar fact. There is, moreover, nothing striking about it, as this is merely the application of the economic doctrine of the marginal theory of value. It would, therefore, follow that the rate of pit-head price of best grade of Indian coal, which has been assumed in the computation of c.i.f. price at Rs. 6, should really be Rs. 9 or thereabout in order that the lower grades of coal may earn a profit fairly over their raising cost. In such circumstances, the margin of under-quotation of Indian coal by South African and British coal taking quality into account, should be regarded at a figure Rs. 3 higher, namely, Rs. 5 and Rs. 10 respectively.

21. There is one more question in connection with an estimate of the competitive position of Indian and foreign coal which is to be carefully considered. It is not known if the present prices of foreign coal, particularly of South African, can be regarded as their lowest possible quotation or whether there is margin left to admit of further reduction in order to meet Indian competition. Reliable information on this point is not forthcoming but the fact remains that South Africa has reduced price considerably since 1922 and 1923. The enclosed Statement IX would show that in the years 1922 and 1923 the South African coal was offered at 31 or 32s. c.i.f. Bombay but at the present moment cargoes of Natal coal are being freely offered at 28s. and of Transvaal at 26s. c.i.f. Bombay. The reduction of price is proportionately heavier in rupee owing to the higher rate of exchange at present.

22. The question of exchange just mentioned is again another complicating factor in estimating the position of competition. In 1921-1922, the exchange was at rs. 4 $\frac{d}{2}$. or in the neighbourhood thereof. To-day it stands at rs. 6 $\frac{3}{32}$ $\frac{d}{2}$. It is obvious that the higher the rate of exchange, the more difficult it becomes for the Indian coal to meet foreign competition. The rise of a penny per rupee in exchange brings down the South African quotation by 6 $\frac{1}{2}$ per cent. or practically at a little over Re. 1 per ton. Despite the statement of the Hon'ble Finance Member suspicion is not entirely absent that the rates may go up still further. But even without a further advance the Indian coal trade is even now entitled to claim a protective duty of 12 $\frac{1}{2}$ per cent. *ad valorem* on the ground of higher exchange alone.

23. It is not at all necessary to study wherein the secret lies of the foreign coal which enables them to compete successfully at the distant markets of Karachi and Bombay, it may still, however, be instructive to refer here to a few salient facts.

24. The cost of production of Indian coal is indicated in Statement X enclosed with this memorandum. The Committee venture to say this represents the irreducible minimum cost per ton in the Bengal coalfields. It will be granted that this compares very favourably with the British cost and probably not very unfavourably with the South African cost. No definite statement can be made with regard to the South African position, as it is difficult to ascertain what the cost of production there is. Seeing that South Africa is able to quote at Bombay at 26s. c.i.f. and assuming the steamer freight from Durban to Bombay at about 12s. and railway freight from Natal collieries to Durban on an average at 7s. it would appear that the pit-head price including the profits of the undertaking is not higher than 6s. Presuming even that the cost is a penny or two higher, it seems an absurdly low figure to accept for the raising cost; it is possible that South Africa charges differential rates for export, bunker and internal industrial consumption. In the matter of bunkering, the South African coal has a particularly strong position of advantage, Durban being an important bunkering port for all vessels plying between Europe and eastern waters. In fact, figures were obtained by the Indian Coal Committee which went to prove this hypothesis.

25. Apart from the cost of production South Africa would also seem to have had some advantage in the matter of railway transport charges. There is at the present moment a

rebate of railway freight amounting to 7s. 9d. per ton but as the Coal Committee point out, the net freight payable by the Natal mine is practically the same as paid at present by the Indian coal from the coalfields to the docks. It has, therefore, been argued that the fact that a rebate is granted by South African railways on export coal should be made no ground for a special protection to be sought by Indian coal. Those who offer this criticism do not seem to have full appreciation of the point of view of those who ask for a countervailing duty on the South African coal owing to the operation of this rebate. The question is not whether the net freight payable by South Africa is equal to, more, or less than the net rail freight paid by the Indian coal but whether any special privilege is not granted in order that the South African coal may be in a better position to face competition in the Indian market. It can certainly be asserted that South Africa enjoys such special privilege. That the rebate granted to the South African coal is intended to operate and does as a matter of fact operate as a bounty, can be easily ascertained from the fact that there are differential rates of price of coal for bunker, internal consumption and export, the price for the first two purposes being progressively higher than the price charged for export coal. A further fact also confirms this view. The endeavour of the South African authorities to ship cheap coal was so strenuous that in 1921 the rate of rebate was 18s. 4d. from which it was reduced to 9s. 9d. per ton and thence to the present figure. Lastly, there is the question of uneconomical steamer freights, the full advantage of which are obtained by both the British and the South African coal export trade. In Chapter VIII of their report, the Indian Coal Committee have fully gone into this question and in paragraph 98 they record their view that "comparatively low freights for competing countries must be accepted as unavoidable by the Calcutta coal export trade." The Indian coal export trade is prepared to accept this position, as it is well aware that there is no remedy against it; at the same time they certainly think they are entitled to special protection against the disability which they have to labour under.

V.—Proposals Formulated.

26. It now remains for the Committee to formulate their definite proposals for the consideration of the Board. They are afraid, in this connection, it would not be possible for them to confine their suggestions to merely an imposition of a protective duty on imported coal in India. As already indicated, coal is not the only foreign fuel competing with Indian coal. Any proposal for protection of the Indian coal industry must, therefore, embrace measures calculated not only to arrest the import of foreign coal into India but also the import of oil fuel in the country or at least to financially exploit the imported oil fuel for the benefit of the Indian coal trade. How far the Board may have any technical difficulty in considering the protective proposal in this wider aspect, the Committee of the Federation made no attempt to ascertain. It is their suggestion that should such technical difficulties be found to exist, steps might be taken by the Board to have them removed. The proposals of the Federation are :—

- (1) that a protective duty of Rs. 5 a ton be imposed on Natal and Transvaal coal imported into India, the duty to increase correspondingly with additional indirect bounty granted to the South African export coal,
- (2) that a protective duty of Rs. 10 a ton be imposed on all other coal imported into India,
- (3) that these duties be in force for a period of five years at the end of which the question of their repeal or continuance be examined in the light of the position then confronted by the Indian coal trade,
- (4) that an additional duty be imposed on the mineral oil imported into India and generally used as fuel for industrial purpose at the rate of half anna per gallon, the proceeds of the duty being ear-marked for the purpose indicated below,
- (5) that the Board do record a further recommendation for grant of a bounty at the rate of Rs. 3 per ton on Indian coal exported to any foreign port, the funds for the payment of the bounty being found from the proceeds of the duty suggested under proposal (4) above,

(6) that the proposed bounty be paid for a period of four years.

27. The proposals formulated in the previous paragraph are on the basis of the present selling prices of foreign coal in India. Should these show a steadily downward tendency after the protective measures have been taken the whole question will have to be re-opened for fresh examination.

Enclosure I.

Statement I.—Showing the production of Indian Coal (including output of Native States) and the quantity of foreign Coal imported into India.

Years.								Output of Indian Coal.	Import of foreign Coal.
								Tons.	Tons.
1906-10 (Average)	..	..	..	..	..	..	..	11,523,000	344,000
1911-15 ( " )	..	..	..	..	..	..	..	15,440,000	427,000
1916-20 ( " )	..	..	..	..	..	..	..	19,356,000	44,000
1921	..	..	..	..	..	..	..	19,302,000	1,088,468
1922	..	..	..	..	..	..	..	19,010,000	1,147,695
1923	..	..	..	..	..	..	..	19,657,000	578,887
1924	..	..	..	..	..	..	..	21,176,000	402,888
1925(a)	..	..	..	..	..	..	..	....	328,657

(a) January to August.

Enclosure II.

Statement II.—Showing production of Coal in British India Province by Province between the years 1920 to 1924.

Name of the Province.	1920.	1921.	1922.	1923.	1924
	Tons.	Tons.	Tons.	Tons.	Tons.
Assam	324,965	312,022	347,650	325,949	334,562
Baluchistan	27,672	42,155	40,632	31,626	29,947
Bengal	4,207,452	4,259,642	4,328,986	4,621,578	5,031,655
Bihar and Orissa	11,973,339	12,964,659	12,708,529	13,171,983	14,100,112
Burma .. .. .	....	300	172	1,271	255
Central Provinces	491,205	712,914	675,841	548,059	679,081
Punjab	58,078	67,242	67,180	63,501	80,422
GRAND TOTAL ..	17,082,711	18,358,934	18,168,988	18,763,967	20,256,034

Enclosure III.

Statement III.—Showing the import of Fuel Oils into India during the years 1919 to 1924.

Countries whither imported	1919.	1920.	1921.	1922.	1923.	1924.
	Gals.	Gals.	Gals.	Gals.	Gals.	Gals.
Mesopotamia .. ..	....	....	....	1,956,500	....	448
Persia	23,196,686	21,372,439	39,372,781	52,425,693	61,994,844	69,900,473
Straits Settlements (including Labuan) ..	2,376,551	3,445,639	5,433,714	5,920,626	2,470,674	2,136,538
Borneo	8,765,745	17,886,426	4,765,771	4,451,945	7,453,185	16,986,682
Other Countries	975,752	77,123	608,968	480,602	116,331	128,811
TOTAL ..	35,314,734	42,781,627	50,181,234	65,235,366	72,935,034	89,152,952

Enclosure IV.

Statement IV.—Showing the percentage share of Foreign Coal and Coke imported by each Province during the first eight months of 1925.

Province.	January to August 1925.	Percentage of share.
Bengal	Tons. 995	.28
Bombay	208,570	59.72
Sind	80,469	23.04
Madras	14,250	4.07
Burma	45,018	12.89
TOTAL ..	349,302	100

Enclosure V.

Statement V.—Showing the quantity of Indian Coal (1) Exported abroad, (2) Consumed for bunkering requirements, and (3) Used in domestic consumption and miscellaneous industries other than organised industries between the years 1918 to 1923.

Year.	Bunker.	Domestic and Miscellaneous Industrial Consumption.	Export.
	Tons.	Tons.	Tons.
1918	1,180,900	4,960,000	74,466
1919	1,576,000	6,240,000	508,537
1920	1,967,000	775,000	1,224,758
1921	1,582,000	4,802,000	299,791
1922	796,000	4,521,000	77,118
1923	819,000	5,016,000	136,585

NOTE.—These figures are extracted from "Production and Consumption in India" published by the Commercial Intelligence Department.

Enclosure VI.

Statement VI.—Showing the Coal resources of India and other countries.

	243 Million Metric Tons.
Italy	20
Portugal	6,220
Spain	11,000
Belgium	70,000
India	7,971
Japan	140,000
Great Britain	4,500
France	94,865
Germany	3,200,000
United States.. .. .	

NOTE.—The figures quoted are those compiled by the International Geological Congress, Canada, 1923. The Paper on India resources was contributed to the Congress by Mr. H. H. Hayden, C.I.E., the then Director of Geological Survey, Government of India.

Enclosure VII.

Statement VII.—Showing the average analysis and calorific value of Indian and other Coals.

Coal.	Calories.	Carbon.	Volatile.	Ash.	Moisture.
Dishergarh	7,085	53.16	34.15	9.36	3.33
Best Raniganj	6,920	56.06	32.44	9.10	4.26
Inferior Raniganj	6,380	49.13	33.38	11.04	6.45
First Class Jharia	7,200	68.68	17.68	12.75	1.08
10, 11, 12 Seam Jharia	6,950	64.35	19.45	15.14	1.06
Inferior Jharia	6,013	59.15	15.60	24.35	.9
Natal	6,950	66.8	18.3	13.4	1.5
Witbank	6,766	54.66	25.72	16.84	2.78
Japanese	7,040	53.69	35.21	7.5	3.60
Chinese .. .. .	....	71.09	21.18	3.12	4.60
Australian	6,975	52.57	34.84	9.9	2.60
British	7,600	58.84	34.73	2.43	4.00
Native States (Borneo)	7,200	67.53	20.92	3.	8.55

Enclosure VIII.

Statement VIII.—Showing the position of competition in Bombay.

NOTE :—The figures are compiled from the issues of " Commerce " and the date quoted at the top of the column refers to the date of the issue of the paper from which the figures have been tabulated.

Description of Coal.	4th July 1925.	11th July 1925.	15th July 1925.	1st August 1925.	8th August 1925.	15th Aug. 1925.	5th Sept. 1925.
English	S. S. Neotsfield Durban Navigation. c.i.f. 28s. 6d. =Rs. 19.	Rs. 30 Ex Scales.	Rs. 30 Ex Scales.	West Hartley Rs. 22 Ex Scales.	..	..	..
Natal	..	Rs. 22 Ex Scales.	Rs. 22 Ex Scales.	Rs. 21-4 Ex Scales.	..	..	..
Transvaal Witbank.	..	Rs. 21 Ex Scales.	Rs. 21 Ex Scales.	Rs. 19-4 Ex Scales.	..	..	..
Dishergarh	..	Macneil's Rs. 17-8 c.i.f. Yule's Rs. 18 c.i.f.	..	..	Rs. 22 loaded into wagons Rs. 23 delivered.	Rs. 17 c.i.f.	..
1st Class Rancee-gunge.	..	Best Bengal Rs. 20 Ex Scales.	Best Bengal Rs. 20 Ex Scales.	..	..	..	Damaguria Rs. 18-12 Ex Scales.
1st Class Jharia	..	Smith's Bagdigi Rs. 18-8 c.i.f. Low's Rs. 17-8 c.i.f.	..	..	..	..	..
2nd Class	..	12 Seam at Rs. 16-8 c.i.f.	..	Rs. 20 delivered.	Rs. 20 delivered.	..	..

Enclosure IX.

Statement IX.—Showing c.i.f. Bombay price for South African Coal (Natal and Transvaal) from March, 1922 to July, 1923.

March 1922	Witbank Coal (Transvaal) at	..	..	..	..	s. 37/ c. i. f. Bombay.
June 1922	St. Georges/Burnside Coal at	..	..	..	..	31/16 " "
Sept. 1922	Witbank Coal at	..	..	..	..	30/6 " "
Oct. 1922	" " at	..	..	..	..	31/6 " "
Nov. 1922	Natal Coal at	..	..	..	..	31/ " "
Dec. 1922	" " at	..	..	..	..	31/3 " "
March 1923	" " at	..	..	..	..	32/ " "
" "	Witbank Coal at	..	..	..	..	29/6 " "
April 1923	" " at	..	..	..	..	29/6 " "
May 1923	" " at	..	..	..	..	29/6 " "
June 1923	Natal Coal at	..	..	..	..	31/9 " "
July 1923	" " at	..	..	..	..	31/6 " "
1923	October	..	..	..	..	s. 30-6-0.
1924	April	..	..	..	..	s. 31-9-0.
1924	May	..	..	..	..	s. 31-9-0.
1924	July	..	..	..	..	s. 32-0-0.
1924	August	..	..	..	..	s. 30-6-0.

1924 September	s. 31-0-0 and 29-9-0.
1924 October	s. 30-0-0 and 29-0-0.
1924 November	s. 29-0-0 and 30-0-0.
1924 December	s. 29-6-0.
1925 January	s. 29-0-0, 29-3-0, 29-4-0, 29-6-0 and 30-0-0.
1925 February	s. 29-4-0.
1925 March	s. 29-4-0.
1925 May	s. 29-6-0 and 28-6-0.
1925 September	s. 28-3-0.
1925 October	s. 26-6-0.

NOTE.—These figures represent actual transactions of a Bombay firm.

Enclosure X.

Statement X.—Showing the average cost per ton of a colliery raising 2,000 tons a month working "Sircari."

	Rs. a.	
1. Coal getting	1 0	
(Wages on an average being 10 annas per tub of 13 cwt.)		
2. Coal Raising	0 4	
Tramming underground	1 anna	
Banksman and onsetter	2 annas	
Timbering	1 anna	
3. Main driving	0 3	
(Average rate payable being Rs. 2 per each 2 feet.)		
4. Machinery, plant and tramway maintenance	0 1	
5. Pumping (including wages of boilers)	0 1	
6. Boiler consumption	0 5	
7. Tramming and loading	0 4	
8. Stacking	0 2	
9. Establishment	0 12	
10. Stores	0 3	
11. Recruiting	0 2	
12. Machinery, hut and road repairs	0 1	
13. Sale charges or Calcutta establishment	0 6	
14. Royalty	0 6	
15. Taxes and cesses	0 4	
Chowkidari, 2 pies	} 1 anna	
Water Board, 7 pies		
Mines Board, 3 pies		
Workmen's Insurance		1 anna
Road Cess		1 anna
Income-tax	1 anna	
16. Depreciation	0 3	
17. Miscellaneous	0 1	
TOTAL ..	4 14	

PRESS COMMUNIQUE.

In the Resolution of the Government of India in the Commerce Department, No. 47-T. (49), dated 30th September, 1925, the Tariff Board were directed to enquire into the question whether a protective duty should be imposed on imported coal generally, or on coal imported from any particular country or countries, and, if so, at what rates. The Board have now received from the Indian Mining Federation a representation in which the following proposals are made :—

- (1) The imposition of protective duties at the following rates :—
 - (a) Rs. 5 a ton on coal imported from South Africa ;
 - (b) Rs. 10 a ton on coal imported from any other country ;
 - (c) Half an anna a gallon on imported fuel oil.
- (2) The grant of a bounty of Rs. 3 a ton on coal exported to foreign countries.

The grant of a bounty on exported coal is beyond the scope of the reference made to the Board and this proposal will not be considered by them. The proposal that a protective duty should be imposed on fuel oil is also beyond the terms of reference, and raises issues different in their nature from those connected with coal and more far-reaching in their scope. The Board are prepared to admit evidence tending to show that a protective duty might be wholly or partially ineffective unless it were accompanied by a duty on fuel oil and evidence bearing on the comparative cost to industries of using fuel oil or coal, especially in Bombay and Sind. It would have been necessary to examine these aspects of the case even if no proposal for a protective duty on fuel oil had been made. But the Board will not in this enquiry consider the question whether a duty on fuel oil should be imposed, and will confine themselves to the single issue whether a duty should be imposed on coal and, if so, at what rates.

2. The Board will be glad to receive representations from those public bodies, firms and persons who are likely to be affected by the proposed duty on coal and desire to express their views. The Memorandum of the Indian Mining Federation and the Board's questionnaire have been printed and copies can be obtained from the Manager, Government of India, Central Publication Branch, Calcutta, or all Provincial Government Book Depots and authorised booksellers, price 2 annas per copy.

The questions in the latter sections of the questionnaire are intended for the Indian Mining Federation and the Indian Mining Association, the two organized bodies who represent Indian coal producers. The questions in the first section are general and deal with matters on which the evidence not only of producers but also of consumers and other persons interested in the coal trade is necessary. Some of those who desire to be heard may find it convenient to submit detailed answers to the questionnaire, while those who prefer to express their views in a more general form may find the questions useful as indicating points on which the Board desire to be informed. Some of the questions cannot be answered without local knowledge, and answers by firms and others who possess such knowledge will be of special value.

3. Representations should be addressed to the Board's office at No. 1, Council House Street, Calcutta, and should be sent in so as to reach the Board not later than the 30th November, 1925. Representations received after that date cannot be considered. Those firms or persons who desire to give oral as well as written evidence should inform the Board not later than the 20th November. The oral evidence of the representatives of the Indian Mining Federation and the Indian Mining Association will be heard in Calcutta in November, and the Board's subsequent programme will be settled when it is known who desire to give oral evidence.

C. B. B. CLEE,
Secretary, Tariff Board.

CALCUTTA, 6th November, 1925.

QUESTIONNAIRE.

SECTION I.

GENERAL QUESTIONS.

1. What are the chief causes of the fall in the price of coal in India since 1923? If the areas to which foreign coal penetrates (*i.e.*, for practical purposes the areas dependent on the ports of Rangoon, Madras, Bombay and Karachi) are excluded, how far is it correct to say that the present low level of prices is due mainly to internal competition between the Indian mines, and to an increase in their productive capacity unaccompanied by an equivalent increase in the demand?

2. In paragraph 9 of their Memorandum the Mining Federation express the view that, in the matter of Railway transport, "the position has very remarkably improved" since the Fiscal Commission reported. Do you accept this view?

3. If the answer to question 2 is in the affirmative, do you consider that the improvement in transport conditions has contributed to the fall in price by increasing the quantity of coal effectively on the market?

4. What are the approximate c.i.f. prices at Rangoon, Madras, Bombay and Karachi of—

- (a) Natal coal,
- (b) Transvaal coal,
- (c) British coal,
- (d) Any other imported coal which competes seriously with Indian coal at these ports?

If the imports from any country consist of coal of different classes and qualities, the lowest and highest prices should be given.

5. Is it the case that Natal coal is on the whole superior in quality to Transvaal coal and commands in general a higher price?

6. In paragraph 18 of their Memorandum the Mining Federation express the view that in Bombay "generally speaking the British coal is sold Rs. 5 to Rs. 10 a ton higher than best Indian coal." Do you accept this view, and if so what classes of British coal command prices exceeding the prices of the best Indian coal by Rs. 10 and Rs. 5, respectively?

7. In the same paragraph the Federation say:—

"Recently, however, some North Country low-priced British coal has also been landed at Bombay and offered as low as Rs. 19 a ton c.i.f."

Has any considerable quantity of this class of coal been imported into Bombay in the past, and is it possible to determine by what amount the price obtainable for such coal would ordinarily exceed the price of the best Indian coal?

8. The steamer freight on coal from South Africa to Bombay in January 1925 is given on page 102 of the Coal Committee's Report as 12 shillings a ton which is equivalent to Rs. 8 a ton with the exchange at 1s. 6d. May this figure still be taken as correct?

9. What is the steamer freight on coal from British ports to Bombay at present?

10. The Coal Committee in paragraph 33 of their Report expressed the view that Indian coal would sell in Bombay at a price about 8 annas a ton cheaper than the cheapest Transvaal coal. Do you accept this view as true of the best grade of Jharia coal? If not, how would the price of the best Jharia compare with the price of the cheapest Transvaal coal?

11. In the same paragraph the Committee ascribe the lower price of Indian coal in Bombay to "a prejudice not against Indian coal as such but against the exporters of it; so the Bombay importer has to be convinced not that there are good Indian coals, but that he can be certain of getting them." Do you agree that the prejudice exists?

12. If your answer to question 11 is in the affirmative, do you consider that the prejudice referred to operates to reduce the price of the best Indian coal in Bombay, and if so by what amount?

13. If your answer to question 11 is in the affirmative, do you consider that the prejudice referred to is justified by the condition and quality of the Indian coal actually sent to Bombay in recent years?

14. In paragraph 34 of their Report the Coal Committee say that at Karachi "witnesses stated generally that South African coal at the same price is much better value than Indian." Do you agree that this is in fact the view of consumers at Karachi?

15. In paragraph 17 of their Memorandum the Federation say that "intrinsically the best grade of Jharia coal is most decidedly superior to the Transvaal coal." Do you accept this view?

16. The Mining Federation have proposed the imposition of protective duties on coal at the following rates:—

(a) South African coal—Rs. 5 a ton.

(b) All coal other than South African—Rs. 10 a ton.

Do you favour the imposition of these duties?

17. Do you consider that the imposition of the protective duties on coal proposed by the Federation would result in an increase of the price of Indian coal in—

(a) Bombay,

(b) Sind,

(c) Madras,

(d) Burma, and

(e) the rest of India?

Would internal competition between the Indian mines operate to restrict the increase in price in each of these areas? By what amount (if any) do you consider that the price of the best Jharia coal would be increased in each area?

18. Do you consider that the increases in price indicated in your answer to question 17 would be effective as regards bunker coal, or is it probable that shipping companies would be able to avoid the increase in price either by direct transshipment of coal from one vessel to another in Indian ports, or by bunkering in foreign ports?

19. The imports of coal into Bombay (Indian and foreign) were 491,000 tons in 1924-25 against an average of 1,155,000 tons in the four years 1910-11 to 1913-14. The decrease in consumption is apparently due in part to the larger use of oil and hydro-electric power. Is it probable that an increase in the price at Bombay to the extent indicated in your answer to question 17 would result in consumers, who use coal at present, resorting to the alternative sources of power, and consequently in a further restriction of the market for coal?

20. Do you consider that an increase of the price of coal at Karachi to the extent indicated in your answer to question 17 would result in a larger use of oil in place of coal?

21. Having regard to the existence of alternative sources of power, do you consider that the imposition of the protective duties on coal proposed by the Federation would result in an increase in the sales of Indian coal in—

(a) Bombay,

(b) Sind,

(c) Madras, and

(d) Burma,

and, if so, by what amount?

22. Do you consider that the coal industry satisfies the second condition laid down by the Fiscal Commission, *viz.*, that without protection it will not develop at all, or will not develop so rapidly as is desirable in the national interest ?

23. The nett imports of coal into India in 1924 amounted to less than 2 per cent. of the Indian production. The Fiscal Commission expressed the view that "it would not be right to endeavour to procure for an industry such protection as will enable it to compete in every possible market in India, if this involves giving protection appreciably higher than is required for its success in the greater part of the country." Do you accept this view, and, if so, do you consider it applicable to the coal industry ?

24. Do you consider that an increase in the price of Indian coal to the extent indicated in your answer to question 17 would be a serious addition to industrial costs in—

- | | |
|-------------|-----------------|
| (a) Bombay, | (c) Madras, and |
| (b) Sind, | (d) Burma, |

and would it be likely to retard the development of industries in these provinces ?

SECTION II.

QUESTIONS FOR THE INDIAN MINING FEDERATION AND THE INDIAN MINING ASSOCIATION.

25. How many coal mines are affiliated to the $\frac{\text{Indian Mining Federation}}{\text{Indian Mining Association}}$ at present ?

26. What was the aggregate output in 1924 of the mines referred to in the answer to question 25 ?

27. The mines affiliated to the $\frac{\text{Federation}}{\text{Association}}$ may be roughly classified according to their annual output as follows:—

- (a) Less than 5,000 tons.
- (b) Not less than 5,000, but less than 10,000 tons.
- (c) Not less than 10,000, but less than 20,000 tons.
- (d) Not less than 20,000, but less than 50,000 tons.
- (e) Not less than 50,000 tons.

How many mines belong to each class according to their output in 1924, and what was the aggregate output of each class ?

28. How many of the mines referred to in the answer to question 25 began to produce coal:—

- | | |
|------------------------|-------------------------|
| (a) before 1901, | (c) from 1914 to 1919, |
| (b) from 1901 to 1913, | (d) from 1920 to 1925 ? |

What was the aggregate output of the mines in each class in 1924 ?

29. How many mines affiliated to the $\frac{\text{Federation}}{\text{Association}}$ have been shut down during the last two years, and how many new mines affiliated to the $\frac{\text{Federation}}{\text{Association}}$ have been opened ?

30. What was the aggregate output of the mines shut down, taking for each mine its output for the last calendar year before the year in which it was shut down ?

31. How many of the mines shut down belonged to each of the classes enumerated in question 27 ?

32. How many of the mines shut down belonged to each of the classes enumerated in question 28 ?

33. In paragraph 38 of the Coal Committee's Report the average cost of raising coal is taken as Rs. 5 a ton in the Jharia field and Rs. 6 a ton in the Raniganj field. Do the Federation Association accept these figures as reasonable estimates ?

34. What are the prices at the pit-head at present, and what were they in November 1923, of Deshargarh, selected Jharia, first class Jharia, first class Raniganj, second class Jharia and any other class of coal which is commonly shipped by sea from Calcutta to other Indian ports ?

35. Do the Federation Association regard the present pit-head prices as unremunerative in the sense that a large number of producers realize no profits on their sales or sell at an actual loss ?

36. Do the Federation Association anticipate that the continuance of the present level of prices will result in the closing of mines now working and, if so, to what extent ?

37. When the prices of coal fall continuously they are likely to reach a point when, by the shutting down of those mines in which costs are highest, the curtailment of the supply prevents prices from falling further. Do the Federation Association think that this point has been reached, or is it possible that prices may go still lower ?

38. How do the stocks of coal at the mines at present compare with the stocks held in November 1924 and November 1923 ?

39. Is any marked improvement in the condition of the coal industry possible until the market for Indian coal has widened substantially, either by the growth of internal consumption or by the development of the export trade ?

40. Can Indian coal be sold to-day in Rangoon, Madras, Bombay and Karachi at prices which, after deducting the cost of transport, leave the producer a price at the pit-head not less than the price he receives for other sales ? If not, to what extent is the price lower ?

N.B.—A separate answer should be given for each port.

41. Do the Federation Association consider that the imposition of the protective duties on coal proposed by them the Federation would result in an increase in the sales of Indian coal, and, if so, by what amount ?

42. Would the increased sales of Indian coal which the Federation Association consider probable result in the re-opening of mines at present shut down, or is it more probable that the demand would be met by the opening of new mines in areas where costs are lower ?

43. Do the Federation Association consider that the imposition of the protective duties proposed by them the Federation would increase appreciably the average pit-head price of coal, and, if so, to what extent, or would the benefit to the industry be confined to such increase in sales as might result from the displacement of imported coal ?

It appears from page 58 of the Coal Commission's Report that in the early months of 1924 the rebate granted by the South African Railways on export coal amounted

to 7s.9d. per ton of 2,000 lbs. which with the exchange at 1s.6d. is equivalent to Rs. 5-9-7 per ton of 2,240 lbs. According to the information in possession of the Federation Association is the amount of the rebate still the same, or has any change been made ?

45. The Federation have asked for a certain scale of protection on the basis that the Indian producer ought to receive a price of about Rs. 9 a ton at the pit-head for the best Jharia coal. Do the Federation Association believe that, if the duties are imposed, it will in fact be possible to realize this price for coal sold in Bombay or Karachi, or would internal competition keep the price lower ?

SECTION III.

QUESTIONS FOR THE INDIAN MINING FEDERATION.

46. In paragraph 2 of their Memorandum the Federation exclude from consideration the output of certain coalfields on the ground that they are of purely local importance. The output of these fields is assumed to be one million tons a year. Which are the fields referred to ?

47. The Federation consider that in calculating the transport charges between the pit-head and an Indian port, such as Bombay, an allowance of 4 annas a ton should be made for Agency charges at destination. Would not the importers of coal from a foreign country have to incur a similar charge ?

48. The Federation say that a price of Rs. 19-4-0 a ton *ex* scales at Bombay is equivalent to a c.i.f. price of Rs. 17 a ton. Is the difference of Rs. 2-4-0 a ton made up of the details given in Appendix XIX (b) of the Coal Committee's Report ?

49. In paragraph 17 of the Memorandum the Federation take the price of Natal and Transvaal coals as Rs. 19-4-0 and Rs. 21-4-0 a ton *ex* scales at Bombay. Is this difference in the price a fair measure in the opinion of the Federation of the difference in quality between Natal and Transvaal coal ?

50. Are there differences in the classes and quality of the—

(a) Natal coal,

(b) Transvaal coal,

usually imported into India ? If so, are the prices taken by the Federation as the basis of their proposals the prices of the cheapest quality of South African coal usually imported, and how much higher would the price of the best quality be in each case ?

51. What classes of British coal are commonly sold in Bombay at prices higher than the prices of the best Jharia by Rs. 10 and Rs. 5 a ton respectively ?

52. If protective duties are imposed on imported coal do the Federation consider it would be reasonable to prohibit by law the export of uncertified coal to other Indian ports, so that consumers would have a reasonable assurance of the quality of coal they bought ?

SECTION IV.

QUESTIONS FOR THE INDIAN MINING ASSOCIATION.

53. The Coal Committee gave the following figures as the costs incurred between the pit-head and certain ports :—

						<i>Transport cost</i>		
						<i>per ton.</i>		
						Rs.	a.	p.
Rangoon	11	3 0
Madras	11	15 0
Bombay and Karachi	13	7 0

Do the Association accept these estimates or if not, what changes do they consider necessary ?

54. In Appendix XIX of their Report the Coal Committee gave figures for the cost of landing coal at certain Indian ports. Do the Association accept these figures ?

55. Do you consider that the coal industry satisfies the third condition laid down by the Fiscal Commission, *viz.*, that the industry can eventually dispense with protection and meet world competition unaided in the sense that Indian coal could be sold at a profit in Bombay and Karachi in competition with foreign coal ? If so, what change in the conditions do you anticipate which would be likely to produce this result ?

56. Do the Association approve of the imposition of the protective duties proposed by the Federation ?

No. 1402/36 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 4th December, 1925.

THE SECRETARY,
TARIFF BOARD, DELHI.

SIR,

I am directed to acknowledge the receipt of your letter No. 640 dated 9th November, 1925, requesting an expression of the views of the Association regarding the application of the Indian Mining Federation for the imposition of protective duties on coal. After very careful consideration my Committee wish me to state that they would favour the imposition of a protective duty upon foreign coal provided that the coal trade are in a position to establish that foreign coal imported into India is being placed on the Indian market at prices with which Bengal coal cannot compete owing to bounties or subsidies direct or indirect available to coal exported from the country and not available to coal consumed in the country of origin. In this connection my Committee also wish to make it clear that even if the need for protection on these grounds is established, the protection given to the Indian coal trade should only be made available to that proportion of Indian coal which enters into direct competition with imported coal.

In regard to the case put forward by the Indian Mining Federation, my Committee are inclined to the view that a case for the imposition of protective duties of the nature and extent demanded has not been made out for the following reasons :—

(1) To all intents and purposes foreign coal only competes with first class Bengal coal in the Bombay market. There is little, if any, competition between foreign and Indian coal in up-country markets. These being the facts it is somewhat unreasonable for the Mining Federation to put forward a claim for a protective import duty which might possibly affect the price of coal all over India.

(2) Support cannot be given to the Mining Federation's application for a protective duty of Rs. 5 per ton on Natal and Transvaal coal on the grounds that this degree of protection is required to enable even the weakest of Indian collieries, raising the lowest quality of coal, to make a profit.

If the history of the Bengal collieries were examined it would be found that a very large number of the collieries raising lower class coal, commenced operations during the boom years when the demand for Indian coal was absolutely abnormal. These collieries would probably never have been able to work at a profit in normal years, because the demand for the lower grades of Indian coal in normal years has never been great, and they would not have been able to compete against collieries producing better grades of coal except in a very limited local market, owing to the fact that raising and transportation costs are the same for all classes of coal. This means that if the economic position is such that the better class

collieries, owing to the paucity of demand have to reduce their margin of profit, the demand for the products of the second class coal-producing collieries would be reduced to a purely local demand and many of them would be squeezed out of existence.

This, in the opinion of my Committee, is the position to-day, and no matter what protective duties were imposed the economic laws must gradually make themselves felt, and lead to the closing down of many of the collieries which, while serving a more or less useful purpose during periods of abnormality, cannot expect to compete against first class collieries in normal times.

If means could be devised whereby the export trade could be developed then the position might be different, but with the coal trade of the world in its present depressed state my Committee do not think that the Government of India are in a position to extend the financial help to the coal trade which would be necessary to make it possible to market first class Bengal coal in foreign markets at a price which would make it obviously advantageous for foreign countries to purchase Indian coal in preference to any other coal, and at the same time give such a profit to the first class collieries as would make it advantageous to them to develop their export trade and leave the Indian market to the second class collieries.

Even if such means could be devised, my Committee would be constrained to oppose them, on the grounds that consumers of coal in Bombay would have to pay a price for second class coal at least as high as they now pay for first class Bengal coal.

(3) The demand for coal in Bombay has been permanently reduced owing to the fact that a very large number of mills have changed over from steam to hydro-electric power, and it is extremely doubtful whether the demand for Indian coal could be very greatly increased by the imposition of protective duties.

(4) After very careful investigation, my Committee find that at the present time first class Bengal coal is being placed upon the Bombay market at a price which enables it to compete against imported foreign coal.

(5) My Committee have reason to believe that the price figures given in paragraph 16 of the Mining Federation's representation are too high by at least Re. 1-4 per ton.

At the present time steamer freight from Calcutta to Bombay can be obtained at Rs. 7 or less per ton, and the allowance of annas five for shortage is also too high. The raising costs are also on the high side for certain collieries, but may be approximately correct for the collieries affiliated to the Indian Mining Federation. If the contentions of my Committee are correct, then even at the present time first class Bengal coal can compete with foreign coal without protection, and this contention is further supported by the prices at which contracts for first class Bengal coal of guaranteed calorific value have been made by the Bombay Port Trust and certain Bombay mills in recent months.

While my Committee are convinced that no case has been made out for the imposition of protective import duties, they consider that the Bengal coal trade would be greatly helped if a substantial reduction on long-distance railway freights could be made.

The Railway Board have up to the present stated their inability to meet the demands made by various commercial bodies in this connection, but there is reason to believe that the annual saving effected by the Indian railways in fuel charges and stores due largely to the fall in coal prices is not less than three crores, and it would seem that the coal trade of India is justly entitled to a concession in freight rates on coal, since this saving has been made largely at the expense of their particular industry. The detailed answers of my Committee to the General Questionnaire at the end of the pamphlet containing the case put forward by the Indian Mining Federation, and to the Special Questionnaire for this Association which accompanied your letter under reply are appended.—I have, etc.,

T. MALONEY,
Secretary.

ANSWERS TO THE SPECIAL QUESTIONNAIRE.

1. According to the official list published by the Association, there are in all 82 cotton mills in Bombay City and Island. In 1913-14, all of these used coal as their sole source of power. In 1924-25—

- 17 mills still used coal as their sole source of power, but
- 59 mills still used coal in considerable quantities for the production of steam for heating, drying and bleaching,
- 61 mills used electricity as their main source of power,
- 23 mills used liquid fuel either as their main source of power or for the subsidiary process of steam production for certain processes.

2. (a) The total number of units of electric power used by the Bombay mills in 1924-25 was about 185 millions. One ton of coal is equivalent to 600-800 electrical units, according to the type of coal and steam plant used. On these bases, the electrical power used in 1924-25 was equal

At 600 units per 1 ton coal to	..	..	..	..	308,333 tons coal.
„ 800 „ „ „	..	..	..	..	231,250 „ „

(b) The quantity of fuel oil used in 1924-25 by the cotton mills of Bombay was * . The equivalent quantity of coal is somewhat difficult to estimate, because all coals “unfortunately” have not the same calorific value and the result is also affected by the type of power plant and the type of apparatus used for injecting and atomising the oil.

For example, a certain mill until recently found* that one ton of oil was equivalent to 2.0 tons of Bengal coal, but latterly owing to an improvement in quality of coal delivered at the mills, 1 ton of oil fuel was equivalent to 1.8 tons of coal. The variation may be taken to extend from 1.7 to 2.1 tons of coal per ton of oil fuel. On these bases, the equivalent in tons of coal of the liquid fuel used by the mills are equal to—

at 1.7 tons coal per ton oil fuel	..	..	* tons coal.
at 2.0 „ „ „ „ „ „	..	..	* „ „

3. The latest prices for liquid fuel in Bombay are:—

(a) c.i.f. Bombay about	..	..	..	Rs. 36 per ton.
(b) Landed and duty paid	..	..	..	„ 42 „
(c) Delivered at mill	..	..	..	„ 45 „

4. See answer to 2 (b).

5. Under the best conditions and with the latest type of injection liquid fuel at Rs. 45 delivered at the mills would be equal to coal at Rs. 22-8 per ton delivered at the mills or, using ordinary steam atomisers, Rs. 25 to Rs. 27 per ton. If price alone is considered, it would seem that good Bengal coal at Rs. 21-8 delivered at the mill is a cheaper proposition than liquid fuel.

6. In deciding whether the use of liquid fuel should be introduced or continued in a mill, the chief circumstances which must be taken into account are:—

- (1) Convenience in handling.
- (2) Reduction in labour charges at the boilers, and greater facility for manipulation of fires.
- (3) Diminution of the loss of calorific value of fuel during storage.
- (4) Reduction of smoke.
- (5) Decreased danger of soiling work in process in the mills.

*. Figures not available.

- (6) Elimination of ashes.
 (7) Saving in storage space.
7. Partially dealt with in answer to question 5.
8. The rates are:—

	Power only.	Power transformers.	Power and complete equipment.
(a) Original Tata rate* .. .. .	.485	.5	.55
(b) New Tata rate .. .. .	.650	.675	.725
(c) Andhra Valley rate .. .. .	.725	.8	.9

9. Much depends upon the class of main engines, condenser used, condition of boiler plant, coal firing and the water cooling available. Roughly, 600 to 800 units would be equivalent to one ton of coal under ordinary working conditions.

10. Please refer to answer to question 2 (a).

From the rates given in question 8, it will be seen that separate rates are quoted for supplying mills with power only or with power and complete equipment. At 600 to 800 units equivalent to one ton of coal, the cost of electric power equal to one ton of coal is worked out as below:—

	Rate.	Cost of power only.	Rate.	Cost of power and complete equipment.
New Tata rate .. .. .	.650	Rs. 24-4—32-8	.725	Rs. 27-0—36-4
Andhra Valley .. .. .	.725	„ 27-0—36-4	.9	„ 33-12—45-0

This is only a rough comparison and does not take into consideration the capital outlay and the interest thereon involved in the change-over.

11. In deciding whether electric power should be introduced or continued in a mill, most of the points mentioned in answer to question No. 6 should be taken into consideration in addition to the following:—

- (1) Adaptability of drives.
- (2) Steady running of machines.
- (3) Improvement in the quality of production.
- (4) Increase in production.
- (5) Cost of production recorded more accurately.
- (6) Elimination of initial and recurring expenses such as stores, wages in case of steam plant.

Due importance should also be given to the capital expenditure involved in changing to electric drive.

* No cotton mills obtain their power at the original Tata rate.

12. It is difficult to give a categorical answer until particulars regarding up-to-date electric and steam plants are available. But it is thought that it would be more economic to use coal than liquid fuel or electricity in mills which are already using coal as their main source of power. A change to liquid fuel or electricity in these cases would not be profitable in view of the fact that:—

- (1) Coal is comparatively cheaper than electricity or liquid fuel.
- (2) The capital expenditure involved and the interest accruing thereon would not be a negligible figure.

ANSWERS TO GENERAL QUESTIONNAIRE.

1. The question can best be answered by the coal trade itself, but in the opinion of my Committee it would appear that the opening up of a large number of new collieries in the boom years may have affected the present price position.

2. My Committee are not prepared to assert that the present position is entirely satisfactory, but there is nothing like the same difficulty in obtaining wagons that there was in the immediate post-war years.

3. Not in a position to answer.

4. The following prices are to the best knowledge of my Committee the approximate prices of various classes of coal for mill delivery in Bombay. Bombay c. i. f. prices would be from Rs. 4 to Rs. 4-8 per ton lower.

	Rs.	a.	
Admiralty Cardiff	28	0	per ton.
West Hartlepool	24	8	" "
1st Class Bengal (Jharia)	21	4	" "
" " (Ciridh)	21	8	" "
" " (Deshagin)	21	8	" "
Natal	23	8	" "
Witbank	22	12	" "

No other coal has been imported into Bombay recently as far as my Committee are aware.

5. As far as the experience of my Committee extends, Natal coal is slightly superior to Transvaal coal and commands a slightly higher price.

6. No opinion to offer.

7. There may possibly have been an isolated shipment of coal at the price mentioned, but it is quite certain that no considerable quantity has been offered at this price.

8. The rate given is too high. Freight contracts have been and can be made at Rs. 7 or less per ton.

9. No opinion to offer.

10. The general opinion in Bombay is that first class Jharia should be sold from Rs. 1-8 to Rs. 2 lower than Transvaal coal owing to the fact that past experience has shown that there is no certitude of obtaining consignments of even running quality or of the best grade. There is, however, reason to believe that in future first class Jharia coal will sell at prices closer to South African coal.

The reason for this conclusion is that in recent months contracts for Jharia coal have been made with stipulations that coal of a definite calorific value shall be supplied. The

coal delivered will be subjected to an independent chemical analysis and if the results corroborate the Grading Board certificates, my Committee think that the prices paid for Jharia coal will improve in relation to South African, if the quality is maintained.

11. See answer to question 10. There is no doubt that prices being equal the Bombay consumers have for some time found it advantageous to purchase South African coal because it is possible to depend upon its quality. Another factor which contributes to the greater popularity of South African coal is that shipments of Bengal coal are almost invariably short in weight whereas foreign consignments show correct or excess weight.

12. This "fact" not "prejudice" probably depreciates the price of Bengal coal by Rs. 2 to Rs. 3 per ton.

13. Yes, in recent years but perhaps not in recent months during which a noticeable improvement has taken place.

14. No opinion to offer.

15. In the years previous to the war, when it was possible to obtain coal from a particular colliery, coal equal to Transvaal coal has been received in Bombay, but if the best Indian coal is superior to Transvaal coal then my Committee believe that it must all have been taken by the railways.

16. No, for the reasons stated in my covering letter, but my Committee would welcome a reduction in railway freights on coal.

17(a). Since the price of imported foreign coal would have to be increased there would probably be a corresponding increase in the price of Indian coal in Bombay by about Rs. 3 to Rs. 5 per ton. Internal competition would probably tend to restrict the increase in prices, but would, on the other hand, tend to a resumption of the old practice of mixing coal sent to the Bombay markets.

18. My Committee do not think that a protective duty would help the bunkering trade as in their opinion shipping companies might cease to use Indian ports for bunkering purposes.

19. It is possible that the increase in price would lead to a greater use of the alternative sources of power in Bombay, but a more accurate idea of the viewpoint of my Committee in this connection will be obtained from a study of the replies given to the special questionnaire.

20, 21, 22 and 23. No opinions to offer.

24. The possible increase in the price of coal indicated in my Committee's reply to question 17 would not in itself lead to a great increase in industrial costs in Bombay but the multiplication of the slight individual increases in costs, in stores, machinery and cotton, owing to higher import duties, high taxation, Imperial and Municipal, and protective duties during recent periods have greatly increased production costs in Bombay in recent years.

APPENDIX 37.

THE INDIAN TAXATION ENQUIRY COMMITTEE.

No. 97-T.

INDIAN TAXATION ENQUIRY COMMITTEE,
DELHI, 20th December, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to enclose a copy of the questionnaire that has been prepared by the Indian Taxation Enquiry Committee and to say that the Committee will be glad if you will forward to me at your early convenience a statement of your views on any of the questions

therein in which you are specially interested. As replies to the questionnaire come in, the Committee will decide which of the witnesses they desire to examine orally, and will arrange a programme for such examination at the places that appear to be most convenient. Should they desire to ask you to give evidence orally, I shall address you regarding the time and place as soon as practicable after receipt of your reply.—I have, etc.,

W. B. BRETT,
Secretary.

Prefatory Note.

It is not expected that every witness will necessarily reply to all, or even to a majority of, the questions set down below. The examination of the taxation of a country as a whole involves the consideration of numerous questions which appeal to a great variety of interests, and the Committee, while seeking the best possible advice on each head, fully recognize that the great majority of witnesses will only desire to deal with one or two.

They recognize at the same time that, where such special interests are concerned, the questionnaire, lengthy as it unavoidably is, may still leave certain aspects of them untouched. They have endeavoured to set down questions which will provoke discussion on matters in respect of which they find themselves as a result of what has been of necessity a very rapid preliminary survey of the field, in need of further enlightenment.

They would express a hope that no special significance be attached to the form of the questions or to the quotations embodied therein. In dealing with a very intricate and technical subject it has seemed to them desirable, when referring to a proposition or a proposal, to state it as far as possible in the words of some one who has made himself responsible for it, and the question, in whatever form it is couched, is intended to do no more than elicit the opinion of witnesses on the proposition or proposal set down.

Incidence of Taxation.

1. Annexure A gives an account of the statistics at present available for the purpose of an estimation of the wealth of the country. How far do you consider them (a) adequate and (b) reliable?

2. In Annexure B is a list of estimates which have been made of the wealth of the country or the average income of the inhabitants, in many cases with reference to these statistics. Have you any additions to make to this list or any criticisms to suggest on the several estimates?

3. The estimates of national income for other countries are largely dependent on statistics of income-tax (which cover incomes from all sources) and death duties. Do you agree that there are no corresponding figures in India on which it is possible to base any estimate?

4. Have you any suggestions to make for the improvement of the present methods of recording and compiling the available statistics which would not involve legislation or large expense?

5. The English census of production, which was provided for by the Census of Production Act, 1907, took several years to complete and cost a large sum of money. Would you advocate the taking of a similar census of production in this country?

6. A Bill was recently introduced in the Bombay Legislative Council which provided, among other things, for the collection of information on the following basis:—

(1) from substantial employers of manual and clerical labour for industrial and commercial purposes—statistics and facts regarding wages and conditions of labour;

(2) from trading proprietors—statistics of prices; and

(3) from landlords—statistics of rentals of house property.

Would you advocate the undertaking of all-India legislation on the same or similar lines ?

7. Estimates of the kind above referred to are useful for comparison with past estimates for the same country or contemporary estimates for other countries. Have they any value beyond this in relation to an enquiry into the incidence of taxation ?

8. Annexure C gives details of the more intensive enquiries into the conditions of different sections of the people of which the Committee have been able to trace records. Can you refer them to any others ? Are these sufficiently numerous and reliable to form the basis of an estimate of the incidence of taxation on different classes ? If not, what process would you suggest for ascertaining such incidence ?

9. How would you divide the population into classes with reference to the taxes that affect them ? Can you offer any suggestions which would assist the Committee in determining the question of the real incidence of taxation as distinguished from its primary or apparent incidence ?

Non-tax Revenues.

10. To what extent does the land revenue of your province include revenue from sales of waste lands, or trees, revenue from penalties, or other items that clearly do not fall within the definition of a tax ?

11. Are any similar items included under other revenue heads ?

12. Do you consider the whole or any part of the revenue from forests to fall within the definition of a tax ?

13. In the case of a Government commercial or semi-commercial undertaking should the endeavour be to secure (a) a bare return on the capital invested, or (b) a commercial return, or (c) a monopoly profit ? In which cases will the element of tax appear ?

14. Is there any, and, if so, what, element of taxation in the revenue derived in India from—

(a) railways, (b) tramways, (c) posts and telegraphs, (d) telephones, (e) cinchona, (f) profits on coinage or exchange ?

15. Is the charge for water supplied for irrigation adequate ? On what principles is it fixed ?

The following plans have been suggested or adopted elsewhere. Which of them do you prefer ?

(1) to charge the bare cost of supplying the water, including interest on capital invested,

(2) to charge a fair commercial profit,

(3) to increase the land revenue by taking the same proportion of the combined output of land and water as would otherwise have been taken of the output of the land,

(4) to charge by volume,

(5) to sell the water by auction to the highest bidder.

16. When land newly brought under irrigation or guaranteed a supply of water for the first time increases largely in value, is it right that the State should take a portion of the increase? If so, what proportion would you fix? Would you take it in a lump sum or in the shape of a betterment tax?

17. What bearing have the tenancy laws in areas with which you are acquainted on such proposals?

Payments for services rendered.

18. Is it correct to assume that the dues levied under the Indian Ports Act are payments for services rendered in respect of the safety of shipping, and dues levied under the Port Trust and similar Acts payments for services rendered in respect of goods and passengers, and that these dues do not fall within the category of taxes imposed on the general taxpayer?

19. How should taxes imposed solely for expenditure on the needs of particular localities be dealt with in considering the general incidence of taxation?

20. In considering the incidence in the locality, would you distinguish between those which are earmarked for particular services and those which are levied for the general purposes of the local body? If so, which taxes would you put into each class?

Optional taxes.

21. Economists and public men are divided (*vide* quotations in Annexure D) as to the extent to which indirect taxation should be regarded as voluntary. Do you consider that any taxes should be regarded as voluntary and as such excluded from consideration in estimating the burden upon the tax-payer?

22. If so, to what taxes would you extend this classification either wholly or in part? Please give your reasons in detail.

23. In the case of tobacco and intoxicating liquors do you agree with the following statement?

“Immoderate smokers and drinkers contribute heavily to taxation; the consumption is of luxuries and it is optional. This taxation raises revenue, but imposes no economic burden.”*

24. How would you regard the case of a tax upon entertainments or one on railway tickets?

25. Would you in this connection make any distinction between classes of the population? Would you, for instance, exclude the excise revenue from consideration in estimating the burden of the classes who by religion or custom are prohibited from taking intoxicants?

General principles.

26. The Committee are instructed to report whether the whole scheme of taxation is equitable and in accordance with economic principles. Taking the maxims enunciated by Adam Smith as a basis, what additions or qualifications, if any, would you make to arrive at the principles now generally accepted? If you can reply by reference to any recent literature on the subject, please do so.

Incidence on the poorest classes and Poll Tax.

27. Should every member of the community pay a tax of some sort? If not, what should be the test for exemption?

* Armitage Smith : Principles and Methods of Taxation, page 92.

28. Is taxation a proper accompaniment of representation ?
29. In either case should the tax imposed be direct or indirect ?
30. If a direct tax is recommended, is a poll tax a proper form for it to take ? Do you consider the capitation tax as levied in Germany, France or Switzerland or the United States, for instance, objectionable ?
31. Do you consider the following taxes comparable with these ? What is your criticism of them ?
- (1) The Thathameda.
 - (2) The capitation tax in Burma and certain hill tracts of Assam.
 - (3) The Chowkidari tax.
 - (4) The profession tax in the case of the lowest classes on which it is imposed.
32. Do you consider these more or less objectionable than the salt tax, the customs or excise duties on cotton, kerosene oil or matches, and the octroi ?

Income-tax.

33. A statement is attached (Annexure E) comparing the rates of tax on incomes of different sizes in England and India and some other countries. In the event of a substitute being required for other taxation that is abolished, would you advocate an increase in the rates of income-tax ? If so, to which classes of incomes would you apply it ?
34. Do you consider that the present scheme of graduation is satisfactory or would you prefer one based on English or continental practice ?
35. Do you advocate any differentiation in favour of earned incomes or of sums shown to have been invested in productive enterprises ?
36. Is it practicable without proceedings of an inquisitorial nature to make allowances for the number of persons supported out of particular incomes ?
37. The Indian super-tax on companies is analogous to the English Corporation Profits Tax. The former has been justified on the ground that companies enjoy special privileges as compared with persons and firms in the matter of corporate finance and limited liability. The English Corporation Profits Tax was defended on the same ground and also on the ground that the undistributed profits of companies escaped liability to super-tax, whereas liability extended to the whole profits of individuals and partners whether distributed or not : when in 1922 it was enacted that, when a company failed to distribute a reasonable proportion of its profits by way of dividend the whole of the undistributed profit should be liable to super-tax at the maximum rate, the case for the continuance of a Corporation Profits Tax was manifestly weakened and it was felt that the privilege argument was insufficient to justify a continuance of the duty, which was in fact repealed in 1924. Do you favour a continuance of the Indian super-tax on companies in its present form or do you consider that it should be either abolished or imposed in some other form ?
38. Are you in favour of the removal of the exemption of incomes derived from agriculture which was given under Act II of 1886 ? In dealing with this question would you draw a distinction between the actual earnings of the farmer and the income of the absentee landlord or the money-lender who has become a landowner through the foreclosure of a mortgage ? If the present limits of exemption were applied, what would be the proportion of persons actually farming their land that would be affected ?
39. Do you agree with the following estimate of the amount that could be secured by making agricultural incomes liable to income-tax ?

“ If the agricultural incomes, which now escape taxation altogether, are taxed in the same manner as the industrial and the commercial incomes, after allowing for the necessary margin of subsistence as being utterly exempt from taxation, the probable gain to the revenue would be from sixteen to twenty crores of rupees.” †

40. The limits of exemption in European countries generally have reference to the actual cost of subsistence, as will be seen from the table in Annexure F. The Indian limit of Rs. 2,000 is higher than those in these countries. In view of the fact that there is no such exemption in the case of the payer of the land revenue, do you consider it would be fairer to reduce the limit in the case of income-tax to something nearer to the subsistence level?

[Note.—The Indian exemption limit was Rs. 500 in the income-taxes of 1862 and 1886 and was raised to Rs. 1,000 in 1903 and to Rs. 2,000 in 1919.]

41. One objection taken to the tax is that, owing to the manner in which accounts are maintained and presented, it is in fact a tax on honesty. How far has this reproach been removed—

- (1) by the growth of an accountancy profession since the passing of the Indian Companies Act of 1911,
- (2) by the introduction of a centralised and more efficient system of income-tax control?

42. In France trading accounts are required to be maintained in a standard form. In England the introduction of an elaborate return for farmers and the raising of presumptive charges based on rents unless accounts are produced has resulted in a large number of farmers keeping accounts on a more or less uniform plan. A recent writer states: “ What is needed is a simplified and standardised form of account to be kept by the tax-payer in his annual dealing with the State so as to enable the latter to ascertain the net annual income of the tax-payer.”* Would you advocate the prescription of a form of account of this sort to be kept by tax-payers generally, or by any class of tax-payers, in India?

43. In Sweden, particulars of incomes taxed are published in the newspapers, while in certain American States the income-tax rolls are public records. In England the employment of non-official Assessors and Commissioners to a certain extent acts as a check on evasion. Do you consider that the adoption of similar methods would tend to reduce frauds upon the income-tax in India? If so, what steps would you take to bring public opinion to bear?

44. Objection has been taken in Europe and America to the issue of income-tax free securities on the ground that the effective rate of interest is higher to the rich holder whose rate of income-tax is high than to the poor man whose rate of income-tax is low. Do you consider that any steps should be taken to discourage the issue of tax free securities?

45. Bearer securities obviously afford facilities for the evasion of income-tax. Can you suggest any means of avoiding such evasion? Would you approve the collection of income-tax by means of a special stamp duty on the coupon?

46. Are you satisfied with the provisions of the existing law in relation to double taxation and the exemption from taxation of incomes derived from outside India?

47. Are you satisfied with the present arrangements in regard to assessment on the previous year's income, or would you prefer assessment as in England on the three years' average?

Taxes on consumption.

48. What comments would you make on the views expressed in the following quotations—

† Shah and Khambata : *Wealth and Taxable Capacity of India*, page 277.

* Hobson : *Taxation in the New State*, pages 106-107.

†“ The aim of taxation is revenue ; by confining indirect taxes to a few articles the cost of collection is diminished ; the selected articles should be, however, sufficient in number, and of such a kind as to touch all classes, and to reach in a moderate degree those who do not contribute to direct taxation.

‡“ Probably in the spending of *every* wage there is some part that is ineffective and some part that is positively detrimental from the efficiency point of view. If we can succeed in pegging a tax at that point, and reduce the quantity of the commodity obtained, we may in the one case leave efficiency unaffected, and in the second positively increase it.”

§“ The rule that necessaries should be free and that indirect taxes should fall only on luxuries is thus a counsel of perfection not always attainable ; in a country where three-fourths of the population consume no luxuries, the majority can only be taxed through necessaries, and in these circumstances there is no hardship in such a tax.”

49. In other countries an excise duty is frequently imposed on various commodities side by side with a customs duty of equal or greater amount. A list of articles which are the subject of such duties is given below. In the event of new taxes being required to replace taxes that may be abolished or reduced, would you recommend an excise on any of the articles in this list which are not at present subject to an excise in India ?

Acetic acid.	Electric power.	Pleasure vessels.
Aerated waters.	Gas.	Saccharine.
Benzine.	Lighting materials.	Salt.
Candles.	Matches.	Soap.
Cartridges.	Meat.	Sauce.
Chewing gum.	Motor cars.	Sugar.
Cigarette papers.	Oleomargarine.	Sweets.
Chocolates.	Patent medicines.	Tobacco.
Coal.	Perfumery.	Toilet articles.
Coffee.	Petrol.	Wax.
Cotton goods.	Paraffin oil.	Yeast.
Crude oil.	Playing cards.	

50. ¶ “ It is possible to apply to indirect taxation the graduated or progressive principle which is now becoming so popular in the case of direct taxation. Why should not taxation on consumption be so graded as to fall with heavier impact on the consumption of the wealthier classes ? Why should not the whisky tax be imposed at a higher rate on the better grades ? Why should not the tobacco tax be so arranged as to increase progressively with the price of the cigar ? If we apply graduated taxation to incomes, inheritances, and property, why should we not utilise the same principle, as far as practicable, in the case of articles of consumption ?”

Do you consider such graduation practicable ?

Salt.

51. Please say whether you accept the following statement of the general policy in respect of the taxation of salt which is extracted from a recent American publication :—

*“ From ancient times salt has frequently been selected for special taxation. Almost every country has taxed it at one time or another. An alternative method of exacting revenue from the salt industry has been to make it a fiscal monopoly; Such has been the case in Japan, China, France, Austria and Italy. Elsewhere it is usually the object of a high excise duty. From every point of view salt is admirably adapted to be a tax-bearer.

† Armitage Smith : Principles and Methods of Taxation, page 92.

‡ Stamp : Fundamental Principles of Taxation, page 74.

§ Armitage Smith : Principles and Methods of Taxation, page 92.

¶ Seligman, quoted in Bullock : Selected Readings in Public Finance, page 698.

* Jensen : Problems of Public Finance, pages 303-304.

It is universally used, but the amount that is used by any one tax-payer is small. The demand is very inelastic, especially when the tax is confined to salt used for cooking purposes. While the yield, unless the rate be very high, is not large, it nevertheless amounts to something, and in the case of a fiscal necessity all sources may need to be drawn upon. The purpose of regulation plays no part in the taxation of salt."

52. Assuming that it is proper to impose any taxation at all upon the poorest classes, do you accept the statement that † "it would be difficult to devise any other duty of general incidence less oppressive and less open to evasion" than the salt tax? If not, what tax would you substitute?

53. Having regard to the rates imposed in other countries as shown in Annexure G, do you consider that the rate of tax at present imposed in India is high or low?

54. Roughly speaking, half the salt manufactured in India is sold directly by Government at cost price, half by licensees at a competitive price. Would you advocate an extension of either system at the expense of the other?

55. If it were shown that a cheaper and purer article could be produced by substituting large scale manufacture for production by a very large number of petty holdings, would you consider this a proper ground for a gradual extension of the Government monopoly?

56. Twenty-five percent of the salt consumed in India is imported and the fact was the cause of much difficulty during the war. Do you consider that it would be proper to impose a protective duty to enable India to be self-supporting in this respect? Would that be fair to the Bengal consumer?

57. What are the economic results of the process of sifting? If it is practised solely for the purpose of increasing the trader's profit, do you consider that it should be prohibited?

58. Would you advocate the enforcement of the sale of salt by weight in areas in which it is now sold by measure?

59. Do you consider that the cost of transport could be reduced and retail prices steadied by opening depots for the sale of salt by Government? Are you in favour of action on these lines?

60. A note is attached [Annexure G (1)] detailing the processes which are recognised in France for the denaturation of salt with a view to its issue free of duty for use in agriculture and industries. Do you consider it practicable to employ any of these methods in India?

Excise on liquors and drugs.

61. Do you anticipate the introduction of a policy of total prohibition, now or in the near future, either generally or in particular areas?

62. It has been calculated that such a policy would involve a large expenditure for its enforcement, in addition to a loss of revenue of 20.43 crores of rupees. If you are an advocate of total prohibition, how would you recommend that this money be found? Do you approve of either of the following schemes:—

(a) Proposals made by Dr. Mathai in his pamphlet "Excise and Liquor Control"—

- (i) a super-tax on land revenue at a percentage varying from year to year to be assessed on landholders paying revenue of Rs. 50 and over at graduated rates;
- (ii) a provincial surcharge (a rate of 20 per cent. is suggested) on the income-tax.

(b) Proposals of the Bombay Excise Committee, 1923:—

† Armitage Smith : Principles and Methods of Taxation, page 146.

	Rs.
A succession duty to yield	50 lakhs.
A totalizator duty to yield	20 "
Taxation of " futures " to yield	50 "
Increase of local fund cess to yield	30 "
Tobacco tax to yield	5 "
Employee tax to yield	40 "
Transit tax to yield	50 "
Terminal tax to yield	50 "

63. Failing total prohibition, do you accept all or any of the following statements regarding the policy to be pursued in the taxation of intoxicants ?

" It is not true that every tax is an evil. A tax on alcohol, which by raising its price diminishes its consumption, may be a positive good." †

" The suitability of distilled and malt liquors and tobacco for taxation is recognised by nearly every civilized country, and it is the uniform practice of European Governments to derive from them the largest possible revenue consistent with efficiency of administration" §

" The only important indirect taxes which an intelligent State would retain are those directed to the control and restraint of a few important articles of popular luxury, the large consumption of which is not merely a presumption of the possession of superfluous income, but is definitely detrimental to personal health, morals or public order. Of this character are alcoholic drinks and tobacco in the dimensions of their present use." ¶

" Where a tax is levied upon a luxury, a harmful luxury, or something whose consumption is agreed to be sufficiently undesirable to justify its limitation, then we have the best possible case for indirect taxes. The object is not ' revenue only ' (in fact it seldom is), but revenue together with an ulterior purpose : the deliberate discouragement of the use of a certain article." ||

" Human nature being what it is, the increased dearness of a particular article is more likely to have a definite effect on the consumption of that article than an income-tax, which would tend to be saved out of *all* the commodities. That is to say, a direct tax on a wage-earner is more likely to reduce expenditure on primary essentials, and so to react on efficiency as to be thrown off on to other classes, than consumption taxes on specific non-essentials." *

" The same kind of confusion of causes is shown by the new thought over the taxation of the liquor trade. Alcohol is found to be at the root of very grave social evil, and it is said that for that reason it is taxed. Whatever might be our wish in this matter, starting *de novo*, this can hardly be said to be historically correct The new doctrine of the State right to a dynamic policy is only subsidiary and the taxation can be justified without it The tenth pint of the drunkard pays the same tax as his first, and the same tax as the occasional pint of a most abstemious man. If one could not justify taxation of alcoholic liquors on general economic grounds, but had to rely on the new-found principle, it would find but poor justification in its actual working out in practice." †

64. Regarded as a measure of taxation, does the policy followed in your province fall short or go in advance of that which you would approve ?

65. The table attached as Annexure H shows that the rates of duty on country spirit per proof gallon vary from Re. 0-7-6 to Rs. 20-10-0. Do you consider any of these too high or too low ? Is it practicable to reduce the variety, if not to introduce a uniform rate, as in other countries ?

† Dalton : Public Finance, page 7.

§ D. A. Wells quoted in Bullock : Selected Readings in Public Finance, page 786.

¶ Hobson : Taxation in the New State, page 121.

|| Jones : Taxation, Yesterday and To-morrow, page 96.

* Stamp : Fundamental Principles of Taxation, page 75.

† Stamp : Fundamental Principles of Taxation, pages 180-181.

66. Have recent increases in the rates been followed by increases in illicit production ?

67. Do you consider that locally-made imitations of imported liquors should be taxed at the tariff rate and given the same freedom from restrictions on transport as is given to foreign liquors ?

68. Would you approve of the imposition of supplementary duties on foreign liquors by Local Governments ?

69. When varying rates of duty obtain on foreign liquors, whether locally made or imported, how are the relations between provinces to be adjusted ?

70. The experiments carried out at the instance of the Excise Committee, 1906, showed that *tari*, even when freshly drawn, was as intoxicating as a mild beer. In the provinces with which you are acquainted is it taxed adequately, having regard to its alcoholic contents ? If not, can the taxation be increased by means of the tree-tax system or otherwise ?

71. Annexure I exhibits the rates of taxation per seer on ganja, charas and bhang. Do you consider that in this case there is any sufficient reason for variety of rates ?

72. From the point of view of taxation, is the system of wholesale supply of intoxicating liquors and hemp drugs satisfactory ?

73. From the point of view of taxation, is the system of disposal of licenses for retail vend satisfactory ?

74. Annexure J illustrates the reduction that has taken place in the number of licenses for retail vend in the last 20 years, and the average area and population per liquor shop in different provinces. It is asserted that this restriction in the number of licenses has resulted in a great increase in the value of those that remain on the ground of monopoly. Have you any comments to make on this suggestion ?

Opium.

75. A table of the duty charged in different provinces is given below. Is it practicable to arrive at a greater measure of uniformity ?

PROVINCE.	Duty per seer of excise opium.
Madras	40
Bombay Presidency (proper)	52
Sind	37
Bengal	37 (a)
Burma	150.9 to 135.8
Bihar and Orissa	40
United Provinces	37
The Punjab	37
Central Provinces and Berar	32 (a)
Assam	43.6(a)
North-West Frontier Province	37

(a) NOTE :—This is the figure for 1921-22. Reports for 1922-23 are not available.

76. Is the system of employing salaried persons for the retail sale and distribution of opium which is recommended in the draft Opium Agreement in force in any area with which you are acquainted ? What is your experience of its working ? Is it practicable to introduce it generally ? What would be the effect of its introduction upon the revenue ?

77. Are further steps necessary for the control of smuggling? If so, should they be taken by the cultivating province, by the consuming provinces, or by the Government of India?

Customs.

78. Apart from all question of protection, is it better for a tariff imposed for revenue purposes to be confined to a few articles in common use or to cover all imports?

79. "A revenue duty should be at, or below (so as to permit of ready increase of revenue, in case of need), the rate which yields the greatest revenue obtainable: a protective duty would preferably be made so much heavier than this as to check the importation of the taxed goods, even though revenue were seriously diminished as a result."† Have any of the rates in the tariff which are not imposed for protective purposes exceeded the limit here laid down? Have they resulted in diminishing returns or in uncontrollable smuggling?

80. Are there any articles on which increased rates can be imposed with advantage otherwise than for the purpose of protection?

81. Are there any respects in which the tariff can be rendered more scientific or rearranged with advantage?

82. Are there any articles, not at present subject to export duties, by the imposition of an export duty on which a revenue could be secured without injuring the trade of India?

83. Do you favour *ad valorem* or specific duties?

84. Is the system of tariff valuations working satisfactorily?

85. Have you any criticism to offer on the system of appraisement?

86. Are the arrangements for preventing smuggling satisfactory (a) at the main ports, (b) along the coast, and (c) on the land frontiers? If not, in what way can they be improved?

Taxes on Transactions, Fees and Licenses.

87. The list attached as Annexure K specifies some of the taxes on transactions that have been adopted in other countries and not yet tried in India, and some of the principal countries that have adopted them. Do you advocate the substitution of any tax of this nature for any existing tax? If so, which of these would you prefer?

88. The stamp duties are merely a means of collection of taxes upon transactions, which may be grouped into the following classes:—

Nature of transactions.	Items of Schedule I of the Indian Stamp Act.
Free distribution of property	33, 58.
Transfer, or lease of property	6, 7, 19, 22, 23, 31, 32, 35, 40, 41, 45, 54, 55, 57, 61, 62, 63, 64.
Inheritance	2, 3.
Legal transactions	4, 5, 7, 12, 24, 25, 26, 28, 29, 42, 44, 48, 50, 51, 52.
Commercial transactions	1, 8, 10, 13, 14, 15, 16, 18, 20, 21, 34, 36, 37, 38, 39, 43, 46, 47, 49, 53, 56, 59, 60, 65.
Entry into a profession or apprenticeship ..	9, 11, 30.

† Flux: Economic Principles, page 248. ‡

Have you any comment to make on these duties generally, or upon any special class of them ?

89. Bentham included among taxes which should be interdicted taxes on judicial proceedings, whether under the name of stamps or of court fees. Please say whether you consider that the stamps collected on such proceedings should be so limited as just to pay for the cost of the courts, including pensions of officers and capital cost of buildings, or whether it is legitimate to tax ability to pay as exhibited by resort to the law.

90. Hobson* states that the whole of the stamp duties on deeds of disposal or transfer of property are levied in restraint of trade or other forms of presumable personal and social utility. Do you agree in this criticism ?

91. To what extent is payment of duty on transfers of shares evaded ? Can you suggest any remedy for such evasion ?

92. Fees tend to develop into taxes. This has undoubtedly occurred in the case of the liquor licenses. Are there any other fees levied in India in which you find that an element of taxation appears ?

93. In the case of Registration fees, do you consider that the fees levied should only be sufficient to pay for the cost of the Registration staff, including pensions, capital cost of buildings, etc. ? Or, is it legitimate to charge a higher sum on the ground that the act of registration of a transaction is only part of the service rendered by the State to the party ?

94. Are there other cases of fees or licenses in which, in your opinion, a further element of taxation might with advantage be introduced ?

95. As regards the tax on entertainments, Dalton writes : † " The British entertainments tax is a source of much vexation to those from whom it is collected, and involves the employment of additional inspectors, whose salaries might be saved if the corresponding revenue were raised by additions to other older taxes." Would you advocate the increase of older taxes in lieu of the entertainments tax where it is levied in India ? Or would you prefer to see a more general extension of the entertainments tax ?

Land Revenue.

96. How would you define a tax and a rent respectively ? What, from the point of view of pure economics, are the considerations tending to bring the Indian land revenue within one or the other category ? Do these considerations apply equally to the systems in force in different parts of India ?

97. Is the prosperity of the cultivator affected largely by the land tax ? If not, what are the causes that influence it ?

98. Do you concur in the following criticisms ?

" Adam Smith, the founder of modern finance, laid down four universally accepted canons of sound taxation, and not one of them remains unviolated if applied to our system.

" The land revenue assessment ignores ' the ability to pay ' of the subject.

" Except where there is a system of permanent settlement in vogue, the assessments lack the element of certainty.

" The present system leads to more official tyranny and extortion than any other system we can think of. . . . The time of payment of revenue is most inconvenient for the cultivator.

* Taxation in the New State, page 125.

† Public Finance, page 122.

" Approximately 20 per cent. of the revenue is spent on collection alone, leaving aside the expenses of the administration." †

99. The fact that temporary settlements are based, among other things, on prices for different periods obviously leads to a certain amount of inequality. Is this avoidable?

100. *" The present income-tax law exempts incomes below Rs. 2,000 a year, which is considered the subsistence level. Similarly there should be an exemption limit in the case of agricultural incomes." Is Rs. 2,000 a year the subsistence level? Is it practicable for a taxing officer to ascertain whether an agriculturist's income exceeds this or any limit? If such an exemption from payment of land revenue were given, would not one effect be to induce the further fractionisation of holdings?

101. A suggestion has been made that a tax should be imposed on mutations with a view to checking fractionisation. Would you approve of this? Is there any other means of effecting such a check?

102. †" In old countries newly discovered natural resources of high values should not be allowed to become private property, and in new countries many natural resources, especially those that are practically certain to increase in value, should not be allowed to become private property except for a limited and predetermined period." Would you apply this principle, for instance, to waste land newly brought under an irrigation scheme?

103. In view of the various and unequal ways in which land revenue is leviable within municipal limits in some provinces, would you advocate the adoption of a uniform plan or the abandonment of that field of taxation to the local authority?

104. How would you arrive at the comparative incidence of the land revenue in different provinces? Please give reasons.

The following are among the methods suggested—

- (1) to divide land revenue by total population of the province,
- (2) to divide land revenue by occupied area,
- (3) to compare the assessment, where available, on soil units,
- (4) to compare the percentage borne by assessment to rents or annual value,
- (5) to compare the percentage borne by land revenue to gross or net produce.

Minerals.

105. The revenue derived from minerals consists of—

- (1) royalties on minerals removed from lands that are the property of Government,
- (2) income-tax on the royalties collected by zamindars and others on mines situated on their properties,
- (3) income-tax on the profits of the companies that work mines.

Do you consider that any further taxation should be imposed on the exploitation of or trade in minerals, or the possession of mines? If so, of what nature should it be?

Local Taxation.

106. The services normally administered by local authorities are usually classified in two categories, viz :—

- (a) national or onerous;
- (b) local or beneficial.

† Sirdar Gulab Singh, M.L.A., I.L.A. Debates, Volume IV, No. 55, pages 3758-99.

* Paper read by Professor T. A. Shahani before the 5th Annual Conference of the Indian Economic Association.

† Dalton: Inequality of Incomes, page 279.

Do you agree generally that the main criterion for levying the taxes necessary for the services comprised in (a) is ability to pay, and for those comprised in (b) the measure of the benefits received ?

107. Do the taxes included in Schedule II to the Scheduled Taxes Rules give sufficient scope to local bodies, or would you prefer to give them further powers of taxation? Should the levy of any specified taxes be imperative ?

108. Apart from taxes earmarked for particular services of a purely local character, the bulk of the revenues levied in India by municipalities and local boards is derived from taxes of three kinds, *viz.*, octroi (or its alternative the terminal tax), house and land tax, and land cess. To what extent are these taxes satisfactory from an economic point of view? Do you consider that any of these taxes should be discontinued? If so, by what tax or taxes would you replace them ?

109. Please comment on the following criticism of the octroi duty :—

“ An octroi is in reality a local customs duty, inconvenient, clumsy and costly in collection ; its incidence is heavy upon the poor, since it is levied mostly upon necessities ; it increases the cost of living, and the burden of the tax is not distributed in any degree in proportion to the benefits gained by local expenditure.” †

Does the same criticism apply to the terminal tax in the form in which it is usually levied in India ?

It is alleged that the octroi duty is liable to be extensively evaded. Can you confirm or refute this allegation from your own experience ?

110. What are the reasons which have operated to secure the retention of the octroi in parts of India for so long? Are they still operative ?

111. Tolls have been abolished, save in a few exceptional cases, in most European countries. Do you consider that there is any justification for their general maintenance in any part of India? If they are maintained, what should be the minimum limit of distance between one toll-gate and another ?

112. Is it right that the house and land tax and the land cess should be levied in whole or in part from the owner? Is the owner able to shift the burden of the tax on to the occupier ?

113. In England, where the rates are normally paid by the occupier, a local authority has power to impose whatever rate may be necessary on the annual value of land and buildings, and in fact a rate exceeding 20 shillings in the £ is not unknown. In India the amount of the land cess and the rate of tax on land and houses which may be imposed by local authorities is generally limited. Do you consider that there are good reasons for such limitation? If so, what are they? Does the existence of this limitation tend to compel local authorities to have recourse to other forms of taxation which may be less defensible from an economic standpoint ?

114. What is the limit of exemption from the house tax in municipalities with which you are acquainted? Have you any comments to make on it ?

115. What policy would you adopt in respect of the rating of land within municipal limits? Would you approve a policy of rating it on its undeveloped value and of exemption of improvements ?

116. What is your experience, if any, of the levy of (a) a profession tax, (b) a tax on companies, or (c) a manufacturing tax on cotton ?

† Armitage Smith : Principles and Methods of Taxation, page 176.

117. It has been generally recognised that it is unreasonable to require that the funds necessary to finance a national or onerous service in a given local area should be raised entirely in that area and that a proportion of the expense should be borne by the general tax-payer. The usual method of attaining this object is by means of grants-in-aid from general governmental funds. On what principle do you consider that such grants should be given? Should they be an unconditional contribution in general aid of local finances or should they be earmarked for particular forms of expenditure? On what basis should such subsidies be calculated?

118. The extent to which the Government providing the grant should retain control over the expenditure of the grant by making the payment dependent on the attainment of a minimum degree of efficiency in the administration of the service for which it is earmarked would seem to depend on the absence or presence of a sufficient local stimulus to ensure a reasonable standard of efficiency. Would you say that in India such a stimulus exists in the case of such important services as education, sanitation and road maintenance?

Taxes not at present levied in India.

119. A number of taxes which are levied in other countries and not in India have already been referred to under the preceding questions. The following are a few others:— Taxes on business profits, capital stock of corporations, employers of labour, hotels, mines and transactions in capital and exchange. In the event of further revenues being required to make up a reduction under other heads, do you advocate the introduction of any of these?

120. Please criticise the following alternative suggestions for filling any deficiency that may arise through the abolition or reduction of existing taxes:—

- (i) J. C. Jack in the Economic Life of a Bengal District, pages 136-137: A universal income-tax, embracing every income and varying with the size of the family.
- (ii) Professor K. T. Shah in Sixty Years of Indian Finance, pages 327 to 334:— Income-tax on agricultural incomes, succession duties tobacco monopoly, registration fee on marriages, tax on houses, tax on motor cars and other vehicles, tax on horses, servants and other means of display, tax on betel leaf and arecanuts.
- (iii) A member of the Indian Economic Association held at Patna, page 38: A tax on dowries, to vary according to the size of the dowry.
- (iv) Professor K. V. Rangaswami Ayyangar in the Proceedings of the Third Annual Conference of the Indian Economic Association, pages 196-198: Income-tax on agricultural incomes, tax on advertisements, death duties, tax on patent medicines, and on luxuries such as race-horses, motor cars, and costly imported articles of consumption, universal inhabited house duty, and increment value duty.
- (v) Vakil in Financial Developments of Modern India, pages 538-541: Export duty on jute, 25 per cent. *ad valorem*, monopoly of shellac, export duty on hides and skins, marriage duty of one rupee by each party.
- (vi) Sir Ganga Ram 'Production versus Reduction,' page 51,* 'the land revenue should be altogether abolished, substituting a produce tax of one-sixth of the value of each and every product of the land, including cereals and live animals. This tax I would charge on all such produce brought to the railway station, whether it be for provincial consumption, for transfer from one province to another, or for export to other countries, exempting only a certain local radius intended to cover home consumption.'

Tobacco.

121. "As an object of taxation tobacco is, from a fiscal point of view, even more desirable than salt. It is widely used and the amount used by any one person is never very

* Sir Ganga Ram.

large, yet the aggregate revenue is large. There is in favour of taxing tobacco the argument that it is not a necessity, and that if the tax leads to curtailment of consumption, so much the better from the social point of view. From an administrative point of view the tax on tobacco has the advantage of being administered at very low cost."†

Do you agree in the above statement of the case?

122. The possible means of levying a tax on this article may be summarised as follows:—

- (1) by imposing an acreage duty on cultivation;
- (2) by requiring all tobacco locally grown or imported to be sold to the State, by which it is made up and sold at fixed prices;
- (3) by entrusting similar functions of purchase and manufacture to a company in which the State holds a preponderating share;
- (4) by exercising a strict control over cultivation and allowing manufacture in bond;
- (5) by controlling all dealings subsequent to the initial sale by the cultivator to the manufacturer and prohibiting sale except in packages bearing a revenue stamp.

123. In view of the wide prevalence of cultivation both in British India, as illustrated by Annexure L, and in the Indian States, is any of these systems practicable in this country? If so, which of them do you prefer?

124. As regards control of cultivation, the French system eliminates the petty cultivator by refusing licenses for less than a specified area. The English system apparently produces the same effect through means of rules requiring bonds and the provision of suitable curing premises. Would you advocate the limitation of cultivation to areas in excess of a fixed minimum, and, if so, by what means would you effect this purpose?

125. The produce per acre varies in a manner unknown in more temperate climates. In the event of an acreage duty being imposed, how would you get over the difficulty arising out of this circumstance?

126. Would it be practicable to collect an acreage duty in Bengal without employing a very large additional staff?

127. Would it be practicable to prevent import from Indian States?

128. Would it be an appropriate way of securing the bringing of the leaf into bond to impose an acreage duty which would be recoverable on production of the receipt of the bonded warehouse?

129. Would you permit the cultivator to grow a fixed maximum quantity for domestic purposes?

130. Under a system of manufacture in bond or on payment of duty, at what stage of the preparation of the leaf should the tobacco grown be brought to account or assessed? How would you control operations from the cutting of the crop to this stage? What would be the effect upon the cultivation of the imposition of such control?

131. Would you advocate the raising of a presumptive charge with reference to the quantity of the raw material to be used in the manufacture?

132. The rates of customs duty on cigars, cigarettes, manufactured and unmanufactured tobacco and snuff, respectively, are given in Annexure M. If an excise were imposed upon local manufacture, at what rates would you fix it on cigars, cigarettes, manufactured tobacco, *bidis* and snuff?

† J. P. Jensen: Problems of Public Finance, pages 304-305.

133. Specific duties are objected to on the ground that they are regressive : *ad valorem* duties on the ground that they give rise to evasion. Which class do you favour in the case of tobacco, cigars and cigarettes ?

134. Annexures N and O attached illustrate the fluctuations of the imports and exports of the different classes of tobacco under different rates of duty. To what do you ascribe the increase in the imports of manufactured tobacco and the decrease in the export of cigars ? What would be the effect on the cigar trade of your proposals, if any, for local taxation of tobacco ?

135. To what extent are Indian-made cigarettes made of Indian and imported tobacco, respectively ? Would the imposition of an excise duty tend to handicap a growing Indian industry ? Would a heavy duty on imports of manufactured tobacco be preferable ?

136. Would you advocate the prohibition of wholesale and retail sale except under license ? If so, which of the following systems would you adopt :—

- (a) to give contracts for monopoly of retail vend for fixed areas ;
- (b) to limit the number of licenses and sell them by auction ; or
- (c) to issue licenses to all applicants on payment of a moderate fixed fee ?

Duties on inheritance or succession.

137. Nearly all modern communities have taxes on property changing hands at death; and Local Governments, politicians and economists have made proposals for the introduction of such duties in India. Do you agree that, in the event of new sources of taxation being required to replace old sources that may be condemned, such duties should be among the first to be considered ?

138. * " Taxes of this kind may be graduated on any of three principles ; they may vary with the size of the estate left, with the degree of relationship of those who inherit the property to the testator, or with the amount inherited by each individual heir." Would all or any of these methods be appropriate to the circumstances of India ? If not, what method would you suggest ?

139. Do you agree with the following propositions ?—

- (1) † " Taxes on inheritance ought to be levied at unchanging rates in order to secure equality in the distribution of their burden."
- (2) ‡ " No personal tax can be administered with safety, facility and equity unless it covers the whole of an economic community represented by a nation."
- (3) § " The most promising solution would seem to be in a system by which all inheritance taxes should be levied and collected by the Federal Government, but a distribution of the revenue arranged between the Federal Government and the several States."

