



Report

of the

Indian Tariff Board

(Cotton Textile Industry Enquiry)

1927

Volume III

Evidence of Local Governments, Official
Witnesses, Chambers of Commerce, Labour
Organisations and other Associations

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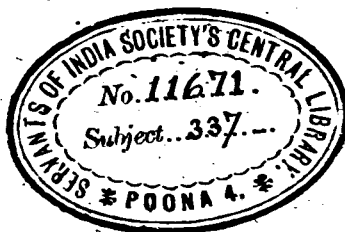


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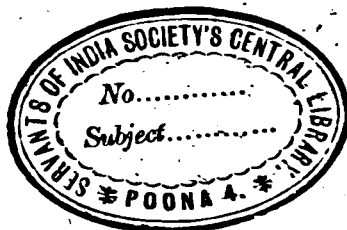
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Volume III

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PRESS COMMUNIQUE

In the Resolution of the Government of India in the Department of Commerce, No. 341-T. (9), dated the 10th June 1926, a second Tariff Board was appointed for the purpose of enquiring into the present condition of the Cotton Textile Industry in India. The terms of reference were :—

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

The Board has now received a representation from the Bombay Millowners' Association reviewing the causes which, in the opinion of the Association, have led to the present condition of the industry and putting forward the following proposals :—

- (1) The abolition of the duties on machinery and mill stores ;
- (2) The abolition of company super tax and the Bombay town duty of one rupee per bale ;
- (3) Reduction of railway freights from Bombay to the principal up-country markets ;
- (4) Negotiations with steamship companies for the reduction of shipping freights from Bombay to all export markets ;
- (5) The appointment of Trade Commissioners in various countries to assist India's export trade ;
- (6) The adoption of a scientific tariff which will protect goods manufactured in India from unfair competition from foreign countries.

The Association consider that, in order to place the cotton textile industry in India on an equality with foreign countries in respect of costs of manufacture, additional protection to the extent of 13 per cent. is required and that further protection to enable the mills to make the necessary allowances for depreciation to plant and machinery should also be given.

2. The Board will be glad to receive representations from those public bodies, firms and persons who desire to express their views on the subject matter of its enquiry.

The representation from the Bombay Millowners' Association and the Board's questionnaire have been printed in book form and copies can be obtained from the Board's office at the Bombay Town Hall, Provincial Government Book Depôts and authorised book-sellers.

3. Replies to the Board's questionnaire, which should be addressed to the Secretary should reach the Board's office, Town Hall, Bombay, not later than the 21st of August 1926, together with 5 spare copies. Firms and persons who desire to tender oral evidence should inform the Secretary not later than the 15th of August. The Board's programme will be notified to the public from time to time and arrangements will be made for the examination of witnesses other than those from Bombay at the nearest convenient centre included in the Board's programme.

4. 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 questionnaire useful as indicating the points on which the Board desires to be informed. Some of the questions cannot be answered without local or technical knowledge and answers of firms and others with such knowledge will be of special value. Witnesses who desire any part of their evidence to be treated as confidential are requested to mark such part clearly.

Bombay, the 1st August 1926.