140. A schedule of rates in force in different countries is attached as Annexure P. Do you consider any of these appropriate to India ?

141. The following ways have been suggested of meeting the difficulties arising out of the joint family system :—

- (a) to apply the tax to the share of the deceased ;
- (b) to tax the whole property of the family on the decease of each managing member ;
- (c) to make an annual or periodical levy similar to that made in Europe in the case of continuing corporations, e.g., by the English Corporation Duty, or the now repealed Increment Value Duty.

Do you consider any of these to be appropriate, or can you suggest any other ?

* Robinson : Public Finance, page 61.
 † Bullock : Selected Readings in Public Finance, page 457.
 ‡ Stamp : Fundamental Principles of Taxation, page 21.
 § Taussig : Principles of Economics, Volume II, page 535.

142. Do you accept the proposition "that in the case of the larger landholders the administrative difficulties occasioned by the absence of any machinery for the collection of such a tax is insignificant as the law and practice of succession is analogous to that of England, and a similar machinery can be easily instituted to collect this item of revenue" *?

143. As regards the smaller proprietors, is the difficulty described in the following passage one peculiar to India?

"There could be no great objection to the Succession Duty, if very small properties are exempted, say, those under Rs. 5,000 value. There is, however, the plea, urged long ago by Sir James Stephen, that a succession duty in India would operate most inequitably as, under the system of joint family and joint ownership in the family property, the demise of the head of the family in most instances would be an occasion, not of additional strength to the survivors, but rather of weakness, owing to the earning member of the family being cut off, and the consequent difficulty of making the property pay. As far as this argument affects the case of small proprietors, it is unanswerable."*

144. Presumably payment would be enforced primarily by invalidating transfers of property by persons who had not secured probate or a succession certificate. Would it be practicable to enforce it in the case of moveable property other than stocks and shares? How could a valuation of other property be secured?

145. If you agree that the tax should be centrally controlled what is the most appropriate agency for levying it?

146. The tax in England is levied on all estates in excess of £100. What would in your opinion be an appropriate exemption limit in the case of India?

Division of the Proceeds.

147. A memorandum is attached as Annexure Q in which the law and practice of Federal States in other parts of the world in respect of the division of taxes between the Federal and State Governments is stated. A leading writer sums up the possible plans under the following heads and recommends a combination of the second, third and fourth.† Do you consider that this offers a suitable basis for a theoretically correct distribution?

- (1) The taxes are assessed by local authorities with additions for the use of the Central Government.
- (2) The tax is assessed by the Central authority with additions for local purposes.
- (3) The separation of the sources of revenues that is, certain taxes are utilised for central and others for local purposes.
- (4) The division of the yield; that is, the revenues are collected by the Central authorities, but a portion of the yield is assigned to the localities.
- (5) The system of subventions or payments from the Central to the Local Governments or from the Local to the Central Government.

148. When the Federal Government of the United States was dependent almost entirely upon the customs revenue, it was found that it was faced with "the dreary alternative of embarrassing surplus and embarrassing deficit."‡ Is there a danger of a similar result arising out of the fact that the revenues of the Central Government in India are largely dependent on fluctuations in trade?

149. Is the present division, which proceeds entirely upon the basis of separation of sources, equitable as between provinces that are mainly commercial and mainly agricultural, respectively?

150. Is it practicable to arrive at a more satisfactory distribution by broadening the basis of division under such a combination of methods as is above suggested?

* Shah : *Sixty Years of Indian Finance*, page 328.

† Seligman : *Essays in Taxation*, pages 663 *et seq.*

‡ Bullock : *Selected Readings in Public Finance*, page 772.

151. To take the question of separation of sources first, do you consider that the difference of systems and the close connection of the land revenue administration with the general administrative arrangements make it essential that the land revenue should continue to be a provincial source of revenue ?

152. § " First among taxes naturally and almost necessarily national are taxes on exports and imports, based upon international trade and national markets and for this reason national in character."

Do you accept the above reasoning ?

153. When export duties are levied on goods that can be identified as the produce of a particular province, do you consider that there is a case for allotting them to the province concerned ?

154. Do similar considerations obtain in relation to excise ? The Indian excise system is peculiar in so far as the policy pursued of raising the duties as high as they will go without giving rise to, uncontrollable illicit practices has led to the imposition of a large variety of different rates on country spirits. The rates in the case of locally made foreign liquor, opium and hemp drugs, however, tend to equality. Would you advocate the reservation to the Central Government of a basic rate in each case subject to the right of the Local Governments to add a provincial rate and to retain the proceeds of the privilege of vend ?

155. If tobacco were made subject to taxation, would you treat it in the same way ?

156. Income-tax and succession duties are generally regarded as taxes that must be levied at uniform rates and centrally administered, because businesses are not confined to single States, while varying rates are apt to cause transfers of business to the localities where the tax is lightest. Do you accept this reasoning ? Do you consider that a division of the proceeds is practicable ? If so, on what principle should it be based ?

157. Do similar considerations apply to duties on transactions levied through stamp duties ? Would you draw a distinction in this case between judicial and non-judicial stamps ?

158. Are there any other taxes to which you would apply any of the three principles mentioned above ?

159. If you do not accept these principles, on what other lines of division would you proceed ?

160. Do you agree that local bodies " should rely primarily upon revenues referable to the principle of benefits, such as special assessments and fees of all kinds, . . . upon the tax on real estate and especially upon land taxes ; and so far as further revenues are needed . . . upon additions to the income-tax,"* which might take the form of a business or profession tax ?

161. Is the present system under which the district boards rely principally upon surcharges upon the land revenue or a corresponding charge on annual value satisfactory ? Should any limit be imposed by law upon such surcharges ?

162. In most states, the Central, Provincial and Local Governments are not allowed to tax the property or transactions of one another. Should this principle be applied to India ? If not, can you distinguish any principles which should regulate such taxation ?

Machinery of taxation.

163. " There are certain cases in which an agency of whatever nature by which a service is performed is certain, from the nature of the case, to be virtually single, in which a

§ American Economic Association—Report of the Committee on Co-ordination in Taxation, 1919.

* Seligman : *Essays in Taxation*, page 677.

practical monopoly, with all the power it confers of taxing the community, cannot be prevented from existing."† These considerations apply to the Post Office, Telegraphs, Telephones, Irrigation, Electric Power, Water Supply, Drainage, Gas and Electric Lighting. Do you advocate State enterprise with the attendant power of taxation in such cases ?

164. The services which are or have been monopolised in other countries include pawn shops and life insurance. Would you support monopolies of any such services in India ?

165. Another class of monopolies consists of monopolies of articles, the production or import of which is placed under State control for the purpose of regulation. Of these Bastable writes as follows :—

" To place the manufacture of an article in the hands of the State is a strong measure, to be justified only by very cogent reasons ; but where the need of revenue is great, this sacrifice of a particular business to secure complete freedom for the others may be desirable. It cannot be disposed of by an appeal to the principle of non-interference as a rule peremptorily binding on the State. The real point to be aimed at is to secure the needed revenue with the smallest amount of restriction, a result sometimes best attained through monopoly."‡ Annexure R gives a list of articles in respect of which monopolies are in force in different countries. Do you approve of the principle of monopoly in the case of any of these articles ?

166. The present administration of salt, opium and hemp drugs in India is based largely on monopoly, while in the case of spirits, a monopoly of wholesale supply is given where the contract supply system is in force. Would you recommend any extension of these features of the system ?

167. The following statement sums up the result of experience in the United States of America :—

' Conditions of administration are about as important as the rate of taxation in determining the success or failure of property and income-taxes. Under a purely local system of administration there never was and never will be a generally satisfactory assessment of either income or property, for reasons perfectly familiar to us all. Central control of the process of assessment is necessary for the successful operation of either a property or an income-tax, and hardly more so for the one than for the other.'§

Do you think it is applicable *mutatis mutandis* to conditions in India ?

168. In the last century practically all taxation functions were combined over a large part of India in the hands of the Land Revenue staff. Owing to the advance of specialisation this staff now conducts very few such functions other than those directly connected with the land. Are there any other taxation functions which they could now undertake ? If not, is the staff excessive for its present duties ?

169. Prior to the Reforms combined staffs were employed on the administration of taxes which are now controlled by different Governments, as in the case of Salt and Excise. Has the breaking up of these establishments resulted in any decrease in efficiency or increase in expense ? Is any new combination possible : for instance, as between the staff responsible for Salt, Customs and minor ports ?

170. Do any proposals for similar combinations arise from suggestions you may have made in respect of the questions relating to the central administration and division of taxes ?

† Mill : Principles of Political Economy, Book V, Chapter XI, paragraph 11.

‡ Bastable : Public Finance, page 539.

§ Bullock : Selected Readings in Public Finance, page 482.

171. Mr. Adams* wrote in relation to the Wisconsin income-tax :* " The greatest need of the tax system was a set of officers not dependent for the retention of their offices upon the favour of the people whom they assess." In Switzerland most of the cantons have provision for the revision of assessments by a special authority. In France† all appointments are vested in the Prefect subject to rules fixed by general statute. Even the officer who administers the octroi in a municipality is not appointed by the municipal authority. Similar central control is imposed over the local administrations in Germany.‡ Does your experience of administration of taxes by authorities subordinate to popular bodies confirm the experience of these democratic countries in regard to the desirability of independence of electorates and central control ?

ANNEXURE A. (Question 1.)

I.—AGRICULTURAL STATISTICS.

(a) *General.*

Statistics of area and yield of the principal crops for every year are published by the Commercial Intelligence Department in the ' Estimates of Area and Yield of Principal Crops of India,' tables 4 to 17. Figures of area under cultivation for both these and the remaining crops are published annually under the title of ' Agricultural Statistics of India.'

2. Three factors go to make up the estimates :—

- (i) the estimate of areas sown,
- (ii) the estimate of normal crop, and
- (iii) the estimate of the crop for the year in terms of the normal crop.

3. The estimate of areas sown is based in the greater part of Madras, Bombay and Sind, the United Provinces, the Punjab, the Central Provinces and Berar, the North-West Frontier Province, Burma and Assam on cadastral survey maps and the reports of village officials as to the areas sown with the principal crops. These reports are in the majority of cases subjected to a certain amount of check by superior officers. In the Punjab and Burma the areas are based on the survey figures only in the districts in which the main crops are largely grown ; for the other districts the figures are based on rough estimates prepared by the Directors of Agriculture.

4. In Bengal, Bihar and Orissa, about one-third of Madras, the hill tracts of the United Provinces, and Assam there is no accurate survey or reliable village staff. In the first two areas the figures are supplied by the village policemen to the police stations ; in the others the estimate is based on the previous years' figures, the state of the seasons and the figures for neighbouring areas.

5. As regards the estimate of normal outturn, there is no universal meaning attached to this term, which is variously interpreted as the most general recurring crop, the typical crop of the area, the just return to the cultivator, the return under normal rainfall or the average over a series of years. The standard is fixed in Madras, the United Provinces, Bengal, the Central Provinces, Burma, Assam and the North-West Frontier Province on crop-cutting experiments, which are made from year to year and reviewed every five years. The last quinquennial report, published in 1924, shows that the results of the experiments from 1916-17 to 1921-22 were far from reliable. In Bombay the standard is based on local estimates of average yield and in Bihar on local information.

6. The estimate of outturn is made by the village officers, who report the crop of the year as representing so many annas more or less than the standard. These estimates are the purest guess-work, and experience shows that the most expert officers are liable to be

* Bullock : Selected Readings in Public Finance, page 411.

† Poincare : How France is Governed, page 66.

‡ Bullock : Selected Readings in Public Finance, page 752.

greatly mistaken in making estimates of the kind. These estimates have again to be corrected owing to the fact that the number of annas taken as the normal crop is not the same in all areas. To correct this error the normal is taken as a hundred and the estimate is converted into a percentage of this figure. This percentage, multiplied by the area, multiplied by the normal outturn, gives the estimate of the yield. The inaccuracy of the method pursued may be illustrated by the fact that in the province of Bihar and Orissa it was found that the yield was higher than in the adjoining provinces. When, however, the Bihar Government examined its method of compilation, it was found that the yield was really 30 per cent. less than what had been reported. The mercantile community places little confidence in these statistics. In one province they are reported to add 25 per cent. before utilising them.

7. The following are two authoritative criticisms of these figures. A Resolution of the Government of India in the Finance Department of the 24th October, 1914, says:—

“For the immense areas of Bengal, Bihar and Orissa, for about one-third of the Madras Presidency, for the hill tracts in the United Provinces and in Assam—and, it may be added, for the Native States, which, though excluded by Mr. Datta, cannot legitimately be ruled out of account—neither the area under cultivation nor the area under food grains is known with any accuracy; and for such areas Mr. Datta had no alternative but to base his statistics of cultivation on more or less arbitrary assumptions. Further attempts to estimate the total outturn of agricultural produce, even when the area is definitely ascertainable, are beset with insuperable difficulties. The normal yields per acre, the foundation of all such estimates, are notoriously untrustworthy. These yields have been revised from time to time. There has been some revision even since Mr. Datta's report was written, but the figures are still far from satisfactory. The remaining factor in the calculation, the percentage of the yearly outturn to the normal, is a still more uncertain quantity, resting as it does on district returns, which are little more than loose conjectures, vitiated in particular by a distinct bias in the direction of under-estimation. Finally, the whole mass of material, comprising elements of every degree of validity, has to be reduced by a complicated process of averaging and weighting and it is evident from a study of the detailed results that here, too, considerable further difficulty has been experienced and divergent methods employed.”

The Sugar Committee, which reported in 1920, made the following comments on the compilation of statistics of area and yield of sugar-cane:—

“As regards the area under cultivation, the Committee accept the view that figures of the area under cane are on the whole fairly accurate, except in the tracts which have a permanent settlement. The area under cane in Bihar and Orissa and Bengal, which stand third and fourth respectively amongst the cane-growing provinces of India, is sufficiently large to make this a matter of some importance. The Committee draw attention to the not infrequent discrepancies between the area under cane in each province as given in the “Agricultural Statistics” volume and the same area as given in the “Area and Yield” volume.

“As regards the standard normal outturn, the figures given are very unsatisfactory and little reliance can be placed on them. The evidence which the Committee received was by no means such as to justify the figures of yields given for certain tracts.

“As regards the ‘anna estimate,’ it is in the first instance framed in most cases by the “patwari,” or village accountant, or an official of similar standing. Opinion is unanimous in regard to the reliability of the estimates so framed and there is little doubt that the outturn of all crops in India is persistently under-estimated. It has frequently been pointed out that the main reason for this is the ingrained pessimism of the Indian cultivator and village official, as a result of which it is very rarely that a normal crop is reported.

“It is doubtful whether non-official agencies are in a position to render as great a measure of assistance in the compilation of the cane forecast as in that of other commercial crops; but effort should be made to enlist the assistance of factories and large and small landholders in the work of crop reporting.”

(b) *Special Crops.*

Tea.—The figures of production are based in the main on reports received from the gardens. Where no reports are made, estimates are sent by the local officers. The prices given are those realised at the annual auction sales at Calcutta and the values declared at time of export.

The report on the Production of Tea in India (Commercial Intelligence Department) gives the following details :—

(1) Area under cultivation	Table 1
(2) Production of tea in India	2
(3) Number of persons employed on tea plantations	3
(4) Quantity of tea exported	4
(5) Average value of Indian tea sold at auction sales in Calcutta and average declared values at time of export	13

Cotton.—The “ Estimates of Area and Yield ” published annually (Commercial Intelligence Department) contain an estimate of the cotton crop for each year. This can be checked roughly by adding the amount of exports to that of the home consumption and deducting the imports. An account of the quantity consumed by the mills is published every year in the Report of the Bombay Millowners’ Association and an estimate of the consumption outside the mills is made annually by the Bombay Cotton Trade Association. The annual “ Review of the Trade of India ” contains the statistics of imports and exports.

Rubber.—A special supplement is published in *The Indian Trade Journal* under the title of “ Rubber in India,” and contains statistics based on data furnished by rubber planters.

Table No. 1 gives figures of area under rubber.

Table No. 2 gives statistics of the production (in lbs.) of dry rubber.

Table No. 3 is a detailed statement of area and production.

Table No. 5 gives statistics of raw rubber exported from British India.

Jute.—Estimates of the crop are published annually in the “ Area and Yield of Principal Crops.”

Statistics of the consumption of jute in the mills are given on page 625 of the “ Statistical Abstract of British India, 1923.”

The quantity of raw jute exported is published in the “ Review of the Trade of India.”

The Indian Jute Mills Association publish an annual report. The report for the year 1922 gives the following statistical statements about jute :—

Statement I gives figures of local consumption of raw jute.

Statement VII gives a comparative statement of the forecast of the jute crop and the actual consumption for the years 1892-93 to 1921-22.

Statement XIV gives figures of cultivation and production of jute (in bales of 400 lbs.) for 27 years from 1896—1922.

Coffee.—Data of the area under coffee and the production of the same are given in the “ Agricultural Statistics ” and in Tables 1—3 in the supplement on coffee to the *Indian Trade Journal*. This supplement also gives the figures for imports and exports. The data of area and production in the supplement are compiled from the returns received from plantations in excess of 10 acres in extent.

(c) Live-stock.

The first general quinquennial census of cattle was taken in 1919-20, and it has been continued since then annually in some provinces and quinquennially in the rest. The results, though better than those obtained in the earlier years, are not satisfactory, as the village authorities cannot be relied upon for anything but very rough figures. Moreover, the methods of collecting the figures, which do not necessarily ensure simultaneous computations in the various districts or include the animals in towns and cantonments in all cases, can lead only to approximate results.

The Agricultural Statistics of British India, Volume I, 1921-22, contain tables giving the following information :—

- (1) Number of cattle—(a) per 100 acres of area sown, (b) per 100 of population, province by province.
- (2) Number of animals of various kinds in each province for a number of years.

(d) Forests.

Statistics regarding quantity and value of forest produce are based on the Forest Administration Reports published separately by each province.

Imperial forms 19 and 20 of the Reports in the following provinces contain statistics of the total quantity and value of major produce like timber and fuel and minor produce like bamboos, grass, etc., extracted from the forests :—

- (1) Bengal.
- (2) North-West Frontier.
- (3) Baluchistan.
- (4) Ajmere-Merwara.

The reports for the following provinces contain statistics of quantity only in case of timber and fuel, and of both quantity and value in case of minor produce as bamboos, grass, etc. :—

- (1) Burma—Imperial Forms 19 and 20.
- (2) United Provinces—Imperial Forms 19 and 20.
- (3) Punjab—Imperial Forms 19 and 20.
- (4) Bombay—Forms 63 and 64.
- (5) Madras—Forms 76 and 77.
- (6) Bihar and Orissa—Imperial Forms 19 and 20.
- (7) Assam—Imperial Forms 19 and 20.
- (8) Central Provinces—Imperial Forms 19 and 20.

The above statistics refer to the forests under the Forest Authorities. No statistics are available regarding the forests administered otherwise or private forests.

(e) Fisheries.

The reports of Government departments give only figures of the results of isolated experiments or of the sums realized by sale of fishery rights. The only general source of information is the census report which, however, gives only the number of people earning their living wholly by fishing in 1921 (table 19 Statistical Abstract).

II.—INDUSTRIAL STATISTICS.

(a) 1. *Minerals.*—The Statistical Abstract of British India (pages 658-677) contains statistics of production and value of the following minerals and of the consumption of kerosene in India (excluding Burma) :—

Salt, Coal, Gold, Petroleum, Chromite, Copper ore, Diamonds, Graphite, Iron ore, Jadestone, Lead, Magnesite, Manganese ore, Mica, Monazite, Platinum, Rubies, Sapphires, Spinels, Saltpetre, Silver, Tin ore, Wolfram, Zinc ore.

Other figures are available in the "Commercial Statistics of British India," but they are not so accurate as those in the "Statistical Abstract."

The "Records of the Geological Survey of India," Volume LIV, paragraph 2, 1922, contain the latest and more accurate statistics of the production and value of the various minerals for the years 1920 and 1921.

Coal.—Returns of production are sent by the Managing Agents of the mines, under the Indian Mines Act, VIII of 1901, to the Chief Inspector of Mines, who forwards them to the Commercial Intelligence Department. The "Report of the Chief Inspector of Mines," 1923 (Appendix I, Table I), contains detailed statistics about these mines. The figures are supplemented by the Director, Geological Survey of India, who receives returns from the local authorities and from the Political Agents regarding the non-Act mines and those in the Indian States. For complete figures of production reference may be made to "Mineral Production of India," published in the Records of the Geological Survey and to the "Quinquennial Review of the Mineral Production of India," published every five years by the same department, and to the Statistical Abstract of British India, page 658.

Information regarding consumption of coal is obtained from the Railway Board, the Coal Transportation Officer, the Steamer Companies, the Port Trusts, the mill owners, factory owners and others. According to the "Commercial Statistics" the figures can be regarded only as very rough estimates (page xviii). The same opinion is expressed in the "Report on the Production and Consumption of Coal in India," 1923 (supplement to the *Indian Trade Journal*).

"The Seaborne and Railborne Trade Accounts" (published by the Commercial Intelligence Department) contain figures of the import and export of coal.

The value of the coal produced is reported annually by the coal-mine owners, being the value at the mouth of the pit.

The figures of capital invested in the coal industry can be found in the Report of the Registrar of Joint Stock Companies.

The "Commercial Statistics of British India" contain, among other things, the following information about the coal industry :—

(1) The average value per ton of coal extracted from the mines in India	Table 32
(2) The average price per ton of Indian and Welsh coal at the ports of Calcutta, Bombay and Karachi	.. .. . " 33
(3) The average number of persons employed daily in the coal mining industry in India	.. .. . " 34
(4) The quantity and value of the imports of foreign coal	.. .. . " 35
(5) Quantity of Indian coal exported	.. .. . " 36
(6) The consumption of coal in India	.. .. . " 42

2. *Cotton Mills.*—The Bombay Millowners' Association Report, 1922, contains statistics regarding the following features of the cotton industry :—

(1) Production and export of yarn	.. .. . Page 3
(2) Consumption of cotton in the mills	.. .. . " 5
(3) Quantity and counts of yarn spun	.. .. . Pages 433—440
(4) Quantity and description of woven goods	.. .. . " 441—449

The "Commercial Statistics of British India" contain statistics regarding the following features of the industry :—

Table 12.

- (a) Number of mills in existence.
- (b) Authorised capital.
- (c) Persons employed.
- (d) Looms and spindles.

Table 19.

Statistics of excise duty realised from goods woven in the cotton mills under the Cotton Duties Act, II of 1896. These are compiled from special official returns, which, as regards the production of yarn and woven goods, are based on returns made by the millowners under the above Act.

The amount of capital invested in the cotton mills is available in the "Report of the Registrar of Joint Stock Companies," 1921-22. (Table 4.)

3. *Jute Mills*.—The "Commercial Statistics of British India" contain statistics regarding the following features of the jute industry which are compiled from special returns received from local authorities and also from returns received direct from the managing agents of the mills.

Table 20.

- (a) Number of mills.
- (b) Authorised capital.
- (c) Paid-up capital.
- (d) Persons employed.
- (e) Looms and spindles.

The figures of consumption of jute in mills are published in the "Statistical Abstract of India," page 625.

The Indian Jute Mills Association's report contains the following tables:—

- Statement XII gives movement of jute manufactures.
- Statement XIII gives jute mills in India.
- Statement XVIII gives the actual clearances of gunny cloth from Calcutta.
- Statement XIX gives the actual clearances of jute fabrics from Calcutta.

4. *Breweries and Distilleries*—

Distilleries.

Number of private distilleries.—This is given in Imperial Return No. III in the Reports on the Excise Administration of the various provinces and also on page 631 of the Statistical Abstract for British India (Table 310).

The total issues from distilleries.—The number of proof gallons issued from the distilleries is given in Imperial Return No. IV in the Reports on the Excise Administration of the various Provinces.

Breweries.

Number of Breweries.—This is given in Imperial Return No. III in the Reports on the Excise Administration of the various provinces and also on page 631 of the Statistical Abstract for British India (Table 310).

Production in gallons.—This is given in Table 309 on page 627 of the Statistical Abstract for British India.

5. *Salt*.—Besides the Administration Reports of the Provincial Salt Departments there is also a consolidated report for the provinces in Northern India issued by the Northern India Salt Revenue Department.

Statistical data concerning salt are also given in the Statistical Abstract for British India and in the 'Salt' supplements issued with the *Indian Trade Journal*.

The quantity and value of salt produced in India is given in Table No. 72 on page 144 of the Statistical Abstracts for British India.

Table No. 73 (pages 147-151) in the Statistical Abstract gives the amount of salt revenue and charges for the various provinces for the years 1910-11 to 1920-21. The salt available for consumption in the various provinces is given in Table No. 74 (on pages 150-151) of the Statistical Abstract for 1911-1921. The quantity of salt sold in each province is given in Table No. 75 (on page 152-153) of the Statistical Abstract for the years 1911-1921.

Rate (per maund) of duty and selling price of salt.—

This is given in Table No. 76 (on pages 154-155) of the Statistical Abstract.

'Salt Statistics' supplement to the *Indian Trade Journal*, 1st February, 1923.—

In this supplement the issues, imports, exports and movements of salt in India are given for all the provinces in India for the years 1911-1922.

(b) *Statistics of Minor Industries.*

An estimate of the production of cotton cloth by handloom weavers.—An estimate of the production of cotton cloth by handloom weavers is made in paras 8 to 13 (pages 94-95) and is illustrated in six statements (pages 95-101) in Appendix I in the appendices volume to the Report of the Indian Industrial Commission.

The method adopted may be expressed in the following terms:—

Yarn imported *plus* yarn produced in Indian mills *minus* yarn exported *plus* yarn consumed by Indian mills *is equal to* yarn available for handloom weavers.

(c) *Returns of Companies Floated.*

Joint stock companies.—Statistics are compiled from the reports and returns prepared by the Registrars of Joint Stock Companies under the Indian Companies Act, the Indian Life Assurance Companies Act and the Provincial Insurance Societies Act, and in some Indian States, under their respective Acts.

The annual "Report on Joint Stock Companies," 1921-22 (Commercial Intelligence Department) contains the following statistics:—

Table 1.

Number of companies working in India and their authorised and paid-up capital.

Tables 4 and 4-A.

Number and paid-up capital of companies of each class at work in India from 1897 to 1922.

Table 5.

Number, description and capital of new companies registered.

Table 7.

Number, description, and capital of companies incorporated elsewhere than in India, but working in India.

(d) *Statistics of Trade.*

Imports.—The value of imports of private merchandise into British India by sea is given in Table 215 of the Statistical Abstract for British India.

Table 218 of the Statistical Abstract gives information about the quantity of imports of principal articles.

Table 4 (page 4) of the Review of Trade gives the value of imports.

Exports.—The quantity of exports of principal articles of Indian produce and manufactures is given in Table 222 of the Statistical Abstract, the value of exports is given in Table 221.

The quantity and value of principal articles of exports arranged in the order of their importance is given in Table 7 on page 45—Review of Trade of British India.

Railways.—The Statistical Abstract of British India Table 202 gives numbers of passengers conveyed on the several railway systems in India.

Particulars about quantity of goods and minerals conveyed by the several railways is given in Table 203, details of gross earnings are shown in Table 204 and Table 205 contains details of working expenses. The net earnings of the several railways are given in Table 206.

The return of Inland Trade has been discontinued since 1921-22.

III.—STATISTICS OF PRICES.

The following are the principal statistics published:—

- I. Fortnightly return of wholesale prices of 30 articles at 68 principal markets published in the *Gazette of India*.
- II. Fortnightly return of retail prices of food grains and salt at district headquarters published in Provincial Gazettes.
- III. Return of average annual wholesale prices of 25 articles in 92 principal markets published in 'Prices and Wages of India.'
- IV. Return of prices of staple articles of import at Calcutta and Bombay and of staple articles of export at the five main ports published in the 'Prices and Wages of India.'
- V. Return of average annual retail prices of food grains and salt at 23 selected markets published in the 'Prices and Wages of India.'

The figures are collected in Madras and Bombay by clerks in the offices of the officers in charge of Tahsils, in the Central Provinces by the Kanungo, an intermediary between the Tahsil and the village officer, in the United Provinces, Punjab and Burma by Bazaar Chaudhris and in Bengal and Bihar, where there are no Tahsil officers, by petty subordinates.

There are many difficulties attending the collection. It is impossible to secure anything like uniformity in reporting on such an article as 'best rice' or 'second quality rice' at a great variety of different times and places; the measures in use vary from place to place, and errors are frequently made in converting them to standard; there are sometimes reasons

personal to the reporting officer which affect the report, as when the return regulates the price to be paid for carts or to be received in the shape of compensation for dearness of grain and there is sometimes a reluctance to make a change, as when a Tahsildar explained a totally incorrect entry by saying that the figure had remained unchanged for eight years and that he did not feel justified in altering it.

It is not surprising in these circumstances that the figures will not bear the test of comparison with those for neighbouring districts or of the returns of wholesale with those for retail price.

From a statement furnished by the Director-General of Commercial Intelligence it was calculated that between 1897 and 1910 the retail prices of rice given in the 'Prices and Wages of India' were actually lower than the wholesale prices for the same place on 90 occasions, that is to say, 18 per cent. of the total quotations; for wheat on 105 occasions, *i.e.*, 22 per cent., for barley on 88 occasions, *i.e.*, 33 per cent., for jawar on 180 occasions, *i.e.*, 33 per cent., for bajra on 111 occasions, or 30 per cent., for ragi on 39 occasions, *i.e.*, 31 per cent., for maize in 105 cases, *i.e.*, 38 per cent., for gram in 106 cases, *i.e.*, 26 per cent., for arhar dal in 83 cases, *i.e.*, 20 per cent.

The Indian Sugar Committee commented on these returns in the following terms:—

"As regards the statistics of prices the Committee hold that they were completely unreliable. The unreliability of prices returned may be gauged from the fact that at Meerut the prices of sugar show an increase of 200 per cent. in 1908 over 1907. The difference between wholesale prices of imported sugar in the same two years as recorded in the much more reliable Table 5 is less than 10 per cent. at Calcutta and 8 per cent. at Bombay. Either the official figures are, therefore, wrong, or they refer to quite different things. The two main defects of price statistics are:—

- (i) Sufficient care is not taken to see that the figures returned accord with even approximate accuracy to the facts.
- (ii) No care is taken to ascertain the exact nature and quality of the products to which the reported facts relate. The result consequently is confusion and inaccuracy.

IV.—STATISTICS OF INCOME.

(a) *Income-tax Statistics.*

Amount of Taxes on Income and charges.—This is given in Table 87 (pages 178-79) for the various provinces for the years 1911-21 in the Statistical Abstract for British India.

Details of Taxes on Income.—This is given in Table 88 (on page 180) for the period 1911-21 in the Statistical Abstract.

Classification of the grades of Income-tax collected in the various provinces and the number of assesseses in each grade.—This is given in Return No. IV of the Report on the Income-tax Administration of the various provinces. Return No. V in those reports gives the same particulars for super-tax.

Up till the year 1916-17 these returns showed also the trades and professions of the assesseses in each grade. Since 1917-18 these particulars have been discontinued.

(b) *Statistics of Wage Earners.*

The statistical data about wages given in Tables 19-22 of the 'Prices and Wages' in India were up to 1921-22 compiled from half-yearly returns received from certain Indian States and Baluchistan, from annual returns received from the Central Provinces, the Post Office, the State Railways, and certain workshops, business establishments, collieries and mills, and from the reports of the Quinquennial Wage Censuses held in the other Provinces.

Table 19 gives the range of the monthly wages of able-bodied agricultural labourers, syces and village artisans in Baluchistan and certain Indian States.

Table 20 gives the range of the wages for skilled and unskilled labourers in urban and rural areas of the Central Provinces.

Table 21 gives the range of wages of skilled and unskilled labourers in the urban and rural areas of the other provinces as reported in the Provincial Wage Censuses of 1911 and 1916.

Table 22 gives the range of wages for the following:—Postmen and postal runners, the employees in some railways, the skilled and unskilled labourers engaged on the Orissa Canals, the skilled and unskilled labourers in a paper mill in Bengal, at the Murree Brewery, the employees of B. I. S. N. Company at Calcutta and Bombay, at the collieries in Bengal, at an engineering workshop in Meerut, at the Army Boot Factory, Cawnpore, in the Petit Cotton Mills, Bombay, in the cotton mills managed by Messrs. Binny and Company, Madras, at the Salonah Tea Plantation, Assam, in some other tea gardens of Assam, in a jute mill in Bengal and in a rice mill at Rangoon.

The statistics given in some of these tables were found to be so unreliable that the compilation was abandoned after 1921-22. A proposal was then made to conduct a wages census either upon the basis of mass production or on that of family budgets. After considerable discussion, however, this proposal was also abandoned as impracticable without expenditure that was at the time out of the question, and the actual outcome has been a few isolated compilations of family budgets. It was also held that it was impossible to secure these figures without legislation, and a Bill on the subject is now before the Bombay Legislative Council.

V.—VITAL STATISTICS.

Tables 182 to 198, pages 372 to 420, Statistical Abstract for British India from 1911-12 to 1920-21, show the births and deaths in the various provinces according to sex, town and country and community and cause of deaths, the number of deaths from plague, the number of hospitals and dispensaries and the number of lunatics.

The following observations are made in paragraph 12 on page 14 of the Census of India (Volume I, Part I) about the Vital Statistics collected in India:—

“The cumulative effect of the various health factors on the vitality of the population is shown in the variations of the birth and death-rates, but before making a use of the recorded vital statistics it will be well to form some estimate of the accuracy and value of the records. The registration of vital statistics is established throughout British India except in the more remote and backward tracts. The system of collection differs in detail in different provinces. It is usually based on information of births and deaths recorded in the village (often by the headman of the village) and passed on periodically to some local authority, usually the police, by whom registers are maintained. Extracts from these registers are sent to the local officer who is responsible for the records of public health, and by whom they are compiled for the district and so eventually for the province. The information includes particulars of the births, including stillbirths, and death by sex and religion and the classification of the deaths under certain categories of age and of disease. The records both in the villages and in the local offices are periodically checked by touring officers of various departments. In municipal towns the registration of vital occurrences by the house-holder is usually compulsory by law, and the registers are maintained by the municipal authority. Owing chiefly to carelessness in administration, the standard of accuracy is probably not as high in the towns as in the rural areas.

“As a result of the various tests which have been made and of the general experience of those who are in the best position to estimate the value of these records the following propositions may perhaps be accepted:—

- (1) In rural areas the omissions in the record of numbers vary up to about 20 per cent.

- (2) The record of births is normally less accurate than that of deaths.
- (3) In urban areas the standard of accuracy varies greatly according to the attention given by the local authorities. It is usually lower than in rural areas, but it has been considerably improved of recent years, *e.g.*, in Poona and Ahmednagar.
- (4) The records of the causes of mortality are defective. Plague, cholera and small-pox are now often fairly correctly recorded when the epidemic is established. Other distinctions (*e.g.*, deaths from respiratory diseases) are sometimes roughly made, but the bulk of deaths, the specific cause of which is not recognised locally, are ascribed to "fever." Age categories are, outside a certain limit, a matter of guess work, but the errors are probably of the same kind as those in the census tables.
- (5) Except for progressive improvement in urban areas and occasional breakdowns during epidemics the errors are more or less constant from year to year."

ANNEXURE B. (Question 2.)

List of estimates of wealth and income of India.

Name of Publication.	Area dealt with.	The year for which the estimate was made.	Total income in	Income
			crores of Rupees.	per capital in Rupees.
			Rs.	Rs.
1. Poverty and Un-British Rule in India by Dadabhai Naoroji (1871).	British India	1867—1868	34 ^c	20
2. Financial Statement for 1882	Ditto	1881	52 ^c	27
3. 'Prosperous' British India by William Digby, 1901.	Ditto	1898	429	17.5
4. Financial Statement for 1901-02 (His Excellency Lord Curzon's Speech on the Budget).	Ditto	1901	675	30
5. 'Industrial Decline of India' by Dr. Balkrishna (1917).	Whole of India	1911—1912	(a) 1,078 (b) 539 (c) 431.2	21 16.5
6. 'The Wealth of India' by Professors P. A. Wadia and G. N. Joshi (1924).	British India	1913—1914	1,210	44
7. 'Happy India' by Arnold Lupton (1922).	Ditto	1919—1920	2,854.5	114
8. 'Wealth and Taxable Capacity of India' by Professor K. T. Shah and Mr. K. J. Khambata (1924).	Whole of India	{ 1900—1914 1914—1922 1900—1922 1921—1922	1,106 1,862 1,380 2,364	36 58.5 44.5 74
9. 'The Science of Public Finance' by Findlay Shirras (1924).	British India	{ 1921 1922	2,598 2,866	107 116
10. Dr. Slater's Estimate, 1922†	Madras Presidency.	1919—1920	(d) 434 (e) 475	102 112

* Annual averages.

† Issued as a pamphlet of the Publicity Office, Madras, and later published in the Madras Year Book, 1923, pages 788 to 793.

(a) Gross value of agricultural produce.

(b) Net value allowing 50 per cent. of gross value for cost of production.

(c)

(d) The non-agricultural income being taken at 40 per cent. of that from agriculture on the authority of 1911 Census, which gives the number engaged in non-agricultural occupations as 40 per cent. of those engaged in agriculture.

(e) The non-agricultural income being calculated at 50 per cent. of that from agriculture for purpose of comparison with former enquiries which have calculated it at that rate.

ANNEXURE C. (Question 8.)

LIST OF INTENSIVE ENQUIRIES INTO INCOMES OF PARTICULAR CLASSES.

I.—Workers generally—

MADRAS.—Mr. Gray's report on statistics of wages.

BOMBAY.—Mr. Shirras's report on working class budgets.

Appendix W. to the Bombay Census Report, 1921, containing 6,000 family budgets.

BURMA.—Mr. Grahame's note on the occupations in the Mandalay district in the 1921 Census Report.

BIHAR.—Family budgets collected by members of the Patna College Chanakya Society, 1910-13.

ASSAM.—Family budgets of different classes collected at the Census (1921).

BALUCHISTAN.—Family budgets collected at the Census (1921).

II.—Agriculturists—

MADRAS.—Settlement reports of Bellary and Tanjore.

'Rural Economics'—Sir A. P. Patro.

'Some South Indian Villages'—Slater.

'Economics of a Coimbatore Village'—Article in Madras Agricultural Students' Journal.

BOMBAY.—Settlement reports.

Decennial reports on economic progress in rural areas.

'Agricultural Progress in Western India'—Keatinge.

'Rural Economy in the Bombay Deccan'—Keatinge.

'Social and Economic Survey of a Konkan Village'—Ranade.

'Land and Labour in a Deccan Village'—Mann.

Report on the economic condition of certain villages in Sholapur and East Khandesh by the Mamlatdar of Co-operative Societies.

Report of the Konkan Co-operative Enquiry Committee.

Enquiry into agricultural wages—Shirras.

Report of the Pardi Economic Enquiry Committee.

BENGAL.—Settlement Reports of Faridpur, Mymensingh, Midnapur, Dacca, Backerganj and Rajshahi.

'Economic Life of a Bengal District'—Jack.

Enquiry into the family budgets of agriculturists, now being conducted by the Co-operative Department.

THE UNITED PROVINCES.—Settlement Reports of Muzaffarnagar, Bulandshahr, Saharanpur, Etawah, Fatehpur, Allahabad, Basti and Gorakhpur.

Article in the 'Indian Economic Journal' by Mr. Dubey on the Food Problem (Vol. III, Part I).

PUNJAB.—Settlement reports.

Report on the Economic Survey of Bairampur—Hoshiarpur District.

'The Land of the Five Rivers.'

'Wealth and Welfare of the Punjab.'—Calvert.

Articles in the Indian Economic Journal by Mr. Darling on the Rise in the Rural Standard of Living in the Punjab. (Vol. V, Part I, pages 1—19.)

Also on Prosperity and Debt in the Punjab. (Vol. III, Part 2.)

'Economic Life of a Punjab Village'—Dr. Lucas.

'Enquiry into Agricultural Mortgages'—Calvert.

Reports of the Punjab Economic Enquiry Board.

'Punjab Food Prices'—Prof. Myles.

BURMA.—Settlement reports.

Memorandum on the material condition of the People of Burma from 1912 to 1922.

Report on Indebtedness in the Irrawaddy Division by Mr. Clayton.

Report of an Inquiry into the condition of agricultural tenants and labourers by Mr. Couper.

BIHAR.—Settlement Reports.

CENTRAL PROVINCES.—Settlement Reports.

Enquiries into Agricultural Incomes by Deputy Directors of Agriculture.

ASSAM.—Settlement Reports.

Report of Special Enquiry into the Hailakandi Flood Area.

III.—Industrial Labour—

INDIA—GENERAL.—'Indian Labour'—Dr. Broughton. Labour in India—Miss Kellman.

Factory Labour in India.—Dr. Rajanikanta Das.

MADRAS.—Annual reports of the Commissioner of Labour.

Wages Census by the Commissioner of Labour,

BOMBAY.—Enquiry into the Wages of Cotton Mill Workers—Shirras.

BURMA.—Note on the Rice Mill Industry.

IV.—Middle Classes—

MADRAS —Report of Salaries Committee.

BENGAL.—Report of Bengal Unemployment Committee.

PUNJAB.—Family Budgets of Clerks—Mrs. Caleb;

BURMA.—Mr. McCallum's Report on Local Allowances.

V.—Tea Garden Labourers—

ASSAM.—Report of the Assam Labour Enquiry Committee.

ANNEXURE D. (Question 21.)

Adam Smith.—"As he (the consumer) is at liberty too, either to buy or not to buy, as he pleases, it must be his own fault if he ever suffers any inconvenience from such taxes."

Decker proposed a scheme for raising all the revenue by a single tax on luxuries, of which he said:—"All persons tax themselves voluntarily, than which nothing can be easier or more equal, and an easy way of raising taxes will always produce the most money and the fewest murmurs."

Hume.—"The best taxes are such as are levied upon consumptions, especially those of luxury; because such taxes are least felt by the people. They seem, in some measure, voluntary; since a man may choose how far he will use the commodity which is taxed."

Bentham.—"To an indirect tax each man pays no more than he pleases. . . . To a direct tax each man pays what the imposer of taxes pleases. Indirect taxation, as far as it will go, is therefore preferable to direct."

Dingley.—"We have refrained from putting a tax in a direction where it would be purely upon consumption, unless the consumption was of an article of voluntary consumption, so that the consumer might regulate his own tax following what is the accepted rule of taxation in all countries."

Harold Cox.—"Indirect taxation is to a large extent voluntary."

Armitage Smith.—"Such taxes become in a sense optional since any one may refrain from consuming a taxed luxury."

Mill said that Adam Smith's statement was grounded on a fallacy because it involves "a sacrifice of his (the taxpayer's) own indulgences which would equally make up to him for the same amount taken from him by direct taxation."

Boncard and Jeze.—"It would be just as true to say that taxes on land are not compulsory, since it is open to the owner of an estate to cease to be owner."

Bastable.—"A citizen can indeed escape a wine duty by not consuming wine. That course, however, has the double disadvantage of depriving the State of revenue and of diminishing his enjoyments."

ANNEXURE E. (Question 33.)

Income-tax and Super-tax.

Income in sterling.	PERCENTAGE OF INCOME TAKEN IN TAXATION.				
	England.		India.	Austria.	France.
	(a)	(b)				(c)
50.. .. .	..	..	..	1.1	..
100.. ....	..	..	..	2.2	.5
135.. .. .	..	..	2.6	2.2	.9
150.. .. .	..	1.2	2.6	3.3	1.0
300.. .. .	..	6.8	2.6	4.4	1.8
500.. .. .	3.3	12.5	3.12	5.7	4.4
1,000.. ..	10.8	18.8	4.7	10.8	7.5
2,000.. ..	17	22.7	7.8	18.9	12.5
5,000.. ..	28	30.8	11.5	28.4	20.5
10,000.. ..	38	39	14.6	37.8	34.0
50,000.. ..	50	50	32.9	47.1	47.0
100,000.. ..	52	52	39.9	48.2	48.5

(a) Tax for a married man with three children, with income all "earned."

(b) Tax for bachelor with income all "investment."

(c) Tax for a bachelor, reckoned at current rates of exchange.

ANNEXURE F. (Question 40.)

Income-tax Exemption Limits.

United Kingdom.—The personal allowance is £135 for a single person and £225 for a married couple.

France.—For the schedular taxes the exemption limit varies from 1,500 francs for craftsmen, hawkers and fishermen to 6,000 francs for professional earnings, salaries and wages. It also varies according to the locality, the limit being higher in Paris than in the country.

For the supplementary tax the limit is 6,000 francs.

Belgium.—The limit is 1,400 fr., if the income is earned, but persons below the limit pay a fixed tax of 12 francs a year. For the supplementary tax the limit is 2,100 fr.

Holland.—800 Florins=£66.

Denmark.—1,600 Krone (£64) in Copenhagen, 1,400 in other towns and 1,200 in the country.

Austria.—About £42.

Italy.—1,200 lire (£48 at par of exchange) or £12 at present rates.

ANNEXURE G. (Question 53.)

Rates of Salt Taxation abroad.

For the monopoly countries the rates of taxation are not available. The following figures have been obtained by dividing the net profit of the monopoly by the population:—

	Rs.	a.	p.	
Italy	1	11	0	a head per annum.
Czecho-Slovakia	1	14	0	.. ..
Austria	2	12	0	.. ..
Hungary	1	4	0	.. ..
Japan	0	4	0	.. ..

(Figures based on par of exchange.)

France	10 fr. per 100 kilogrammes	= Rs. 2-3-3	a maund.
Greece	25 lepta per ocque	= Rs. 5-0-0	a maund.
Switzerland } .. .. .	.. Figures not available.		
Germany } .. .. .	.. Figures not available.		

ANNEXURE G (1). (Question 60.)

French Arrangements for Denaturation of Salt.

Agricultural Salt.—Salt required for cattlefood, preparation of manure or improvement of the soil is free of tax if it has been denatured by one of the prescribed methods. Salt must be sent to authorized depots. Farmers can only receive direct from the place of production new salt denatured or impure salt undenatured, subject to the condition that the latter will be denatured by a prescribed process. For the denaturing of new salt for agricultural purposes, 26 formulæ are recognized. Of these the following are a selection:—

For new salt—			
1.	Oilcake	200	kilos to 1,000 kilos of salt.
2.	Red peroxide of iron	5	}
	Oilcake	100	
3.	Slaked lime	250	.. .. .
4.	Plaster	60	}
	Fæces or manure	100	
For impure salt—			
1.	Fæces, soil or manure	100	kilos to 1,000 kilos of salt.
2.	Moist manure	75	}
	Earth	125	
3.	Bran (moist) chaff or chopped straw	100	.. .. .

Processes authorised for new salt may be used for impure salt, but not *vice versa*. Salt for use in agriculture must consist of crystals that will not pass through a sieve of No. 5 gauge.

Denaturation must always be conducted under supervision at the cost of the persons interested. It must be done at certain specified places such as salt factories and customs houses, but special depots may be authorised and farmers may receive undenatured impure salt on condition that it is denatured on arrival. In that case it is moved under permit.

There are two kinds of depots—(1) those for the receipt of new salt to be denatured, (2) those for salt already denatured. These are under bond. Salt can only be taken to these depots under permit. The depots can only deliver salt to farmers and the latter must produce the certificate of the municipal authorities as to their occupation, and as to the quantity of salt which they can reasonably require. Provisions exist for watching the transit of the denatured salt to the consignee, and for the taking of samples of the salt denatured at the depot.

Industrial Salt.—Salt for industrial purposes is also allowed duty free, if denatured. Save by special permission only crystals measuring not more than 3 millimetres may be used. The place from which each industry may receive salt is specified. Transport must be under seal and by permit and denaturing must take place in the presence of an officer of the department, at the expense of the manufacturer. Provision also exists for the taking of samples and the inspection of the premises where manufacture and denaturing take place. Deficiencies in stock are liable to duty. Certain industries may receive salt on condition that they denature it on arrival. These are given the choice of several methods of denaturation, *e.g.*, manufacturers of hydrochloric acid can either (1) mix 10 per cent. of sulphuric acid, (2) empty the salt into sulphuric acid vats, or (3) add 30 per cent. of bisulphate of soda.

Other industries must only receive salt already denatured. There are three classes—

- (1) those which may use any of the four general formulæ. These are (a) addition of 1 per cent. of crude naphthaline, (b) addition of 1 per cent. of refined naphthaline, (c) addition of .2 per cent. of coal-tar, (d) addition of .25 per cent. wood tar. These industries comprise aluminium, cement, ink, paper, zinc, etc.,
- (2) those industries which may use only one of the four methods, which is specified for each industry. These comprise artificial ice factories, margarine, fish curing and antimony, etc.,
- (3) those industries which have their own formulæ, which are specified for each industry separately,

e.g., tanning—addition of 1.2 per cent. of petroleum.

Chlorate of soda—addition of bichromate of soda solution.

Washing of rags for paper manufacture—addition of 33.3 per cent. of slaked lime.

ANNEXURE H. (Question 65.)

Rates of duty per proof gallon of country spirit in force on 1st April, 1923, in different Provinces.

Provinces.	Rates of duties.
Madras	Rupees 8-7-0 in twenty-one districts. Rupees 10-10-0 in five districts. From Re. 0-15-0 to Rs. 6-4-0 in special localities.
Bombay	Rupees 2-13-0 to Rs. 12-14-0, the average rate being Rs. 8-7-0; the higher rates being in the city and industrial areas.
Bengal	Rupees 2-4-8 to Rs. 20-10-0; the higher rates being in the city and industrial areas.
United Provinces	Rupees 5-3-0 in the major portion of the province, a special rate of Rs. 12-2-0 in Dehra Dun and Lucknow and a few other places, and lower rates of Rs. 2, 3 and 4 in a few tracts.
Burma	Rupees 1-4-0 to Rs. 13-12-0.
Assam	Rupees 5-0-0.
North-West Frontier	Not manufactured in the province.
Central Provinces	Rupees 0-7-6 to Rs. 12-5-0.

ANNEXURE I. (Question 71.)

Comparative table of the rates of duty in the different provinces of India in 1922-23 for Ganja, Charas and Bhang.

Province.	RATES OF DUTY PER SEER.		
	Ganja.	Charas.	Bhang.
	1	2	3
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Madras	20 0 0	Not consumed	3 0 0
Bombay Presidency proper	22 8 0	50 0 0	3 0 0
Sind	20 0 0	50 0 0	2 8 0
Bengal	20 0 0	30 0 0	1 0 0
Bihar and Orissa	30 0 0	30 0 0	3 0 0
United Provinces	35 0 0	35 0 0	{ Acreage duty per acre. 10 0 0 Transport duty per maund. 20 0 0
Punjab	Not consumed	40 0 0	{ Acreage duty per acre. 4 0 0 Import and transport duty per maund. 6 0 0
Central Provinces and Berar	25 0 0	60 0 0	5 0 0
Assam	20 0 0	....	0 8 0
North-West Frontier Province .. .. .	..	24 0 0	0 2 5

ANNEXURE J. (Question 74.)

	Burma.	Assam.	Bengal and Bihar and Orissa.	United Provinces.	Punjab.	Bombay.	Central Provinces.	Madras.
<i>I.—1902-03.</i>								
Number of liquor shops	1,980	289	32,022	10,519	1,451	4,061	7,246	29,105
Area per shop (in square miles)	118	180.9	5	10.1	68.8	30.4	13.8	4.9
Population per shop	5,298.3	19,940.2	2,354.1	4,497.9	13,743.8	4,573.8	1,652.1	1,811.4
<i>II.—1922-23.</i>								
		(1920-21.)	Bengal. (1920-21.)	B. & O.			(1920-21.)	
Number of liquor shops	1,020	336	3,638	8,197	4,987	540	2,821	4,074
Area per shop (in square miles)	229.1	157.8	21.1	10.1	21.3	184.9	43.8	24.5
Population per shop	12,953.1	22,637.6	12,832.0	4,148.1	8,098.8	38,305.8	6,858.8	3,415.0

ANNEXURE K. (Question 87.)

Statement showing the transactions, etc., in connection with which taxes, fees or licenses are levied in countries other than India.

Advertisements	Belgium, France, Germany, Italy.
Armorial bearings	United Kingdom.
Auction Sales	France, Transvaal.
Banking Transactions	America, England, Japan, Switzerland.
Betting	Australia, Belgium, Canada, France, Germany, Italy, New Zealand, South Africa, Sweden.
Bicycles	Belgium, France, Greece, Italy, Switzerland.
Club Subscriptions	United States of America.
Entertainments*	Australia, Austria, Belgium, Canada, Egypt, France, Germany, Italy, Japan, New Zealand, South Africa, United States of America, England.
General taxes on turnover, receipts, or sales, or on commercial or industrial transactions.	American States (some), Austria, Belgium, Canada, Czechoslovakia, France, Germany, Hungary, Italy, Japan, Jugo-Slavia, Mexico, Philippines, Poland, Portugal, Roumania, Spain, Tanganyika.
Insurance	Argentina, Canada.
Motor cars†	Belgium, Denmark, France, Japan, Norway, Spain, Sweden, Switzerland, United States, England.
Luxuries	Czecho-Slovakia, France, Germany, Italy.
Railway Travelling	America, England, Japan, Switzerland and Austria.
Safe Deposits	Spain.
Telegrams	United States.
Telephones	United States.
Tourists	France and Italy.
Transport	Germany and United States.

* A tax of this kind is levied in Bengal and Bombay.

† A tax of this kind is levied in the United Provinces and a Billimposing one has just been passed in the Punjab.

ANNEXURE L. (Question 123.)
Statement of areas under Tobacco.

Province.	Total area under tobacco.	Districts growing under 2,000 acres.	Districts growing 2,000—5,000 acres.	DISTRICTS OVER 5,000.	
				District.	Area.
United Provinces, 1921-22 ..	88,882	Dehra Dun. Saharanpur. Muzaffarnagar. Muttra. Bijnore. Shahjahanpur. Pilibhit. Etawah. Cawnpore. Fatehpur. Allahabad. Banda. Hamirpur. Jhansi. Jalaun. Benares. Mirzapur. Jaunpur. Ghazipur. Ballia. Gorakhpur. Basti. Azamgarh. Naini Tal. Lucknow. Unao. Rai Bareli. Wardoi. Fyzabad. Gonda. Bahraich. Sultanpur. Partabgarh. Bara Banki.	Meerut. Agra. Mainpuri. Bareilly. Budaun. Moradabad. Sitapur. Kheri.	Bulandshahr .. Algarh .. Etah .. Farrukhabad ..	5,233 7,081 6,263 11,654
Bihar and Orissa, 1923-24 ..	117,000	Patna. Gaya. Shahabad. Saran. Champaran. Santal Parganas. Balasore. Angul. Puri. Sambalpur. Hazaribagh. Ranchi. Manbhum. Singhbhum.	Bhagalpur.	Muzaffarpur .. Darbhanga .. Monghyr .. Purnea .. Cuttack ..	27,300 25,200 6,300 40,000 6,800
Bombay, 1921-22	120,120	Panch Mahals. Surat. West Khandesh. East Khandesh. Nasik. Ahmednagar. Poona. Sholapur. Bijapur. Dharwar. Karachi. Thar Parkar. Larkana. Upper Sind Frontier.	Ahmedabad. Broach. Hyderabad. Nawabshah. Sukkur.	Kaira Satara Belgaum	43,960 19,163 37,554
Punjab, 1921-22	90,013	Hissar. Rohtak. Ambala. Simla. Kangra. Gurdaspur. Jhelum. Rawalpindi. Mianwali. Muzaffargarh.	Gurgaon. Karnal. Hoshiarpur. Ludhiana. Ferozepur. Amritsar. Gujranwala. Shekhupura. Shahpur. Attock. Montgomery. Lyallpur. Jhang. Multan. Dera Ghazi Khan.	Jullundur .. Lahore .. Sialkot .. Gujrat ..	6,548 5,443 5,750 6,517

Statement of areas under Tobacco—con d.

Province.	Total area under tobacco.	Districts growing under 2,000 acres.	Districts growing 2,000—5,000 acres.	DISTRICTS OVER 5,000.	
				District.	Area.
Assam, 1921-22	10,768	Cachar. Sylhet. Lushai Hills. Darrang. Nowgong. Sibsagar. Lakhimpur. Garo Hills.	Goalpara. Kamrup.	Nil.	
Central Provinces, 1922-23 ..	23,964	Balaghat. Saugor. Drug. Damoh. Raipur. Jubbulpore. Mandla. Akola. Seoni. Narsingpur. Hoshanghabad. Yeotmal. Nimar. Betul. Chindwara. Wardha. Nagpur. Chanda. Bhandara.	Bilaspur. Amraoti. Buldana.	Nil.	
Bengal, 1921-22	298,100	24-Parganas. Murshudabad. Burdwan. Bankura. Midnapur. Howrah. Darjeeling. Bogra. Bakarganj	Nadia. Khulna. Hooghly. Rajshahi. Chittagong. Tipperah. Chittagong Hill Tracts.	Jessore .. Dinajpur .. Jalpaiguri .. Rangpur .. Pabna .. Malda .. Dacca .. Mymensingh .. Faridpur ..	9,600 10,700 22,100 176,000 5,400 6,000 11,700 23,600 5,800
Burma, 1921-22	81,374	Akyab. Hill District of Arakan. Insein. Prome Myaungmya. Amherst. Tavoy. Mergui. Katha. Lower Chindwin. Upper Chindwin. Kyaukse. Mektila. Yamethin. Myitkyina. Bhamo. Shwebo.	Kyaukpyu. Sandoway. Tharrawaddy. Bassein. Ma-ubin. Sagaing. Mandalay. Myingyan. Magwe. Minbu. Thaton.	Pegu .. Thayetmyo .. Henzada .. Pakokku .. Toungoo ..	5,421 9,075 7,291 7,505 7,196

ANNEXURE M. (Question 132.)

Tobacco—Rates of Customs Duties in India.

Cigars .. .. .	.. .. .	75 per cent. <i>ad valorem</i> .
Cigarettes .. .. .	.. .. .	75 per cent. <i>ad valorem</i> .
Manufactured tobacco .. .. .	.. .. .	Rs. 2-4-0 per lb.
Unmanufactured tobacco .. .. .	.. .. .	Re. 1 per lb.

ANNEXURE N. (Question 134.)

Schedule showing the Import Duties on Tobacco.

Year.	Tobacco un-manufactured.	Cigars.	Cigarettes.	All other sorts of tobacco manufactured.
Before 1910	Free	5 per cent. ..	5 per cent. ..	5 per cent.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
In 1910.. ..	1 8 per lb. ..	2 8 per lb. ..	5 0 per 1,000, if less than 3 lbs. per 1,000. 2 0 per lb., if more than 3 lbs. per 1,000.	1 10 per lb.
In 1911.. ..	1 0 per lb. ..	1 10 per lb. ..	3 2 per 1,000, if less than 3 lbs. per 1,000. 1 4 per lb., if more than 3 lbs. per 1,000.	1 2 per lb.
In 1916.. ..	1 0 per lb. ..	50 per cent. ..	50 per cent. ..	1 8 per lb.
„ 1921.. ..	1 0 per lb. ..	75 per cent. ..	75 per cent. ..	2 4 per lb.

ANNEXURE O. (Question 134.)

Statement showing the Quantity and Value of Tobacco Imported into and Exported from India from 1909-10 to 1922-23.

(In millions of lbs. and lakhs of Rupees)

Year.	TOBACCO UNMANUFACTURED.		CIGARS.		CIGARETTES.		OTHER TOBACCO MANUFACTURED.	
	Quantity.	Value.	Quantity	Value.	Quantity	Value.	Quantity	Value.
IMPORTS.								
1909-10	2.70	11.7	.11	3.9	3.08	65	1.44	14.3
1910-11 .. ..	.25	2.4	.06	2.7	1.11	36.4	.38	7.6
1911-12 .. ..	.16	1.8	.08	3.4	1.41	51	.56	10.6
1912-13 .. ..	.29	2.4	.07	3.2	1.45	52.8	.54	10.9
1913-14 .. ..	.28	2.8	.08	3.4	1.59	58.5	.51	10.6
1914-15 .. ..	.16	1.7	.06	2.6	1.44	56.3	.55	11.6
1915-16 .. ..	.14	1.8	.06	2.7	1.69	63	.55	12.6
1916-17 .. ..	.21	2	.05	2.2	2.40	103.1	.71	17.8
1917-18 .. ..	.62	5.3	.04	2.4	3.49	143.4	.65	18.9
1918-19 .. ..	.50	7	.04	2.1	4.09	183.2	.73	22.3
1919-20 .. ..	.88	11.1	.08	3.6	4.22	168.6	.67	18.5
1920-21 .. ..	.71	9.2	.07	4.5	6.21	256.3	.62	25.9
1921-22	1.05	16.9	.02	2	2.74	131.3	.25	14.8
1922-23	1.23	16.9	.02	2	4.09	185.3	.34	21.5

Year.	TOBACCO UNMANUFACTURED.		CIGARS.		CIGARETTES.		OTHER TOBACCO MANUFACTURED.	
	Quantity.	Value.	Quantity	Value.	Quantity	Value.	Quantity	Value.
EXPORTS.								
1909-10	10.64	13.3	1.30	11.8	..	..	.29	.4
1910-11	17.61	20.2	1.33	11.3	..	..	.36	.5
1911-12	26.48	27.6	1.48	12.4	.06	.1	.46	.6
1912-13	19.58	23.5	1.74	14.2	.01	.1	.35	.5
1913-14	27.82	31.8	1.83	15.4	.02	.2	.36	.6
1914-15	16.49	21.7	1.73	13.9	.04	.4	.42	.8
1915-16	24.25	30.2	1.56	12.5	.06	.5	.48	.8
1916-17	27.24	37	1.13	10.1	.31	3.8	.42	1.1
1917-18	20.24	35.6	1	10.1	.30	4.2	.31	1.1
1918-19	31.51	82.4	.87	9.5	.17	2.4	.44	2.1
1919-20	28.95	73.9	.73	9.8	.28	5.6	.92	3.3
1920-21	23.31	63.5	.56	7	.1	1.1	.72	3.3
1921-22	23.90	61.5	.44	5.5	.02	.3	.86	4
1922-23	21.61	72.5	.32	4.2	.05	.5	1.09	5.4

ANNEXURE P. (Question 140.)

Rates of Death Duties in force in other Countries.

UNITED KINGDOM.

Estate Duty.

Exemption £100

Rates—

£	..	..	..	..	..	per cent of the value of the estate.
100—500	..	..	..	..	1	1
500—1,000	..	..	..	..	2	2
1,000—5,000	..	..	..	..	3	3
5,000—10,000	..	..	..	..	4	4
10,000—15,000	..	..	..	..	5	5
50,000—60,000	..	..	..	..	11	11
100,000—110,000	..	..	..	..	14	14
225,000—250,000	..	..	..	..	20	20
2,000,000—2,500,000	..	..	..	..	40	40

Legacy Duty and Succession Duty.

Husband, wife, child, or lineal descendant of child, father or mother or any lineal ancestor	1	per cent.
Brother or sister, lineal descendant of brother or sister	5	..
Any other person	10	..

FRANCE.

Estate Duty.

Charged on capital value of whole estate, where deceased has left less than 4 children.

On the portion exceeding	of fr. and not exceeding	2 000	Per cent.			
			3 children.	2 children.	1 child.	No child.
2,000	..	10,000	.25	.50	1	3
10,000	..	50,000	.50	1	2	6
50,000	..	100,000	.75	1.50	3	9
100,000	..	250,000	1	2	4	12
250,000	..	500,000	1.25	2.50	5	15
500,000	..	1,000,000	1.50	3.50	6.50	18
10,000,000	..	50,000,000	2.25	4.25	8	21
	..		4.40	9	18	36

Legacy Duty.

Charged on the legacy received, according to ten scales of relationship.

On portions of legacy.	1st degree.	5th degree.	10th degree
0—2,000	1	3	25
2,000—10,000	2	4	27
10,000—50,000	3	5	29
500,000—1,000,000	7	9	40
10,000,000—50,000,000	15	17	55

HOLLAND.

Charged on the separate legacies according to the following scale :—

Florins.	Children or spouse.	Lineal descendants in second degree.	Blood relations in direct ascending line.	Brothers or sisters.	Children of brothers or sisters.	Others
0—1,000	.. 3.50	5.25	14.50	18	27	38
1,001—2,000	.. 4	6	15	19	28	39
2,001—5,000	.. 4.50	6.75	15.50	20	29	40
5,001—10,000	.. 5	7.50	16	21	30	41
over 500,001	.. 8	12	19	27	36	47

There are reductions when the heir has four or more children living.

BELGIUM.

Exempt.

Successions in the direct line or to a surviving spouse not exceeding 2,000 francs.

All other successions not exceeding 2,000 francs.

Francs.	Direct line.	Brothers, married persons without children.	Uncles Nephews.	Great uncles and great nephews.	Others
1 franc—5,000	.. .. 1.40	5.00	6.00	7.00	10
5,001—10,000	.. .. 1.60	6	7.20	8.40	12
10,000—20,000	.. .. 1.80	7	8.40	9.80	4
20,000—50,000	.. .. 2	8	9.60	11.20	6
1 million—2 million	.. .. 3	13	15.66	18.20	26
13 millions or over	.. .. 5.40	25	30	35	50

The duty is reduced by 2 per cent. for every child of the heir living at the time of succession.

JAPAN.

Succession Tax.

Yen.	1st grade.	2nd grade.	3rd grade.
2,000—5,000	.. .. 5°/00	6°/00	8°/00
Over 5,000	.. .. 6°/00	7°/00	16°/00
" 100,000	.. .. 20°/00	25°/00	35°/00
" 150,000	.. .. 25°/00	30°/00	40°/00

Inheritance Tax.

Over 1,000	.. .. 12°/00	13°/00	20°/00
20,000	.. .. 20°/00	25°/00	35°/00
50,000	.. .. 35°/00	40°/00	50°/00

ANNEXURE Q. (Question 147.)

DIVISION BETWEEN IMPERIAL, PROVINCIAL AND LOCAL.

Introductory.

1. India is at present a unitary state, but if the ideal to which its political development is tending is that of a federal state, the problem of the distribution of its revenues must be examined from this standpoint. It is proposed in the first instance to survey the system of distribution in modern federal governments with a view to ascertaining whether any general principles can be traced, which guide the distribution of tax revenues between the provincial and the federal governments.

2. As a preliminary it is necessary to indicate, first, the difference between the problem as presented in India and in other parts of the world ; and secondly, the difficulty of drawing general conclusions apart from a consideration of the special circumstances of each federal state. Under the first head, the obvious fact which presents itself is that, whereas the other federal states have been formed by the union of separate political entities, in India, the process is the reverse, the development of a federal out of a unitary state. It is true that here qualifications must be made. The component states of the United States of America and of the three British federations had, previously to federation, been connected by common subjection to the British Parliament. The provinces of India had to some extent belonged to different political organizations prior to the British rule. But in the main it is true to say that in the other federations the component states surrendered certain of their sovereign powers in favour of the federal state, while in India the process is the surrender of sovereign powers by the central administration in favour of the component states. The reason for this difference is that, whereas in the other federations, the component states, in order to strengthen their position in the world or to secure certain other advantages, decided to federate, in India the process has been more artificial. The surrender of powers in favour of the provinces is an essential part in the process for which the constitutional reforms provide.

3. In the second place, any attempt to generalize from the facts of existing federations is unsafe without a realization of the fact that the relations between the federal and the provincial governments are affected to a large extent by the history of the component states prior to federation, by the motives which have led to federation and by the homogeneity or otherwise of the population. Where, as in Switzerland, the component parts have, before federation, developed strong characteristics of their own, they will tend to be jealous of surrendering more than is absolutely necessary to the federal government. Again, as in Germany, where one of the component states greatly exceeds the others in power, it may tend to absorb them into something approaching a unitary state, especially when external dangers emphasize the necessity for closer union. Where, again, there is little difference in race and character between the component states, as in Australia, there may, especially when communications improve, be a development into a true unitary state, the provincial governments relapsing into the position of local authorities. It is obvious that the form of federation into which India might develop would be profoundly affected by the extent to which the country was threatened by external dangers and also by the degree of industrial and commercial development which it might attain. A federation of stationary agricultural states might be content with a system which in a highly industrialized community would be unworkable.

AUSTRALIA.

Federal Arrangements.

4. Of the three British federations the Commonwealth of Australia exhibits the largest degree of provincial autonomy. When the Commonwealth of Australia Bill was introduced it was stated in Parliament that the rights of the states had been jealously guarded because they had enjoyed an independent existence for a long time prior to federation. In the field of taxation especially, there is a good deal of concurrent jurisdiction.

The consolidated revenue of the Commonwealth in 1921-22 amounted to nearly £65 millions, while the consolidated revenue of all the states amounted to £85 millions, of which £7 millions was Commonwealth subsidy. The states' consolidated revenue may be analysed as follows :—

	Per cent.
Taxation	20.96
Receipts from Public Works and services, chiefly railways ..	57.80
Land, <i>i.e.</i> , sale and lease of public land	5.64
Subsidy	8.26
Miscellaneous	7.34

The expenditure of the states was as follows :—

	Per cent.
Public debt	23.74
Railways (working expenses)	37.85
Justice	1.24
Police	2.94
Prisons .. .. .	.34
Education	9.61
Medical	5.32
Other expenditure	18.96

It should be noted that 52.30 per cent. of the loan expenditure relates to railways.

The revenue of the Commonwealth was as follows :—

	Per cent.
Taxation £49.6 million	76
Public works and services 9.5 „	14
Other revenue 5.6 „	10

The expenditure was—

Public debt	£14 millions.
Post office	8 „
Defence	4½ „
Works	2½ „

The relative importance of the states' finances is exaggerated by the fact that the states manage almost the whole of the railways. If the railway finance (working expenses, half of the public debt charges, and railway revenue) is deducted, the provincial revenue and expenditure are in the neighbourhood of £42 millions, and if the subsidies are deducted, the revenue is just over half of the Commonwealth revenue.

In the sphere of taxation the importance of the Commonwealth is far greater than that of states. In 1922-23 the former raised in taxation the sum of £49½ millions, as against £18½ millions raised by the states.

The sources of Commonwealth taxation are :—

	£ 1,000
Customs	17,328
Excise	10,302
Land tax	2,284
Estate duty	991
Income-tax	16,790
Entertainments tax	675
War profits tax	1,306

While those of State taxes are—

Probate and succession	2,244
Other stamp duties	3,241
Land tax	1,156
Income-tax	9,543
Licences	732
Other taxes	930

It will be noticed (1) that all the direct taxes are levied both by the Commonwealth and the states, the total collected by the former being rather larger than the total collected by the latter, (2) that, with the possible exception of stamp duties, all indirect taxation is taken by the Commonwealth.

The rates of succession duties and income-tax differ widely in the different states. It seems that the financial system, as between the Commonwealth and the states, has not worked satisfactorily. In 1923 a conference was held between the Commonwealth and State Ministers with the object of terminating the subsidy system and of simplifying the taxation systems. The first proposal was to divide the field of income-tax, the Commonwealth vacating the field of taxation of incomes below £2,000, and discontinuing the payment of subsidies. This was not accepted by the states, who wished to appropriate the whole of the income-tax. Ultimately the majority of the states accepted a modified scheme, under which the Commonwealth retained only the right to tax companies up to a maximum limit of 2s. 6d. in the pound. Pending the introduction of the scheme, it was arranged that the State Taxation Officers should collect both the state and federal income-taxes except, where the income is derived from more than one state.

CANADA.

5. In Canada the constitution defines the spheres of the provincial governments and leaves all other powers to the federal government. Under section 92 of the constitution the following among other subjects are assigned to the provinces:—

- (1) direct taxation within the province for provincial purposes ;
- (2) public lands belonging to the province ;
- (3) prisons and hospitals ;
- (4) municipal institutions ;
- (5) licences for the purpose of revenue.
- (6) local works ;
- (7) administration of justice (but not criminal procedure).

The central government may raise money by any mode of taxation, and may tax the same subjects as the provinces, though it does not appear to have done so. The regulation of trade and commerce is an exclusively federal matter.

At the time of federation, the central government took the customs and excise duties, while the provincial lands and mines were assigned to the provinces in which they were situated. The provincial debts were assumed by the central government. A yearly subsidy was provided by Canada, being 80,000 dollars in the case of Ontario, 70,000 for Quebec, etc. In addition a subsidy equal to 80 cents per head of the population up to a number of 400,000 was made. By the Act of 1907 the subsidies were revised and the limit of 400,000 was raised to 2,500,000, the grant per head for population above this figure being fixed at 60 cents. Up to the war the federal government depended mainly on indirect taxation while the provinces imposed corporation and estate taxes and succession duties. During the war the federal government resorted to direct taxation. In 1916 a Business Profits War tax was imposed, in 1917 an Income-tax, and in 1920 a Sales tax. By 1923 these new taxes exceeded the customs and excise duties in their produce.

In 1921 the relative financial position of the provinces and the federal government was as follows :—

(1) All provinces—

(In millions
of dollars.)

Chief items of Revenue.

Subsidies	13.9
Lands, mines and forests	14.8
Fees	5.8
Succession duties	8.5
Corporation taxes	18.3
Licences	14.2
Total revenue 102, of which 46 per cent, was taxation.	

Chief items of Expenditure.

Debt charges	..	..	..	..	..	..	..	..	20.7
Education	..	..	..	..	..	..	..	..	20.4
Public works	..	..	..	..	..	..	..	..	16.3
Civil Government and Legislation..	..	..	..	..	..	..	..	..	10.5
Justice	..	..	..	..	..	..	..	..	7.9
Hospitals	..	..	..	..	..	..	..	..	8.8
Agriculture	..	..	..	..	..	..	..	..	3.3
Total expenditure									102

(2) Federal Government—

Chief items of Revenue.

(In millions of dollars.)

Customs	..	..	..	..	..	..	..	..	163.2
Excise	..	..	..	..	..	..	..	..	37.1
War taxes (<i>i.e.</i> , income and sales taxes)	..	..	..	..	..	..	..	..	168.4
Post office	..	..	..	..	..	..	..	..	26.7
Total revenue									434.4

Chief items of Expenditure.

Defence	..	..	..	..	..	..	..	..	14.5
Civil Government	..	..	..	..	..	..	..	..	11.1
Interest and debt	..	..	..	..	..	..	..	..	139.5
Justice	..	..	..	..	..	..	..	..	2
Police	..	..	..	..	..	..	..	..	3.9
Pensions	..	..	..	..	..	..	..	..	37.4
Post office	..	..	..	..	..	..	..	..	22.7
Public works..	..	..	..	..	..	..	..	..	10.8
Railways	..	..	..	..	..	..	..	..	11.8
Subsidies	..	..	..	..	..	..	..	..	11.5
Agriculture	..	..	..	..	..	..	..	..	5.4
Total expenditure									361.1

SOUTH AFRICA.

6. In the latest of the British federations, the Union of South Africa, the functions of the provinces are more circumscribed. These organizations have no Parliaments, but only Provincial Councils, and they pass ordinances, not laws. Under the British South Africa Act, 1909, the Provincial Councils have the following main legislative powers:—

- Direct taxation for provincial purposes.
- Education, other than higher education.
- Agriculture.
- Hospitals.
- Municipal institutions.
- Local works, other than railways and harbours.
- Markets and pounds.
- Game preservation.

Up to the year 1913 the provinces had no revenues of their own, and their expenditure was met by subsidies from the Union Government. By the Financial Relations Act 10 of 1913 the following sources of revenue were transferred, with powers of legislation:—

- Hospital fees, and education fees; totalizator duties, auction dues; dog, game and profession licences; liquor licences.

Subsequent Financial Relations Acts have transferred, among other matters, the following :—

Libraries and museum ; poor relief ; shop hours ; licensing of vehicles on provincial roads, betting, racing and amusements.

The total revenue of all the provinces in 1921-22 excluding subsidies was £3,738,150 ; while the subsidies amounted to £4,681,998. The expenditure of the provinces may be classified as follows :—

General administration	..	..	..	..	..	..	..	5 per cent.
Education	..	..	..	..	..	..	..	75
Hospitals and poor relief	..	..	..	..	..	..	..	10
Roads and bridges	..	..	..	..	..	..	..	10

The revenue of the Union in the same year was £28,884,270. This excludes the railway revenue, which forms a separate fund. The main heads of Union expenditure were in :—

	Thousands of pounds.							
General government	3,408
Law, order and defence	6,185
Lands and agriculture	1,676
Posts and telegraphs	3,302
Public debt	7,786
Public health	860
Public works	819

The taxation revenue of the provinces is derived from a number of simple direct taxes. Those common to all provinces are—

Transfer duty—a tax on sales of real property,
Liquor licences,
Licences, general,
Entertainment tax.

Those found in one or other of the provinces are—

Native pass fees,
Totalizator tax,
Auction dues,
Poll tax,
Wheel-tax,
Companies tax.

All the main taxes are levied by the Union, such as customs, excise, income-tax, estate and succession taxes, stamp duties, licences and native taxes, and land revenue.

The subsidy system in South Africa appears to have led to inefficiency in the administration. The first settlement, that of 1913, proceeded on the basis of allotting certain revenues to the provinces and of making a grant equal to one-half of the normal annual expenditure. A Committee which was appointed in 1922 reported that the payment of subsidies on this basis was unsound and in particular had led to an unnecessary increase of expenditure on education. The taxes in the shape of auction dues, poll tax, trade and occupation licences, company tax and employers' tax were not suitable to provinces. Provinces should be given complete control of transfer duties, liquor licences, motor taxes, wheel taxes, totalizator and betting taxes and immovable property tax. The Union subsidy should take the form of a grant-in-aid for education, fixed according to the number of pupils. The Committee recommended that trade and occupation licences should be uniform throughout the Union.

It seems that a South African province has a very limited scope and is little more than a local authority on a large scale. Its powers bear a strong resemblance to those of a District Board in India.

SWITZERLAND.

7. In the Swiss constitution, the determining factor is the fact that the cantons were organized political bodies long before they joined in a federation. Similarly, in some cases at least, the communes, which make up the cantons, have an independent existence and are not merely local organs of the cantons. Thus in some communes where the public property is considerable, persons have to obtain permission and sometimes to pay a sum of money before they can become members of the commune.

This factor has resulted in the comparative weakness of the *fédération vis-a-vis* the cantons and considerable jealousy of any encroachment on the cantonal sphere of taxation.

Before the war, 94 per cent. of the federal revenue was derived from (a) state property, (b) customs duties, (c) half of the tax payable by persons exempt from military service. The cantons took all direct taxes, and a number of indirect taxes also. The following table indicates the main sources of cantonal revenue in 1913 in millions of francs.

Direct taxes.	Indirect, including succession duties.	Share of federal taxes.	Subsidies (ordinary).
63	29	12	24

When the war broke out, the Federal Government was faced with heavy expenditure over mobilization. To meet this, it imposed a temporary war tax on property and income, to be levied by the cantons, which retained a share of the proceeds and paid the balance into the Federal Treasury. The arguments used in support of this measure are interesting from the point of view of the theory of federal taxation. Section 42 of the Swiss constitution provides that in times of emergency, the cantons should contribute to the expenses of the Federation according to a prescribed scale. In introducing the measure the President of the Council of Ministers explained that to levy such a contribution would be entirely contrary to the custom of the constitution, which had tended in the direction of federal contributions to the cantons. Moreover, an attempt to levy a high contribution would dislocate cantonal finances. Consequently it was thought desirable to amend the constitution and impose a federal direct war tax.

This measure was followed by a federal war profits tax, a second levy of war tax, and finally by an increase in stamp and customs duties.

The cantons appear to have retained about 20 per cent. of the war tax.

During the war the socialists attempted to enact a permanent federal income-tax. This was defeated, apparently because the cantons regarded it as an encroachment on their sphere of taxation. Later on, proposals were made for internal excise duties, but these too were not accepted.

By 1922 the sources of cantonal revenue in millions of francs were as follows:—

Direct taxes.	Indirect.	Share of federal taxes.	Subsidies (ordinary).	Extraordinary subsidies.
174	48	41	59	97

The subsidies are all for specific objects, such as roads, forestry, agriculture, public health, education, etc. The extraordinary subsidies were chiefly for measures of unemployment relief and reduction in the cost of living. There appear to be no general subsidies in the Swiss system. It may be surmised from this fact and from the system of collection and administration of the war taxes that, outside the military and customs organizations, the Federation has no machinery for taxation and general administration and is therefore obliged to use the cantonal organization. The subsidysystem seems to be merely the means by which a portion of the lump sum derived from customs is apportioned and devoted to specific branches of the administration.

For purposes of comparison the federal revenue (1922) in millions of francs is here quoted:—

Direct taxes.	Indirect taxes.	Other receipts.
109.1	188.1	214.3

8. It is now possible to make a comparison between the relative position of states in these federations and of provinces in India. They are compared from the point of view of the scales of their revenue and expenditure and also of their importance as taxing authorities. The following are excluded:—(1) railways and other commercial services and (2) expenditure on defence. It will be seen that the powers of taxation enjoyed by Indian provinces far exceed the powers enjoyed by states and provinces in the Dominions.

COMPARISON OF FEDERAL AND STATE GOVERNMENTS IN 1921-22.

Revenue and Expenditure are stated in millions of pounds converted at par of exchange.

	AUSTRALIA.		CANADA.		SOUTH AFRICA.		SWITZERLAND.		INDIA.	
	Commonwealth.	States.	Dominion.	Provinces.	Union.	Provinces.	Federal.	Cantons.	Imperial.	Provincial.
1. Expenditure	51.6	42	64.2	21.1	20.8	8.4	12.6	21.9	26	55.8*
2. Revenue	55.3	42	83.7	21.1	25.9	8.4	13.6	20.3	60.9*	58.7
3. Percentage of total taxation levied	73.0	27.0	90.0	10.0	80.0	20.0	54.0	46.0	52.0	48.0

* Excluding contributions.

NOTE.—Revenue from commercial undertakings and expenditure on commercial undertakings and defence have been excluded.

9. *Principles to be deduced from existing Federal Systems.*—It may be said that, leaving aside the motive of defence, no motive has exercised more influence on bringing about federation than the desire to free trade and business from artificial restraints over as large an area as possible. The necessity for uniformity in all matters affecting trade and the abolition of internal restraints on trade runs through the constitution of the United States of America and entails consequences in the matter of restriction of state freedom which would be considered extraordinary in India. In Australia the question of a uniform customs tariff for all the colonies was mooted in the middle of the 19th century. The difficulties which different rates of duties in the states imposed on commerce was the main consideration which forced the question of federation to the front, and the matter is prominent among the financial clauses of the constitution. Thus, Section 86—“on the establishment of the Commonwealth the collection and control of duties of customs and excise and the control of the payment of bounties shall pass to the Executive Government of the Commonwealth.” Section 88—“Uniform duties of customs shall be imposed within two years after the establishment of the Commonwealth.” Section 90—“On the imposition of uniform duties of customs the power of the Parliament to impose duties of customs and of excise and to grant

bounties on the production or export of goods shall become exclusive." The same emphasis is laid on this matter in Canada and South Africa, as well as in Switzerland and Germany. It may, therefore, be laid down that a cardinal feature of all federal constitutions is that only the federal government may deal with the main items of taxation which affect general trade and industry and that in no federation may the component States levy duties either of customs or excise. It may be noticed that in South Africa, while professional and trade licences are an important source of provincial revenue, those affecting trade in its wider aspects are reserved for the Union. The general principle appears to be that (in indirect taxation), the provinces may impose such indirect taxes only as do not affect general trade and commerce.

In the field of direct taxation the position is not so clear. Before the war most of the federal governments did not resort in any large degree to direct taxation since their revenues from indirect taxation were sufficient for their needs. But the most prominent feature of federal finance during the last decade has been the manner in which all federal governments have been driven into taking the principal part in the taxation of incomes, either on account of urgent need for fresh resources or by reason of the difficulty of administering a personal income-tax over any area smaller than that of a whole country. Switzerland, Canada, South Africa, Australia and the United States of America were all compelled to introduce federal income-taxes during the war. In the United States of America indeed the ground had been prepared before the war during the long movement which led up to the passing of the Sixteenth Amendment. Here it was the defects of the existing system of taxation and the impossibility of taxing fairly the big business interests otherwise than by a federal income-tax which forced on the passing of the amendment. But though it may be said that an attempt to levy income-taxes by the different states of a federation must lead to double taxation or to evasion on the part of individuals and companies operating in more than one state, as well as to wasteful complication in the machinery, in practice both federal and state income-taxes are found in the United States of America and Australia, while in Canada the provinces are allowed to tax corporations. In Australia, as has been seen, the simultaneous operation both of the State and the Commonwealth in the field of income-tax has led to difficulties.

Another feature which is apparent in these federations is the common prevalence of the subsidy system and the fact that wherever it is found it is sought to dispense with it. In the United States of America this feature is not found, partly because of the fact that the country is wealthier than the other federations, and partly, no doubt, because the mainstay of state finance is an apportioned tax which, though uneven in its working, brings in sufficient revenue. In Australia attempts have been made to get rid of the subsidy system by dividing the field of income taxation. In South Africa the progress of development has been from a pure subsidy system to a system in which the province has its own sources of taxation supplemented by grants made for specific purposes. In Switzerland grants for specific purposes to the cantons have for long been the rule, but as soon as the war broke out, the device of contributions from the cantons which the constitution provides was immediately rejected in favour of a direct federal tax.

10. If an attempt is to be made to lay down the lines upon which an ideal distribution of resources between a federal government and the component states should proceed, it would seem necessary to have regard to the following main considerations :—

- (a) all duties which affect the price at which goods can be produced or sold must be uniform for the whole country and therefore the main consumption taxes must be federal. In other words, the states cannot be allowed to interfere with the economic unity of the country ;
- (b) for this reason indirect taxes and taxes on the more important commercial transactions should be federal ;
- (c) elasticity of revenues should be secured for both federal and state governments, and the degree of elasticity which each should have must depend on their respective functions. Generally speaking, it is the federal government, as the one in contact with the outer world and the controller of those functions in which

the effect of a world crisis is most apparent, which is most in need of elasticity, and it is the universal experience of federations that it must have at least a share in the most elastic of all sources of taxation—that of income ;

- (d) the widespread of modern commercial undertakings and the wide distribution of the sources of individual incomes render it impossible to work an income-tax system fairly and efficiently on anything less than a national scale ;
- (e) unless taxation is so light that considerable changes can be made in its pitch, a pure system of complete separation of taxation can only avoid recourse to subsidies or contributions by the lucky accident that one of the possible systems of separation happens to give both parties sufficient for its needs. Even so, there is no guarantee that changes in circumstances will affect both parties to the same extent and so preserve equilibrium. Consequently, systems which aim at complete separation inevitably require either subsidies or contributions. They, therefore, tend to defeat their own objects, since it is not conducive to responsible administration either to spend money which the spending state has not had to raise, or to raise money which the taxing state is not allowed to spend.

II. *Allocation of Provincial and Local Taxation.*—The questions involved in the allocation of resources between states and local authorities are simpler. The essential difference is that, whereas there is a division of sovereign powers between the federal and provincial governments, there is no such division between the province and the local authority. It follows that, as the responsibility for the actions of the local authority rests with the provincial government, the latter must always retain a large measure of control. In a federal state the control of the federation over the state is directed to ensuring that, in the exercise of its own powers, the state does not trench on the sphere of the central government. But in dealing with a local authority the responsibility of the provincial government is to see that the local authority manages its affairs in accordance with standards for which the provincial government itself is responsible. Consequently, the provincial government is obliged to prescribe the standard of administration, it suggests new activities and insists on adherence to certain standards in the old activities. This almost necessarily involves the permanence of some kind of grant-in-aid in local administration.

To look at the matter from another point of view, the local authority cannot command, either for its deliberations or for its administration, the best type of mind. Particularly in the sphere of finance, it can seldom command the services of experts. Consequently, in all civilized countries a large measure of detailed control is exercised over the proceedings of local bodies, and the most appropriate method of control is found to be the use of the grant-in-aid.

Owing to those considerations it is doubtful whether it is wise, in distributing resources between provinces and local authorities, to aim at providing the latter with sufficient resources to meet all possible needs. On the other hand, the benefit principle enters so largely into local expenditure that considerable freedom should be left for optional taxation.

The character of local taxation is governed by two main considerations.—

- (a) the comparative mediocrity of the agencies at the disposal of local authorities for assessment and collection of taxes makes it necessary to rely almost entirely on the taxation of tangible property ;
- (b) the increased danger of double taxation where there is a large number of taxing authorities renders the taxation of intangible property inadvisable.

It seems, therefore, that local authorities should rely on the taxation of land and buildings supplemented, if necessary, by taxation of vehicles and animals, but that they should be given considerable discretion as to rates. This raises the question whether it is right to throw practically the whole burden of local taxation on immovable property, and it is this consideration which is probably responsible for the prevalence of indirect local taxation and for personal local taxes.

In more advanced countries the placing of the main burden on immovables is defended by the consideration that the value of his house or business premises is a very fair indication of the wealth of a tax-payer and also of the benefits he receives from local expenditure. In the simpler conditions of Indian life, it is possible that this is not the case. But if taxation of land and houses does not touch certain classes who receive substantial benefits from local expenditure, the proper course seems to be a system of licence duties and not indirect taxation or the taxation of incomes. In the latter connection it is interesting to notice that both in Italy and in Czecho-Slovakia recent reforms have led to a prohibition of the levy of a surtax on the State income-tax by local authorities.

12. It has not been possible owing to the absence of figures to include statistics for the United States of America in the above note, but it may be of interest to consider the reports of two important committees that have examined the question of Federal and State, and State and Local taxation, respectively.

13. The following is a brief summary of the report of the Committee on Co-ordination in Taxation appointed by the American Economic Association :—The taxes on exports and imports are naturally and almost necessarily national. Excise taxes are desirably federal rather than state or local. Income-tax should be federal, but it should be open to the states to impose an income-tax as well ; and if they do so, the basis of the tax should be as nearly as practicable the same as that employed by the federal government. In the case of the corporation taxes, the best plan is to provide for the returns to the state authority to be as nearly as practicable in the same form as the federal return with as simple a plan as possible for the apportionment of the collections. In the case of inheritance taxes, three alternative methods of distribution were considered :—(1) to give to the federal government the tax on fortunes exceeding \$50,000, (2) to have the whole tax collected by the federal government and the receipts distributed proportionately to the states, (3) to limit the federal tax to intangible property and the state tax to realty and tangible property. In the case of property taxes, the committee noted that the wholesome trend of current legislation is toward the abandonment of the general property tax and its replacement by a classified property tax on land, improvements thereon and movable tangible property, either at the same rate or at different rates, and by a personal income-tax on incomes from intangible property and other sources—the first named tax to be exclusively for state and local purposes, the second to divide the field between the federal and state governments, preferably in such co-ordination as permits the federal returns to be used as the basis of state taxation.

The following are extracts from the preliminary report of the Committee appointed by the National Tax Association to prepare the plan of a model system of state and local taxation :—

*Study of the tax laws of the American States reveals the fact that there are three fundamental principles which have been more or less clearly recognised by our law-makers, and have very largely determined the provisions of the enactments now standing on the statute-book.

The first is the principle that every person having taxable ability should pay some sort of a direct personal tax to the government under which he is domiciled and from which he receives the personal benefits that government confers.

The second principle is that tangible property, by whomsoever owned, should be taxed by the jurisdiction in which it is located because it there receives protection and other governmental benefits and services.

The third principle, somewhat less clearly and generally exemplified by our tax laws but discernible none the less, is that business carried on for profit in any locality should be taxed for the benefits it receives.

* *Vide* Bullock : Selected Readings in Public Finance, pages 494 *et seq.*

It is the opinion of the committee that the only method of reconciling these conflicting claims of the states is the adoption of a diversified system of taxation which recognises fully the three principles above mentioned and provides a method by which, without formal agreement among the states, these principles may be logically and consistently applied. We propose, therefore, a personal tax which shall be levied consistently upon the principle of taxing every one at his place of domicile for the support of the government under which he lives; a property tax upon tangible property, levied objectively where such property has its *situs* and without regard to ownership or personal conditions; and finally, for such states as desire to tax business, a business tax which shall be levied upon all business carried on within the jurisdiction of the authority levying such tax. By this method we believe it is possible to satisfy every legitimate claim of every state without imposing unequal and unjust double taxation upon any class of income, property or business.

The committee is of the opinion that a partial separation of the sources of state and local revenue is desirable, but that complete separation, by cutting the connecting cord between the state and local governments, tends to destroy the states' sense of responsibility in the matter of local taxation. There is no experience to justify the belief that, if the states turn over to the local governments independent sources of revenue, and adopt the theory that local taxation is an affair of purely local interest, we shall ever have a satisfactory administration of the tax laws by local officials. Experience abundantly shows that such officials need constantly the expert advice, intelligent guidance and, when necessary, the effective control, of a State Tax Commission composed of experts and keenly alive to the need of just and efficient administration of tax laws by local officials. Total separation of the sources of state and local revenue, at least in the forms in which it is usually presented, seems to the committee to be distinctly a backward step, especially at this moment when the need is for greater emphasis upon state control over the taxation of property for local purposes. A further difficulty of complete separation is that the abolition of the direct state tax upon property tends to remove a desirable check upon state expenditure.

ANNEXURE R. (Question 165.)

LIST OF MONOPOLIES.

<i>France</i>	..	..	..	..	Tobacco, matches and explosives.
<i>Germany</i>	..	..	..	..	Spirits, sugar substitutes.
<i>Czecho-Slovakia</i>	..	..	..	..	Salt, tobacco, artificial sweetening materials, explosives and lighting materials.
<i>Finland</i>	..	..	..	..	Alcohol and yeast.
<i>Greece</i>	..	..	..	..	Salt, petrol, matches, playing cards, cigarette paper and emery.
<i>Italy</i>	..	..	..	..	Salt, tobacco, matches, playing cards, quinine.
<i>Switzerland</i>	..	..	..	..	Alcohol.
<i>Japan</i>	..	..	..	..	Salt, tobacco and camphor.
<i>Austria</i>	..	..	..	..	Salt, tobacco.
<i>Hungary</i>	..	..	..	..	Salt, tobacco, saccharine.
<i>Roumania</i>	..	..	..	..	Salt, tobacco, cigarette paper, matches, playing cards and explosives.
<i>Bulgaria</i>	..	..	..	..	Matches, cigarette paper, playing cards and manufactured tobacco.
<i>Poland</i>	..	..	..	..	Salt, spirits, tobacco, sugar and saccharine.
<i>Sweden</i>	..	..	..	..	Spirits and tobacco.
<i>Portugal</i>	..	..	..	..	Tobacco.
<i>Latavia</i>	..	..	..	..	Flax, leather and spirits of wine,
<i>Jugo-Slavia</i>	..	..	..	..	Salt, tobacco, petrol, matches, cigarette paper, saccharine, spirits,

No. 619/42 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 5th May, 1925.

THE SECRETARY,
INDIAN TAXATION ENQUIRY COMMITTEE, DELHI.

SIR,

I am directed to acknowledge the receipt of your letter No. 97-T., dated 20th December, 1924, enclosing a copy of the Questionnaire prepared by the Indian Taxation Enquiry Committee and soliciting the Association's views on such of the questions in which they are interested.

2. In response to your previous letter dated 10th November, 1924, I forwarded you some of the publications issued by this Association and copies of important communications addressed to Government, and by this opportunity I am directed to forward you the following :—

1. Six copies of a Memorial addressed by the Association to His Excellency the Viceroy, regarding the Cotton Excise Duty and other burdens of taxation imposed upon the cotton mill industry.
2. Six copies of the representation addressed by the Association to the Municipal Commissioner on the subject of the heavy Municipal taxation imposed upon the cotton mill industry in the city and island of Bombay.
3. Copy of the leading article under the heading " An Overtaxed Industry " which appeared in the *Commerce* of 14th February, 1925.

3. Before proceeding to deal with the Questionnaire framed by your Committee, I am directed to invite your Committee's serious attention to the crushing burdens of taxation imposed upon the cotton mill industry. The 33rd paragraph of the representation to the Municipal Commissioner, copies of which are forwarded herewith, will give you an idea of the manner in which taxes have been piled upon the cotton mill industry without any reference to the taxable capacity of the industry. The total charges paid by the mill industry by way of taxes is estimated to be equivalent to a tax of nearly 8 per cent. on the share capital invested in the industry, which is at least 5 per cent. more than any other major industry is called upon to pay, and acts as a severe handicap in meeting competition in the home and other markets.

4. By far the most crushing and inequitable burden imposed upon the industry is, of course, the 3½ per cent. Cotton Excise Duty. The Association's publications on this subject which have been already forwarded to your Committee must no doubt have brought home to your Committee the absolute necessity of doing away with this admittedly unjust and inequitable impost.

5. It is perfectly amazing that although the Cotton Excise Duty has been unequivocally condemned by the highest officers in the realm—men like Mr. Lloyd George, Mr. Austen Chamberlain, Lord Hardinge, Lord Carmichael, Lord Willingdon—the Government of India should insist on retaining the duty for the sake of the revenue it brings. It will be generally admitted that there could be no more immoral doctrine for a Government to adopt than that a tax should be retained merely for the sake of the revenue it brings irrespective of all other considerations—political, economical and moral. Moreover, the Excise Duty was not levied in the first instance for revenue purposes, but to placate Lancashire, and now that its iniquity and its ruinous consequences on the premier industry of the country are proved to the hilt, it is hardly fair or just that its retention should be advocated for the sake of ' the tainted money ' it brings into the coffers of the Government of India.

6. The most objectionable feature of the Cotton Excise Duty, of course, is that it is a tax on production and not on profits. The Cotton Excise Duty is, in effect, a sort of fine imposed upon the cotton mill industry of India. The mill industry has to pay to Govern-

ment a certain amount on every pound of cloth manufactured—irrespective of the fact whether a profit is made thereon or not. A tax of this description on the production of a prime necessity of life is unheard of in any civilized country on the face of the globe.

7. It should be further remembered that the cost of the 3½ per cent. Excise Duty to mills has greatly increased during recent years as compared with pre-war years. At the present time the Excise Duty costs on the average about three-quarters of an anna per pound of cloth produced as against little over one-fourth in 1913-14. The reason for this is that the price of cloth has increased very considerably owing to increases in prices of raw cotton, stores, etc., increased taxation, very much higher wages and shorter hours of labour. The result is that a shirting which cost 8 annas per lb. to produce in 1914 now costs 20 annas to produce. Thus Government are collecting about two and a half times the duty collected in 1914, viz., 210 lakhs against 84 lakhs, i.e., practically 126 lakhs more on account of the cause indicated above.

8. As regards the ruinous effects of the duty on the cotton mill industry of India, particularly in regard to the formidable competition from Japan, it is not proposed to dilate at length in this place, but my Committee desire to invite the most serious attention of your Committee to the Association's publication 'The Indian Cotton Excise Duty,' particularly to pages 41 to 62 thereof. My Committee are confident that a careful perusal of this book will convince the members of the Indian Taxation Enquiry Committee that the case for the abolition of the iniquitous excise duty on cotton goods is absolutely unanswerable.

9. Having drawn your Committee's attention to the heavy burden of taxation imposed upon the cotton mill industry, and in particular to the iniquity of the Cotton Excise Duty, I now proceed to state my Committee's views on some of the questions contained in your Questionnaire.

10. *Question No. 4.*—I am directed to state that this Association has no detailed suggestion to make for the improvement of the present methods of recording and compiling statistics. This Association has always been and will always be willing to provide Government with accurate information and statistics with regard to the state and conditions of work, etc., in the cotton textile industry. My Committee are, however, of opinion that there is considerable room for improvement in the present system of compiling and collecting statistics relating to agriculture and my Committee think it desirable that Government should formulate a scheme for furnishing the public with accurate and satisfactory data and statistics relating to agriculture.

11. *Question No. 5.*—The English Census of Production Act has been recognised to be a most expensive failure, as is evidently admitted by the Taxation Enquiry Committee judging from the wording of this question, and my Committee are strongly opposed to the enactment of an identical Act for India.

12. *Question No. 6.*—This Association and other important public bodies strongly opposed the Statistics Bill which was introduced by the Government of Bombay some time back and which was eventually withdrawn. I am directed to forward you herewith copies of the representations made by this Association to the Government of Bombay in connection with this ill-advised piece of legislation. These representations, it is hoped, will satisfy the Taxation Enquiry Committee of the inadvisability and dangers of enacting legislation for the compulsory collection of statistics. It will be further observed from these representations that if legislation be at all deemed necessary, then in my Committee's opinion there should be all-India legislation and not provincial legislation.

13. *Question No. 7.*—My Committee is unable to accept the view that statistics of the nature referred to in question No. 6 are of any appreciable value. It is very rare indeed that any true comparison can possibly be made between the statistics of one country and the statistics of another country inasmuch as there are many divergent factors, either unknown or incompletely understood, and conclusions based on such data are most misleading and inaccurate and may even prove dangerous.

14. *Question No. 47.*—In my Committee's opinion, the present arrangements in regard to assessment of income-tax on the previous year's income are satisfactory, but I am directed to point out that the Government of India in the year 1919 revised the Income-tax Act and made income-tax payable on actual profits. This necessitated an adjustment of the income-tax and super-tax payable by individuals at the end of each year. Between 1919 and 1921 the profits of the mill industry were increasing and Government by this revision and readjustment of the Income-tax Act made considerable gains. In 1922, however, the Act was again revised and assessments were made on the previous year's income. The result was that when profits declined, Government very cleverly took away the clause of yearly adjustment to the detriment of companies and individuals, but to the benefit of the Government Exchequer.

15. *Question No. 48.*—My Committee accept the principle that the articles to be taxed should be few, but sufficient in number and of such kind as to touch all classes and to reach in a moderate degree those who do not contribute to direct taxation. I am, however, directed to point out that an application of this principle by Imperial, Provincial and Municipal authorities at the same time is likely to operate very prejudicially inasmuch as one and the same article is likely to be taxed more than once. A typical illustration of this is afforded by the scheme of Terminal Taxes recently worked out by the Bombay Municipality. Under this scheme several commodities, *e.g.*, coal, liquid, fuel, machinery, etc., which are already subject to import duties levied by the Government of India, are included in the schedule of articles which are proposed to be subjected to the Terminal Tax and this obviously means great hardship on the mill industry which largely consumes the articles named. I am directed to enclose herewith copies of the letters addressed by this Association to the Bombay Municipality on the subject of the proposed Terminal Taxes, and my Committee commend these letters to the very careful consideration of the Taxation Enquiry Committee.

16. *Question No. 82.*—It is my Committee's considered opinion that the time has come when Government should seriously consider the advisability of levying export duty on cotton. At present the Japanese purchase their cotton from this country, carry it to Japan, manufacture it into yarn and cloth and then ship it back again to India and to the other legitimate markets of India to the great detriment of the Indian textile industry. An adequate export duty would probably yield two crores annually and would thus furnish Government with a fresh source of revenue which would make it easier for them to abolish the Cotton Excise Duty. It can hardly be maintained that a small export duty will operate harshly on the cultivator. There can be no doubt that the demand for Indian cotton will grow on increasing, especially as even Lancashire is now turning to the manufacture of coarser goods and is therefore importing Indian cotton in larger quantities. An export duty will further help in assuring the indigenous industry of an adequate supply of cotton. My Committee confidently expect that a careful consideration of this important question will establish beyond any doubt that an export duty on cotton will prove very beneficial to the textile industry and to the country generally without the least adverse effects on the cultivators.

17. *Question No. 83.*—In my Committee's opinion it would not be wise to give a general answer to the question whether *ad valorem* or specific duties should be favoured, for, the answer to this question depends upon the nature of the commodities to be taxed. So far as cotton is concerned, my Committee maintain that the export duty recommended by them should be in the first place a specific duty which would make it much cheaper and easier to collect and make it more readily possible to calculate the amount of revenue which would be derived from it, and would make it more difficult for the tax to be passed back to the cultivator by the Japanese.

18. *Question No. 196.*—In regard to Local Taxation under heading (b), my Committee agree that the main criterion for levying taxes should always be the measure of the benefits received, provided always that the ability to pay is taken into consideration. A careful consideration of the taxes imposed by the Bombay Municipal Corporation on the cotton Mill Industry of Bombay will convince the Taxation Enquiry Committee that these taxes have been increased so tremendously that they are out of proportion to the benefits received

by the industry or the industry's ability to pay. In this connection my Committee has had a good deal of correspondence with the Municipal Commissioner, and copies of this correspondence forwarded herewith will, my Committee are confident, convince the Taxation Enquiry Committee of the enormity of Municipal Taxes imposed upon the industry.

19. *Question No. 116.*—My Committee do not understand what the Taxation Enquiry Committee mean by 'a manufacturing tax on cotton'. Presumably it is another name for Cotton Excise Duty, and if it be so, then my Committee's views have been already given above.

In regard to a tax on companies, my Committee desire me to state that there is already a super-tax on the profits of the companies in addition to the income-tax. My Committee firmly maintain that at the first opportunity this company super-tax should be abolished or at any rate should be reduced inasmuch as the tax is an impediment to the development of industries. In my Committee's opinion it is not right to continue a tax which was levied purely as a war measure.

20. *Question No. 119.*—My Committee see no reason why business profits should escape taxation, if it be possible to tax business profits and collect the tax at reasonable cost. As regards employers of labour, I am directed to point out that they are already taxed by the Workmen's Compensation Act, etc. As regards taxing transactions in capital and exchange, although the suggestion may appear sound in theory, my Committee apprehend it would be found difficult and costly; if not impossible, in practice.

21. *Question No. 120.* My Committee strongly urge the advisability of imposing income-tax and super-tax on agricultural incomes as in the case of incomes from other sources. No satisfactory case has been ever made out for exempting agricultural incomes from income-tax and super-tax, and it is my Committee's considered opinion that this unjustifiable exemption entails on Government a tremendous loss in revenue. It is very anomalous that agricultural income, however considerable, should be exempted from taxation while a clerk earning Rs. 2,000 per annum should be liable to pay income-tax. My Committee do not think succession or legacy duties or heavy profit duties suitable in the present condition of India, where money is so essential for the agricultural and industrial development of India.

In conclusion, I am directed to state that although my Committee have given above their views on the different questions in which they are interested, they are very sceptical as to the ultimate results of the labours of the Taxation Enquiry Committee. My Committee are of opinion that it would have been better if in framing their Questionnaire, the Taxation Enquiry Committee had confined their attention to a few broad and important questions in connection with the taxation policy of Government. Unfortunately, the Questionnaire is much too elaborate and goes too much into minute and unimportant details and my Committee apprehend that a Questionnaire like this, far from helping the Taxation Enquiry Committee in reaching sound conclusions on important questions pertaining to taxation is only apt to confuse the issue, and will ultimately mean waste of public time and money. However that may be, this Association will be very pleased if the labours of the Taxation Enquiry Committee will result in sound and useful recommendations being made to the Government of India, particularly in bringing home to the Government the hopeless plight to which the cotton mill industry has been reduced by the crushing burdens of taxation imposed on it; and to which the attention of your Committee was drawn in the beginning of this letter. My Committee welcome a careful investigation into this question by an expert and independent body like the Taxation Enquiry Committee; and any further information required by you in connection with this matter will be most willingly furnished.—I have, etc.,

J. P. WADIA;

Acting Secretary.

607

No. Bom 628.

INDIAN TAXATION ENQUIRY COMMITTEE,
BANGALORE, 9th May, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to acknowledge with thanks the receipt of your letter No. 619 of 1925 dated the 5th May, 1925, forwarding your replies to the questionnaire issued by the Indian Taxation Enquiry Committee.—I have, etc.,

W. B. BRETT,
Secretary.

No. 210E.

INDIAN TAXATION ENQUIRY COMMITTEE,
BANGALORE, 12th May, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

With reference to your letter No. 619/42 dated the 5th May, 1925, I am directed to say that the Committee would be glad to examine a representative of the Association on Tuesday, the 9th June, at 11 a.m., at the Bombay Secretariat. Would you please let me know whether the time and date are suitable?—I have, etc.,

W. B. BRETT,
Secretary.

No. 680/42 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 21st May, 1925.

THE SECRETARY,
INDIAN TAXATION ENQUIRY COMMITTEE, BANGALORE.

SIR,

I have the honour to acknowledge the receipt of your letter No. 210E dated the 12th May, 1925, and to state in reply that my Committee's views have been very fully set forth in their letter of 5th May and they therefore do not see the necessity for sending a representative to give oral evidence.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. 1025.

INDIAN TAXATION ENQUIRY COMMITTEE,
BANGALORE, 29th May, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. 680/42, dated the 21st May, 1925, stating that as your Committee's views have been very fully set forth in their letter of the 5th May, they do not see the necessity for sending a representative to give oral evidence.

2. The Taxation Enquiry Committee have received from your Association a considerable quantity of literature devoted to a criticism of the present cotton excise duty. After studying these papers together with your Association's reply to the questionnaire, the Committee are of opinion that there are certain important points in these papers, which require to be elucidated in oral examination. In view of the importance of the matter and the fact that your Association is the most authoritative body with which this tax can be discussed, the Committee hope that your Committee will be able to see its way to reconsider their decision. As the Taxation Enquiry Committee are leaving Bangalore on the 1st of June, I am to request that your reply be sent to me at the Bombay Secretariat, if it cannot reach me by the 1st at Bangalore.—I have, etc.,

J. V. JOSHI,
for Secretary.

No. 731/42 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th June, 1925.

THE SECRETARY,
THE TAXATION ENQUIRY COMMITTEE, BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. 1025 dated 29th May, 1925.

2. Your letter has been in circulation among the members of my Committee, and in ordinary course my Committee would have come to a definite decision at their next ordinary meeting to be held on the 15th instant. As, however, your Committee are leaving Bombay day after to-morrow the matter was brought forward at a special meeting of my Committee held to-day, when, owing to shortness of time at their disposal, it was not possible for my Committee to depute a representative for giving oral evidence.

3. I am directed to express my Committee's regret at their not being able to accede to the request made in your letter.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 38.

INDIAN ECONOMIC ENQUIRY COMMITTEE.

No. 258-E.

INDIAN ECONOMIC ENQUIRY COMMITTEE,
DELHI, 1st April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to enclose a copy of the questionnaire that has been prepared by the Indian Economic Enquiry Committee and to say that the Committee will deem it a favour if you will forward to me not later than 16th April at Calcutta a statement of your views on any of the questions therein in which you are specially interested. It is not intended that witnesses should answer all the questions.

2. As the replies to the questionnaire are received, the Committee will decide which of the witnesses they desire to examine orally and will arrange a programme for such examin-

ation. Should they desire to request you to give evidence orally, I shall address you as soon as practicable after receipt of your reply regarding the time and place appointed for taking your evidence.

3. A copy of the Government of India, Finance Department, Resolution appointing the Committee together with a copy of the *tour programme are enclosed for your reference.—I have, etc.,

A. R. BURNETT-HURST,
Secretary.

FINANCE DEPARTMENT,
DELHI, 22nd January, 1925.

RESOLUTION.

No. 655-F.—The Government of India have had under consideration the best method of giving effect to the wishes of the Legislature in connection with the institution of a general economic enquiry in India. They have come to the conclusion that before any wider enquiry can usefully be inaugurated, it is necessary to collate and examine the existing material, to ascertain how it can best be supplemented and to determine what lines an economic enquiry into the resources of the country should take. They have accordingly decided, with the approval of the Secretary of State, to appoint immediately a small Committee for the purpose consisting of the following gentlemen who have consented to serve on it :—

SIR M. VISVESVARAYA, K.C.I.E., D.Sc., M.I.C.E., *Chairman* ;
RAI BAHADUR PANDIT HARI KISHAN KAUL, C.S.I., C.I.E., *Member* ; and
MR. A. R. BURNETT-HURST, B.Sc., Professor, Muir Central College, Allahabad,
Member and Secretary.

2. The following are the terms of reference to the Committee :—

To examine the material at present available for framing an estimate of the economic condition of the various classes of the people of British India ; to report on its adequacy ; and to make recommendations as to the best manner in which it may be supplemented, and as to the lines on which a general economic survey should be carried out, with an estimate of the expenditure involved in giving effect to such recommendations.

A. C. McWATTERS,
Secretary to the Government of India.

INDIAN ECONOMIC ENQUIRY COMMITTEE.

Questionnaire.

GENERAL.

1. It is suggested that enquiries as to the economic condition of the people should be made with reference to :—

- | | |
|-----------------|---------------------|
| (1) Production, | (4) Cost of Living, |
| (2) Wages, | (5) Wealth, and |
| (3) Income, | (6) Indebtedness. |

In your opinion would enquiries on these subjects be sufficient or would you suggest any others on which information should be collected ?

2. Under our terms of reference, we have, among other things, to aim at estimating the economic condition of the various classes of people. Sir Edward Gait framed a classification of occupations for the Census of India, 1911 [see Appendix G (a)]. Would you adopt this as the basis and sub-divide occupations as indicated in Appendix A. If not, can you suggest any alternative ?

3. Do you think that for the purposes of collecting economic data, provinces should be sub-divided into tracts which are more or less similar in economic characteristics ? If so, would you adopt Sir Edward Gait's classification (see Appendix A-2) or that of Mr. K. L. Datta (see Appendix A-3) ?

4. In collecting statistical data relating to the economic welfare of the people of British India, would there be any difficulty in, or objection to, following the standards of the Dominions and European countries as laid down by the resolutions of the Imperial Statistical Conference ?

PRODUCTION.

Agriculture.

5. In Appendix B, a description is given of the existing system of crop reporting in India and of collecting statistics of outturn. How far are the returns published in—

- (a) the "Agricultural Statistics of India,"
- (b) provincial Season and Crop Reports and "Estimates of area and yield of principal crops in India,"

reliable ?

6. If you consider the existing machinery for crop reporting defective in any or all the provinces, have you any alternative to suggest ?

7. In provinces and tracts where there is a subordinate revenue agency utilised for crop reporting (*e.g.*, the Punjab and the United Provinces) statistics of *quantity* of agricultural produce are available for some of the most important crops. There are no regularly published figures of *yield* for minor crops (*e.g.*, lobia), vegetables, fruit, condiments and spices, fibres (other than cotton and jute) and dyes and tanning material (see Appendix C). In the Dominions, information under these heads is given. Do you consider that the information should be collected even at an extra cost ?

8. In provinces and tracts where there is no subordinate revenue agency and a rough estimate of area under crops and of outturn is made by the local officers on the basis of information received from chowkidars, what measures should be adopted for ascertaining the particulars mentioned in question No. 7 ?

Pastoral.

9. A regular and comprehensive quinquennial census of cattle and other live-stock, ploughs and carts was instituted in India for the first time in 1919-20. Do you consider the information collected to be fairly reliable ? If not, have you any suggestions to make for improving its accuracy ?

10. No attempt has been made to publish regular statistics of other pastoral products, *e.g.*,—

- | | |
|------------|--|
| (a) meat, | (d) tallow, |
| (b) skins, | (c) bones, hair, hoofs, horns, sinews, etc., |
| (c) wool, | (f) game of all kinds. |

In your opinion how could information under each of the above heads be obtained ?

11. Are there any other pastoral products for which statistics should be compiled ?

Dairy and Farm Products.

12. Little or no information is available for the following :—

- | | |
|------------------|--|
| (a) Milk, | (g) Bacon and Ham, |
| (b) Butter, | (h) Eggs, |
| (c) Cream, | (i) Poultry, |
| (d) Curd (Dahi), | (j) Honey (also under " Forest Products"), |
| (e) Ghi, | (k) Bees-wax. |
| (f) Cheese, | |

What measures should, in your opinion, be adopted to secure, as far as possible, accurate and comprehensive data under each of the above heads ?

13. Are there any other dairy and farm products for which information should be obtained ?

Forestry.

For officers engaged in Forest Administration.

14. The statistics relating to forest production are published in—

- (a) the Annual Returns of Statistics relating to Forest Administration in British India,
- (b) the Quinquennial Review of Forest Administration in British India,
- (c) the Annual Forest Reports of the provinces.

Figures of the *value* of " timber " and " fuel " produced are given in the annual reports of a few provinces, *viz.*, United Provinces, Bengal, North-West Frontier Province, Baluchistan and Ajmer-Merwara. Would it not be possible to obtain similar information for the rest of British India ?

15. By what methods are the statistics of the *volume* of timber and fuel produced in British India (which are published in " a " and " b " above) compiled ? How far are the published figures reliable and complete ?

16. In Appendix " D " is a list of forest products about which data (quantity and value) should be obtained, if not already available. Which of the items in the list are included in the returns of " other minor produce " and how far is information relating to them reliable ? Is there any difficulty in securing returns for the remaining items ?

17. Can any means be devised for obtaining, as far as possible, statistics of forest produce for (a) unclassified forests and (b) private forest areas ?

Fisheries.

18. In view of the magnitude of the fishing industry, do you agree that steps should be taken to secure complete statistics of the production of both fresh water and sea fisheries ?

19. In respect of fresh water fisheries in particular, what measures would you suggest should be adopted for obtaining this information ?

20. As regards sea fisheries, what agency would you employ for collecting the data ?

21. How would you proceed to ascertain the quantity and value of the products of subsidiary industries, *e.g.*,—

- (a) fish curing and canning,
- (b) pearl oyster fisheries,
- (c) edible oyster fisheries,
- (d) lime from coral and shell,
- (e) fish guano and manure,
- (f) miscellaneous [*e.g.*, "chank" fisheries and subsidiary industries (manufacture of bangles, etc.); the *beche-de-mer* industry; fish maws and shark skins and fins; sea-weeds for vegetable gelatine.]

Minerals.

22. Appendix E contains a list of minerals, (a) for which regularly recurring and full particulars are not available, (b) for which no statistics are collected. There are important and valuable minerals in each category (*e.g.*, alum, building stone and materials, fuller's earth, gypsum, borax, arsenic, antimony, sulphur, glass-making materials, mercury). Do you think arrangements should be made for obtaining information regarding the quantity and value of output in respect of each mineral which is known to be extracted in India? If so, what agency should be employed for collecting it?

23. The Report of the Chief Inspector of Mines contains information relating to:—

- (a) the number of mines, distinguishing those worked by mechanical power,
- (b) average daily number of employees,
- (c) total output (quantity) and
- (d) details of accidents,

for those mines which are subject to the operation of the Indian Mines Act; while the Review of Mineral Production (contained in the Records of the Geological Survey) gives the quantity and value of the output of a certain number of minerals. Do you consider it necessary to collect similar information (including value of output) for all other minerals?

24. Are you of opinion that it would be inadvisable to collect data regarding "value of machinery"?

25. As the Indian Mines Act excludes from its scope mines and quarries which are less than 20 feet in depth, what suggestions would you make for obtaining information relating to such mines? Would you suggest a legislative measure to secure returns?

26. The value of the output as stated in the Review of Mineral Production represents, in the case of several minerals, the value at the mine and bears little relation to the selling price in the open market. Should not the values be computed at the market price?

Industrial: Large Scale Industries.

27. In Appendix F (1) is a detailed statement of information published regarding large industrial establishments. In F (2) of the same Appendix are the names of a large number of industries for which information does not appear to be regularly published. Can you name any publication containing statistics of production (quantity and value), with regard to any of these industries?

28. Are there any other industries known to you of which returns of production, etc., might be obtained?

29. As it appears difficult to secure voluntary returns of production, etc., from employers, would you advise compulsory legal powers for obtaining the information ?

30. Would you advocate the institution of a regular Census of Industrial Production ? If so, should it be instituted annually, quinquennially or at longer intervals ?

31. Should the census, in your opinion, be as detailed as the United Kingdom Census or should it follow the lines of Censuses instituted by the Dominions ?

32. Should the information relating to *large industrial establishments* be obtained by :—

- (1) the Imperial statistical organisation, or
- (2) through provincial statistical organisations ?

33. What precautions should be taken against the possibility of information reaching rival concerns ?

34. Would you define *large industrial establishments* as those which are governed by the Indian Factories Act ? If not, how should they be defined ?

35. For the purpose of the Census of Industrial Production, which of the following schemes of classification of Industries (Appendix G) would you prefer—

- (a) the occupational classification adopted at the Census of Population in 1921 ;
- (b) the classification given in " Large Industrial Establishments in India " published by the Department of Statistics ;
- (c) one of the classifications adopted by the Dominions ?

36. It is suggested that large industrial concerns should supply the following information :—

- (a) No. of establishments.
- (b) No. of persons employed.
- (c) No. of days worked.
- (d) Horse-power and kind of engine.
- (e) Capital invested—
 - (1) Value of lands and buildings.
 - (2) Value of machinery and plant.
- (f) Quantity and value of raw materials either
 - (1) purchased ; or
 - (2) used.
- (g) Wages and salaries.
- (h) Cost of fuel, light and power.
- (i) Miscellaneous expenses.
- (j) Quantity and value of total outturn.

Would you propose any additions, omissions or alterations and if so, for what reasons ?

Cottage Industries.

37. Appendix H contains a list of cottage industries known to exist in India. Can you name any other such industries ?

38. No regular and comprehensive data are published regarding the production of these industries, although occasional isolated statements are to be found about some of the industries in industrial monographs, industrial survey reports and special works on industries of certain provinces (*e.g.*, Latifi's "Industrial Punjab," Sir Atul C. Chatterjee's "Notes on the Industries of the United Provinces").

Do you consider it possible to collect, for the purpose of a general census of production, data relating to Cottage Industries under some or all of the following heads :—

- (1) the number of persons engaged in the industry, distinguishing—
 - (a) workers on their own account,
 - (b) employers, and
 - (c) employees.
- (2) the quantity and value of raw material used ;
- (3) the quantity and value of the finished products ;
- (4) the quantity and value of the products sold ;
- (5) total wages paid to employees ;
- (6) hours of work of employees.

39. If your answer to question 38 is in the affirmative, what agency would you suggest ?

WAGES.*Agriculture.*

40. An annual statement of rural wages is published by the Government of the Central Provinces and Berar, while a quinquennial wage census is taken in the remainder of British India. It is suggested that the figures which are published in "Prices and Wages in India" are unsatisfactory for the following reasons :—

- (a) that the returns relate to a particular month and to selected villages ;
- (b) that great differences in the nature and remuneration of agricultural work in different parts of India require a more detailed classification of agricultural workers than is at present given, *i.e.*, "unskilled or agricultural labourers," "thatchers" (for Bengal, Bihar and Orissa and Assam only) and "ploughmen";
- (c) that in many cases the *range* of daily average wages is given, *e.g.*, 6 annas to 10 annas ;
- (d) that in the case of "unskilled labourers" and "thatchers" the wage is stated per diem, the monthly earnings not being given ;

(e) that the information given is only the average wage ;

(f) that in some cases the daily rate of wages is stated to four decimal places of a rupee.

Do you share this view ?

41. Are you of opinion that the agency which at present collects statistics of wages in agricultural areas supplies accurate returns ? If not, what suggestions have you to make for improving the system.

42. The following classifications of agricultural workers have been employed in publishing wage statements in India :—

(1) *The Datta Report*.—Ploughmen, reapers, weeders, sowers, transplanters and "others," also, thatchers and gharamis.

(2) *Bombay Labour Office*.—Field Labour (Ploughmen, reapers, sowers, weeders and transplanters), Ordinary Labour (those engaged on large agricultural holdings for the purpose of embankment, well-digging, canal silt-clearing and on the more important work on a farm which sometimes requires a higher degree of skill than that possessed by the field labourer).

Are you of opinion that one of the above systems of classification should be made uniform throughout India, with necessary alterations, or that each province should be left to decide its own system ?

43. Most wage returns merely give the daily rate of wages while the frequency of employment is not stated. Should steps be taken to ascertain the regularity of employment or would it be sufficient to obtain a return of monthly earnings ?

44. Should the extra payments (in cash or in kind) received at harvest be apportioned and added to the daily or monthly wage ?

45. Villages vary in the practice of paying wages. In a few, the custom prevails of paying full wages in kind ; in others, payments are made partly in cash and partly in kind, while there is a third group of villages where payments are made entirely in cash. As the rates of converting payments in kind into terms of cash vary according to the personal equation, have you any suggestions to offer as to the fixing of definite standards of conversion ?

46. Should wage returns be classified according to canal-irrigated, well-irrigated and unirrigated tracts as well as by districts ?

47. In some parts of India, the value of the supplementals given in addition to cash wages is appreciable. The Punjab ploughman, for instance, is stated to receive Rs. 36 per annum in supplementals (excluding food). Is it possible to measure the following supplementals :—

- | | |
|--------------------|----------------|
| (a) the dwelling ; | (d) clothing ; |
| (b) food ; | (e) bedding ? |
| (c) tobacco ; | |

If so, how ?

48. In the Third Wage Census of Bengal (1916), the "median" was employed for representing the rate of wages in each district, whereas the Third Wages Survey of the Punjab (1922) utilised the "mode" and in addition gave the frequency distribution of village wage rates. Would you suggest employing—

- (a) the "median" together with quartiles, or
- (b) the "mode" and the frequency distribution, for representing the distribution of agricultural wages in each province ?

49. Would not the utility of the wage returns be enhanced if one could ascertain "the total number of persons" to whom each of the rates applied?

50. Should separate returns of wages be obtained for the "Kharif" and the "Rabi" harvests?

51. Would it be possible to ascertain with any degree of reliability, the hours of labour of agricultural workers?

Craftsmen and Village Artisans.

52. In "Prices and Wages in India" statements of the wages paid to craftsmen and persons engaged in petty industries (rural and urban) are tabulated according to the following classes:—

<i>Rural.</i>	<i>Urban.</i>
Carpenters.	Workers in iron and hardware.
Blacksmiths.	Brass, copper and bellmetal workers,
Masons	Carpenters.
	Masons and builders.
	Cotton weavers—hand industry.

Are there any other classes of craftsmen, etc., regarding whom information should be supplied?

53. Wage returns for the above classes are published quinquennially (except in the case of the Central Provinces and Berar where annual statistics are compiled) and give the range of "average daily wages." Would it be possible to secure returns showing the number of craftsmen, etc. (classified by crafts, etc.), earning varying rates of wages?

54. How far are the statistics which are at present published reliable?

55. As some of the village artisans are paid in kind as well as in cash, would you follow the same method of evaluating payments in kind and supplementals as in the case of agricultural labourers?

56. Would it be possible to secure particulars of the working hours of craftsmen and village artisans?

Large Industrial Establishments.

57. Apart from the enquiry into Wages and Hours of Labour in the Bombay Cotton Mill Industry, 1921, and the Madras Wage Census, 1922, statements regarding the wages paid in large industrial establishments are very scanty and relate to a few individual firms engaged in about a dozen industries. Are you of opinion that detailed surveys similar to that of the Census of Wages in the Bombay Cotton Mills should be undertaken in every large-scale industry?

58. An attempt to institute a comprehensive and detailed wage census was made in 1921-22, but owing to financial stringency, the need for a competent staff and the absence of powers of compulsion for securing returns from employers, the enquiry was not a success, except in the Bombay Presidency and to a less extent in Madras. In the United Kingdom and the Dominions, returns of wage statistics are compulsory. Are you of opinion that, apart from the question of staff and finances, steps by legislation will have to be taken to secure the statistics?

59. Wages are paid weekly in the Calcutta jute mills and monthly in the Bombay cotton mills. Should the 'day,' 'week' or 'month' be taken as the unit of time for recording wages for statistical purposes?

60. Owing to the prevalence of absenteeism, would it not be necessary to ascertain the number of days worked and the earnings, in addition to the wages and the hours of labour ?

61. Workers in urban centres periodically migrate to their villages for several weeks, sometimes months. In endeavouring to ascertain a man's earnings, how would you deal with the difficulties arising from this practice ?

INCOME.

62. Appendix I contains a list of estimates of the national income of India. Do you think the diversity of the figures is due to the part played by assumptions in the determination of results from data which are considered imperfect and far from comprehensive ?

If so, can you indicate in what direction improvement should be attempted with the object of making the statistics more accurate and reliable ?

63. Estimates of income have been made variously on the basis of—

- (a) production only,
- (b) production and the value of certain services based upon wage statistics and occupational figures ascertained in population census and
- (c) “ (b) ” supplemented by income-tax statistics.

In view of the incomplete nature of such statistics would you advocate the institution of an income census on the lines of that adopted in Australia in 1914-15, utilising the statistics of wages, income-tax and production as checks ? If not, what method would you advocate for the purpose of obtaining a fairly accurate estimate of the total income ?

64. For the purposes of income statistics should the unit of enumeration be the individual, the family or the household ?

65. What period of time would you take as the unit for measuring income, *viz.*, year (financial or agricultural), half-year (harvest—Kharif and Rabi), month or day ?

66. Would you adopt the same unit for the measurement of income of all classes or would you adopt different units (*e.g.*, year for rent-payers, month for salaried persons, day for unskilled labourer) and convert them into one large uniform unit for purposes of comparison ?

67. In valuing income in kind would you assign any value to the free gifts of nature such as fuel in villages ?

WEALTH.

68. Statisticians attempt to compute national wealth on the basis of one or other of the following methods :—

- (a) from statistics collected through the taxation of income,
- (b) from statistics collected through the annual taxation of capital,
- (c) from estate duty statistics,
- (d) the “ inventory ” method,
- (e) the “ census ” method.

Statistics mentioned in “ (b) ” and “ (c) ” are not available in India while income-tax statistics “ (a) ” do not include agricultural incomes nor are they complete. Could either of the methods “ (d) ” or “ (e) ” or a combination of them be applied to India with any degree of success in obtaining fairly complete information or would you suggest any other method ?

69. Appendix J gives a suggested list of the principal items to be taken into account in framing an estimate of national wealth (private and public). Have you any criticisms to make or suggestions to offer ?

70. Would you value agricultural land—

- (a) on the basis of average sale price noted in the revenue returns,
- (b) as a multiple of land revenue, or
- (c) as a result of a local enquiry ?

71. How would you value buildings in villages where there are no rent data ?

72. In towns where a standard of rent exists would you estimate the value of buildings on the basis of rent or by some other method ?

73. Do you advise a detailed enquiry from every individual in respect of all forms of private wealth ?

74. Do you think the replies as to the values of articles possessed and particularly as to coin, bullion and jewellery will be reliable ? If not, what methods would you adopt to obtain reliable information ?

75. Considering the difficulty involved in obtaining values of some of the articles included in *public* wealth, would you be satisfied with rough estimates only ?

COST OF LIVING.

76. What methods do you consider should be adopted in British India for measuring variations in the cost of living of different classes and sections of the community in (a) urban and (b) rural areas ?

77. Are you of opinion that the "mass-unit" system applied in preparing the Bombay Cost of Living Index Numbers is suitable in view of the enormous differences in consumption by the heterogeneous communities comprising urban populations in India ?

78. In Appendix K is a list of publications containing "family budgets."

It would appear that there are three alternative methods for collecting information :—

- (a) by complete house-to-house inquiries,
- (b) from typical families, or
- (c) by random sample.

79. During what length of time should the expenditure of a householder be continuously recorded for the purpose of obtaining a budget which will reflect normal conditions ?

80. For what proportion of the population of a unit should family budgets be collected so as to afford fairly reliable data ?

81. Should expenditure on "drink," "drugs," "religious and social ceremonies," "gifts to relations" and "entertainments" be included among the items of expenditure in a family budget ?

82. It is generally admitted that statistics of prices are unsatisfactory and unreliable. What steps would you suggest, should be taken to improve the methods of reporting prices (including the grading of commodities) ?

INDEBTEDNESS.

83. Apart from the "haisiyat" statements of co-operative societies, mortgage returns for agricultural lands and settlement reports (*e.g.*, for districts of Burma), what other official records contain information relating to indebtedness?

84. If it were decided to institute enquiries into indebtedness should the unit of measurement of indebtedness be—

(a) the individual,

(b) the family, or

(c) the household?

85. Do you approve of the following as the main heads about which data should be collected or would you recommend a more detailed enquiry:—

(i) Amounts originally borrowed—

(a) cash,

(b) produce, for food }
for seed } in case of agriculturists only.

(ii) Accumulation of debt.

(iii) Repayments.

(iv) Debt outstanding.

(v) Rate of interest charged.

(vi) Security.

(vii) Chief purpose for taking the loan.

(viii) Method of repayment?

86. Should information regarding indebtedness be collected by special intensive enquiries, or do you think that the result of a general survey will be reliable?

INITIAL ECONOMIC SURVEY.

87. It is suggested that the initial economic survey should consist of two sections as follows:—

Section I.—Censuses to be undertaken by central or provincial authorities by special arrangement (*e.g.*, through heads of departments, factory inspectors, heads of firms, etc.)—

(a) Census of Production—

(i) agriculture;

(ii) factories and other large industrial establishments;

(iii) mining;

- (b) Census of Wages of—
- (i) workers in large industrial establishments and mines
 - (ii) State and Municipal employees ;
 - (iii) employees in private firms ;
 - (iv) transport workers ;
 - (v) other persons engaged in State regulated occupations
- (c) Census of Wealth—
- (i) private—collective ;
 - (ii) public (Government and local bodies).

Section II.—A local enquiry into

- (a) the production of—
- (i) cottage industries ;
 - (ii) minor forest products ;
 - (iii) fruit ;
 - (iv) dairy and pastoral products ;
 - (v) fish.
- (b) The wages of—
- (i) craftsmen, artisans and employees in minor industries ;
 - (ii) agricultural labourers ;
 - (iii) unskilled labourers (urban and rural) ;
- (c) the income
- (d) the "individual" wealth (private)
- (e) the indebtedness
- (f) the cost of living
- } of (i) individuals,
 { (ii) families, or
 } (iii) households.

Have you any criticism to offer or any suggestions to make on the above ?

88. With regard to question No. 87, Section II (a), would it be sufficient to ascertain the total production of the village ? If so, what agency would you employ ?

89. Would you employ the results of the local enquiry and figures of production obtained by the revenue agency as checks on each other ?

90. With regard to question No. 87, Section II (b), do you think answers elicited by questions at a house-to-house visit will be sufficiently reliable or would you suggest any other method of getting reliable information ?

91. With regard to questions No. 87, Section II (c), (d), (e), and (f) should the enquiry be—

- (i) by intensive study (*i.e.*, by personal observation and independent verification of information elicited), or

(ii) by merely recording answers to questions.

92. In either case what agency would you employ? If a new agency is suggested, what should be its character?

93. How long do you think that an initial survey of the nature recommended by you would take? Can you afford any approximate idea of its cost?

PERIODICAL SURVEYS.

94. Do you consider the initial economic survey (mentioned in question No. 87) should be the precursor to similar periodical surveys with a view to measuring progress or decline and to maintaining the utility of the economic data?

95. If so, at what intervals would you recommend that detailed surveys should be repeated? Would you agree to the suggestion that in course of time the periodical surveys should synchronize with the Population Census?

96. Assuming that detailed surveys should be taken at fairly long intervals (say, quinquennially), should not less detailed information be collected annually as far as possible as is the practice in the Dominions, *e.g.*, in the case of factory production; data of the total number of employees, quantity and value of total output and cost of raw material; in the case of agricultural production; quantity and value of the crops?

97. In some countries detailed statistics are collected in the case of the more important industries every year. Which industries in India would you place in this category?

SPECIAL ENQUIRIES.

98. In such matters as indebtedness, cost of living, fragmentation of holdings, etc., do you think special intensive enquiries might be continued under the direction of provincial statistical organizations during intervals between the periodical surveys?

99. Should the information collected at the initial survey be published for each village, town and city with abstracts for economic tracts and provinces and when possible, for the whole of India?

100. If so, would you recommend among other publications an official Year Book of India similarly to those published for the Dominions?

101. The Department of Statistics (now part of the Commercial Intelligence Department) has very little responsibility for the collection of statistics and only a limited responsibility for their form. At the same time there exist statistical sections in various departments of administration. Would you advocate the adoption of a comprehensive scheme for co-ordinating and centralizing statistics in British India as has been carried out in the Dominions?

ORGANISATION.

102. Following the example of the Dominions, do you think it would be desirable for Central and Provincial Bureaux of Census and Statistics with branch offices in districts to be created for the purpose of collecting economic data and the co-ordination of statistics? If not, what other form of organisation would you suggest?

103. Within the district, should the village, town and city be the unit of compilation, as in the Population Census?

LEGISLATION.

104. To establish these Bureaux and to equip them with statutory powers for obtaining the necessary information, would you advise the passing of a legislative measure on the lines of the Census and Statistics Acts in force in the Dominions?

Cost.

105. Do you approve of the suggestion that the cost of the proposed Imperial Bureau of Census and Statistics should be met from the Central Revenues and that of the Provincial Bureaux and the District offices from the revenues of the provinces concerned ?

106. How do you think the cost of (a) the initial economic survey and (b) the recurring charges should be shared ?

107. Are you of opinion that the Municipalities should defray the cost of operations within their areas as in the case of the population census ?

108. Do you think that (a) the District Boards and (b) the villages would be willing in any part of the country to defray the whole or part of the cost of such operations ?

APPENDIX A.

Rural occupations.	Urban occupations.
<p>I.—Agriculture—</p> <p>Rent receivers.</p> <p>Rent payers.</p> <p>Peasant proprietors.</p> <p>Farm servants.</p> <p>Field labourers.</p> <p>II.—Pastured and Raising of Farm Stock, Fishing and Hunting—</p> <p>Skilled.</p> <p>Unskilled.</p> <p>III.—Village Craftsmen.</p>	<p>I.—Industries—</p> <p>Transport.</p> <p>Exploitation of Minerals.</p> <p>Plantations (Tea, coffee, indigo, cinchona).</p> <p>Forestry.</p> <p>Public Force.</p> <p>Domestic Service.</p> <p>Trade—</p> <p>(1) Direction, supervision and clerical staff :—</p> <p>(a) Managers,</p> <p>(b) Supervising and technical staff.</p> <p>(c) Clerical staff.</p> <p>(2) Skilled workmen.</p> <p>(3) Unskilled labourers.</p> <p>II.—Professional Men.</p> <p>III.—Unproductive—</p> <p>O'd and infirm.</p> <p>Incapacitated.</p> <p>Persons living on their own income (e.g., pensioners, jagirdars, proprietors of houses).</p> <p>Living on charity.</p> <p>Inmates of jails (those not at work), asylums and alms-houses.</p> <p>Professional beggars.</p>

APPENDIX A-2.

NATURAL DIVISIONS OF INDIA.

Classification by Sir Edward Gait.

(Census of India, 1911, Vol. I, Part I—Report.)

Natural Division.	Rainfall Divisions included.	Administrative Divisions included.
I. Lower Burma	Lower Burma	Arakan, Pegu, Irrawaddy and Tenasserim Divisions.
II. Upper Burma	Upper Burma	Magwe, Mandalay, Sagaing and Meiktila Divisions; the Northern and Southern Shan States; Pakokku Hill Tracts and Chun Hills.
III. Assam	Assam	The Province of Assam.
IV. Bengal	Eastern Bengal	The Presidency of Bengal (except Darjeeling) and Sikkim.
V. Orissa and Madras Coast, North.	Orissa Madras Coast, North.	Orissa Division with Orissa Tributary States; districts of Ganjam, Vizagapatam, Godavari, Kistna, Guntur and Nellore.
VI. Bihar and United Provinces, East.	Bihar and United Provinces, East ..	Patna, Tirhut and Bhagalpur Divisions and the district of Darjeeling; Lucknow, Benares, Gorakhpur, Allahabad (except Jalaun and Jhansi and Fyzabad Divisions, and districts of Pilibhit, Shahjahanpur and Farrukhabad.
VII. United Provinces, West, and Punjab, East and North	United Provinces, West Punjab, East and North.	Meerut, Kumaun, Rohilkhand (except Shahjahanpur and Pilibhit districts) and Agra (excluding Farrukhabad district) Divisions, the districts of Jalaun and Jhansi, and the States of Rampur and Tehri Garhwal; Delhi, Jullundur, Lahore, Rawalpindi (except Shahpur and Mianwali) Divisions and all Native States in the Punjab, except Bahawalpur.
VIII. Kashmir	Kashmir	Kashmir.
IX. The North-West Dry Area.	Punjab, South-West North-West Frontier Province. Sind. Rajputana-West.	Multan Division (including the Biloch Trans-frontier), the districts of Shahpur and Mianwali, and Bahawalpur State; North-West Frontier Province; Sind with Khairpur State; Bikaner, Jaisalmer and Marwar.
X. Baluchistan	Baluchistan	Baluchistan.
XI. Rajputana, East, and Central India, West.	Rajputana, East Central India, West.	Ajmer-Merwara; all States in Rajputana Agency (except Bikaner, Jaisalmer and Marwar), Indore and Gwalior Residencies, and the Agencies of Bhopawar, Malwa and Bhopal.
XII. Gujarat	Gujarat	Bombay Northern Division (except Thana); Cambay, Cutch, Kathiawar and the Agencies of Palanpur, Mahikantha, Rewakantha and Surat; Baroda.
XIII. Central India, East, Central Provinces and Berar and Chota Nagpur.	Central India, East Central Provinces, West. Central Provinces, East. Berar. Chota Nagpur.	Bundelkhand and Baghelkhand Agencies, Central Provinces and Berar, and Chota Nagpur Division of Bihar and Orissa with Chota Nagpur States.
XIV. The Deccan	Bombay, Deccan Hyderabad, North. Hyderabad, South. Mysore with Coorg. Madras, Deccan.	Bombay Central Division; the districts of Belgaum, Bijapur and Dharwar, the States of Akalkot, Bhor, Sargana, Kolhapur, S. M. Jaghirs and Savanur, and the Agencies of Khandesh, Satara and Bijapur; Hyderabad, Mysore and Coorg; the Madras districts of Bellary, Kurnool, Anantapur and Cuddapah and the States of Sandur and Banganapalle.
XV. Malabar and Konkan ..	Malabar Konkan.	The Madras districts of South Canara, Anjengo and Malabar (excluding Laccadives) and the States of Cochin and Travancore; Bombay City; the districts of Thana, Kolaba, Ratnagiri and Kanara, and the States of Janjira, Jawahar and Savantvadi.
XVI. Madras, South-East ..	Madras, South-East	Districts of Madras, Chingleput, Chittoor, North Arcot, Salem, Coimbatore, South Arcot, Tanjore, Trichinopoly, Madura, Ramnad, Tinnevely, Nilgiris and the State of Pudukottai.

APPENDIX A-3.

DIVISION OF INDIA INTO ECONOMIC CIRCLES.

Classification by Mr. K. L. Datta.

(Report on the Enquiry into the Rise of Prices in India, 1914. (Volume I.)

Administration or Province.	Economic Circles.	Districts comprised in each Circle.
Assam	Assam	Brahmaputra Valley— Lakhimpur, Sibsagar, Nowgong, Darrang, Kamrup, Goalpara. Surma Valley— Sylhet, Cachar. Hill Districts— Garo Hills, Khasi and Jaintia Hills, Naga Hills, Lushai Hills.
Bengal	Bengal, Northern and Eastern ..	North Bengal— Jalpaiguri, Rangpur, Dinajpur, Malda, Rajshahi, Bogra, Fabna. East Bengal— Mymensingh, Dacca, Tipperah, Faridpur.
Bengal with Orissa	Bengal, Southern and Western ..	Southern Bengal— Chittagong, Noakhali, Backergunge, Khulna, 24 Parganas. Central Bengal— Murshidabad, Nadia, Jessore. Western Bengal— Birbhum, Burdwan, Bankura, Hughli, Howrah, Midnapur. Orissa— Balasore, Cuttack, Puri, Angul.
Bihar and Orissa	Chota Nagpur	Singhbhum, Manbhum, Ranchi, Hazaribagh, Palamau.
Bihar with Darjeeling	Bihar	North Bihar— Champaran, Saran, Muzaffarpur, Darbhanga, Monghyr (part), Bhagalpur (part), Purnea, Darjeeling. South Bihar— Shahabad, Patna, Gaya, Monghyr (part), Bhagalpur (part), Sonthal Parganas.
United Provinces of Agra and Oudh.	Agra Province, East	Eastern Districts— Mirzapur, Benares, Jaunpur, Ghazipur, Ballia, Azamgarh. Sub-montane Districts— Gorakhpur, Basti.
Do. do.	Bundelkhand	Jhansi, Jalaun, Hamirpur, Banda.
Do. do.	Agra Provinces, North and West, including Oudh.	The Doab— Saharanpur, Muzaffarnagar, Meerut, Bulandshahr, Aligarh, Muttra, Agra, Etah, Mainpuri, Farrukhabad, Etawah, Cawnpore, Fatehpuro, Allahabad. Hill Districts— Dehra Dun, Garhwal, Almora, Nainital. Central Districts— Bijnour, Moradabad, Budaon, Bareilly, Pilibhit, Shahjahanpur. Oudh— Kheri, Bahraich, Gonda, Fyzabad, Barabanki, Sitapur, Hardoi, Unao, Lucknow, Rae-Bareilly, Sultanpur, Partabgarh.

Administration or Province.	Economic Circles.	Districts comprised in each Circle.
Punjab with Delhi	Punjab, East	Jetch Doab— Shahpur, Gujrat. Rechna Doab— Lyallpur, Jhang, Gujranwala, Sialkot. Bari Doab— Multan, Montgomery, Lahore, Amritsar, Gurdaspur. Eastern Districts— Hoshiarpur, Jullundur, Ludhiana, Ferozepur, Hissar, Rohtak, Gurgaon, Delhi, Karnal, Ambala. Hill Districts— Kangra, Simla.
Punjab and North-West Frontier Province.	Punjab, West	East of Indus— Muzaffargarh, Mianwali, Attock, Jhelum, Rawalpindi, Hazara. Trans-Indus— Peshawar, Kohat, Bannu, Dera Ismail Khan, Dera Ghai Khan.
Bombay	Sind	Upper Sind Frontier, Sukkur, Larkana, Karachi, Hyderabad, Thar and Parkhar.
Do.	Gujarat	Panchmahals, Ahmedabad, Kaira, Broach, Surat.
Do.	Konkan	Thana, Kolaba, Ratnagiri, Kanara.
Do.	Deccan	Khandesh— West Khandesh, East Khandesh. Deccan Plateau— Nasik, Ahmednagar, Poona, Satara, Sholapur. Karnatak— Bijapur, Dharwar, Belgaum.
Central Provinces	Berar	Buldana, Akola, Amraoti, Yeotmal.
Central Provinces with Sambalpur.	Central Provinces	Nerbudda Valley— Hoshangabad, Narsinghpur, Saugor, Damoh, Jabulpore, Mandla. Waingunga and Mahanadi Basins— Seoni, Chanda, Balaghat, Bhandara, Drug, Raipur, Bilaspur, Sambalpur. South-Western Districts— Nimar, Betul, Chhindwara, Nagpur, Wardha.
Madras	Madras, North-East	Ganjam, Vizagapatam, Godavari, Kistna, Guntur, Nellore.
Do.	Madras, North	Bellary, Kurnool, Anantapur, Cuddapah.
Do.	Madras, South	Central Districts— Chittoor, Chingleput, North Arcot, South Arcot. Cauvery Valley— Salem, Coimbatore, Trichinopoly, Tanjore. Southern Districts— Madura, Ramnad, Tinnevely.
Madras with Coorg	Madras, West	Nilgiris, Malabar, Coorg, South Canara.

APPENDIX B.

METHOD OF CROP REPORTING IN INDIA.

The Existing System and its Defects.

Estimates of outturn of crops in India are based on three factors. These are (1) the area, (2) the standard normal outturn per acre, and (3) the estimate representing the relation of the year's crop to the normal per acre. This last is known as the "condition estimate." The quantitative yield of a crop is arrived at by multiplying these factors with each other.

2. As regards *area*, the reporting agency in most provinces is the Patwari (village accountant) or corresponding local revenue officer, and he is capable of reporting the area with accuracy. Such is the practice where the fields have been mapped out and surveyed. There are certain tracts, *e.g.*, permanently settled areas, lands held on privileged tenures and unsurveyed areas, where no trained revenue agency exists, and in these, the estimates of area are more or less conjectural, but steps are taken to revise the figures from time to time by careful comparison with the conditions in the adjoining areas of a similar character for which accurate statistics are available. Estimates of areas under mixed crops are also more or less conjectural, being based on formulæ prescribed by Provincial authorities.

3. On the whole, the figures of area are sufficiently accurate and are stated by the late Mr. Stuart to be better than the corresponding American figures. In America a detailed census of areas of crops grown is taken only once in 10 years and there is no attempt to obtain actual areas for forecasts. There are, however, the two instances mentioned above in which errors are possible in the area estimates reported in India. Instances have also occurred in which patwaris have failed to report area figures in time.

4. The second factor, *the standard normal outturn per acre*, is based on crop cutting experiments and on local estimates in some districts. A statement of the normal yield per acre of land of average quality is maintained in each province by the Agricultural Department. This is tested by crop cutting experiments conducted annually on selected plots of land of average quality. The results of the experiments are carefully scrutinized by the Head of the Provincial Agricultural Department who, after further investigations, revises the standards, if necessary. Such revision is usually made once in five years.

5. The true normal is of a visionary character and difficult to determine. In India several attempts have been made to define it and the briefest definition framed appears to be "the average yield on average soil in a year of average character." The figures of normal yield obtained in India have been generally admitted to be unreliable.

6. As regards the third factor, *the condition estimate*, the practice in most districts in India is to take a certain number of annas as representing a normal crop and to estimate the outturn of the year as so many annas higher or lower than that normal. The anna standard, however, has no fixed or uniform value, as the number of annas taken to represent a normal crop is generally sixteen but in some tracts it is twelve. Consequently, the anna estimate is converted into a percentage estimate in accordance with the American notation, 100 being taken to represent a normal crop.

7. The system of making estimates in India has been found in some parts of the country to be very defective. The estimates are for the most part guess work and the tendency is generally to under-estimate a good crop.

APPENDIX C.

Yield (quantity and value) is required of the following :—

- (1) Ragi arhar, barbati, lobia, mung, kulthi, urad, field gram, cheik, lentils, cheena, kangni, kodo or varagu, kutki, kuhudi, peas, pigeon or bottle grass, swank or shama, chickling vetch, buck wheat, wudalu or barti.
- (2) Vegetables.
- (3) Fruit (No. of bearing and non-bearing trees, quantity and value of fruit yielded).
- (4) Condiments and spices.
- (5) Sugar, other than sugarcane (*i.e.*, date palm, palmyra palm).
- (6) Other food crops (amaranths, arrowroot, kirni, mahua).

- (7) Coconut.
- (8) Other oilseeds (dill or sowa, mast wood, neerali, niger seed, sunflower, unda).
- (9) Other fibres (agave, sunn hemp, Deccan hemp, sisal hemp, kapok, korai, rhea, sabai grass, swallow-wort).
- (10) Other dyes and tanning materials (arnatto, chayroot, divi-divi, henna, madder, morinda, safflower, saffron).
- (11) Opium (obtainable from Excise statistics).
- (12) Tobacco.
- (13) Cinchona.
- (14) Indian hemp.
- (15) Other drugs and narcotics.
- (16) Fodder crops including oats.
- (17) Miscellaneous non-food crops (*e.g.*, mulberry).
- (18) Pan leaf.
- (19) Dried fruit (? whether it should be included under the " food " group of " cottage industries ") including raisins and currants.

APPENDIX D.

LIST OF FOREST PRODUCTS.

- | | |
|--|---|
| (1) <i>Timber.</i> | (b) Grass-oils, <i>e.g.</i> , Lemon-grass oil, |
| (2) <i>Fuel.</i> | (c) Cutch and Kath, |
| (3) <i>Charcoal.</i> | (d) Camphor, |
| (4) <i>Fibres.</i> | (e) Cinnamon-oil. |
| (a) From leaves, <i>e.g.</i> , " Kittal " fibre from Sago Palm leaves, Sisal fibre from the Agave plant, | (7) <i>Seeds.</i> |
| (b) Stem and bast fibres, <i>e.g.</i> , Kumbi, Dhamin. | (a) Edible, <i>e.g.</i> , Grass-seeds, Bamboo seed, |
| (5) <i>Grasses.</i> | (b) Oil, <i>e.g.</i> , Mohwa oil (used for adulterating ghee), Kosum oil, Walnut oil, |
| (a) Fibre grasses, | (c) Medical, |
| (b) Thatching grasses, | (d) Soap nut. |
| (c) Grazing and Fodder grasses, | (8) <i>Bark.</i> |
| (d) Others, <i>e.g.</i> , Khas-khas. | (a) Tanning, <i>e.g.</i> , Babul, Sunari bark from the Laburnum, |
| (6). <i>Distillation Products.</i> | (b) Dyeing, <i>e.g.</i> , Casuarina, |
| (a) Wood-oils, <i>e.g.</i> , Sandal-wood oil, tar-oil from teak, Deodar oil, | (c) Medical, <i>e.g.</i> , Kura, Neem, Cinchona, Indian Red Wood, |
| | (d) Substitute for tea, <i>viz.</i> , Yew. |
| | (9) <i>Wood Dyes, e.g.</i> , Red Sanders. |

- (10) *Fruit.*
- (a) Edible, *e.g.*, Jack, Mango, Walnut, Jaman, Mangosteen,
 - (b) Tanning, *e.g.*, Myrabolams,
 - (c) Medical, *e.g.*, Bael.
- (11) *Leaves.*
- (a) Edible,
 - (b) Cigarettes, *e.g.*, Tendu,
 - (c) Food for cattle, goats, sheep, horses, *e.g.*, Anjan,
 - (d) Tanning, *e.g.*, Dhaura,
 - (e) Thatching, *e.g.*, Palm.
- (12) *Roots.*
- (a) Edible,
 - (b) Medical, *e.g.*, "Jaman,"
 - (c) Dyeing.
- (13) *Flower.*
- (a) Liquor, *e.g.*, Mohwa,
 - (b) Dyeing, *e.g.*, Palas, dye from the Toon flower.
- (14) *Spices, e.g.*, Cardamoms.
- (15) *Bamboos and Canes.*
- (16) *Gums and Gum Resins e.g.*, Gum-kino, Dhaura, Mohin,
- (a) Resins, *e.g.*, Sal, Thingan,
 - (b) Oleo-Resin, *e.g.*, "Gurjan" Oil,
 - (c) Pine-Resin, *e.g.*, Chir, Blue Pine,
 - (d) Turpentine,
 - (e) Resin.
- (17) *Rubber.*
- (18) *Animal Products.*
- (a) Lac,
 - (b) Honey,
 - (c) Bees' Wax,
 - (d) Cocoons,
 - (e) Elephants,
 - (f) Ivory,
 - (g) Horns and skins.
- (19) *Sawdust, e.g.*, Sandal wood for scenting clothes.
- (20) *Miscellaneous Minor Products, e.g.*, Mica.

APPENDIX E.

The minerals for which regularly recurring and full particulars cannot be procured are:—

Alum.
Amber.
Apatite.
Asbestos.
Barytes.
Bauxite (Aluminium).
Building materials.
Clays.
Fuller's earth.
Gypsum.
Hyalite.
Ilmenite.
Ochre.
Soda.
Steatite.
Zircon.

No returns for the year 1923 are given in the case of the following among other minerals:—

Agate.
Amethyst.
Antimony.

Aquamarine.
Arsenic.
Alunogen.
Blue vitriol, copperas and magnesium sulphate.
Borax.
Bismuth.
Building stone (Common)—
Slates †.
Limestones.
Basalt.
Granite.
Sandstones.
Kankar.
Laterite.
Marble*.

Building materials—(*e.g.*, Dolomite, Gneiss, etc.)
Cobalt.
Corundum*.
Celestite.
Fluor spar.
Graphite †.
Garnet.

* Incomplete returns were given in the last Quinquennial Review of Mineral Production, 1914-1918.

† Approximately trustworthy returns were given in the last Quinquennial Review of Mineral Production, 1914-1918.

Glass making materials (sands and efflorescent alkali salts).
Lignite.
Lithographic stone.
Molybdenum.
Mercury.
Mineral waters.
Nickel.
Phosphates.
Peat.
Potash salts.
Precious stones—(e.g., Opal, Turquoise, Topaz, etc.)
Rock crystal.
Rose quartz.

Refractories—
Fire-clay.
Kaolin.
Quartzite.
Sillimanite.
Kyanite.

Rare minerals—(e.g., Pitchblende, Platinum and Iridosmine, etc.)
Sulphur.
Sulphate of soda.
Sulphite ores.
Strontium.
Titanium.
Uranium.
Vanadium.

APPENDIX F. (1)

List of large Industrial Establishments for which Statistics are available.

For all Establishments—

The number of employees.

For Breweries—

(i) Number.

(ii) Production in gallons.

For Cotton Mills—

(i) Number.

(ii) Authorised Capital, Paid-up Capital and Debentures.

(iii) No. of looms.

(iv) No. of spindles.

(v) Quantity and counts of yarn produced.

(vi) Quantity and value of woven goods.

(vii) Amount of Excise Duty.

For Jute Mills—

(i) Number.

(ii) Capital Authorised, Paid-up, Debentures.

(iii) No. of looms.

(iv) No. of spindles.

For Paper Mills—

(i) Number.

(ii) Authorised Capital.

(iii) Quantity and value of production.

For Woollen Mills—

(i) Number.

(ii) Authorised Capital.

(iii) No. of looms.

(iv) No. of spindles.

(v) Quantity and value of production.

For Distilleries—

(i) Number.

(ii) Total Issues.

APPENDIX F. (2).

Statistics are not available for—

(i) *Textiles—*

Clothing agencies and factories.

Coir mat and matting works.

Cotton spinning and weaving establishments not classed as mills.

Cotton waste factories.

Dress making and military establishments.

Hosiery factories.

Fancy embroidery-chicon.

Jute mills.

Gold or silver thread works.

Shawl weaving establishments.

Sewing thread factories.

Silk mills.

Silk weaving establishments.

Tent factories.

Tailoring establishments.

Woollen carpet weaving establishments.

Woollen weaving factories.

(ii) *Minerals—*

Agricultural machinery.

Aluminium factories.

Coke manufacturing works.

Colliery workshops.

Copper ore crushing works.

Enamel-ware works.

Gold cyanide works.

Gold washing works.

Galvanized-ware, tin-ware and steel-trunk factories.

Iron and brass works and foundries.

Iron and steel producing works.

Lock and cutlery works.

Metal works.

Mica splitting works.

Oil pumping stations.

Petroleum refineries.

Saltpetre refineries.

Sheet metal works.

- (iii) *Transport*—
 Dockyards.
 Engineering works.
 Harbour works.
 Port Trust workshops.
 Railway workshops.
 Ship and boat building and repairing works.
 Tramway works.
- (iv) *Food, drink and tobacco*—
 Bakeries.
 Bidi or Biri works.
 Biscuit factories.
 Butter and cheese factories.
 Coffee works.
 Dairy farms.
 Decorticating factories.
 Flour mills
 Fruit preserving and canning factories.
 Ice, mineral and aerated water factories.
 Jam and condiment factories.
 Opium factories.
 Ham and bacon curing.
 Rice mills.
 Sugar mills and refineries.
 Tobacco, cigar and cigarette factories.
- (v) *Chemicals, dyes, etc.*—
 Bone crushing mills.
 Candle factories.
 Chemical works.
 Camphor works.
 Dye works.
 Fish oil factories.
 Lac factories.
 Oil mills.
 Paint works.
 Printing ink works.
 Soap factories.
 Tar distilleries.
 Turpentine factory.
- (vi) *Paper and printing*—
 Book-binding works.
 Printing presses.
- (vii) *Processes relating to wood, stone and glass*—
 Bobbin factories.
 Building and contracting.
 Carpentry.
 Cement works.
 China or porcelain works.
 Coach building and motor car repairing works.
 Furniture workshops.
 Glass factories.
 Lime works.
 Potteries.
 Saw mills.
 Stone works.
 Tile and brick factories.
 Miscellaneous.
- (viii) *Processes connected with skins and hides*—
 Leather factories (including boot and shoe, saddlery and harness factories).
 Boot and shoe repairing establishments.
 Tanneries.
 Tanning extract works.
- (ix) *Miscellaneous*—
 Arms and Ammunition.
 Arsenals.
 Brush and Broom works.
 Canal foundries and workshops.
 Cotton spinning, cleaning and pressing mills.
 Despatch box manufactories.
 Electrical engineering workshops.
 Electric light and power stations.
 Engineering workshops.
 Fish curing yards and preserving works.
 Forage presses.
 Galvanizing works.
 Gas works.
 Gun carriage factories.
 Jewellery workshops.
 Jute presses.
 Kerosene tinning and packing works.
 Manure works.
 Match factories.
 Mathematical instrument factories.
 Mechanical transport repair workshops.
 Mints.
 Motor works.
 Musical instrument factories.
 Municipal workshops.
 Postal workshops.
 Rope and twine works.
 Rubber works.
 Sappers and miners workshops.
 Silk filatures.
 Slaughter yards.
 Sports requisites factories.
 Stores factories.
 Surgical instrument factories.
 Telegraph works.
 Umbrella factories.
 Water works.
 Miscellaneous (not enumerated above).

APPENDIX G

(a) *The Occupational Classification Adopted at the Indian Census of 1921.*

(A) Production of raw materials.	(B) Preparation and Supply of material substances.	(C) Public administration and liberal arts.	(D) Miscellaneous.
<p>(I) <i>Exploitation of animals and vegetation—</i></p> <p>1. Pasture and agriculture—</p> <p>(a) Ordinary cultivation, (b) Growers of special products and market gardening, (c) Forestry, (d) Raising of farm stock, (e) Raising of small animals.</p> <p>2. Fishing and hunting:</p> <p>(II) <i>Exploitation of minerals—</i></p> <p>1. Mines. 2. Quarries of hard rocks. 3. Salt, etc.</p>	<p>(III) <i>Industry—</i></p> <p>1. Textiles. 2. Hides, skins and hard materials from the animal kingdom. 3. Wood. 4. Metals. 5. Ceramics. 6. Chemical products properly so called, and analogous. 7. Food industries including dairies. 8. Industries of dress and the toilet. 9. Furniture industries. 10. Building industries. 11. Construction of means of transport. 12. Production and transmission of physical forces (heat, light, electricity, motive power, etc.) 13. Other miscellaneous and undefined industries.</p> <p>(IV) <i>Transport—</i></p> <p>1. Transport by air. 2. " " water. 3. " " road. 4. " " rail. 5. Post office, telegraph and telephone services.</p> <p>(V) <i>Trade—</i></p> <p>1. Banks, establishments of credit, exchange and insurance. 2. Brokerage, commission and export. 3. Trade in textiles. 4. " " skins, leather and furs. 5. " " wood. 6. " " metals. 7. " " pottery, bricks and tiles. 8. " " chemical products. 9. Hotels, cafes, restaurants, etc. 10. Other trade in foodstuffs. 11. Trade in clothing and toilet articles. 12. " " furniture. 13. " " building materials. 14. " " means of transport. 15. " " fuel. 16. " " articles of luxury and those pertaining to letters, arts and sciences. 17. Trade of other sorts.</p>	<p>(VI) <i>Public Force—</i></p> <p>1. Army. 2. Navy. 3. Air force. 4. Police.</p> <p>(VII) <i>Public administration.</i> (Order 45.)</p> <p>(VIII) <i>Professions and liberal arts—</i></p> <p>1. Religion. 2. Law. 3. Medicine. 4. Instruction. 5. Letters and arts and sciences.</p>	<p>(IX) <i>Persons living principally on their income.</i> (Order 51.)</p> <p>(X) <i>Domestic service.</i> (Order 52.)</p> <p>(XI) <i>Insufficiently described occupations.</i></p> <p>(XII) <i>Unproductive—</i></p> <p>1. Inmates of jails, asylums and alms-houses. 2. Beggars, vagrants and prostitutes. 3. Other unclassified non-productive industries.</p>

(b) *The Classification given in "Large Industrial Establishments in India" published by the Department of Statistics.*

- I.—*Textiles*—
 Clothing agencies.
 Cotton mills.
 Cotton spinning and weaving establishments not classed as mills.
 Hosiery factories.
 Jute mills.
 Silk mills.
 Woollen carpet weaving establishments, not classed as mills.
 Woollen mills.
 Miscellaneous.
- II.—*Metals*—
 Aluminium factories.
 Colliery workshops.
 Iron and brass foundries.
 Iron and steel producing works.
 Lock and cutlery works.
 Gold washing works.
 Metal works.
 Mica works.
 Petroleum refineries.
 Miscellaneous.
- III.—*Transport*—
 Dockyards.
 Harbour works.
 Railway workshops and other factories.
 Shipbuilding and engineering works.
 Tramway works.
- IV.—*Food, drink and tobacco*—
 Bakeries.
 Biscuit factories.
 Breweries.
 Coffee works.
 Dairy farms.
 Distilleries.
 Flour mills.
 Ice and mineral and aerated water factories.
 Opium factories.
 Pulse factories.
 Rice mills.
 Sugar factories.
 Tobacco factories.
 Miscellaneous.
- V.—*Chemicals, dyes, etc.*—
 Bone-crushing mills.
 Chemical works.
 Dye works.
 Lac factories.
 Oil mills.
 Paint works.
 Soap factories.
 Turpentine factories.
 Miscellaneous.
- VI.—*Paper and printing*—
 Paper mills.
 Printing presses.
 Book-binding works.
 Miscellaneous.
- VII.—*Processes relating to wood, stone and glass*—
 Carpentry.
 Cement works.
 Coach building and motor car repairing works.
 Furniture works.
 Glass factories.
 Potteries.
 Saw mills.
 Stone works.
 Tile and brick factories (including surkhi mills).
 Lime works.
 Miscellaneous.
- VIII.—*Processes connected with skins and hides*—
 Leather works.
 Tanneries.
 Miscellaneous.
- IX.—*Miscellaneous*—
 Aeroplane workshops.
 Arms and ammunition.
 Arsenal.
 Brush works.
 Button factories.
 Canal foundries and workshops.
 Canvas water proofing factories.
 Cotton ginning, cleaning and pressing mills.
 Electrical engineering works.
 Engineering workshops.
 Forage presses.
 Galvanizing works.
 Gas works.
 Gun carriage factory.
 Jewellery workshops.
 Jute presses.
 Kerosene tinning and packing works.
 Manure works.
 Match factories.
 Mathematical instrument factories.
 Mechanical transport repair workshops.
 Mints.
 Municipal workshops.
 Motor works.
 Packing box factories.
 Port Trust workshops.
 Postal workshops.
 Reed and comb factories.
 Rope works.
 Rubber works.
 Sappers and miners workshops.
 Silk filatures.
 Store works.
 Surgical instrument factories.
 Telegraph works.
 Umbrella factories.
 Water works.
 Miscellaneous (not enumerated above).

(c) Classification of Industries Adopted by the Dominions.

Canada,	South Africa.	New Zealand.	Australia.
<ol style="list-style-type: none"> 1. Vegetable products. 2. Animal products. 3. Textiles and textile products. 4. Wood and paper. 5. Iron and steel products. 6. Non-ferrous metals and their products. 7. Non-metallic mineral products. 8. Chemical and allied products. 9. Miscellaneous industries. 10. Construction, hand trades and repairs. 	<ol style="list-style-type: none"> 1. Treatment of raw material the product of agricultural and pastoral pursuits (excluding tanning). 2. Processes in stone, clay, earthenware and glass. 3. Working in wood. 4. Metal, engineering, machinery, and cutlery works. 5. Preparation, treatment, and preserving of food, drink, condiments, and tobacco. 6. Production of clothing (excluding boots and shoes), textile fabrics and similar articles. 7. Books, paper, printing and engraving. 8. Vehicles (mechanically propelled and otherwise), fittings for and parts of vehicles. 9. Ship and boat building and repairing. 10. Furniture, bedding and upholstery. 11. Drugs, chemicals (including fertilizers and by-products), paints, varnishes and allied products. 12. Surgical, dental and other scientific instruments and appliances. 13. Jewellery, timepieces and platedware. 14. Heat, light and power. 15. Leather and leatherware. 16. House building. 17. Other industries. 	<ol style="list-style-type: none"> 1. Animal food. 2. Vegetable food. 3. Drinks, narcotics and stimulants. 4. Animal matters (not otherwise classed). 5. Working in wood. 6. Vegetable produce for fodder. 7. Paper manufactures. 8. Heat, light and power. 9. Processes relating to stone, clay, glass, etc. 10. Metals other than gold or silver. 11. Precious metals. 12. Books and publications. 13. Musical instruments. 14. Ornaments and minor art products. 15. Equipment for sports and games. 16. Designs, medals, type and dies. 17. Ammunition and explosives and fire-works making. 18. Machines, tools and implements. 19. Carriages and vehicles. 20. Harness, saddlery and leatherware. 21. Ships, boats and their equipment. 22. House-furnishings. 23. Chemicals and by-products. 24. Textile fabrics. 25. Apparel. 26. Fibrous materials. 27. Miscellaneous (not included above). 	<ol style="list-style-type: none"> 1. Treating raw material, product of agricultural and pastoral pursuits, etc. 2. Treating oils and fats, animal, vegetable, etc. 3. Processes in stone, clay, glass, etc. 4. Working in wood. 5. Metal works, machinery, etc. 6. Connected with food and drink, etc. 7. Clothing and textile fabrics, etc. 8. Books, paper, printing and engraving. 9. Musical instruments, etc. 10. Arms and explosives. 11. Vehicles and fittings, saddlery and harness, etc. 12. Ship and boat building and repairing. 13. Furniture, bedding and upholstery. 14. Drugs, chemicals and by-products. 15. Surgical and other scientific instruments. 16. Jewellery, timepieces and platedware. 17. Heat, light and power. 18. Leatherware. 19. Minor wares.

APPENDIX H.

DETAILED CLASSIFICATION OF COTTAGE INDUSTRIES.