D. F. KEEGAN,
Secretary, Indian Tariff Board
(Cotton Textile Industry Enquiry).

QUESTIONNAIRE

SECTION I

General

1. Do you consider that the present depression in the Cotton Textile Industry is confined to Bombay or that it also extends to Ahmedabad and to up-country centres generally? Does it affect all mills in the same centre alike?
2. To what extent do you consider the depression due to the operation of world factors, of factors special to India or of factors special to a particular locality in India?
3. Do you consider that the cause of the present depression in the industry are of a temporary or permanent character?
4. Do you consider that, unless the present margin between the price of raw cotton and the price of yarn and piece-goods increases, any mills now working will be compelled to close down?
5. Do you consider that producers of yarn and piece-goods generally (a) in Bombay, (b) in Ahmedabad and (c) in up-country centres with which you are acquainted are at present realising no profit on their sales or selling at a loss?
6. What effect do you consider that a further fall in the price of raw cotton would have on the prosperity of the industry?
7. How far can the present depression in the industry be attributed to lack of confidence in the stability of the present level of prices of raw cotton, of yarn and of piece-goods?
8. How far do you consider that the depression in the industry can be attributed to the fact that the fall in the price of cloth has not corresponded with the fall in the price of cotton and that of other commodities?
9. Do you consider that there has been a fall in the purchasing power of the ryot since the war, and if so, to what extent has this fall in purchasing power contributed to the depression in the mill industry?
10. Do you agree with the view that, owing to the low prices of gold and silver, consumers prefer to invest their savings in the precious metals and to restrict their purchases of cloth to a minimum?
11. How far can the present depression in the industry be attributed to lack of organisation among the mill-owners generally or in any specified directions?
12. How far has the depression in the industry been reflected in the number of mills which have (a) changed hands, (b) closed down, (c) gone into liquidation since 1922 and in that of projected mills in which work has not been started or has been suspended since that date? If you are in a position to give information in regard to a particular mill falling under any of these heads please do so.

SECTION II

Nature and extent of competition between imported goods and those of Indian manufacture

13. How far do you consider that the present depression in the industry can be attributed to the loss of the Chinese market for yarn? How far do you consider that the heavy fall in the exports of yarn to China since 1917 can be attributed to foreign competition, to scarcity and dearness of freight, to the expansion of the weaving industry in India or to a combination of all these causes?
14. How far do you consider the present depression in the industry due to increasing competition both in regard to quantity and price of imported yarn and piece-goods (a) from Japan and (b) from other countries?
15. What counts of imported yarn and lines of imported piece-goods compete directly with the production of Indian mills?
16. Please give as complete a range of figures as you can covering as long a period as possible of prices *ex godown* Bombay or Calcutta of imported yarn and piece-goods which compete with yarn and piece-goods manufactured in India. The prices *ex-mill* of the Indian manufactures with which the imported goods compete should also be given.
17. Do you consider that any yarns or piece-goods imported from Japan or other countries are placed on the Indian market at prices which would not cover their cost of production in India or at prices which are lower in India than those at which they are

placed in other markets (excluding freight and duty)? If so, please furnish samples of such yarn or piece-goods, if possible, with particulars of price. Can you furnish any evidence to show that such goods are placed on the Indian market at prices which after deducting freight and incidental expenses would not cover the cost of their production in the exporting country?

18. Do you consider that any yarns or piece-goods exported from Japan or other countries are placed on any foreign market at prices which are lower than the cost of production of similar Indian goods *plus* freight and import duty? To what extent, if any, has India lost foreign markets as a result of such competition?

19. The total imports of yarn of counts under 30s into India in 1924-25 were less than 1.3 per cent. of the production of Indian mills. In these circumstances do you regard the competition of imported yarn as a serious factor, and if so, why? Do you consider the percentage likely to increase?

20. It has been estimated that before the war not more than 3 per cent. of the imports of piece-goods from the United Kingdom competed directly with the production of Indian mills and that since the war the percentage has not been more than 1 per cent. Do you accept these figures? If not, please give your reasons.

21. It has been estimated that 70 per cent. of the imports of piece-goods from Japan compete directly with the production of Indian mills. Do you accept this figure? If not, please give your reasons.

22. It has been estimated that 10 per cent. of the imports of piece-goods from countries other than the United Kingdom and Japan compete directly with the production of Indian mills. Do you accept this figure? If not, please give your reasons.

23. Do you consider the imports of piece-goods into India from the United Kingdom, Japan, Italy or any other country likely to increase, and if so, why?

24. To what extent do you consider that imported piece-goods from Japan compete with those (a) from the United Kingdom and (b) from other countries? Do you consider this competition likely to increase in the future?

25. To what extent do you consider that the competition of imported piece-goods from Japan with the production of Indian mills has been accentuated by the fall in the Japanese exchange? Please give figures in support of your view. Have you any criticisms to offer of the table given in paragraph 57 of the representation of the Bombay Millowners' Association and of the assumptions on which it is based?