I. TEXTILES.

- (a) *Cotton Industry*.—
 (i) Hand cleaning,
 (ii) Hand ginning,
 (iii) Hand spinning,
 (iv) Hand weaving,
 (v) Durrie weaving,
 (vi) Carpet weaving,
 (vii) Hosiery,
 (viii) Cotton rope, twine and string,
 (ix) Tents,
 (x) Newar tap, etc.
- (b) *Silk Industry*.—
 (i) Sericulture,
 (ii) Reeling,
 (iii) Carding,
 (iv) Spinning,
 (v) Weaving,
 (vi) Embroidery work.*
- (c) *Woollen Industry*.—
 (i) Carding,
 (ii) Spinning,
 (iii) Weaving of shawls, dhusa, lohis, pattu, blankets, etc.,
 (iv) Felt (namda) making,
 (v) Weaving of woollen carpets and durries.
- (d) *Other Fibres (cocoanut, aloes, flax, hemp, jute, straw, reed, khajur bark, etc.)*.—
 (i) Rope and string, etc.,
 (ii) Mats,
 (iii) Tat weaving.
- (e) *Dyeing and Calico Printing*.—
 (i) Dyeing,
 (ii) Calico printing, e.g., chintz, curtains, bed covers, table cloths, etc.
- (f) *Gold and Silver wire weaving and allied Industry*†—
 (i) Gota weaving,
 (ii) Lace weaving,
 (iii) Zardozi work,
 (iv) Kamdani work,
 (v) Kamkhwab weaving.

*NOTE:—(i) The different branches of the Benares and Surat silk embroidery industry may be classified as follows: (a) Tarkashi or wire makers and guilders, (b) Silver or gold thread or Kalabatun makers, (c) Dyers, (d) Designers and (e) Weavers.

(ii) Among the silk weavers there are three kinds of workers—

(a) Weavers of ordinary silk cloth such as Kashi silk, sari and dupatta workers.

(b) Kamkhwab, pot, amru, mashru, etc., workers.

(c) Brocade weavers.

†NOTE:—The gold and silver wire and allied industry may conveniently be treated here. The various branches of this cottage industry are—

(1) *Kandla*, i.e., beating out of a piece of plain silver or silver plated with gold leaf into thick wire.

(2) *Tarkashi*, i.e., the process of lengthening out the thick wire into thin wire or thread, the thinness being regulated according to the purposes for which it is wanted,

2. TANNING AND LEATHER MANUFACTURE.

(i) Tanning, leather dressing, dyeing, etc.,

(ii) Leather articles, e.g., water bags, buckets, shoes, boots, buttons, suit and attaché cases.

3. SOAP AND OIL INDUSTRY.

(i) Vegetable and seed oils,

(ii) Perfumed oils,

(iii) Scents and perfumes,

(iv) Country dhobis' soap,

(v) Country toilet soap.

4. METALS.

(a) *Brass and copper*.—

(i) Manufacture of domestic vessels by moulding,

(ii) Manufacture of domestic vessels by beating sheet brass,

(iii) Manufacture of tin-plated utensils,

(iv) Manufacture of artistic brass wares by engraving (*Siahah Kalam* work),

(v) Manufacture of artistic brass wares by embossing, e.g., Benares brass wares,

(vi) Lock manufacture,

(vii) Brass jewellery.

(b) *Iron, steel and minor metals*.—

(i) Utensils from sheet iron.

(ii) Implements and tools,

(iii) Cutlery, scissors, etc.,

(iv) Steel trunks,

(v) Locks and safes,

(vi) Nails, hinges, screws, etc.,

(vii) Aluminium articles,

(viii) German silver household utensils, jewellery, etc.

5. WOOD, CANE, BAMBOO, REEDS, ETC., INDUSTRIES.

(i) Coach building,

(ii) Carts and ploughs,

(iii) Boat building,

(iv) Palkis,

(v) Furniture,

(vi) Casks,

(3) *Tardabhana*, i.e., the flattening of the thin wire to produce what is known as 'badla' used for making lace or Kamdani.

(4) *Kalabatun*, i.e., the making or twisting of the gold or silver thread round fine silk or cotton thread to produce a composite twist which is used in the weaving of brocade or similar material.

(5) The manufacture of "Salma" (wire curled into spiral form) and "Sitara" (stars and spangles) used for embroidery.

(6) The weaving of gota with silk or cotton warp and "badla" wool.

(7) *Zardozi*, i.e., embroidery on fine cotton, silk or velvet cloth with "Salma Sitara."

(8) *Kamdani*, i.e., embroidery on cotton silk or velvet with gold or silver wire and thread.

The artisans confine themselves as a rule to only one branch of the industry.

- (vii) Wood turning and lacquer work,
- (viii) Wood and ebony carving,
- (ix) Combs,
- (x) Tarkashi working, *i.e.*, inlaying of brass wire in wood locally,
- (xi) Wooden toys, *e.g.*, in Benares and Chanapatna (Mysore State),
- (xii) Bamboo and cane work, *e.g.*, bamboo and cane furniture, baskets, etc.,
- (xiii) Moonj basket work,
- (xiv) Khajur and tar fans,
- (xv) Painting,
- (xvi) Upholstery,
- (xvii) Sawing.

6. STONE AND BUILDING INDUSTRIES.

- (i) Stone cups, plates, tumblers, buttons, etc.,
- (ii) Mills or hand chakkis,
- (iii) Inland stone working,
- (iv) Stone cutting and dressing.
- (v) Stone engraving,
- (vi) Well sinking,
- (vii) Masonry-work,
- (viii) Brick laying,
- (ix) Tile manufacturing.

7. CERAMICS.

- (i) Glass bangles and phials,
- (ii) Lac bangles, necklaces, etc.,
- (iii) Manufacture of blown and moulded articles, *e.g.*, flasks for pilgrims to carry Ganges water, jars, thimneys, vases, etc.,
- (iv) Common domestic pottery,
- (v) Coloured and glazed pottery,
- (vi) Art and china pottery,
- (vii) Earthen toys,
- (viii) Mosaic, talc, mica, alabaster, etc., working.

8. FOOD INDUSTRIES.

- (i) Rice pounding and husking,
- (ii) Flour grinding,
- (iii) Bakery and biscuit manufacture,
- (iv) Grain parching,
- (v) Butter, cheese and ghi,
- (vi) Confectionery,
- (vii) Jam and condiments,
- (viii) Butchery,
- (ix) Sugar, molasses and gur,
- (x) Tobacco,

- (xi) Bidis,
- (xii) Cigars and cigarettes.

9. INDUSTRIES OF DRESS, TOILET AND LUXURY.

- (i) Tailoring,
- (ii) Linen embroidery,
- (iii) Knitting,
- (iv) Turban making,
- (v) Cap making,
- (vi) Wig making.

10. CHEMICALS, VARNISH AND PAINTS

Manufacture of—

- (i) country drugs,
- (ii) dyes,
- (iii) paints and varnish,
- (iv) printing ink,
- (v) saltpetre,
- (vi) indigo,
- (vii) alum,
- (viii) salt,
- (ix) boot and shoe polish,
- (x) writing ink.

11. GOLD AND SILVER INDUSTRY

- (i) Wire making,
- (ii) Thread making,
- (iii) Leaf making,
- (iv) Ornament making,
- (v) Bidri working (the damascening of silver on lead).

12. SOME MINOR INDUSTRIES.

- (i) Engraving,
- (ii) Musical instruments,
- (iii) Spectacles,
- (iv) Enamelling,
- (v) Imitation jewellery and gilding,
- (vi) Rosaries, lingams and sacred threads,
- (vii) "Chikan" work,
- (viii) Horn combs, etc.,
- (ix) Ivory articles,
- (x) Sola hat making,
- (xi) Peacock feather fan making,
- (xii) Paper manufacture by hand, and power,
- (xiii) Papier-maché work,
- (xiv) Lac manufacture,
- (xv) Water mills,
- (xvi) Working in precious metals.

APPENDIX I.

Estimates of the Annual Income of India.

Estimates of	Published in	Area.	Year.	Total income (in crores of Rupees).	Income per Head. Rs.
1. Dadabhai Naoroji ..	Poverty and Un-British Rule in India (1871).	British India ..	1867-68	340	20
2. Atkinson (F. J.) ..	"A Statistical Review of the Income and Wealth of British India." Journal of the Royal Statistical Society, June 1902.	Do. ..	1875	574	305
3. Baring, Major (Lord Cromer) ..	Budget Speech, 1882. ..	Do. ..	1881	525	27
4. Richard, T. (Sir) ..	A paper read before the Institute of Bankers, London, July 1881.	Do. ..	1881	233	10*
5. Horne (E. A.) ..	"An Estimate of India's National Income." Article in the Bengal Economic Journal, January 1918.	Do. ..	1891	..	28
6. Atkinson (F. J.) ..	(Same as No. 2) ..	Do. ..	1895	877	39.5
7. Digby (W.) ..	"Prosperous" British India, 1901..	Do. ..	1898-99	428	18.9
8. Curzon (Lord) ..	Budget Speech, 1901 ..	Do. ..	1901	675	30
9. Giffen, R. (Sir) ..	Economic Inquiries and Studies ..	Whole of India ..	1903	900	30
10. Balkrishna (Dr.) ..	Industrial Decline of India, 1917 ..	Do. ..	1911-12	{ 1,078(a) 539(b) 431.2(c)	{ .. 21 16.5*
11. Horne (E. A.) ..	(Same as No. 5) ..	British India ..	1911	980	42
12. Shirras (G. F.) ..	Report on an Enquiry into Working Class Budgets in Bombay.	Do. ..	1911	{ 1,204(d) 1,920(e)	{ 50 80
13. Wadia (P. A.) and Joshi (G. N.)	The Wealth of India, 1925 ..	Do. ..	1913-14	1,087	44.5
14. Lupton (A.) ..	Happy India, 1922 ..	Do. ..	1919-20	2,854.5	114
15. Shah (K. T.) ..	Trade, Tariffs and Transport in India, 1923.	Do. ..	1921-22	1,470	46
16. Sarma (B. N. Sir, Hon'ble).	Proceedings of the Council of State (6th March, 1921).	Do. ..	{ 1911 1921	{	{ 86 over 100
			{ 1900-14 1914-22	{ 1,106 1,862	{ 36 58.5
17. Shah (K. T.) and Khambata (K. J.)	Wealth and Taxable Capacity of India, 1924.	Whole of India ..	{ 1900-22 1921-22	{ 1,380 2,364	{ 44.5 74
18. Shirras (G. F.) ..	The Science of Public Finance, 1924.	British India ..	{ 1921 1922	{ 2,598 2,866	{ 107 116
19. Slater (Dr. G.) ..	The Madras Year Book, 1923 ..	Madras Presi- dency.	1919-20	{ 434(f) 475(g)	{ 102 112

*Not verified.

(a) Gross value of agricultural produce.

(b) Net value allowing 50 per cent. of gross value for cost of production.

(c) Net value allowing 60 per cent. of gross value for cost of production.

(d) Framed on the same basis as Lord Curzon's estimate.

(e) By a more elaborate method than that adopted by Lord Curzon.

(f) The non-agricultural income being taken at 40 per cent. of that from agriculture.

(g) The non-agricultural income being taken at 50 per cent. of that from agriculture.

APPENDIX J.

CLASSIFICATION OF NATIONAL WEALTH OF INDIA.

- | | |
|--|---|
| <p>I. Private (Individual and collective).</p> <p>(i) Land and buildings.</p> <p>(ii) Agricultural, dairying and pastoral implements and machinery.</p> <p>(iii) Live-stock.</p> <p>(iv) Manufacturing plant and machinery.</p> <p>(v) Mining properties (including plant and machinery).</p> <p>(vi) Coin and bullion.</p> <p>(vii) Private railways, tramways and telephone systems.</p> <p>(viii) Shipping and canal and other waterways.</p> <p>(ix) Electric light and power.</p> <p>(x) Agricultural and pastoral products.</p> <p>(xi) Manufactured products.</p> <p>(xii) Mining products (other than gold).</p> <p>(xiii) Imported merchandise.</p> <p>(xiv) Clothing and personal adornment (including jewellery).</p> | <p>(xv) Furniture and fittings, books, etc.</p> <p>(xvi) Motor vehicles, carriage, etc.</p> |
| <p>II. Public (Government and local bodies).</p> | |
| <p>(i) Land, buildings and other property.</p> <p>(ii) Live-stock.</p> <p>(iii) Forests.</p> <p>(iv) Irrigation works.</p> <p>(v) Water works.</p> <p>(vi) Roads and streets.</p> <p>(vii) Railways and tramways.</p> <p>(viii) Indian Marine.</p> <p>(ix) Ports and harbours.</p> <p>(x) Arsenals and defensive works.</p> <p>(xi) Ordnance and military accoutrements.</p> <p>(xii) Military transport and air service.</p> <p>(xiii) Manufacturing plant and machinery.</p> <p>(xiv) Mints.</p> | |

APPENDIX K.

FAMILY BUDGETS.

Rural Family Budgets—

- Bhalla, (R. L.) "An Economic Survey of Bairampur Village." Government Press, Lahore, 1922.
- Lucas, (E. D.) .. ' .. "The Economic Life of a Punjab Village." *Civil and Military Gazette*, Lahore.
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No. 665/80 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 18th May, 1925.THE SECRETARY,
THE INDIAN ECONOMIC ENQUIRY COMMITTEE, SIMLA.

SIR,

I have the honour to acknowledge receipt of your letter No. 258-E of the 1st April enclosing a copy of the Questionnaire framed by the Indian Economic Enquiry Committee, and soliciting the Association's views thereon.

2. I am directed to point out that what the Indian Legislature and the public of India desired was a Committee to make an investigation into the economic condition of the people of this country. The present Committee, however, is formed only with the object of collating and examining the existing material, ascertaining how it can best be supplemented and determining what lines an economic enquiry into the resources of the country should take. In short, the Indian Economic Enquiry Committee is formed, *inter alia*, with the object of reporting firstly as to whether there is any *raison d'être* for the Committee demanded by the Indian Legislature and by the Indian public, and secondly as to what in their opinion constitute the best lines on which such a Committee, if at all formed at a later date, should conduct their enquiries. My Committee desire me to state most emphatically that a Committee formed with the objects mentioned above is only calculated to defeat public opinion which has persistently demanded a thorough, independent and expert investigation into the present economic conditions of the country, and which public opinion also found reflection in the Indian Legislature some time back.

3. For the above reason my Committee cannot but feel that the constitution and the terms of reference of the Indian Economic Enquiry Committee are open to the gravest objection, and they are unanimously of the opinion that it would be a sheer waste of energy and time on their part if they were to attempt to answer the very formidable Questionnaire framed by the Indian Economic Enquiry Committee.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 39.

EXTERNAL CAPITAL ENQUIRY COMMITTEE.

No. D. 3749-F.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT,
DELHI, 18th November, 1924.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

In accordance with the promise given by the Honourable Sir Charles Innes in the Legislative Assembly on the 5th June, 1924, a Committee consisting of the following gentlemen was appointed by the Government of India during the last Simla session to consider the question of the flow of capital into India from external sources :—

THE HON. SIR BASIL BLACKETT, K.C.B. (*Chairman*).
THE HON. SIR CHARLES INNES, K.C.S.I., C.I.E.

THE HON. MR. J. W. A. BELL.	} Elected by the Council of State.
THE HON. MR. G. A. NATESAN.	
THE HON. DR. DWARKANATH MITTER.	
MR. W. S. J. WILSON, M.L.A.	} Elected by the Legislative Assembly.
SIR P. S. SIVASWAMI IYER, K.C.S.I., C.I.E., M.L.A.	
PANDIT MADAN MOHAN MALAVIYA, M.L.A.	
MR. VITHALBHAI JHAVERBHAI PATEL, M.L.A.	

2. I am directed by the Committee to request that you will be so good as to place the accompanying questionnaire which has been framed by them before your Chamber and communicate their replies at your early convenience. The Committee would be grateful if the replies could be sent so as to reach me by about the middle of January next.—I have, etc.,

(Sd.) ILLEGIBLE,
for Secretary, External Capital Committee.

EXTERNAL CAPITAL COMMITTEE.

QUESTIONNAIRE.

Forms of Capital—

1. What are the different forms in which external capital enters India ?

Encouragement—

2. In which of these cases is the entry either unobjectionable or necessary in the interests of India generally and of Indian industries in particular ?
3. Is it necessary to encourage the entry of any particular variety ?
4. If so, what steps should be taken in this direction and to what extent is capital likely to be forthcoming as the result of such steps ?

Replacement—

5. How far is it possible to replace external by internal capital ?
6. What measures are necessary for the—
- (1) greater attraction of indigenous capital for industrial purposes, and
- (2) development of banking organisation and credit facilities in India ?

Restriction—

7. What are the forms of external capital the entry of which is objectionable ?
8. What are the objections in each such case ?
9. What restrictions can and should be imposed in each such case ?
10. What would be the effect of any such restriction on the—
- (1) industries and development of the country generally,
- (2) loan policy of Governments and local bodies, and
- (3) holders of investments ?

Differentiation—

11. Is it necessary to differentiate in any respect and, if so, how would you differentiate between—

- (1) British and foreign capital, and
- (2) capital from foreign countries which exercise such discrimination and from those which do not ?

Practice elsewhere—

12. What is the practice in other countries (specially in the British Dominions) in the matter of encouraging or restricting the flow of foreign capital ?

No. 117/35 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd January, 1925.

THE SECRETARY,
EXTERNAL CAPITAL COMMITTEE, DELHI.

SIR,

I am directed to acknowledge the receipt of your letter No. D. 3749-F dated the 18th November, 1924, and in reply to answer the questions referred to therein as follows :—

Forms of Capital—

(1) Speaking generally, the forms in which external capital enters India may be summarised under the following heads :—

- (a) Gold and silver as bullion and in the form of coinage.
- (b) Foreign bills of exchange and letters of credit.
- (c) Securities of the Home Government and the securities of the Government of India.
- (d) Merchandise, and machinery and goods generally.
- (e) Shares, loans and debentures to companies and private individuals.

Encouragement—

(2) The entry of external capital in all forms should be encouraged in the general interests of the industrial and commercial development of the country. Foreign capital in any form should not be discouraged unless it is definitely proved that it is being used in preference to indigenous capital.

The only precaution which my Committee desire to suggest has reference to the share capital of foreign industrial enterprises located in India. In this particular instance my Committee consider that 50 per cent. of the share capital should be made available for subscription in India for a period of six months after the issue of the prospectus. During this time the prospectus should be adequately advertised and notified. If at the end of the period 50 per cent. of the share capital has not been subscribed in India the company might be given permission to acquaint the Registrar of Joint Stock Companies, or some other suitable authority appointed by Government for the purpose, who might then be given the power to accord sanction for the remaining portion of the share capital to be subscribed abroad.

My Committee would also like to recommend the Government of India to give their serious attention as to the advisability of enacting legislation, making registration in India compulsory in the cases of concerns financed by foreign capital operating in India, and also making it compulsory for such concerns to invest a half or at the very least a third of their reserve funds in this country.

(3) It is not necessary to encourage the entry of any particular variety of foreign capital. Speaking generally, the freer the flow of all kinds of capital the greater the benefit to Indian industrial development.

(4) See answer to (3) above.

Replacement—

(5) External capital can be replaced by indigenous capital in proportion to the savings which the country accumulates by way of profits upon its internal and external trade. At the same time my Committee realise the great necessity of educating the people of India to realise the value of investing their savings in industrial enterprises or depositing them in sound banking institutions so as to make them available for use for the development of Indian industries, in preference to the system of hoarding now so generally practised. They would greatly favour the development of more adequate and satisfactory banking facilities with this object in view, on the lines of the Industrial Banks of Germany and Japan.

(6) (1) With the object of attracting indigenous capital for industrial purposes to a greater extent, my Committee consider that Government would do well to assist infant industries suitable to the country's needs and natural resources by the grant of a generous measure of protection or bounties in their initial stages. Where it is proved that a tax has a restrictive or severely adverse effect on the inauguration or the legitimate development of a particular industry such tax should be abolished or its operation suspended in regard to the industry concerned. As an example of an objectionable tax my Committee desire me to refer to the Cotton Excise Duty which should be abolished in order to encourage the legitimate development of the cotton textile industry of India.

(6) (2) As regards development of banking organisations and credit facilities of India my Committee endorse in their entirety the following suggestion of the Hon'ble Sir Dinshaw E. Wacha, Kt :—

“Measures essential to attract indigenous capital for industrial purposes and the development of banking organisations and credit facilities in India may be developed in the following way :—By institution of as many banking institutions as may be deemed necessary from time to time on a sure and sound foundation. For such a purpose it will be imperative to introduce *specific legislation* regarding borrowing and lending, of a character which while sufficiently elastic will fully safeguard the interests of depositors and shareholders alike and thus inspire the highest confidence among them. Beyond such local banking concerns as just suggested it is exceedingly desirable that there should be in the important capitals of the different provinces, which have extensive trade and industries, banks with a capital at least of five crores of the type and nature of the German Deutsche Bank which, it is superfluous to state, has greatly aided in the conversion of Germany from an agricultural into an industrial country. Banks of this character, when established on sound foundations and managed by recognised experts in different branches of industry, may be expected to produce results in India similar to those in Germany. It is also essential that India should possess agricultural banks, with their kindred auxiliaries or feeders in every province of the Empire with, say, a capital ranging from two to five crores. Such banks should be modelled broadly on the lines of the Agricultural Bank of Egypt, so beneficially fostered by the late Earl Cromer. Of course, the local conditions of each province will have to be taken into consideration. Co-operative central banks should also be encouraged to serve the useful purpose of fertilisers to each agricultural bank.

“Savings of smaller investors should be constantly utilised by means of State Certificates, similar to postal ones at present available but of higher denominations. In proportion as the villages of the country obtain the benefits to be derived from State projects of remunerative irrigation and agricultural banks, the larger will be the field for the utilisation of savings. The habit of thrift will thus be greatly stimulated and that of hoarding minimised.

“Lastly, it should be well were the capital of the Imperial Bank of India increased so as to enlarge the scope of its utility in the matter of industrial developments. With a reasonable increase of its capital and with an enlargement of the existing note circulation which may be deemed adequate without the evils of inflation, for the needs of the growing population and its expanding commerce and manufactures, the country will be in a better position to create *new wealth*. Stabilisation, *pari passu*, of Indian exchange is essential, but, of course, that can only be successfully achieved when the world's international exchange has been stabilised.”

Restriction—

(7), (8) & (9) As already indicated in answer to question (2) my Committee hold the view that the entry of foreign capital of all kinds should be encouraged, but where the terms offered by various countries are equal, preference might be given to British capital in the case of Government borrowings abroad.

(10) The effect of restrictions, if permanently imposed, could only be ascertained by experience. Speaking broadly, a policy of restriction would constitute an economic mistake, as no amount of foreign capital supplied at low rates of interest could possibly injure India. On the other hand, no special concessions should be granted to any country which is not available to Indian capital in that country.

Differentiation—

(11) In view of the answers given to previous questions, no answer is necessary.

Practice elsewhere—

(12) My Committee have only a very general knowledge of the practices obtaining in other countries regarding the encouragement or restriction of foreign capital, and do not therefore desire to answer this question, except in so far as to say that whatever may be the practice in other countries, India's peculiar position would render most of them unsuitable for adoption. The special needs and interests of India should be the paramount consideration of the Government of India in framing any policy for restriction or encouragement.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 40.

ROYAL COMMISSION ON INDIAN CURRENCY AND EXCHANGE

No. 1.

NEW CUSTOM HOUSE,
BOMBAY, 22nd September, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to state that the Royal Commission on Indian Currency, the appointment of which was announced by H. E. the Viceroy on the 20th August, 1925, will be glad to receive written statements of their views from any persons or bodies desirous of giving evidence before the Commission. They should state at the same time whether they wish to supplement the written statements by oral evidence, and in the case of bodies, name the representative or representatives who will tender oral evidence on their behalf.

2. I am to request that the above fact may be made known generally and that a written statement of your Association's views may be forwarded accordingly. It will be understood that it will be for the Commission to decide whether or not they will hear the oral evidence of witnesses offering to tender such evidence, and no statement can be made at present as to the date on which witnesses whose oral evidence the Commission decide to take will be called.

3. A copy of the terms of reference is enclosed. All communications may be addressed for the present to the Joint Secretaries to the Royal Commission on Indian Currency, Government of India, Secretariat, Simla.—I have, etc.,

A. V. V. AIYAR,
*Joint Secretary to the Royal
Commission on Indian Currency.*

TERMS OF REFERENCE.

To examine and report on the Indian exchange and currency system and practice ; to consider whether any modifications are desirable in the interests of India, and to make recommendations.

No. 4363.

Confidential.

FINANCE DEPARTMENT,
BOMBAY, 24th October, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to forward the attached copy of a confidential memorandum indicating the main questions which will be considered by the Royal Commission on Indian Currency, which will be of use to your Association in preparing their written statements. I am to request that the memorandum may be treated as strictly confidential.—I have, etc.,

J. V. JOSHI,
Assistant Secretary to the Government of Bombay,
Finance Department.

Confidential.

(Not to be published.)

The following memorandum is issued by the Joint Secretaries to the Currency Commission by direction of the Chairman. It is not to be regarded as exhaustive nor is it desired that each witness should necessarily attempt to deal with all the questions raised.

The Royal Commission on Indian Currency has not yet met and no authoritative questionnaire has been compiled. In order, however, to assist in the preparation of the written evidence and to avoid delay it may be useful to give a preliminary indication of the chief questions which it would seem, must be considered by the Commission under their terms of reference.

These are as follows :—

(1) Is the time ripe for a solution of problems of Indian currency and exchange by measures for stabilisation of the rupee or otherwise ?

What is the comparative importance of stability in internal prices and in foreign exchanges ?

What are the effects of a rising and a falling rupee and of a stability of high or low rupee on trade and industry including agriculture and on national finance ?

(2) In relation to what standard and at what rate should the rupee be stabilised, if at all ?

When should any decision as to stabilisation take effect ?

(3) If the rate selected differs materially from the present rate how should transition be achieved ?

(4) What measures should be adopted to maintain the rupee at the rate selected ?

Should the gold exchange standard system in force before the war be continued and with what modifications, if any ?

What should be the composition, size, location and employment of a gold standard reserve ?

(5) Who should be charged with the control of the note issue and on what principles should control or management be transferred to the Imperial Bank of India, and if so, what should be the general terms of the transfer ?

What provisions should be made as to the backing of the note issue ?

What should be the facilities for the encashment of notes ?

What should be the policy as to the issue of notes of small values ?

(6) What should be the policy as to the minting of gold in India and the use of gold as currency ?

Should the obligation be undertaken to give gold for rupees ?

(7) By what method should the remittance operations of the Government of India be conducted ?

Should they be managed by the Imperial Bank ?

(8) Are any and if so what measures desirable to secure greater elasticity in meeting seasonal demands for currency ?

Should any and if so what conditions be prescribed with regard to the issue of currency against hundies ?

(9) Should any change be made in existing methods for the purchase of silver ?

No. 1407/130 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th December, 1925.

THE SECRETARY,
THE ROYAL CURRENCY COMMISSION, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. 1 dated 22nd September, 1925, and your further communication No. 47 dated 27th October, and in reply have the pleasure to submit the considered views of the Committee of the Bombay Millowners' Association regarding the Indian currency problems.

In the opinion of my Committee, the time has now arrived for a concerted attempt to be made to solve the currency problem of the country. They further consider that the two main essentials for the permanent solution of the currency problems are :—

(a) 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 value. With the rupee exchange at the present rate 100 U.S.A. gold dollars are worth Rs. 272.4 as against Rs. 307.8 in January 1914. 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 U.S.A. has a depreciated currency.

(b) That the rupee exchange rate should not be liable to large fluctuations.

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. The present rupee-sterling exchange rate has only been possible because India has had four successive good monsoons. For these main reasons my Committee are convinced that it would be inadvisable to stabilise the rupee at a higher value at *rs. 4d.* gold, a rate which it was found possible to maintain for more than twenty years previous to the war.

In connection with the subsidiary problems with which the Currency Commission is confronted, my Committee desire to make the following suggestions :—

- (1) That the token value of the rupee in terms of gold should be fixed at a rate not higher than *rs. 4d.* gold.
- (2) That the English sovereign, or an Indian coin of similar weight and fineness should be made legal tender in India.
- (3) That gold certificates should be issued on the basis of *Rs. 15* to the sovereign against gold held in reserve in India. My Committee consider that for the first few years after the country has gone over to a true gold standard, it will be necessary to build up an adequate gold reserve, and in order to prevent the possibility of any due raid on the gold reserve during these years it should not be compulsory to make payment against gold certificates in gold coin. At the same time Government should declare that the ultimate object would be to meet all payments against gold certificates in gold currency.
- (4) Subject to the issue of temporary emergency currency no further issues of rupee notes (in contra-distinction to gold certificates) should be made, and no further minting of silver rupees should be made.
- (5) It should be the aim of Government to withdraw gradually the notes now issued against silver backing in not more than ten years, and to replace them with gold certificates. At the end of that time it will be necessary to decide the amount against which silver rupees should be accepted as legal tender.
- (6) 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.
- (7) The control of the note issue should be handed over to the Imperial Bank of India with definite regulations regarding its expansion and contraction. The present method of control has led to suspicion, unfounded or otherwise, that the Government of India have been guilty of manipulations which might possibly have been to the benefit of Government revenues but have adversely affected the interests of the great mass of the population of this country. By a transference of their powers, under definite rules, to the Imperial Bank, this suspicion would be removed.
- (8) That the whole of the remittance operations of the Government of India should be entrusted to the Imperial Bank. These transactions are essentially banking transactions, and should be conducted through the usual agency.

My Committee do not in their written evidence wish to dilate upon the suggestions they have made as this is more the function of financial experts, and can hardly be considered as the legitimate function of the Millowners' Association, but they desire to state more fully their views upon the essentials which they submit are necessary for the satisfactory solution of the Indian currency problem, and the reasons why the textile industry of the country must support the demand for a *rs. 4d.* gold standard.

The Introduction of a True Gold Standard.

The present currency system is open to objection for the reason that it permits the value of the rupee to be raised or lowered practically at the will of the Finance Member of the Government of India, and my Committee believe that it is extremely desirable that the system should be changed for this, even if no other reason.

The only recognised international standard of value is gold, and my Committee are unanimously of the opinion that the rupee, which by the very fact that it has a nominal value greater than its intrinsic value becomes a token coin, should possess a constant relation to the only universally recognised measure of value. The only way to achieve this, in the opinion of my Committee, is by the minting of gold coins in India and for the issue of gold certificates against *tenders of gold by the public*.

A necessary corollary to the suggestion made by my Committee would be that "the Indian mints should be thrown open to the unrestricted coinage of gold on terms and conditions such as govern the three Australian branches of the Royal Mint," as recommended by the Fowler Committee.

Fixation of the Value of the Rupee at 1s. 4d. Gold.

As explained in the preceding paragraphs, the rupee is a token coin. This has been true since the time it ceased to circulate at the value of the silver contained in it. When it ceased so to circulate, a definite face value was given to it equivalent to 1s. 4d. gold. In other words, 15 token rupees become equal in value to £ 1 gold, and in reality the English sovereign became the standard of value whereby the value of India's products were reckoned.

For more than twenty years, the rupee circulated at this value and during that time contracts began to be made in terms of this token coin. The whole of the land assessments of the country were made upon this basis and practically the whole of the rupee capital in Indian industries was invested in machinery, buildings, etc., upon this basis.

It has been stated in responsible quarters that, if the rupee was fixed at 1s. 4d. gold, it would constitute a hardship to those people who have entered contracts at 1s. 6d. My Committee maintain that this hardship is more or less a figment of the imagination, for, until the end of March this year, when England's currency was restored to its pre-war parity with the dollar, the rupee never had a value equal to 1s. 6d. gold, and as recently as September 1924 had an equivalent gold value of under 1s. 4d.

My Committee realise that the present Finance Member of the Government of India has more or less advocated a policy which would give a token value to the rupee higher than 1s. 4d. gold, and has been able to support his policy by two successive prosperity budgets. Most of his surplus, Sir Basil Blackett has stated, has been due to the high exchange value of the rupee in terms of sterling.

With this view, my Committee entirely disagree and they maintain that even with the value of the rupee fixed at 1s. 4d. gold, there would have been equally big surpluses for reasons similar to those given by Mr. B. F. Madon in Chapter XII of Part II of his book on the Indian Exchange Problem.

It may be true that there has been a gain to Government under the matter of home charges, but this gain has been more than counter balanced by the loss in rupee value of the exports of the country which has correspondingly reduced the amount which this country has been able to spend.

Effect of a 1s. 6d. rate on the People of India Generally.

As is well known, the very great majority of the people of this country are agriculturists and their prosperity depends upon the prices received for the produce of their lands. As is almost equally well known, the prices which they receive depend upon the prices which the rest of the world is willing to pay for the surplus which is exported. These prices are very largely dependent on their international gold value and it necessarily follows that, if the gold value of the rupee were fixed at 1s. 6d., the number of rupees received by the Indian exporter would tend to be less than if the gold value of the rupee were fixed at 1s. 4d.

As internal prices are also largely dependent upon the export prices, it also follows that the total number of rupees received by the agricultural population of India for their produce would be considerably less with the rupee fixed at 1s. 6d. than if fixed at 1s. 4d. gold.

Coming down to the individual, it will mean that, in spite of a smaller rupee income, he will have to pay the same number of rupees rent, the same number of rupees for land revenue, and the same if not a higher, number of rupees as interest to the sowcar. Thus the balance left over in rupees after paying all those fixed amounts will be reduced and the purchasing power of the general population correspondingly decreased.

Effect upon the Cotton Industry of India.

As explained in the preceding paragraph, with the rupee fixed at 1s. 6d. gold instead of 1s. 4d. the general population of the country would have a smaller balance left over after paying interests, rent and land revenue, and this means that they would be unable to pay the prices for cloth which they could previously afford. This also means that not only will the demand for Indian mill-made cloth decrease, but that prices would have to be reduced to meet the decreased purchasing power of the general population.

The decrease in the price of the Indian mill-made cloth would, however, be made doubly certain owing to the fact that the price at which it is possible to import Japanese and other foreign cloth would be automatically reduced by 12½ per cent. or round about this figure.

Let us examine what this means to the mills of Bombay, who are to-day faced with the problem of reducing the cost of cloth by 12½ per cent. and will continue to be faced with these difficulties if the rupee is kept at 1s. 6d. gold.

To reduce the price of cloth by 12½ per cent. the manufacturer has to reduce every one of his cost items by that percentage. In many cases this is impossible because the prices paid for labour cannot easily be reduced and the cost of power, depreciation, interest charges, rates, taxes and insurance will remain the same or be increased.

The net result of this is that, where the full force of foreign competition exists (Bombay) if the rupee is fixed at 1s. 6d. gold, many mills will eventually be forced into liquidation unless the import duty on cotton piece-goods were increased and even if the import duty were increased, it will not help the textile industry so much as would fixation of 1s. 4d. gold owing to the decreased demand for cloth caused by the lesser rupee income of the agricultural population.

So far mention has only been made of the effect which a 1s. 6d. rupee would have upon the home trade of the Bombay cotton mill industry, but it should also be realised that it would have an equally severe effect upon the export trade because if the gold value of the rupee is made higher than has previously been the case, it means that the cost of producing a given quality of yarn or cloth in terms of gold, which is the standard by which world prices are measured, would be correspondingly increased.

If, therefore, India found it unprofitable to attempt to build up an export trade when the rupee was equivalent to 1s. 4d. gold, it would be impossible to build up such a trade (which is becoming increasingly necessary, without very substantial help from Government) if the value of the rupee was fixed at 1s. 6d. It has been stated by the Finance Minister that the increase in the sterling value of the rupee during recent years has been due to natural causes and that there has been no manipulation by Government, but my Committee are inclined to think that this statement cannot be borne out in view of the fact that there has been an insufficiently great increase in currency to meet the increased requirements of the industry and agriculture caused by the general high level of world prices and the increase in population. As long as the 2s. gold to the rupee ratio remains in the Coinage and Currency Acts of the country, the free importation of gold into India will be retarded and there will be a tendency for the sterling value of the rupee to rise until it finally reaches the 2s. point since this 2s. ratio effectively prevents the importations of sovereigns into India for use as currency inasmuch as according to the Currency and Coinage Acts, a sovereign is equivalent in value to Rs. 10 only.

Had the pre-war ratio of Rs. 15 to the sovereign been retained, gold would have flowed into India owing to the favourable balance of trade and would have been to a very large extent put into circulation as currency and would, moreover, have effectively maintained the value of the rupee at 1s. 4d.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 41.

REDUCTION OF FIRE INSURANCE RATES FOR COTTON MILLS.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 3rd January, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We have pleasure in enclosing herewith two copies of the East Indies' Cotton Mills tariff with the proposed reductions marked thereon in red ink for submission to your Sub-Committee as agreed at the joint meeting of our Sub-Committees on 18th ultimo.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

No. 143/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 24th January, 1925.

THE SECRETARIES,
BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRs,

I am directed to acknowledge the receipt of your letter dated the 3rd January, 1925, enclosing two copies of the tariff rates which it is proposed to offer to Bombay mills in respect of insurance against fire. The proposed new tariff has now received the consideration of my Committee who desire to make the following observations:—

1. *Rates for Fireproof Mills.*—As regards the rates proposed to be charged for fireproof sprinklered mills, while my Committee are of the opinion that a further reduction might have been given in a number of cases, they accept the rates proposed by your Committee with the exception of the rates for mixing rooms, which they consider to be unduly high, and more especially since an extra is charged if there are openings for lattices to pass through. The new rate is exactly the same as the old one except that it is now quoted net in the tariff, and my Committee, before agreeing to the new rate, would be glad if the claims experience figures which led your Association to retain the rate at its old level could be placed before them for their private consideration.

2. *Rates for Non-Fireproof Mills.*—With reference to non-fireproof mills, it was stated by the representatives of your Association at the joint meeting on the 18th December, that the claims experience for this type of risk had been so very disastrous that no reduction was possible, but before acquiescing in this view, the Sub-Committee of my Association would like to examine the figures which led to this conclusion.

As far as the mills of Salsette are concerned, and more particularly the weaving and spinning departments of these mills, my Committee are inclined to think that it ought to be possible to effect a substantial reduction in the rates. In their opinion it would be manifestly unfair to penalise Bombay on account of the expensive claims experience in other centres of the industry.

It ought perhaps to be stated that any figures your Association care to submit to the Sub-Committee of my Association in response to this and the request made in para (1) will not be divulged to any persons other than the Sub-Committee without your express permission.

3. Your Committee will probably remember that in addition to the question of rates the members of my Sub-Committee also put forward certain other questions for the consideration of your Committee, *viz* :—

- (i) The unsuitability of the present definition of fireproof in certain particulars and especially in its application to shed buildings.
- (ii) The advisability of reducing the duration of the period for which a mill needs to remain closed to become entitled to the special rates for silent mills.
- (iii) The rates for silent mills.
- (iv) The necessity of a more satisfactory and comprehensive system of short-period rates.
- (v) The necessity for a change in the definition of fireproof with reference to godowns.
- (vi) The possibility of increasing the discount allowed for sprinklered mills fitted with an automatic regulator and self-starting device.
- (vii) The desirability of extending the benefits of the new tariff to fireproof sprinklered mills in the mofussil.
- (viii) The need for a reduction in the riot and civil commotion rates.

The proposed tariff meets the wishes of my Committee to a certain extent as regard questions (ii), (vii), (iv) and (vi) and with reference to the other questions my Sub-Committee desire to put forward for your consideration the following definite suggestions :—

(i) That sub-clause (c) of the description of a fireproof roofing (heading (x) page 3 of Tariff) should be amended to read :—

The roof of a fire proof building or compartment is constructed of :—

Tiles or slates on steel or iron frames (beams of teak or other hard non-resinous wood being allowed) but in the case of all the items, except 'Dyeing' of sub-clause (x) of Section 1 on page 4 of the tariff, roofs having steel or iron frames with a covering of tiles laid on teak or other non-resinous hard wood boarding will be considered as fireproof. This extension of the definition of fireproof would, to some extent, meet my Committee's objections to the present definition of fireproof as applied to shed buildings.

(v) That the definition of fireproof godown be amended so that a godown with brick walls, with a corrugated iron roof covered with tiles but not bonded together with cement shall be considered.

(vii) My Committee are emphatically of opinion that the reduced tariff should be made applicable to the Bombay mofussil district as defined in the original tariff and particularly to Ahmedabad and Nagpur, and see no reason for the last portion of the first paragraph on page 3 of the tariff being deleted.

(viii) That riot and civil commotion rates should be reduced to 1 anna per cent. per annum for cover against fire only and 1½ annas per cent. per annum if in addition to cover against fire, cover is required for material damages caused by any other agency. These rates to be made subject to the usual sprinkler discount.

If these concessions are granted in respect of riot and civil commotion rates my Committee anticipate that a large increase in this class of insurance would follow.

4. Finally I am to suggest that in view of the suggestions put forward in this letter it might be advisable to hold a joint meeting of our respective Sub-Committees at an early date and that in any case the tariff as finally agreed upon shall be given retrospective effect from January 1st, 1925.—Yours, etc.,

T. MALONEY,
Secretary.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 13th February, 1925.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to refer to your letter No. 143-54 dated 24th ultimo, and to state that the matters referred to therein have now received the careful consideration of our Committee.

1. *Rates for Fireproof Mills.*

While our Committee are pleased to learn that your Committee accept the rates proposed by them, they cannot agree that the rates for mixing rooms are unduly high. A list of the fires which have occurred in mixing rooms during the past six years is attached, from which it will be observed that such fires have been of frequent occurrence, and that the losses have been relatively heavy compared to the amounts declared for insurance on such departments.

From the list it will, we hope, be apparent to your Committee that the amounts paid in losses considerably exceed the premiums in the case of mixing rooms and that consequently no reduction in rates is at present warranted.

Our Committee regret that they are not in a position to furnish you with detailed figures as to their claims experience of mixing rooms, as such details have been submitted to them by the members of our Association in confidence. We think your Committee will agree that it is desirable to review the experience of the various classes of mills comprehensively rather than be guided by the claims experience on individual blocks, such as, for instance, mixing rooms, blow rooms, etc.

If the experience of individual blocks is to be the guiding factor, then surely, if a reduction be justifiable in the case of those blocks on which the experience has been favourable, an increase is equally called for where it has been unfavourable.

2. *Rates for Non-Fireproof Mills.*

We regret that for the reason given above, we are unable to furnish you with details as to the claims experience of our members.

3. Our Committee are pleased to note that their proposals meet with the wishes of your Committee as regards questions (ii), (iii), (iv) and (vi).

With regard to questions (i), (v) and (vii) our Sub-Committee will be pleased to meet your representatives on either Monday, the 16th instant, or Thursday, the 19th instant, in this or your Association's rooms, when the points you raise may be fully discussed with a view to arriving at a settlement satisfactory to all concerned.

Finally, with regard to question 8, our Committee much regret that they cannot consider a reduction in the very moderate rates which they have fixed for riot and civil commotion risks, and which they are informed on good authority, compare more than favourably with those charged anywhere else in the world.

The suggestion that the rates for riot and civil commotion risks should be made subject to the usual discounts for sprinklers and fire appliances is, in the view of our Committee, a most unsound one, as recent experience has shown that during a strike the sprinklers and fire appliances are likely to become inoperative owing to mill fire brigades absenting themselves, malicious interference with the appliances, and for other reasons.

In any case appliances installed for the extinction and prevention of fire would be valueless in protecting a mill against other material damage by rioters.

With reference to the concluding para of your letter, we are directed to refer to the understanding arrived at, as assumed by our Committee after discussion on the point at the last joint Sub-Committee meeting, that while the new tariff will become automatically applicable to all mills, the date of application would be that (approximately) of the final conference.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries

*List of Fires in Mixing Rooms in Sprinklered Mills in Bombay and Salsette from
1st January, 1919, to 31st December, 1924.*

Date.	Mills.	Loss.		
		Rs.	a.	p.
16- 1-19	Finlay Mills	14,014	3	2
26-11-19	Connaught Mills	1,931	4	1
26- 9-19	Hindustan Mills.. .. .	658	10	6
1- 4-20	Finlay Mills	3,126	11	11
17-11-20	Empress Mill No. 1	8,309	15	4
24-12-20	Mathradas Mill	28,000	0	0
18- 2-21	E. D. Sassoon Mill	10,020	1	1
31- 5-22	Alliance Cotton Mill	1,080	0	0
29- 3-22	Edward Sassoon Mill	6,513	2	0
10- 4-22	Jacob Sassoon Mill	491	0	0
3- 6-22	Jam Mfg. Co., Ltd.	57,390	0	0
17- 9-22	Coorla Mills	32,840	0	0
18- 9-22	Crown Mills (also blow room)	6,786	8	0
15- 7-22	David Mill No. 2	78,182	8	3
10- 8-22	Western India Mill (also blow room).. .. .	9,098	0	0
26- 2-23	Empress Mill	28,391	0	0
28-11-23	Phoenix Mill	1,553	12	0
18- 5-24	Premier Mills	5,169	10	6
11-12-24	Union Mill	350	0	0
11-12-24	Indian Mill	350	0	0
19-12-24	Jacob Sassoon Mill	524	0	0
13-12-24	Phoenix Mill	2,500	0	0*
23-12-24	Kastoorchand Mill	2,500	0	0*
Total Rs. ..		2,99,780	6	10*

No. 368/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 5th March, 1925.

MESSRS. A. F. FERGUSON & Co.,
SECRETARIES, THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letter No. 2265-A of the 13th February, 1925.

It is regretted that it was not possible to hold a joint meeting of our respective Sub-Committees on the 16th or 19th February, as desired by you. It is proposed to hold the joint meeting on Thursday, the 12th March, 1925, at 12.00 noon (S.T.) in this Association's rooms, and it is hoped the day and time will suit your Sub-Committee. If not, will you be good enough to let me know by to-morrow evening?

* Estimated.

In the meanwhile I am directed to address you on the undermentioned points :—

As regards the rates for mixing rooms, in view of what you state, my Committee do not propose to labour the point further.

As regards the rates for non-fire proof mills, my Committee wish to reiterate what they have already stated in their letter to you of 24th January, 1925. They are of opinion that there is certainly room for reduction in these rates, unless you satisfy them with facts and figures that no reduction is possible. You have furnished them with absolutely no data to substantiate your statement that your claims experience for this type of risk had been so disastrous as to make any reduction impossible. I am therefore once more to request you to be so good as to give an opportunity to the Sub-Committee of this Association to examine the figures which led to this conclusion. My Committee will feel obliged if you will kindly furnish them with figures for the last 10 to 15 years in respect of mills situated in Bombay City and Island and in respect of mills situated outside. Please be good enough to furnish them with two separate sets of figures for Bombay mills and for mofussil mills respectively. My Committee trust you will kindly see your way to accede to their request. In case, however, you have any real objection against submission of these figures, I am to request you to be so good as to bring the figures with you to the joint meeting next Thursday, so that my Committee might inspect them and return the papers to you forthwith.

As regards the other points mentioned in your letter, these will of course be discussed at the joint meeting next Thursday.—Yours, etc.,

J. P. WADIA,
Assistant Secretary.

No. 373/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th March, 1925.

MESSRS. A. F. FERGUSON & Co.,
SECRETARIES, THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRs,

In continuation of my letter of the 5th instant, I am directed to inform you that as the Chairman is starting to-morrow for Delhi, it will not be possible for the joint meeting to be held on Thursday next. I am therefore to request you to kindly treat the proposed meeting as cancelled. On the Chairman's return from Delhi, I shall communicate with you further in the matter.—Yours, etc.,

J. P. WADIA,
Assistant Secretary.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th March, 1925.

Report by the Fire Insurance Sub-Committee.

To
THE COMMITTEE.

GENTLEMEN,

Towards the end of May, 1923, the attention of the Association was drawn by the Sir Shapoorji Broacha Mills, Ltd., to the very high rates chargeable according to the local tariff for fire insurance on all departments of cotton mills. It was also pointed out that the profit made by insurance companies in recent years had been altogether out of proportion to the risk involved and though the Bombay mills had reduced their working hours the Fire Insurance Association had made no corresponding reduction in rates.

As a result of Sir Shapoorji Broacha Mills' letter the Fire Insurance Association were addressed on the subject and a claim put forward for a general reduction in insurance rates. The attention of the Fire Insurance Association was also drawn to the injustice of the existing rule regarding silent mills, under which no rebate of premium was claimable unless a mill had been silent for 90 consecutive days. Subsequent negotiations with the F.I.A. resulted in certain definite proposals being put forward by them, and arising out of these proposals we were appointed to confer with the Special Sub-Committee appointed by the F.I.A.

♦ *Silent Rates.*—As a result of our joint discussions the rule regarding silent mills has been amended and rebates of premium will now be claimable after a mill has been closed for 15 consecutive days.

Fireproof Mills.—The final proposals of the F.I.A. regarding fire-proof sprinklered mills in Bombay City and Island and Salsette, and to which we have tentatively agreed, will be found in the accompanying tariff schedule. It will be noticed that in the new tariff net rates are quoted, the 25 per cent. rebate formerly allowed to mills has been deducted in all cases. But the rates in the schedule are of course subject to agency commission. On the whole the concessions allowed amount to reduction between 20 and 30 per cent. on present rates.

Other points which should be noted are :—

- (1) Concession in regard to short-period rates.—Short-period rates can now be obtained for periods varying between three days and eleven months and the rates themselves are lower than previously.
- (2) The discount given for sprinklers having automatic regulators and self-starting devices has been increased from 50 to 60 per cent.
- (3) The net rates for mixing-rooms are retained at their old level and we regret that for this type of risk we were unable to obtain any concession, but after perusing the statement submitted by the F.I.A. showing the actual cost of compensating claims arising out of fires in this department during recent years, we are convinced that the rate is not excessive. In this connection it should be noted that the extra sprinkler list discount really means a reduction of 20 per cent.

It will be clear from the following example :—

If the premium payable by a mill under the old rule were Rs. 100, this would mean—after sprinkler discount of 50 per cent. has been deducted—a nett premium of Rs. 50. Under the new rules the nett premium would be Rs. 40 which is really a reduction of Rs. 10 on Rs. 50 nett premium or 20 per cent.

- (4) Two further important concessions have been obtained which do not appear in the tariff schedule accompanying this report. The first relates to definition of fireproof godowns—

“ In future a godown will be considered fireproof if it has brick walls and corrugated iron roof covered with tiles which need not be bonded together by cement.”

The second concession relates to the application of the schedule. The printed schedule states that the tariff rates therein will only be applicable to mills in Bombay City and Island and Salsette. But it has now been agreed that the tariff should be applicable to all other fireproof sprinklered mills coming within the territorial jurisdiction of the Bombay Fire Insurance Association with this modification, that the concession for sprinkler installations with automatic regulators and self-starting devices shall be 55 per cent. and not 60 per cent. as in the case of mills in Bombay and Salsette. The reason for this is that Bombay has certain advantages in the matter of water-supply, fire inspection staff, salvage corps and fire brigade which are not generally available in up-country centres.

Date of Introduction.—The new rates will be made applicable from Monday, the 16th March, 1925.

Non-fireproof Mills.—In regard to non fire-proof mills we regret we have to report we have been unable to obtain any concessions with the exception of that relating to sprinklers, but from figures submitted privately by the F.I.A. it was demonstrated that the loss ratio over a period of years had been 90 per cent. in the case of this type of risk, without taking into consideration the allowances which the insurance companies have to make for agency commission and expenses. In face of these figures our case for a reduction of premium for non-fireproof mills was untenable.

At the last joint meeting it was also tentatively agreed that in future any alterations in fire insurance tariff rates would be settled by joint meetings of the two Associations.

Members of
Sub-committee.

N. N. WADIA.
RATANSI D. MORARJI.
E. VICTOR SASSOON.
S. D. SAKLATVALA.
JEHANGIR B. PETIT.
MUNMOHANDAS RAMJI.
J. A. KAY.
T. MALONEY (Secretary.)

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 20th March, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to place before your Committee the following point which has arisen since the meeting of our respective Sub-Committees on the 19th instant.

It will be remembered that the agreed rates for sprinkler discount are as under :—

	Bombay. and Salsette.	Mofussil. %
Mills fitted with automatic regulator and self-starting device	60	55
Mills not fitted as above	50	50

It has been brought to the notice of our Committee that under the above rates a mofussil mill *not* fitted with automatic regulator and self-starting device can, by reason of the 5 per cent. sub-agency commission allowable in the case of mofussil mills, obtain a better rate than a Bombay mill similarly placed.

In the circumstances, our Committee propose to reduce the discount for mofussil mills which are not fitted with an automatic regulator and self-starting device to 45 per cent., thus making a difference of 10 per cent. in each case.

We shall be glad to know that your Committee concur in this decision.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

No. 441/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 20th March, 1925.

THE SECRETARIES,
BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY

DEAR SIRS,

I am directed to enquire whether the under-quoted rule extracted from the new Tariff Schedule for fireproof sprinklered mills is also applicable to non-fireproof buildings:—

"Scale of allowances for appliances for the extinction of fires kept or situate on the premises insured.

- (1)
- (2) Having an Automatic Sprinkler Installation and an Automatic Regulator and Self-starting device approved by the Association and at all times maintained in good working order in addition to such appliances also approved by the Association, as would, in the absence of such installation, entitle the Assured to an allowance of not less than 5 per cent.—Percentage of Premium, 60."

I understand from Mr. Cheminai that the special discount for automatic regulators and controlling devices will apply to buildings of all descriptions, and that a special sprinkler tariff is shortly to be issued by your Association.

I should like you to confirm this, and also to inform me as to the date from which the higher sprinkler discounts will be applicable, in order that I may inform members of this Association.

I am also to request that my Association may be supplied with 120 copies of the new Fire Insurance Tariff for sprinklered fireproof mills.—Yours faithfully,

T. MALONEY,
Secretary.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 27th March, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to acknowledge receipt of your letter No. 441/54 of 20th instant and to reply that the answer to the first enquiry contained therein is in the affirmative and to state that the special discount for automatic regulators and controlling devices applies to all buildings rateable under the new tariff, complying with the condition (2).

We are further directed to confirm that the date from which the higher sprinkler discounts will be applicable, is 16th March, 1925.

With regard to the final paragraph of your letter under reference, one copy of the revised Tariff will be sent for your office records and our Committee regret they are unable to supply you with further copies, as this Association's Tariffs are issued for the use of members only.

Copies will, of course, be issued to members of your Association, who are entitled to receive them.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

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No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 3rd April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Bombay Cotton Mills Tariff.

With reference to our letter of 27th ultimo, we now have pleasure in enclosing one copy of the revised Tariff, for your office records.

We would bring to your notice that a further warranty 2(b) has been inserted on page 10 of the Tariff applicable to Sprinkler Services fitted with Automatic Regulators.

The functions of an Automatic Regulator for which an extra allowance is being granted are :—

- (a) To maintain a higher pressure in the installation than can be procured from a elevated tank.
- (b) To come into action at a high pressure and as soon as a sprinkler opens. For this reason steam has to be kept on the pump at all times.

It will thus be readily appreciated that unless this warranty is inserted, the mill staff may consider that the Auto Regulator is working satisfactorily when set to act at a low pressure, and to obviate any dispute it is necessary to insert the ruling.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

No. 531/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th April, 1925.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter of the 20th ultimo (No. 2265-A), on the subject of sprinkler discounts. Your letter was very carefully considered by my Committee at their last meeting, and the conclusion they arrived at was that no case had been made out for reducing by 5 per cent. the agreed sprinkler discount in the case of mofussil mills not fitted with automatic regulators and self-starting devices.

My Committee desire that the arrangements arrived at at the joint meeting of our respective Sub-Committees should be adhered to.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 537/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th April, 1925.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

With reference to your letter No. 2265-A of the 3rd instant, my Committee are of opinion that it is for the Inspectors of your Association to see that steam for bringing the sprinkler pump into action at full capacity by means of the automatic regulator is maintained at the pump at all times throughout the year. My Committee do not think there is any justification for the insertion of a further warranty in this connection, and I am to request you to delete this warranty from the revised Tariff.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 15th April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Sprinkler Discounts.

We are directed to acknowledge receipt of your letter No. 531-54 of the 8th instant in the above connection.

The Sprinkler Discount for Mofussil mills not equipped with automatic regulators was reduced from 50 per cent. to 45 per cent. in order to avoid an inconsistency which would have otherwise existed between the respective insurance premiums payable by Bombay and Mofussil mills. For example, were the discounts to be on an equal basis—50 per cent.—the Bombay mill would pay Rs. 100 and the up-country mill Rs. 100 less 5 per cent. sub-agency commission, thus giving an advantage to what is, in the opinion of our Committee, the inferior risk. It was considered therefore that the best method of removing the anomaly was by reducing the Mofussil discount to 45 per cent. thus granting an equal concession of 10 per cent. for automatic regulators to both Bombay and Mofussil mills.

Our Committee feel sure you will realise that it would be inconsistent for the Mofussil mill to enjoy more favourable terms than the Bombay risk, apart from the fact that by reducing the discount for the former to 45 per cent. (without automatic regulators), each mill receives a 10 per cent. benefit for providing the additional protection.

We trust therefore that the foregoing explanation will satisfy your Committee on the point at issue.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 15th April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Warranty Governing Automatic Regulators.

Your letter No. 537/54 of the 8th instant has had the careful consideration of our Committee, and in reply, we are directed to say that it is not possible for them to deal with the subject at issue on the lines of your suggestion.

As you will appreciate, experience has conclusively proved that without definite warranties in a policy, the Association is unable, either through Inspectors or otherwise, to enforce its requirements and the only manner in which the present situation could be dealt with was by the introduction of a special warranty. It was understood that the additional discount for automatic regulators was to be granted for the increased efficiency which would be thereby brought about in installations and this efficiency can only be assured by the strict observance of the conditions of the warranty.

Our Committee trust, therefore, that your Association will now realise the necessity of the new warranty and not raise any further objection thereto.—Yours faithfully,

A. F. FERGUSON & Co.,
Secretaries.

No. 598/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 28th April, 1925.

MESSRS. A. F. FERGUSON & Co.,
SECRETARIES, THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your two letters Nos. 2265-A dated the 15th instant, under the following headings:—

- (1) Sprinkler Discounts.
- (2) Warranty Governing Automatic Regulators.

My Committee have decided that these matters should be fully discussed at a joint meeting of the Sub-Committees of our respective Associations. It is proposed to hold the joint meeting on Wednesday the 6th May, 1925, at 2-30 p.m. (S.T.) in the rooms of this Association. Will you kindly let me know whether the day and time will suit your Sub-Committee?—Yours faithfully,

J. P. WADIA,
Acting Secretary.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 30th April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We beg to acknowledge receipt of your letters Nos. 597/83 and 598/84 of 28th instant proposing a joint meeting of the Sub-Committees of our respective Associations on Wednesday, the 6th May, at 2-30 p.m. (S.T.)

We regret this date will not be suitable to our Sub-Committee whose attendance is required at the weekly meeting of the Committee of this Association on that date.

We beg to suggest Monday or Tuesday next, the 4th or 5th proximo, at 3 p.m. (S.T.) as being convenient dates for our Sub-Committee.

Kindly let us know which date will suit your Sub-Committee.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

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No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 11th June, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We regret owing to an oversight we have omitted earlier to confirm the decisions arrived at between our respective Sub-Committees at the meeting held on the 14th ultimo, viz., that :—

- (1) The sprinkler discount for mofussil mills where the installations are not governed by automatic regulators be increased from 45 per cent. to 50 per cent.
- (2) *Automatic Regulators.*

The original wording provided that a pressure of 70 lbs. should be maintained throughout installations governed by automatic regulators, but it was agreed that this pressure be reduced to 50 lbs.

Our Committee on reconsidering the position now feel that this provision is unnecessarily high and they propose, subject to your confirmation and approval, that instead of insisting on a pressure of 50 lbs. being maintained throughout installations, the rule should read :—

“ That steam for bringing the sprinkler pump into action at full capacity by means of the automatic regulator be maintained at the pump at all times throughout the year.

“ That the automatic regulator be adjusted to maintain a pressure of 50 lbs. at ground level plus any additional pressure which may be required to maintain 25 lbs. pressure upon highest sprinklers.”

- (3) The question of obsolete sprinklers be further examined by our Association and your Association be advised hereafter.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 17th June, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Further to our letter of 11th instant, it has been found that a ground floor pressure of 50 lbs. will bring about approximately a 25-lb. pressure at the highest sprinklers, and in order to simplify matters, our Committee propose that the Association's rule governing automatic regulators should now read :—

“ That steam for bringing the sprinkler pump into action at full capacity by means of the automatic regulator be maintained at the pump at all times throughout the year.

“ That the automatic regulator be adjusted to maintain at all times a pressure of 50 lbs. at ground level.”—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

No. 766/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd June, 1925.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letters Nos. 2265-A. dated the 11th June and 2265-A. dated the 17th June, respectively, and to confirm the contents thereof.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

BOMBAY.

TARIFF FOR SPRINKLERED COTTON MILLS.

The rates herein provided apply to Sprinklered Mills and/or Sprinklered Compartments thereof only. Non-Sprinklered Mills and/or Compartments thereof are rateable under the Cotton Mills Tariff (East Indies).

List of Mills situate in the Islands of Bombay and Salsette in which some portion qualifies for fireproof rates although not conforming to the specification for fireproof construction as specified in the Rules of Construction incorporated in this Tariff, these Mills having been rated as fireproof prior to subsequent revisions.

Apollo Mill.	Jivraj Baloo Spg. & Wvg. Mills.
Bomanjee Petit Mill.	Khatau Makanji Spg. & Wvg. Mills.
Bombay United Mill.	Kohinoor Mill No. 1.
Century Mill No. 1.	Madhowjee Dharamsey Mill.
Colaba Land & Mill Co.'s Mill.	Mahomedbhoy Mill.
Crescent Mill.	Manockjee Petit Mill.
Currimbhoy Mill.	Meyer Sassoon Mill.
David Mill No. 1.	New Great Eastern Mill.
David Mill No. 2.	New City of Bombay Mill.
Dawn Mill.	New Islam Mill.
Ebrahimbhoy Pabaney Mill.	New Kaiser-I-Hind Mill.
Edward Sassoon Mill.	Phoenix Mill.
Elphinstone Mill.	Presidency Mill.
Fazulbhoy Mill.	Standard Mill.
Finlay Mill.	Swadeshi Mill, Coorla.
Globe Mill.	Swan Mill.
Hindoostan Mill.	Textile Mill.
Hongkong Mill.	Union Mill.
Jam Mill.	Western India Mill.
Jivraj Baloo Mill.	

[PRINTED FOR THE USE OF THE MEMBERS OF THE BOMBAY FIRE INSURANCE ASSOCIATION .
ONLY.]

BOMBAY, 16th March, 1925.

TARIFF FOR SPRINKLERED COTTON MILLS.

Applicable to the Islands of Bombay and Salsette.

NOTE.—Sprinkler protected mills in the Bombay Mofussil District may also be rated under this Tariff subject to the revised Sprinkler Discounts shewn on page 10 but it is necessary that special intimation shall have been issued annually by the Bombay Fire Insurance Association before such rating can be applied.

The rates under this Tariff *are strictly net* and subject to no discounts whatsoever other than allowances for Sprinklers, but in the case of Mofussil Mills only a Sub-Agency Commission of 5 per cent. may be allowed.

CONSTRUCTION.

IMPORTANT.—Before construction is started plans and details should be submitted to the Bombay Fire Insurance Association, for approval.

(1) *Fire proof Construction*—

The *walls* of a fire proof building or compartment are constructed of—

- | | |
|--|--|
| (a) Burnt bricks and/or stone | } Set in lime and/or
concrete and/or mortar |
| or (b) Silica or sand lime bricks and/or stone | |
| or (c) Ferro-concrete or reinforced concrete. | |

Timber for window frames and doors in external walls is allowed to be used.

The *roof* of a fire proof building or compartment is constructed of—

- (a) Masonry (in which the main tie beam only may be of timber).
or (b) Concrete.
or (c) Tiles or slates on steel or iron frames (beams of teak or other hard non-resinous wood being allowed).
or (d) Asbestos slate on steel or iron frames, or Bell's "Big Six" Everite asbestos cement sheeting or similar material not less than $\frac{1}{4}$ " thick supported by T or L iron at not exceeding 2'—3" centres in each direction on steel or iron frames.
or (e) Corrugated iron covered with tiles.
or (f) Corrugated asbestos cement sheeting covered with tiles.
or (g) Corrugated iron or metal sheets covered with corrugated asbestos cement sheeting.

N.B.—(1) A wooden flooring laid on a fire-proof structure is allowed without extra in buildings of fire-proof construction provided the space between the wooden flooring and the structure is filled in with concrete.

N.B.—(2) Ferro-concrete or reinforced concrete construction must in all cases conform to the Rules of the Bombay Fire Insurance Association.

(2) *Non-Fire-proof Construction*—

The *walls* of a non-fire proof building or compartment are constructed of—

- | | |
|---|---|
| (a) Burnt brick and/or stone | } Set in lime and/or
concrete and/or mortar. |
| or (b) Silica or sand lime bricks and/or stone. | |

The *roof* of a non-fire proof building or compartment is constructed of—

- (a) Tiles or slates.
or (b) Metal.
or (c) Corrugated asbestos cement sheeting.

(3) *Inferior Construction*—

Buildings or compartments which cannot be classified under headings (1) or (2) shall be treated as of inferior construction and an extra of not less than 25 per cent. on the aggregate rate (*i.e.*, normal plus additional) for insurance shall be charged.

A shed wholly or partly open shall be rated as of inferior construction.

Composition Roofings—See page 54 of the Tariff Book.

SECTION I.

Buildings and/or compartments used for the following processes :—

	Fire proof.		Non-Fire-proof.
	Buildings.	Contents.	Buildings & Contents.
	Not less per cent. per annum than.		
(1) Dyeing (with a warranty that no drying by artificial heat will be carried on) Doubling, Reeling, Bundling, Baling, Winding, Warping, Sizing, Weaving, Finishing, Hosiery-making, and/or any other Process or Processes subsequent to Spinning or connected with Weaving, excepting Flannelette Finishing and/or Heald Dressing, Varnishing, Drying of Yarn and Cotton or Singeing	Annas. 2	Annas. 3	Annas. 4
(2) Throstle and/or Ring Spinning and processes subsequent to Carding but previous to Spinning..	2	3	6
(3) Carding	3	4	8
(4) Mule Spinning	4	5	10
(5) Carding and/or Throstle and/or Ring Spinning in the same building or in two or more buildings communicating otherwise than by approved double fire proof doors .. .. .	..	..	10
(6) Carding and Mule Spinning in the same building or in two or more buildings communicating otherwise than by approved double fire proof doors .. .. .	..	..	12

NOTE.—The use of not more than two pairs of Mule Frames for spinning Weft Yarn does not render a mill liable to be rated under items (4) and (6).

NOTE.—Yarn conditioning cellars are rateable under item (1) above and are subject to the additional rates provided hereafter.

ADDITIONAL RATES.

	BUILDINGS AND CONTENTS.	
	Fireproof.	Non-Fireproof.
	Not less per cent. per annum than	
1. <i>Height.</i> —If any part of the Mill be of greater height than ground-floor, for each additional non-fireproof storey	Annas. ..	Annas. 1½
<i>N.B.</i> —(1)—A mezzanine floor or loft should be treated as an additional storey when calculating this extra. (2)—Every storey, whether extending over the whole or only over part of the area on which the building stands, the ceiling of which is more than three feet above the lowest point of the land level, or ground line of the site on which the building stands, is to be computed in the number of storeys.		
2. <i>Night Work.</i> —If any process of manufacture be carried on between the hours of midnight and 5-30 a.m. (Standard Time)	3	6
3. <i>Artificial Light.</i> — If any process of manufacture be carried on by Gas Light, Candles or Oil Light, other than by Mineral Oil Light.. .. .	4½	6
<i>N.B.</i> —(1)—Where Oil and/or Candles are used for lighting purposes the following warranty must be inserted :— Warranted that the lights are all in properly closed lanterns and that the same are filled and trimmed in a building outside the mill premises and detached therefrom, and that the oil is kept in a detached godown. (2)—When an extra premium becomes chargeable for the use of Artificial Light, the additional premium for the period required shall be calculated <i>pro rata</i> on the basis of the Policy, but the minimum charge shall be not less than half an anna per cent.		
4. <i>Wooden Flooring.</i> —If having a wooden flooring on the whole or part of the building or compartment	½	..
<i>N.B.</i> —A wooden flooring laid on a fireproof structure is allowed without extra in buildings of fire-proof construction provided the space between the wooden flooring and the structure is filled in with concrete.		
5. <i>Felt Roofing.</i> —If the roof be wholly or partly constructed of felt .. .. .	..	3
6. <i>Boiler House.</i> —If the Boiler House or Boiler Firing Place be within the Mill otherwise than in a fireproof compartment having no direct communication with it, or in any building outside the Mill which communicates directly with it.	3	6

SECTION II.—MIXING ROOMS (HAND MIXING ONLY).

Buildings and/or compartments situate in Mill premises in which Cotton Mixings (that is, Cotton which has been made into heaps preparatory to being conveyed to the Blow Room) are stored or deposited:—

	Fireproof.	Non-Fireproof.
	Not less per cent. per annum than	
	Annas.	Annas.
For Buildings and Machinery	9	12
For Stock	24	24

Buildings and/or compartments in which a Porcupine Feeder or Bale Breaker and/or a Hopper Bale Opener or Breaker ^{is} _{are} used are rateable under this section and these are the only machines which may be used in risks rated under this section except Automatic Exhaust Feeders in passing through which the cotton is not subjected to any process.

NOTE.—A Porcupine Feeder or Bale Breaker is a machine for pulling cotton by passing it through spiked or fluted rollers working in pairs or singly against bars placed horizontally, the cotton being in every case drawn by exhaust through an incombustible tube into the Blow Room.

A Hopper Bale Opener or Breaker is a machine in which cotton is opened by being placed in a hopper and passed forward between lattices fitted with steel pins, and thence over spiked rollers, thus pulling or combing it.

N.B.—(1)—The extra rates for Height, Night Work, Artificial Light and Felt Roofing are to be charged when applicable.

N.B.—(2)—An extra rate of 3 annas per cent. must be charged on a Fireproof Mixing Room and 4½ annas per cent. on a Non-Fire-proof Mixing Room having an opening or openings in the floor or walls to allow lattices from Blow Rooms to pass through.

N.B.—(3)—An Automatic Sprinkler must be fixed inside the top cover of Hopper Feeding Machines as shown in the sketch on page 58 of the Bombay Fire Insurance Association's Book of Tariffs.

Rooms or communicating compartments in which both Mixing and Blowing or any of the other processes detailed in Section III are carried on, are rateable under Section III.

SECTION III.—BLOW ROOMS.

Buildings and/or compartments situate in Mill premises in which Ginning, Opening (except by a Bale Breaker as described in Section II), Mixing by Machinery, Scutching or Blowing, Cop Breaking, Thread Extracting or Willowing, is carried on.

	Fireproof.	Non-Fireproof.
	Not less per cent. per annum than	
	Annas.	Annas.
Building	16	36
Machinery	24	36
Stock	40	42

NOTE.—The above rates for Fireproof Blow Rooms may be reduced to respectively—

Building	8 annas per cent. per annum.
Machinery	12 " " "
Stock	32 " " "

if warranties are inserted in the Policy (1) that no willowing and/or cop breaking and/or waste breaking and/or thread extracting and/or ginning machine is used in the department ; (2) that the cotton is fed from the Mixing Room through an incombustible tube direct into machines in the Blow Room and/or is fed direct from bales lying on the floor in close proximity to the machines ; (3) that no loose cotton in process is delivered or allowed to remain on the floor of the Blow Room with the exception of the finished lap.

N.B.—(1)—The extra rates for Height, Night Work, Artificial Light and Felt Roofing are to be charged when applicable.

N.B.—(2)—In the case of compartments used for Mixing (either by hand or by machinery) and in which Ginning, Opening (except by a Bale Breaker as described in Section II), Scutching, Blowing, Cop Breaking, Thread Extracting or Willow-ing is also carried on, an additional rate of 6 annas per cent. for Buildings and Machinery and of 12 annas per cent. for Stocks over and above the Blow Room rates must be charged.

NOTE.—These additional rates must also be applied if any of the above-mentioned processes are carried on in a compartment which communicates with a Mixing Room, unless the dividing wall be a perfect party one, any openings therein being protected by approved double fire-proof doors where, however, communication exists by means of an opening or openings to allow lattices to pass through, the extras as detailed in *N.B.* (2) Section II apply.

SECTION IV.—BOILER HOUSES, ENGINE HOUSES, DYNAMO HOUSES, ROPE RACES, MECHANICS' SHOPS, SMITHIES AND CARPENTERS' SHOPS.

	Fireproof..	Non-Fireproof.
	Not less per cent. per annum than	
	Annas.	Annas.
For Buildings	2	3
For Contents	2	3

N.B.—(1)—Buildings rateable under this section having fireproof walls but roofed with iron may be rated as fireproof.

N.B.—(2)—The extra rates for Height, Night Work, and Felt Roofing are to be charged when applicable.

N.B.—(3)—The temporary use of Mineral Oil Vapour Incandescent Lamps, such as the Kitson and Washington Lamps, is allowed in risks under this section for the purpose only of carrying out repairs provided the oil container is kept outside any part of the building.

N.B.—(4)—Warranted that no yarn and/or cotton be dried and/or deposited in the boiler house.

SECTION V.—COTTON WASTE MILLS.

Spinning Mills and Buildings in which preparatory processes }
are carried on (Blowing, Mixing, Carding, Roving, etc.) } extra 20 per centum.

Manufacturing Section and Buildings in which processes }
 preparatory to Weaving are carried on (Winding, Warping, } extra 10 per centum.
 Sizing, etc.) }

above the rates applicable to the Buildings and/or Compartments under the Tariffs.

N.B.—(1)—The above extras are not to be applied to Weaving Sheds.

N.B.—(2)—The above extras need not be charged in the case of Mills running a Waste Plant for working up their own waste only, but otherwise the extras should be charged.

SECTION VI.—SPECIAL RISKS.

	Buildings and/or Contents Fire-proof, Non-Fireproof, Not less per cent. per annum than	
	Annas.	Annas.
1. Buildings and/or Compartments wholly or partly occupied for the Raising of Cotton Cloth by machinery	9	15
2. Buildings and/or Compartments in which yarn and/or cotton is dried by Steam Pipes, and/or Hot Air Pipes with a warranty that no singeing of cloth is done	9	12
3. Buildings and/or Compartments of Dye Houses in which 'Simplex' Patent Drying Machines are erected on sealed cement bases subject to a warranty that no stock will be stored outside the machine within 10 feet	6	7½
4. Buildings and/or Compartments in which singeing of cloth is done either by fire, heat, gas jets or electricity ..	18	24
5. Buildings and/or Compartments in which Healds are dressed, varnished or dried	12	18
6. Buildings and/or Compartments in which gassing of yarn is done by gas jets	15	21
7. Buildings and/or Compartments in which any process not provided for under this Tariff is carried on will be rated specially.		

N.B.—(1)—The extra rates for Height, Night Work, Artificial Light, and Felt Roofing are to be charged when applicable.

SECTION VII.

(a) SILENT MILLS.

The rates for all Risks rateable under the Tariff, while Silent (*i.e.*, while the Machinery is standing, and not worked for manufacturing purposes), are 2 and 3 annas per cent. per annum for Buildings and Contents, respectively, for Fireproof Risks, and 6 annas per cent. per annum for Non-Fireproof Risks except where the Working net rates are less than the above, in which case the Silent rate shall be the same as the Working net rate.

When a Mill is insured at Silent rates it is permissible to allow the Machinery to be worked occasionally for the purpose of keeping it in good order, but no cotton or other material may be passed through the Machines.

Permission to work the Cards only may be granted on payment of an extra premium of $\frac{3}{4}$ anna per cent. per annum for Fire-proof Mills, and $1\frac{1}{2}$ annas per cent. per annum for Non-Fireproof Mills, but subject to the following warranty :—

“ Warranted that during the currency of this Policy no Cotton or other material will be passed through any Machinery excepting the Cards.”

Should it be necessary to work the Machinery in the Blow Room full working rates must be charged for that room.

NOTE.—No allowance or return of premium is to be made on a Mill becoming silent, except on cancelment of an Insurance and/or after charging the Short Period Rates for the portion of the year during which work has been carried on, but where a Mill has been silent for a continuous period of not less than fifteen days, a return may be made on the *pro rata* basis.

(b) MILLS IN COURSE OF CONSTRUCTION OR RE-CONSTRUCTION.

	Not less than annas per cent. per annum.	
	Fire-proof.	Non-Fireproof.
	Annas.	Annas.
Mills and other buildings in Mill Compounds in course of construction or re-construction including Machinery	2	2
Machinery in Mill Compound	Two annas per cent.	

Cotton Lofts and other Rooms used for Storage Purposes only are rateable under the Cotton Mills Godowns Tariff.

GENERAL CONDITIONS.

In all cases in which a building or compartment is rateable under more than one section of the Tariff, the highest rate applicable is to be charged.

1. *Cotton in the open.*—When Cotton and/or Waste and/or Gunnies other than in original pressed bales and/or other hazardous goods ^{is}_{are} deposited in open sheds or in the open within 50 feet of any building or stack of cotton rateable under this or the Cotton Mill Godowns Tariff the highest rate applicable to any such risk or risks shall in all cases apply over all.

CONSTRUCTION.

2. *Adjoining Buildings.*—When two or more buildings or compartments adjoin, the highest rate applicable to any one of them is to be charged on all, unless the separation is by perfect party walls.

N.B.—A perfect party wall is a wall of burnt brick, silica or sand lime bricks or stone set in lime and/or concrete and/or mortar not less than 18 inches in thickness at any part carried through and at least 2 feet above the roof and having no openings therein, except for shafts, straps, and steam, gas or water pipes (the said openings not being of more than sufficient size for the purpose, and in no case exceeding 4 square feet in area), and/or openings protected by approved fire-proof doors.

In the case of fireproof buildings having a roof of masonry or concrete it is not necessary that the dividing walls should be carried through and above the roof.

3. *Communicating Buildings.*—Two or more buildings or compartments separated by perfect party walls, but communicating otherwise than by openings protected by approved double fire-proof doors are to be charged the highest rate applicable to any one of such buildings or compartments, except in the case of openings to Rope Races, Staircases and Hoists which may be deemed sufficiently protected by approved single fire-proof doors.

4. Buildings or Compartments having windows or openings overlooking the roofs of adjoining buildings or compartments (except roofs of concrete or masonry) and buildings or compartments which have opposing openings within 10 feet of each other must not be treated as separate risks for rating purposes unless the windows and/or openings are protected by fire-proof doors or shutters or by wired glass approved by the Committee of the Association.

NOTE.—It is understood that the above Condition is not retrospective but applies to buildings or compartments which have been erected or altered on or after the 31st December, 1912.

5. *Fire-proof Doors* must in all cases be constructed in accordance with the rules of the Bombay Fire Insurance Association in force at the time they are erected.

6. *Wooden Dados* are allowed to be affixed to the walls of buildings of fire-proof construction provided the dados are of teak or other hard non-resinous wood not less than one inch in thickness and not more than three feet in height ; the boards to be securely fixed to timber built into the wall and allowing no air space between the boarding and the wall.

7. *Partial Insurances.*—In the case of buildings partly of Fire-proof construction the Fire-proof compartments may be treated as separate buildings, but otherwise it is not permissible to issue Policies covering certain portions only of any building rated under this Tariff. Every insurance on buildings must (except as abovementioned) apply to the whole structure above the plinth, and it is not permissible to issue a policy covering specified Machines only or parts of Machines or Accessories in any one compartment excluding from the Insurance the remaining Machinery in the compartment. Engines and Boilers may, however, be excluded from the insurance.

8. *Warranties.*—Every Policy is to contain the following warranties :—

Warranted that all sweepings be removed outside the Mill and from all buildings communicating therewith daily.

Warranted that no mineral oil is allowed to be used, except for lubricating and cleaning machinery, and for power, the oil to be stored in accordance with the requirements of the Bombay Fire Insurance Association.

Policies on buildings (and their contents) must contain the following warranty unless the extra of 25 per cent. for construction is charged :—

“ Warranted that the walls of the building _____ hereby insured containing the goods hereby insured are of burnt bricks silica or sand lime bricks and/or stone set in lime and/or concrete and/or mortar or of ferro-concrete or reinforced concrete.”

“ Warranted that no fire-wood be stored within 50 feet of the property insured.”

9. *Artificial Light.*—When an extra premium becomes chargeable for the use of Artificial Light the additional premium for the period required shall be calculated *pro rata* on the basis of the Policy, but the minimum charge shall be not less than half an anna per cent.

Where oil and/or candles are used for lighting purposes the following warranty must be inserted :—

“ Warranted that the lights are all in properly closed lanterns, and that the same are filled and trimmed in a building outside the Mill premises and detached therefrom, and that the oil is kept in a detached godown.”

SCALE OF ALLOWANCES FOR APPLIANCES FOR THE EXTINCTION OF FIRES
KEPT OR SITUATE ON THE PREMISES INSURED.

	<i>Bombay Mills</i> Percentage of premium.	<i>Mofussil Mills</i> Percentage of premium.
1. Having an Automatic Sprinkler Installation, <i>approved by the Association</i> , in addition to such Appliances <i>also approved by the Association</i> , as would, in the absence of such Installation, entitle the Assured to an Allowance of not less than 5 per cent.	50	45
2. Having an Automatic Sprinkler Installation <i>and an Automatic Regulator</i> approved by the Association and at all times maintained in good working order in addition to such Appliances also approved by the Association, as would, in the absence of such Installation, entitle the Assured to an allowance, of not less than 5 per cent.	60	55

Discount for Fire Extinguishing Appliances will be advised on receipt of Plans and full particulars of proposed appliances.

PROVISIONS APPLICABLE TO POLICIES IN RESPECT OF WHICH ALLOWANCES ARE
MADE FOR FIRE EXTINGUISHING APPLIANCES.

The following clauses must be inserted in the Policy :—

It is hereby agreed and understood that, in consideration of the Special Allowance of per cent. made off the rates of premium on account of the Automatic Sprinkler Installation and other Extinguishing Appliances erected for protection against fire in the premises hereby insured :—

1. Care be taken during the currency of this Insurance to keep pumps for Sprinkler and Hydrant Services with the suction and delivery valves in good working order.
- 2.(a) That steam for working the pumps shall be kept up at all times throughout the year in at least one of the boilers.
 - (b) That steam for bringing the sprinkler pump into action at full capacity by means of the automatic regulator be maintained at the pump at all times throughout the year. A minimum water pressure of 70 lbs. should be maintained throughout the installation.
3. That the sprinkler tank shall be emptied and cleaned out at least once every six months, and that at all other times care be taken to keep the tank filled with fresh water.
4. That care be taken to keep the valves in connection with the Sprinkler Installation in proper working order, and that the main stop and alarm valves be secured open by means of rivetted or padlocked straps.
5. That a staff of not less than men will be instructed in the use of the Fire-extinguishing Appliances, and that they will be practised therein at least once a fortnight. Also that they will always be on the premises for immediate action in the event of fire, whether the Mill is working or not working.
6. That, when it is proposed to empty the Installation for purposes of repairs or any other reason, notice be first given to the offices interested, provided always that, if in the case of emergency it is found necessary to empty the Installation such

notice may be dispensed with, but in every case the machinery must be stopped working before and during the time the supplies of water to the Installation are shut off.

7. In case it shall, at any time during the currency of this Policy, be ascertained that the Insured has failed to comply with any of the above conditions, the allowance granted in respect of Sprinklers and other Fire-extinguishing Appliances shall be refunded in full as from date of commencement, or last renewal of the Policy.

And it is further understood that violation of any of the above conditions shall not affect or vitiate this Policy, nor have any effect other than to confer on the Insurance Company the right of claiming the refund of the said Special Allowance in the manner aforesaid. The Committee of the Bombay Association are to be the sole judges of whether or not any of the above conditions have been violated.

The following is a list of the Appliances above referred to :—

[Here to follow list of Appliances.]

The allowance on buildings and contents of risks, fitted with Sprinklers and rateable under either the Cotton Mill or Cotton Mill Godowns Tariffs, must not exceed 25 (or 15) per cent. which is the maximum allowance under the Cotton Mill Godowns Tariff.

E.g., a non-fireproof building of ground-floor and 1 storey is occupied on ground-floor as godown for Cotton Bales and on the 1st floor as Reeling Room. Such a building might be rated under the Mill Tariff at 4 annas plus 1½ annas for height = 5½ annas or under the Godowns Tariff at 8 annas. If rated under the Mill Tariff the discount for Sprinklers would be 50 or 60 per cent., but to pay at that rate would obviously defeat the provision of the Cotton Mill Godowns Tariff, fixing the maximum allowance at 25 (or 15) per cent. and the discount must therefore not exceed 25 (or 15) per cent.

The principle to be followed is that whichever Tariff gives the higher net rate is to be applied.

NOTE.—Fire pumps may be driven by electricity, but before discount is sanctioned, such pumps must have been approved and passed by the Committee of the Bombay Fire Insurance Association.

SHORT PERIOD RATES.

Not exceeding 3 days	5 per cent.	} of the Annual Rate but not less than 1/16 per cent. of the Annual Rate.
Exceeding 3 days but not exceeding 10 days	10 "	
" 10 " "	1 month 20 "	}
" 1 month "	1½ months 25 "	
" 1½ months "	2 " 30 "	
" 2 " "	3 " 40 "	
" 3 " "	4 " 50 "	
" 4 " "	5 " 60 "	
" 5 " "	6 " 70 "	
" 6 " "	7 " 75 "	
" 7 " "	8 " 80 "	
" 8 " "	9 " 85 "	
" 9 " "	10 " 90 "	
" 10 " "	11 " 95 "	
" 11 " "	The full Annual Rate.