26. To what extent do you consider that the competition of imported goods from countries other than Japan with the production of Indian mills has been accentuated by fluctuations in the exchange of the exporting countries? Please give figures in support of your view. Do you consider that the competition from foreign countries other than Japan is likely to increase in the future owing to the exchange factor?

27. To what extent do you consider that the competition of imported goods with the production of Indian mills has been accentuated by fluctuations in the sterling rate of the rupee? If the rupee is stabilized at 1s. 6d., what effect will it have on the industry?

28. To what extent do you consider that the competition of imported piece-goods with the production of Indian mills is facilitated by the difference between the conditions of labour in the exporting country and in India?

29. To what extent do you consider that the competition of imported piece-goods with the production of Indian mills is promoted by direct or indirect State assistance to the industry in the exporting country? Are you in a position to give any specific information on this point?

30. Do you consider that the competition of imported piece-goods with the production of Indian mills is in any way assisted by special facilities in the matter of credit obtained by the exporting houses in their own country or offered by them to buyers in India?

31. How far do you consider that the competition of imported piece-goods with the production of Indian mills is facilitated by greater attention paid by exporters to the requirements and preferences of Indian middlemen and consumers in regard to such matters as quality, finish and packing?

32. Has there been any marked change in the quality of piece-goods imported into India of recent years from Japan or any other country?

33. Can you give any specific instances in which any line of Indian yarn or piece-goods has been ousted from or seriously handicapped in the home or foreign market or any part of it by imports from Japan or any other country ?

34. Do you consider that there are any signs of a growing preference on the part of Indian consumers for finer qualities of cloth than those ordinarily produced in Indian mills and that this preference is working to the disadvantage of Indian mills as compared with their competitors ?

SECTION III

Internal competition

35. To what extent, if any, do you consider that the extension of mills and the establishment of new mills in up-country centres have affected the prosperity and future prospects of the industry (a) in Bombay and (b) in Ahmedabad ?

36. What advantages, if any, do you consider that Bombay mills have over mills in Ahmedabad and up-country centres ?

37. Can you give an estimate of the relative advantages that mills in (a) Ahmedabad and (b) any up-country centre with which you are acquainted have over mills in Bombay owing to (a) proximity to large up-country markets, (b) proximity to coal fields, (c) proximity to sources of supply of raw materials ?

38. To what extent does the handloom industry compete with the mill industry ? Has there been any change in this respect of recent years ?

39. Can you furnish any information as to the extent of the production of hand-spun yarn and handloom piece-goods ?

SECTION IV

Mill management

40. The British Safeguarding of Industries Act lays down *inter alia* that no order shall be made under Part I unless it is established that the industry manufacturing similar goods in the United Kingdom is being carried on "with reasonable efficiency and economy." Do you consider that this criterion is satisfied by the industry (a) in Bombay and Ahmedabad and (b) in India generally ?

41. Please state your views in detail on the managing agency system. If you consider the system defective, please state in what way you regard it as defective. Do you consider any efficient substitute for the managing agency system possible ?

42. Is the system of remuneration to managing agents by commission on profits or that by commission on production the more common ? Which do you consider preferable ?

43. In addition to remuneration by commission on production or on profits do managing agents also receive an allowance for office expenses and commission (a) on purchases of cotton, (b) on purchases of machinery, mill stores and coal, (c) on sales of cotton, (d) on sales of yarn and cloth and (e) on insurance, advertisement or other activities ? Where the commission is on production does the agency agreement usually provide for a minimum commission irrespective of profits ?

44. Is the association of managing agents with any other classes or kinds of business common and, if so, do you consider it is in any way detrimental to the interests of the industry ?

SECTION V

Mill finance

45. To what extent can the present depression in the industry be attributed to the over-capitalization or the under-capitalization of the mills in the Bombay, Ahmedabad, and up-country centres ?

46. To what extent can the present depression in the industry be attributed to extensions of mills and replacements of machinery undertaken when prices were at their highest ?