APPENDIX 42.

STANDARD TEST FOR EFFICIENCY OF SPRINKLERS.

No. 187.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 9th April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Morris " B " Sprinklers.

In accordance with the understanding arrived at with your Association in May 1922 with reference to the question of sprinklers declared by this Association to be obsolete, when it was decided that efficiency should in all cases be the sole test, we are directed to pass on to you for your information the results of a test carried out by our Inspector of 12 sprinkler heads of the Morris " B " type installed at the Rachel Sassoon Mill.

We may add that the millowners in question have been asked to replace the defective sprinkler heads within a reasonable time.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

*Results of a Test carried out by the Association's Inspector, of 12 Sprinkler Heads, of
" Morris B " Type.*

1st Head.—The sprinkler was heated to a high temperature under 7 lbs. pressure and the pressure gradually raised to 50 lbs. The link fused but did not open until struck, then valve opened and distribution was satisfactory.

2nd Head.—Sprinkler heated to high temperature under pressure from 24 lbs. increased to 40 lbs. The link and levers did not drop, but valve commenced to leak after about 2 minutes.

3rd Head.—Sprinkler of new appearance. Heated at 8 lbs. increasing to 40 lbs. Same result as No. 2.

4th Head.—Sprinkler heated at 20 lbs., link and levers dropped but valve did not open till pressure was raised to 30 lbs.

5th Head.—Sprinkler opened at 9 lbs. pressure after short heating.

6th Head.—Sprinkler heated at 7 lbs. increased to 15 lbs. After two minutes valve leaked but link did not open.

7th Head.—Fused and opened at 20 lbs. after long heating.

8th Head.—Fused and opened at 32 lbs. after long heating.

9th Head.—Heated at 10 lbs. pressure increased to 15 lbs. Fused after about 2 minutes' heating.

10th Head.—Fused after about 2 minutes at 11 lbs. pressure.

11th Head.—Fused after about 2 minutes at 11 lbs. pressure.

12th Head.—The link was heated slightly and forced apart by hand, levers removed, and it was found that the valve had considerable adhesion to the seating.

The above sprinklers were all actually in the flame of the blow lamp during the whole test and probably attained a temperature of about 500° Fahr. or 600° Fahr.

No. 544/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 15th April, 1925.

MESSRS. E. D. SASSOON & Co.,
AGENTS, THE E. D. SASSOON UNITED MILLS, LTD., BOMBAY.

DEAR SIRs,

Early in 1922, the Bombay Fire Insurance Association notified that certain makes of sprinklers were "obsolete" and should be replaced by sprinklers of the approved type. This Association took up this matter with the Bombay Fire Insurance Association, and it was eventually agreed that efficiency was to be the sole test of sprinklers installed in a mill whether these sprinklers be of the so-called "obsolete" type or of the approved type. It was further agreed that in case the Bombay Fire Insurance Association found the sprinklers in any mill which was a member of this Association to be in inefficient order and they deemed it necessary that these sprinklers should be replaced, they should inform this Association of their decision. In accordance with this arrangement, the Bombay Fire Insurance Association have addressed a letter to this Association as per copy enclosed herewith in connection with the sprinklers installed in your Rachel Sassoon Mill. Will you kindly let me know if you have any comments to make in connection with this matter, so that the Committee of the Association may consider same at their next meeting to be held on Monday, the 20th instant.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 316/8161.

E. D. SASSOON BUILDING,
DOUGALL ROAD, BALLARD ESTATE,
BOMBAY, 28th April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We have to acknowledge receipt of your letter of the 15th instant, and are arranging to replace the Morris "B" type sprinklers at the Rachel Sassoon Mill with sprinklers of an approved make.

We should, however, esteem it a favour if you will take up the whole question with the Bombay Fire Insurance Association and ascertain exactly what they would consider the test an efficient sprinkler should undergo, as the Morris "B" Sprinklers would all come into action in the mills where the pressure in the mains is 60 lbs.—Yours, etc.,

E. D. SASSOON & Co., LTD.,
Agents.

No. 597/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 28th April, 1925.

MESSRS. A. F. FERGUSON & CO.,
SECRETARIES, THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRs,

Morris "B" Sprinklers.

With reference to your letter of the 9th instant, No. 187, my Committee have decided that the subject should be fully discussed at a joint meeting of the Sub-Committees of our respective Associations. It is proposed to hold the joint meeting on Wednesday, the 6th May, 1925, at 2-30 p.m. (S.T.) in the rooms of this Association. Will you kindly let me know whether the day and time will suit your Sub-Committee?—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 1670.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 11th September, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Obsolete Type of Sprinklers: "Witter" Modified Type with Tripping piece.

With reference to the correspondence interchanged last year on the above subject with regard to the agreement arrived at in May 1922 that efficiency should in all cases be the sole test for sprinklers, we are directed to inform you that the Inspector has recently been carrying out tests of "Witter" sprinklers fitted in various mills, as in many cases this type has been found to be functioning far from satisfactorily.

We are directed to attach copies of our Inspector's reports on the various installations from which it will be seen that their performance in no case can be termed satisfactory. Our Committee therefore consider that mills so fitted should be asked to instal new sprinklers of an approved type and they do not think that when furnished with a report of the tests they will object to do so. They suggest that a period of 6 months is a very reasonable period for the work, but before taking any action, they place the matter before you, as agreed.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

Enclosures:—Copies of reports on Bombay United Mill (now known as Swadeshi Mill No. 2), Coorla Mill, Khatau Mankanji Mill, Dawn Mill, Currimbhoy Mill, Birla Mill No. 2 (late Indo-China Mill) and Alexandra and E. D. Sassoon Mills.

P.S.—In the case of the Swadeshi Mill No. 2, we may add that in view of the urgency of the matter, the mill people have guaranteed to replace the defective sprinklers in Block 12 by "Grinnell" type within one month from 22nd ultimo.

Inspector's Report dated 12th June, 1925.

SWADESHI MILL NO. 2 (late BOMBAY UNITED MILLS).

Report on the Performance of the Sixteen Sprinkler Heads (Witter Modified Pattern with Tripping Piece).

1st Head.—The solder fused after long heating under 30 lbs. pressure in the flame of low lamp but the link moved very sluggishly allowing the valve to partially open causing the

valve to leak badly and resetting the solder. No tripping piece was attached to the deflector of this head, and the hinge of link was tightly jambed with verdigris.

2nd Head.—Link fused and dropped after strong heating but beam and valve did not release themselves even though the pressure was raised to 45 lbs.

The beam dropped while being removed from the apparatus but valve still adhered to the seat despite the spring pressure behind it.

3rd Head.—Same result as Head No. 1 with pressure at 36 lbs. The tripping piece on this sprinkler has been fitted on the wrong side of the screw head in beam.

4th Head.—Result was the same as No. 1 Head.

5th Head.—Tested without pressure—held in flame of blow lamp. Link dropped but beam and valve did not move.

6th Head.—Fused and opened satisfactorily at 30 lbs. pressure.

7th Head.—Fused and opened under 20 lbs. pressure, but beam lodged in deflector and prevented valve from falling clear, thus causing inefficient distribution of water.

8th Head.—Fused and opened satisfactorily at 18 lbs. pressure.

9th Head.—Fused and opened at 23 lbs. pressure, but beam was held up by deflector causing inefficient distribution.

10th Head.—Tested under 10 lbs. pressure. Same result as No. 7 Head. Tripping piece was fixed on wrong side of deflector.

11th Head.—Tested under 7 lbs. pressure with same result as No. 7 Head. Tripping piece was on wrong side of deflector.

12th Head.—Commenced to fuse when tested under 7 lbs. pressure but link did not drop though sprinkler was heated until the deflector was red hot. Pressure increased to 13 lbs. Link and beam fell but valve adhered to its seat, without leaking.

13th Head.—The beam of this sprinkler was lying over on one side before test.

Fused and opened at 13 lbs. pressure.

Tripping piece was on wrong side of deflector.

14th Head.—Tested at 30 lbs. pressure. Link dropped sluggishly about 1/16" and valve leaked, resetting the solder and preventing further action. The hinge of the link was badly jambed with dirt.

15th Head.—Fused and opened at 20 lbs. pressure, but beam and valve were held up on tripping piece which was mounted on wrong side of deflector.

16th Head.—Partially fused at 10 lbs. pressure, but link and beam did not drop until subjected to a blow. Deflector was red hot. Valve adhered to its seat and did not leak.—
Yours faithfully,

T. K. W. NORTH,
Inspector.

23rd June, 1925

COORLA MILL—WITTER MODIFIED SPRINKLERS WITH TRIPPING PIECE.

I beg to report having tested the six sprinkler heads which were removed from departments, and submitted for the purpose from the above-named mill, and the following is the

result of the test carried out in the usual way. Each sprinkler was in the hottest part of the flame of the blow lamp throughout the test.

1st Head.—Test commenced at 18 lbs. pressure. Link fused and dropped at 1/16 inch only. Pressure raised to 22 lbs. No further result although deflector became red hot.

2nd Head.—Tested at 12 lbs. pressure. Link fused and dropped sluggishly. Valve and beam did not move.

The beam was evidently jammed between tripping piece the lug supporting one end of the beam, and the cavity on the underside of the valve.

3rd Head.—Tested at 30 lbs. pressure. Fused very reluctantly; link opened about 30 seconds after the deflector was red hot. The beam fell and rested on the deflector thus interfering with the correct distribution of the water.

4th Head.—Tested at 20 lbs. pressure. Deflector became red hot with no result. Pressure raised to 30 lbs.—no result; pressure raised to 40 lbs.—no result. The sprinkler opened while being removed owing to clumsy handling.

5th Head.—Tested at 38 lbs. Opened satisfactorily but tripping piece was on the wrong side of the deflector and the beam on falling rested on the tripping piece, and prevented the valve from fully opening.

6th Head.—Tested at 30 lbs. pressure. Link and beam dropped but valve remained seated and did not leak despite this high pressure.—Yours faithfully,

T. K. W. NORTH,
Inspector.

20th August, 1925.

CURRIMBOY MILL.

Result of Test made on the 19th instant of the Obsolete Witter Sprinkler Heads with Tripping Piece taken from the above Mill.

1st Head.—Would not open at 10 lbs. pressure after 3 minutes. Leaking very profusely at the valve.

2nd Head.—Fused and opened at 10 lbs. pressure after 2½ minutes.

MIXING ROOM:

3rd Head.—Fused and opened after 12 seconds. 17 lbs. pressure.

4th Head.—Fused and opened after 1½ minutes. 14 lbs. pressure.

REELING DEPARTMENT:

5th Head.—Fused and opened after 30 seconds. 11 lbs. pressure.

6th Head.—Fused and opened after 60 seconds at 11 lbs. pressure, but the beam lodged in the deflector.

BLOW ROOM:

7th Head.—Fused and opened, nut and valve was stuck to the seating and could not be moved at high pressure.

8th Head.—Fused but would not open after 4 minutes, commenced to leak at the valve. 14 lbs. pressure.

CARD AND FRAME DEPARTMENT :

9th Head.—Fused and opened satisfactorily at 12 lbs. pressure after 17 seconds.

10th Head.—Fused and opened, but valve adhered to the seat and would not move 12 lbs. pressure.—Yours faithfully,

W. A. CARDWELL,
Assistant Inspector.

27th July, 1925.

KHATAU MAKANJI MILL.

Results of Test of Obsolete type Witter Sprinklers with Tripping Piece.

1st Head.—This was badly verdigrised. The head was tested at 12 lbs. pressure, the link fused and dropped 1/16" after prolonged heating and allowed the valve to leak. The water flowed down on to the link and reset the solder preventing further action.

2nd Head.—Fused and opened when tested at 12 lbs. pressure.

3rd Head.—Leaking before test. This sprinkler had no tripping piece.

4th Head.—Leaking before test. This sprinkler had no tripping piece.

5th Head.—Tested under 12 lbs. pressure and opened satisfactorily.

6th Head.—Fused and opened at 10 lbs. pressure.

7th Head.—Leaking before test. This sprinkler had no tripping piece.

8th Head.—Fused and opened at 10 lbs. pressure but valve and strut were hung up and jambed on the deflector.

9th Head.—This sprinkler had no deflector. Opened at 10 lbs. pressure.

10th Head.—Heated at 10 lbs. pressure opened satisfactorily.—Yours faithfully,

T. K. W. NORTH,
Inspector.

20th August, 1925.

ALEXANDRA AND E. D. SASSOON MILLS.

Result of Test on Obsolete type Witter Sprinklers with Tripping Piece received from the above Mills.

1st Head.—Fused and opened at 19 lbs. after 15 seconds.

2nd Head.—Fused and opened at 15 lbs. after 20 seconds.

3rd Head.—Tested at 30 lbs. pressure for 4 minutes. Leaked at valve which prevented solder from fusing properly.

4th Head.—Tested at 28 lbs. Opened after one minute.

5th Head.—Fused and opened at 24 lbs. after 30 seconds.

6th Head.—Heated at 23 lbs. pressure. Fused, but valve stuck and did not open until 30 lbs. applied.

7th Head.—Fused and opened satisfactorily in 12 seconds. 12 lbs. pressure.

8th Head.—Fused and opened satisfactorily after 11 seconds. 10 lbs. pressure.

9th Head.—Fused and opened after 40 seconds. 16 lbs. pressure.

10th Head.—Fused after 2 minutes but did not open. Leaking from the valve. 10 lbs. pressure.

11th Head.—Fused and opened satisfactorily after 14 seconds. 10 lbs. pressure.—
Yours faithfully,

W. A. CARDWELL,
Assistant Inspector.

20th August, 1925.

BIRLA MILL NO. 2 (*late* INDO-CHINA).

The following is a result of the test of Obsolete Witter Sprinkler Heads with Tripping Piece.

1st Head.—Opened at 14 lbs. satisfactorily.

2nd Head.—Leaking valve. Opened at 9 lbs. after long heating.

3rd Head.—Leaking valve. Opened at 20 lbs. after long heating.

4th Head.—Opened very slowly at 11 lbs. 106 seconds.

5th Head.—Opened at 30 lbs. after 17 seconds.

6th Head.—Opened at 30 lbs. after 36 seconds.

7th Head.—Opened at 34 lbs. after 24 seconds.

8th Head.—Opened at 16 lbs. after 38 seconds.

9th Head.—Opened at 27 lbs. after 27 seconds.

10th Head.—Fused at 20 lbs. after 20 seconds. But did not open until 45 seconds.—
Yours faithfully,

W. A. CARDWELL,
Assistant Inspector.

22nd July, 1925.

DAWN MILL.

Result of Test on Obsolete type Witter Sprinklers with Tripping Piece.

1st Head.—Tested under 15 lbs. water pressure. Link fused and fell reluctantly. Valve jambed and did not release even when pressure was raised to 30 lbs.

2nd Head.—Tested under 30 lbs. water pressure. Opened after long heating.

3rd Head.—Tested under 10 lbs. pressure. Opened satisfactorily.

4th Head.—Tested under 8 lbs pressure. Link fused and dropped but beam was hung up on deflector, spoiling the distribution.

5th Head.—Fused and opened at 15 lbs. pressure.

6th Head.—Fused and opened at 18 lbs. pressure.

7th Head.—Fused at 15 lbs. pressure. Link dropped but beam and valve were jammed, and did not open.

8th Head.—Fused and opened at 13 lbs. pressure.

9th Head.—Fused and opened at 12 lbs. pressure after long heating.

10th Head.—Fused at 12 lbs. pressure. Beam and valve jammed on yoke thus spoiling distribution.

11th Head.—Tested at 15 lbs. pressure. Link fused and dropped 1/16" only. Valve commenced leaking and reset the solder. The deflector of this sprinkler was badly bent.—
Yours faithfully,

T. K. W. NORTH,
Inspector.

No. 1212/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th October, 1925.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

You will remember that at the joint meeting of the Sub-Committees of our respective Associations held on 14th May, 1925, there was some difference of opinion as to what test an efficient sprinkler should undergo. It was arranged that you should go into the question fully with the Fire Office Company, London, and inform this Association in due course of the result of your investigations. (See the last para of your letter No. 2265-A, dated 11th June.)

My Committee will be pleased to hear further from you on this subject, as early as possible, in order to be able to deal with your letter of 16th September regarding "Witter" Sprinklers.—Yours, etc.,

T. MALONEY,
Secretary.

No. 1269/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 28th October, 1925.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to request you kindly to expedite your reply to my letter No. 1212/83 dated the 19th October, in order that my Committee may consider the suitability of the standard test of efficiency for sprinklers which you propose should be adopted in Bombay.—
Yours, etc.,

T. MALONEY,
Secretary.

No. 1670.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 30th October, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Obsolete Sprinklers.

We are directed to acknowledge the receipt of your favours of the 19th and 28th instant and regret the delay in responding to your enquiry on the above subject.

Our Committee have gone very carefully into the general question resultant on the discussions which took place between our respective Sub-Committees on the 14th of May last. It will be remembered that at that meeting reference was made to a letter addressed to your Association on the subject of the obsolete sprinklers at the Rachel Sassoon Mill. Your Sub-Committee fully realised that when an installation was found to be faulty it was only reasonable that replacement should be called for, but they contended that the test of sprinklers should be that of efficiency, *i.e.*, that in the case of certain makes of sprinklers which have been declared by the Fire Offices' Committee (Foreign), London, to be obsolete, provided such sprinklers were found to operate satisfactorily and serve the purpose for which they were erected, replacement should not be insisted upon. With this view our Committee are in agreement.

At the meeting above referred to Mr. Stones raised the question as to the pressure under which sprinklers were tested by our Inspectors. That gentleman felt, as also the other members present, that sprinklers should be tested under approximately fire conditions, and considered that while it was possible that certain old types would not open at a high temperature with, say, only a 10-lbs. water pressure, such sprinklers would operate satisfactorily were the pressure increased to that which would obtain on an outbreak of fire. Our representatives agreed to go carefully into this question and endeavour to furnish your Association with some details as to what would be regarded as an efficiency test.

Our Committee have given the subject very exhaustive attention, and we are attaching to the present letter details of the Association's testing apparatus for sprinklers, from which your Committee will observe that our tests are carried out at a high temperature, and also at a pressure which can be regulated from 80 lbs. per square inch downwards. Regarding the point raised by Mr. Stones that certain old types might not open at a high temperature with only 10 lbs. water pressure, whereas under a greater pressure they would function efficiently, we desire to advise that sprinklers when efficient should open under any water pressure, *i.e.*, that the temperature alone should put the sprinkler into action. Moreover, in this connection we would like to draw your attention to the fact that in many mills in Bombay the water pressure at the highest sprinklers is approximately 10 lbs. only, and such a mill would hardly be entitled to the large discount now enjoyed were the sprinklers not capable of coming into action at that pressure in the event of fire.

We feel sure that your Committee will appreciate that it is the desire of this Association to give every consideration to your members in relation to sprinklers, and it is not the intention to insist upon replacement except in cases where, consequential upon tests, conditions are found to be unsatisfactory, and it will be realised that it is in the mutual interests of both millowners and insurance companies to have installations in good order, apart altogether from the question of discount, as non-operation at the time of fire would result in serious losses to each side.

Except by agreeing to the principle of efficiency being the test, it is difficult, if not impossible, to lay down hard and fast regulations other than those detailed in our Sprinkler Rules, as each installation has necessarily to be treated on its individual merits. We have deliberated on the question of approaching the Fire Offices' Committee (Foreign) on this particular point, but have felt it more prudent not to do so, the chief reason being that several

installations in Bombay which are regarded by us as efficient would be considered as obsolete by the London body. In fact they have already passed a ruling to this effect in relation to certain types, but we have invariably supported the principle of efficiency being the test and have not called for replacement otherwise.

Regarding the several installations anent which we have approached you in relation to replacement, we think that you would be convinced both as to the fairness of our test and the state of the sprinklers by attending a practical demonstration, and if representatives of your Association would be good enough to intimate a day and time convenient to them, we should be happy to make the necessary arrangements. We feel sure that in this manner any differences which may exist between our respective bodies in regard to the testing of sprinklers will be cleared up.

We would add that our Committee are fully prepared to consider any views put forward by your Association both on the general subject and with particular reference to the period for replacement being reasonably extended.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries.

Details of the Association's Testing Apparatus for Sprinklers.

1. Water under pressure is contained in a small pressure tank of about 10 gallons capacity, and the pressure is capable of being increased from 0 to 80 lbs. per square inch by means of a small hand-operating air pump.

2. From the pressure tank a three-quarter inch pipe is led to the inside of a glass-panelled cabinet, and the sprinkler to be tested is fixed to the end of this pipe, consequently the sprinkler is under water pressure at the time of testing in the same way as it would be when installed in a mill and the pressure can be varied and raised if necessary, after a sprinkler has fused to note at what pressure it will open.

3. Heat is applied to the sprinkler by means of a kerosene oil blow lamp with high temperature flame.

4. The heat in the cabinet can be gradually raised by placing the blow lamp near the bottom, or the flame can be directed on to the sprinkler.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 28th October, 1925.

Report by the Technical Advisory Sub-Committee.

TO THE COMMITTEE,

We submit herewith a report for consideration of the Committee on the question of Witter sprinklers.

The Fire Insurance Association, in September last, submitted a report to the Association more or less condemning Witter sprinklers as unsatisfactory and suggesting their replacement within six months in all mills affected.

The results of certain tests made by the Fire Insurance Association's Inspectors were also sent to the Association.

In view of the agreement arrived at between our Association and the Fire Insurance Association last year that efficiency should be the sole test for sprinklers, and that the results of efficiency tests should be placed before a joint meeting of the Associations, the Fire Insurance Association asked for the opinion of the Committee on the results of the tests and the suggestion that orders should be issued for replacement within a period of six months.

After very careful consideration of the papers submitted by the Fire Insurance Association and the replies received from the mills concerned, regarding the results of the tests conducted in their especial cases, we suggest:—

(1) That the Fire Insurance Association should be requested to submit for the Association's consideration, a definite standard for efficiency against which any type of sprinklers may be tested. It is obviously impossible for the Association to express any definite opinion as to whether the replacement of Witter sprinklers is generally necessary or desirable unless both our Associations have an accepted common basis upon which to arrive at conclusions, and similar difficulties are bound to arise in future.

In the present instance, the individual mills are in some cases unconvinced as to the inefficiency of their sprinklers, and in the interests of harmonious relations, it is undesirable that such a position should be allowed to exist if it can in any way be avoided.

(2) That efficiency tests of sprinkler should, in every case, be conducted in the presence of the chief engineer of the mill concerned and after due notice being given to the agents that a test is to be made.

The reasons for this suggestion are similar to those put forward in support of a standard test, namely, the avoidance of the probability of different conclusions by the Fire Insurance Association's Inspectors and the mill authorities.

(3) That when a satisfactory arrangement has been arrived at regarding (1) and (2) proposals, fresh tests should be made of the efficiency of any Witter sprinklers installed in Bombay City and Island mills and replacement or non-replacement ordered in accordance with the result of that test.

(4) It might also be pointed out that in the case of complete installations in large mills, a period of six months for replacement of condemned sprinklers would certainly not be sufficient. The time for replacement should be in accordance with the magnitude of the work and should be ordered at the rate of a reasonable number of sprinklers per month.

RATANSI D. MORARJI,
T. WATTS,
FRED STONES,
S. D. SAKLATVALA,
COWASJEE DORABJEE PANDAY.

T. MALONEY, (*Secretary*).

No. 1317/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 11th November, 1925.

MESSRS. A. F. FERGUSON & CO.,
SECRETARIES, THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge the receipt of your letter of the 11th September enclosing copies of your Inspectors' reports regarding tests carried out on the 'Witter' sprinklers installed at the mills named in your letter. My Committee note that in your opinion these sprinklers are functioning far from satisfactorily and ought to be replaced.

2. My Committee's initial difficulty in dealing with your letter is that there has been no agreement between them and your Committee as to a definite standard for efficiency against which any of the sprinklers might be tested. In the present instance, the individual mills

are in some cases unconvinced as to the inefficiency of their sprinklers, and you will doubtless agree that in the interest of harmonious relations such a position should not be allowed to exist if it could possibly be avoided.

3. My Committee are therefore pleased to note from your letter of the 30th October that you propose to go fully with them into the question of the fairness of your tests and the state of the sprinklers in question, by arranging a practical demonstration. The Technical Sub-Committee of this Association, with three leading mill engineers co-opted will be pleased to attend these demonstrations, and it should be then possible from the results to work up a series of tests which should be considered the basis for efficiency. The question whether the 'Witter' sprinklers at the different mills mentioned in your letter should be replaced or not will have therefore to be held over until these demonstrations take place, and a common understanding is arrived at between our respective Associations as to what constitutes the standard test of efficiency in the case of sprinklers.

4. I am directed to add that in my Committee's opinion, the efficiency tests of sprinklers should, in every case, be conducted in the presence of the chief engineer of the mill concerned and after due notice to the agents that a test is to be made. The reasons for this suggestion are similar to those put forward in support of a standard test—namely, the avoidance of the probability of different conclusions by your Inspectors and the mill authorities.

5. My Committee further desire me to point out that if the tests of a particular sprinkler installation are such as to make replacement absolutely necessary, sufficient time should be given to mills for replacements in accordance with the magnitude of the work. The period of six months suggested by you is much too short in the case of large installations, and my Committee suggest that replacement should be ordered at the rate of a reasonable number of sprinklers per month.

6. My Committee trust the suggestions made in para 4 and 5 above will meet with your approval, and they now await your further advices as to when you propose to hold the demonstrations.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 43.

REVISED PACKING INSTRUCTIONS ISSUED BY INDIAN RAILWAYS.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th March, 1925.

To
THE COMMITTEE.

DEAR SIRS,

In accordance with the Resolution passed by the Committee at their meeting held on 16th February, 1925, I attended the meeting of the Traffic Committee of the Indian Railway Conference Association at Calcutta on 20th February, 1925, in connection with the proposed new packing conditions. The other Chambers represented at the Conference were the Indian Merchants' Chamber, the Bengal Chamber of Commerce, the Upper India Chamber of Commerce and the Punjab Chamber of Commerce.

2. A copy of the finally revised packing conditions was sent to members of the Committee on the 11th February, 1925, and as the members are aware, so far as the mills are concerned, the only condition sought to be imposed was that from 1st June to 15th October each year, the goods should be packed "in water-proof cloth, tarpaulin, or other covering capable of keeping out water or oil." The words "water or oil" were, however, substituted by the word "wet" in the copies of the revised rules distributed at the Calcutta Conference.

3. Mr. Ryan of the Upper India Chamber of Commerce made a long speech criticising the revised rules in detail, but on all points the attitude of the Railway Agents was quite uncompromising, and they appeared to be very obdurate so far as the condition to use "some covering capable of keeping out wet" during the monsoon months was concerned,

4. Looking to the attitude of the Railway Agents, I thought it best to say that the present packing of bales by cotton mills already fulfilled the condition required by the Railways during the monsoon, as the pitch-paper, etc., used by the mills was calculated to "keep out wet." In order that disputes might not unnecessarily arise, I suggested that it would be best if the railways were to go into the matter once for all with the Association and certify that the packing usually given by the cotton mills fulfilled the condition required by the railways. This suggestion was accepted by the railways. Mr. Robinson of the B. B. & C. I. Railway afterwards told me that no trouble would arise if mills were using pitch-paper or some such material.

5. Since the conference, no official communication has been received from the Railways.—Yours, etc.,

J. P. WADIA,
Assistant Secretary.

No. 3384/41.

INDIAN RAILWAY CONFERENCE ASSOCIATION,
ALLAHABAD, 6th April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Packing Conditions for Piece-goods.

I am directed to enclose herewith an extract copy of Resolution 841 of the Proceedings of Meeting No. 41 of the Traffic Committee which was held in February 1925 and to invite your attention to the revised packing conditions for piece-goods recommended therein.

2. I am to state that the packing conditions for bazar-packed bales of piece-goods were brought into force from 1st April, 1925, and the conditions recommended for imported piece-goods will be introduced from 1st June, 1925.—I have, etc.,

(Sd.) ILLEGIBLE,
Secretary.

Extract from the Proceedings of Meeting No. 41 of the Traffic Committee held in Calcutta in February 1925.

REVISED PACKING CONDITIONS FOR PIECE-GOODS.

During the discussion of this subject, the following gentlemen were present :—

- | | | |
|------------------|----|---|
| MR. A. J. CARTER | .. | <i>Representing the Bengal Chamber of Commerce.</i> |
| MR. G. V. LEWIS | .. | <i>Representing the Punjab Chamber of Commerce.</i> |
| MR. J. G. RYAN | .. | <i>Representing the Upper India Chamber of Commerce.</i> |
| MR. J. K. MEHTA | .. | <i>Representing the Indian Merchants' Chamber and Bureau; Bombay.</i> |
| MR. J. P. WADIA | .. | <i>Representing the Bombay Millowners' Association.</i> |

RESOLUTION 841.—1. After considering the objections received to the proposed packing conditions for piece-goods and hearing the views of the representatives of the Chambers of Commerce and the Millowners' Associations present at the meeting, the Traffic Committee recommend that, as regards *Indian* piece-goods, both press-packed and not

press-packed, no alterations should, for the time being, be made in the conditions for packing as laid down in the General Classification of Goods, in force prior to August 1924 (reproduced below); and that these conditions be introduced from 1st April, 1925, each railway in addition retaining its local conditions in force prior to August 1924 :—

Consignments of *bazar-packed bales of piece-goods* are accepted at railway risk, only when the following conditions are fully complied with, otherwise these consignments are accepted at owner's risk only, under risk note form A :—

- (1) Bazar-packed bales of piece-goods, irrespective of size or weight, must be tightly secured with iron bands, and the space between the edges of such iron bands must not exceed five inches in width. These iron bands will be secured in two directions round the bales, namely, lengthwise and breadthwise.
- (2) The outer gunny covering of the bale must be securely stitched.
- (3) Each bale must have the name of consignee and the station of destination clearly painted on it.

2. As regards *Imported piece-goods*, the Traffic Committee recommend that the following conditions should apply from 1st June, 1925 :—

Imported piece-goods, cotton or woollen, in bales press-packed.

- (1) Must be bound with iron bands and packed in thick paper, then water-proof pitch paper and finally covered with double canvas. A declaration that the packing is in accordance with these conditions must be entered on the Consignment Note by the consignor.
- (2) Each bale must bear the name of consignee and station of destination in English or Vernacular, in addition to the private marks required by Rule 18 of the General Classification of Goods, before it is despatched by rail.

Imported piece-goods, cotton or woollen, packed in boxes or cases.

- (1) Boxes or cases must not be covered with gunny and must either be tin lined or the contents must be covered with thick paper and water-proof pitch paper. A declaration that the packing is in accordance with these conditions must be entered on the Consignment Note by the consignor.
- (2) Each box or case must bear the name of the consignee and the station of destination in English or Vernacular, in addition to the private marks required by Rule 18 of the General Classification of Goods, before it is despatched by rail.

No. 541/41 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 9th April, 1925.

THE SECRETARY,
THE INDIAN RAILWAY CONFERENCE ASSOCIATION, ALLAHABAD.

DEAR SIR,

Packing Conditions for Piece-goods.

I am directed to acknowledge receipt of your letter No. 3384/42, dated 6th April, 1925, together with the accompaniments referred to therein, and to tender you my Committee's best thanks for same.

2. My Committee are pleased to note that so far as Indian piece-goods are concerned no alteration is to be made in the conditions for packing which were in force prior to August 1924.—Yours, etc.,

J. P. WADIÀ,
Acting Secretary.

APPENDIX 44.

RAILWAY TERMINAL FACILITIES IN BOMBAY.

No. 1330-P.

GOVERNMENT OF INDIA,
RAILWAY DEPARTMENT, (RAILWAY BOARD),

SIMLA, 15th July, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.*Terminal Traffic at Bombay.*

SIR,

Your Association is, it is believed, already aware that it has been decided to have a thorough investigation made into the railway terminal facilities at Bombay and that Mr. C. W. Lloyd Jones, Agent and Chief Engineer of His Exalted Highness the Nizam's Guaranteed State Railway Company, who has undertaken the enquiry, has started on his investigations.

2. I am directed, therefore, to enclose for the information of your Association a copy of the terms of reference which have been given to Mr. Lloyd Jones. I am to express the hope that he may have the benefit of the co-operation of all who are interested in the trade of Bombay.

3. Mr. Lloyd Jones' address is Taj Mahal Hotel, Bombay.—I have, etc.,

P. C. KAPUR,
for Secretary, Railway Board.

Terms of reference to Mr. C. W. Lloyd Jones, Agent and Chief Engineer, H. E. H. The Nizam's Guaranteed State Railway Company (appointed by the Railway Board) to investigate and report on railway terminal facilities in Bombay.

1. In view of the several development schemes for the improvement of terminal facilities of the two important railway systems which serve Bombay, the Railway Board have decided that it is desirable to have a comprehensive investigation by an independent expert in order that the efforts of the two administrations may be co-ordinated with a view to securing for the public the most convenient railway arrangements consonant with cheap fares and charges.

2. It is desired that the investigation should take into consideration the adequacy of the existing arrangements for—

- (a) Goods traffic,
- (b) Suburban passenger traffic,
- (c) Long-distance passenger traffic,

and that a comprehensive report should be submitted with recommendations for improving the present facilities to meet present and future requirements of these several classes of traffic and co-ordinating the work of the two railways and the Port Trust Railway in order that unnecessary overlapping of functions may be avoided.

3. The report should show the results of an examination into the relative advantages and disadvantages of (i) dealing with all long-distance passenger traffic at Victoria Terminus or (ii) providing a separate terminal for the Bombay, Baroda and Central India traffic on the west of the island in the vicinity of Grant Road.

4. As regards goods traffic, it is considered that there is at present a good deal of overlapping and duplication of effort which must necessarily result in unnecessary expenditure.

5. The report therefore should deal comprehensively with the requirements of trade in regard to the export and import of various classes of goods and in relation to the supplies needed for local and up-country consumption and should suggest measures for obtaining the best possible service either by modifying present systems of working or by readjustment of existing facilities.

6. The two railway administrations will co-operate in the enquiry and will place at the disposal of the investigating officer such staff as may be necessary to assist him in considering the various aspects of the problem.

TAJ MAHAL HOTEL,
BOMBAY, 21st July, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Please refer to the Railway Board's letter No. 1330-P of 15th July, 1925, deputing me to investigate and report on the terminal facilities of Bombay. The terms of reference necessitate a consideration of (a) goods traffic, (b) suburban passenger and (c) long-distance passenger. The present reference to you, is with regard to long-distance passenger traffic.

It has been decided to dismantle the B. B. & C. I. Railway from Church Gate to Colaba and in consequence it is necessary to provide a new terminal for B. B. & C. I. long-distance trains, to replace the present terminal station at Colaba. Two alternative schemes have been proposed, *viz* :—

- (a) the construction of a new B. B. & C. I. terminal station at Bellasis Road near Grant Road ;
- (b) the diversion of all B. B. & C. I. long-distance trains at Elphinstone Road, *via* the G.I.P., into Victoria Terminus. It is intended to alter and extend Victoria Terminus in any case.

It has been contended that very considerable economies will be effected in both capital and working expenses by the second scheme ; on the other hand it has been suggested that Bellasis Road is a more convenient station for the public than is Victoria Terminus and that increased traffic at Victoria Terminus would cause serious congestion to road traffic.

When the alterations to Victoria Terminus, which have been sanctioned, are completed, all classes of suburban traffic will be dealt with in the present main building. The station will be extended to the east ; upper class long-distance passengers will use a new station building to the east of the present building and third class long-distance passengers will use a third class waiting hall to be built in Hornby Road near the existing third class hall and the old Salvation Army building.

I request an expression of opinion as to which of the two proposals for dealing with long-distance passenger traffic would best serve public requirements. Under the first scheme all B. B. & C. I. long-distance trains would start and terminate at Bellasis Road, whereas under the second scheme all B. B. & C. I. long-distance trains would start and terminate at Victoria Terminus stopping at Byculla *en route*.—Yours, etc.,

C. W. LLOYD JONES;

No. 979/113 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 24th August, 1925.

C. W. LLOYD JONES, ESQ.,
TAJ MAHAL HOTEL, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter dated 21st July, 1925, on the subject of terminal facilities of Bombay.

2. My Committee have carefully considered the two proposals mentioned in your letter for dealing with long-distance passenger traffic and they are of the opinion that for reasons indicated below it would be most inadvisable to divert all B. B. & C. I. long-distance trains at Elphinstone Road, *via* the G.I.P., into the Victoria Terminus.

3. I am directed to point out that if the population of Bombay goes on increasing at the present rate of increase, then the Victoria Terminus station will, even if enlarged, prove inadequate in 20 or 30 years' time to handle long-distance traffic. Moreover, if Victoria Terminus is very much enlarged it will seriously interfere with the Wadi Bunder Goods Depot which, as it is, is getting congested.

4. My Committee are therefore in favour of the proposal to construct a new B.B. & C.I. terminal station at Bellasis Road in view of the decision to dismantle the B. B. & C. I. Railway from Churchgate to Colaba.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 45.

PREPAYMENT OF FREIGHT ON COAL.

No. 532/81 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th April, 1925.

AMRITLAL OJAH, ESQ.,
c/o MESSRS. KHENGARI AMRITLAL & Co., CALCUTTA.

DEAR SIR,

Under instructions from Mr. N. N. Wadia, the Chairman of the Association, I circulated among the members of my Committee your letter* to him dated the 7th March, 1925. Your letter was perused with much interest by my Committee who at their last meeting discussed the question of prepayment of freight on coal raised in your letter. They agreed with you that the system was objectionable also from the point of view of consumers, inasmuch as there are sometimes serious shortages, which means that the mills lose not only the value of coal, but the amount of freight on it. If freight was payable at destination, consumers could insist on reweighment and pay freight on actual weight.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

* Not published.

No. 813/TD. 209-2/23.

INDIAN MINING FEDERATION,
CALCUTTA, 15th April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to refer to your letter No. 532/81 dated the 8th instant addressed to Mr. A. L. Ojha, the Vice-Chairman of the Federation, in connection with the proposed reversion to a system of 'to pay' consignment of coal. The Committee wonder if your Association have decided to address the Railway Board on this subject. It need hardly be added that they should feel much grateful for any assistance which your Association may render them in this direction.

2. The favour of an early reply is requested.—Yours, etc.,

(ILLEGIBLE)
Secretary.

No. 612/81 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 5th May, 1925.

THE SECRETARY,
THE INDIAN MINING FEDERATION, CALCUTTA.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 813/TD. 209-2/23 dated 15th April, 1925, on the subject of the present system of prepayment of freight on coal, and to state in reply that my Committee have decided to defer consideration of the matter until the publication of the report of the Indian Coal Committee.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 783/81 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th June, 1925.

THE CHIEF SECRETARY TO THE GOVERNMENT OF INDIA,
COMMERCE DEPARTMENT, SIMLA.

SIR,

Under directions of my Committee, I have the honour to address you on two of the subjects dealt with by the Indian Coal Committee in their recently published report.

2. My Committee are greatly disappointed at the fact that the Indian Coal Committee have not seen their way to recommend reductions in railway freights to centres of the cotton mill industry like Bombay and Ahmedabad. Sir Thomas Sievwright Catto, presiding at the Annual Meeting of the Bengal Coal Company last December, very truly said :—

“ I want to emphasise that coal freights on the E.I.R. and B.N.R. are far too high and are not justified in the present condition of the industry, when we are fighting for our very existence not only in foreign markets but in our own national markets like Bombay and Karachi Freight rates must be fixed to encourage and not to kill the industry : rates to put us on a level with foreign railways-subsidised coal which ousts us now from our home markets and abroad.”

The resolutions passed by the Associated Chambers of Commerce in 1923 and 1924 afford further indication of the strong feeling prevailing on this subject in important commercial and industrial circles. I am directed to state that the existing rates of railway freight are much too high and act as a handicap to the cotton mill industry, and my Committee desire to urge upon Government, with all the emphasis at their command, the necessity for reducing the freight on coal railed to Bombay and Ahmedabad.

3. The second point on which my Committee desire to address Government is the hardship inflicted by the prevailing system of prepayment of railway freight on coal. In my Committee's opinion, there never was any justification for the introduction of this system, and they think Mr. Banerjee in his minute of dissent has made out an unanswerable case for its abolition and for the reversion to the system of "to pay freight."

4. Moreover, even from the consumers' point of view the present system of prepayment of freight on coal is objectionable in view of the fact that there are sometimes serious shortages, and the mills lose not only the value of coal, but the amount of freight paid on it. If freight was payable at destination, consignees would be able to insist on reweighment and to pay freight on actual weight only.

5. My Committee therefore are strongly of opinion that the existing system of prepayment of freight on coal should be abolished, and the previous system of "to pay freight" should be reverted to.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. 454-T (M).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 4th July, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

Reduction in Freights on Coal to Bombay and Ahmedabad and Abolition of the System of Prepayment of Freight on Coal.

SIR,

I am directed to acknowledge the receipt of your letter No. 783/81 dated the 26th June, 1925, on the above subject and to say that it has been transferred to the Railway Department (Railway Board) for disposal.—I have, etc.

L. SEN,
Assistant Secretary to the Government of India.

APPENDIX 46.

PROPOSED LICENSED WEIGHERS FOR COAL IN BOMBAY.

No. 33/14072 of 1924-25.

BOMBAY PORT TRUST,
BOMBAY, 6th February, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re: Proposed Licensed Weighers for Coal in Bombay.

I beg to request that you will kindly express your views on the following points in connection with the proposed establishment of licensed weighers of coal in Bombay:—

- (1) Whether the present system for weighment is unsatisfactory.
 - (2) Whether the establishment by the Port Trust of a system of weighment would prove satisfactory.
 - (3) What would be the likelihood of continuous employment of such an establishment as entertained by the Port Trustees.
2. An early reply will be much appreciated.—Yours, etc.,

(ILLEGIBLE),
Acting Deputy Manager.

No. 285/61 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 17th February, 1925.

THE MANAGER,
BOMBAY PORT TRUST, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 33/14072 dated the 6th February in connection with the proposal to introduce licensed weighers of coal in Bombay.

After careful consideration, my Committee have reached the conclusion that as far as the mills are concerned a system of licensed weighers is absolutely unnecessary for the very obvious reason that weighment is at present being carried on in the presence of buyers and sellers and that the coal is reweighed at the mills; moreover, they fail to see that any advantage would accrue by the employment of licensed weighers.

As regards the second and third questions, contained in your letter, my Committee can hardly express an opinion unless more detailed proposals are placed before them.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 47.

LICENSE FOR KEEPING COAL.

THE MANOCKJEE PETIT MANUFACTURING CO, LTD.,
BOMBAY, 15th April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We beg to inform you that we have been served with a notice by the Municipal Commissioner of Bombay requiring us under Section 394 of the Municipal Act to pay a license fee of Rs. 10 for keeping coal near the Bleaching Department of our Manockjee Petit Mill at Tardeo. We hold a license in respect of the Dyeing Department there and the coal is used in this connection. We are, therefore, paying the said fee under protest and have requested the Municipal Commissioner to send us a list of the commodities that are exempted from the operation of the above-mentioned section under sub-clause (5).

We write this to you with a view to your taking the necessary action in the matter as it involves a question of principle.—Yours, etc.,

FOR THE MANOCKJEE PETIT MFG. CO., LTD.,
D. M. PETIT, SONS & CO.,
Agents.

No. 635/86 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 8th May, 1925.

THE MANECKJI PETIT MANUFACTURING COMPANY, LIMITED,
BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letter of the 15th ultimo regarding the license-fee demanded from you by the Municipal Commissioner and to state in reply that under instructions from the Committee of the Association I have addressed a letter to the Municipal Commissioner as per copy enclosed herewith.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 627/86 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 6th May, 1925.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY, BOMBAY.

SIR,

I have the honour, under directions of my Committee, to address you on Section 394(5) of the Bombay Municipal Act which reads as below :—

“ Nothing in this section shall be deemed to apply to mills for spinning or weaving cotton, wool, silk or jute or to any other large mill or factory which the Commissioner may from time to time with the approval of the Standing Committee specially exempt from the operation thereof.”

2. In accordance with the above sub-section, cotton mills and factories are exempted from payment of license fees, but it has recently been brought to my Committee's notice that a license fee of Rs. 10 was demanded from the Maneckji Petit Manufacturing Company, Limited, for keeping coal near their Bleaching Department.

3. This demand of a license-fee from a big factory is, in my Committee's opinion, contrary to the spirit of the above sub-section, and they will be pleased to know under what circumstances this demand was made by the Municipality.

4. My Committee respectfully submit that the above sub-section exempts not only spinning and weaving mills from the payment of license-fees, but empowers you to likewise exempt all big factories, and they are unanimously of the opinion that it is not right or proper that bleach houses and other big factories should be asked to pay license-fees more especially when such factories are parts of large mills even if they are located outside mill compounds.

5. My Committee trust that you will be pleased to issue instructions to your Assessment Department not to demand any license-fees from big factories. Although the amount of license-fee may be insignificant, on a question of principle my Committee will be pleased to have an assurance from you that the precedent sought to be created in the case of the Bleaching Department of the Manockji Petit Manufacturing Company, Limited, will not be repeated in the future.

6. My Committee understand that the Manockji Petit Manufacturing Company, Limited, have paid the license-fee under protest, and they trust you will be good enough to issue orders for the refund of this license-fee.—I have, etc.,

J. P. WADIA,
Acting Secretary.

THE MANOCKJEE PETIT MANUFACTURING CO., LTD.,
BOMBAY, 12th May, 1925.

THE ACTING SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We beg to acknowledge receipt of your letter No. 635/86 dated the 8th instant, and the enclosure thereto, and convey hereby to your Committee our thanks for having taken up the question regarding the payment of license-fee for keeping coal near the Bleaching Department of our Manockjee Petit Mill at Tardeo, demanded by the Municipal Commissioner.—
Yours, etc.,

R. D. MODI,
Secretary.

No. 740/86 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 12th June, 1925.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY, BOMBAY.

SIR,

I have the honour to invite your attention to this Association's letter No. 627/86 dated 6th May, 1925, regarding the license-fee demanded from the Manockji Petit Manufacturing Company, Limited, and to request you kindly to favour the Association with an early reply thereto.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. L/615-B of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, 15th August, 1925.

THE ACTING SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

With reference to your letter No. 740/86 dated the 12th June, 1925, addressed to the Municipal Commissioner, I have the honour to say that the Municipal Commissioner has been pleased to decide, with the approval of the Standing Committee, that the Dyeing and Bleaching Factory at No. 3, Bellasis Road Bridge Low Level South, belonging to Messrs. The Manockji Petit Manufacturing Company, Limited, should be exempted from the operation of Section 394 of the Municipal Act.

The license-fee paid by the Company will therefore be refunded to them in due course.—
I have, etc.,

(ILLEGIBLE),
Acting Superintendent of Licenses.

No. 965/86 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19th August, 1925.

MESSRS. THE MANOCKJI PETIT MANUFACTURING COMPANY, LIMITED,
BOMBAY.

DEAR SIRS,

I beg to forward you herewith a copy of the letter received from the Superintendent of Licenses, Bombay Municipality, for your information and necessary action.— Yours, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 48.**THE TELEPHONE COMPANY.****TAX FOR THE MESSAGE RATE SYSTEM.**

BOMBAY TELEPHONE COMPANY, LIMITED,
BOMBAY, 23rd July, 1925.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

System of Charges.

Under instructions from my Board, I have the honour to lay before you the position of the Bombay Telephone Company, Limited, in this connection.

Hitherto a flat rate per Exchange line has been charged and this at the present time is Rs. 300 per annum for a business line and Rs. 210 per annum for a residential line, the maximum charge permitted by the Government of India under the license to the Company being Rs. 350 per annum.

The use of the telephone which not many years ago was considered as much a luxury as a necessity, has spread so rapidly during the last ten years in Bombay as to necessitate a frequent revision not only of the charges but even of the system itself in order to meet the changing conditions. It is a generally accepted fact that the value of a telephone service to the public to a great extent depends on the number of lines connected to the system. The greater the number of lines the greater is the intrinsic value of a connection to each individual subscriber. Also from the Company's point of view every new line put on means a potential increase in the calling rate of all existing lines.

In Bombay the demand for telephone connections due to trade boom conditions completely outran the supply in the years 1920-21-22. The Company, in spite of the most strenuous efforts to keep pace with the demand, had no less than 4,000 unsatisfied demands for new connections on its books in July 1923.

To meet this demand the old manual system was scrapped and the new automatic system installed at a very considerable cost to the Company. Work was pushed on with underground cabling to take the extra 4,000 lines and last year for the first time the Company was in a position to satisfy all likely demands with a thoroughly up-to-date plant and with sufficient cable already laid for a future expansion of the system. Unfortunately owing to bad trade conditions the bulk of the new applications did not materialise and the Company found their position completely reversed, with an efficient system capable of carrying 11,000 lines and only about 60 per cent. of them required. One clear fact transpired from investigation into the thousands of ineffective applications, namely, that the existing flat rate was too high to attract the small user now that values and incomes had settled down after the boom to a more stable level.

Having to carry the deadweight of such a large proportion of non-revenue-producing plant, the whole question of the Company's service demanded careful investigation. The total number of lines in use remained almost stationary, lines being given up as rapidly as new connections were put on. As a result of the trade slump there was considerable change in the subscribers and it was almost impossible to obtain sufficient data in such changing conditions to show whether in estimating a potential capacity of 11,000 lines for Bombay in 1922 the Company had erred on the high side or not. It soon became increasingly clear that not until the telephone could be brought within easy reach of the small user, to whom a lump sum payment of Rs. 300 or Rs. 210 was out of the question, was it possible to tap a new field for expansion, because the large users were strictly limited and had already been fully

connected. The considerable unsatisfied demand in 1920-22 had come from smaller users who doubtless during the boom had seen their way clear to paying for a telephone, but who after the slump were either not traceable or returned replies to the effect that they no longer required the connection applied for. It was therefore clear to the Board that only by some method of reducing the charge for telephones to attract the small user was it possible to expand the service to the degree required and provided for.

After consulting experts from England and after examining the results obtained in Calcutta by the introduction of a message rate system and after careful enquiry from all classes of users and prospective users in Bombay by means of canvassers, the Directors came to the conclusion that the position in Bombay could only be retrieved by so adjusting the charges for the services as to make it available in the only direction of larger expansion, namely, the small user.

Except possibly in the early stages when the telephone is first introduced, a flat rate where the small user pays the same price as the large user is thoroughly unsound both from the revenue-producing point of view as well as from the public service point of view with the result that practically the whole of Europe has adopted the message rate and America has started to do so. The sound commercial principle that services should be paid for in proportion as they are used, is now applied almost universally in the case of all public utility services such as railways, electric light and power, post and telegraphs. Perhaps one of the best examples is that of the old London "Two-Penny Tube" where originally the fare was 2d. no matter what the length of the journey might be. It was not until the authorities grasped the uneconomic basis of this charge and varied it according to the distance travelled, that the tube became popular as a quick and cheap means of conveyance for the public and remunerative to the Company as a profit-earning concern. It is unnecessary to cite further examples of what has now become a recognised economic fact.

The same argument applies to the flat rate charged for telephone service in Bombay. The large business users whose calling rate may be 80 calls per day pays the same rate of Rs. 300 as the small business man whose rate is 10 calls a day. This on the face of it is inequitable and a distinct burden on the small user who in reality is paying for the big users' excess service. The result of this inequitable system is that the telephone is a luxury beyond the pockets of a man of small means, and the large user has obtained what to him is almost a necessity at very much under the market price.

At the present time the Company has in Bombay the following Exchange equipment which is in use only to the extent indicated :—

<i>Exchange.</i>	<i>Capacity.</i>	<i>In use.</i>	<i>Not in use.</i>
Central	7,000 lines.	4,633 lines.	2,337 lines.
Gell Street ..	4,000 ..	2,058 ..	1,942 ..

In order to attract the small user it is necessary to adopt a scale of charges which will permit of his paying less than the present minimum rates.

If, however, the present minimum rates are reduced, then it is necessary that the flat rate should be abandoned, as the conditions frequently experienced of increasing turnover automatically reducing unit costs do not obtain in the case of the telephone, owing to the cost of making communication with all other users available to each new user being greater after a certain point, as the total number of users increases, and for this reason it is impossible to obtain the necessary revenue by a mere reduction of the flat rate charge however large an increased number of users might result. In this connection, I would refer to the extract from the Departmental Committee 1920 Report regarding "Cost as Development proceeds" on page 32 of the Report of the Bengal Government Telephone Committee on the Message Rate system of charges for the Telephone Service.

It must, however, be borne in mind that the proper unit of the cost to the user is the cost of a call, not the charge per instrument, and from this it follows that the equitable basis of the charging for the service must also be the number of calls.

It would therefore appear—

- (1) that it is desirable to increase the number of subscribers in order to increase the utility of the telephone ;
- (2) that such an increase can only be brought about by decreasing the charges to small users ;
- (3) that the only practicable method of making such a decrease of charges possible is to base charges mainly on the number of calls.

It is obviously essential that any such scale of charges should be such as will produce sufficient revenue to pay the expenses incurred in providing the same. It is also necessary for the protection of the real user of the telephone as well as of those providing the service, that some minimum charges should be made, regardless of the smallness of the extent the service is used, to cover the cost of installation and to pay interest and provide depreciation on the capital expenditure necessitated by each installation. For the reasons outlined above, the remaining expenses of the service should be borne by the subscribers in proportion to the calls they make.

The above requirements seem to be best met by the introduction of the message rate system of charges. My Board can see no good reason to differ from the conclusions reached after very full enquiry by the Bengal Government Telephone Committee and they have accordingly decided to apply to the Government of India for leave to introduce the following scale of charges already sanctioned for, and put into force, in Calcutta :—

For Exchange Telephone Service.

Installation fee payable at the time of signature of the contract
for an exchange line to be fitted Rs. 30

This charge only to be made in respect of a new installation.

Fixed rental for an exchange line Rs. 12 per mensem.
Call charges 12 calls per Rupee.

Provided that if less than 90 calls are made within any one month the subscriber to be entitled to a refund of Rs. 2 from the fixed rental but to pay for calls at 10 to a rupee.

A discount of 5 per cent. from the charge for calls to be allowed for prompt payment.

A deposit of Rs. 50 as security for the due payment of telephone charges to be made by subscribers in such cases as the Company thinks proper to demand the same.

In doing so they are fortified by the fact—

- (1) that the message rate has, in fact, been adopted in almost all large centres throughout the world ;
- (2) that it is equitable in its incidence as that it tends to improvement in efficiency of service, owing to the elimination of a considerable portion of unnecessary calls, and encourages large users to have an adequate number of exchange lines with consequent reduction in the number of unsuccessful calls due to lines called being engaged ;
- (3) for the small user it provides service at a low cost in proportion to its use and payable in for the most part monthly instalments which must appeal to the man of small but regular income.

Experience bears out the view that the introduction of the message rate will result in :—

- A. Increased efficiency,
- B. Increased number of users,
- C. Increased utility,

and that these results will be followed by the number of useful calls increasing which will tend to decrease the cost per call to the user.

One of the arguments which has frequently been used against the message rate is the risk of inaccurate charges being made by the Company and consequent disputes arising between the subscribers and the Company. The automatic system overcomes this objection as calls would be recorded automatically by meters and the element of human error is thereby eliminated ; moreover, only effective calls where the caller actually obtains connection with the number called, would be so registered by the meters.

In placing the matter before you it has been thought best to set out only the more salient features and to send as an accompaniment the report of the Bengal Government Telephone Committee in which the whole subject is dealt with in considerable detail. I am also asked to state that if any further information is desired, I shall be happy to endeavour to supply it or to meet any representatives who may be appointed by your Association for the purpose of discussing any questions arising. My Board will be pleased to receive any comments or suggestions that your Association may have to make after perusing these papers.—I have, etc.,

R. H. PARKER,
Secretary.

—————

Extract from the Departmental Committee 1920 Report regarding "Cost as Development Proceeds."

It may be well to anticipate the common criticism that the unit costs of the telephone service may be expected to fall as the system extends, and that the present high prices should be met by stimulating the development of the service instead of by raising the tariff, which will tend to restrict it.

Experience, however, shows that there is no net reduction in costs as development proceeds. Administrative, accounting and other overhead charges do not, of course, increase in the same ratio as the number of telephones or calls, and further standardisation and mass production may effect some reduction in the cost of the particular items of apparatus. It is also true that as the number of lines in an area increases, the unit cost of the line plant tends to fall, since it becomes economical to replace overhead wires by underground cables carrying large numbers of circuits, with relatively small annual charges for depreciation and maintenance ; and the larger the number of subscribers to be served, the greater becomes the capacity of the cable system which can profitably be laid, and the smaller the average cost per wire in the area.

But the savings under these heads are neutralised by the increased complexity, and cost of the Exchange plant and of the operating arrangements, which are required to give a large number of subscribers inter-communication with each other. The equipment of a small Exchange, which can be worked by one or two operators, is relatively simple and cheap. At a large Exchange, the subscribers' lines have to be distributed among many operators, and although each operator has only to answer the calls originated by subscribers in her own group, she must be provided with means, by what is known as "multiple" equipment, to establish connection with any line in the Exchange. Thus the cost per line for multiple exchanges of different capacities, each equipped for the average calling rate, would work out in a single Exchange area approximately as follows :—

	£
For 200 subscribers	7.0 per line.
1,000 "	10.0 "
5,000 "	11.2 "
10,000 "	12.3 "

Again, a populous area requires not one but several large Exchanges, between which inter-communication must be provided by means of an elaborate system of junction wires which expands in an increasing ratio as the number of Exchanges grows. London, for example, with 150,000 subscribers' lines and 81 Exchanges, requires some 17,000 junction circuits with over 150,000 miles of double wire, while Manchester, with 20,000 subscribers' lines and 23 Exchanges, has about 1,850 junction circuits with 8,000 miles of double wire. Additional switchboards of special type are required for junction working, and these increases the cost per line for Exchanges in a large local area to the following average figures:—

	£					
For 200 subscribers .. .. .	..	..	..	..	..	8.0 per line.
1,000 .. .. .	..	..	..	..	..	13.2 ..
5,000 .. .. .	..	..	..	..	..	14.6 ..
10,000 .. .. .	..	..	..	..	..	17.0 ..

Additional operators have to be provided to serve the junction circuits and, further, the time required to deal with a junction call (and hence the operating cost) is greater than when the call can be completed on the home exchange.

Whereas an operator at a large self-contained Exchange of modern type could handle the calls from about 147 subscribers' lines, it is necessary, with the same daily number of calls per subscriber, to provide an operator for every 72 lines in a large multi-exchange area, which necessarily has a high proportion of junction traffic.

Speaking generally, the economies in plant construction which accompany development in any area are neutralized by the expenditure which results from the increased complication of the plant and operating methods required to furnish inter-communication. The advantage therefore which the individual subscriber must look for, from the development of the system, lies not in a prospective reduction of his subscription, but in the increase in the number of persons with whom his telephone gives communication.

BOMBAY TELEPHONE COMPANY, LIMITED.,
BOMBAY, 20th October, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Message Rate.

With reference to my communication on this subject dated the 23rd of July last, I am directed by my Board to lay before you the following further information which has been received from Calcutta and which clearly demonstrates (1) that the average amount paid under the Message Rate System of Charges is less than the average amount payable under the Bombay Flat Rate System of Charges, (2) that the system is a great attraction to the small user.

For the month of September, out of 6,800 lines 4,167 obtained a refund from the fixed rental, because their calls were less than 90. In other words, 61.2 per cent. had bills for the month amounting to less than Rs. 19 each. Of the total of 6,800 lines 1,990 were "residence" and the balance 4,810 were "business." A certain number of residence lines made more than 90 calls during the month, but even assuming that all residences had made calls under that limit there must still have been 2,177 business lines which were also paying under Rs. 19 per month.

The average rental for the month on all telephones worked out at Rs. 20-9-10 for the month, or after deducting 5 per cent. allowed for bills for calls if paid within 10 days; Rs. 20-7-2. As further evidence that the message rate continues to appeal to the public and especially to the small business man, the following figures relating to the contracts for new lines coming in are illuminating:—

Week ending

	Aug. 5th	Aug. 12th	Aug. 19th	Aug. 26th	Sept. 2nd	Sept. 9th	Sept. 16th	Sept. 23rd	Sept. 30th	Oct. 7th
Business	22	26	33	20	14	21	10	23	12	22
Residence	13	15	11	11	10	10	19	15	9	21

The number of business lines applied for is week by week larger than the number of residence lines.—Yours, etc.,

R. H. PARKER,
Secretary.

No. 5136-G/24.

REVENUE DEPARTMENT,
BOMBAY, 18th November, 1925.

THE SECRETARY
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Telephone Charges—Message Rate System of.*

I am directed by the Governor in Council to forward a copy of the letter dated 21st July, 1925, from the Bombay Telephone Company addressed to the Government of India, Department of Industries and Labour, and to request that this Government may be favoured with the views of your Association on the subject.—I have, etc.,

DAVAR,
*for Secretary to the Government of Bombay,
Revenue Department.*

*Copy of letter from R. H. Parker, Esq., Secretary, Bombay Telephone Co., Ltd.,
to the Government of India.*

SIR,

I have the honour, under instructions from the Board of Directors, to address you on behalf of the Bombay Telephone Company, Limited, under the following circumstances.

2. The Bombay Telephone Company, Limited, the predecessors in title of the present Company who carried on business under the same name, held the following licenses from Government, *viz* :—

License dated the 9th February, 1911, for the Islands of Bombay, Salsette and Trombay.

License dated 9th September, 1903, for Ahmedabad.

License dated 31st March, 1912, for Karachi.

Copies of these documents are annexed as Appendices 1, 2 and 3 hereto.

3. The said licenses were modified by three agreements dated the 30th March, 1922.

Copies of these documents are annexed as Appendices 4, 5 and 6.

4. The present Company was duly formed as contemplated by clause 4 of each of the said agreements to acquire the property, assets and undertaking of the Old Company and the present Company is now entitled to the benefits of the said licenses as modified by

the said agreements and three further agreements made between the Government and the Company dated the 24th January, 1924, and three further agreements made between the Government and the Company dated the 30th June, 1924.

Copies of these documents are respectively annexed as Appendices 7, 8, 9, 10, 11 and 12.

5. One of the terms of each of the agreements set out in Appendices 4, 5 and 6 was, that, after conversion to central battery or automatic working to the extent of not less than ninety-five per cent. of the subscribed lines, which condition has been fulfilled, the maximum annual subscription to be charged by this Company for each exchange connection within four miles of the Exchange was to be Rupees three hundred and fifty.

6. The rates which the Company is charging at the present time are :—

Business Lines	..	..	..	..	..	..	Rs. 300 per annum.
Residential Lines	..	..	..	..	..	..	„ 210 „

7. The Company has in Bombay the following Exchange equipment which is in use only to the extent indicated :—

Exchange.	Capacity.	In use.	Not in use.
General	7,000 Lines.	4,633 Lines.	2,337 Lines.
Gell Street	4,000 „	2,058 „	1,942 „

whereas in July 1923, before the introduction of the automatic system, there were approximately 6,000 lines working and 4,000 applications for lines which could not be met.

8. A large amount of capital has thus been expended in order to meet a demand which, although it existed at the time when the expenditure was incurred, is not now effective at the flat rate charges which are too high to attract the small user of the telephone.

9. The natural result of this is that the Company's revenue is inadequate to meet the expenses of the service including interest and depreciation and to pay a dividend to shareholders.

10. My Board have come to the conclusion that it is both advisable and necessary, in order to make the telephone available for the small user and to bring about an adequate increase in the Company's revenue, to adopt a basis of charges in proportion to the service rendered.

11. In doing so they have been very largely influenced by the conclusions reached after very full enquiry by the Bengal Government Telephone Committee and they feel that they cannot do better than act on their recommendation.

12. I am accordingly directed to apply for leave to introduce the following scale of charges already sanctioned for and put into force, in Calcutta :—

For Exchange Telephone Service.

Installation fee payable at the time of signature of the contract for an exchange line to be fitted Rs. 30.

This charge only to be made in respect of a new installation.

Fixed rental for an exchange line Rs. 12 per mensem.

Call charges 12 calls per rupee.

Provided that if less than 90 calls are made within any one month the subscriber to be entitled to a refund of Rs. 2 from the fixed rental but to pay for calls at 10 to a rupee.

A discount of 5 per cent. from the charge for calls to be allowed for prompt payment

A deposit of Rs. 50 as security for the due payment of telephone charges to be made by subscribers in such cases as the Company thinks proper to demand the same.

13. My Directors have placed their views and proposals in this connection before the following local bodies :—

1. Municipal Corporation of Bombay.
2. Bombay Chamber of Commerce.
3. Indian Merchants' Chamber.
4. Bombay Millowners' Association.
5. Bombay Native Piece-goods Merchants' Association.
6. East India Cotton Association.
7. Bombay Presidency Trades Association, Limited.
8. Grain Merchants' Association.
9. Native Share and Stock Brokers' Association.

A copy of the communication sent to them is annexed as Appendix 13.

14. My Directors are of the opinion that it is desirable to bring the new scale of charges into effect at the earliest possible date and as a considerable amount of time is bound to be occupied in taking the necessary preliminary steps such as providing meters to register the calls, I am directed to ask that this application may be dealt with at the earliest possible moment.

15. The circumstances in Calcutta and Bombay are similar in the main and the former have so recently been fully considered by Government in connection with the alterations in the scale of charges sanctioned for Calcutta that it does not appear that any useful purpose would be served by setting them out again. I am, however, instructed to draw attention to the fact that in Bombay where the automatic system has been installed, calls would be recorded automatically by meters and the element of human error would thus be eliminated. Moreover, the meters would only register effective calls, that is to say, where the caller actually obtains communication with the number called.—I have, etc.,

R. H. PARKER.

No. 1315/139 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 11th November, 1925.

THE SECRETARY,
THE BOMBAY TELEPHONE CO., LTD., BOMBAY.

DEAR SIR,

I am directed to acknowledge the receipt of your letter dated the 23rd July, 1925, asking for my Committee's views regarding certain proposals made for a change in the system of charges.

2. It is stated in your letter that the chief purpose of the proposed change is to attract the small users who, it is suggested, have been prevented from installing telephones owing to the flat rate system being too expensive. My Committee after very detailed consideration of your proposals regret that they cannot agree to support the case as put forward by you for a change in the system of charges now in vogue, and which until the recapitalisation of the Telephone Company took place gave very handsome dividends to shareholders in your Company.

The proposed change appears to my Committee to be nothing more or less than an attempt to increase the income of the Company by substantially raising the rates paid by business concerns, for which they repeat there is absolutely no justification whatsoever.

3. The real causes for the present unsatisfactory financial position of the Company, in the opinion of my Committee, are *not* the system upon which charges are made, but :—

- (a) The system of capitalisation and the over-capitalisation of the new Company.
- (b) The present trade depression.

As regards (a) I am to state that my Committee very largely agree with the views put forward by the Indian Merchants' Chamber in a letter published in the *Times of India* on 27th October, 1925, and entirely agree with the conclusion that even with the present number of subscribers the return to ordinary shareholders is a reasonable one, when one considers that such a large proportion of the ordinary capital consists of bonus shares.

Like all business concerns in Bombay, the Telephone Company is affected by the prevailing trade depression and should share in the sacrifice which have to be made during such times.

4. There is very little doubt, judging from the large profits made in the past, that business concerns have paid most handsomely for their telephone service, and should not now be penalised because of the erroneous calculations and conclusions of your Board.

5. My Committee maintain that there is nothing inherently wrong with the present system of charges and would point out that when the Telephone Company was reconstructed *the probable income of the Company was based upon the system and telephone rents now in vogue*. If the number of telephones in use can be increased to anything in the neighbourhood of the number of telephones which the new equipment is capable of supplying, a handsome dividend will be possible even on the present inflated capital.

6. The problem which requires solution therefore is how to attract more users of telephones. My Committee hold that even without any change in the rates or system of charges, a revival of trade would greatly increase the demand for phones and thereby improve the dividend payable to shareholders, but to stimulate the demands for phones by small users more active propaganda is required. Facilities in the way of monthly payments might also be allowed, and slightly reduced charges for residential telephones, or for installations which can be made at small expense to the Company, might be made.—Yours, etc.

T. MALONEY,
Secretary.

No. 1410/137 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 7th December, 1925.

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

SIR,

Re: Telephone Charges, Message Rate System.

With reference to your letter No. 5136-G/24 dated 18th November, 1925, with enclosures, I have the honour to forward herewith a copy of this Association's letter No. 1315/137 of 11th November, 1925, to the Bombay Telephone Company, Limited, on this subject.

2. My Committee have nothing to add to what they have already stated in their letter to the Telephone Company.—I have, etc.

T. MALONEY,
Secretary.

APPENDIX 49.**HOURS OF DELIVERY OF ORDINARY TELEGRAMS.**

No. T.G. 38.

POSTS AND TELEGRAPHS,
BOMBAY, 30th May, 1925.THE PRESIDENT,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to say that under Rule 393 of the Post and Telegraph Guide, the delivery of ordinary telegrams at places with telegraph offices open all the 24 hours, extends at present between 6 a.m. and 11 p.m. As, however, 11 p.m. has been represented to be rather too late an hour to send out ordinary telegrams, it is proposed to close the delivery of such telegrams at 10 p.m. Kindly let me know if your Association have any objection against the proposal.—I have, etc.

(ILLEGIBLE),
for Post Master-General.

No. 758/104 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22nd June, 1925.THE POSTMASTER-GENERAL,
BOMBAY CIRCLE, BOMBAY.

SIR,

I have the honour to acknowledge receipt of your letter No. T. G. 38 dated 30th May, 1925, and to state in reply that in the opinion of the Committee of this Association, the proposed alteration in the hours of delivery of telegrams is neither desirable nor necessary. My Committee hold that 11 p.m. is by no means a late hour for the delivery of telegrams, and they are of opinion that public interests require that existing arrangements should be continued.—I have, etc.,

J. P. WADIA,
Acting Secretary.**APPENDIX 50.****INCOME AND EXPENDITURE OF CLERICAL STAFF.**THE EMPEROR EDWARD SPG. AND MFG. CO., LTD.,
BOMBAY, 10th February, 1925.THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We send you enclosed herewith a true copy of a letter received by us from the Labour Office, Bombay, dated the 5th instant, for your perusal and information.

May we request you to kindly let us know whether it is advisable for us to send the form duly completed as desired?—Yours, etc.,

FOR THE EMPEROR EDWARD SPG. AND MFG. CO., LTD.,
B. D. PETIT SONS & Co., LTD.,
Agents.

No. 989.

LABOUR OFFICE,
OLD CUSTOM HOUSE,
BOMBAY, 5th February, 1925.

DEAR SIR,

The Labour Office has received enquiries from time to time from employers of clerical labour regarding the rates at which different classes of clerks are paid in commercial, Government and public offices in Bombay. Several enquiries have also been received in connection with the cost of living of these classes. The Labour Office is engaged at present in the work of tabulating statistics regarding income and expenditure obtained from nearly 2,000 representative middle-class families in Bombay. It is proposed to construct a cost of living index for these classes shortly and it is also desirable to make a study of the average earnings of each class of clerical hands earning fixed incomes.

2. A form has been drawn up in such a manner as to procure all the information that is required and at the same time to cause the minimum of inconvenience to those who will be required to make the returns. Every return made for the purposes of this enquiry will be treated as strictly confidential, and no data will be published in such a manner as to enable the identification of any one concern. Only general averages for different types of offices such as banks, shipping companies, solicitors' offices, etc., will be published.

3. The Labour Office will be much obliged to you for your kind co-operation in this enquiry. I request that the enclosed form* may be returned to this office duly filled in as soon as possible in order to facilitate the early publication of the results. If the form is not properly understood or if any assistance is required in completing your return I request you to let me know and I shall send one of my investigators to your office to explain the manner in which the work should be done.

4. Thanking you in anticipation.—Yours, etc.,

(Sd.) _____
Officiating Director,

TO
THE MANAGER,
EMPEROR EDWARD SPG. & MFG. CO., LTD.,
BOMBAY.

No. 378/64 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 10th March, 1925.

THE EMPEROR EDWARD SPG. & MFG. CO., LTD.
BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letter of the 10th ultimo, and to state in reply that my Committee see no objection in the Director of the Labour Office being furnished with the information required by him regarding the pay and cost of living of clerks.—Yours, etc.,

J. P. WADIA,
Assistant Secretary.

APPENDIX 51.

MULE SPINNERS' CANCER.

No. 200 (4) of 1925.

OFFICE OF THE SURGEON-GENERAL
WITH THE GOVERNMENT OF BOMBAY,
POONA, 17th July, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Mule Spinners' Cancer.*

I have the honour to state that Dr. J. Brown, M.D., D.P.H., of Blackpool, who has been associated with the Factory Department of the Home Office and the Ministry of Health, is doing a vast amount of work in spinners' cancer and collecting information from all chief centres in Europe and India. He wants certain information from this country which would help him in his investigation. I request, therefore, that you will be so good as to furnish this office, at an early date, with information on the following points:—

- (1) Does spinners' cancer occur among millhands.
- (2) Age of patients.
- (3) Diet.
- (4) Source of power, *i.e.*, water, steam, electricity, coal, etc.
- (5) Temperature, course or fine.
- (6) Conditions for cleanliness.—I have, etc.,

(ILLEGIBLE), *Captain, I.M.S.*,
for Surgeon-General with the Government of Bombay.

No. 986/3 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th August, 1925.

THE SURGEON-GENERAL WITH THE GOVERNMENT OF BOMBAY,
POONA.

SIR,

With reference to your enquiry regarding mule spinners' cancer, I have the honour to state that this disease is not known to be prevailing among the millhands in Bombay. This is probably due to the fact that only a small proportion of the spindles in Bombay are mule, and few men stay permanently on this class of work to acquire occupational diseases of this nature.

Medical officers at some of the leading mills have been requested to carefully search for and report any information which they could obtain on this subject, and I will address you again on hearing from them.—I have, etc.,

J. P. WADIA,
Acting Secretary.

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No. 316/16128.

E. D. SASSOON & Co., LIMITED,
BOMBAY, 26th August, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

With reference to the Surgeon-General's letter No. 200 (4) dated the 17th July, 1925, which I return herewith, up to date we have not come across any case of mule spinners' cancer. The probability is that this does not exist in Bombay due to the fact that only a small proportion of the spindles in Bombay are mule and few men stay permanently on this class of work to acquire occupational diseases of this nature.

I am forwarding copy of the Surgeon-General's letter to our medical officers at the mills, requesting them to carefully search for and report any information which they may obtain at such mills where we have mule spinners employed.—Yours faithfully,

E. D. SASSOON & Co., LTD.,
Agents.

No. 316/16353.

E. D. SASSOON & Co., LIMITED,
BOMBAY, 31st August, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

In continuation of our letter No. 316/16128 of the 26th instant, we have now received a report from our mill doctors, which we give below for your information:—

“ We beg to state that we had read Dr. Brown's article in the Medical Journals and have been on the look-out for cases of mule spinners' cancer for some time. We have not come across any such case from our mule workers so far.”—Yours, etc.,

E. D. SASSOON & Co., LTD.,
Agents.

No. 1011/117 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 1st September, 1925.

E. D. SASSOON & Co., LTD.,
BOMBAY.

DEAR SIRS,

. *Mule Spinners' Cancer.*

I beg to acknowledge receipt of your letter No. 316/16353 dated the 31st August and to thank you for all the kind trouble you have taken in connection with this matter.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 1013/3 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 1st September, 1925.

THE SURGEON-GENERAL WITH THE GOVERNMENT OF BOMBAY,
POONA.

SIR,

Mule Spinners' Cancer.

In continuation of my letter No. 986/3 dated the 26th August, I have the honour to give below copy of the report submitted by medical attendants at a very important group of mills:—

“ We beg to state that we had read Dr. Brown's article in the *Medical Journals* and have been on the look-out for cases of mule spinner's cancer for some time. We have not come across any such case from our mule workers so far.”—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 52.

THE EXPORT CREDIT SCHEME.

EXPORT CREDITS DEPARTMENT,
73, BASINGHALL STREET, LONDON, E.C. 2.

CONDITIONS AS AMENDED, JANUARY 1925.

PART I.—GUARANTEES TO EXPORTERS.

A.—General Conditions covering both Specific and General Credits.

1. In order to facilitate the resumption of the ordinary means whereby traders and others can obtain facilities from their bankers to enable them to finance their export trade, the Government are prepared under the following conditions to entertain proposals to give guarantees against shipments of goods exported from the United Kingdom.
2. *British goods.*—Guarantees will only be granted in respect of goods wholly or partly produced or manufactured in the United Kingdom, including coal.
3. *Applications.*—Applications for guarantees should be made by the exporter to the Export Credits Department, on forms which may be obtained from the Department. Applications must be submitted through a bank and the banker's recommendation attached. For the convenience of exporters, the department is prepared to receive and give a decision on applications before conclusion of the business, a limit of time being stated by the exporter within which the transaction will be completed.

The scheme does not apply at present to Russia, or to shipments on short credits to India, Ceylon, Straits Settlements or Hong Kong. Applications in respect of machinery and similar goods, where long credits may be required, will be considered in respect of the last-named countries.—*December, 1924.*

4. *Premium.*—The department will fix and charge a premium to cover any charges incurred in connection with the granting of guarantees. The department will consider the fixing of specially low rates in cases where approved exporters are prepared to accept a proportion of recourse in excess of those proportions provided for under paragraph 14.

5. *Bills and documents.*—In all cases, whether under a specific or a general credit, unless otherwise arranged with the approval of the department, bills for guarantee by the department must be sent to it through a bank immediately after the shipment of the goods concerned and must be accompanied by all signed copies of the bill of lading, invoices (in duplicate), and other shipping documents, together with form of agreement (E.C.D. 8a.) duly completed. The documents, other than one set of invoices, will be returned to the bank.

6. *Guarantee conditional on due presentation, etc.*—The guarantee of the department will be given only on the exporter's undertaking that the bill shall be duly presented for acceptance and/or payment, and that the bill, if dishonoured, shall be noted or protested as circumstances require, and notice of dishonour be forthwith given to the department.

7. *Insurance.*—As a general rule the department will require that the goods shall be insured against all risks, and in exceptional cases where it is otherwise agreed, the department will retain recourse against the exporter for all loss or damage which may arise in respect of any risk not so covered. In cases where the insurance is effected by the importer, the department will retain full recourse against the exporter until notified by the exporter's bank that the bills have been accepted, or, in the case of a bill payable at sight, on payment.

8. *Payment by importer.*—The department will have a first charge on all proceeds of the bill, and will require the exporter to take such steps as may be necessary to enforce payment by the importer.

9. *Goods to which scheme does not apply.*—The department does not entertain applications for its guarantee in connection with the export of munitions of war, the carrying of stocks either in the United Kingdom or overseas, or goods to be shipped on consignment. Applications will not be entertained in respect of goods already shipped.

10. *Recourse.*—In cases where the department retains recourse against the exporter for the whole or a proportion of any loss (see paragraphs 14 and 15), the exporter shall, on default by the importer, pay on demand to the department the amount paid out by the department under its guarantee or his share thereof and, so soon as may be, the ultimate loss (including interest at the rate of 1 per cent. above bank rate ruling from time to time from the date at which the bill is taken up by the department and all costs, charges and expenses incurred and/or paid by or on behalf of the department) shall be ascertained and the account finally adjusted between the exporter and the department in the proper proportions and any sums found to be due to or by the department shall forthwith be paid.

11. *Extensions and alterations.*—In all cases, the periods for which the bills to be guaranteed are drawn will be a matter of arrangement. No extension of a bill may be granted by the exporter unless the approval of the department has first been obtained. No alteration in the conditions of the transactions obtaining when the guarantee was given is permissible without the consent of the department.

B.—Credits in Respect of Specific Transactions.

12. *Guarantee of 85 per cent. or 100 per cent. with recourse (except as provided in paragraph 14 (3)).*—The guarantee may be given for 100 per cent. of the total amount of the bill of exchange drawn against the shipment if the credit does not exceed 12 months, and to an extent not exceeding 85 per cent. if the credit exceed 12 months. The Export Credits Department will decide the proportion to be guaranteed in each case, taking into consideration relevant circumstances.

13. *Bills need not be accepted before guarantee by department.*—The department may retain at its discretion full recourse against the exporter until acceptance, and need not require the bills to be accepted before guaranteeing them; but

- (a) In cases where no security is to be deposited, the department may require that the acceptance of the bills shall be guaranteed by an approved bank, or to be furnished with other satisfactory security that the bills will be accepted.
- (b) In cases where security is to be deposited, the department may require a guarantee as aforesaid from an approved bank that the bills will be duly accepted and that the stipulated security will be deposited immediately upon the first presentation of the documents to the importer.

14. *Proportion of recourse in event of default by the importer.*

(1) Where the guarantee does not exceed 85 per cent :—

- (a) In cases where the importer deposits security less than that deemed by the department sufficient to cover the whole amount guaranteed, the department will retain recourse against the exporter. The recourse will be to the extent of half any excess of the amount guaranteed *plus* charges, expenses and interest on the one hand, and on the other hand such amount, if any, as may be paid by the importer, *plus* the amount deemed to be covered by the security, or which the security eventually realises, whichever is the greater.
- (b) In cases where the importer deposits no security, the department will retain recourse against the exporter to the extent of half the difference between the amount guaranteed together with charges, expenses and interest, on the one hand, and on the other hand, such amount, if any, as may be paid by the importer.

(2) Where the department guarantees 100 per cent. of the bill, and

- (c) the importer deposits security less than that deemed by the department sufficient to cover the whole amount guaranteed, the department will retain recourse against the exporter for $57\frac{1}{2}$ per cent. of the excess referred to under paragraph "14 (1) (a)"; or
 - (d) in cases where the importer deposits no security, the department will retain recourse against the exporter for $57\frac{1}{2}$ per cent. of the difference referred to under paragraph "14 (1) (b)."
- (3) In cases where the importer deposits security deemed by the department sufficient to cover the whole amount guaranteed, the department will have no recourse against the exporter.

NOTE.—Examples illustrative of the working of these provisions will be found in the Appendix.

Reduced Premium.

15. In cases where the exporter is prepared to accept full recourse the department will charge a much reduced premium, which in certain cases will be less than half the usual rate. Paragraphs 12 and 13 will be applicable.

16. *Guarantee of $42\frac{1}{2}$ per cent. without recourse.*—The department is prepared in suitable cases to guarantee without recourse against the exporter $42\frac{1}{2}$ per cent. of any loss which may occur on a particular transaction.

17. *Security.*—The department will consider such propositions for security as may be laid before it by the exporter.

So soon as the bills have been liquidated and the liability of the department is brought to an end, the security lodged will be returned to the importer. In the event of default, the

department may cause the necessary steps to be taken to realise the security or to hold the same as it may think fit. The department at its discretion will be at liberty to require the exporter to take such steps as may be deemed necessary to realise the security.

C.—General Credits.

18.—(a) The department is prepared to consider applications, which must be submitted through a bank, for credits up to specified amounts in respect of specified countries and for transactions to be put into operation within a specified time. Having regard to the financial standing of the applicant and to the other circumstances of the case, the department, in consultation with its advisory committee, will decide the amount in respect of which it will be prepared to give guarantees, and such guarantees will cover the full amount of the bills.

(b) The period of the credit should, generally, not exceed six months, but the department may in its discretion permit renewals, provided that the credit shall in no case exceed twelve months in all.

(c) The exporter will be at liberty to enter into transactions up to the amount fixed by the department, and the department will undertake to guarantee the bills for goods shipped. The department may, however, in its discretion, demand as a condition of granting its sanction of a general credit that the names of the prospective importers shall be submitted to and approved by it before the bills are guaranteed.

(d) The department will not require that security shall be deposited by the importer, but in case of default will retain recourse against the exporter for 57½ per cent. of the loss.

(e) The conditions specified in paragraphs 12, 13 and 14 (2) to 17 apply also to general credits.

PART II.—PARTICIPATION WITH BRITISH BANKS, BANKING HOUSES,
CREDIT ASSOCIATIONS, ETC.

19. In addition to the foregoing method of granting guarantees to individual exporters, the department is prepared under the following conditions to make arrangements with approved banks or banking houses, or credit associations for participation in any loss which may be incurred by such banks, banking houses or credit associations in respect of transactions to be carried through by them for exporters in the United Kingdom.

20. The department, in consideration of an agreed premium, may take a share not exceeding 70 per cent. of any loss which may be incurred by banks, etc., in respect of such transactions, provided that the transactions comply with the conditions as to the nature of goods prescribed in Part I. The department will arrange with any approved bank, banking house or credit association, which may apply for participation in this scheme, the total amount in each case up to which this undertaking will be given.

21. Application should be made by exporters direct to the bank, banking house or credit association concerned.

APPENDIX.

EXAMPLES OF WORKING OF PROVISIONS IN RELATION TO RECOURSE.

N.B.—For the sake of simplicity no account has been taken in the undermentioned examples of charges, interest, etc. Such charges and interest must, of course, be brought into account for the purpose of arriving at the ultimate loss (*see* paragraphs 10 and 14).