47. Do you consider that there was an unduly liberal distribution of profits by mills between 1917 and 1923 ? If so, please give figures in support of your view and state whether you consider that the present depression in the industry can to any extent be attributed to this cause.

48. Have you any criticisms to offer of the way in which mills have obtained their capital, i.e., of the way in which it is divided between (a) ordinary shares, (b) preference shares, (c) debentures, (d) loans, (e) reserve fund and (f) depreciation and other funds?

49. Have you any criticism to offer of the way in which mills obtain their working capital? To what extent is the system of obtaining this capital by means of short term loans from the general public prevalent (a) in Bombay, (b) in Ahmedabad and (c) in up-country centres? Do you consider this system a sound one?

50. How far is it the practice of the mills to invest funds in allied concerns? Do you consider this practice a sound one?

51. Do mills now experience greater difficulties in obtaining finance than in pre-war years? If so, to what extent has this contributed to the general depression in the industry?

52. Can you give any information as to the rate at which money is borrowed by the industry in India and in Japan?

SECTION VI.—COSTS OF PRODUCTION

(a) General

53. What size do you consider a mill with both spindles and looms should be in order to ensure the most efficient and economical working? Can you give an approximate estimate of the capital required in pre-war conditions and at the present time to establish such a mill (a) in Bombay, (b) in Ahmedabad and (c) in up-country centres? Can you give an idea of the approximate cost per spindle of establishing such a mill in 1914 and 1926 respectively in India as compared with the United Kingdom and Japan?

54. Are mills generally (a) in Bombay, (b) Ahmedabad and (c) up-country centres of a size, type and lay-out conducive to economical working?

55. To what extent do you consider that the efficiency of Indian mills is hampered by the use of old machinery?

56. Please give for any mill in regard to which you are in a position to give such information a statement in the form attached as Appendix A of the costs of production in pice per pound for one pound of grey yarn of 20s counts and for one pound of standard grey calendered long cloth. For purposes of comparison the figures should be given for 1913, 1914, 1920, 1924 and 1925 (if available).

N.B.—The exact period covered, where this differs from the Calendar year, should be stated. The counts of warp and weft used for and the reed and pick of the standard long cloth should also be stated.

57. In which of the elements making up the cost of production do you consider Indian mills are at a special disadvantage as compared with their competitors?

58. In which of the elements making up the cost of production are mills in Bombay at an advantage or disadvantage as compared with mills in Ahmedabad and up-country centres?

59. To what extent, if any, are the costs of production in Bombay as compared with those in Ahmedabad and up-country centres affected by the greater humidity of its climate? To what extent does the provision of humidifier add to or lower the cost of production?

(b) Raw material

60. Please describe in detail the methods adopted by the mills in purchasing raw cotton (a) in Bombay and (b) in the cotton districts. Please state how these differ from those adopted in Lancashire and Japan.

61. How far do you consider that speculative purchases of (a) spot cotton and (b) cotton futures have contributed to the present depression in the industry? Can you suggest any method by which the element of speculation in such purchases could be reduced?

62. It has been frequently stated that the prices at which cotton is purchased by Indian mills are often higher than the prices paid for cotton for export. Do you consider this statement correct? If so, can you give any information as to the margin between the two prices? Can you suggest any reason why there should be such a margin or any means by which it can be avoided?

63. To what extent can the present depression in the industry be attributed to the purchase of cotton at prices higher than those now prevailing?

(c) *Labour*

64. The Bombay Millowners' Association hold that "the main factor which has contributed to the present increased cost of manufacture is the higher remuneration given to labour for a smaller unit of work as compared with pre-war years." Do you accept this view? How far does it also apply to Ahmedabad and up-country centres?

65. Do you consider that there was an unduly liberal distribution of bonuses to operatives between 1918 and 1923? If so, please give figures in support of your view and state whether you consider that the present depression in the industry can to any extent be attributed to this cause?

66. To what extent, if any, did (a) spinning and (b) weaving production suffer as a result of the reduction in the hours of labour in 1922? Please give comparative figures for 20s yarn and standard grey calendered long cloth before and after the reduction.