EXAMPLE I.

Invoice value of goods, £1,000.
 Period of credit exceeds 12 months.
 Department guarantees 85 per cent. = £850.
 Security deemed sufficient to cover the whole amount guaranteed, *i.e.*, £850.

The importer fails entirely and nothing is recovered from him. The security realises £750. In this case the Department loses £100, but the Department has no recourse against the exporter.

EXAMPLE II.

Invoice value of goods, £1,000.
 Period of credit does not exceed 12 months.
 Department guarantees 100 per cent. = £1,000.
 Security deemed sufficient to cover £500.

The importer fails to pay more than £100 and the security realises £600 (*i.e.*, £100 more than it was deemed to be worth).

In this case the difference between the amount guaranteed (£1,000) and the amount paid by the importer (£100) *plus* the realised value of the security (£600) (total, £700) is £300. The Department will have recourse against the exporter for $57\frac{1}{2}$ per cent. of this sum, *i.e.*, £172 10s.

EXAMPLE III.

Invoice value of goods, £1,000.
 Period of credit exceeds 12 months.
 Department guarantees 85 per cent. = £850.
 Security deemed sufficient to cover £500.

The importer pays £300 and the security realises £400 (*i.e.*, £100 less than it was deemed to be worth).

In this case the difference between the amount guaranteed (£850) and the amount paid by the importer (£300) *plus* the amount which the security was deemed sufficient to cover (£500) (total, £800) is £50. The Department will therefore have recourse against the exporter for half this sum, *i.e.*, £25 only, although the total loss on the transaction is £150, *viz.*, the difference between the sum of £850 guaranteed and the amount paid by the importer (£300) *plus* the amount realised by the security (£400).

EXAMPLE IV.

Invoice value of goods, £1,000.
 Period of credit does not exceed 12 months.
 Department guarantees 100 per cent. = £1,000.
 Security deemed sufficient to cover £500.

The importer pays £500 and the security realises £500. In this case no loss is made.

EXAMPLE V.

Invoice value of goods, £1,000.
 Period of credit exceeds 12 months.
 Department guarantees 85 per cent., *i.e.*, £850.
 No security put up by importer.

The importer pays £750. The difference between the amount guaranteed (£850) and the amount paid by the importer (£750) is £100. The Department will therefore have recourse against the exporter for half this sum, *i.e.*, £50.

APPENDIX 53.

INDIAN SCIENCE CONGRESS.

No. 585.

BOMBAY, 8th October, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Indian Science Congress.*

SIR,

As you are doubtless aware, the Indian Science Congress which last met in Bombay in 1919 holds its annual meeting here in January next. I am authorised by the Local Committee to invite your Association to contribute to the local fund which is being raised. I enclose two copies of a memorandum explaining the aims of the Congress. I have no doubt that the commercial community of Bombay will wish to mark its appreciation of the value of scientific work in India and its sympathy with the aims of the Science Congress and to assist in making the Bombay meeting in every way a great success.

As explained in my memorandum, the Science Congress is maintained chiefly from the subscription of its members, but it is necessary to raise a local fund each year at the centre where meetings are held to meet part of the local expenses. The Local Committee estimate that a local fund of Rs. 10,000 will be required and I understand the University has promised a very substantial donation. I also enclose a copy of a leaflet which gives the particulars of the various sections of the Congress and names of the present officers.—Yours, etc.,

B. C. BURT.

NOTE.

INDIAN SCIENCE CONGRESS.

The Indian Science Congress was established just over twelve years ago and its objects and organisation though more modest are somewhat similar to those of the British Association for the Advancement of Science. It is a purely unofficial body although many of its members are officials.

One of the greatest practical difficulties with which scientific workers in India are faced is the lack of opportunity for meeting their confreres, the absence of learned societies and of facilities for technical discussions on modern scientific work. It is unnecessary to urge the importance to India of the development in the country of adequate cadres of scientific workers both in applied and pure science. It is only in countries where research in pure science is highly developed that adequate numbers of properly trained investigators are available for problems in applied science. Thus on economic grounds alone any organisation which encourages research and the spirit of scientific enquiry is amply justified. The Indian Science Congress affords practically the only means by which unofficial research workers at the various universities and similar institutions can come in contact with scientific workers employed by Government for the solution of problems of economic importance. As a past President of a section I can give personal testimony to the value of the Science Congress meetings in enabling young Indian scientific workers to take part in academic discussions on the various branches of science in which they are interested and meeting other societies, thus broadening their outlook.

It is customary for the Science Congress to meet at the various Provincial and University centres in rotation, and the last meeting in Bombay was in 1919. An attempt is being made at the coming session to emphasise the industrial and economic aspect of scientific

work with special reference to cotton. One day is being entirely devoted to cotton discussions when there will be a joint meeting of several sections at Matunga for a general discussion on the several aspects of cotton research followed by demonstrations in the Indian Central Cotton Committee's Technological Research Laboratory and in the Victoria Jubilee Technical Institute. Arrangements are also being made for members of the Congress to visit cotton mills and other manufacturing concerns. In accordance with the usual practice two public lectures will be given in addition to the Presidential address, and I understand that one of these will be by a member of the Everest Expedition on the scientific side of the expedition's work, and the other on the economics of cotton production.

The Indian Science Congress depends for its funds principally on the subscriptions of members who also bear their own expenses in attending meetings. A contribution towards local expenses is made by the Executive Committee from Congress funds. In addition the Local Committee at the centre where the Congress meets is asked to raise a local fund for local expenses. The Bombay Local Committee, the President of which is Sir Chimanlal Setalvad, estimate that a local fund of Rs. 10,000 will be required. Apart from expenditure on printing and the ordinary expenses connected with a meeting of this kind, a very considerable item in Bombay will be the provision of conveyance for a number of members to enable them to attend the Cotton Symposium at Matunga, the demonstrations at the Parel Government Laboratory (Haffkine Institute) and some of the excursions to other places of scientific interest. Many members can make their own arrangements, but many of the associate and student members cannot be expected to do so.

B. C. BURT.

INDIAN SCIENCE CONGRESS.

DEAR SIR,

The Thirteenth Annual Meeting of the Indian Science Congress will be held in Bombay from January 4th to January 9th, 1926.

H. E. the Rt. Hon. Sir Leslie Wilson, P.C., G.C.I.E., C.M.G., D.S.O., Governor of Bombay, has consented to be Patron of the meeting and Mr. A. Howard, C.I.E., Director, Institute of Plant Industry, Indore, will be President.

If you intend to be present at the meeting it is requested that you should return the upper half of the annexed form* as early as possible to the undersigned. The subscription to the Congress should be paid to the Treasurer, Asiatic Society of Bengal, 1, Park Street, Calcutta, and the lower half of the form be forwarded to him.

If you propose to read a paper, it should be forwarded to the undersigned or the President of the Section before which it is intended to be read, together with a short abstract, not later than October 15th, 1925, for submission to the Sectional Publication Committees. Members are informed that not more than ten minutes will be allowed for the reading of any paper. The names and addresses of the Sectional Presidents are given on the reverse.

The Local Secretaries will be Professor G. R. Paranjape, M.A., I.E.S., Professor of Physics, Royal Institute of Science, and Principal A. J. Turner, Victoria Jubilee Technical Institute, P.O. Matunga, Bombay, to whom all enquiries as to accommodation should be addressed. It is particularly requested that very early intimation of the accommodation required should be sent to the Local Secretaries.—Yours, etc.,

S. P. AGHARKAR,
General Secretary, Indian Science Congress,
35, Ballyganj Circular Road, Calcutta.

* Not printed.

EXTRACT FROM THE RULES.

RULE X.

There shall be three classes of Members—

- (i) *Full Members*.—Annual subscription *Rupees ten*.
- (ii) *Associate Members*.—Annual subscription *Rupees five*.
- (iii) *Student Members*.—Annual subscription *Rupees two*.

(Student Members must be definitely certified by the Principal of their College as *bona fide* students.)

Only Full Members have the right of communicating papers to the Congress and they receive free of charge all publications.

Associate and Student Members have the right of reading papers before the Congress provided they have been communicated by a Full Member.

SECTIONAL PRESIDENTS FOR THE 13TH MEETING OF THE INDIAN SCIENCE CONGRESS.

- | | |
|--|---|
| 1. Agriculture | G. S. Henderson, Esq., Imperial Agriculturist, Pusa (Bihar). |
| 2. Mathematics and Physics | Prof. Megh NadSaha, D.Sc., Professor of Physics, Allahabad University. |
| 3. Chemistry | Dr. B. B. Dey, D.Sc., Professor of Chemistry, Presidency College, Madras. |
| 4. Zoology | Prof. H. R. Mehra, Ph.D., Professor of Zoology, Benares Hindu University. |
| 5. Botany | Rev. E. Blatter, S.J., St. Xavier's College, Bombay. |
| 6. Geology | Professor B. Sahni, D.Sc., Professor of Botany, Lucknow University. |
| 7. Anthropology.. .. . | N. Subramaniya Iyer, M.A., Senior Dewan Peshkar, Trivandrum, Travancore. |
| 8. Medical and Veterinary Research | Dr. R. Row, M.D., D.Sc., c/o Bhajekar's Hospital, Girgaon, Bombay. |
| 9. Psychology | Dr. Haridas Bhattacharji, M.A., Ph.D., Department of Psychology, Dacca University.. |

No. 1257/136 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26th October, 1925.

B. C. BURT, Esq., M.B.E.,
BOMBAY.

DEAR SIR,

Reference your letter No. 585 dated the 8th instant.

I am directed to inform you that the Committee of my Association at their meeting to-day agreed to donate a sum of Rs. 200 towards the local fund which is being raised for the expenses of the forthcoming Indian Science Congress.

I enclose a cheque for the amount above mentioned.—Yours, etc.,

T. MALONEY,
Secretary.

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No. 909.

BOMBAY, 30th October, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to acknowledge your letter dated the 26th of October, 1925, enclosing cheque for Rs. 200 being donation from the Millowners' Association towards the local fund which is being raised for the expenses of the forthcoming Indian Science Congress. I am forwarding the cheque to A. J. Turner, Esq., Principal, Victoria Jubilee Technical Institute, who is the Local Secretary, and a formal acknowledgment from him on behalf of the Science Congress will reach you in due course. In the meantime, as a member of the Local Committee of the Science Congress I may be permitted to say that this donation will be most gratefully received and this tangible evidence of the Association's sympathy with the promotion of pure science will be much appreciated.—I have, etc.,

B. C. BURT.

APPENDIX 54.

HOLIDAY RETURNS.

No. F.I./2598 of 1925.

BOMBAY COLLECTOR'S OFFICE,
FACTORY DEPARTMENT,
BOMBAY, 6th March, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Holiday Returns.*

DEAR SIR,

I have to invite reference to Rule II published under the Government of India Notification, No. 6750-25, Department of Commerce and Industry (Factories), dated 14th September, 1912 (republished under the Bombay Government Notification, General Department, No. 6129 of 18th September, 1912, on page 1555 of the *Bombay Government Gazette*, Part I, dated 19th September, 1912, copy attached). Under this rule all factories amenable to the Factories Act have been required to submit every month a holiday return to the Factory Inspector. Although this return acts as a check on the weekly holiday, its submission is unnecessary in the case of concerns which observe regularly Sunday holidays.

2. The Millowners' Association, Bombay, issues annually at the commencement of the year a list of holidays ordinarily to be observed in mills controlled by its members. If the members of the Millowners' Association would agree normally to observe the holidays as indicated in the holiday list annually published, the monthly returns may be dispensed with. This would save them a considerable amount of correspondence. Since, however, some mills would occasionally require to make a departure from the holiday list, intimation should in such cases be sent to the Chief Inspector of Factories in accordance with Section 22 of the Indian Factories Act. This, of course, is at present done.

3. The Rule II referred to in paragraph 1 above has been recently amended by the Government of India (Notification No. L-1250, Department of Industries and Labour, dated 4th February, 1925, republished in the Bombay Government Notification, No. 2343, General Department, dated 11th February, 1925, at page 477 of the *Bombay Government*

Gazette, Part I, of 19th February, 1925, copy attached). The amended rule provides the Local Government with power to dispense with the submission of the holiday return in case of any class of factories or of the factories in any particular area.

4. The Chief Inspector of Factories has proposed that if the Millowners' Association agree to the course suggested above in paragraph 2, the mills under their control might be recommended to Government for exemption from the obligation of submission of the said return. I therefore request you to kindly place the matter before your Association and communicate to me early their views on it.—Yours, etc.,

J. P. BRANDER,
Collector of Bombay.

Copy of Rule II published under the Government of India Notification, Department of Commerce and Industry (Factories), No. 6750-25, dated 14th September, 1912.

"II.—Every Manager of a factory shall furnish to the Inspector of Factories or other officer designated by the Local Government in this behalf the following return, namely :—

Before the end of each calendar month, a return giving notice of all the days on which the factory will be closed during the next ensuing month. This return shall be submitted whether the factory is or is not working during the calendar month preceding the one to which the return relates."

Copy of amended Rule II published under the Government of India Notification, Department of Industries and Labour, No. L-1250, dated 4th February, 1925.

"II.—Every Manager of a factory shall furnish to the Inspector of Factories or other officer designated by the Local Government in this behalf the following return, namely :—

Before the end of each calendar month, a return giving notice of all the days on which the factory will be closed during the next ensuing month. This return shall be submitted whether the factory is or is not working during the calendar month preceding the one to which the return relates.

Provided that the Local Government may dispense with this return in case of any class of factories or of the factories in any particular area."

No. 470/70 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 24th March, 1925.

THE COLLECTOR OF BOMBAY,
BOMBAY COLLECTOR'S OFFICE (FACTORY DEPARTMENT), BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter F.I./2598, dated 6th March, 1925, dealing with the subject of weekly holidays. In reply I am to say that my Committee entirely approve of the suggestion contained in paragraph 2 of your letter and with your permission I will acquaint all Bombay members of the Association of the arrangement to be made whereby the rule for submitting a monthly return of holidays will be dispensed with, or if you prefer it the information may be circulated from your office to all mills in Bombay.—I have, etc.,

T. MALONEY,
Secretary.

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No. 551/70 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 15th April, 1925.

THE COLLECTOR OF BOMBAY,
BOMBAY.

DEAR SIR,

I am directed to invite your attention to my letter No. 470/70 dated the 24th March, 1925, on the subject of the submission of holiday returns by mills under provisions of the Indian Factories Act and to request you kindly to let me know whether the suggestions contained in para. 2 of your letter No. F.I./2598, dated the 6th March, 1925, and my Committee's reply thereto have been communicated to all the members of the Association or, if not, whether you desire me to do the needful in the matter.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. F.I./4179 of 1925.

BOMBAY COLLECTOR'S OFFICE,
FACTORY DEPARTMENT,
BOMBAY, 18th April, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Holiday Returns.*

REFERENCE:—*Your letter No. 470/70, dated 24th March, 1925, and reminder No. 551/70, dated 15th April, 1925.*

DEAR SIR,

With reference to your letter noted above I have to request you to obtain from all the Bombay members of your Association an agreement that they will observe the holidays as per holiday list issued by the Association. On receipt of an agreement I shall move Government in the matter.

2. I may state here for your information that the present system of submitting holiday returns will have to be continued until Government's approval to the dispensation of holiday notices is received and communicated to you.—Yours, etc.,

J. P. BRANDER,
Collector of Bombay.

No. 1088/70 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22nd September, 1925.

TO ALL MEMBERS OF THE
BOMBAY MILLOWNERS' ASSOCIATION
HAVING THEIR MILLS IN THE TOWN AND ISLAND OF BOMBAY.

DEAR SIRS,

Members are aware that in accordance with the rules under the Indian Factories Act, all factories amenable to the Act are required to submit at the end of each calendar month a return giving notice of the days on which the factory will be closed during the next ensuing month.

2. This rule requiring the monthly notification of holidays was amended in February last, and under the amended rule, Local Governments were empowered to dispense with it in case of any class of factories or of the factories in any particular area.

3. The Collector of Bombay in drawing the Association's attention to the amended rule, has pointed out that it might be possible to exempt the members of the Association from submitting these monthly returns if members would give an undertaking that they would normally observe the holidays as indicated in the holiday list annually published by the Association. In cases where, after giving the undertaking, mills for special reasons desire to make a departure from the holiday list, they would have to inform the Chief Inspector of Factories of the exact nature of the change.

4. It would obviously be an advantage to members if they could be exempted from the submission of these monthly returns, and I am therefore directed to request you kindly to return before September 29th the enclosed letter duly signed by you if you are prepared to adhere to the list of holidays published by the Association. The Collector will in due course be informed of the undertaking given by members and he will then proceed to obtain the necessary sanction from Government, for exempting members from submission of the monthly holiday returns. Pending the final orders of Government in connection with this matter, the present system of submitting holiday returns will, of course, have to be continued unless special arrangements have already been made with the Collector by your mills.—Yours, etc.,

T. MALONEY,
Secretary.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are in receipt of your circular letter No. 1088/70, dated 22nd September, 1925, on the subject of Holiday Returns, and we hereby agree to observe the holidays indicated in the holiday list annually published by the Association. Pending intimation of the necessary sanction from Government we shall continue to submit returns as at present to the Chief Inspector of Factories. We also note that after Government's sanction is obtained, if for any special reasons we are constrained to close the mills on days other than those mentioned in the Association's holiday list, we have to inform the Chief Inspector of Factories as at present.—Yours, etc.,

No. 1240/70 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23rd October, 1925.

THE COLLECTOR OF BOMBAY,
BOMBAY.

SIR,

SUBJECT:—*Holiday Returns.*

With reference to your No. F.I./4179, dated the 18th April, 1925, and subsequent reminders thereto on the above subject, I am directed to inform you that my Committee have obtained an agreement from all members of the Association in the City and Island of Bombay on the lines indicated in the attached.—I have, etc.,

T. MALONEY,
Secretary.

Report for the year 1925.

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Section IV.
—————

SPEECH OF THE FINANCE MEMBER.
ON
INTRODUCTION OF BUDGET FOR 1926-27.

SPEECH OF THE FINANCE MEMBER INTRODUCING THE BUDGET
FOR 1926-27.

INTRODUCTORY.

Sir : In the Budget for 1925-26 the Government of India and the Legislature had the satisfaction of making a substantial beginning in the reduction of Provincial contributions, when, apart from other temporary relief, a permanent diminution of Rs. 2½ crores was effected in their total. We were enabled to take this welcome step in view of substantial realised surpluses in each of the years 1923-24 and 1924-25, and in expectation of a balance on the right side in the year 1925-26. I am glad to be able to inform the House that, in spite of the considerable revenue which we then gave up in relief of the Provinces, a realised surplus for 1925-26 is now assured. The exact figures is of course still a matter of estimating, but there is no doubt that the balance will be on the right side ; and this notwithstanding the very unusual step taken during the year in regard to the Cotton Excise Duty. This duty ceased to be levied as from the 1st of December 1925, and in the announcement regarding the cessation of its levy it was made clear that, barring unforeseen accidents, suspension was intended in all but form to be equivalent to abolition.

2. This announcement inevitably takes away some of the beautiful uncertainty of anticipation, some of the pleasant thrill of expectancy, which is supposed to attach to the opening of a Budget. Instead of hoping—shall I say, against hope?—that this Budget may perhaps contain proposals for bringing to an end this tax, so long the subject of controversy, Honourable Members have, I suspect, already in their minds written it off, and, as they listen to me, are waiting in anxious suspense, not to learn the fate of the Cotton Excise Duty, but only to know what other reliefs, if any, may be in store for them. In regard to the Cotton Excise Duty, I will keep them in doubt no longer. I will admit them at once to the secret that the Finance Bill about to be presented to the House includes a clause abolishing the Cotton Excise Duty finally and entirely. The patient died on December the 1st, 1925, and it only remains for us to assist at his obsequies and give the corpse decent interment. We have no need to fear even its unlamented ghost. No miracle can restore it to life at this time other than some unthinkable accident in the passing of the Finance Bill.

Actual Outturn of 1924-25.

3. Before satisfying the curiosity of Honourable Members in regard to other proposals in the Budget, I must first review shortly the actual figures for 1924-25 and in somewhat greater detail, the revised estimates for the year 1925-26. Our revised estimates for 1924-25 anticipated a surplus of almost 4 crores. The audited accounts which have just been published show a surplus of 5.68 crores—an improvement of nearly 1.69 crores on our expectations of a year ago. Under all the heads of the Civil Budget, apart from Railways, the net variation between the revised estimates and the actual figures amounts to 15 lakhs only, though there are appreciable variations in both directions under individual heads. The increase in the realised surplus is accounted for almost entirely by a reduction in net military expenditure amounting to 70 lakhs and an increase in the contribution from Railways, amounting to 1,14 lakhs. The savings in military expenditure arose from underspending in England due partly to decreased expenditure on purchase of stores and partly to an adjustment in India's favour of some payments to the War Office arising out of claims in connection with war expenditure. These claims, I may say, have no connection with the important sums in dispute between the War Office and the Government of India in regard to war expenditure. Negotiations for the settlement of these latter have been vigorously pursued during the year. The issues are complicated, and I am not yet in a position to announce the final outcome, but I have every hope that the result will in the end be regarded as not unfavourable to India. The large variation amounting to 1,14 lakhs under Railways is the result of an increase in the net railway earnings which, after the deduction of the fixed contribution of 5.09 crores, proved to be 8.07 crores instead of 4.65 crores as anticipated. There were savings in working expenses owing partly to adjustments in connection with the

Privy Council decision regarding Customs duties on stores for Companies' lines. On the other hand, the gross traffic receipts exceeded expectations by 1.48 crores, chiefly because heavy traffic in grain and cotton developed in February and March, the movement of these crops beginning earlier than usual. One result of this is that the railway receipts in the early part of the current year fell below our anticipations. The final outturn of the year 1924-25 shows a revenue of 138.04 crores and an expenditure of 132.36 crores, leaving a realised surplus of 5.68 crores. The usual comparative table showing the actual outturn in each of the last ten years is attached to the printed Budget speech.

REVIEW OF THE YEAR 1925-26.

General Conditions.

4. Weather conditions in India in the year 1925-26 have not been altogether favourable. The winter rainfall a year ago was not unsatisfactory—I regret to say that it is less satisfactory in Northern India this year—but the wheat crop suffered from excessive cold and high winds. Almost throughout India the monsoon came to an end too early. In old days this might have caused really bad famine conditions in some areas, but the great improvement in our communications in recent years has contributed materially to a reduction of famine risks especially when, as in 1925, the monsoon rainfall was not entirely deficient. Indian trade and commerce during the year have, however, been less under the influence of internal conditions than under that of external conditions affecting world trade. I drew attention a year ago to the gradual recovery of trade from world-wide depression under the stimulus of greater general security and reduced prices. Similar forces have operated in India during 1925-26, but the fall in prices has been more marked than in the previous year. For all commodities the general index figure came down from 176 at the end of December 1924 to 163 at the end of December 1925. Prices of cotton piece-goods and, in a lesser degree, of raw cotton were a year ago entirely out of tune with the general price level. Raw cotton appears now to have returned very nearly to its pre-war relation to other prices, and this fact holds out the prospect of an increased volume of trade in cotton piece-goods as soon as prices become steadier. Cotton piece-goods are, however, still priced at a level considerably above the general average in spite of a very marked fall especially during the last six months of the calendar year. It is perhaps not unnatural that during this painful period of restoration of price equilibrium the cotton mill industry, particularly in Bombay, has been subjected to serious difficulties and that there has been a considerable decrease in our imports of cotton piece-goods. During the first 9 months of 1925-26 there was a fall of 22 per cent. in value and 15 per cent. in the quantity of piece-goods imported. In our export figures a large reduction in the quantity and value of our exports of wheat is the most notable feature during this period.

5. Apart from these two commodities, the trade figures of the year have been satisfactory. The tea industry has had another prosperous year, while the prices both of raw jute and jute manufactures show a considerable advance. A significant feature of the year which is of great importance in relation to the question of transport facilities in India has been the growth of the use of motor vehicles. There has been a large increase in the number of private cars in use and an even more striking increase in the number of vehicles plying for public hire. The number of motor vehicles imported has gone up by 24 per cent. Our receipts from the excise duty on petrol reflect the increase in the use of motor vehicles in a striking manner. Though the rate of duty was reduced by 33½ per cent. a year ago, yet our revenue from the duty is as high as before. Among other features of interest, I may mention that imports of artificial silk have gone up seven-fold in two years.

6. During the course of 1925 the League of Nations issued a table designed to compare on a gold basis the total foreign trade of all the countries of the world in 1913 and 1924. According to the figures in that table India stood in 1913 eighth on the list of countries in the matter of the total value of foreign trade. In 1924 she had risen to the fifth place, and there is little doubt that she has maintained that position throughout 1925. In spite of a fall in values and the depression in the piece-goods trade, India's total foreign trade in the first ten months of 1925-26 amounted to 496.43 crores or only 16.81 crores less than the figure for the corresponding period of the previous financial year. The net imports of bullion during

the calendar year 1925 amounted to 80.92 crores of which 60.69 crores represented gold. This latter figure is the highest ever recorded. But the boom in the demand for gold had nearly spent itself in the first three months of the calendar year, and the imports of gold in the ten months of the financial year beginning on the 1st of April 1925 at 28.10 crores are 18.09 crores below the corresponding ten months of 1924-25. The visible balance of trade including private imports of treasure was in favour of India at the end of January to the extent of 85.82 crores of rupees—a figure which should be compared with 42.29 crores a year ago and 63.30 crores in the corresponding period of the year 1923-24.

7. The rupee-sterling exchange has shown persistent strength almost throughout the year, and for the time being at any rate we seem to have come to an end of the wide fluctuations which have been a feature of the post-war period. Thanks in large measure to the steadiness of exchange and also to other causes such as the abstention of the Government of India from the loan market for purposes other than conversion—a subject to which I shall have occasion to refer later—the busy season of 1925-26 promises to be remarkable for an almost complete absence of stringency in the money market. After the severe stringency of the winter of 1923-24, conditions in the following season of 1924-25 showed a noticeable improvement and the bank rate did not rise above 7 per cent. and that only for a period of 4 months from January to May 1925. It was reduced by the third week in May to 6 per cent. and by the first week in July to 4 per cent. The rate was raised again to 5 per cent. in the fourth week of September and remained there till the first week of December, when it went up to 6 per cent. If, as seems possible, we are able to get through the busy season of this year with a rate not higher than 6 per cent., this will be the first occasion since the establishment of the Imperial Bank of India when the rate has not risen as high as 7 per cent., and if we leave two exceptional war years out of the account when conditions were artificial, it will represent what I think must be a record in the history of Indian banking, and will be an achievement for which the authorities of the Imperial Bank of India will deserve our special thanks and congratulations.

REVENUE, 1925-26;

Customs;

8. Our Customs revenue for the current year reflects accurately the trade conditions at which I have glanced. The suspension of the Cotton Excise Duty from December onwards, coupled with the notable fall in values, has had the result of reducing our income from the duty by 71 lakhs as compared with the Budget estimate. The yield from the import duty on cotton goods was estimated cautiously at 7.30 crores, or 40 lakhs less than the revised estimate for 1924-25, but it is not now estimated that we shall collect much more than 6 crores. On the other hand, the increase in the world production of sugar has resulted in a very heavy fall in sugar prices leading to a large increase in the imports into India, and thanks to the action of the Legislature a year ago in passing an Act converting the previous *ad valorem* duty on sugar into a specific duty, our revenues have benefited very materially. Our present anticipations point to an increase of 1.30 lakhs under sugar, fully counterbalancing the decrease under cotton piece-goods. Protective duties show increased yields, and as I have already mentioned, the reduction in the excise duty on motor spirit has proved a great success in that it has led to no such decrease in the yield as cautious estimating made it necessary for us to anticipate a year ago. Thanks to these counterbalancing factors, we now anticipate, in spite of the loss of 71 lakhs on Cotton Excise Duty, gross receipts from Customs for the year of 47.83 crores, which is 30 lakhs higher than the Budget figure. A probable saving of 20 lakhs under refunds enables us to anticipate a total improvement of 50 lakhs in the net receipts which we now put at 46.85 crores.

Taxes on Income.

9. Under Taxes on Income, which are based on the profits of the previous year, we made what we considered a conservative estimate for 1925-26 in taking a net yield of 17.35 crores which was 87 lakhs below the Budget estimate of 18.22 crores for the previous year, though the figure actually realised in 1924-25 proved to be 16.01 crores only. Unfortunately our estimate under this head has again proved over-sanguine. The gross receipts

are now estimated at 17.88 crores, which is 69 lakhs less than the Budget estimate, while refunds, etc., exceed the estimate by 41 lakhs, making the net yield 16.25 crores, or 1,10 lakhs less than anticipated.

Salt.

10. With the salt duty at Rs. 1-4-0 we budgeted for a normal year's receipts. It has proved, however, that we made insufficient allowance for the large accumulation of stocks which followed on the reduction of the duty in March 1924. The off-take of salt in the early months of the summer, particularly from the Northern India salt sources, was much below normal and for the year as a whole we expect a decrease of 55 lakhs, making a net yield of 6.40 crores in comparison with the budget figure of 6.95 crores.

Opium.

11. A supplementary grant of 51 lakhs was passed by this House during the Simla session in order to meet extra payments to cultivators in the United Provinces on account of the high outturn of the opium crop. The extra payments required, owing partly to savings elsewhere, are now expected to be 35 lakhs only, and they will be more than counterbalanced by the increase in receipts. The stocks of excise opium in treasuries which, as I explained in my Budget speech last year, were taken over and paid for by the Local Governments as on the 1st April, 1925, have proved to be higher by 24 lakhs than we had allowed for, thus adding by this amount to our non-recurrent receipts under this head. After taking these and other factors into account, we now anticipate that our net revenue from opium in the year will be 2.24 crores, which is 48 lakhs higher than we estimated last March.

Railways

12. In framing our estimate of the receipts of the General Budget from railways we allowed for the fixed contribution of 5.09 crores together with an estimated receipt of 15 lakhs representing one-third of the excess over 3 crores expected to be transferred to the Railway reserve. The net earnings from railways have proved, as the House is aware, slightly higher than anticipated in the original Budget, so that our share in the surplus over 3 crores is increased by 8 lakhs, and the total contribution from railways is estimated at 5.32 crores.

Other Revenue Heads.

13. We expect an increase of 43 lakhs under Interest owing mainly to higher rates for short money in London and higher cash balances there, and for similar reasons we anticipate an additional 46 lakhs of interest on investments of the Currency Reserves. The receipts from the Enemy Ships account and the first instalment of Reparation payments from Germany under the Dawes scheme give us an extra 21 lakhs under the head of Extraordinary revenue. This completes my survey of the Revenue side of the account for 1925-26, and explains my reasons for putting the revised estimate of revenue for the year at 131.35 crores instead of 130.68 crores.

EXPENDITURE, 1925-26.

Exchange.

14. For a great part of the year we have been effecting our remittances at the fixed figure of 1s.6 $\frac{1}{2}$ d. and we are now able to anticipate that the average rate of exchange for the year as a whole for accounts purposes will be 1s. 6 $\frac{3}{32}$ d. as against the Budget figure of 1s. 6d. Apart from an improvement of 6 lakhs in our railway revenues which affect us only indirectly, and again of 7 lakhs in regard to our capital expenditure, the revised figure for exchange accounts to the extent of 10 lakhs for an improvement in our revised budget of revenue and expenditure.

Military Services.

15. The variations in the largest item of our expenditure, Military Services, are not of the same magnitude as in previous years. The net expenditure on Military Services, according to the Budget estimate for the current year, was 56½ crores. Accuracy in reaching a revised figure for military expenditure at this period of the financial year is always specially difficult to attain, but the course of expenditure up to date points to a total net figure of 56.28 crores, or practically the same figure as our first forecast. Scrutiny of the account for non-effective services between India and the War Office has led to a special credit, for which no provision was made in the estimates, of about 70 lakhs, representing a revision of the account with retrospective effect from 1919. As against this, expenditure in India has markedly exceeded the estimate in certain directions. A special provision amounting to 40 lakhs has had to be made for the purchase of certain kinds of ordnance equipment in which serious shortage has been disclosed. His Excellency the Commander-in-Chief has instituted an expert enquiry into the whole question of ordnance equipment with a view to ensuring that the real facts may be brought into clearer light and that the reasons for these shortages, which ought not to have occurred, if the system of control had been working properly, may be fully disclosed. A special grant of 15 lakhs has also been allotted for the purchase of supplies of ghee in March in advance of next year's requirements, it having been ascertained that by purchasing at an earlier date each year considerable economies can be effected. Savings of 16 lakhs on pension charges in India and an excess expenditure of about 20 lakhs owing to higher prices for articles of food and forage, are among the most important of the other variations. Since the net result of these variations is to bring the revised figure for net military expenditure out at practically the same total as the original Budget, the Finance Department are entitled to congratulate themselves on the satisfactory operation of the system introduced in connection with the 1925-26 budget, of making a lump sum cut, which amounted this year to 20 lakhs, over the total military estimate.

Civil Expenditure.

16. I have already mentioned the excess of 35 lakhs in opium expenditure. Interest charges on permanent debt also exceed the estimate by 35 lakhs owing to the capital expenditure on railways having been less by 3½ crores than the budgeted figure, to a reduction in the interest chargeable to the Posts and Telegraphs Department, of which I shall speak later, and to the fact that the rate of interest chargeable on railway and other capital expenditure since 1917, which is arrived at by taking an average of the rates at which the Government of India have borrowed since that date, has proved to be less than the figure assumed at the time of the preparation of the Budget. Plans are being worked out with a view to a modification of this rather complicated system of calculating interest and the substitution of a new procedure which will be less likely to disturb our Budget estimates. On the other hand, the revised figures of 1925-26 profit by an unexpected credit of 30 lakhs under the head of Interest owing to the payment by the Bombay Government of interest to the Provincial Loans Fund for 15 months instead of 12 months—a change of procedure introduced in order to bring their interest dates to the 31st March in each year. Slight variations in regard to other Civil expenditure apart from Posts and Telegraphs mostly cancel each other. The increased bounties on steel are almost exactly set off by the transfer of the charges on account of the Security Printing Press at Nasik to capital.

Precautions Against Over-estimating.

17. I have already referred to the successful operation, so far as military expenditure is concerned, of the system introduced a year ago, with a view to preventing over-budgeting of making a lump sum cut. The total cut made in the estimates of Civil expenditure was 15 lakhs. It was made under twelve different heads, and in all except two cases the cut has justified itself, the total expenditure having been kept by the Departments concerned within the reduced grants. The two exceptions are the Survey of India and the Indian Stores Department, in regard to both of which the House has already voted supplementary grants. As I explained in my Budget speech a year ago, this new procedure was regarded as experimental and we are proposing to repeat it for a second year in connection with the Budget for 1926-27.

Posts and Telegraphs.

18. The working of the Indian Posts and Telegraphs Department in the current year requires rather fuller treatment. The total gross receipts are now expected to be 10.23 crores, or 18 lakhs lower than the estimate. On the other hand, there is a saving of 19 lakhs in working expenses, which owing to certain abnormal circumstances which I shall explain shortly are now estimated to amount to 9.57 crores. This makes the net receipts 67 lakhs, as against our anticipation of 65½ lakhs. This figure is of course exclusive of interest charges. At the time of the Budget it was anticipated that the final result of the working of the department for the year, after adjustment of interest, would be a small loss of Rs. 60,000. The figure included in the Budget for interest was 66 lakhs and was based, as I explained a year ago, on a rough figure, not at that time completely examined, for the total capital outlay on the Indian Posts and Telegraphs Department. The figure taken was lower than the capital outlay as shown in our books, and the intention was that the interest actually charged should be based on the depreciated block value of the assets of the department on the 1st of April, 1925, when finally ascertained. The departmental investigations into the value of this block have now been completed but the report is still under consideration. According to the figures in this report, the value of the assets is very much less than the book value, but the exact figures have still to be settled. For the present, I have felt justified in taking a round figure of 49 lakhs for interest as against the figure of 66 lakhs taken in the Budget. On this assumption, the net result of the working of the department as a whole is a profit of nearly 18 lakhs. This surplus is, however, non-recurring. The expenditure on postal stationery and stamps included in working expenses was 10 lakhs below the normal owing to the fact that the department was eating down stocks during the year. In addition, a previous wrong adjustment to the extent of about 8 lakhs under the head of Stationery and Printing charges had had to be corrected in this year's accounts, thus reducing the working expenses by a non-recurrent sum of 8 lakhs. The true estimated profit is thus reduced to vanishing point unless further savings accrue in working expenses, and unfortunately there is still some doubt as to the correctness of the figure for interest.

19. The House will remember that in my Budget speech a year ago I explained that it was proposed to transfer to Capital the stocks of postal and telegraphic stores carried on revenue account on the 31st March, 1925. The total value of such stores in the Indian Posts and Telegraphs Department was then estimated to be 1,24 lakhs. The actual balance has proved to be 1,61 lakhs. The stocks held in the Indo-European Telegraph Department have also to be taken into account, and as the credit on this account has proved to be 15 lakhs more than we allowed for, the total amount of this non-recurring credit to Revenue during the year 1925-26 will be 1,81 lakhs.

20. It will be seen that the revised estimates of revenue and expenditure for the current year, have had to be arrived at after taking into account considerable variations not contemplated in our Budget estimates. The most important of these, apart from the results of suspending the Cotton Excise Duty, are the increased credit to Revenue of 52 lakhs from Posts and Telegraphs stores which I have mentioned, the increase of 24 lakhs in the value of the stocks of opium at treasuries taken over and paid for by Local Governments this year, the transfer of 17 lakhs of revenue expenditure to capital account in the case of the Security Printing Press at Nasik, and the decrease in net expenditure under the head of Interest amounting to 30 lakhs resulting from the payment by the Bombay Government of interest for fifteen months instead of twelve. All of these four items are in the nature of book-keeping transactions, but they have none the less the effect of swelling our surplus. The figures given in the Budget estimate for revenue and expenditure for the year were 130.68 crores and 130.44 crores respectively, leaving an estimated surplus of 24 lakhs. The improvement shown in the revised estimates is 1,06 lakhs, the figure for revenue being 131.35 crores and for expenditure 130.05 crores. The four special items which I have mentioned aggregate 1.23 crores and more than account for the increased surplus.

21. The following statement shows the main variations in revenue and expenditure working up to this total:—

									Lakhs.	
									Better.	Worse.
Customs	..	..	..	..	..	..	..	..	50	..
Taxes on Income	..	..	..	..	..	..	..	..	..	1,10
Salt	..	..	..	..	..	..	..	..	..	55
Opium (net)	..	..	..	..	..	..	..	..	48	..
Interest receipts	..	..	..	..	..	..	..	..	43	..
Currency receipts	..	..	..	..	..	..	..	..	46	..
Extraordinary receipts	..	..	..	..	..	..	..	..	21	..
Interest on debt (net)	..	..	..	..	..	..	..	..	..	35
Posts and Telegraphs	..	..	..	..	..	..	..	..	77	..
Railway contribution	..	..	..	..	..	..	..	..	8	..
Other heads	..	..	..	..	..	..	..	..	13	..
									3,06	2,00
Total, better									..	1,06
Budget surplus									..	24
Revised surplus									..	1,30

Indian Archæological Fund.

22. This anticipated surplus would in the ordinary course be applied automatically to the reduction or avoidance of debt. The Government of India, however, desire to place before the Legislature a proposal for the utilisation of 50 lakhs of this surplus for the formation of an Indian Archæological Fund. The details of the proposal which will be embodied in a Bill will be explained more fully to the House in due course. Its financial effect will be to apply 50 lakhs of the surplus, which would otherwise go to debt redemption, for the purpose of capitalising our liabilities in connection with archæological research. It is not therefore except in form a departure from the sound rule that a realised surplus should go to reduction of debt. Future budgets will be saved from a revenue charge on this account, but as it may be assumed that our outstanding debt will be 50 lakhs higher than it would otherwise be and our interest charges consequently increased, the net ultimate effect on future budgets is *nil*. Its immediate effect upon our revenue estimates for the current year will be to reduce the revised figure for the surplus to 80 lakhs.

23. We who are living in Delhi do not need to be reminded of our debt to the Archæological Department. When in the intervals between our deliberations we visit any one of the historical monuments that surround us, we realise the care and skill which have been devoted to preserving these ancient structures and to beautifying their surroundings. We realise and are grateful. But this is not the only side of the Department's activities. There is another which is perhaps less well known, the work of excavation. Some of us have had the privilege of visiting Taxila and studying the fascinating antiquities, taking us back two thousand years in Indian history, which have been unearthed there in the last two decades. We are glad that they are now to be housed in a suitable museum. But if Taxila takes us back two thousand years, the recent discoveries at Harappa and Mahenja-Daro will, if the evidence is confirmed, transport us in one flight to a period of Indian history three thousand years earlier. Nay more: they hold out expectations of enabling us to get back thousands of years earlier still to a period in human history which was as remote from the inhabitants of Mahenja-Daro in the year 3000 B.C. as those ancient Indians of the Indus Valley are from us to-day. The Indo-Sumerian discoveries open up a vista which may once again revolutionise the world's knowledge of the early history of mankind. Their possibilities are such that they must excite even the most unimaginative.

24. Sir John Marshall, to whom since the day when the late Lord Curzon brought him here Indian archæology owes a very great debt, has stated that a hundred crores of rupees could be spent on archæological research in India without doing more than scratch the surface. Almost the only source from which funds are at present available for excavation in India and Burma is the Central Budget. However desirable archæological expenditure may be in the cultural interests of India and of mankind, it is obvious that the taxpayer cannot be asked to give more than comparatively small sums. In 1923-24 the grant for Archæology was cut down severely under the influence of retrenchment. In 1925-26 the sum available for research was about 1.3 lakhs including the provision made in connection with Sir Aurel Stein's special work in Central Asia. The Finance Department have been pressed to provide a considerably larger sum in 1926-27, but we intimated that about 2½ lakhs was the maximum which we could see our way to grant.

25. Meanwhile, in spite of the obvious importance of following up the recent discoveries, the Archæological Department have found that they cannot frame a considered programme for a period of years and cannot train young Indians as archæologists in the absence of the possibility of giving them security of tenure or employment. The idea has accordingly been mooted that an Indian Archæological Fund should be started, and a Board of Trustees established somewhat on the lines of the Trustees of the British Museum. Once the Fund came into effective existence, it might, it is hoped, attract donations from Indian Princes and from others interested in archæology and from winter visitors to India whose imagination is I find always stirred by Indian monuments. The essence of the proposal which will be placed before the Legislature therefore is that, instead of voting a grant of 2½ lakhs in the estimates for 1926-27 it should make a supplementary grant of 50 lakhs out of the surplus of 1925-26 as an initial endowment for the Fund. As I have already explained, this amounts to little more than a book-keeping change so far as our budgets for 1926-27 and for future years are concerned. Meanwhile, however, the Fund will be well started; the interest on the endowment of 50 lakhs will bring in approximately 2½ lakhs a year to be spent on archæological research. The Trustees will be able to make an attractive appeal in other quarters for additional endowments and can go ahead to frame a programme and to train budding archæologists. Archæological excavation is the most practical form of historical research, and it is a form in which I am convinced India can make an immense addition to the world's historical knowledge. But it is ineffective unless it can be pursued on an adequate scale and according to a programme based on the regular receipt of at least a minimum income. The income of the proposed Archæological Fund will be devoted to systematic and continuous archæological excavation. The people of India are justly proud of their past and I feel sure they will welcome the establishment of this endowment for historical research.

WAYS AND MEANS AND PUBLIC DEBT.

26. The real improvement which has come about in the finances of the Government of India during the last few years and the strength of our position during the financial year 1925-26 are strikingly reflected in the figures of our Public Debt and of our debt position generally and in the story of our ways and means operations. The House will remember that in my Budget speech last year I stated that not only did we not anticipate any necessity for borrowing outside India during the year, but also that the maximum amount that we should require to raise by a rupee loan in the open market in India would be 12 crores. I stated that it was not improbable that at the same time as we approached the market for a rupee loan we should also place before the public a conversion offer with a view to beginning operations for the conversion of early maturing bonds. In the event, we found ourselves able in June 1925 to announce that our operations in the market in India would be confined to a conversion loan in view of the improvement shown by the figures of our actual balances on the 31st March, 1925, in comparison with our anticipations indicated in the revised budget figures. This increase in balances was mainly due to the increase in the net railway earnings which affected both our revenue surplus and our ways and means position, and to the drawings upon us by the Provincial Governments proving very much less than they had anticipated at the time they framed their budgets.

27. Our ability to dispense with a cash loan was most welcome to the money markets of India, but it was a subject of some comment in various quarters that the estimates framed

at the time of the introduction of the Budget were proved only three months later to be so far out. I am inclined to think that the phraseology consecrated by long usage in Indian Budget speeches which refers to the ways and means portion of the statements as a "Ways and Means Budget" is somewhat misleading, in that it may tend to give the public the impression that the figures and estimates in the ways and means portion of the Budget make a claim to comparative exactness not inferior to that made by the figures of our revenue and expenditure estimates. Our Ways and Means Budget is intended to be and necessarily must be illustrative rather than exact. The ways and means figures bring together the net results of operations of very varying character all over India and Burma and in London. To a large extent these operations are either not under the control of the Government of India at all or only very indirectly under their control. The aggregate result of the variations in the estimates of incomings and outgoings of the Provincial Governments on Revenue and Capital account brought to light between the date at which the Central Budget figures were prepared and the date when the balances of the Provincial Governments on the 31st March, 1925, began to be approximately ascertained—a period of from 3 to 4 months—accounted for a reduction of not far short of 6 crores in our estimate of the finance required during the year 1925-26 for meeting aggregate outgoings. Apart from the operations of the Provincial Governments, our balances are affected by the incomings and outgoings on account of various deposit and advance heads, sums received and paid out in respect of provident funds of various descriptions, deposits and withdrawals of the Post Office Savings Bank, and purchases and encashments of Post Office Cash Certificates. In these circumstances it is neither possible nor desirable to attempt to lay down a rigid ways and means programme far in advance. The only result of doing so would necessarily be to swell our balances needlessly. At the same time it is certainly desirable that we should do anything that may reasonably be possible to secure greater accuracy in the estimates of Provincial Governments' incomings and outgoings, and I am not entirely satisfied that improvement in the machinery for dealing with our deposits and advances accounts is unattainable. These and cognate subjects are at the present moment engaging the careful attention of the Finance Department of the Government of India.

28. The decision to confine our market operations to the conversion loan in the summer of 1925 has been amply justified by results. In spite of heavy remittances in advance of requirements in London, we have been able to finance our outgoings in India without serious inconvenience, and without resort to the money market for temporary accommodation or assistance from the Imperial Bank in the form of ways and means advances. The conversion loan resulted in conversions of bonds maturing during the years 1925 to 1928 to a total of 30.61 crores, of which over 25½ crores were conversions into the 5 per cent. income-tax free loan of 1945-55, and about 4½ crores into the new issue of 10-year bonds liable to income-tax. The conversion loan involved immediate cash payments which amounted to 87.6 lakhs. This sum, however, included the premiums on 1925 and 1928 bonds to the extent of 23.4 lakhs which would have had to be paid at maturity in any case. The additional amount of cash payments involved may therefore be put at 64.2 lakhs. As the result of the conversion loan we have effected an annual saving in interest on the bonds converted of approximately 18.7 lakhs, and in addition 4½ crores of the public debt have become subject to income-tax instead of being income-tax free. Moreover, apart from this considerable reduction in our annual charge for interest, we have reduced our liabilities for the repayment of maturing loans during the next three years by nearly 29 crores, and in particular our liability in respect of the 6 per cent. bonds maturing in September 1926 has been brought down from 37.9 crores to 20.05 crores. This operation has thus materially eased the problem of dealing with our maturing debt, the magnitude of which I had occasion to explain to the House in a speech on February 18th, 1925, as well as in my Budget speech a year ago, and we hope to reap further reward from this successful conversion operation when the time comes for the issue of a rupee loan next summer.

29. Before dealing with this latter question it would be convenient for me to summarise our ways and means position for the years 1925-26 and 1926-27. The figures are as follows :—

(Figures in crores of rupees.)

Outlay.	Revised,	Budget,
	1925-26.	1926-27.
	Rs.	Rs.
1. Railway capital outlay	19.5	26.0
2. Other capital outlay (including Delhi, Posts and Telegraphs, Vizagapatam Harbour, etc.)	4.5	2.5
3. Provincial Governments' transactions	6.0	7.0
4. Discharge of Debt	38.3	23.8
	<hr/> 68.3	<hr/> 59.3
<i>Resources.</i>		
1. Surplus .. .. .	.8	..
2. Rupee Loan	30.6	22.0
3. Postal Cash Certificates	6.4	4.0
4. Other unfunded debt (including Postal Savings Banks)	5.8	5.6
5. Debt Redemption	5.0	5.0
6. Depreciation and reserve funds	7.0	5.6
7. Miscellaneous (net) .. .. .	.7	2.1
8. Reduction of Cash balance	12.0	15.0
	<hr/> 68.3	<hr/> 59.3

30. The House will share the satisfaction of the Finance Department and of the Government of India in the strength of the position which these figures disclose. During the year 1925-26, instead of borrowing over 7 crores net in the market in India as anticipated in the Budget statement, we have discharged 2 crores net of market debt in India and have paid off 5.7 crores of market and other debt in England. Nevertheless, we have financed during the year new capital expenditure chargeable to loan funds to a total of 30 crores of which 6 crores is on behalf of Provincial Governments through the Provincial Loans Fund. How has this striking result been achieved? A fuller explanation would involve a closer analysis of the figures than is perhaps desirable in a Budget speech, and I must be content to refer only to the main items. Our capital expenditure has been financed in the first place to the extent of about 12 crores by a reduction of balances, though these are still about 14 crores higher than we anticipated a year ago. Our Debt Redemption scheme gave us 5 crores and our revenue surplus will give us 80 lakhs. The Post Office Cash Certificates and other unfunded debt, including the surplus of Post Office Savings Bank deposits over withdrawals, and the railway reserve and depreciation funds provided us with the balance. The incomings from railway reserve and depreciation funds and from cash certificates were in each case about 2 crores more than we had estimated.

31. In 1926-27 maturing debt falling due for repayment including railway debentures to be redeemed in England amounts to nearly 24 crores. The capital expenditure of the Central Government amounts to 28½ crores of which 26 crores is railway capital outlay. The Provincial Loans Fund estimate shows an outgoing of 7 crores for advances to Provincial Governments. We thus require nearly 24 crores for maturing debt and 35½ crores for new capital expenditure, or nearly 60 crores in all. In order to meet this liability we expect to be able to draw further on our cash balances to the extent of 15 crores. We look for 11½ crores from miscellaneous sources including Post Office Cash Certificates and other unfunded debt, and about 5 crores each from the Debt Redemption provision and from railway reserve and railway and other depreciation funds. So far therefore as we are able to judge from our present estimates, we shall require to raise a loan in the money market of an amount not exceeding 22 crores. There is no likelihood of our having to resort to external borrowing during 1926-27, this being the third year in succession in which the issue of an external loan will have been avoided. We expect to confine ourselves accordingly to the issue of a rupee loan in the Indian money market for a sum not exceeding 22 crores, of which 20 crores will

be for the renewal of the bonds maturing next September. The net amount of new money required from the Indian market will not exceed 2 crores, which is less than the amount needed to pay off external debt in London. More than the whole of our new capital programme amounting to over 35 crores will be financed without recourse to market borrowings. It will be a matter for consideration whether at the same time as we issue our rupee loan we should offer a further opportunity to holders of bonds maturing after 1926 for anticipatory conversion, as we did last year.

32. In any case I feel confident that the strength of the position thus disclosed following on what was achieved during 1925 will have a markedly favourable effect on the terms on which we shall be able to borrow. The progressively falling rate of interest at which our loans in India have been taken up by the public will continue to operate to our advantage. Our conversion issues last summer were offered on a basis of 5 per cent. tax-free or about 5½ per cent. subject to tax. It is interesting to observe that the new 5 per cent. bonds subject to tax are now quoted in the market at a price showing a considerable premium over the issue price and our 5 per cent. tax-free loan 1945-55 now stands definitely above par. The following figures showing the market prices of Indian Government securities in India for the last four years tell their own tale.

	MARKET PRICE ON			
	1st Feb- ruary 1923.	1st Feb- ruary 1924.	1st Feb- ruary 1925.	1st Feb- ruary 1926.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
5 per cent. Tax-free loan 1945-55.. .. .	88 4	96 10	97 15	100 12
3½ per cent. Indian Government Rupee loan ..	57 0	66 0	66 9	70 8

33. While I am dealing with this subject, I should like to draw attention also to the movement of prices for Indian Government stocks in London, which brings out clearly the advance in the Indian Government's credit in that market which has resulted from the absence of any new borrowing since May 1923, and from the general improvement in India's financial position. As I pointed out last year, we were fortunate in the rate we secured in May 1923 for our last loan in London. Generally speaking, prices of gilt-edged securities on the London market stood at a higher level at that period, than they have done at any time since that date, when we offered £20 million of India 4½ per cent. stock to the public at 90. The market prices of gilt-edged securities in London including Indian Government loans are at all times governed by the general conditions of the market, and have during the last year been considerably affected by the comparative stringency which followed on the steps taken to restore and maintain parity of sterling with gold. The following figures compare the price of India 3 per cent. and 3½ per cent. stock in London in April 1914, April 1923 and February 1926, with the prices of certain other gilt-edged securities at the same dates:—

	30th April 1914.	30th April 1923.	1st Feb- ruary 1926.
India 3 per cent. loan	75½	60½	58
India 3½ per cent. loan	88½	70½	68
Local loans 3 per cent. stock	87	69½	64½
London County Council :			
3½ per cent. stock	97	79½	73
3 per cent.	81	68½	63

I give a further table comparing the price of India 4½ per cent. stock on 30th April, 1923, and 1st February, 1926, with the price of British Government 3½ per cent. conversion loan on the same dates.

	30th April 1923.	1st Feb- ruary 1926.
India 4½ per cent. stock	90½	88½
3½ per cent. conversion loan	81	76½

It will be seen that, though owing to general market conditions the prices of Indian Government securities are lower now in London than they were either in April 1923 or in April 1914, the credit of the Government of India stands considerably higher in the market

35. In order to show the figures of our external debt in a significant way, I have converted sterling at the current rate of *rs. 6d.* per rupee not only for 1925 and 1926 but also for 1923 and 1924. The improvement in our exchange has undoubtedly given us some temporary relief in the burden of interest and other payments on sterling debt, and its effect of course is to bring about a marked reduction in the rupee figure as compared with what it would have been at *rs. 4d.* It must be assumed, however, that the higher rate of exchange has no permanent effect on the actual burden imposed on the country in meeting our external obligations since, if the number of rupees required is reduced, the commodity value or purchasing power of each rupee is correspondingly enhanced. The effect of taking *rs. 6d.* is also particularly noticeable in regard to the unproductive debt figures. It will be seen that our total debt of all kinds had increased from 878.88 crores on the 31st March, 1923, to 956.11 crores on the 31st March, 1925, and by a further 11.80 crores to 967.91 crores on the 31st March, 1926. The unproductive debt was 254.74 crores on the 31st March, 1923, 249.63 crores on the 31st March, 1925, and will be 225.81 crores on the 31st March, 1926, out of a total debt of 967.91 crores. At the present moment it may be said, in order to put the position in a graphic way, that the whole of our rupee debt and more than half of our sterling debt is productive, and that our unproductive debt is now less than one quarter of the whole debt. Excluding the Provincial Governments' debt, the increase in the productive debt during the current financial year amounts to 27.66 crores, while the increase in the three years since 31st March, 1923, amounts to 91.06 crores. Unproductive debt has decreased during the year 1925-26 by 23.82 crores.

36. Our internal debt, excluding Provincial Governments' debts to the Government of India, on the 31st March, 1923, was 386.08 crores, on the 31st March 1925 394.75 crores, and on the 31st March 1926, 396.88 crores. Our external debt on the 31st March 1923 was 405.31 crores, on the 31st March 1925, 454.93 crores, and on the 31st March 1926 456.64 crores. The increase in our external debt during the current year is, as last year, purely nominal. The latter figure includes 4.67 crores or £3½ million of Great Indian Peninsula Railway Company's debentures which, exactly as was the case in 1924-25 with the 24.67 crores or £18½ million of East Indian Railway Company's debentures, are not really an increase in the debt of India as a whole but are merely a transfer from the railway company to the Government of the liability to meet the same interest charge out of the earnings from the same Railway. These two operations more than account for the whole of the increase in the net amount of our sterling debt since 1924. In real truth the operations of the last two years have effected a considerable reduction in India's external liabilities, since, besides taking over the debentures of the railway companies concerned, the Government of India have bought out the shareholders of these railway companies without borrowing in London for the purpose, thus converting an external debt into an internal debt. A further operation of the same sort will take place on the 1st April, 1926, when a sum of £3 million provided out of the Government of India's rupee resources and remitted in sterling to London will be applied to buying out the shareholders of the Delhi-Umballa-Kalka Railway.

37. I have more than once publicly stated my conviction that if India would only learn to use her potential capital in greater measure for productive purposes than she does at present—I do not mean merely for investment in Government securities—and by the development of the banking and investment habit would make available for remunerative expenditure in India a larger portion than she now does of the surplus which she earns annually by the export of her products, not only would an immense impetus be given to the commercial and industrial development of India's resources and new and attractive fields opened for the employment of her educated young men, but the process of converting external debt into internal debt could be very greatly accelerated. In two years the taxpayer of India has managed, without increasing his external obligations, to purchase for his own use and profit the equity of the East Indian Railway, the Great Indian Peninsula Railway and the Delhi-Umballa-Kalka Railway. Is not this an object lesson of what the future may have in store if we set our minds whole-heartedly to the development of our own internal resources by the wise application and investment of our own internal capital? The Government are doing what they can to forward the movement, but much must depend on private enterprise and initiative, on the spread of education of the right kind and on the combating of what has been well designated by my friend Mr. Rushbrook Williams, as India's "uneconomic tradition which does not recognise the production and accumulation of wealth as being among man's

legitimate aims." There are those, I know, who fear that acceptance of the legitimacy of such an aim would involve a prostitution of India's highest self to ignoble ends. What shall it profit a man if he gain the whole world and lose his own soul? If I believed that India's adoption of this Western economic doctrine would jeopardise the high achievements of India's speculative thought and sacrifice her spirituality to a materialistic and selfish creed, I would unhesitatingly range myself with the opponents of change. I do not think it is open to challenge that the depths of understanding of man's relation to the Infinite which have been attained by the best of India's speculative thinkers hold out to Western civilization as it exists to-day a hope of spiritual progress. I stress the word "progress"—which is an essential complement and corrective to the materialism which springs from over-emphasis on the practical business of conquest of Nature's secrets and their compulsion to man's service. India long ago revolutionised mathematics and provided the West with the key to the most far-reaching of all among the mechanical instruments on which its control of nature has been built, when it presented to Europe through the medium of Arabic the device of the cypher upon which all modern systems of numeration depend. Even so, India, to-day or to-morrow, will, I feel confident, revolutionize Western doctrines of progress by demonstrating the insufficiency and lack of finality of much of the West's present system of human values. But I do not think that the denial of all value to Western endeavours to increase the production and accumulation of wealth is essential as a support to the Indian philosophy of life. I hold that increased production and accumulation of wealth are a means—in themselves indifferent, neither good nor evil—but an indisputable means towards the attainment of a higher ideal, the broadening and deepening of life's meaning for the individual and still more for the mass of mankind. What matters essentially is the purpose with which they are striven after, and East and West alike can and ought to strive after them as a means to a higher end. It is an Indian commentator on Mr. Rushbrook Williams' challenge who has said that the trouble is that this uneconomic tradition has not made the Indian less materialistic than the European, but it has made him a worse materialist.

Post Office Cash Certificates.

38. Among the instruments of our policy of encouraging the investment habit, the Post Office Cash Certificate takes a prominent place. This security combines in itself features belonging to savings bank deposits, in particular the facility for encashment at any time and protection against any risk of depreciation in value, together with some of the characteristics of an investment. It may be regarded as the ideal security for the very small investor enabling him to cross the bridge dividing a depositor in a savings bank from a holder of marketable investment securities. It has been observed in England, and is no doubt true in India also, that a considerable portion of the money withdrawn when Savings Certificates are cashed is not really thereby withdrawn from investment altogether, but is used for the purpose of reinvestment by the holder, for example, in house property, in the purchase of a business or in a marketable security of some kind. The money would very likely not be saved at all if it had not first of all been attracted to the profitable purpose of the purchase of one and then another cash certificate. It is then accumulated for a period at compound interest and when it comes to be withdrawn the sum now grown to larger dimensions is added to the invested capital of the country, and all the time a new class of small investor is being created by this process. During the year the popularity of the Post Office Cash Certificate has been even more pronounced than before and any action tending to check the growth of the habit of investment in cash certificates would be contrary to the true interests of India.

39. At the same time it must be realised that the rate of 6 per cent. compound interest, which is obtainable on a cash certificate held until maturity, is now unduly high when regard is had to the general fall in the rate of interest obtainable on other Government securities. We are moving on, as I have already said, towards a period when even 5 per cent. will seem a high rate of return on an investment issued on the security of the Government of India. The recent action of the Imperial Bank of India in reducing its rate of interest for savings bank deposits to 3½ per cent. may be cited as a further proof of the passing of the period of high interest rates generally. We are therefore considering the question of making some alteration in the terms on which the Post Office Cash Certificates are at present offered for subscription, while at the same time introducing certain new measures which will add to the popularity of these certificates and prevent any reduction in the yield from checking

seriously the growth of the habit of investing in them. I have observed recently some criticism of the Government's policy in offering these certificates for sale on the ground that the growth of bank deposits is thereby checked. In so far as these complaints have reference to the high yield at present obtainable, the reduction which we contemplate should remove any ground for objection. But I take issue with these critics when they imply that the general policy of issuing cash certificates militates against other forms of saving and depositing of savings with banks. No truth has been more firmly established by the experience of all the countries which have adopted and extended the system of cash certificates or corresponding securities than that the general stimulus to saving and investing which they give reacts beneficially on all other forms of saving.

40. The Government of India are not infrequently accused of want of elasticity in their approach to financial questions and lack of imagination and of sympathy with the burden of the taxpayer of the day. I take the accusation of want of elasticity as a compliment. It can, I think, mean little more than that we have a definite policy and stand by it. Imaginative finance is apt to mean a capacity to budget for imaginary receipts which fail to accrue. The easiest road to popularity for a Finance Member is the adoption of a policy of making posterity pay. I have already drawn attention to the really striking improvement in our credit and in the figures of our Public Debt which has resulted from strict adherence to the principles of avoiding all borrowing for other than truly productive purposes and making adequate provision for reduction or avoidance of debt. The common complaint against this policy is that it adds to the burden of the taxpayer of to-day by postponing the date when Provincial contributions can be further relieved and taxation reduced. I challenge even this conclusion. The direct result of our policy on the Budget figures for 1926-27 is that our total charge for interest is over 1 crore less than in the revised estimate for 1925-26 and 3.44 crores less than in 1923-24. A continuance of this policy is certain to lead, in the absence of untoward incidents, to a considerable further reduction in the charge for interest in 1927-28 and future years. Departure from it would have disastrous effect on the rate of interest which we should have to pay for renewals of our maturing debt and for the new capital required for reproductive purposes. If we are able this year to bring to an end the unhappy history of the Cotton Excise Duty, it is largely because of the reduction in our interest charges. Nor is it only the taxpayer of the Central Government who benefits by the results of this policy. The figures I have given relate to the net charge for interest in the Central Budget alone. If railway rates and fares are in process of reduction, it is in part due to the reduction in the charge for interest on capital, present and future, invested in our railway enterprises. If some of the Provincial Governments have received relief in regard to their Provincial contributions and if they and the other Provincial Governments are hoping for further relief, it is to an appreciable extent the reduction in our interest charges which has enabled us to do what we have done and which justifies our hope and theirs of further relief. Not only so, but the reduction in the charge for interest directly affects their own budgets, in that it serves to reduce the rate which they have to pay for their borrowings from the Central Government. A year ago the House showed its recognition of the wisdom of our policy regarding provision for reduction and avoidance of debt by endorsing that policy and voting in full the demand in which that provision was included. To-day I am able to show to the House the direct benefits of its wise action in this matter, and I trust that the House and the country will now realise that it is not from any desire to maintain taxation at a higher level than is absolutely unavoidable that we insist on the debt policy which we have adopted, but that such a policy is directly calculated to bring real advantages and real relief to the taxpayer of to-day as well as to the taxpayer of to-morrow.

Improvements in Financial Machinery.

41. Before I pass on to the Budget estimates for 1926-27, I desire to refer briefly to some not unimportant changes which have been made this year in the form of the documents which will shortly be placed before the House. A year ago, as the House will remember, we introduced various changes in the form of the Demands for Grants in the light of observations made by the Public Accounts Committee. This year we are in possession of the results of an enquiry conducted at the request of the Public Accounts Committee into the possibility of improving the appropriation reports on lines suggested by that Committee. The Auditor-General's recommendations were considered by the Public Accounts Committee in August

last and received their general approval, and their wishes are being carried out in the Appropriation Reports for the year 1924-25 now under preparation. In order to bring the Demands for Grants into general conformity with the Appropriation Reports and thereby to facilitate comparisons between estimates and actuals, corresponding changes have been made in the form of the Demands for Grants for 1926-27. Each grant is now shown subdivided into a number of sub-heads and the actual expenditure will be accounted for under each so that the Public Accounts Committee, when they scrutinise the final accounts, will be able to compare without difficulty the actual expenditure with the budget provision under each sub-head and to fulfil more easily their constitutional task of examining the extent to which savings under one sub-head have been utilised by the Executive Government towards extra expenditure under another. The existing division by circles of account has, however, been retained and details of expenditure are given in the same fullness as before. Another change which will jump to the eye of any one using these volumes is that we have reduced most of them to octavo size—a change which effects a considerable reduction in the cost of printing. It is not possible to alter the size in all cases this year, but our intention is to complete the process of conversion to octavo size in full a year hence.

42. A separate demand will be included in the 1926-27 Demands for Grants for expenditure in connection with the separation of Audit from Accounts in the United Provinces. This measure has been advocated by the Retrenchment Committee and by the Reforms Enquiry Committee from different points of view. The latter Committee held that separation of Provincial from Central finance was an essential preliminary to any appreciable advance towards provincial autonomy in financial matters, but before such separation can be accomplished, Provincial Governments must be in control of their own Accounts. Audit, however, appears to be a subject which should remain as at present in the hands of a single authority, the Auditor-General, all over India. The separation of Audit from Accounts is therefore involved as a preliminary to further advance and it appears to offer other incidental advantages. I need only mention two at present. The new system of accounting which we propose to introduce greatly facilitates a closer and more efficient control of expenditure by the Department responsible for that expenditure as a continuous process during the period of the expenditure. The Audit Department, on the other hand, is relieved from the mechanical routine duties involved in the present system and its audit becomes more searching. With the approval of the Secretary of State, therefore, we have decided as an experimental measure to introduce the new scheme of separation, as from 1st April 1926, in the accounts of the United Provinces whose Government have expressed their desire for its introduction.

BUDGET ESTIMATES FOR 1926-27—EXPENDITURE.

Military Expenditure.

43. The form in which the detailed military estimates will be placed before the House has not been materially altered as has been done in the case of the Civil estimates and the changes are confined to a more logical rearrangement of minor heads. As Honourable Members are aware, a Committee has been appointed to investigate the system of Cost Accounts at present in force in the Army, with a representative of the Public Accounts Committee of this House among the members. Our experience of the present system of cost accounts during the last four years and the fact that the British Government have recently decided to introduce radical modifications into the system of cost accounting in the British Army led us to the conclusion that such an enquiry had become necessary in India. Material changes in the form of the military estimates have therefore to be postponed pending the examination of the recommendations of that Committee. Fuller explanations have, however, been given of the various details of the military estimates in view of the desire expressed in the course of the budget debates last year by members of this House.

44. The net military expenditure for the year 1926-27 is estimated to amount to 54.88 crores, *i.e.*, a reduction of 1.37 crores as compared with the Budget estimates for 1925-26, thus marking a further stage in advance towards the goal set by the Retrenchment Committee. The provision for established charges amounts to 54.24 crores, the balance representing remnants of special post-war charges. The figure of 54.88 crores in-

cludes a sum of 66 lakhs for the payment of gratuities to demobilised officers, this being the last year which will be burdened with a charge of this character. . 23 lakhs have been provided for the completion of the building programme in progress in Waziristan and for the Royal Air Force. On the other hand, we appear for the moment to have come almost to the end of the surplus war stores which have been a feature on the credit side of the account for some years past. We are allowing for a credit of only 25 lakhs under this head as compared with 70 lakhs in the Budget estimates of 1925-26 and 1,10 lakhs in 1924-25. The figure of 54.24 crores net for established charges includes a sum of approximately 60 lakhs for new urgent measures mainly of a non-recurring nature for the purchase of new equipment.

45. Among the more salient features in the new estimates I may mention first the disappearance of provision for one British Cavalry regiment, costing a sum of 22 lakhs a year which has now been dispensed with, this being the last of the specific reductions of strength following on the recommendations of the Retrenchment Committee which remained to be carried out. Charges for pensions in India and in England show a recurring reduction of 37 lakhs, while payments to the War Office for British transport charges have been brought down by 17 lakhs. It has been necessary to provide an additional 20 lakhs owing to higher prices for articles of food and forage, and an additional 20 lakhs is also included for the purpose of accelerating the programme of electrification of barracks and of building of new lines for Indian troops. As a set-off to this last liability, an additional credit of 20 lakhs is anticipated from the disposal of surplus military lands and buildings.

46. Our total expenditure on military services, including the Army, Marine, Military Works, and the Royal Air Force, amounted in the year 1920-21 to 87.4 crores net, of which about 20 crores represented special expenditure on operations in Waziristan. With the cessation of these operations, the Budget estimates for 1922-23, which formed the basis of the Retrenchment Committee's investigations, showed a net total expenditure of 67.75 crores. The recommendation of that Committee was that the Budget for 1923-24 should be fixed at 57½ crores subject to such additions as might be necessary in view of the delay which would ensue in carrying out the changes recommended and in order to meet special expenditure in Waziristan, etc. The Committee went on to say that for subsequent years the adoption of their recommendations should enable the estimates to be reduced to 57 crores, irrespective of savings due to further economies or fall in prices, and they expressed the opinion that continuous efforts to ensure further reductions should, in combination with the expected further fall in prices, enable the military budget to be reduced to 50 crores net after the lapse of a few years. The actual expenditure of the year 1923-24 amounted to 56.23 crores and the first stage of 57 crores mentioned by the Retrenchment Committee was thus passed in the first year. The figure of 56.23 crores included heavy expenditure on gratuities to demobilised officers and in Waziristan, but these abnormal items were counter-balanced by credits from the proceeds of sale and utilisation of surplus stores. The Budget for the year 1923-24 allotted a net sum of 62 crores for military services. This was reduced in the Budget for 1924-25 to 60½ crores, but by the time when the Budget for 1925-26 was under consideration the actual effect of the retrenchment operations, which it had been difficult to gauge in advance, had become apparent, and it was possible to reduce the budget provision for 1925-26 to 56.25 crores net.

47. The following table brings out the results achieved at a glance :—

Net expenditure of military services.

		(In crores of rupees.)					
		1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.
Budget estimates	.. ..	66.82	67.75	62.00	60.25	56.25	54.88
Revised estimate	.. ..	69.35	67.09	59.74	56.33	56.28	..
Actual expenditure	.. ..	69.81	65.27	56.23	55.63	..	..

These figures include certain disturbing items both on the credit and debit side, and it is therefore of special interest to compare the true figures of the established charges, that is, the normal cost after elimination of special charges such as those for demobilisation of surplus officers and special credits for the eating down of surplus stores. In comparing these figures with the figures given by the Retrenchment Committee, Honourable Members should bear in mind the fact that certain charges amounting in 1926-27 to 39 lakhs, of which the most important are the charges for Customs duty on imported stores and the cost of Stationery and Printing, have been added to the military estimates since 1923-24, as the result of new decisions regarding classification.

Adjusted figures of Established charges.

(In crores of rupees.)

	1923-24.	1924-25.	1925-26.	1926-27.
Estimate	61.9	59.4	55.0	54.2
Actuals	56.7	55.8	55.2	..
			(revised estimate.)	

48. I cannot allow this opportunity to pass without referring once again to the deep debt of gratitude which I owe to the late Lord Rawlinson for his whole-hearted co-operation and earnest determination to secure economy in expenditure on military services. His untimely death meant a grievous loss to me—I lost a personal friend and a colleague to whom I owed more than I can say—and India lost a true friend. The ideal at which he constantly aimed was an Army in India not larger than he regarded as absolutely essential in India's interests, adequately equipped and fully trained, so that India might obtain the maximum service from a fully efficient force at the minimum cost. Our military expenditure was kept during his regime under constant scrutiny by the Finance and Army Departments with the object of securing further economies. I gladly add that this policy has been continued under his successor and has the full support of His Excellency Sir William Birdwood. I am confident that adherence to this policy will result in still further reductions in our military expenditure without the sacrifice of that essential security which must always be our first aim.

49. We are fortunately able to foresee considerable savings of an automatic character in our established charges in future years, as the result of the reduction of the rates of pay of the British soldier which came into effect in October 1925. The immediate saving for 1926-27 under this head is not appreciable as the reduced rates of pay affect only new recruits, but it is estimated that, taken in conjunction with the reductions below present cost which will in due course result from the recent revision of the pay of officers in July 1924, the savings from this source should amount to 12 lakhs in 1927-28, increasing annually to about 80 lakhs in 1930-31, and about 1½ crores in 1933-34. Before leaving the military estimates, I must refer briefly to the question of stocks held by the Army on which I commented last year. During the course of the year the whole question has been completely examined and considerable modifications are necessary in the figures then given which were based only on information available at headquarters. A full statement of the balances now disclosed will be found in the volume of detailed estimates. The amount of stocks held proves to be appreciably in excess of the amount indicated in the figures placed before the Retrenchment Committee, and of those on which we have hitherto been working. One of the terms of reference to the expert committee of enquiry into the arsenals and ordnance depots which I mentioned earlier in my speech is the examination of surplus and obsolete stocks, and I have little doubt that a further reduction will be effected as the result of this enquiry.

Civil Expenditure.

50. I now turn to our estimates of Civil expenditure. The total figure of Civil expenditure in the revised estimates for 1925-26 is 41.46 crores; the corresponding figure for 1926-27 is 41.76 crores. This small increase, which amounts to 30 lakhs, conceals a big

decrease. In 1925-26 we had a big non-recurring credit, originally estimated at 1.29 crores but now ascertained in the revised estimates to be 1.81 crores, on account of the transfer of postal and telegraphic stores (including the stores of the Indo-European Telegraph Department) from Revenue to Capital. The chief feature of the expenditure of 1926-27 is the reduction, whose significance I have already endeavoured to explain, of approximately 1 crore in the charge for interest. For market debt the charge for interest in 1926-27 shows a reduction of 1.79 crores on the current year's figures partly because of the effects of our conversion loan and partly because we were able to finance all our own capital expenditure including railways and the capital expenditure of Provincial Governments without addings to our market debt. On the other hand, there is an increase of 75 lakhs under Interest on miscellaneous obligations which includes interest on provident and similar funds, savings bank deposits, cash certificates and unfunded debt generally. The net reduction in interest charges is therefore, as already stated, about one crore.

51. A drastic reduction of the area under cultivation in the United Provinces by one-third results in a considerable reduction in our expenditure on opium. A further reduction is anticipated in the near future as the result of the substantial reduction in the prices paid to cultivators. These steps had already been taken, in consideration of the large surplus of stocks that we at present hold and of future requirements, before we arrived at the decision announced recently to recommend to the Legislature a policy of progressive reduction and eventual extinction of our exports of opium. On this important question of policy I need say no more at the present moment beyond drawing attention to the fact that it foreshadows the progressive reduction and eventual disappearance of a head of revenue which at present brings us in approximately 2 crores a year.

Additional Expenditure on Beneficial Services.

52. Our estimates of Civil expenditure include increased provision for what I may call beneficial services. I drew attention a year ago to the increase in the current year's estimates under these heads and a recent debate showed that the House shares the view of the Government of India that some addition to expenditure in these directions is both desirable and proper, and that the Finance Department's motto of wise expenditure within our available resources and avoidance of waste rather than retrenchment at all costs is endorsed by public opinion. Among new items and increases in existing items of expenditure on beneficial services included in the Demands for Grants I may mention an enhanced grant of 6½ lakhs to the Indian Research Fund Association, an increase of about a lakh for education in the North-West Frontier Province, as well as a non-recurrent grant of about 1½ lakhs for a new building for the Government High School at Peshawar, a further grant of Rs. 50,000 for the construction of the Victoria Hospital at Ajmer and a similar grant towards Dr. Shroff's new Eye Hospital in Delhi. We have increased the grants to the Benares and Aligarh Universities by Rs. 25,000 each and that to Delhi University by Rs. 10,000 and have provided 2 lakhs each as the first instalments of non-recurring grants to the two first-named Universities. Additional funds have been provided for research at Coimbatore, Pusa, and Muktesar, and for the development of the Dairy Farms at Bangalore and elsewhere and of the Anand Creamery recently taken over from the Military Department, and further provision has been made towards the completion of the new Forest Research Institute at Dehra Dun, where over 60 lakhs out of a total sanctioned programme of over a crore has already been spent.

53. The provision for reduction or avoidance of debt in accordance with the plan set out in the Government of India Resolution dated the 9th December, 1924, requires 4.83 crores in 1926-27 or practically the same figure as in 1925-26. The Government of India propose, however, to make two changes which affect the total amount of expenditure under this head in 1926-27. Two years ago on the passing of the amendment to the Sea Customs Act the practice was introduced of adding to the provision for reduction or avoidance of debt a sum equal to the Customs duty on stores imported on capital account including stores for the use of State-managed railways. I promised a year ago to reconsider this practice in the light of criticisms raised in regard to it in this House. There are objections in principle to inflating revenue at the expense of capital. Our object in amending the Sea Customs Act and making Government stores liable to duty was clearly not to increase the Customs revenue at the expense of our capital charges. I recognise, however, that there are arguments which

can be brought forward on the other side in view particularly of the fact that the railways pay a contribution to general revenues on the basis of their capital expenditure including whatever may have been paid in Customs Duty and that railway rates and fares are calculated with reference to the capacity of the railways to earn profits on the whole of their capital expenditure. We have therefore decided to meet the views expressed by critics in this House a year ago and omit this portion of the provision for redemption of debt. An opportunity for reconsidering the whole question can be taken at the expiry of the five-year period for which the Debt Redemption scheme is in force.

54. The second proposal which the Government of India are making in this connection will be found enshrined in a clause in the Finance Bill dealing with the disposal of the sums received by India from Germany on Reparation account. These sums represent India's share of the amount allocated to the British Empire out of the Dawes annuities. The actual allocation is full of complications. The payments by Germany for all treaty charges under the plan adopted vary from 1,000 million gold marks at the start to 2,500 million gold marks in the fifth year; thereafter they are to be fixed at the latter sum together with a supplement computed according to an index of prosperity. The annuities are payable in German currency and the amount to be transferred to Germany's creditors outside Germany has to be decided by a Transfer Committee with reference to the capacity of Germany to make deliveries in kind or in cash without endangering the stability of the mark. Before the total amount so transferred outside is distributed, a number of charges have to be deducted including, for example, the cost of service of Germany's £40 million external loan, the cost of the Reparation Commission, the amounts allocated towards the payment of the Army of Occupation and of the Belgian War debt, and other items. The exact amount available for distribution is thus at all times problematical and extraordinarily difficult to forecast. The British Empire as a whole receive 22 per cent. of the total sum available, and India receives 1.2 per cent. of the British Empire's share. The best calculations that I have been able to make, which necessarily are based on somewhat arbitrary assumptions, point to an annual receipt by India over the next few years of sums varying between a minimum of £66,000 and a maximum of £250,000. In 1924-25 we received £37,400 and we expect to receive about £66,700 in 1925-26. The present estimate of receipts in 1926-27 is about £120,000.

55. The reparation receipts may be said broadly to cover in the case of India one or other of the following classes of expenditure: (a) pensions and allowances payable by the Government to war sufferers; (b) expenditure incurred in replacing losses by enemy action or in repatriation of enemy nationals; (c) compensation payable to private persons and local bodies. So far as expenditure on replacing stores lost by enemy action and the cost of repatriation of enemy nationals are concerned, the receipts represent recovery of expenditure previously incurred by the Government. Such expenditure added to the deficits of past years and was in effect met from borrowed funds. Recurring expenditure is still being met by the Government in respect of pensions and allowances. Some part has already been covered but the major part will come in future years. The receipts which the Government now obtain from the Reparation account represent a contribution towards the capitalised value of such payments. The compensation payable to private persons and non-Government bodies stands on a different footing. The receipts on this account are not really receipts of the Government of India except in a technical sense.

56. It seems reasonable to utilise receipts from Germany under all but the last head for reduction or avoidance of debt rather than to treat them as an ordinary item of revenue. Only by this procedure will there be annual savings in interest in future to correspond to annual payments on account of pension. The Government propose therefore that payments for compensation shall be deducted from the total reparation receipts and applied for the purpose for which they are intended, and that the balance of our reparation receipts shall be devoted to the reduction or avoidance of debt. By thus applying these special receipts, the Government will I think be following the procedure which is most in accordance with financial propriety, and we shall at the same time avoid disturbance in our own Budget estimates arising out of the fluctuating and uncertain character of these receipts. This proposal and the proposal to bring to an end the practice of setting aside for debt purposes a sum equal to the Customs duty on stores imported on capital account are intended to be taken together. The result of the two proposals combined will be to relieve our revenues of a charge of about 7 lakhs of our estimate if receipts on reparation account is approximately correct.

57. This may perhaps be a convenient point at which to mention that we are continuing for 1926-27 the assignments on account of Customs duty on Government stores introduced as a temporary measure two years ago to those Provinces which have not yet obtained a reduction in their contributions to the Central Government. The only important item in this connection is a sum of 5.39 lakhs payable to Bombay. It is obviously desirable that these assignments, which are objectionable in principle, should be extinguished at an early date and we propose very shortly to take up this question in connection with the examination of the Report of the Taxation Enquiry Committee recently published, with special reference to their proposal for modifying the existing Devolution Rule 15 in regard to the payment to the Provinces of a share in Income-tax receipts.

REVENUE, 1926-27.

Customs.

58. I now turn to the estimates of our revenue. It is necessary to anticipate some diminution in the imports of sugar, but we may reasonably look for compensation for the sums thus lost in increased receipts from duty on cotton piece-goods and in what I may call the normal growth under other heads. On this basis the net revenue under the head of Customs is estimated at 48.15 crores, or, an increase of 1.30 crores over the revised estimate for the current year. This figure includes 1.75 lakhs of revenue from the Cotton Excise Duty. This may be regarded as a fairly conservative estimate of what the yield from the duty would be if it were continued. The yield in 1924-25, the last year in which the duty was fully collected, was 2.18 lakhs, while the highest figure during the last six years was 2.31 lakhs.

Taxes on Income.

59. The main change in the trade conditions of 1925-26 as compared with the previous year is that the cotton mill industry in Bombay has passed through what I hope will prove to be the period of its severest depression. We have to allow therefore for an appreciable reduction in our revenue from Bombay under the head of Taxes on Income. Conditions elsewhere have been on the whole better than in the previous year and our administration is increasing all the time in efficiency. We have adopted for 1926-27 a figure of 16.15 crores of receipts under this head or 10 lakhs less than our revised estimate for 1925-26. This represents 1.20 crores less than the Budget estimate for the current year.

Salt.

60. I estimate our receipts under the head Salt at the figure of 6.90 crores, which assumes that accumulated stocks will have been worked down by the end of this month.

Opium.

61. The gross receipts from opium are estimated at 59 lakhs below the revised figure for 1925-26 which included a large adventitious receipt under Excise opium owing to the taking over by the Provincial Governments of stocks held at treasuries. The net receipts are estimated to be practically the same as this year, namely, 2.26 crores owing to reductions in expenditure already referred to.

Railways.

62. As the House is aware, the total contribution from Railways to general revenues during 1926-27 is estimated at 6.01 crores. This represents simply the amount of the fixed contribution based on the actual receipts for 1924-25 which was a particularly profitable year. It assumes that the net gain from Railways, after deducting the contribution, will not exceed 3 crores and will accordingly be transferred in full to the railway reserve.

Posts and Telegraphs.