67. Please state for any mill with which you are acquainted:

- (a) the number of spindles in the ring frames, the lift of spindle and number of ring spindles per competent spinner;
- (b) the number of looms per competent weaver;
- (c) the total operatives in the spinning department per 1,000 spindles up to and including reeling and the average counts spun;
- (d) the total operatives in the weaving department per 100 looms for grey and coloured goods respectively.

Please explain in detail how you have arrived at your figures.

68. Please give the rates of wages paid in the spinning and weaving department of any mill with which you are acquainted with particulars of any changes in these since 1914.

69. Please state the average spinner's wage per pound of 20s yarn and weaver's wage per pound of standard grey calendered long cloth produced for any mill with which you are acquainted.

70. To what extent do you consider the textile industry in India is hampered in comparison with its competitors by the inefficiency of Indian labour? How does the efficiency of labour in Bombay compare with that in Ahmedabad and in up-country centres?

71. What is the percentage of absenteeism (a) in Bombay, (b) in Ahmedabad and (c) in any up-country mill with which you are acquainted? How far does the percentage of absenteeism vary from day to day in the week and how far is the variation seasonal? Is the percentage larger amongst female than amongst male operatives? To what extent do you consider that absenteeism could be reduced by the grant of good attendance bonuses and other privileges? Are such bonuses commonly granted?

72. How far does the "budli" system affect the efficiency of labour?

73. Can you furnish an estimate of the rate of labour turnover in the cotton textile industry (a) in Bombay, (b) in Ahmedabad and (c) in up-country centres?

74. How far are mills in Ahmedabad and in up-country centres at an advantage or disadvantage over those in Bombay in regard to the continuity of labour supply? To what extent do you consider that continuity could be secured by the grant of long service bonuses and the institution of provident funds? Are such bonuses and provident funds common?

75. To what extent do mills in Bombay, Ahmedabad and up-country centres house their labour and what return do they get on the capital invested in such housing? Do you consider that improved housing conditions would result in any improvement in the efficiency of labour? How far is it possible to secure such conditions in Bombay and Ahmedabad?

76. What are the present facilities for technical education (a) for operatives, (b) for supervising staff? To what extent is use made of these? To what extent do you consider that the efficiency of labour could be improved by increasing them?

77. The Bombay Millowners' Association express the view that wages in the cotton textile industry are higher than those generally prevalent in any other industry in India. Do you accept this view? If so, please give facts in support of your opinion.

78. Has there been any marked change in the standard of living of operatives since the war.

79. Do you consider that there is any scope for a reduction in the labour costs in mills in India by the introduction of automatic looms or of other labour saving appliances?

Would any such reduction be more than counterbalanced by additional expenditure in other directions ?

80. Do you consider that there is any reasonable prospect of securing a reduction in labour costs in the near future by training operatives to tend more spindles or looms ? Has there been any improvement in this respect in recent years ?

81. Do you accept the figures given in paragraph 129 of the Bombay Millowners' representation in regard to the saving in the cost of cloth as a result of working double shifts ? Can you furnish an estimate of the saving that would be secured by double shift working for any mill with which you are acquainted.

82. Would it be possible or advisable to introduce double shift working in mills (a) in Bombay, (b) in Ahmedabad and (c) in up-country centres ?

83. To what extent, if any, has legislation in recent years affected the cost of production ? Please give full details under each head as far as possible.

(d) *Overhead charges*

84. The Bombay Millowners' Association in their representation have supplied full details of the local taxation imposed in Bombay. Please supply similar details for any up-country centre with which you are acquainted.

85. For what purposes is insurance effected by the Indian mills ? Do you consider the present position in regard to the amount of insurance and the methods of effecting it satisfactory ?

86. What do you consider the correct percentage which should be allowed for depreciation and how should the depreciation fund be utilised ? Do you consider that depreciation should be reckoned as a charge on cost of production or as a charge on profits ? How far does the ordinary mill practice coincide with your views on these points ?

87. On what principle are the stocks of cotton, mill stores and manufactured goods held by Indian mills valued for purposes of balance sheets ? Is there an independent valuation or are the auditors content with certificates from the managing agents ?

88. Is the audit of mill accounts a running audit or an annual one ?

(e) *Sales*

89. Please describe in detail the different systems adopted by the mills in selling their products. Which system you consider preferable and why ? Can you give any figures in support of your views ?

90. Is the system of sales on long credit prevalent ? What are your views regarding it ?

91. Please give full details of the additions which have to be made at the present time to the prices of Indian and imported yarns and piece-goods *ex* mill and *ex* godown respectively to make up their cost to the consumer. How do these compare with those ruling in 1913 ? Are they the same in all cases for Indian and imported goods ?

92. Do dealers in piece-goods now experience greater difficulties in obtaining finance than in pre-war years ? If so, to what extent has this contributed to the present depression in the industry ?

(f) *Transport*

93. Please give as full particulars as you can of the freights on cotton from India to the United Kingdom, Japan and Italy and on cotton from America, Egypt and Uganda to the United Kingdom, Japan, Italy and India.

94. Please give as full particulars as you can of the freights on piece-goods from the United Kingdom, Italy and Japan to India.

95. Can you give any instances of discrimination between Bombay, Ahmedabad and up-country centres in the rates of railway freight charged for the carriage of raw cotton, yarn, piece-goods and mill stores inwards or outwards ?

SECTION VII.—SUGGESTIONS AS TO REMEDIAL MEASURES

(a) *Suggestions put forward by the Bombay Millowners' Association*

96. Are you in favour of the proposal that the customs duty on machinery and mill stores should be abolished ? What difference in pies per pound of yarn or cloth produced would this make to the cost of production of any mill with which you are acquainted ?

97. What are your views on the proposal that the Company super tax should be abolished ?

98. What are your views on the proposal that the town duty of Re. 1 per bale levied in Bombay should be abolished ?

99. Can you suggest any improvements in the present railway facilities for the movement of cotton, yarn and piece-goods ?

100. Do you consider that any case can be made out for a reduction in the present rates of railway freight charged on cotton consumed by Indian mills and on piece-goods and yarn manufactured in India ?

101. What are your views on the suggestion that the Government of India should negotiate with the steamship companies with a view to reducing the shipping freights from Bombay to Madras, Calcutta, Singapore, Basra, Zanzibar, Mombasa, Port Said, the Levant and all other export markets ? Can you give a comparative statement showing the present freights between Bombay and these ports and those which ruled before the war ?

102. What are your views on the suggestion that the Government of India should appoint Trade Commissioners to assist the export trade ?

103. Can you suggest any other measures by which (a) those overseas markets for Indian yarn which have been lost could be recovered, (b) the present overseas markets for Indian yarn and piece-goods could be extended and (c) new markets could be opened ?

104. The Bombay Millowners' Association have suggested the imposition of an additional duty of at least 13 per cent. on yarn and piece-goods imported from foreign countries which compete unfairly with India. Are you in favour of the imposition of such a duty (a) on imports from Japan alone, (b) on all imports, (c) on yarn of certain counts and on cloth of certain qualities ? If the last, please state the counts and qualities on which you consider the duty should be imposed.

105. If you are in favour of such a duty, do you consider that it should be imposed as a temporary or a permanent measure ?

106. Do you consider that the imposition of the proposed protective duty would result in a temporary or permanent increase in the price of all yarn or cloth or only of the yarn and cloth on which the duty was imposed ? In either case, to what extent would the increased price affect the cost of living of the middle and lower classes ?

107. Do you consider, on the other hand, that the result of the imposition of the proposed additional duty would merely be such increase in sales as might result from the displacement of imported yarn and cloth ?

108. Do you consider that the internal competition between Indian mills would operate to restrict the increase in the price of yarn and cloth throughout the whole of India or only in local areas ?

109. Do you consider that an increased import duty should be levied even if it increases the prices of yarn and cloth to consumers ?

110. Do you accept the view of the Bombay Millowners' Association that the raising of the import duties to 11 per cent. did not raise the price of cloth or check its consumption ? If so, please give figures in support of your views.