63. The working expenses of the Indian Posts and Telegraphs Department for 1926-27 are estimated at 10.17 crores, or 61 lakhs more than in 1925-26. The growth of working expenses is due in part to the absence of the non-recurrent features which, as already explained,

made the figure of 1925-26 less than the normal, and in part to an increase in expenditure amounting to 10 lakhs due to the decision of the Railway Department to withdraw the concession of free railway passes to postal employees, and to the inclusion of a provision of about 19 lakhs for new measures designed to improve the emoluments and terms of service of the postal and telegraph staff. The concessions in the case of the postal staff involve an addition of 15 lakhs to our expenditure. The gross receipts have not kept pace with the increase in expenditure, and we can expect an improvement of only 41 lakhs, making the total of our gross receipts for 1926-27 10.65 crores as compared with 10.24 crores in 1925-26. The Post Office account alone shows an estimated profit of 20 lakhs, but there is a loss of 20 lakhs on the Telegraphs and of 10 lakhs on the Telephones, owing largely to the fact that the charge for interest is proportionately heavier in the case of the latter services. The upshot is that the estimates of the year point to a loss of approximately 10 lakhs on the working of the department as a whole. I have, however, every confidence that a revival in trade will lead in due course to a considerable addition to our revenue from telegrams which has recently been disappointingly low, and that by next year the department will be completely self-supporting. To complete the picture I must add that owing to a reduction in traffic we expect, in addition, a loss of 6.7 lakhs in 1926-27 on the working of the Indo-European Telegraph Department.

64. The House will observe that in face of these figures it is impossible for us to contemplate any reduction this year in the rates for letters and postcards—a subject on which after an interesting debate in this House a few weeks ago further discussion was adjourned in order that the whole matter might be considered in its proper setting in connection with the budget figures. The wisdom of the course then taken is now apparent. Such a reduction of charges as was then under consideration is clearly impossible unless the taxpayer is to be saddled with the burden of a heavy subsidy in relief of the customers of our postal and telegraph system. I know that a return to pre-war rates is keenly desired in many quarters in the House and in the country; nor would the Government desire to oppose such a reduction for a moment if they believed that it was within the range of practical politics. I desire, however, to put the question frankly before the House. There is in my view no probability whatever of a return to pre-war rates for letters and postcards except at the cost of a heavy and steadily increasing subsidy from the pocket of the taxpayer. It is desirable that we should face the facts boldly and not deceive ourselves or others by holding out false expectations.

65. The truth is that we are confronted by what I may call a secular change in conditions in India. The very cheap rates of postage to which India had become accustomed before the war were possible only because of the very low level of prices in India as compared with other countries. The last three-quarters of a century have witnessed a steady rise in the average level of prices throughout India—a rise which was the natural and inevitable outcome of the far-reaching changes which were gradually making their effect felt on the conditions of life in India. I may illustrate these changes with reference to figures of index numbers of prices going back to 1860. If we take the figure for the average of the year 1861 for wholesale prices in the United Kingdom and India as 100, the increase in the year 1924 in the case of India is represented by a figure of 251 and in the case of the United Kingdom by a figure of 142. If we go back only as far as 1914 and compare pre-war with present prices, the increase in India is from 100 in 1914 to 163 at the end of December 1925. The corresponding increase in the United States is from 100 to 158, and in the United Kingdom from 100 to 153. In the face of these figures which, whatever doubts we may have as to the absolute accuracy of the calculations on which the index numbers are framed, are at least a reasonable guide to the general trend of events, it is impossible to expect that the Indian Postal Department should be able to carry letters or postcards at the rates prevailing in 1860 or even in 1914. We cannot expect wages and expenses to stay at a level below the average rise in prices generally. Unless therefore the future holds out the prospect of a considerable further fall of prices to at least the 1914 level—a development which would probably be undesirable in the general interests of India's prosperity—we must admit the logical conclusion that the day of the 3 pie postcard and the 6 pie letter is past beyond recall. Much as we may regret this inevitable conclusion, it is better that we should cease to delude ourselves with unreasonable hopes and should set ourselves to secure the maximum efficiency and the greatest possible facilities to the public from the department as things are to-day.

Other Receipts.

66. Our estimates of revenue assume the continuance of the practice of appropriating to revenue the interest on the Paper Currency Reserve and the surplus of the Gold Standard Reserve over £40 million. We may, I think, assume that, whatever changes may be introduced as the result of the recommendations of the Royal Commission on Currency, the profit now obtained by the Government from these Reserves, whatever form they may assume, will not be substantially affected. In regard to other heads of receipt, extraordinary income from enemy ships will no longer accrue to us, and it is necessary to estimate interest receipts on a lower scale than this year.

Surplus.

67. We are now in a position to frame our balance-sheet. The total estimated revenue for 1926-27 amounts to 133.43 crores, and the total estimated expenditure amounts to 130.38 crores. We are left with a surplus of 3.05 crores. I hasten to remind the House that the latter figure includes the sum of 1½ crores for receipts from the Cotton Excise Duty.

CONCLUSION.

68. To what extent can we regard this surplus as being free for us to dispose of? How far is it a recurring surplus? The House will observe that I have made no reference except in a very incidental way to the Report of the Taxation Enquiry Committee, or to the proceedings of the Royal Commission on Currency. The former's report has only recently come into the hands of members, and though incomplete copies have been available to the Government for a somewhat longer period, we came to the conclusion that the extremely interesting and instructive material which it provides demands more prolonged and more complete examination than was possible in the time at our disposal. I have therefore included in this Budget no suggestions for modification of our taxation system in the light of the Committee's recommendations. Their recommendations will give all the Governments in India and their legislatures ample material for reflection in the course of the coming year. The report is, I think, a most valuable addition to our knowledge of the Indian taxation system and in the compass of one volume we have here a complete survey of all the taxation at present imposed. Important additions to our understanding of the problem of the relation between Central and Provincial taxation are made in many passages in the Report. I take this opportunity to-day of thanking Sir Charles Todhunter and his colleagues for the hard labour which they have devoted to mastering their subject and for the instructive report which they have placed before us. So far as the present Budget is concerned, however, we are justified in assuming that, whatever decisions may be arrived at in the light of the recommendations of the Taxation Enquiry Committee, they will not affect the question of the disposal of the year's surplus.

69. The same assumption must be made in regard to the work of the Royal Commission on Currency. Our estimates assume the continuance of the present credits to revenue of the interest on Currency investments. They also assume an average rate of exchange of 18d. for 1926-27. It is impossible to anticipate the conclusions of the Commission and equally impossible, besides being very undesirable, to set aside any portion of the year's revenue as an insurance fund against possible repercussions on our Budget position in future years. Nor have we any present reason for regarding such an insurance as requisite.

70. In regard to other items in the Budget we have to remember that the receipts from Railways in 1926-27 are high; the earnings of the year 1925-26 were not as good as those of the previous year, so that our fixed contribution from Railways in 1927-28 may be less by as much as 79 lakhs than in 1926-27 if the actual figures for Railway receipts for 1925-26 confirm our revised estimate. Our opium revenue is also an uncertain factor. The net revenue fluctuates within rather wide limits and at times may even increase owing to sudden decreases in expenditure following on reductions in the area cultivated and in the price paid, but the progressive elimination and eventual extinction of our opium revenue has to be assumed. There is, however, no reason to think that this loss of income which must necessarily be spread over a period of years cannot be counterbalanced by growth of revenue in other directions. Our Income-tax revenue is exceptionally low at the moment and may certainly be counted upon to give a considerably increased yield in later years. Finally, we look for further economies in our military expenditure which still contains special items of a non-recurrent character.

71. After giving full weight to these various considerations, we have come to the conclusion that there is no undue risk in treating the whole of our surplus as a recurrent one. I have already confided to the House the secret that the Finance Bill includes provision for the final abolition of the Cotton Excise Duty, and the privilege of sharing with the Government in the credit for this historic achievement will belong to the Legislature when the Finance Bill is passed. This leaves us with a divisible surplus available for other purposes amounting to 130 lakhs. The House will I feel sure have no hesitation in agreeing that past expressions of policy and the truest interests of the people of India alike demand that, after using 1½ crores of the sum at our disposal for the reduction of Central taxation, we should devote as much as we can of the rest to the relief of the Provinces. We accordingly propose to apply 1,25 lakhs to the further reduction of the provincial contributions in accordance with the Devolution Rules. The relief thus afforded will go to the extent of 57 lakhs to Madras, 33 lakhs to the United Provinces, 28 lakhs to the Punjab and 7 lakhs to Burma.

72. The total of the Provincial contributions fixed under the Meston Settlement was 9.83 crores. A year ago we made a permanent reduction of 2½ crores and provided 63 lakhs for the continuance of the temporary remission of Bengal's contribution. With the additional 1¼ crores set aside now, we shall have reduced our reliance on the Provinces by 4.38 crores in all, which is not very far short of half the total. The Provinces whom fortune and the Devolution Rules favour this year are (apart from Bengal) the same as those which obtained the biggest benefit a year ago. But the turn of the other Provinces will come. They are all brought much nearer fruition by the events of the last two years and will no longer feel that the prospect of remission does not interest them. Meanwhile the taxpayers of the Province of Bombay in particular and of other Provinces in a lesser degree secure the benefit of the repeal of the Cotton Excise Duty, the relief given in this budget being divided between the Central taxpayer and the Provincial Governments

73. At an earlier stage in my speech, the approaching end of the life of this Assembly tempted me to compare the figures of India's debt now with those of three years ago. Before closing let me indulge in a further glance backwards and a glimpse into the future. The first Assembly was burdened with the ungrateful task of imposing extra taxation in order to bridge the yawning gap between revenue and expenditure, a task that at one time seemed well nigh hopeless. The Budget of 1924-25 which coincided with the first session of this House signalised our definite escape from the era of deficits and brought the Salt Tax back from Rs. 2-8 a maund to the present rate of Rs. 1-4. For this reduction, though no doubt it had the assent of the majority, only the minority in this House who voted for the second reading of the Finance Bill can claim to share the credit with the Government and the Council of State, and the Government did not conceal their view that a higher rate, which might have enabled us by now to have achieved the complete extinction of the Provincial contributions, had much to commend it. But, if this House dealt in a step-motherly way with the Budget of 1924-25, it placed to its credit six months later the convention in regard to the separation of railway finance from general finance, a reform which I regard as the greatest financial achievement of the years under review. We have made other advances in our financial machinery during this period, such as the establishment of the Provincial Loans Fund and the formulation of a clear policy of reduction and avoidance of debt, and we have paved the way for other advances, as for instance, the separation of Accounts and Audit, and the reform of the Indian currency system. We have moreover greatly improved the mechanism of the Assembly's financial control. But the new arrangement for dealing with our Railway Budget remains the outstanding feature. It has cleared the path for a continuous programme of railway construction and rehabilitation, and is the direct parent of the proposals for progressive reduction of rates and fares which has now been put in hand, while it has relieved our general finances of an intolerable burden of uncertainty. The Delhi session of 1925 found the Government and the Assembly working together, as you, Sir, will remember, to put the finishing touches to our Debt Redemption plans and to make a substantial beginning of the remission of Provincial contributions. To-day we are continuing last year's work while at the same time celebrating the happy extinction of the notorious (even if sometimes maligned) Cotton Excise Duty.

74. I ask those who profess unending dissatisfaction with the Reforms and denounce them as a sham and the Government as insincere and unresponsive, does the financial story of these three short years justify depression or despondency? In that brief space we have

immensely improved our financial machinery and have progressed nearly half-way on the road to extinction of the Provincial contributions, and we have reduced the Salt Tax and abolished the Cotton Excise Duty. For five years the Reformed Legislatures have been at work in India. It is true that weather conditions have on the whole favoured us and that the level of taxation is still high in comparison with 1914, though not in comparison with other countries. But to me it seems undeniable that the association of chosen representatives of the people of India with the Executive Government and their constant interaction the one upon the other in the Assembly and the Council of State have enabled India to win through the inevitable discomforts of the period following the war with a measure of success that makes her financial position the envy of other nations and could scarcely have been possible without the Reformed Constitution. The members of this House appear to me sometimes to fix their attention so earnestly on what are called political questions as to overlook the steady advance towards the goal of constitutional self-government which is being registered day by day in administration and in finance. Mr. Coates, the present Prime Minister of New Zealand, made a confession of faith in a speech delivered last May soon after he succeeded to the Premiership, which deserves, I think, the careful consideration of those who are working for India's future. "It may seem," he said, "that I have unduly stressed the financial and administrative aspect of Government. My six years of Ministerial service, however, have convinced me that intensive application of the principles of sound finance to every function of Government is ever essential in the public interest. It is from that solid foundation created that we can build the structure of our public services and enable the development of our country to proceed. . . . Only by judicious care and foresight in setting our financial foundations is it possible to devote the necessary attention to all our citizens."

75. The Government of India and this Assembly have not always seen eye to eye on financial questions, but the record shows that we have worked together, not without reward, to establish a foundation of financial stability far more firmly based than when we began. We leave to the next Assembly the task of building on those foundations with the firm assurance that, though all the difficulties are not surmounted and though new anxieties may arise, they will not have to complain of our work of preparation and will find their financial heritage a source of strength in advancing to the solution of the political and constitutional tasks which await them.

BASIL P. BLACKETT.

The 1st March, 1926.

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 1915-16 to 1924-25.

(See paragraph 3 of speech.)

[In thousands of Rupees.]

	REVISED ESTIMATE.			ACTUALS.		
	Revenue.	Expenditure.	Surplus (+) Deficit (-).	Revenue.	Expenditure.	Surplus (+) Deficit (-).
1915-16	78,89,08	81,58,21	-2,69,13	80,00,96	81,79,26	-1,78,30
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

Report for the year 1925.

Section V.

DOCUMENTS AND STATISTICS.

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 1925, 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	20,425,832	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	5,658,930
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	23,258,498	6,568,619	13,006,019	4,684,638
1868.....	555,337,050	619,101,683	31,793,397	7,780,033	13,236,453	6,873,398
1869.....	296,158,439	518,741,346	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	99,427,366	10,857,586	10,689,066	10,188,466
1896.....	574,410,316	1,163,967,702	86,265,292	11,649,977	13,403,663	15,402,931
1897.....	472,597,133	932,328,974	121,396,515	11,788,246	13,299,211	13,650,022
1898.....	557,597,951	1,202,254,978	91,950,978	10,238,969	11,412,068	11,673,878
1899.....	611,556,220	1,266,926,546	93,492,746	10,441,484	10,729,842	11,532,812
1900.....	461,938,302	1,086,463,274	120,383,837	5,892,081	9,435,371	9,496,085
1901.....	629,976,200	1,127,753,500	129,392,500	7,911,750	11,050,890	9,564,200
1902.....	475,541,800	1,176,051,500	119,878,000	6,299,820	7,411,640	9,438,560
1903.....	520,373,400	1,119,542,300	129,898,800	5,300,460	6,442,050	6,699,580
1904.....	593,591,100	1,193,265,900	145,618,800	6,221,400	6,613,460	8,056,710
1905.....	637,039,600	1,292,516,900	119,829,700	11,368,420	11,443,550	10,175,810
1906.....	611,705,100	1,189,552,900	142,636,200	10,548,720	10,300,210	10,260,270
1907.....	646,598,400	1,298,662,500	131,107,800	10,419,750	9,921,670	7,601,280
1908.....	470,956,400	1,005,027,600	200,636,400	10,894,540	9,019,320	10,432,380
1909.....	481,389,100	1,180,586,000	108,497,400	16,251,580	8,448,010	6,169,190
1910.....	624,859,600	1,129,898,600	109,976,800	8,410,140	6,384,450	6,891,410
1911.....	622,516,400	1,226,065,400	138,414,300	12,842,440	9,179,460	8,364,340
1912.....	658,026,700	1,451,819,200	173,698,700	13,298,110	11,913,170	10,745,130
1913.....	804,333,100	1,547,872,400	210,797,700	13,628,700	7,519,860	9,497,740
1914.....	617,498,700	1,378,930,300	160,552,000	13,538,110	9,985,330	8,280,700
1915.....	354,966,900	1,052,246,400	106,332,200	15,423,650	8,974,950	10,801,200
1916.....	481,857,500	1,035,437,900	88,153,700	8,931,510	5,922,490	7,583,020
1917.....	851,853,300	898,872,200	78,886,500	5,185,900	5,646,600	6,295,900
1918.....	429,754,300	449,044,800	33,046,000	2,054,500	2,211,400	3,490,800
1919.....	275,575,100	423,299,200	37,684,300	3,217,300	2,401,100	3,201,100
1920.....	569,054,700	656,277,100	69,872,000	10,850,000	5,096,900	6,011,600
1921.....	265,737,000	744,049,100	50,486,100	18,383,900	7,573,200	7,257,800
1922.....	410,565,000	854,974,300	77,837,700	21,204,800	7,284,200	7,471,600
1923.....	476,873,200	797,622,700	89,096,800	9,024,500	5,154,800	5,978,300
1924.....	553,405,800	938,652,800	91,324,300	9,281,600	4,280,800	5,613,800
1925.....	524,511,000	767,333,700	72,441,200	6,245,000	4,181,900	4,457,100

**IMPORTS INTO BOMBAY OF PIECE-GOODS AND YARNS, &c., FROM EUROPE, AMERICA, JAPAN AND
ELSEWHERE DURING THE YEARS 1916 TO 1925.**

DESCRIPTION OF GOODS.	From 1st Jan. to 31st Dec. 1916.	From 1st Jan. to 31st Dec. 1917.	From 1st Jan. to 31st Dec. 1918.	From 1st Jan. to 31st Dec. 1919.	From 1st Jan. to 31st Dec. 1920.	From 1st Jan. to 31st Dec. 1921.	From 1st Jan. to 31st Dec. 1922.	From 1st Jan. to 31st Dec. 1923.	From 1st Jan. to 31st Dec. 1924.	From 1st Jan. to 31st Dec. 1925.
GREY GOODS.										
36 in. & under x 37/8 yds. Shirtings all weights	Pcs. 1,58,976	Pcs. 76,891	Pcs. 86,548	Pcs. 1,34,477	Pcs. 5,35,201	Pcs. 2,24,640	Pcs. 8,14,176	Pcs. 3,46,210	Pcs. 4,22,059	Pcs. 2,68,496
37/8 " " do. do. 5 1/2 lbs. & under	660	801	720	8,070	5,282	3,000	9,166	7,493	9,001	30,289
" " do. do. 6 1/2 lbs. do.	"	10,082	8,971	33,180	42,361	69,300	32,405	20,308	10,087	68,257
" " do. do. 7 lbs. do.	29,812	18,736	24,844	27,183	32,162	44,350	40,121	20,635	23,735	81,214
" " do. do. 7 1/2 lbs. do.	5,090	9,082	6,007	46,635	42,703	80,459	49,508	23,026	23,948	65,326
" " do. do. 8 1/2 lbs. do.	1,38,901	20,693	20,644	1,10,215	95,401	87,649	1,17,557	53,767	49,850	1,05,648
" " do. do. 9 lbs. do.	31,900	6,630	8,745	65,271	1,26,227	66,055	56,629	27,530	39,539	75,753
" " do. do. above 9 lbs.	59,362	39,002	32,972	86,364	1,34,627	72,788	66,043	49,415	51,534	1,08,652
40/5 " " do. do. 6 lbs. & under	46,117	18,944	2,590	23,353	6,991	1,700	26,923	16,450	31,783	72,443
" " do. do. 7 lbs. do.	14,629	10,080	6,809	35,202	18,347	42,398	84,617	47,673	73,815	92,947
" " do. do. 8 lbs. do.	15,550	30,157	19,831	1,31,125	53,063	87,447	1,52,181	80,902	95,344	1,40,571
" " do. do. 9 lbs. do.	66,170	39,172	32,532	1,75,945	39,144	91,911	1,56,932	77,974	1,21,309	1,25,561
" " do. do. above 9 lbs.	1,34,064	24,224	32,478	2,21,312	2,47,940	1,16,417	2,35,309	1,77,358	2,09,270	3,16,880
46/9 " " do. do. all weights	56,694	18,492	6,619	22,289	65,366	37,513	1,01,704	31,218	48,273	46,378
50/52 " " do. do.	31,777	15,276	9,489	11,581	40,289	19,291	65,540	34,037	54,299	76,148
53/60 " " do. do.	15,482	6,156	7,471	7,030	7,447	.....	3,329	4,834	4,739	5,158
All widths x 28/24 yds. T. Cloths 4 lbs. & under .. .. .	.....	.....	80	60	2	.....	.....	63	.....	2,822
" " do. do. 5 lbs. do. .. .. .	.....	.....	8	.....	1	.....	1,530	1,370	.....	.....
" " do. do. 6 lbs. do.	11	.....	130	1,800	18,544	.....	230	.....	.....	.....
" " do. do. 7 lbs. do. .. .. .	.....	218	211	1,250	19,600	.....	1,498	1,161	.....	.....
" " do. do. above 7 lbs. do. .. .. .	.....	500	342	1,660	38,002	.....	1,950	120	.....	.....
29 in. & under x 22/24 yds. Madapollams 2 1/2 lbs. & under	33,611	11,321	15,111	2,497	7,031	5,798	14,912	757	10,052	4,558
" " do. do. 2 1/2 lbs. & over. .. .. .	.....	2,508	2,569	3,532	2,555	1,007	.....	.....	.....	.....
30/32 in. do. do. 2 1/2 lbs. & under .. .. .	.....	207	.....	1,494	9,169	2,259	.....	.....	.....	.....
" " do. do. 2 1/2 lbs. & over	12,671	1,250	.....	60	2,499	.....	.....	.....	.....	.....
38/42 in. do. do. 3 to 4 1/2 lbs.	1,230	4,200	4,760	.....	.....	.....	.....	.....	.....	.....
43 in. & over do. do. 4 1/2 to 5 1/2 lbs.	30,104	10,111	3,499	1,466	16,978	5,104	.....	.....	.....	.....
18/24 in. x 28/30 yds.* Printers 2 to 3 lbs. .. .. .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Above 24 in. x do. do. above 3 lbs. .. .. .	.....	.....	.....	.....	.....	1,902	.....	.....	.....	.....
34 to 45 in. x 18/20 yds. Jacquets, all weights	91,228	2,11,493	2,28,457	1,76,008	1,14,377	4,90,367	1,47,703	1,33,843	1,76,571	1,22,279
44 in. x 22 yds. do. do.	4,21,354	4,95,801	4,37,781	2,45,335	2,46,312	3,26,182	7,07,063	4,30,313	5,06,263	2,95,058
Above 44 in. x 22 yds. do. do.	89,410	64,323	71,824	59,372	55,378	46,863	1,15,115	18,213	33,954	1,04,101
36/9 in. x 18 to 22 yds. Muls do. do.	2,01,733	1,38,178	81,510	86,395	1,07,899	1,11,850	1,34,744	48,983	64,567	87,047
40/42 in. x 19/20 yds. do. do.	13,172	14,488	25,132	12,108	7,974	14,718	8,854	5,902	13,330	13,118
Above 43 in. x 19/20 yds. do. do.	50,715	57,608	1,62,585	93,401	31,363	1,93,772	1,80,381	1,37,082	1,92,504	2,22,707
Twills and Drills	2,15,822	55,820	.....	1,52,915	3,06,006	1,93,343	1,09,162	2,13,402	2,64,412	2,71,404
Total for 12 Months	Pcs. 19,73,979	Pcs. 14,10,444	Pcs. 12,98,609	Pcs. 19,73,081	Pcs. 25,37,766	Pcs. 21,15,134	Pcs. 28,90,339	Pcs. 20,14,093	Pcs. 23,36,748	Pcs. 28,22,785

Printers of 60 yds. are entered in the equivalent of 30-yds. a piece, and similarly with T.-Cloths of 48, 72 and 96 yards into 24 yards a piece.

DESCRIPTION OF GOODS.	From 1st Jan. to 31st Dec. 1916.	From 1st Jan. to 31st Dec. 1917.	From 1st Jan. to 31st Dec. 1918.	From 1st Jan. to 31st Dec. 1919.	From 1st Jan. to 31st Dec. 1920.	From 1st Jan. to 31st Dec. 1921.	From 1st Jan. to 31st Dec. 1922.	From 1st Jan. to 31st Dec. 1923.	From 1st Jan. to 31st Dec. 1924.	From 1st Jan. to 31st Dec. 1925.
WHITE GOODS.										
25.86 in. x 39/42 yds. Shirtings and Longcloths	Pcs. 8,78,850	Pcs. 8,31,958	Pcs. 8,95,555	Pcs. 8,51,186	Pcs. 7,81,207	Pcs. 2,47,268	Pcs. 2,53,813	Pcs. 4,18,410	Pcs. 5,30,278	Pcs. 6,06,159
18/40 in. x 18/20 yds. Jaconets	" 1,54,232	" 67,864	" 37,396	" 55,787	" 1,76,809	" 17,027	" 47,271	" 69,816	" 42,353	" 39,960
26/39 in. x " Mulls and Nainsooks	" 23,19,782	" 22,78,066	" 9,54,072	" 5,81,684	" 18,54,827	" 8,30,125	" 7,12,563	" 11,17,638	" 13,08,035	" 11,41,810
40/45 in. x " do. do.	" 4,87,286	" 4,18,296	" 4,14,425	" 2,90,008	" 2,75,932	" 1,61,264	" 3,28,661	" 2,67,650	" 4,20,306	" 3,32,930
46 in. and upwards do. do.	" 11,85,766	" 7,74,422	" 10,31,899	" 9,56,073	" 9,69,292	" 5,61,933	" 11,74,130	" 10,93,137	" 10,49,643	" 11,51,469
82 to 42 in. x 12 to 18 yds. Cambrics	" 20,339	" 10,573	" 13,857	" 24,040	" 18,958	" 284	" 9,775	" 15,215	" 16,297	" 15,694
Twills and Drills	" 1,33,166	" 64,855	" 19,618	" 35,198	" 1,53,112	" 26,360	" 18,416	" 64,827	" 96,247	" 1,38,166
Total for 12 months	Pcs. 51,79,461	Pcs. 44,45,529	Pcs. 28,66,816	Pcs. 22,98,956	Pcs. 41,80,187	Pcs. 18,44,261	Pcs. 25,42,631	Pcs. 30,36,708	Pcs. 34,63,159	Pcs. 35,00,178
TURKEY RED AND SCARLET GOODS.										
All widths and lengths, Cambrics	Pcs. 57,992	Pcs. 1,13,201	Pcs. 90,197	Pcs. 5,384	Pcs. 76,050	Pcs. 30,575	Pcs. 71,514	Pcs. 1,47,477	Pcs. 35,430	Pcs. 66,964
Do. Shirtings	" 1,61,221	" 2,45,209	" 1,13,768	" 58,533	" 1,67,568	" 59,332	" 1,86,306	" 1,87,461	" 1,55,712	" 1,68,145
Red T cloth 27 to 28 in. X 24 to 25 yds.	"	"	"	"	"	"	"	"	" 22,468	" 14,860
80 in. and over X 19/20 yds. Mulls	" 8,245	" 6,478	" 8,932	" 2,872	" 3,162	"	" 1,668	" 13,805	" 4,172	" 5,163
Do. do. Jaconets	"	" 2,861	" 5,135	" 1,889	" 3,600	" 2,386	" 16,038	" 9,541	" 6,858	" 1,699
All widths and lengths, Twills and Dimities	" 8,890	" 14,122	" 4,921	" 4,302	" 12,023	" 8,036	" 9,371	" 4,605	" 5,988	" 6,890
All widths and lengths, Prints and Chints	" 1,97,708	" 3,21,744	" 2,85,452	" 1,25,079	" 1,69,452	" 59,149	" 1,44,918	" 1,60,930	" 1,42,350	" 89,609
80 in. and over X 20 yds. Printed Jaconets	" 1,86,332	" 2,24,555	" 1,45,172	" 86,270	" 1,14,386	" 22,384	" 22,239	" 38,997	" 58,596	" 61,314
Scarfs and Saris	" 3,14,326	" 3,31,547	" 4,02,521	" 2,32,333	" 3,96,507	" 8,05,424	" 3,35,631	" 4,39,377	" 5,90,218	" 4,62,379
Handkerchiefs	" 4,85,191	" 8,12,516	" 2,32,510	" 92,114	" 8,87,318	" 88,701	" 77,590	" 76,799	" 1,64,782	" 84,623
Total for 12 months	Pcs. 14,21,455	Pcs. 16,32,238	Pcs. 12,88,598	Pcs. 6,08,826	Pcs. 18,30,056	Pcs. 5,70,487	Pcs. 8,64,339	Pcs. 10,79,492	Pcs. 12,36,569	Pcs. 9,64,648
WOOLLENS.										
Army Cloth	Yds. 84,329	Yds. 82,504	Yds. 23,754	Yds. 16,747	Yds. 40,880	Yds. 5,299	Yds. 11,491	Yds. 21,071	Yds. 36,325	Yds. 41,588
Spanish Stripes and Ladies' Cloth	"	" 5,629	"	"	" 6,711	" 276	"	"	" 1,489	" 280
Flannels	" 21,75,520	" 40,18,724	" 10,77,073	" 7,94,548	" 18,94,658	" 3,46,836	" 3,73,157	" 8,54,461	" 17,73,606	" 11,31,436
Broad Cloth	" 25,196	" 31,835	" 16,088	" 19,424	" 66,953	" 17,741	" 11,404	" 17,678	" 53,257	" 54,351
Alpaca, Merino, Italian, &c.	" 5,62,178	" 4,42,091	" 2,88,430	" 3,86,749	" 9,60,144	" 3,44,507	" 1,13,534	" 4,19,650	" 6,60,271	" 2,85,503
Union Cloth	" 12,508	" 9,257	" 3,393	" 17,572	" 64,890	" 4,917	" 4,072	" 28,808	" 28,486	" 29,203
Cashmere and Coatings	" 6,35,440	" 7,44,812	" 7,05,826	" 5,79,033	" 18,38,837	" 5,48,203	" 2,48,435	" 5,55,909	" 13,61,461	" 10,92,714
All other sorts	" 7,72,388	" 10,91,732	" 6,42,119	" 3,32,571	" 14,06,539	" 8,75,904	" 3,41,201	" 7,53,225	" 20,71,287	" 20,83,528
Total for 12 months	Yds. 42,67,509	Yds. 64,26,584	Yds. 33,57,283	Yds. 21,46,644	Yds. 62,91,412	Yds. 16,43,683	Yds. 10,98,333	Yds. 26,44,030	Yds. 59,86,182	Yds. 47,18,303

IMPORTS INTO BOMBAY OF PIECE-GOODS AND YARNS, &c., FROM EUROPE, AMERICA, JAPAN AND ELSEWHERE DURING THE YEARS 1916 TO 1925.—(contd.)

DESCRIPTION OF GOODS.	From 1st Jan. to 31st Dec. 1916.		From 1st Jan. to 31st Dec. 1917.		From 1st Jan. to 31st Dec. 1918.		From 1st Jan. to 31st Dec. 1919.		From 1st Jan. to 31st Dec. 1920.		From 1st Jan. to 31st Dec. 1921.		From 1st Jan. to 31st Dec. 1922.		From 1st Jan. to 31st Dec. 1923.		From 1st Jan. to 31st Dec. 1924.		From 1st Jan. to 31st Dec. 1925.			
	Pcs.		Pcs.		Pcs.		Pcs.		Pcs.		Pcs.		Pcs.		Pcs.		Pcs.		Pcs.		Pcs.	
FANCY GOODS.																						
Dyed Shirtings and Umbrella Cloth	Pcs.	2,21,321	Pcs.	1,21,212	Pcs.	64,798	Pcs.	32,891	Pcs.	1,15,285	Pcs.	1,15,797	Pcs.	1,25,618	Pcs.	1,20,666	Pcs.	1,71,179	Pcs.	2,24,602		
" Madapolams and Cambrics	"	97,160	"	26,867	"	6,982	"	2,519	"	5,049	"	11,357	"	41,988	"	82,288	"	17,856	"	15,199		
" Jaconets	"	.....	"	.....	"	.....	"	.....	"	.....	"	.....	"	.....	"	250	"	257	"	12
Prints and Chints, all Widths and Lengths	"	18,57,625	"	15,99,804	"	10,29,968	"	4,42,944	"	18,81,245	"	5,19,687	"	5,80,597	"	11,84,244	"	11,89,051	"	12,59,000		
Printed Muslins and Jaconets, all Widths and Lengths	"	8,46,885	"	3,73,445	"	1,91,629	"	2,11,586	"	4,47,427	"	1,33,124	"	2,29,327	"	2,48,005	"	3,51,245	"	3,01,024		
Lappets, White	"	1,01,175	"	80,015	"	30,336	"	28,244	"	71,701	"	12,116	"	35,248	"	40,927	"	47,830	"	36,897		
" Coloured	"	18,379	"	5,021	"	2,000	"	2,891	"	9,180	"	.....	"	795	"	2,247	"	1,744	"	4,103	
Lappet and Lace Scarfs	"	9,431	"	7,290	"	1,970	"	4,182	"	9,288	"	2,744	"	8,095	"	2,166	"	1,944	"	6,074		
Dhories, Grey	"	10,45,243	"	7,06,845	"	7,54,954	"	8,57,506	"	7,16,192	"	2,30,719	"	7,17,066	"	9,00,341	"	8,85,686	"	10,65,117		
" Bleached	"	10,76,404	"	10,76,806	"	7,87,009	"	12,81,239	"	6,84,248	"	2,69,158	"	7,47,587	"	7,79,111	"	9,73,886	"	13,55,766		
Scarfs and Sarmes, Grey	"	27,645	"	24,618	"	8,523	"	5,335	"	17,458	"	.....	"	16,567	"	31,099	"	57,061	"	17,487	
" " Bleached	"	1,03,680	"	86,185	"	43,265	"	15,822	"	58,018	"	7,660	"	25,220	"	18,898	"	22,685	"	47,816		
" " Coloured and Printed	"	12,99,904	"	9,67,855	"	5,33,114	"	2,33,089	"	10,52,469	"	8,69,985	"	3,24,917	"	8,54,779	"	10,00,403	"	11,60,694		
Book Muslins and Lawns	"	5,23,649	"	2,92,102	"	1,86,652	"	2,35,120	"	2,83,525	"	63,479	"	1,41,157	"	1,76,066	"	83,847	"	1,00,652		
Gauze, Plain, Figured, Striped and Checked	"	1,90,035	"	3,66,173	"	2,32,681	"	13,910	"	34,520	"	19,996	"	70,533	"	63,601	"	79,651	"	91,934		
Deria and Mill Stripes	"	4,30,496	"	2,66,010	"	89,912	"	88,416	"	3,14,485	"	30,562	"	70,787	"	1,64,455	"	1,15,812	"	1,13,141		
Cotton and Linen Ticks	"	2,403	"	636	"	834	"	270	"	8,084	"	864	"	823	"	1,070	"	295	"	1,596		
Twills & Drills, and Denims, Cold	"	2,08,029	"	1,52,978	"	86,363	"	53,731	"	1,41,318	"	63,812	"	67,474	"	81,994	"	1,10,471	"	1,49,201		
Imitation Linen Dhories and Sarties	"	23,224	"	12,144	"	11,182	"	3,140	"	8,783	"	1,176	"	16,478	"	7,167	"	5,978	"	13,299		
Emb. Muslins, Jaconets and Scarfs (White)	"	1,39,459	"	55,233	"	2,456	"	24,793	"	1,97,901	"	8,632	"	24,136	"	1,02,674	"	1,97,038	"	1,63,448		
Nansooks, Coloured, 12 yds.	"	446	"	12	"	.....	"	.....	"	1,952	"	.....	"	.....	"	.....	"	.....	"	.....
Trouserings and Washing Checks	"	48,029	"	44,675	"	15,362	"	13,480	"	84,877	"	29,773	"	9,381	"	30,412	"	75,040	"	64,409		
Merod, Tussore Suitings	"	1,59,441	"	1,40,745	"	19,444	"	14,223	"	1,72,681	"	25,794	"	5,235	"	27,667	"	51,954	"	55,788		
Harwards, Oxfords and Zephyrs	"	1,32,136	"	68,584	"	28,282	"	28,338	"	2,44,175	"	25,996	"	26,223	"	69,248	"	1,02,465	"	64,702		
Satun	"	60,610	"	52,927	"	29,415	"	14,301	"	1,18,789	"	24,834	"	32,712	"	1,36,118	"	2,81,767	"	1,36,604		
Coatings and Tweeds and Cotton and Art Silk Voile and Crepe	"	1,82,294	"	1,74,332	"	98,649	"	98,987	"	2,68,139	"	58,268	"	60,215	"	1,54,734	"	2,14,202	"	2,60,033		
Italians and Poplins	"	1,22,528	"	1,05,847	"	34,307	"	49,595	"	1,43,810	"	81,463	"	16,583	"	49,236	"	78,584	"	1,03,055		
Dimities, Brocades and Brilliants	"	1,87,423	"	1,09,573	"	45,885	"	40,791	"	1,12,421	"	40,434	"	41,827	"	1,53,411	"	1,49,139	"	1,19,264		
Velvets, Cotton	"	19,809	"	20,231	"	17,489	"	12,820	"	25,512	"	13,301	"	10,727	"	18,744	"	23,233	"	18,810		
Grenadines, Cotton (Silk Flowered)	"	49,595	"	29,726	"	4,702	"	12,273	"	30,330	"	12,425	"	18,611	"	31,787	"	24,291	"	16,642		
Cotton and Artificial Silk Piece-goods	"	.....	"	78,085	"	2,854	"	29,228	"	89,494	"	12,885	"	10,317	"	72,301	"	1,44,446	"	1,22,779	
Total for 12 months		Pcs.	84,84,458	Pcs.	69,74,781	Pcs.	43,43,997	Pcs.	39,02,167	Pcs.	73,38,851	Pcs.	21,36,041	Pcs.	34,76,369	Pcs.	55,45,241	Pcs.	64,67,040	Pcs.	70,94,148	
Flannels, Cotton	Total for 12 months	yds.	14,11,187	yds.	19,67,545	yds.	4,52,210	yds.	1,46,095	yds.	24,04,798	yds.	1,31,197	yds.	1,10,472	yds.	6,43,002	yds.	15,01,995	yds.	18,80,468	
Nets	Do.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Handkerchiefs, White	Do.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
" Printed	Do.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Blankets, Cotton	Do.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Grey Sheetings	Do.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

750

* Not recorded. † From 1st May.

DESCRIPTION OF GOODS.	From 1st Jan. to 31st Dec. 1916.	From 1st Jan. to 31st Dec. 1917.	From 1st Jan. to 31st Dec. 1918.	From 1st Jan. to 31st Dec. 1919.	From 1st Jan. to 31st Dec. 1920.	From 1st Jan. to 31st Dec. 1921.	From 1st Jan. to 31st Dec. 1922.	From 1st Jan. to 31st Dec. 1923.	From 1st Jan. to 31st Dec. 1924.	From 1st Jan. to 31st Dec. 1925.
YARNS.										
Grey Mule and Medio, 10/24's say 20's	lbs. 600	lbs. 4,383	lbs. 160	lbs. 18,55,708	lbs. 43,11,110	lbs. 40,27,920	lbs. 78,72,287	lbs. 58,41,310	lbs. 31,16,566	lbs. 17,49,908
" " 26/32's " 30's	1,81,582	48,915	54,081	12,71,056	84,56,623	45,44,712	95,61,516	42,17,294	38,60,429	46,99,605
" " 34/42's " 40's	14,39,944	408,315	2,88,184	14,09,586	61,61,363	79,16,833	94,83,063	85,78,347	98,47,491	1,06,56,303
" " 44/62's " 50's	8,42,809	2,28,576	1,45,737	7,45,182	8,31,992	14,70,532	14,74,480	11,86,207	11,75,866	6,10,082
" " 54/80's " 60's	8,01,245	1,50,490	96,561	6,27,481	13,78,410	8,02,542	9,62,002	5,53,938	8,56,855	13,87,089
" " above 60's	6,98,764	8,12,888	2,11,050	6,06,396	7,43,568	12,58,864	13,08,389	11,59,084	12,85,757	8,29,200
Grey Water and Mock, 16/24's say 20's	237	3,000	.. .. .	6,014	.. .. .	.. .. .	3,853	.. .. .	.. .. .	.. .. .
" " 26/32's " 30's	9,28,844	5,07,302	65,700	1,69,808	7,95,100	12,88,850	14,47,400	1,54,200	1,41,950	65,100
" " 40's "	8,11,178	1,10,400	18,500	78,800	2,14,900	8,40,050	5,87,700	1,78,500	93,500	7,500
" " above 40's	82,405	.. .. .	2,000	2,000	8,600	50,959	20,419	12,100	.. .. .	.. .. .
Total for 12 months, Grey Yarns ..	lbs. 46,27,653	lbs. 18,23,762	lbs. 8,74,913	lbs. 62,21,561	lbs. 1,79,01,075	lbs. 2,17,00,862	lbs. 3,26,69,059	lbs. 2,18,76,040	lbs. 1,98,78,214	lbs. 2,02,06,178
Eleached	lbs. 10,26,457	lbs. 4,48,131	lbs. 8,10,914	lbs. 2,14,821	lbs. 13,73,073	lbs. 13,63,498	lbs. 13,40,418	lbs. 15,36,318	lbs. 18,01,205	lbs. 22,11,138
Turkey Red	lbs. 9,70,089	lbs. 9,60,468	lbs. 5,68,136	lbs. 2,68,070	lbs. 11,72,364	lbs. 7,56,373	lbs. 5,81,718	lbs. 4,01,585	lbs. 7,23,657	lbs. 5,75,156
Orange and Yellow	7,04,171	65,200	31,540	1,15,200	4,07,948	3,00,000	2,30,800	3,83,979	3,10,758	2,49,425
Green	2,13,400	.. .. .	18,472	88,200	82,000	45,999	52,400	89,600	86,400	22,000
Other Colours	*7,17,504	*4,43,419	*1,56,372	*5,75,847	*15,29,278	*14,63,915	*15,63,265	*17,57,278	*26,40,875	*28,93,275
Total for 12 months, Coloured Yarns ..	lbs. 26,05,114	lbs. 14,69,082	lbs. 7,70,020	lbs. 10,40,817	lbs. 31,91,590	lbs. 25,66,237	lbs. 24,53,983	lbs. 25,87,442	lbs. 37,81,690	lbs.
Total, all Yarns..	lbs. 82,58,224	lbs. 37,40,976	lbs. 19,55,847	lbs. 74,76,699	lbs. 2,24,65,733	lbs. 2,56,30,647	lbs. 3,64,63,460	lbs. 2,54,99,795	lbs. 2,54,41,109	lbs. 2,61,57,172
COAL AND COKE.										
Coal (from Europe and Australia), Private	Tons 9,384	lbs. 9,551	Tons 1,230	Tons 3,134	Tons 6,146	Tons 2,27,690	Tons 2,45,920	Tons 1,10,476	Tons 70,848	Tons 61,865
" " Japan) Do. .. .. .	.. .. .	191	.. .. .	700	8,297	18,320	48,154	1,488	2,197	7,090
" " other Foreign Ports) Do.	14,120	12,371	85,788	83,489	14,892	1,46,228	1,85,028	2,94,776	2,11,639	2,27,717
" " Bengal) Do.	1,444	.. .. .	.. .. .	8,065	2,94,972	4,82,076	70,462	96,515	2,11,176	2,09,909
Coke (" Europe) Do.	987	.. .. .	.. .. .	.. .. .	.. .. .	2,018	7,083	2,316	1,074	1,074
" " Natal) Do. .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	188	711	3,269	1,204	484	.. .. .
" " Bengal) Do. .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	1,109	.. .. .	196	.. .. .	.. .. .
Coal (" Europe and Australia) By Railways .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	2,01,319	3,00,850	9,000	.. .. .	.. .. .
" " other Foreign Ports) Do. .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	2,54,880	7,440	.. .. .	.. .. .	.. .. .
" " Bengal) Do. .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	53,687	.. .. .	.. .. .	.. .. .	.. .. .

*This includes mercerised yarn.

EXPORTS OF INDIAN MANUFACTURED PIECE-GOODS AND YARNS FROM BOMBAY.

BY STEAMERS, SHIPS, AND COUNTRY CRAFT.

From 1st January to 31st December 1925.

As per Export General Manifests.

TO	Grey and White Piece-goods.			Coloured Piece-goods.		Total.		Twist.	
	Pkgs.	Yards.	Lbs.	Pkgs.	Yards.	Pkgs.	Yards.	Bales.	Lbs.
Bengal-Calcutta.. ..	34,928	6,32,03,990	1,45,56,496	4,305	67,95,236	39,233	6,99,99,226	11,203	44,69,204
Bengal-other Ports	3	5,700	1,540	4	5,760	7	11,460	.. ..	.. ..
Madras	186	2,80,934	73,565	.. ..	.. ..	186	2,80,934	2,062	3,20,900
Malabar and C. Coasts (Calicut, Cochin, &c.)	3,008	57,61,061	14,32,666	3,615	73,44,150	6,623	1,31,02,211	15,950	59,31,547
Kutch-Kathiawar (Anjar, Porabunder, &c.)	2,842	48,36,350	11,93,360	2,819	54,86,546	5,661	1,03,22,896	16,323	65,25,188
British Concan and Gujerat (Broch, Surat, Vengurla, &c.)	574	8,59,935	1,90,065	1,387	19,61,681	1,961	28,21,616	631	2,03,470
Foreign Concan (Boril, Rajpuri, &c.)	12	24,785	5,333	16	36,285	28	61,070	9	2,590
Goa (M. Goa.) Daman and Diu.	98	1,79,210	44,840	236	4,40,730	334	6,19,940	129	41,628
Sind (Karachi)	55,653	10,59,97,305	2,64,77,264	2,36,680	3,95,24,019	79,313	14,55,21,324	15,868	60,53,110
British Burmah (Rangoon, Moulmein, &c.)	4,510	67,03,914	14,96,048	11,963	1,91,13,580	16,473	2,58,17,474	30,008	1,08,49,647
Ceylon (Colombo)	355	5,89,384	1,40,349	874	15,91,127	1,229	21,80,511	295	96,844
Laccadives and Maldives .. ..	.. ..	.. ..	.. ..	.. ..	11,700	.. ..	11,700	.. ..	.. ..
China (Hongkong) .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	28,621	1,14,48,400
China (Shanghai) .. ..	.. ..	.. ..	.. ..	1	850	1	850	.. ..	.. ..
China (Tientsin, Amoy)	2	3,000	620	60	1,41,370	62	1,44,370	2	800
Japan (Yokohama, Kobe, Moji, &c.) .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	10	400
Straits Settlements (Penang and Singapore)	63	1,43,780	36,140	814	5,83,137	877	7,26,917	2,494	9,90,590
Persia (Bushire, Linga, &c.)	3,408	59,29,291	11,18,767	14,933	2,24,80,739	18,341	2,84,10,030	8,253	31,03,950
Arabia (Jeddah, Muscat, &c.)	918	16,84,695	3,44,096	2,944	66,45,641	3,857	83,30,336	963	3,70,900
Turkey—Asiatic .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	80	82,000
Mesopotamia — Busreh and Bagdad	10,708	1,32,75,842	27,05,461	16,700	2,46,21,191	27,408	3,78,97,033	2,136	8,35,660
Syria — Alexandretta, Caifa, Beyrout, &c.	5	7,200	1,500	378	5,63,800	383	5,71,000	4,971	19,76,400
Palestine .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..
Smyrna	5	4,000	1,363	.. ..	.. ..	5	4,000	1,405	5,59,563
Mekran and Somiani (Verma, Gwadhar, &c.)	9	18,795	2,475	22	41,625	31	60,420	.. ..	.. ..
Aden	695	14,54,193	3,51,969	1,650	34,97,217	2,345	49,51,410	8,080	30,53,670
Africa—Mauritius, Seychelles and Reunion	599	11,14,310	2,41,184	551	11,17,961	1,090	22,32,271	.. ..	.. ..
Do. Zanzibar and Pemba	1,143	16,39,545	4,05,255	925	13,57,392	2,068	29,96,927	181	64,100
Do. Kenya Colony (Mombasa, Lamoo, &c.)	4,031	46,45,956	12,27,610	1,318	19,46,751	5,349	65,92,707	77	29,148
Do. Tanganyika Territory (Dar-es-salam, Tanga, &c.)	3,089	40,18,170	10,66,806	1,368	17,79,445	4,457	57,97,615	20	7,804
Do. Portuguese East (Beira, Mozambique, &c.)	4,153	64,52,587	15,91,690	1,805	27,71,067	5,958	92,23,654	29	10,800
Do. Natal (Durban)	513	8,91,698	2,00,227	368	6,22,680	1,181	15,14,578	.. ..	.. ..
Do. Cape of Good Hope (Cape Town, East London)	2	2,800	600	5	10,080	7	12,980	.. ..	.. ..
Do. Somaliland (Magdishu, Djibouti, &c.)	516	10,46,456	2,18,223	171	3,63,873	687	14,10,329	199	73,710
Do. Abyssinia (Massawah)	44	79,800	20,325	202	3,73,366	246	4,53,166	47	16,300
Do. Suakim and Port Sudan	937	12,64,004	2,81,955	801	13,33,345	1,738	25,97,349	2	800
Do. Egypt (Alexandria, Suez Port Said, &c.)	119	2,75,295	67,735	2,165	33,52,275	2,284	36,27,570	14,508	57,97,725
Do. Tripoli, Tunis, Algiers	3	4,900	1,300	.. ..	.. ..	3	4,900	245	98,000
Do. Madagascar (Nossebe, Majunga, &c.) .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..
Sumatra and Borneo (Padang, Palembang, &c.) .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	10	400
Port—Swettenham .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..
Java (Batavia, Sourabaya, &c.)	4	8,000	2,000	23	50,610	27	58,610	180	59,000
Siam (Bangkok)	854	7,77,436	1,82,598	619	17,38,302	673	25,16,738	4,074	16,27,606
Philippine Islands (Maccassar, Manila, &c.) .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	408	1,39,000
Turkey in Europe .. ..	.. ..	.. ..	.. ..	48	72,300	48	72,300	1,233	4,89,200
Europe	12	20,313	4,940	188	2,93,880	195	3,14,203	4,596	17,23,000
Australia	1	968	500	1	865	2	1,833	.. ..	.. ..
Cyprus .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	920	3,000
Fiji Islands (Suva) .. ..	.. ..	1,250	250	.. ..	.. ..	.. ..	1,250	.. ..	.. ..
Socotra	20	10,400	2,080	4	1,200	24	11,600	.. ..	.. ..
America .. ..	.. ..	.. ..	.. ..	.. ..	672	.. ..	672	.. ..	.. ..
Total Exports from 1st January to 31st December, 1925	1,38,458	23,32,17,232	5,56,88,235	96,447	15,80,69,128	2,29,905	39,12,86,360	1,76,210	6,78,600
Do. do. 1924	1,77,950	32,00,67,971	7,56,57,413	1,03,999	16,90,55,231	2,81,949	49,91,43,202	1,75,175	6,78,600
Exported same time, 1923	1,73,381	30,44,97,408	6,94,52,982	1,10,242	18,09,90,710	2,83,624	48,54,88,118	2,15,036	8,36,000
Do. do. 1922	1,38,769	25,42,92,354	6,59,28,239	1,00,581	17,64,11,422	2,39,350	43,07,06,776	2,67,711	10,51,000
Do. do. 1921	1,20,789	21,26,63,436	5,85,77,720	99,518	15,96,72,347	2,20,257	37,21,86,782	3,14,330	12,000
Do. do. 1920	1,49,552	24,12,30,910	6,14,82,868	1,57,042	12,08,82,112	3,06,594	36,16,68,022	2,88,778	11,330
Do. do. 1919	1,82,112	21,93,43,338	5,65,36,165	1,16,313	20,22,86,577	2,48,425	42,16,29,965	3,72,212	14,690
Do. do. 1918	94,071	15,34,63,774	4,00,25,958	71,424	12,60,63,308	1,65,495	27,95,27,082	1,93,275	7,550
Do. do. 1917	1,14,845	17,69,34,869	4,61,19,953	86,909	14,82,90,808	1,98,754	32,52,25,672	3,78,187	14,710
Do. do. 1916	1,75,923	24,93,26,445	7,09,56,464	82,818	13,96,16,582	2,58,741	38,79,42,967	4,10,872	16,200
Do. do. 1915	1,08,956	19,99,68,079	5,83,50,926	61,045	10,30,38,388	1,70,001	30,30,06,412	4,71,395	18,000

**EXPORTS OF INDIAN MANUFACTURED PIECE-GOODS AND YARNS
FROM BOMBAY BY RAIL.**

From 1st January to 31st December, 1925.
G. I. P. AND CONNECTED RAILWAYS.

TO	INDIAN PIECE-GOODS.		INDIAN TWIST.	REMARKS
	Bales.	Boxes.	Bales.	
GREAT INDIAN PENINSULA RAILWAY.				
BOMBAY TO NASIK ROAD, EXCLUDING NASIK ROAD	677	9	163	
NASIK ROAD	1,592	5	1,261	
NASIK ROAD TO MANMAD	1,058	9	4,312	
MANMAD TO BHUSAVAL	1,571	83	2,444	
BHUSAVAL TO AKOLA, EXCLUDING AKOLA AND KHAMGAON .	858	44	322	
AKOLA	1,240	104	411	
AKOLA TO BADNERA	221	22	54	
BADNERA TO WARDHA, EXCLUDING WARDHA	254	10	32	
WARDHA	352	75	9	
WARDHA TO ITWARI BAZAR, EXCLUDING NAGPUR	820	247	6,982	
NAGPUR	623	133	206	
BHUSAVAL TO KHANDWA, EXCLUDING KHANDWA	1,052	45	1,291	
KHANDWA	834	59	89	
KHANDWA TO ITARSI	1,242	90	311	
ITARSI TO NAGPUR	530	16	458	
ITARSI TO GADARVADA	660	22	329	
GADARVADA TO JUBBULPORE, EXCLUDING JUBBULPORE ..	917	95	352	
JUBBULPORE	2,360	255	1,257	
G. I. P. RAILWAY—BRANCH LINES.				
DHOND-MANMAD RAILWAY.				
MANMAD TO DHOND, EXCLUDING AHMEDNAGAR	969	11	482	
AHMEDNAGAR	1,117	34	1,488	
CHALISGAON-DHULIA LINE	323	19	286	
JALGAON-AMALNER LINE	381	8	624	
JALAMB TO KHAMGAON	554	22	72	
BADNERA TO AMRAOTI	853	122	136	
WARDHA COAL RAILWAY.				
WARDHA TO BALLARSHAH, EXCLUDING WARORA	363	26	265	
WARORA	78	3	53	
MOHPANI VIA GADARVADA .. .. .	..	..	..
INDIAN MIDLAND RAILWAY via ITARSI.				
ITARSI TO BHOPAL INCLUSIVE	956	21	139	
BHOPAL TO UJJAIN SECTION AND VIA	552	47	163	
BHOPAL TO BINA	737	11	76	
BINA TO KATNI AND VIA	16,837	134	3,460	
BINA TO BARAN AND VIA	531	23	423	
BINA TO JHANSI	439	9	213	
JHANSI TO CAWNPORE, EXCLUDING CAWNPORE	43	1	58	
CAWNPORE AND VIA	84,208	762	3,113	
STATIONS BETWEEN JHANSI AND MANIKPUR AND VIA ..	3,523	41	2,155	
CAWNPORE-BANDA SECTION .. .. .	..	..	..
JHANSI TO GWALIOR, EXCLUDING GWALIOR	13	..	..
GWALIOR AND VIA GWALIOR	455	6	212	
GWALIOR TO AGRA, EXCLUDING AGRA	204	4	13	
AGRA AND VIA	41	..	32	
STATIONS BETWEEN AGRA AND ALIGARH .. .. .	..	..	..
ALIGARH	19	4	9	
VIA ALIGARH, OUDH AND ROHILKHAND RAILWAY	6	1	11	
STATIONS BETWEEN AGRA AND DELHI	21	6	3	
ALIGARH TO SAHARANPUR VIA GHAZIABAD AND CHANDOUSI	454	6	5	
GHAZIABAD TO MORADABAD .. .. .	..	..	..
DELHI .. .. .	..	..	..
DELHI-KALKA RAILWAY .. .. .	..	..	..
STATIONS BETWEEN SAHARANPUR AND LAHORE, EXCLUDING	..	..	..
AMRITSAR AND LAHORE .. .. .	..	..	..
AMRITSAR	11	..	..
LAHORE .. .. .	..	..	..
STATIONS BEYOND LAHORE .. .. .	..	..	..
STATIONS ON SOUTHERN PUNJAB RAILWAY AND VIA ..	1	..	..
STATIONS ON DHOLPUR-BARI RAILWAY .. .. .	..	..	5	
Carried forward	1,30,490	2,644	33,779	

G. I. P. AND CONNECTED RAILWAYS—continued.

TO	INDIAN PIECE-GOODS.		INDIAN TWIST.	REMARKS.
	Bales.	Boxes.	Bales.	
Brought forward ..	1,30,490	2,644	33,779	
EAST INDIAN RAILWAY via JUBBULPORE.				
JUBBULPORE TO KATNI .. .. .	..	..	..	107
KATNI TO MANIKPUR	2,795	6	..	1
MANIKPUR TO ALLAHABAD	9	..	..	..
STATIONS EAST OF ALLAHABAD, EXCLUDING CALCUTTA CALCUTTA	927	41	..	149
STATIONS BETWEEN CAWNPORE AND ALLAHABAD	99	1	..	..
ALLAHABAD .. .. .	..	2	..	..
STATIONS BETWEEN CAWNPORE AND LUCKNOW .. .. .	..	..	..	..
LUCKNOW .. .. .	..	..	..	..
STATIONS BEYOND LUCKNOW	4	..	..	..
STATIONS BETWEEN CAWNPORE AND AGRA	151	..	..	7
STATIONS BETWEEN AGRA AND HATHRAS .. .. .	..	..	..	..
HATHRAS	1	..	..	..
STATIONS BETWEEN HATHRAS AND CAWNPORE-ACHNERA RAILWAY	2	..	..	..
STATIONS BETWEEN HATHRAS AND MUTTRA .. .. .	..	..	..	..
MUTTRA .. .. .	..	..	..	2
STATIONS BETWEEN HATHRAS AND DELHI .. .. .	..	..	..	..
DELHI .. .. .	..	..	..	..
DELHI TO BHATINDA .. .. .	..	..	..	..
BHATINDA TO LAHORE AND BEYOND .. .. .	..	..	..	..
STATIONS ON CENTRAL PROVINCES RAILWAY via MURTAJAPUR ..	2,566	165	..	379
PULHON-ARVI RAILWAY	83	7	..	39
PACORA-JAMNER RAILWAY	121	..	..	4
BENGAL-NAGPUR RAILWAY via NAGPUR.				
NAGPUR TO RAIPUR, EXCLUDING RAIPUR	1,412	217	..	332
RAIPUR	899	16	..	379
RAIPUR TO BILASPUR	77	1	..	..
STATIONS EAST OF BILASPUR (EXCLUDING ARMENIAN GHAT, HOWRAH AND CALCUTTA)	63,344	332	..	9,355
HOWRAH AND CALCUTTA	13	..	..	..
ARMENIAN GHAT	205	14	..	5
BILASPUR TO KATNI, EXCLUDING KATNI	22	1	..	1
KATNI AND VIA .. .. .	..	..	..	..
STATIONS ON BENGAL-NAGPUR RAILWAY via JUBBULPORE ..	252	13	..	398
Do. do. do. via ITWARI	410	18	..	101
HYDERABAD-GODAVARY VALLEY RY.				
ANMAD TO SECUNDERABAD AND VIA, EXCLUDING AURANGABAD AND JALNA	1,608	467	..	3,247
AURANGABAD	455	43	..	111
JALNA	732	90	..	877
STATIONS ON RAJPUTANA-MALWA RAILWAY via KHANDWA ..	53	1	..	3
STATIONS ON TAPTI-VALLEY RAILWAY via AMALNER	4	1	..	2
SOUTHERN SECTION.				
GREAT INDIAN PENINSULA RAILWAY.				
STATIONS BETWEEN KALYAN AND POONA	620	8	..	545
POONA	1,785	79	..	1,003
POONA TO DHOND	140	2	..	48
STATIONS BETWEEN DHOND AND KURDUWADI	171	24	..	372
KURDUWADI	32	7	..	199
KURDUWADI TO HOTGI, EXCLUDING SHOLAPUR	13	1	..	29
SHOLAPUR	1,512	267	..	1,234
HOTGI TO WADI	928	70	..	508
WADI TO RAICHUR	770	58	..	685
STATIONS ON DHOND-BARAMATI RAILWAY via DHOND ..	97	16	..	87
STATIONS ON BARSII LIGHT RAILWAY	1,021	172	..	805
STATIONS ON MATHERAN STEAM LIGHT TRAMWAY via NERAL ..	6	..	..	..
Carried forward ..	2,13,829	4,784	..	54,733

G. I. P. AND CONNECTED RAILWAYS—*continued.*

TO	INDIAN PIECE-GOODS.		INDIAN TWIST.	REMARKS.
	Bales.	Boxes.	Bales.	
Brought forward ..	2 13,829	4,784	54,733	
NIZAM'S RAILWAY.				
WADI TO BEGAMPAT	64	10	520	
HYDERABAD	271	89	34	
SECUNDERABAD	4,145	1,062	2,505	
SECUNDERABAD TO WARANGAL	44	18	832	
STATIONS BETWEEN WARANGAL AND BEZWADA	2	..	..
BEZWADA AND VIA	7,454	424	24,942	
VIA SECUNDERABAD (H. G. V. RY.)	6	1	..	
MADRAS AND SOUTHERN MAHRATTA RAILWAY.				
RAICHUR TO GUNTAKAL	355	31	1,724	
STATIONS BETWEEN GUNTAKAL AND MADRAS	632	52	723	
MADRAS	4,897	2,206	1,123	
STATIONS EAST OF BANGALORE, EXCLUDING BANGALORE	1,260	230	537	
HOTGI TO BIJAPUR	494	10	320	
BIJAPUR TO BAGALKOT	942	94	620	
BAGALKOT TO GADAG	206	37	2,106	
POONA TO MIRAJ	2,629	237	2,316	
MIRAJ TO KOLHAPUR	1,644	166	1,288	
STATIONS BETWEEN MIRAJ AND BELGAUM	1,218	65	2,858	
BELGAUM	1,175	151	827	
BELGAUM TO LONDA .. .. .	..	..	..
LONDA TO MARMAGOA .. .. .	..	..	..
STATIONS BETWEEN LONDA AND HUBLI	337	32	24	
HUBLI	749	158	225	
HUBLI TO BIRUR	1,404	192	381	
BIRUR TO SHIMOGA	192	3	6	
STATIONS BETWEEN BIRUR AND BANGALORE	303	11	13	
BANGALORE	4,323	605	495	
BANGALORE TO NANJANGUD	1,119	98	44	
STATIONS BETWEEN HUBLI AND GADAG	14	..	118	
GADAG	579	216	479	
GADAG TO BELLARY	275	35	113	
BELLARY	874	209	88	
BELLARY TO GUNTAKAL .. .. .	..	..	..
GUNTAKAL TO BEZWADA AND BEYOND	413	50	498	
GUNTAKAL TO DHARMAVARAM	1,032	2	12	
DHARMAVARAM TO BANGALORE	740	28	59	
STATIONS SOUTH-EAST OF DHARMAVARAM	577	21	14	
TOTAL EXPORTS BY G. I. P. & CONNECTED RYS. IN 1925 ..	2,54,247	11,384	1,00,577	
Do. do. do. 1924 ..	1,84,856	9,600	90,820	
Do. do. do. 1923 ..	1,90,399	7,634	1,08,193	
Do. do. do. 1922 ..	1,93,445	3,698	1,21,533	
Do. do. do. 1921 ..	2,06,658	2,012	1,11,289	
Do. do. do. 1920 ..	1,73,134	5,414	93,076	
Do. do. do. 1919 ..	2,16,971	1,484	61,191	
Do. do. do. 1918 ..	68,007	2,502	45,973	
Do. do. do. 1917 ..	26,370	390	19,223	
Do. do. do. 1916 ..	25,663	448	19,479	
Do. do. do. 1915 ..	19,322	644	15,672	

Bombay, Baroda & Central India Railway.
(INCLUDING RAJPUTANA-MALWA RAILWAY).

TO	INDIAN PIECE-GOODS.		INDIAN TWIST.	REMARKS.
	Bales.	Boxes.	Bales.	
BROAD-GAUGE SYSTEM.				
BOMBAY TO SURAT, EXCLUDING SURAT	1,817	21	1,107	
SURAT	1,758	104	2,832	
SURAT TO BROACH, EXCLUDING BROACH	315	3	217	
BROACH	613	26	173	
STATIONS ON THE BROACH-JAMBUSAR RAILWAY	134	3	124	
BROACH TO BARODA, EXCLUDING BARODA	118	4	9	
BARODA	381	20	1,125	
BARODA TO ANAND, EXCLUDING ANAND	36	..	194	
ANAND	12	4	71	
ANAND TO GODHRA, EXCLUDING GODHRA	274	9	61	
BARODA TO GODHRA, EXCLUDING BARODA AND GODHRA	155	5	4	
GODHRA	320	17	32	
ANAND TO AHMEDABAD, EXCLUDING AHMEDABAD	173	8	1,656	
AHMEDABAD	9,224	430	8,927	
AHMEDABAD TO KHARAGHODA	307	..	410	
GODHRA TO RUTLAM	988	31	902	
RUTLAM TO UJJAIN	344	9	364	
NAGDA TO MUTTRA JUNCTION	2,245	30	883	
STATIONS ON THE AGRA BAYANA CHORD, EXCLUDING AGRA .. .. .	..	..	..
AGRA	4,961	13	58	
VIA KANKRAKHARI	237	..	95	
.. UDHNA	938	7	315	
.. KOSAMBA	25	..	1	
.. ANKLESVAR	62	..	11	
.. MIYAGAM, VISHVAMITRI, SAMLAYA AND TIMBA ROAD	526	15	634	
.. CHAMPANER	50	4	..	
.. GODHRA	101	2	63	
.. NADIAD	48	2	31	
.. ANAND	183	2	4,570	
.. AHMEDABAD	279	2	135	
.. SABARMATI (A. D. RY.)	28	2	39	
.. UJJAIN (G. I. P. RY.)	66	2	31	
.. KOTAH	116	5	599	
.. SIWAI MADHOPUR... .. .	121	..	9	
.. AGRA	30	..	80	
.. BILIMORA	18	..	36	
.. MUTTRA, EXCLUDING DELHI SADAR AND VIA DELHI JUNCTION) .. .. .	..	..	..
.. MUTTRA TO DELHI SADAR STATION	37,349	923	1,796	
.. .. TO VIA DELHI	1,586	19	318	
Carried forward	65,988	1,722	27,912	

TO	INDIAN PIECE-GOODS.		INDIAN TWIST.	REMARKS.
	Bales.	Boxes.	Bales.	
Brought forward ...	65,988	1,722	27,912	
METRE-GAUGE SYSTEM.				
VIA RUT-LAM. { RUTLAM TO KHANDWA	2,646	27	1,418	
VIA RUT-LAM. { RUTLAM TO CHITORGARH	1,456	7	668	
VIA RUT-LAM. { VIA CHITORGARH	2,109	8	444	
VIA RUT-LAM. { CHITORGARH TO HATUNDI	1,654	1	392	
VIA SABARMATI. { AJMER	990	6	135	
VIA SABARMATI. { AHMEDABAD TO MARWAR RY. JUNCTION	696	10	2,089	
VIA SABARMATI. { MARWAR RY. JUNCTION TO AJMER	309	22	654	
VIA SABARMATI. { AJMER TO PHULERA	107	..	..
VIA SABARMATI. { PHULERA TO KUCHAMAN ROAD	89	..	57	
VIA SABARMATI. { REWARI-PHULERA CHORD LINE	570	..	16	
VIA SABARMATI. { PHULERA TO JEYPUR	1,469	4	47	
VIA SABARMATI. { JEYPUR TO BANDIKUI	361	..	11	
VIA SABARMATI. { BANDIKUI TO ACHNERA	414	2	38	
VIA SABARMATI. { ACHNERA TO AGRA, EXCLUDING AGRA	2	..	..
VIA SABARMATI. { AGRA VIA BAYANA .. .. .	..	..	..
VIA SABARMATI. { ACHNERA TO CAWNPORE .. .. .	..	..	..
VIA SABARMATI. { BANDIKUI TO DELHI, EXCLUDING DELHI	416	..	306	
VIA SABARMATI. { DELHI .. .. .	..	..	..
VIA SABARMATI. { REWARI TO FAZILKA AND BEYOND	44,378	230	12,809	
VIA SABARMATI. { VIA KALOL	182	11	272	
VIA SABARMATI. { MEHSANA	492	3	1,845	
VIA SABARMATI. { PALANPUR .. .. .	..	..	..
VIA SABARMATI. { MARWAR RAILWAY JUNCTION	6,029	72	3,834	
VIA SABARMATI. { KUCHAMAN ROAD	267	1	66	
VIA SABARMATI. { REENGUS	417	2	60	
VIA SABARMATI. { DELHI .. .. .	..	..	..
VIA SABARMATI. { JAIPUR WEST	22	..	..
VIA SABARMATI. { AGRA EAST BANK .. .. .	..	..	..
VIA SABARMATI. { SANGANER .. .. .	..	..	..
VIA SABARMATI. { MUTTRA .. .. .	..	..	..
VIA SABARMATI. { HATHRAS .. .. .	..	..	..
VIA SABARMATI. { KASGANJ .. .. .	..	..	..
VIA BHA-RATPUR. { ACHNERA TO CAWNPORE	12,776	45	986	
VIA BHA-RATPUR. { BANDIKUI TO ACHNERA .. .. .	..	..	..
VIA BHA-RATPUR. { VIA HATHRAS	206	..	159	
VIA BHA-RATPUR. { " KASGANJ	3,998	15	879	
VIA BHA-RATPUR. { " CAWNPORE	22	2	..	
VIRAMGAM TO WADHWAN	27	3	27	
VIA WADHWAN (B.S. and MORVI DHARANGADHRA RYS.) ..	2,213	42	528	
TOTAL EXPORTS BY B. B. & C. I. RY. IN ..	1925	1,50,905	2,241	55,859
Do. do. ..	1924	1,47,064	2,750	47,019
Do. do. ..	1923	1,61,305	2,808	69,914
Do. do. ..	1922	1,36,533	651	56,710
Do. do. ..	1921	1,17,311	243	53,725
Do. do. ..	1920	75,569	160	37,648
Do. do. ..	1919	20,070	7	30,363
Do. do. ..	1918	12,980	21	43,888
Do. do. ..	1917	8,006	137	30,818
Do. do. ..	1916	4,924	104	20,418
Do. do. ..	1915	3,856	181	29,720

SUMMARY OF EXPORTS BY ALL RAILWAYS.

TO	INDIAN PIECE-GOODS.		INDIAN TWIST.	REMARKS.
	Bales.	Boxes.	Bales.	
G. I. P. AND CONNECTED RAILWAYS	2,54,247	11,384	1,00,577	
B. B. & C. I. RAILWAY (INCLUDING RAJPUTANA-MALWA RAILWAY)	1,50,905	2,241	55,859	
TOTAL EXPORTS, 1925 ..	4,05,152	13,625	1,56,436	
Do. do. 1924 ..	3,31,920	12,350	1,37,839	
Do. do. 1923 ..	3,51,704	10,442	1,78,107	
Do. do. 1922 ..	3,29,978	4,349	1,78,243	
Do. do. 1921 ..	3,23,969	2,255	1,65,124	
Do. do. 1920 ..	2,48,703	5,574	1,30,724	
Do. do. 1919 ..	2,37,041	1,491	91,554	
Do. do. 1918 ..	80,987	2,523	89,861	
Do. do. 1917 ..	34,376	527	50,041	
Do. do. 1916 ..	30,587	552	39,897	
Do. do. 1915 ..	23,178	825	45,392	

ANNUAL PROGRESS OF RAILWAYS IN INDIA SINCE THEIR
COMMENCEMENT.

Year.	Total Mileage.	Year.	Total Mileage.	Year.	Total Mileage.	Year.	Total Mileage.
1853	20	1870	4,771	1887	14,103	1905	28,295
1854	71	1871	5,074	1888	14,576	1906	29,097
1855	169	1872 ^o	5,369	1889	15,887	1907	30,010
1856	272	1873	5,697	1890	16,401	1908	30,576
1857	287	1874	6,226	1891	17,308	1909	31,490
1858	427	1875	6,541	1892	17,815	1910	32,099
1859	625	1876	6,860	1893	18,504	1911	32,839
1860	838	1877	7,320	1894	18,900	1912	33,484
1861	1,587	1878	8,217	1895	19,547	1913	34,656
1862	2,333	1879	8,494	1896	20,254	* 1913-14	34,656
1863	2,507	1880	9,162	1897	21,115	* 1914-15	35,285
1864	2,958	1881	9,890	1898	22,040	* 1915-16	35,833
1865	3,363	1882	10,149	1899	23,523	* 1916-17	36,286
1866	3,563	1883	10,458	1900	24,752	* 1917-18	36,333
1867	3,929	1884	11,631	1901	25,363	* 1918-19	36,616
1868	4,008	1885	12,283	1902	25,931	* 1919-20	36,735
1869	4,255	1886	12,892	1903	26,956	* 1920-21	37,029
				1904	27,565	* 1921-22	37,266
						* 1922-23	37,618
						* 1923-24	38,039
						* 1924-25	38,270

(From Railway Board Reports) * Official year ending 31st March.

Statement showing the Exports of Indian Manufactured Piece-Goods and Yarns by Sea and Rail from Bombay during the years 1915 to 1925.

YEAR.	PIECE-GOODS.		TOTAL (Piece-Goods.)	YARNS.				TOTAL (Yarns.)	REMARKS.
	By Sea.	By Rail.		By Sea.		By Rail.			
	Packages.	Packages.	Packages.	Packages.	lbs.	Packages.	lbs.	Packages.	lbs.
1915	1,70,001	24,003	1,94,004	4,71,895	18,65,85,698	45,392	1,76,76,781	5,17,287	20,42,62,479
1916	2,58,741	31,139	2,89,880	4,10,872	16,26,27,300	39,897	1,51,38,432	4,50,769	17,77,65,732
1917	1,98,754	34,903	2,33,657	3,73,187	14,71,67,250	50,041	1,92,81,504	4,23,228	16,64,48,754
1918	1,65,495	83,510	2,49,005	1,93,275	7,55,99,059	89,861	3,48,46,025	2,83,136	11,04,45,084
1919	2,48,425	2,38,532	4,86,957	3,72,212	14,68,32,081	91,554	1,91,92,320	4,63,765	16,60,24,401
1920	3,06,594	2,54,277	5,60,871	2,88,778	11,33,51,962	1,30,724	4,77,74,427	4,19,502	16,11,26,389
1921	2,20,257	3,26,224	5,46,481	3,14,330	12,43,10,163	1,65,124	6,14,29,988	4,79,454	18,57,40,151
1922	2,39,350	3,34,327	5,73,677	2,67,711	10,51,22,885	1,78,243	6,70,17,353	4,45,954	17,21,40,238
1923	2,83,624	3,62,146	6,45,770	2,15,036	8,36,57,151	1,78,107	6,65,96,379	3,93,143	15,02,53,530
1924	2,81,949	3,44,270	6,26,219	1,75,175	6,78,61,329	1,37,839	4,93,84,348	3,13,014	11,72,45,677
1925	2,29,905	4,18,777	6,48,682	1,76,210	6,78,92,155	1,56,436	6,25,74,400	3,32,646	13,04,66,555

Statement showing the arrivals of Cotton into Bombay by Sea and Rail during the years 1916 to 1925.

By	1916.	1917.	1918.	1919.	1920.	1921.	1922.	1923.	1924.	1925.
Steamers and Country Craft	Cwts. 12,44,544	Cwts. 19,85,707	Cwts. 19,51,999	Cwts. 11,53,495	Cwts. 20,82,890	Cwts. 22,96,830	Cwts. 17,59,772	Cwts. 23,06,101	Cwts. 19,02,558	Cwts. ..
B. B. & C. I. Railway	26,35,251	31,06,575	27,91,572	26,17,871	24,59,186	27,81,012	24,92,378	25,84,859	33,180	..
G. I. P. Railway	60,95,915	39,49,424	32,18,264	51,38,112	63,88,732	55,66,333	57,87,680	42,51,695	5,95,889	..
B. P. T. Railway (via G. I. P.)	6,18,768	*3,52,096	2,40,471	3,73,807	4,91,572	8,34,967	10,65,652	23,69,983	58,57,953	..
Do. (via B. B. & C. I. Railway)	1,36,615	2,90,227	79,324	36,018	2,43,106	76,787	2,43,712	12,06,310	27,95,768	..
Total Cwts.	1,07,31,093	96,84,029	82,81,630	93,19,303	1,16,65,486	1,15,55,929	1,13,49,194	1,27,18,948	1,11,85,348	..
Total F.-P. Bales of 3½ Cwts. each	30,66,027	27,66,866	* 23,66,180	26,62,658	33,32,996	33,01,694	32,42,627	36,33,985	31,95,814	39,08,985

Statement showing the Exports of Cotton to Europe, China, Japan, Calcutta, &c., from Bombay during the years 1916 to 1925.

To	1916.	1917.	1918.	1919.	1920.	1921.	1922.	1923.	1924.	1925.
Europe	F. P. Bales. 2,93,876	F. P. Bales. 3,58,378	F. P. Bales. 1,90,529	F. P. Bales. 3,37,043	F. P. Bales. 6,49,736	F. P. Bales. 5,03,215	F. P. Bales. 6,28,674	F. P. Bales. 9,90,710	F. P. Bales. 8,64,204	7,62,266
China	1,07,453	39,226	18,494	47,630	1,44,827	3,42,142	3,48,753	3,83,776	2,36,287	3,86,400
Japan	15,42,589	14,15,278	7,48,154	11,49,791	11,68,690	14,81,525	13,38,125	15,92,506	13,69,431	16,37,524
America	..	..	..	2,235	405	100	2,895	11,392	19,966	9,719
Calcutta and other Ports	12,798	2,254	7,797	12,483	23,135	28,349	53,149	40,818	30,171	24,720
Total Bales	19,56,716	18,15,136	9,64,974	15,49,182	19,86,793	23,55,331	23,71,596	30,09,202	25,20,053	28,20,620

* Corrected.

EXPORTS OF INDIAN SPUN TWIST BY SEA AND RAIL FROM BOMBAY
 CONVERTED INTO BALES OF 400 lbs. EACH.

JANUARY 1ST TO DECEMBER 31ST.	To China.	To Japan.	Total to China and Japan.	Total to other Ports.	Total Exports by Sea.	Total Exports by Rail.	Total Ex- ports by Sea and Rail.
1880.....	63,194	4,527	67,721	38,825	106,546	14,092	120,638
1881.....	61,783	7,378	69,161	41,092	110,253	14,333	124,586
1882.....	81,434	9,854	91,288	41,502	132,790	14,400	147,190
1883.....	94,982	17,421	112,403	42,130	154,533	9,091	163,624
1884.....	127,318	13,846	141,164	48,226	189,390	6,049	195,439
1885.....	154,517	19,020	173,537	43,197	216,734	5,129	221,863
1886.....	199,407	20,543	219,950	45,103	265,053	4,649	269,702
1887.....	205,158	39,730	244,888	47,799	292,687	3,475	296,162
1888.....	2,34,071	52,697	286,768	49,789	336,557	2,250	338,807
1889.....	254,697	62,220	316,917	59,326	376,243	1,615	377,858
1890.....	325,060	37,722	362,782	67,201	429,983	13,942	443,925
1891.....	365,038	10,939	375,977	78,136	454,113	9,147	463,260
1892.....	385,771	21,445	407,216	69,547	476,763	7,850	484,613
1893.....	297,572	14,198	311,770	88,130	399,900	9,139	409,039
1894.....	338,703	10,743	349,446	105,863	455,309	10,388	465,697
1895.....	374,119	2,515	376,634	104,871	481,505	7,443	488,948
1896.....	471,023	2,467	473,490	99,877	573,367	6,274	579,641
1897.....	361,221	645	361,866	91,095	452,961	5,822	458,783
1898.....	437,645	475	438,120	108,691	546,811	7,125	553,936
1899.....	579,619	250	579,869	94,029	673,898	4,408	678,306
1900.....	253,331	100	253,431	87,998	341,429	5,480	346,909
1901.....	536,195	---	536,195	99,599	635,794	6,670	642,464
1902.....	555,487	---	555,487	111,259	666,746	7,427	674,173
1903.....	604,044	---	604,044	113,256	717,300	8,348	725,648
1904.....	460,316	3	460,319	113,381	573,700	9,789	583,489
1905.....	651,870	---	651,870	91,603	743,473	8,099	751,572
1906.....	596,926	500	597,426	99,628	697,054	15,417	712,471
1907.....	412,127	200	412,327	190,387	602,714	19,218	621,932
1908.....	441,899	---	441,899	144,312	586,211	18,334	604,545
1909.....	510,746	---	510,746	120,406	631,152	19,302	650,454
1910.....	424,893	---	424,893	130,506	555,399	19,103	574,502
1911.....	275,087	---	275,087	121,369	396,456	18,927	415,383
1912.....	433,989	---	433,989	137,910	571,899	13,400	585,299
1913.....	405,359	---	405,359	107,661	513,020	15,011	528,031
1914.....	324,586	---	324,586	108,346	432,932	30,957	463,889
1915.....	358,777	---	358,777	107,687	466,464	44,192	510,656
1916.....	303,692	---	303,692	102,876	406,568	37,846	444,414
1917.....	286,366	107	286,472	81,445	367,918	48,203	416,121
1918.....	108,568	---	108,568	80,429	188,997	87,115	276,112
1919.....	270,058	389	270,447	96,633	367,080	78,892	445,972
1920.....	175,688	---	175,688	107,692	283,380	119,436	402,816
1921.....	152,911	10	152,921	157,854	310,775	153,574	464,349
1922.....	118,970	---	118,970	143,837	262,807	167,543	430,350
1923.....	58,241	---	58,241	150,901	209,142	166,491	375,633
1924.....	31,161	---	31,161	138,492	169,653	123,461	293,114
1925.....	28,623	40	28,663	141,107	169,770	156,436	326,206

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill consumption in the Island of Bombay. In thousands of Bales (000's omitted).

Years ending 30th June.

Years ending 30th June.	Receipts.	Exports to			Mill consumption.	Total.	Years ending 30th June.	Receipts.	Exports to			Mill consumption.	Total.
		Europe.	Elsewhere.	Total.					Europe.	Elsewhere.	Total.		
1859	....	490	152	642		1886	1,480	1,009	61	1,070	391	1,461	
1860	....	566	202	768		1887	1,708	1,147	40	1,187	454	1,641	
1861	....	885	61	946		1888	1,472	899	58	957	500	1,457	
1862	....	911	8	919	American War. in 1863 and 1864 Bombay Im-ported from Cotton China	1889	1,851	1,286	46	1,332	565	1,897	
1863	....	867	3	870		1890	2,235	1,488	71	1,559	686	2,245	
1864	....	1,065	1	1,066		1891	2,020	1,070	107	1,177	762	1,939	
1865	1,187	14	1,201		42	1,243	1892	1,770	905	202	1,107	728
1866	1,277	5	1,282	46	1,328	1893	1,738	816	169	985	724	1,709
1867	....	1,030	48	1,078	47	1,125	1894	1,769	909	159	1,067	781	1,798
1868	....	1,225	56	1,281	48	1,329	1895	1,540	525	148	673	815	1,488
1869	....	1,115	50	1,165	49	1,214	1896	2,151	800	346	1,146	849	1,995
1870	....	967	89	1,056	50	1,056	1897	1,612	603	405	1,008	703	1,711
1871	1,085	1,002	49	1,050	52	1,102	1898	1,730	424	409	833	817	1,650
1872	1,151	1,079	34	1,113	53	1,166	1899	2,033	578	520	1,098	951	2,049
1873	978	917	34	951	67	1,018	1900	988	117	444	561	745	1,306
1874	1,311	1,192	25	1,217	88	1,300	1901	1,896	620	340	960	696	1,656
1875	1,345	1,285	20	1,305	185	1,440	1902	2,142	525	732	1,257	987	2,244
1876	1,073	980	35	1,015	147	1,162	1903	2,454	921	849	1,270	986	2,256
1877	1,141	920	38	958	161	1,119	1904	2,151	1,086	423	1,459	973	2,432
1878	961	800	46	846	204	1,050	1905	2,603	384	664	1,048	1,072	2,120
1879	832	652	64	716	181	897	1906	2,663	1,017	477	1,494	1,141	2,635
1880	1,171	874	34	908	220	1,128	1907	2,949	1,169	747	1,916	1,115	3,031
1881	2,244	874	60	934	273	1,207	1908	2,123	781	454	1,235	1,079	2,314
1882	1,832	1,521	87	1,608	277	1,885	1909	2,166	643	723	1,366	1,099	2,465
1883	1,770	1,335	95	1,430	318	1,743	1910	3,152	1,054	968	2,022	984	3,006
1884	1,759	1,296	100	1,396	348	1,743	1911	2,467	1,014	668	1,682	953	2,635
1885	1,139	791	70	861	392	1,253	1912	2,540	388	928	1,306	1,078	2,384

Year ending 31st August	Receipts.		Total Receipts.	Exports.			Total Exports.	Mill consumption.	Total.
	India.	Foreign countries.		Europe.	China and Japan.	Elsewhere.			
1913	2,733	46	2,779	534	1,023	30	1,587	1,047	2,634
1914	3,733	6	3,739	1,301	1,245	24	2,570	1,078	3,648
1915	2,633	5	2,638	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,135	2,765
1918	2,279	27	2,306	293	1,213	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,769	116	2,885	484	1,381	26	1,901	1,061	2,962
1922	3,353	109	3,462	645	1,896	52	2,593	1,074	3,667
1923	3,590	61	3,651	651	2,086	53	2,800	1,060	3,860
1924	3,199	92	3,291	1,104	1,558	53	2,715	821	3,536
1925	3,559	95	3,654	762	2,024	35	2,821	975	3,796

FOREIGN COUNTRIES TO WHICH INDIAN YARNS HAVE BEEN
EXPORTED FROM BOMBAY SINCE 1920-1921.

(From Government Returns.)

Years ending 31st March.

IN LAKHS OF LBS. (000's omitted.)

TO	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.
BRITISH EMPIRE.					
United Kingdom	6·47	·63	1·44	8·48	5·06
Malta and Gozo .. .. .	..	·08	0·31	·33	1·18
Cyprus	2·90	2·32	2·76	1·69	3·55
Crete .. .. .	..	..	..	..	·2
Palestine .. .. .	..	·08	·12	·12	·74
Aden and Dependencies .. .	25·79	25·91	27·22	22·45	28·58
Mesopotamia .. .. .	..	10·23	9·86	8·32	9·21
Bahrein Islands	3·01	1·69	2·63	2·09	2·26
Ceylon	1·82	1·39	·87	·82	·9
Straits Settlements (including Labuan) .. .	32·84	25·53	16·02	13·88	8·1
Hong Kong	380·64	434·95	381·47	196·54	141·28
Egypt	33·81	46·74	36·62	45·53	66·66
Zanzibar and Pemba	·58	·40	·65	·32	·9
Kenya Colony (formerly known as East African Protectorate)	·17	·21	·19	·27	·36
Tanganika Territory .. .. .	..	·02	·01	·02	·05
Somaliland Protectorate .. .. .	..	..	·03	..	..
Anglo-Egyptain Sudan .. .. .	..	·03	·02	·01	..
Mauritius and Dependencies .. .. .	..	..	·01	·01	·01
Gibraltar .. .. .	..	..	..	..	..
Maldives .. .. .	..	..	..	..	..
Natal .. .. .	..	·14	..	..	·02
New South Wales	·15	·02	..	·03	·07
FOREIGN COUNTRIES.					
Norway .. .. .	..	..	..	..	·01
Germany	·25	..	·06	·08	..
Belgium .. .. .	..	..	·02	..	·04
France .. .. .	..	·03	..	..	..
Italy .. .. .	..	..	·06	·41	·26
Bulgaria .. .. .	..	..	..	1·78	·61
Greece	·43	·74	·46	1·49	6·82
Roumania .. .. .	..	..	..	·10	·15
Serbo-Croat Slovene State (Jugo-Slavia) .. .	..	·20	·20	·07	·44
Austria .. .. .	..	..	..	..	·2
Turkey—European	1·29	..	..	4·44	3·64
Turkey, Asiatic .. .. .	..	..	..	·43	·5
Turkey, Asiatic—Levant & Black Sea .. .	10·79	..	..	..	..
Do. Red Sea	·33	..	..	..	..
Do. Persian Gulf*	15·32	..	..	..	..
Syria .. .. .	..	11·50	16·80	21·33	23·76
Smyrna .. .. .	..	·37	·20	1·35	4·33
Muscat Territory & Trucialoman	1·82	2·07	1·56	1·37	·92
Other Native States in Arabia	·53	1·29	·83	·49	1·02
Persia	26·77	32·49	21·77	23·14	32·27
Sumatra	·20	..	..	..	..
Java	8·08	1·69	·31	·81	·56
Celebes and other Islands .. .. .	..	..	·36	·49	·62
Siam	7·89	17·57	11·86	12·28	14·28
Philippines Islands and Guana	·26	·66	·15	·22	·38
China exclusive of (Hong Kong & Macao) .. .	215·84	160·88	22·13	6·60	..
Japan .. .. .	..	2·54	..	..	..
Tripoly .. .. .	..	·66	..	..	..
Portuguese East Africa .. .. .	..	·03	..	..	..
Reunion	·01	..	..	..	..
German East Africa †	·02	..	..	..	..
Italian East Africa (Somaliland & Eritrea) .. .	·79	·57	2·92	1·40	·98
French Somaliland	·28	..	..	..	..
Other Foreign Countries .. .. .	..	..	..	·13	·19
Total	779·08	783·66	559·92	379·37	360·60
Value Rupees	943·76	745·24	537·76	359·80	364·99

* Shown under British Empire as Mesopotamia since 1921-22.

† Do. Do. Tanganika Territory since 1921-22.

FOREIGN COUNTRIES TO WHICH GREY COTTON PIECE-GOODS OF INDIAN MANUFACTURE HAVE BEEN EXPORTED FROM BOMBAY SINCE 1920-1921.

(From Government Returns.)

Years ending 31st March.

IN LAKHS OF YARDS (000's omitted.)

TO	1920-21	1921-22	1922-23	1923-24	1924-25
BRITISH EMPIRE.					
United Kingdom	·03	·01	·03	..	2·68
Aden and Dependencies	126·14	32·28	22·90	24·15	19·94
Mesopotamia .. .. .	..	16·92	57·66	96·18	130·90
Bahrain Islands	3·10	3·64	8·84	4·77	6·90
Ceylon	3·53	1·14	1·27	1·57	2·27
Straits Settlements (including Labuan)	9·86	1·30	·49	·82	·27
Federated Malay States .. .. .	..	..	..	..	..
Hong Kong	·60	..	..	·01	..
Egypt	26·08	·72	·49	2·35	1·05
Natal	·82	4·93	·51	1·36	·52
Nyasaland .. .. .	..	..	..	..	..
Zanzibar and Pemba	24·59	14·58	22·52	17·01	20·46
Kenya Colony (formerly known as East African Protectorate)	66·71	41·42	43·13	29·17	41·85
Tanganika Territory .. .. .	..	19·85	23·42	27·80	49·76
Somaliland Protectorate .. .. .	..	..	·19	..	..
Anglo-Egyptian Sudan .. .. .	..	14·37	18·23	10·51	14·77
Mauritius and Dependencies	11·19	7·43	7·58	5·82	4·73
Seychelles	1·27	·59	·42	·46	·87
Australia	·10	..	..	..	..
Federated Malay States .. .. .	..	..	..	..	·03
Other countries in Br. Empire .. .. .	..	..	..	..	·01
FOREIGN COUNTRIES.					
Greece .. .. .	..	..	..	..	·32
Turkey, European	·69	..	..	..	..
Syria .. .. .	..	1·64	..	2·09	·37
Turkey, Asiatic—Levant and Black Sea	·16	..	..	..	..
Do. Red Sea	4·30	..	..	..	..
Do. Persian Gulf †	61·42	..	..	..	..
Muscat Territory and Trucialoman	5·45	3·17	4·94	3·84	3·5
Other Native States in Arabia	2·82	2·42	2·73	3·92	2·2
Persia	26·91	13·84	26·39	29·43	55·49
Java	·60	·04	·01	·01	·01
Siam	22·26	16·87	5·91	1·32	4·3
China (exclusive of Hong Kong and Macao) .. .. .	..	·08	·01	..	..
Japan .. .. .	..	..	..	..	..
Portuguese East Africa	32·07	35·98	55·38	60·54	60·53
Madagascar	·74	..	..	·01	..
Re-Union	·29	..	..	..	..
German East Africa*	28·41	..	..	..	..
Italian East Africa (Somaliland and Eritrea)	13·02	4·73	2·41	7·46	7·31
French Somaliland .. .. .	..	..	..	..	..
Other Foreign Countries .. .. .	..	..	..	·28	·01
Total Yards	473·16	237·95	305·46	330·88	437·18
Value Rupees	216·13	96·20	111·44	106·42	130·70

† Shown under British Empire as Mesopotamia since 1921-22.

* Do. Do. Tanganika Territory since 1921-22.

EXPORTS OF INDIAN MANUFACTURED YARN TO BRITISH AND FOREIGN COUNTRIES FROM INDIA DURING THE OFFICIAL YEARS 1923-24 AND 1924-25.

TWIST AND YARN.	1923-24.		1924-25.	
	Weight.	Value.	Weight.	Value.
	lbs.	Rs.	lbs.	Rs.
Grey, Nos. 1 to 30	2,79,77,891	2,71,39,064	2,61,87,641	2,65,76,968
Do. do. 31 to 40—				
Aden and Dependencies	5,200	9,200	5,300	8,850
Ceylon	2,210	3,518	4,400	6,850
Straits Settlements (including Labuan)	11,700	16,800	4,000	4,900
Hongkong .. .. .	....	....	....	....
Other British Possessions	58	100	3,650	4,740
Turkey—Asiatic .. .. .	....	....	....	....
Levant and Black Sea .. .. .	....	....	....	....
Persian Gulf .. .. .	....	....	....	....
Muscat Territory and Trucial Oman .. .. .	....	....	....	....
Persia	500	700	800	1,200
Siam	30,800	40,050	83,200	89,000
Philippine Islands and Guam .. .. .	....	....	....	....
China (exclusive of Hongkong and Macao)	2,03,770	2,62,910	....	....
Portuguese East Africa .. .. .	....	....	....	....
Italian East Africa (Somaliland and Eritrea)	1,000	1,800	....	....
Total	2,55,238	3,35,078	1,01,320	1,15,540
Grey above Nos. 40—				
United Kingdom .. .. .	....	....	10,000	9,100
Aden and Dependencies	800	1,200	6,900	10,900
Ceylon .. .. .	....	....	....	....
Other British Possessions .. .. .	....	....	....	....
Persia	100	225	....	....
China (exclusive of Hongkong and Macao) .. .. .	....	....	....	....
Total	900	1,425	16,900	20,000
Grey two folds (doubles)—				
United Kingdom	6,79,740	6,04,398	3,37,154	3,27,838
Malta and Gozo	7,200	5,669	14,000	12,987
Cyprus	54,800	47,178	88,800	87,732
Palestine .. .. .	....	....	4,500	4,681
Aden and Dependencies	1,03,000	1,00,579	1,92,200	2,03,802
Mesopotamia*	70,400	54,574	49,000	55,216
Bahrein Islands .. .. .	....	....	....	....
Ceylon	5,495	5,919	7,010	9,199
Straits Settlements (including Labuan)	70,400	71,025	20,000	31,906
Hongkong	52,50,400	42,92,325	51,19,200	48,46,624
Egypt .. .. .	....	....	....	....
Natal .. .. .	....	....	2,000	3,000
Zanzibar and Pemba .. .. .	....	....	400	500
New South Wales	8,000	5,250	7,200	5,900
Australian Commonwealth (Total)	8,000	5,250	7,200	5,900
Germany	8,000	5,450	....	....
Italy	41,200	34,125	19,600	19,800
Bulgaria	1,54,400	1,32,643	48,400	45,200
Austria .. .. .	....	....	9,600	10,300
Roumania	6,000	5,650	15,200	14,700
Greece	20,000	14,721	1,31,200	1,11,608
Serb-Croat Slovene State .. .. .	....	....	8,000	8,125
Crete .. .. .	....	....	2,000	1,544
Turkey—European	3,32,800	2,63,061	1,60,400	1,58,281
Turkey—Asiatic	42,800	36,900	....	....
Syria	1,02,800	98,736	72,800	75,300
Smyrna	83,200	70,294	2,86,400	2,50,017
Persia	51,600	57,300	40,100	53,781
Java	20,000	21,562	13,200	12,159
Indo-China .. .. .	....	....	2,400	3,000
Celebes & other Islands .. .. .	....	....	2,800	2,781
Siam .. .. .	....	....	1,23,400	1,41,600
Philippine Islands and Guam	4,000	6,656	6,000	10,812
China (exclusive of Hongkong and Macao)	2,84,800	2,59,368	1,74,000	2,15,884
Egypt †	13,11,400	10,52,420	13,95,000	13,57,022
Other Foreign Countries .. .. .	....	....	....	....
Total	87,12,435	72,45,803	83,55,864	80,84,886
White, Bleached—				
Palestine .. .. .	....	....	....	....
Aden and Dependencies	2,20,090	2,70,100	1,87,500	2,18,745
Mesopotamia*	1,20,336	1,22,762	1,15,200	1,24,147
Ceylon	1,380	1,739	7,257	7,573
Straits Settlements (including Labuan)	336	200	....	....
Egypt .. .. .	....	....	....	....
Other British Possessions	600	575	....	....
Egypt †	7,48,100	8,03,502	8,29,600	8,88,691

* Included in Turkey—Asiatic prior to 1921-22.
Shown as a Foreign Country from 1923-24.

EXPORTS OF INDIAN MANUFACTURED YARN TO BRITISH AND FOREIGN COUNTRIES FROM INDIA DURING THE OFFICIAL YEARS 1923-24 AND 1924-25—*continued.*

TWIST AND YARN.	1923-24.		1924-25.	
	Weight.	Value.	Weight.	Value.
	lbs.	Rs.	lbs.	Rs.
White, Bleached— <i>contd.</i>				
Greece .. .. .	....	....	....	....
Turkey—Asiatic .. .. .	....	....	....	....
Syria	46,800	49,100	1,03,200	1,10,966
Muscat Territory and Trucial Oman	3,600	5,400	300	450
Other Native States in Arabia .. .. .	....	....	....	....
China (Exclusive of Hongkong and Macao) .. .. .	....	....	33,200	40,695
Persia	18,600	30,700	....	....
Italian East Africa (Somaliland and Eritrea)	9,800	12,250	4,700	6,850
Siam	400	400	....	....
Other Foreign Countries .. .. .	....	....	50	100
Total	1,170,042	12,96,728	12,81,007	1,39,821
Orange, Red & other Colours, Nos. 1 to 20—				
Aden and Dependencies	94,600	1,35,423	1,16,320	1,61,975
Mesopotamia * .. .. .	....	....	4,800	5,000
Bahrein Islands	1,000	1,250	300	375
Ceylon	63,750	84,571	45,210	58,874
Straits Settlements (including Labuan)	7,200	7,200	21,610	28,565
Egypt .. .. .	....	....	....	....
Zanzibar and Pemba	2,635	3,737	1,400	2,100
Kenya Colony	1,250	2,400	....	....
Anglo-Egyptian Sudan	300	700	....	....
Other British Possessions .. .. .	....	....	....	....
Muscat Territory and Trucial Oman	15,500	22,750	32,760	49,852
Other Native States in Arabia	3,500	5,200	2,900	5,000
Persia	10,700	16,400	11,300	19,650
Henjim Island .. .. .	....	....	9,100	14,775
Celebes and other Islands	3,000	4,500	....	....
Java	2,650	4,662	1,600	2,800
Siam	1,500	2,250	....	....
Philippine Islands and Guam .. .. .	....	....	6,000	10,408
Italian East Africa (Somaliland & Eritrea)	1,200	2,400	1,500	1,875
Other Foreign Countries .. .. .	....	....	400	525
Total	2,08,785	2,93,443	2,55,200	3,61,772
Orange, Red & other Colours, Nos. 21 to 40				
Aden and Dependencies	24,650	44,800	33,400	58,800
Ceylon .. .. .	....	....	8,250	13,973
Zanzibar and Pemba .. .. .	....	....	1,200	2,400
Other British Possessions	50	90	....	....
Muscat Territory and Trucial Oman	300	525	10,450	16,900
Other Native States in Arabia .. .. .	....	....	....	....
Persia	8,300	16,200	5,160	8,205
Celebes and other Islands .. .. .	....	....	....	....
Siam .. .. .	....	....	....	....
Philippine Islands and Guam .. .. .	....	....	....	....
Italian East Africa (Somaliland & Eritrea)	1,100	1,600	1,110	2,400
Total	34,400	63,215	59,570	1,02,678
Orange, Red and other Colours, above No. 40—				
British Empire .. .. .	....	....	....	....
Total .. .. .	....	....	....	....
Orange, Red and other Colours, two folds (doubles)—				
United Kingdom .. .. .	....	....	1,556	5,050
Aden and Dependencies .. .. .	....	....	27,300	33,989
Ceylon .. .. .	....	....	....	....
Straits Settlements (including Labuan)	77,700	1,29,779	....	....
Hongkong .. .. .	....	....	1,20,000	1,20,000
Egypt †	5,000	7,484	6,000	6,000
Java	16,750	26,597	25,710	44,817
Turkey European .. .. .	....	....	20,000	27,500
Smyrna .. .. .	....	....	3,800	4,215
Persia .. .. .	....	....	7,600	15,200
Philippine Islands and Guam	18,000	29,893	26,000	45,439
Other Foreign Countries .. .. .	....	....	....	....
Total	1,17,450	1,93,753	2,37,966	3,02,210
Unspecified Descriptions of Twist and Yarn—				
United Kingdom .. .. .	....	....	3,280	1,760
Ceylon	53,107	53,157	33,399	47,317
Other British Possessions .. .. .	....	....	55	90
China (exclusive of Hongkong and Macao)	1,400	300	....	....
Japan .. .. .	....	....	....	....
Other Foreign Countries .. .. .	....	....	....	....
Total	54,507	53,457	36,734	49,167
GRAND TOTAL, TWIST AND YARN	3,85,31,288	3,66,21,966	3,65,32,102	3,70,11,438

* Included in Turkey—Asiatic prior to 1921-22.

† Shown as a foreign country from 1923-24.

STATISTICS OF COTTON SPINNING AND WEAVING IN THE INDIAN MILLS in the twelve months, April 1925 to March 1926, compared with the corresponding periods of 1923-24 and 1924-25.

No. 1.—ABSTRACT STATEMENT of the QUANTITY (in pounds) of YARN Spun.

[NOTE.—The statistics of yarn represent the quantities of all yarn actually spun in the mills whether they are subsequently woven in the mills or not.]

	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
BRITISH INDIA.			
Bombay	398,552,023	474,292,059	423,450,896
Madras	50,938,954	54,221,060	57,836,673
Bengal	26,104,621	25,672,310	24,122,721
United Provinces	51,992,984	56,323,499	60,293,876
Ajmer-Merwara	2,981,474	3,260,241	4,545,208
Punjab	1,264,236	1,760,787	2,944,650
Delhi	5,183,985	6,448,438	8,060,573
Central Provinces and Berar	32,258,371	38,116,287	40,428,204
Burma	843,275	1,067,012	1,683,070
TOTAL ..	570,124,923	661,161,693	673,370,871
FOREIGN TERRITORY.			
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Hyderabad, Wadhwan, Gwalior (Ujjain), Kishangarh and Pondicherry (a)	47,203,709	58,228,301	63,056,608
GRAND TOTAL ..	617,328,632	719,389,994	686,427,479

(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 only 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.]

		TWELVE MONTHS, APRIL TO MARCH.		
		1923-24.	1924-25.	1925-26.
BRITISH INDIA.				
Bombay	pounds.	307,915,375	347,672,537	342,030,412
	yards.	1,364,539,530	1,564,900,621	1,510,385,860
Madras	dozens.	500,712	579,884	885,931
	pounds.	16,571,154	17,493,599	16,934,416
Bengal	yards.	55,147,117	56,703,297	54,657,281
	dozens.	103,810	116,012	139,678
United Provinces	pounds.	4,738,785	5,389,430	8,708,156
	yards.	21,644,337	24,698,497	36,966,122
Ajmer-Merwara	dozens.	35,912	49,474	80,277
	pounds.	14,026,011	16,087,918	18,478,741
Punjab	yards.	45,702,125	55,616,582	64,704,588
	dozens.	37,403	40,632	48,280
Delhi	pounds.	2,031,374	2,287,955	3,447,588
	yards.	7,798,373	8,770,684	12,780,559
Central Provinces and Berar	dozens.	168	159	68
	pounds.	564,292	512,051	1,177,942
TOTAL ..	yards.	1,646,378	1,816,959	3,988,838
	dozens.	.....	.....	.....
Bombay	pounds.	3,613,654	4,876,011	6,540,418
	yards.	10,296,731	14,510,867	19,628,266
Madras	dozens.	104	927	4,104
	pounds.	15,547,116	19,448,463	19,464,296
Bengal	yards.	57,016,712	72,630,086	71,270,288
	dozens.	13,149	19,117	27,230
TOTAL ..	pounds.	365,007,761	413,767,964	416,782,009
	yards.	1,563,791,303	1,799,645,593	1,774,381,802
Bombay	dozens.	691,258	806,205	1,185,568
FOREIGN TERRITORY.				
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Hyderabad, Wadhwan, Gwalior (Ujjain), and Pondicherry (a)	pounds.	36,653,197	45,071,681	48,257,060
	yards.	137,783,052	170,751,645	180,078,865
TOTAL ..	dozens.	67,588	81,633	86,782
	pounds.	401,660,958	458,839,645	465,039,069
GRAND TOTAL ..	yards.	1,701,574,355	1,970,399,238	1,954,460,667
	dozens.	758,846	887,838	1,272,350

(a) Including the production of one mill only.

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun.

BOMBAY PRESIDENCY.

BOMBAY ISLAND.

Count or Number.	TWELVE MONTHS, APRIL TO MARCH,			Count or Numbers.	TWELVE MONTHS, APRIL TO MARCH,		
	1923-24.	1924-25.	1925-26.		1923-24	1924-25	1925-26.
1	3,348,515	5,516,449	3,956,388	1	3,269,532	5,241,412	3,611,637
2	3,364,685	4,712,547	4,916,762	2	2,839,004	3,580,995	3,776,091
3	2,640,972	2,470,230	1,744,347	3	2,359,231	2,340,078	1,603,902
4	4,175,623	5,537,866	6,018,732	4	3,510,881	4,225,862	4,568,186
5	253,338	230,810	238,008	5	243,718	227,496	225,041
6	6,598,662	8,028,685	7,085,220	6	6,306,809	7,741,278	6,598,894
7	11,179,960	11,032,514	11,610,318	7	10,059,125	10,155,557	10,653,565
8	6,630,241	8,524,103	6,587,193	8	6,402,871	8,335,595	6,358,716
9	8,719,568	7,862,210	8,692,321	9	6,911,042	5,901,454	6,743,965
10	16,234,391	15,028,937	15,487,708	10	14,220,540	13,413,238	12,331,445
TOTAL, Nos. 1 to 10.	63,190,955	68,914,351	66,336,997	TOTAL, Nos. 1 to 10	56,122,753	61,163,565	56,981,442
11	13,007,022	17,504,579	11,412,499	11	11,504,231	16,004,873	8,890,808
12	19,039,106	20,845,029	15,567,474	12	17,045,964	18,804,856	13,164,017
13	11,401,547	16,196,585	15,992,788	13	13,088,795	12,112,903	11,778,658
14	12,358,613	14,952,706	11,346,240	14	10,630,310	13,104,163	8,947,745
15	7,037,539	7,223,593	7,739,512	15	5,409,729	6,583,503	6,590,375
16	12,274,196	14,143,092	13,620,473	16	8,638,205	9,853,205	8,868,525
17	2,822,966	5,827,346	4,085,997	17	1,950,345	5,095,167	3,482,803
18	12,913,423	15,799,433	12,281,729	18	9,827,231	13,055,958	9,695,402
19	4,687,451	3,332,509	2,579,582	19	577,578	1,100,866	1,038,243
20	87,451,896	110,417,195	102,539,050	20	47,237,432	60,434,229	44,505,991
TOTAL, Nos. 11 to 20.	188,043,759	228,242,067	197,165,334	TOTAL, Nos. 11 to 20.	125,909,820	156,149,723	116,958,465
21	30,469,424	38,233,475	33,055,446	21	22,788,414	27,207,734	21,236,607
22	25,502,562	30,634,358	24,981,405	22	16,874,310	21,910,544	18,465,725
23	2,688,719	3,576,431	3,019,092	23	1,841,889	1,217,298	849,525
24	29,918,151	35,834,898	26,934,595	24	22,481,033	29,541,265	21,875,867
25	677,052	789,168	1,167,820	25	388,803	447,711	999,364
26	7,674,940	9,932,308	7,451,772	26	3,752,250	4,458,803	3,267,299
27	3,315,354	3,801,453	4,140,713	27	2,352,147	2,708,283	2,766,317
28	5,301,873	7,455,957	8,693,187	28	2,953,217	4,246,583	3,543,278
29	1,927,506	1,809,179	814,509	29	167,143	308,353	499,771
30	23,733,052	27,485,921	30,024,140	30	6,143,870	6,908,149	5,610,453
TOTAL, Nos. 21 to 30.	131,208,633	159,052,148	140,382,679	TOTAL, Nos. 21 to 30.	79,538,076	98,954,678	79,114,206
31	293,149	606,852	1,141,647	31	92,466	273,385	187,723
32	6,011,091	6,351,819	5,034,609	32	2,455,926	3,541,912	2,132,639
33	37,068	595,511	857,617	33	28,002	246,959	419,771
34	873,905	867,443	887,932	34	549,189	567,876	496,883
35	73,184	7,225	152,093	35	56,533	2,183	35,476
36	816,770	826,115	663,546	36	708,966	775,300	563,061
37	....	38,251	212	37	....	37,752	....
38	156,925	162,866	346,734	38	96,094	4,633	26,722
39	7,561	63,727	....	39	....	....	....
40	4,860,004	4,986,884	4,491,763	40	2,617,650	2,511,384	2,023,115
TOTAL, Nos. 31 to 40.	13,129,655	14,506,691	13,576,153	TOTAL, Nos. 31 to 40	6,604,846	7,961,384	5,885,390
Above 40.	2,799,336	5,351,261	5,421,945	Above 40	1,337,956	3,212,045	2,503,368
Wastes, etc.	179,685	195,541	617,788	Wastes, etc.	73,132	101,361	519,627
GRAND TOTAL	398,552,023	474,292,059	423,450,896	GRAND TOTAL	269,586,583	327,542,756	261,962,518

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	TWELVE MONTHS, APRIL TO MARCH			Count or Number.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26		1923-24.	1924-25.	1925-26.
1	14,045	121,277	168,533	1	....	....	..
2	85,178	138,678	154,657	2	865,277	873,131	381,989
3	69,863	....	....	3	....	....	....
4	869,763	959,112	1,098,614	4	182,551	170,115	321,331
5	9,620	....	....	5	....	3,182	3,368
6	26,801	22,312	34,516	6	681,798	603,419	594,131
7	183,200	286,104	341,607	7	674,701	911,128	948,513
8	20,201	674	16,377	8	521,291	436,134	423,271
9	570,317	615,130	389,038	9	146,888	92,023	212,532
10	593,852	250,549	812,280	10	671,947	610,086	697,112
TOTAL, Nos. 1 to 10	1,892,330	2,393,836	3,015,632	TOTAL, Nos. 1 to 10	3,243,953	3,199,218	3,582,247
11	225,861	214,569	143,835	11	1,782,033	1,360,116	1,330,257
12	618,278	525,658	957,714	12	1,399,629	1,199,983	1,265,446
13	1,278,666	2,017,645	1,886,049	13	548,907	723,527	831,945
14	386,982	468,663	604,016	14	1,335,305	709,900	576,801
15	721,615	177,957	714,616	15	2,146,689	3,031,116	3,816,534
16	269,176	702,272	829,448	16	65,1416	274,196	349,261
17	333,520	403,184	251,472	17	1,711,088	856,133	769,597
18	1,849,651	1,487,506	1,122,950	18	863,256	1,203,692	827,629
19	3,661,723	1,997,663	1,316,482	19	3,878,808	4,105,009	4,013,509
20	21,991,725	29,208,131	36,956,307	20	7,297,004	8,838,603	9,775,855
TOTAL, Nos. 11 to 20	31,387,197	37,283,853	44,782,933	TOTAL, Nos. 11 to 20	21,609,135	22,302,475	23,056,834
21	5,363,013	9,044,623	9,168,117	21	5,885,347	7,725,816	8,066,095
22	6,292,784	5,470,587	4,227,870	22	1,934,105	2,954,478	3,886,905
23	1,011,275	2,302,133	2,151,109	23	826,395	1,149,916	992,134
24	2,825,543	2,623,607	1,638,452	24	5,940,505	6,461,952	6,763,458
25	113,278	267,366	113,712	25	61,683	13,727	124,338
26	3,502,243	3,799,919	2,271,084	26	2,292,661	2,323,343	2,459,171
27	862,661	1,002,755	1,083,562	27	....	86,921	8,160
28	2,067,344	3,039,949	4,637,415	28	1,651,518	2,353,207	2,486,721
29	1,727,800	1,449,424	298,048	29	....	....	....
30	12,671,029	16,802,689	21,416,117	30	2,812,171	2,125,114	1,734,120
TOTAL, Nos. 21 to 30	36,436,990	45,803,002	47,050,486	TOTAL, Nos. 21 to 30.	21,404,365	25,699,474	26,461,102
31	191,211	215,005	700,825	31	....	....	....
32	2,950,511	2,165,249	2,061,671	32	3,681,900	1,969,207	2,577,144
33	2,606	348,552	437,846	33	....	....	....
34	233,717	263,231	889,899	34	....	46,953	10,753
35	16,631	5,040	116,535	35	....	....	....
36	56,424	49,962	100,215	36	1,150	26,816	....
37	....	57	212	37	....	....	....
38	10,307	125,929	262,747	38	23	....	....
39	4,908	63,481	....	39	25,050	43,609	....
40	1,413,882	1,713,149	1,695,538	40	747,076	761,402	891,305
TOTAL, Nos. 31 to 40.	4,880,197	4,949,685	5,765,488	TOTAL, Nos. 31 to 40	4,455,199	2,847,987	3,479,202
Above 40.	1,004,832	1,595,849	2,126,152	Above 40.	226,282	170,081	120,796
Wastes, etc.	708	416	....	Wastes, etc.	....	1,825	386,236
GRAND TOTAL ..	75,602,253	92,006,641	102,740,694	GRAND TOTAL ..	50,938,954	51,221,060	57,836,673†

†Includes 740,256 lbs. for which details are not available.

No. 3--DETAILED STATEMENT of the QUANTIFY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.

UNITED PROVINCES.

BENGAL.

Count or Number.	TWELVE MONTHS, APRIL TO MARCH.			Count or Number.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.		1923-24.	1924-25.	1925-26.
1	....	....	....	1	....	....	....
2	....	....	28,990	2	284,667	301,168	348,872
3	7,480	....	26	3	27,347	17,498	24,971
4	920,825	546,861	656,916	4	....	228	....
5	1,356,206	1,648,246	1,179,549	5	....	....	....
6	75,998	494,567	754,928	6	50,168	28,115	35,569
7	1,493,444	1,741,067	2,168,125	7	174,152	407,957	458,682
8	54	110,543	20,156	8	122,078	85,641	49,332
9	388,525	116,913	542,716	9	397,283	473,036	264,214
10	738,444	793,612	928,412	10	333,210	483,234	387,057
TOTAL, Nos. 1 to 10.	4,980,971	5,451,859	6,179,842	TOTAL, Nos. 1 to 10	1,373,793	1,796,877	1,568,671
11	10,855,640	9,834,874	12,150,648	11	8,191,245	8,312,837	2,768,730
12	2,052,374	3,275,813	3,188,887	12	1,238,689	1,128,060	1,094,590
13	2,763,912	2,925,082	3,112,317	13	1,796,975	1,517,281	1,197,867
14	6,165,597	6,719,791	6,802,311	14	830,495	1,024,062	814,723
15	1,303,134	1,068,738	984,722	15	8,174,026	2,622,181	2,028,849
16	4,842,119	4,880,302	4,699,713	16	2,405,075	2,225,262	2,118,945
17	6,825,776	6,789,534	7,695,225	17	2,479,909	2,448,809	2,185,867
18	2,436,980	3,505,963	4,068,941	18	87,304	88,794	103,422
19	3,848,263	3,070,601	1,651,782	19	1,167,757	1,354,141	1,354,968
20	905,942	863,218	667,363	20	1,445,691	1,486,532	1,047,534
TOTAL, Nos. 11 to 20	41,999,742	42,988,916	45,021,919	TOTAL, Nos. 11 to 20	17,817,166	17,207,949	14,715,493
21	948,083	1,526,479	1,103,462	21	1,525,746	856,032	2,389,386
22	1,586,550	2,389,278	2,233,346	22	2,957,573	2,110,882	2,349,696
23	625,473	763,360	1,416,583	23	139,700	29,675	250,452
24	700,777	1,820,879	2,370,624	24	904,177	2,216,458	1,044,534
25	....	59,952	....	25	559	10,457	3,326
26	471,499	555,088	1,164,179	26	221,886	510,821	216,349
27	....	....	....	27	69,447	....	2,954
28	46,401	46,423	32,341	28	....	....	175,222
29	....	....	....	29	....	....	....
30	161,042	234,737	337,466	30	224,849	566,621	959,272
TOTAL, Nos. 21 to 30.	4,540,431	7,396,196	8,708,011	TOTAL, Nos. 21 to 30.	6,043,987	6,800,946	7,391,191
31	....	....	....	31	11,986	....	....
32	28,369	17,083	44,843	32	63,924	212,942	391,517
33	....	....	....	33	9,156	....	....
34	....	791	346	34	612,957	100,380	61
35	....	....	....	35	....	....	....
36	37,548	31,209	182,047	36	....	....	233
37	....	....	....	37	....	....	....
38	....	....	....	38	....	....	....
39	....	....	....	39	....	....	....
40	164,316	220,575	4,934	40	133,322	37,540	24,990
TOTAL, Nos. 31 to 40.	230,233	269,658	232,170	TOTAL, Nos. 31 to 40.	831,245	350,982	416,801
Above 40.	97,691	163,312	83,840	Above 40.	33,480	15,676	31,565
Wastes, etc.	143,916	58,553	62,094	Wastes, etc.	....	....	....
GRAND TOTAL ..	51,992,984	53,323,499	60,298,876	GRAND TOTAL ..	26,104,621	25,672,310	2,412,272

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.

AJMER-MERWARA.

PUNJAB.

Count or Number.	TWELVE MONTHS, APRIL TO MARCH.			Count or Number.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.		1923-24.	1924-25.	1925-26.
1	....	....	....	1	....	....	....
2	....	....	....	2	....	....	....
3	....	....	....	3	....	....	....
4	....	....	....	4	....	....	....
5	....	....	....	5	....	....	....
6	....	....	837	6	1,935	....	....
7	....	3,262	55,193	7	20,572	....	....
8	203,243	234,687	215,621	8	....	....	32,099
9	25,026	247,880	664,104	9	26,268	35,693	290,401
10	423,761	237,936	301,223	10	....	34,087	46,843
TOTAL, Nos. 1 to 10.	652,030	723,765	1,236,978	TOTAL, Nos. 1 to 10	48,775	67,780	369,343
11	84,964	57,489	124,973	11	350,386	662,388	791,566
12	313,600	270,627	399,780	12	38,744	14,402	69,918
13	199,444	315,071	419,875	13	366,260	286,692	728,462
14	636,677	487,549	488,744	14	193,955	190,775	206,690
15	97,669	6,159	1,505	15	142,000	61,867	320
16	408,460	345,681	282,027	16	....	32,621	32,922
17	8,949	3,990	....	17	47,154	6,894	2,627
18	287	....	....	18	....	....	521
19	....	....	....	19	....	....	63,491
20	352,719	596,220	927,465	20	37,141	280,009	501,131
TOTAL, Nos. 11 to 20	2,052,769	2,082,766	2,643,869	TOTAL, Nos. 11 to 20	1,195,659	1,535,648	2,387,648
21	19,279	43,964	30,647	21	....	....	....
22	23,264	8,754	....	22	....	....	52,573
23	....	2,275	....	23	....	....	....
24	....	....	58	24	....	75,170	1,848
25	....	....	....	25	....	82,322	....
26	1,012	....	2,039	26	19,802	35,434	108,284
27	....	....	....	27	....	....	....
28	....	....	....	28	....	....	....
29	....	....	....	29	....	....	....
30	221,533	390,937	625,660	30	....	14,433	24,349
TOTAL, Nos. 21 to 30	267,087	445,930	658,399	TOTAL, Nos. 21 to 30	19,802	157,859	186,549
31	....	....	....	31	....	....	1,110
32	....	....	....	32	....	....	....
33	....	....	....	33	....	....	....
34	....	....	106	34	....	....	....
35	....	....	....	35	....	....	....
36	....	....	20	36	....	....	....
37	....	....	....	37	....	....	....
38	....	....	....	38	....	....	....
39	....	....	....	39	....	....	....
40	8,588	7,780	3,535	40	....	....	....
TOTAL, Nos. 31 to 40.	9,588	7,780	3,661	TOTAL, Nos. 31 to 40.	....	....	1,110
Above 40	....	....	1,689	Above 40	....	....	....
Wastes, etc.	....	....	618	Wastes, etc.	....	....	....
GRAND TOTAL	2,981,474	3,260,241	4,545,208	GRAND TOTAL	1,364,236	1,760,787	2,944,650

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.	TWELVE MONTHS, APRIL TO MARCH.			Count or Number.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.		1923-24.	1924-25.	1925-26.
1	....	....	....	1	154,305	290,579	52,629
2	....	226,591	263,017	2	304,388	413,572	656,249
3	....	....	....	3	6,123	16,398	4,729
4	....	1,569	....	4	341,794	267,929	430,898
5	....	....	....	5	403	887	924
6	4,988	....	....	6	279,260	218,834	320,686
7	....	5,431	3,978	7	2,155,343	2,328,053	2,892,376
8	45,639	49,066	100,316	8	274,653	145,440	210,017
9	61,563	59,695	97,822	9	1,959,047	2,358,887	3,365,549
10	170,307	100,997	756,911	10	874,227	837,235	883,179
TOTAL, Nos 1 to 10	282,497	443,349	1,222,044	TOTAL, Nos. 1 to 10.	6,349,548	6,877,314	8,820,730
11	1,711,725	2,041,245	2,109,065	11	2,167,772	2,206,927	2,988,889
12	5,601	22,746	460,716	12	3,554,818	4,768,892	4,649,496
13	744,429	1,420,492	1,622,632	13	2,187,379	2,139,057	2,201,410
14	1,286,361	91,897	150,475	14	1,794,721	2,157,459	1,231,043
15	942,123	854,283	645,466	15	960,503	779,797	1,408,839
16	149,192	1,004,038	992,070	16	2,673,840	3,001,340	2,291,657
17	15,264	134,032	64,332	17	1,107,729	1,457,034	1,617,768
18	....	3,753	106,149	18	520,283	255,602	291,118
19	....	6,266	20,144	19	787,919	973,761	682,620
20	36,136	271,888	314,745	20	4,853,332	6,391,416	6,138,687
TOTAL, Nos. 11 to 20	4,892,821	5,850,640	6,485,794	TOTAL, Nos. 11 to 20	20,808,096	24,123,283	23,480,437
21	4,884	2,978	359	21	202,359	756,403	1,053,566
22	....	....	27,477	22	526,610	614,369	1,361,036
23	....	....	....	23	....	6,392	379
24	....	....	52,574	24	2,709,583	2,769,651	2,750,508
25	....	....	12,927	25	48,774	415,229	148,233
26	848	....	91,478	26	846,161	1,157,885	1,040,552
27	....	....	....	27	....	....	....
28	....	....	28,347	28	188,546	140,415	252,824
29	....	....	....	29	....	....	1,617
30	7,985	151,471	74,954	30	198,559	280,383	336,459
TOTAL, Nos. 21 to 30	13,667	154,449	288,116	TOTAL, Nos. 21 to 30	4,720,592	6,140,947	6,945,172
31	....	....	....	31	....	....	....
32	....	....	....	32	192,278	278,062	239,220
33	....	....	....	33	....	9,303	9,838
34	....	....	....	34	254,055	471,975	439,317
35	....	....	....	35	....	....	....
36	....	....	384	36	9,354	227	13
37	....	....	....	37	....	....	5,681
38	....	....	....	38	1,059	144	5,313
39	....	....	....	39	....	....	22,253
40	....	....	....	40	30,008	31,836	67,120
TOTAL, Nos. 31 to 40	....	....	334	TOTAL, Nos. 31 to 40.	486,754	791,547	788,753
Above 40.	....	....	....	Above 40.	93,381	108,366	151,239
Wastes, etc.	....	....	....	Wastes, etc.	....	74,328	241,871
GRAND TOTAL ..	5,188,985	6,448,438	8,080,573*	GRAND TOTAL ..	32,258,371	38,116,287	40,428,204

* 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.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
1
2
3
4
5
6
7	22,240
8
9
10
TOTAL, Nos. 1 to 10 ..			
	22,240
11	433,297	622,733	1,103,475
12
13	145,078	141,481	164,300
14	48,750
15	252,734	268,620	182,805
16
17	11,266	34,178	74,825
18
19
20
TOTAL, Nos. 11 to 20 ..			
	842,375	1,067,012	1,574,155
21	900	....	91,325
22
23
24	350
25
26
27
28
29
30
TOTAL, Nos. 21 to 30 ..			
	900	....	91,675
31
32
33
34
35
36
37
38
39
40
TOTAL, Nos. 31 to 40 ..			

Above 40 ..			

Wastes, etc. ..			

GRAND TOTAL..			
	843,275	1,067,012	1,688,070

NOTE.—The Cotton Mills in Burma started work in May, 1923.

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.	TWELVE MONTHS; APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
1	3,502,820	5,807,028	4,009,017
2	4,298,917	6,027,009	6,595,873
3	2,681,927	2,504,126	1,774,073
4	5,620,793	6,524,588	7,427,877
5	1,609,947	1,883,125	1,421,843
6	7,687,794	9,373,620	8,791,365
7	15,698,172	16,429,412	18,159,904
8	7,797,197	9,585,614	7,638,005
9	11,723,668	11,244,367	14,129,689
10	19,501,287	18,126,124	19,391,445
TOTAL, Nos. 1 to 10	80,122,522	87,505,013	89,339,091
11	33,534,083	37,653,188	34,778,113
12	27,692,361	31,517,552	28,686,306
13	25,173,931	25,665,268	25,771,117
14	24,601,714	26,334,139	21,665,777
15	16,056,417	15,916,354	16,809,552
16	23,404,298	25,906,522	24,386,968
17	15,030,101	17,557,950	16,496,238
18	16,821,533	20,857,437	17,679,509
19	14,365,203	12,842,287	10,346,074
20	102,381,861	129,145,081	121,911,830
TOTAL, Nos. 11 to 20	299,061,522	343,395,778	316,531,484
21	39,056,622	49,145,147	45,780,286
22	32,532,664	38,712,139	34,842,438
23	4,280,287	5,528,249	5,678,640
24	40,173,193	48,679,008	39,968,047
25	788,068	1,319,855	1,456,844
26	11,528,808	15,019,879	12,533,818
27	3,384,801	3,888,374	4,151,827
28	7,188,338	9,996,002	11,668,642
29	1,927,506	1,809,179	816,126
30	27,359,147	31,249,617	34,466,420
TOTAL, Nos. 21 to 30	168,219,434	205,347,449	191,062,888
31	305,135	606,852	1,142,757
32	9,977,562	8,829,113	8,287,333
33	46,222	604,814	867,455
34	1,740,817	1,487,542	1,338,515
35	73,184	7,223	152,093
36	864,822	884,367	846,193
37	.....	38,251	5,893
38	158,007	163,010	352,047
39	32,611	107,336	22,253
40	5,944,314	6,045,997	5,483,647
TOTAL, Nos. 31 to 40	19,142,674	18,774,505	18,498,186
Above 40	3,255,170	5,808,696	5,816,074
Wastes, etc.	323,601	330,252	1,318,607
GRAND TOTAL	570,124,923	661,161,693	623,370,871*

* See notes at foot of pages 769 and 772.

No. 4.—DETAILED STATEMENT of the QUANTITY (in pounds)
and the COUNTS (or numbers) of YARN Spun.

INDIAN STATES (a)

Count or Number.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
1	830	201,806	91,990
2	6,082	.....	.....
3	256,917	276,746	373,677
4	305,681	264,050	326,953
5	136,355	28,068	16,692
6	404,071	280,074	529,606
7	1,023,514	1,266,092	1,592,574
8	145,676	280,517	491,017
9	609,853	1,024,963	1,261,696
10	1,831,782	1,668,324	1,700,399
TOTAL, Nos. 1 to 10	4,720,761	5,290,640	6,384,604
11	1,161,389	1,018,209	1,355,408
12	1,685,882	2,045,710	1,730,821
13	450,783	502,939	657,952
14	3,742,862	5,281,941	4,591,051
15	3,715,954	4,792,606	6,021,703
16	3,677,853	3,941,746	2,662,645
17	685,111	1,186,885	751,989
18	3,466,864	3,360,974	2,245,108
19	1,070,951	1,642,069	2,061,610
20	8,347,559	9,845,741	10,414,770
TOTAL, Nos. 11 to 20	28,005,208	33,618,820	32,493,057
21	2,289,600	4,067,964	6,598,567
22	2,753,856	2,897,989	2,777,552
23	1,169,107	1,677,644	2,192,167
24	1,499,146	2,393,854	3,014,126
25	58,149	249,920	450,812
26	1,480,874	1,845,772	2,078,577
27	1,064,267	1,007,100	1,063,580
28	1,077,782	1,542,746	1,849,278
29	534,796	583,747	613,410
30	1,830,369	2,197,878	2,087,400
TOTAL, Nos. 21 to 30	13,757,946	18,464,614	22,725,469
31	25,183	141,591	178,106
32	96,778	101,432	684,361
33	20	.....	3,043
34	140,812	201,861	19,763
35	.....	.....	24,613
36	11,565	8,162	51,292
37	.....	.....	.....
38	.....	.....	18
39	11,543	10,192	.....
40	238,323	129,965	278,101
TOTAL, Nos. 31 to 40	524,224	593,203	1,239,297
Above 40	5,618	13,531	18,250
Wastes, etc.	189,952	247,493	195,931
GRAND TOTAL	47,203,709	58,228,301	63,056,608

(a) See notes at foot of Table No. 1.

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.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
1	3,503,650	6,008,834	4,101,007
2	4,304,999	6,027,009	6,595,573
3	2,938,844	2,760,872	2,147,750
4	5,926,474	6,788,638	7,754,830
5	1,746,302	1,911,193	1,438,535
6	8,091,865	9,653,694	9,320,971
7	16,721,686	17,695,504	19,752,478
8	7,942,873	9,866,131	8,129,022
9	12,333,521	12,269,330	15,391,385
10	21,333,069	19,794,448	21,051,844
TOTAL, Nos. 1 to 10	84,843,283	92,795,653	95,723,695
11	34,695,472	38,671,397	36,133,521
12	29,378,243	33,563,262	28,417,127
13	25,624,734	26,168,207	26,429,069
14	28,344,576	31,616,080	26,256,828
15	19,772,371	20,708,960	22,831,255
16	27,082,151	29,848,268	27,049,613
17	15,715,212	18,744,835	17,248,227
18	20,288,397	24,218,411	19,924,617
19	15,436,154	14,484,356	12,407,684
20	110,729,420	138,990,822	132,326,600
TOTAL, Nos. 11 to 20	327,066,730	377,014,598	349,024,541
21	41,346,222	53,213,111	52,378,853
22	35,286,520	41,610,128	37,619,990
23	5,449,394	7,205,893	7,870,807
24	41,672,339	51,072,862	42,982,173
25	846,217	1,569,775	1,907,456
26	13,009,682	16,665,651	14,612,395
27	4,449,068	4,895,474	5,215,407
28	8,266,120	11,538,748	13,520,920
29	2,462,302	2,392,966	1,429,536
30	29,189,516	33,447,495	36,253,820
TOTAL, Nos. 21 to 30	181,977,380	223,812,063	213,788,357
31	330,318	748,443	1,320,863
32	10,074,340	8,930,545	8,971,694
33	46,242	604,814	870,498
34	1,881,629	1,689,403	1,358,278
35	73,184	7,223	176,706
36	876,387	892,529	897,485
37	.....	38,251	5,893
38	158,007	163,010	352,065
39	44,154	117,528	22,253
40	6,182,637	6,175,962	5,761,748
TOTAL, Nos. 31 to 40	19,666,898	19,367,708	19,737,483
Above 40	3,260,788	5,822,227	5,834,324
Wastes, etc.	513,553	577,745	1,514,538
GRAND TOTAL	617,328,632	719,389,994	686,427,479*

* See notes at foot of pages 769 and 772.

No. 6.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced.*

BOMBAY PRESIDENCY.

Description.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds .. 15,521,772	15,943,126	16,601,754
	yards .. 44,976,248	45,854,981	46,035,300
Dhuts	pounds .. 66,430,964	72,037,312	80,904,736
	yards .. 317,030,808	350,809,695	389,975,599
Drills and jeans	pounds .. 8,393,125	12,484,822	10,666,686
	yards .. 35,801,376	54,413,402	44,927,406
Cambrics and lawns	pounds .. 440,557	593,556	520,982
	yards .. 2,559,446	3,474,873	2,893,436
Printers	pounds .. 4,671,723	4,120,605	3,036,849
	yards .. 20,063,202	17,764,322	13,163,986
Shirtings and longcloth	pounds .. 86,979,032	100,106,957	97,737,683
	yards .. 389,027,995	453,320,844	431,167,508
T-cloth, domestics and sheetings	pounds .. 10,574,756	12,089,664	11,816,551
	yards .. 51,395,132	58,469,478	54,843,424
Tent cloth	pounds .. 942,918	2,137,598	1,575,261
	yards .. 2,589,664	5,563,472	3,824,301
Khadi, Dungri or Khaddar (a)	pounds	15,321,264	13,372,083
	yards	41,104,645	37,006,083
Other sorts	pounds .. 23,121,684	6,372,894	6,235,416
	yards .. 76,506,239	29,595,867	27,915,512
TOTAL	pounds .. 217,076,531	241,207,798	242,467,981
	yards .. 939,950,110	1,063,371,679	1,051,752,555
<i>Coloured piece-goods</i>	pounds .. 87,795,069	102,566,184	94,545,902
	yards .. 424,589,420	501,528,942	458,633,305
<i>Grey and coloured goods other than piece-goods</i>	pounds .. 1,672,834	1,919,048	2,514,545
	dozens .. 394,018	469,131	769,433
<i>Hosiery</i>	pounds .. 180,117	185,272	242,848
	dozens .. 106,694	110,753	116,498
<i>Miscellaneous</i>	pounds .. 1,037,901	1,659,174	1,605,937
<i>Cotton goods mixed with silk or wool</i>	pounds .. 152,923	135,061	653,199
GRAND TOTAL	pounds .. 307,915,375	347,672,537	342,030,412
	yards .. 1,364,539,530	1,564,900,621	1,510,385,860
	dozens .. 500,712	579,884	885,931

BOMBAY ISLAND.

Description.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds .. 9,049,600	9,846,500	10,408,213
	yards .. 24,318,253	25,734,288	26,795,034
Dhuts	pounds .. 19,445,677	21,115,663	21,854,701
	yards .. 97,624,467	110,996,543	115,412,150
Drills and jeans	pounds .. 7,771,330	11,311,884	9,018,280
	yards .. 33,293,869	49,906,678	38,407,817
Cambrics and lawns	pounds .. 273,166	447,042	223,443
	yards .. 1,559,771	2,442,682	1,449,082
Printers	pounds .. 65,168	33,033	238,147
	yards .. 280,456	164,919	1,041,540
Shirtings and longcloth	pounds .. 61,959,117	71,844,535	68,864,828
	yards .. 278,940,228	326,482,134	306,776,092
T-cloth, domestics and sheetings	pounds .. 8,358,453	9,692,334	8,018,751
	yards .. 39,437,238	45,033,825	36,194,764
Tent cloth	pounds .. 560,748	930,634	978,722
	yards .. 1,487,982	2,261,293	2,204,664
Khadi, Dungri or Khaddar (a)	pounds	10,808,805	9,723,619
	yards	30,579,950	27,513,538
Other sorts	pounds .. 15,189,164	2,794,659	2,667,206
	yards .. 45,896,753	11,548,972	10,302,353
TOTAL	pounds .. 122,679,423	138,825,089	131,995,910
	yards .. 522,838,957	605,145,284	566,097,004
<i>Coloured piece-goods</i>	pounds .. 63,722,694	78,161,540	63,429,517
	yards .. 333,024,098	380,883,020	305,743,730
<i>Grey and coloured goods other than piece-goods</i>	pounds .. 1,585,266	1,851,483	2,409,237
	dozens .. 349,414	429,010	721,452
<i>Hosiery</i>	pounds .. 95,436	90,534	75,799
	dozens .. 81,316	83,396	72,036
<i>Miscellaneous</i>	pounds .. 990,056	1,347,738	1,281,046
<i>Cotton goods mixed with silk or wool</i>	pounds .. 139,418	115,201	467,664
GRAND TOTAL	pounds .. 194,206,293	220,391,585	199,659,173
	yards .. 855,883,055	986,029,304	871,840,734
	dozens .. 430,730	512,406	793,488

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.	TWELVE MONTHS, APRIL TO MARCH.			
	1923-24.	1924-25.	1925-26.	
<i>Grey and bleached piece-goods—</i>				
Chadars	pounds ..	5,167,740	4,752,163	4,826,414
	yards ..	17,350,368	16,272,284	15,692,438
Dhutis	pounds ..	35,681,304	39,536,072	47,110,779
	yards ..	169,913,924	189,624,778	221,272,524
Drills and jeans	pounds ..	305,955	267,962	666,734
	yards ..	1,350,489	1,113,993	2,778,128
Cambrics and lawns	pounds ..	94,643	122,447	219,412
	yards ..	598,478	894,041	1,128,191
Printers	pounds ..	2,857,030	2,811,764	1,883,406
	yards ..	11,775,345	11,647,192	7,840,944
Shirtings and longcloth	pounds ..	18,674,396	22,772,429	22,821,029
	yards ..	88,520,317	108,329,530	104,897,142
T-cloth, domestics and sheetings	pounds ..	2,016,041	2,159,784	3,312,412
	yards ..	10,896,224	12,048,985	16,125,480
Tent cloth	pounds ..	268,977	1,104,936	499,114
	yards ..	838,700	3,042,048	1,362,631
Khadi, Dungri or Khaddar (a)	pounds ..	....	3,200,746	1,099,591
	yards ..	....	10,046,672	2,975,868
Other sorts	pounds ..	4,921,097	2,346,240	2,485,601
	yards ..	20,235,477	12,303,889	13,142,242
TOTAL	pounds ..	69,987,183	79,074,543	84,924,492
	yards ..	321,479,322	365,323,412	387,215,588
<i>Coloured piece-goods.. .. .</i>				
Grey and coloured goods, other than piece-goods.	pounds ..	9,341,479	14,238,865	20,123,522
	yards ..	53,956,487	81,059,633	111,027,005
Hosiery	dozens ..	9,222	9,596	13,203
	pounds ..	6,507	12,123	8,806
Miscellaneous	dozens ..	83,681	94,736	166,233
	pounds ..	25,379	27,356	44,204
Cotton goods mixed with silk or wool	pounds ..	47,656	262,017	276,571
	yards ..	8,832	7,903	174,267
GRAND TOTAL	pounds ..	79,478,053	93,687,660	105,678,288
	yards ..	375,435,809	446,383,045	498,242,593
	dozens ..	31,686	39,479	53,010

MADRAS.

Description.	TWELVE MONTHS, APRIL TO MARCH.			
	1923-24.	1924-25.	1925-26.	
<i>Grey and bleached piece-goods—</i>				
Chadars	pounds ..	118,364	157,763	268,941
	yards ..	250,622	342,269	621,318
Dhutis	pounds ..	1,678,405	1,699,436	1,767,524
	yards ..	7,059,413	8,025,511	8,578,548
Drills and jeans	pounds ..	868,043	1,091,845	958,349
	yards ..	2,981,081	3,916,529	3,178,679
Cambrics and lawns	pounds ..	4,814	5,437	3,661
	yards ..	27,358	32,148	22,626
Printers	pounds ..	....	....	....
	yards ..	....	....	....
Shirtings and longcloth	pounds ..	1,080,314	1,558,804	1,255,590
	yards ..	3,786,129	5,316,008	4,407,685
T-cloth, domestics and sheetings	pounds ..	1,574,000	632,687	646,740
	yards ..	4,598,344	2,228,501	2,455,303
Tent cloth	pounds ..	57,891	3,090	4,294
	yards ..	76,935	5,069	7,944
Khadi, Dungri or Khaddar (a)	pounds ..	....	1,227,515	722,887
	yards ..	....	4,147,657	1,928,762
Other sorts	pounds ..	1,332,841	313,412	321,451
	yards ..	4,189,010	1,244,367	1,214,221
TOTAL	pounds ..	6,724,672	6,689,965	5,949,437
	yards ..	22,968,892	25,258,059	22,416,086
<i>Coloured piece-goods</i>				
Grey and coloured goods other than piece-goods.	pounds ..	9,347,500	9,58,397	9,709,158
	yards ..	32,178,225	31,45,238	32,241,195
Hosiery	dozens ..	378,310	432,951	545,315
	pounds ..	77,962	90,028	121,582
Miscellaneous	dozens ..	53,509	61,653	36,551
	pounds ..	25,848	25,984	18,096
Cotton goods mixed with silk or wool	pounds ..	67,163	950,633	693,955
	yards ..	....	....	....
GRAND TOTAL	pounds ..	16,571,154	17,493,599	16,934,416
	yards ..	55,147,117	56,703,297	54,657,281
	dozens ..	103,810	116,012	139,676

(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.

BENGAL.

Description.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds .. 327	123	267
	yards .. 3,102	1,308	2,703
Dhutis	pounds .. 2,498,565	2,415,152	4,709,868
	yards .. 12,908,645	13,421,605	23,579,301
Drills and jeans	pounds .. 31	43	5,883
	yards .. 49	112	53,130
Cambrics and lawns	pounds .. .. .	.. .	.. .
	yards .. .. .	.. .	.. .
Printers	pounds .. .. .	.. .	.. .
	yards .. .. .	.. .	.. .
Shirtings and longcloth	pounds .. 1,703,458	2,383,978	2,779,796
	yards .. 7,503,626	10,157,846	12,015,843
T-cloth, domestics and sheetings	pounds .. .. .	.. .	.. .
	yards .. .. .	.. .	.. .
Tent cloth	pounds .. .. .	.. .	.. .
	yards .. .. .	.. .	.. .
Khadi, Dungri or Khaddar (a)	pounds	132,747	282,263
	yards	888,140	1,254,852
Other sorts	pounds .. 209,341	28,136	6,943
	yards .. 1,219,189	229,486	60,293
TOTAL	pounds .. 4,411,722	4,960,179	7,785,120
	yards .. 21,634,611	24,698,497	36,966,122
<i>Coloured piece-goods</i>			
	pounds .. 3,271	.. .	.. .
	yards .. 9,726	.. .	.. .
<i>Grey and coloured goods other than piece goods.</i>			
	pounds .. .. .	.. .	.. .
	dozens .. 112,357	176,337	287,033
Hosiery	dozens .. 35,912	49,474	80,277
Miscellaneous	pounds .. 211,435	252,914	636,043
Cotton goods mixed with silk or wool .. .. .	.. .. .	.. .	.. .
GRAND TOTAL	pounds .. 4,738,785	5,389,430	8,708,196
	yards .. 21,644,337	24,698,497	36,966,122
	dozens .. 35,912	49,474	80,277

UNITED PROVINCES.

Description.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds .. 1,265,314	1,721,247	1,822,409
	yards .. 3,641,426	5,075,703	4,856,025
Dhutis	pounds .. 3,610,452	3,958,868	5,813,658
	yards .. 14,892,844	16,338,380	24,020,355
Drills and jeans	pounds .. 679,948	607,372	1,016,534
	yards .. 2,026,345	1,920,452	3,217,957
Cambrics and lawns	pounds .. 74,284	171,222	18,660
	yards .. 295,053	684,485	76,260
Printers	pounds .. 582,572	678,645	529,719
	yards .. 2,754,438	2,423,259	2,062,760
Shirtings and longcloth	pounds .. 1,110,309	2,252,913	2,389,585
	yards .. 4,574,476	8,526,071	8,512,760
T-cloth, domestics and sheetings	pounds .. 1,403,675	2,399,008	2,853,513
	yards .. 4,304,078	8,503,206	9,542,607
Tent cloth	pounds .. 512,305	657,434	484,336
	yards .. 1,176,490	1,328,663	1,055,078
Khadi, Dungri or Khaddar (a)	pounds	1,540,564	1,847,353
	yards	5,237,797	6,027,008
Other sorts	pounds .. 2,047,450	122,512	134,560
	yards .. 7,359,748	571,444	640,100
TOTAL	pounds .. 11,286,309	14,109,785	16,910,347
	yards .. 41,024,898	50,609,460	60,010,910
<i>Coloured piece-goods</i>			
	pounds .. 1,230,719	1,311,375	1,256,986
	yards .. 4,677,227	5,007,122	4,693,678
<i>Grey and coloured goods other than piece goods.</i>			
	pounds .. 336,609	232,694	203,364
	dozens .. 28,266	29,172	31,980
Hosiery	pounds .. 15,697	23,944	42,489
	dozens .. 9,137	11,460	16,300
Miscellaneous	pounds .. 389,315	208,776	11,042
Cotton goods mixed with silk or wool .. .. .	.. .. .	36,862	54,513
GRAND TOTAL	pounds .. †14,026,011	†16,087,918	18,478,741
	yards .. 45,702,125	55,616,582	64,704,588
	dozens .. 37,403	40,632	48,280

* 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.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds.. 28,739	49,618	61,317
	yards.. 45,780	83,072	145,234
Dhutis	pounds.. 938,179	1,101,651	1,404,915
	yards.. 4,447,164	4,984,109	6,136,057
Drills and jeans	pounds.. .. .	2,874	18,258
	yards.. .. .	6,139	66,849
Cambrics and lawns	pounds.. .. .	.. .	.. .
	yards.. .. .	.. .	.. .
Printers	pounds.. 62,047	113,358	120,849
	yards.. 268,523	379,158	367,363
Shirtings and longcloth	pounds.. 102,220	24,228	341,582
	yards.. 361,653	115,769	1,342,819
T-cloth, domestics and sheetings	pounds.. 923	8,157	151,097
	yards.. 4,512	37,909	637,820
Tent cloth	pounds.. .. .	.. .	.. .
	yards.. .. .	.. .	.. .
Khadi, Dungri or Khaddar (a)	pounds.. .. .	915,407	1,268,807
	yards.. .. .	3,007,992	4,068,870
Other sorts	pounds.. 891,709	63,172	73,889
	yards.. 2,619,584	91,168	.. .
TOTAL	pounds.. 2,023,817	2,278,465	3,440,714
	yards.. 7,747,216	8,905,316	12,765,084
<i>Coloured piece-goods</i>	pounds.. 6,326	8,910	5,649
	yards.. 51,157	65,368	15,475
<i>Grey and coloured goods other than piece-goods</i>	pounds.. 1,231	580	1,225
	dozens.. 168	159	68
<i>Hosiery</i>	pounds.. .. .	.. .	.. .
	dozens.. .. .	.. .	.. .
<i>Miscellaneous</i>	pounds.. .. .	.. .	.. .
<i>Cotton goods mixed with silk or wool</i>	pounds.. .. .	.. .	.. .
GRAND TOTAL	pounds.. 2,031,374	2,287,955	3,447,588
	yards.. 7,798,373	8,770,684	12,780,559
	dozens.. 168	159	68

PUNJAB.

Description.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
<i>Grey and bleached piece-goods—</i>			
Chadars	pounds.. 4,784	61,543	144,090
	yards.. 12,565	168,606	399,515
Dhutis	pounds.. 12,705	21,507	175,385
	yards.. 50,855	78,444	580,918
Drills and jeans	pounds.. 1,596	13,486	15,612
	yards.. 4,412	38,943	47,258
Cambrics and lawns	pounds.. .. .	.. .	8,008
	yards.. .. .	.. .	34,748
Printers	pounds.. 175	.. .	.. .
	yards.. 888	.. .	.. .
Shirtings and longcloth	pounds.. 22	4,627	69,856
	yards.. 290	22,800	351,821
T-cloth, domestics and sheetings	pounds.. 1	.. .	9,747
	yards.. 10	.. .	46,259
Tent cloth	pounds.. 48	.. .	4,263
	yards.. 120	.. .	15,789
Khadi, Dungri or Khaddar (a)	pounds.. .. .	386,124	718,845
	yards.. .. .	1,390,388	2,395,247
Other sorts	pounds.. 543,587	3,301	14,858
	yards.. 1,570,068	6,325	335
TOTAL	pounds.. 562,918	490,891	1,160,667
	yards.. 1,639,118	1,705,503	3,871,880
<i>Coloured piece-goods</i>	pounds.. 1,374	21,160	17,275
	yards.. 7,260	111,456	116,953
<i>Grey and coloured goods other than piece-goods</i>	pounds.. .. .	.. .	.. .
	dozens.. .. .	.. .	.. .
<i>Hosiery</i>	pounds.. .. .	.. .	.. .
	dozens.. .. .	.. .	.. .
<i>Miscellaneous</i>	pounds.. .. .	.. .	.. .
<i>Cotton goods mixed with silk or wool</i>	pounds.. .. .	.. .	.. .
GRAND TOTAL	pounds.. 564,292	512,051	1,177,942
	yards.. 1,646,378	1,816,959	3,988,838
	dozens.. .. .	.. .	.. .

(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.	TWELVE MONTHS, APRIL TO MARCH.			
	1923-24.	1924-25.	1925-26.	
<i>Grey and bleached piece-goods—</i>				
Chadars	pounds ..	633,114	728,300	587,159
	yards ..	1,497,239	1,789,961	1,415,794
Dhutis	pounds ..	763,212	1,215,731	1,384,795
	yards ..	2,600,099	4,859,885	5,179,137
Drills and jeans	pounds ..	1,962	18,326	10,300
	yards ..	5,522	52,693	34,767
Cambrics and lawns	pounds ..	.....	.....	.....
	yards ..	.....	.....	.....
Printers	pounds ..	.....	.....	.....
	yards ..	.....	.....	.....
Shirtings and longcloth	pounds ..	14,596	91,474	122,030
	yards ..	91,580	295,411	445,184
T-cloth, domestics and sheetings	pounds ..	15,820	21,400	72,626
	yards ..	58,103	73,276	285,926
Tent cloth	pounds ..	691,265	737,094	1,004,591
	yards ..	1,448,572	1,623,392	2,280,533
Khadi, Dungri or Khaddar (a)	pounds ..	.....	1,838,312	3,008,510
	yards ..	.....	4,941,488	8,668,719
Other sorts	pounds ..	1,304,871	2,056	129
	yards ..	3,502,869	16,024	946
TOTAL	pounds ..	3,424,840	4,653,093	6,190,140
	yards ..	9,204,014	13,652,130	18,311,006
<i>Coloured piece-goods</i>				
.. .. .	pounds ..	188,302	221,068	343,824
	yards ..	1,092,717	868,737	1,317,260
<i>Grey and coloured goods other than piece-goods.</i>				
.. .. .	pounds ..	512	1,850	6,454
	dozens ..	104	927	4,104
<i>Hosiery</i>				
.. .. .	pounds ..	.....	.....	.....
	dozens ..	.....	.....	.....
<i>Miscellaneous</i>				
.. .. .	pounds ..	.....	.....	.....
	dozens ..	.....	.....	.....
<i>Cotton goods mixed with silk or wool</i>				
.. .. .	pounds ..	3,613,654	4,876,011	6,540,418
	yards ..	10,296,731	14,510,867	19,628,266
GRAND TOTAL	pounds ..	.....	.....	.....
	dozens ..	104	279	4,104

CENTRAL PROVINCES AND BERAR.

Description.	TWELVE MONTHS, APRIL TO MARCH.			
	1923-24.	1924-25.	1925-26.	
<i>Grey and bleached piece-goods—</i>				
Chadars	pounds ..	1,125,268	1,104,576	1,133,236
	yards ..	2,826,895	2,747,295	2,873,324
Dhutis	pounds ..	4,704,019	6,830,378	7,322,952
	yards ..	19,045,217	29,342,804	30,683,593
Drills and jeans	pounds ..	1,404,741	1,558,971	1,440,392
	yards ..	4,317,326	4,911,731	4,789,813
Cambrics and lawns	pounds ..	254,434	6,300	7,786
	yards ..	756,535	24,864	46,207
Printers	pounds ..	491,424	444,717	337,592
	yards ..	2,287,971	2,093,318	1,680,092
Shirtings and longcloth	pounds ..	1,604,232	1,968,375	2,159,535
	yards ..	6,329,375	7,695,487	8,757,390
T-cloth, domestics and sheetings	pounds ..	668,901	710,206	402,257
	yards ..	2,922,973	2,916,306	1,574,651
Tent cloth	pounds ..	490,170	413,478	324,199
	yards ..	985,223	806,290	598,525
Khadi, Dungri or Khaddar (a)	pounds ..	.....	824,480	1,084,879
	yards ..	.....	2,718,891	3,435,718
Other sorts	pounds ..	944,758	447,266	167,546
	yards ..	3,116,300	1,832,558	977,393
TOTAL	pounds ..	11,687,947	14,308,747	14,377,974
	yards ..	42,587,815	55,229,544	55,116,706
<i>Coloured piece-goods</i>				
.. .. .	pounds ..	3,463,002	4,396,175	4,242,311
	yards ..	14,428,897	17,340,542	16,153,582
<i>Grey and coloured goods other than piece-goods.</i>				
.. .. .	pounds ..	170,932	312,417	443,907
	dozens ..	13,149	19,117	27,230
<i>Hosiery</i>				
.. .. .	pounds ..	.....	.....	42,139
	dozens ..	.....	.....	.....
<i>Miscellaneous</i>				
.. .. .	pounds ..	225,235	431,124	367,965
	dozens ..	.....	.....	.....
<i>Cotton goods mixed with silk or wool</i>				
.. .. .	pounds ..	15,547,116	19,448,463	19,464,296
	yards ..	57,016,712	72,630,086	71,270,288
GRAND TOTAL	pounds ..	.....	.....	.....
	dozens ..	13,149	19,117	27,230

(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.	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
<i>Grey and bleached piece-goods—</i>			
Chadars	{ pounds .. 18,697,682	19,766,299	20,619,173
	{ yards .. 53,253,877	56,063,192	56,350,203
Dhutis	{ pounds .. 80,636,501	89,280,335	103,483,833
	{ yards .. 378,035,045	427,860,433	488,733,508
Drills and jeans	{ pounds .. 11,349,446	15,777,739	14,132,614
	{ yards .. 45,136,111	65,260,001	56,315,859
Cambrics and lawns	{ pounds .. 774,089	776,515	559,097
	{ yards .. 3,638,392	4,216,370	3,073,277
Printers	{ pounds .. 5,807,941	5,357,325	4,025,009
	{ yards .. 25,375,022	22,660,057	17,274,201
Shirtings and longcloth	{ pounds .. 92,604,183	108,391,356	106,855,657
	{ yards .. 411,675,034	485,650,236	467,001,082
T-cloth, domestics and sheetings	{ pounds .. 14,238,076	15,861,522	15,952,531
	{ yards .. 63,283,152	72,228,676	69,385,990
Tent-cloth	{ pounds .. 2,694,597	3,948,694	3,393,947
	{ yards .. 6,277,004	9,326,883	7,782,170
Khadi, Dungi or Khaddar (a)	{ pounds	22,183,413	22,305,727
	{ yards	66,436,998	64,485,259
Other sorts	{ pounds .. 30,396,241	7,352,749	6,954,792
	{ yards .. 100,083,037	33,587,339	30,808,800
TOTAL	{ pounds .. 257,198,756	288,698,923	298,282,380
	{ yards .. 1,086,756,674	1,243,290,188	1,261,220,349
<i>Coloured piece-goods</i>	{ pounds .. 102,035,563	117,883,269	110,121,105
	{ yards .. 477,034,629	556,357,405	513,171,453
<i>Grey and coloured goods other than piece-goods.</i>	{ pounds .. 2,560,428	2,899,540	3,704,810
	{ dozens .. 513,667	608,534	954,397
<i>Hosiery</i>	{ pounds .. 361,680	447,206	651,060
	{ dozens .. 177,591	197,671	231,171
<i>Miscellaneous</i>	{ pounds .. 1,937,049	3,502,621	3,314,942
<i>Cotton goods mixed with silk or wool</i>	{ pounds .. 207,171	171,923	707,712
GRAND TOTAL	{ pounds .. 365,007,761*	413,767,964*	416,782,009
	{ yards .. 1,563,791,303	1,799,647,593	1,774,381,802
	{ dozens .. 691,258	806,205	1,185,568

*See footnotes at page 779.

(a) Separately specified with effect from April, 1924.

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.	TWELVE MONTHS, APRIL TO MARCH.			
	1923-24.	1924-25.	1925-26.	
<i>Grey and bleached piece-goods—</i>				
Chadars	{ pounds ..	20,236,823	21,645,841	22,787,297
	{ yards ..	58,002,928	61,613,927	62,075,591
Dhutis	{ pounds ..	85,658,495	96,507,057	110,134,379
	{ yards ..	399,214,392	458,406,936	516,394,318
Drills and jeans	{ pounds ..	13,931,287	18,520,699	18,106,861
	{ yards ..	54,973,538	77,191,047	74,150,144
Cambrics and lawns	{ pounds ..	776,541	1,144,509	580,764
	{ yards ..	3,648,582	5,395,238	3,166,449
Printers	{ pounds ..	7,854,527	7,759,659	6,003,983
	{ yards ..	34,830,964	32,776,886	25,871,997
Shirtings and longcloth	{ pounds ..	100,314,738	118,058,747	120,019,866
	{ yards ..	443,847,952	525,524,427	521,125,944
T-cloth, domestics and sheetings	{ pounds ..	15,608,050	17,462,522	17,370,593
	{ yards ..	68,074,639	77,741,758	74,073,333
Tent cloth	{ pounds ..	2,794,585	4,156,226	3,990,717
	{ yards ..	6,573,269	9,893,789	9,004,906
Khadi, Dungri or Khaddar (a).. .. .	{ pounds ..	....	29,434,466	30,444,387
	{ yards ..	....	87,152,562	87,406,216
Other sorts	{ pounds ..	39,874,932	10,575,504	9,826,309
	{ yards ..	128,487,909	46,674,718	41,034,924
TOTAL	{ pounds ..	287,049,978	325,265,229	339,265,156
	{ yards ..	1,197,654,173	1,382,368,288	1,414,303,822
<i>Coloured piece-goods</i>	{ pounds ..	108,330,343	125,563,183	116,695,300
	{ yards ..	503,920,182	588,030,950	540,156,845
<i>Grey and coloured goods, other than piece-goods.</i>	{ pounds ..	2,575,352	2,952,221	3,726,511
	{ dozens ..	514,307	610,985	955,804
<i>Hosiery</i>	{ pounds ..	547,831	676,221	872,261
	{ dozens ..	244,539	276,853	316,546
<i>Miscellaneous</i>	pounds ..	2,237,111	3,949,303	3,772,129
<i>Cotton goods mixed with silk or wool</i> .. .. .	.. .. .	207,229	272,006	707,712
GRAND TOTAL	{ pounds ..	*401,660,958	* 458,839,645	465,039,069
	{ yards ..	1,701,574,355	1,970,399,238	1,954,460,667
	{ dozens ..	758,846	887,838	1,272,350

* See footnote at page 779.

(a) Separately specified with effect from April, 1924.

No. 9.—STATEMENT of the AMOUNT (in rupees) of the VALUE of
GOODS WOVEN in the COTTON MILLS in INDIA.

	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
	Rs.	Rs.	Rs.
BRITISH INDIA.			
Bombay -- -- -- -- -- -- -- --	42,50,81,350	47,19,51,050	36,04,66,468
Madras -- -- -- -- -- -- -- --	2,41,72,904	2,62,53,808	2,12,66,882
Bengal -- -- .. -- -- -- -- --	67,76,904	75,29,681	1,06,71,395
United Provinces -- -- -- .. -- -- --	1,67,10,171	2,01,58,960	1,64,22,133
Ajmer-Merwara -- -- --	24,79,913	27,42,766	35,53,123
Punjab -- -- .. -- -- -- -- . --	4,56,609	5,32,932	9,97,159
Delhi -- -- .. -- -- -- -- -- --	41,99,020	58,43,145	62,46,731
Central Provinces and Berar --	2,00,45,754	2,62,82,362	2,24,93,100
TOTAL --	49,99,22,625	56,12,94,704	44,21,16,991
FOREIGN TERRITORY.			
Indian States of Mysore, Baroda, Nandgaon, Bhavnagar, Wadhwan, Hyderabad, Gwalior (Ujjain), and Pondi- chery -- -- -- -- -- --	2,87,41,173	3,34,61,676	3,01,47,326
GRAND TOTAL --	52,86,63,798	59,47,56,380	47,22,64,317

No. 10.—STATEMENT of the AMOUNT (in rupees) of EXCISE DUTY realised from goods woven in the Cotton Mills in India, under the Cotton Duties Act, II of 1896.

	TWELVE MONTHS, APRIL TO MARCH.		
	1923-24.	1924-25.	1925-26.
	Rs.	Rs.	Rs.
BRITISH INDIA.			
Bombay	1,29,37,458	1,87,03,383	1,24,05,753
Madras	8,99,127	9,03,764	6,31,036
Bengal	2,22,633	2,62,518	2,88,975
United Provinces	5,91,885	6,88,558	5,30,775
Ajmer-Merwara	87,138	93,875	89,633
Punjab	17,428	19,268	34,928
Delhi	1,43,455	1,94,186	1,54,707
Central Provinces and Berar	7,52,779	9,01,145	5,90,344
TOTAL, GROSS DUTY	1,56,51,603	2,17,66,893	1,47,26,148
TOTAL, NET DUTY	1,38,50,839	2,12,25,643	1,36,50,103
FOREIGN TERRITORY.			
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Wadhwan and Gwalior (a.)			
GROSS DUTY	11,67,300	16,20,095	15,03,564
NET DUTY	11,67,300	16,20,095	15,03,564
GRAND TOTAL, GROSS DUTY	1,68,19,203	2,33,86,988	1,62,29,712
GRAND TOTAL, NET DUTY	1,50,18,139	2,28,45,738	1,51,53,667

NOTE.—The monthly figures and the figures for 1925-26 are as reported by month, and are not finally adjusted by the Accounts Department.

(a) Figures for Gwalior reported from June, 1924.

* Includes Rs. 196 realised in N. W. F. Province.

rupees each

Report for the year 1925.

Section VI.

RULES AND REGULATIONS.

Rules for the Registration of Trade Marks.

Rules for Arbitration on Piece-goods. Standard Contract Form.

Provident Fund Rules.

RULES AND REGULATIONS.

*Revised and adopted down to the Annual General Meeting held on
23rd February, 1925.*

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
election
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 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 contra-
vening resolu-
tions adopt-
ed 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 Associa-
tion.

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.

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.

103. These rules shall come into force on the First day of March 1925 on which date the present rules shall stand cancelled. No alterations in these rules shall be made 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.

Responsibility of the Chairman, Deputy Chairman, Secretary & members of the Committee.

The date when the rules come into force & the mode of altering the rules.



RULES FOR THE REGISTRATION OF TRADE MARKS.

*Revised and adopted down to the Annual General Meeting of the
Association held on 26th February 1924*

Interpretation. 1. Throughout all these rules the following words shall bear and include the following meanings :—

- (a) 'The Association' means the Bombay Millowners' Association.
- (b) 'Member' means a member of the Bombay Millowners' Association.
- (c) 'The Secretary' means the Secretary of the Bombay Millowners' Association.
- (d) 'The Managing Committee' means the Managing Committee of the Bombay Millowners' Association.
- (e) 'Trade mark' includes 'ticket' and 'stamp.'
- (f) 'Colourable imitation' includes a trade mark, which is likely to become known by or to acquire the same name as that by which another trade mark is already known or which such other trade mark has already acquired.

Essentials of a registrable trade mark. 2. For the purposes of these rules a registrable Trade Mark must consist of a distinctive mark, device or design not being a name, signature or word or words (invented or otherwise) either alone or in combination with one or more of the following :—

- (a) The name of a Company, individual or firm represented in a special or particular manner.
- (b) An invented word or invented words.
- (c) A word or words having no direct reference to the character or quality of the goods and not being according to its ordinary signification a geographical name or surname.

Provided—

- (1) that any trade mark registered in the Permanent Register of the Association prior to the 31st March 1924 shall be registrable as a trade mark under this Rule ;
- (2) that no trade mark shall be accepted for registration which contains or consists of any scandalous design, or any matter the use of which would by reason of its being calculated to deceive or otherwise be disentitled to protection in a Court of Justice, or would be contrary to law or morality ;
- (3) that no trade mark shall be accepted for registration which contains or consists of a representation of the Royal Arms (or Arms so closely resembling the Royal Arms as to be calculated to deceive), or of a photograph or photographs of any member or members of the Royal Family.

Classification of goods. 3. All goods to which these rules apply shall be divided into the following classes :—

Class 1.—Cotton yarns and threads being either grey or bleached.

Class 2.—Cotton yarns and threads being coloured either in whole or in part.

Class 3.—Cotton 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 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 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.

- (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:—

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 Register shall have been made, is an imitation colourable or otherwise of another trade mark, the trade mark so held to be an imitation colourable or otherwise shall not be registered;

or, if it shall have been held by the Court—

(b) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is not an imitation colourable or otherwise of another trade mark, the same shall, if it be in the opinion of the Managing Committee a proper mark to be registered as a trade mark, be entered therein.

43. The production to the Managing Committee of a certified copy of a decree passed by a Civil Court of competent jurisdiction in British India from which no appeal lies or in respect of which the time for appealing has expired or the production of a certified copy of a judgment of a Criminal Court from which no appeal lies, or in respect of which the time for appealing has expired, shall be conclusive evidence of everything therein appearing to have been held, decided or found, and the Managing Committee shall act in accordance therewith.

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.

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 awards.

Rule 29.—No objection shall be taken or be entertained to any application to file an award except and unless such objection is made upon the grounds laid down in Section 14 of the Indian Arbitration Act, 1899.

Further award.

Rule 30.—Whenever an award directs that a certain act or thing shall be done by one party to the reference and such party fails to comply with the award, the party in whose favour the award was made may make an application for a further award determining the amount of damages or compensation payable by reason of such failure, and the Committee of the Association on receipt of such application shall proceed to appoint

Arbitrators or an Umpire who may or may not be the same persons or person who made the first award. The arbitration on the said application shall then proceed in accordance with these rules and the award thereon may be filed separately or together with the original award.

Rule 31.—Neither party to a dispute which has been submitted to arbitration as provided in these rules shall bring or prosecute any suit or proceedings whatsoever against the Arbitrators, or the Umpire, or the Secretary for the time being of the Association, for or in respect of any suit or proceedings save for the enforcement of the award against the other party.

Immunity of Arbitrators.

Rule 32.—The provisions of the Indian laws relating to arbitration in so far as they are not inconsistent with these rules, shall apply in the conduct of all arbitrations conducted by the Association.

Application of Indian arbitration laws.

Rule 33.—In respect of any arbitration conducted in accordance with these rules fees shall be paid in accordance with the following Schedule:—

Fees.

SCHEDULE.

Rs. 15 for each Arbitrator.

Rs. 30 for any Umpire appointed in accordance with these rules.

Rs. 10 as fees due to the Association for clerical duties in connection with the arbitration and filing of the award.

Rule 34.—A bill showing the amount due in respect of fees, stamp duties, etc., due to the Arbitrators, the Umpire, and the Association, by each party to the dispute shall accompany any copy of the award sent in accordance with Rule 26, and shall be paid within seven days of the receipt thereof.

Recovery of fees.

Rule 35.—In addition to the fees mentioned in Rule 33 the parties to the dispute shall pay as and when demanded by the Secretary, and as set out in the award, all other fees or charges incurred during the arbitration in accordance with Rule 20.

Rule 36.—All notices required by these rules to be given shall be in writing and shall be sufficiently given if left at the last known place of abode or business of the party to whom the notice is addressed, or if sent by post prepaid addressed to him by name at such place of abode or business, and not returned through the post as undelivered before the completion of the award in Forms V, VI or VII, and shall if sent by post be considered to have been given at the time at which the letter would in the ordinary course be delivered.

Notices.

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.										

next

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 $8\frac{1}{2}$ 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.

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM. B.

Form of account prescribed by Rule 45.

Name of Member :— _____

Joined the service of the Association on _____

Joined the Provident Fund on _____

Name of Nominee :— _____

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.

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.

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| <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> | <p>Regulations.
Part III,
Clause 4 (1).</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).
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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, 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 by a Chamber or Association mentioned in sub-section (1) of section 5 or at a Fellows' election, unless he is at the time of the election a member of that Chamber or Association or a person entitled to exercise the rights and privileges of membership on behalf and in the name of any firm, company or corporation registered as a member of such Chamber or Association or a Fellow, as the case may be, and unless, in the case of a Fellow, he resides in the city.
- Section 22. (1) General Elections of Councillors shall be fixed by the Commissioner, subject to the provisions of Section 23, to take place triennially on such days in the months of January and February as he shall think fit.
- (2) 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 Industry	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. 8-8-0.		....	12 8 0	....	1-8-0 Inland. 3-0-0 Mail.
Mill Statement showing Cotton Spinning and Weaving Mills working and in course of erection in India on 31st August each year— Issued yearly.	2 paper and 1 cloth copies free and for additional copies each— Paper .. 3 0 0 Cloth .. 4 0 0		Paper .. 3 0 0 Cloth .. 4 0 0	Paper .. 3 0 0 Cloth .. 4 0 0	Paper .. 0 4 0 Cloth .. 0 8 0	

* Free to Members.