111. Do you consider that an increase in the duty on imported yarn and cloth would act as a restriction on the consumption of yarn and cloth ? If so, do you consider that this would be in the best interests of the mill industry in view of the fact that the figures in paragraph 121 of the representation of the Bombay Millowners' Association show that exclusive of the production of hand looms the cloth available for consumption in India in 1924-25 was still 638 million yards below the figures for 1913-14 in spite of the increase in population in the interim ?

112. To what extent, if any, do you consider that the increase in the duty on imported yarn and cloth would, by diverting yarn and cloth from India, unfavourably affect the position of Indian yarn and cloth in overseas markets ?

113. What do you consider would be the effect on the hand loom industry of the increase in the duty on imported yarn from 5 to 18 per cent. ? In this connection, your special attention is drawn to the views expressed in paragraph 116 of the Fiscal Commission's Report.

114. The Bombay Millowners' Association have asked for the adoption of a scientific tariff by which presumably is meant the adoption of specific duties on yarn and cloth in lieu of *ad valorem* duties. What are your views on this suggestion and how would you propose that such a tariff should be framed (a) to maintain the protection given at its present level, (b) to achieve the objects desired by the Bombay Millowners' Association?

114A. With reference to question 114 of the Board's original Questionnaire the following scheme for recasting Article 103 of the present Tariff Schedules has been submitted for the consideration of the Board. Please state your views in regard to it. Can you suggest a scheme for basing the valuation on weight per square yard and number of threads in a square one inch side?

Serial No.	Name of Articles	Per	Tariff valuation	Duty
				Per cent.
103	Cotton Piece-goods, excluding the descriptions given below: ..	....	<i>Ad valorem</i>	11
			Rs. a. p.	
	Grey plain— Madapollams	Square yard ..	0 1 9	11
		*lb. ..	1 2 0	11
	Mulls	Square yard ..	0 2 11	11
		*lb. ..	1 10 0	11
	Jaconets, Shirtings, Sheetings, T. Cloths	Square yard ..	0 4 8	11
		*lb. ..	1 3 0	11
	White plain— Shirtings, Mulls, Nainsooks, Jaconets	Square yard ..	0 5 0	11
	Coloured woven and dyed— Shirtings, Mulls, Jaconets, Madapollams, from the United Kingdom .. ..	.. ..	0 4 6	11
	Do. do. from Japan .. ..	.. ..	0 3 8	11
	Umbrella cloths, Italians, Sateens, Cambrics, Flannels, Flannel-lettes, Loongies, Sarongs, from Japan .. ..	.. ..	0 7 6	11
	Do. do. from other countries .. ..	.. ..	0 9 8	11
	Printed— Sarries, Scarves, Chintz, Choo-neries, Chagras, Cambrics, Spilts, Twills, Muslins, Spots, Stripes, Jeans .. ..	.. ..	0 7 0	11
	Tape-bordered Chadars and Scarves, all kinds .. ..	.. ..	0 3 7	11
	Drills and Jeans, all kinds except Printed Drills and Printed Jeans, from Japan .. ..	.. ..	0 6 7	11
	Twills all kinds, of any width from 30" to 85" except Printed Twills— From United Kingdom .. ..	.. ..	0 7 10	11
	From other countries .. ..	.. ..	0 5 5	11
	Bartered Dhutis, Saris, Scarves, Chadars (except Printed Saris and Scarves and tape-bordered Scarves and Chadars), Dukries, Tikris and Jaconets, all kinds .. ..	.. ..	0 4 6	11

* The tariff valuation per lb. is suggested as a possible alternative to the valuation per square yard.

115. The Bombay Millowners have asked for additional protection beyond 13 per cent. to enable mills to make the necessary allowances for depreciation to plant and machinery. Do you support this proposal? If so, what additional protection do you consider would be required?

(b) *Other suggestions*

116. Are you in favour of an export duty on cotton? If so, at what figure would you place it? To what extent do you consider such a duty would affect (a) the income of cotton growers, (b) the area under cotton, (c) the price of cotton in India and (d) the price of Indian cotton in overseas markets?

117. To what extent, if any, do you consider that the imposition of a duty on cotton at the rate you suggest would result in the replacement of Indian cotton in overseas markets by American or other cotton?

118. Can you suggest any improvements in the banking facilities at present available to the industry?

119. Do you consider that the position of the industry could be improved by better organisation of the millowners, i.e., by greater co-operation between the mills in such matters as the purchase of cotton, machinery and mill stores, the state of the finished products, the standardisation of lines and prices or by any other combined action?

120. How far would progress in spinning finer counts, i.e., counts above 30s in India affect the condition of the industry?

121. Do you consider that it would benefit the mill industry if different mills were to specialise to a greater extent than at present on certain counts of yarn or on certain types of cloth? Are mills at present equipped for specialisation?

122. Do you consider that the mill industry as a whole would benefit by extending its range of production and that, e.g., the Bombay mill industry would benefit if it were to pay greater attention to the requirement of the Calcutta market?

123. Do you consider that greater attention should be paid by the Indian mills to bleached, dyed and printed goods, to the utilisation of waste and to subsidiary branches of production such as hosiery?

124. Do you consider that the full effect of the remission of the excise duty has yet been felt?

125. If there are any causes which, in your opinion, contribute to the depression in the industry other than those mentioned above, please state them with suggestions as to possible remedies.

126. Can you suggest any methods of assisting the industry other than those which have been referred to in the above questions?

SPECIAL QUESTIONS FOR THE BOMBAY MILLOWNERS' ASSOCIATION

1. In paragraph 130 of their representation, the Association have asked for the adoption of "a scientific tariff" so that the goods which Indian mills can manufacture and supply to India shall not be open to unfair competition from foreign competitors. Please explain exactly what is meant by a scientific tariff and how the Association consider it should be framed to achieve the object they have in view.

2. In paragraph 131 of their report, the Association ask for protection in addition to the 13 per cent. proposed in that paragraph to enable mills to make the necessary allowances for depreciation to plant and machinery. What additional duty do the Association consider should be imposed for this purpose?

3. Please give an account of the working of the Millowners' Association Mutual Insurance Fund for workmen's compensation and state whether the Millowners' Association has under contemplation any similar scheme for fire and other insurances.

APPENDIX A

A. Cost of production of one pound of grey yarn

	Pies	Percentage of total cost
1. Cost of cotton required to manufacture 1 lb. of grey yarn.		
<i>Manufacturing charges</i>		
2. Cost of fuel and power
3. Cost of water for power purposes
4. Cost of water for all purposes other than power
5. Cost of stores consumed
6. Repairs and upkeep of machinery
7. Wages to operatives inclusive of bonus and all allowances.
8. Superior supervision
<i>Overhead charges</i>		
9. Rates, taxes, licenses and fees
9A. Interest and brokerage on working capital
10. Insurance
11. Repairs and upkeep of buildings
12. Depreciation
13. Office expenses (a) at mill, (b) at registered offices of company.
14. Brokerage and commission
15. Schools, welfare work and dispensary
16. Provident fund
17. Miscellaneous expenses not otherwise specified
Total cost ..		

B. Cost of production of one pound of standard grey calendered long cloth

	Pies per lb.	Percentage of total
1. Cost of yarn used for manufacturing one pound of cloth ..		
<i>Manufacturing charges</i>		
2. Cost of fuel and power
3. Cost of water for power purposes
4. Cost of water for all purposes other than power
5. Cost of stores consumed
6. Repairs and upkeep of machinery
7. Wages to operatives inclusive of bonus and all allowances
8. Superior supervision
<i>Overhead charges</i>		
9. Rates, taxes, licenses and fees
9A. Interest and brokerage on working capital
10. Insurance
11. Repairs and upkeep of buildings
12. Depreciation
13. Office expenses (a) at mill, (b) at registered offices of company.
14. Brokerage and commission
15. Schools, welfare work and dispensary
16. Provident fund
17. Miscellaneous expenses not otherwise specified
Total cost ..		