

REPORT
OF
The Millowners' Association,
Bombay.

Report for the Year 1947.

(Established 1st February 1875.)

**PRESENTED TO THE ANNUAL GENERAL MEETING
HELD ON FRIDAY, 2nd APRIL 1948.**

Bombay :
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1948.

THE MILLOWNERS' ASSOCIATION, BOMBAY.

REPORT FOR THE YEAR 1947.

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Milloomers' Association, Bombay.

Section I.

PROCEEDINGS OF THE ANNUAL GENERAL MEETING
HELD ON THE 2nd APRIL 1948.

The Millowners' Association, Bombay.

ANNUAL GENERAL MEETING.

PROCEEDINGS of the ANNUAL GENERAL MEETING of the MEMBERS of the MILLOWNERS' ASSOCIATION, BOMBAY, held in the rooms of the Association (Second Floor, Elphinstone Building, Churchgate Street, Fort), on Friday, the 2nd April 1948, at 11-30 a.m. (S.T.), to transact the following business :-

- (1) To receive and adopt the Committee's Report and the Statement of Accounts for the year 1947 ;
- (2) To appoint Auditors of the Association's Accounts for the current year and to fix their remuneration ;

and any other business that may be brought forward.

MR. BHAGVANDAS C. MEHTA, M.L.A., Chairman of the Association, presided.

The following gentlemen were also present :—

Mr. K. G. Jacob (Collector of Customs) ; Mr. M. P. Kanga, M.Sc. (Tech.) (Director of Industries) ; Mr. G. L. Mehta (President, Tariff Board) ; Mr. A. D. Finney (President, Bombay Chamber of Commerce) ; Dr. D. L. Sen (Director, Technological Laboratory, Matunga) ; Mr. H. G. H. Everitt and Mr. W. Jenkins representing the Colaba Land and Mill Co., Ltd., the New City of Bombay Manufacturing Co., Ltd., and the New Great Eastern Spinning and Weaving Co., Ltd. ; Sir Sorab Saklatvala and Mr. T. V. Baddeley, C.B.E., representing the Ahmedabad Advance Mills Ltd., the Central India Spinning Weaving and Manufacturing Co., Ltd., the Svadeshi Mills Co., Ltd., and the Tata Mills Ltd. ; Sir Vithal Chandavarkar representing the Bangalore Woollen, Cotton and Silk Mills Co., Ltd., the Buckingham and Carnatic Co., Ltd., the Madura Mills Co., Ltd., the Minerva Mills Ltd., the Modern Mills Ltd., and the Mysore Spinning and Manufacturing Co., Ltd. ; Mr. J. C. Lancashire representing the Gokak Mills Ltd., and the Simplex Mills Co., Ltd. ; Mr. Dharamsey Mulraj Khatau representing the Khatau Makanji Spinning and Weaving Co., Ltd. ; Mr. Krishnaraj M. D. Thackersey representing the Crown Spinning and Manufacturing Co., Ltd., the Hindoostan Spinning and Weaving Mills Co., Ltd., the Indian Manufacturing Co., Ltd., and the Western India Spinning and Manufacturing Co., Ltd. ; Mr. Neville N. Wadia representing the Bombay Dyeing and Manufacturing Co., Ltd. ; Mr. J. C. Burns and Mr. C. H. Campbell representing the Finlay Mills Ltd., the Gold Mohur Mills Ltd., the Shri Shahu Chhatrapati Spinning and Weaving Mills, and the Swan Mills Ltd. ; Mr. Navinchandra Mafatlal representing the Indian Bleaching, Dyeing and Printing Works Ltd., the New China Mills Ltd., the Standard Mills Co., Ltd., and the Surat Cotton Spinning and Weaving Mills Ltd. ; Mr. W. B. Bryden and Mr. E. M. Solomon representing the David Mills Co., Ltd., and the Edward Textiles Ltd. ; Mr. R. S. Khaitan representing the India United Mills Ltd. ; Mr. S. P. Jain and Mr. K. B. L. Chordia representing the Madhowji Dharamsi Manufacturing Co., Ltd., and the Sir Shapurji Broacha Mills Ltd. ; Mr. H. F. Milne, Mr. E. D. Sheppard and Mr. E. C. B. Gilman representing the Kohinoor Mills Co., Ltd. ; Mr. Ramnath A. Podar representing the Podar Mills Ltd. ; Mr. V. D. Sirur representing the Minerva Mills Ltd., the Modern Mills Ltd. and the Mysore Spinning and Manufacturing Co., Ltd. ; Mr. Prahlad C. Mehta representing the Century Spinning and Manufacturing Co., Ltd. ; Mr. K. D. Kapadia representing the Bharat Spinning and Weaving Co., Ltd. ; Mr. Framroz D. Mehta representing the Burhanpur Tapti Mill Ltd. ; Mr. Dara H. Kooka representing the Chhoi Silk Mills Co., Ltd. ; Mr. Madhavsingh Gordhandas representing the Digvijay Spinning and Weaving Co., Ltd. ; Mr. Fali Mehta representing the Gaekwar Mills Ltd., and the Navsari Cotton and Silk Mills Ltd. ; Mr. Covasji Cursetji Dalal representing the Khandeish Spinning and Weaving Mills Co., Ltd. ; Lala Gurusharan Lall, C.I.E. representing the Madhusudan Mills Ltd. ;

Mr. S. D. Deorah representing the Moon Mills Ltd. ; Mr. S. J. Bose representing the Prabha Mills ; Mr. G. N. K. Iyer representing the Seksaria Cotton Mills Ltd. ; Mr. N. S. V. Aiyer (*Secretary*) and Mr. R. G. Gokhale (*Labour Officer*).

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

GENTLEMEN,

It is with great pleasure that I rise to propose the adoption of the Report of your Committee and the audited Statement of Accounts of the Association for the year 1947, and in doing so, I shall, as briefly as possible, touch on some outstanding events of the period.

2. The year 1947 is the most important landmark in the history of this country. On 15th August 1947, this country achieved independence. We have to pay tribute and express a sense of gratitude to our leaders and the rank and file of the fighters for their work in the cause of our country's freedom. It is with heartfelt gratitude, reverence and affection that we pay tribute to Pandit Jawaharlal Nehru, Sardar Vallabhbhai Patel, Dr. Rajendra Prasad and through them to all the others for achieving freedom and independence for this country, but our joy at the happy event which took place on the 15th of August 1947 was marred by the partition of India. The unparalleled action on the part of Britain in withdrawing their hold on and giving up power over such a big country was besmirched by the parting kick of partition. The partition of the country has been followed by insane slaughter of innumerable innocents and has led to mass migrations without parallel. The movement of large masses of population has resulted in gigantic problems of resettlement and rehabilitation, and the Government at the Centre was faced in its infancy with problems of tremendous magnitude. It is doubtful whether any Government had to face in its inception such difficulties. We are indeed fortunate in having at the helm of our affairs, men like Pandit Jawaharlal Nehru and Sardar Vallabhbhai Patel. The undoubted ability, wide knowledge, culture and the noble ideals of Pandit Jawaharlal Nehru are only too well known, and he has been largely instrumental in putting India on the international map. In Sardar Vallabhbhai Patel, we have a hero of many successful fights, the strong silent man of steel and a great organiser. What once appeared to be a baffling problem in the shape of the Indian States, is being satisfactorily solved in his capable hands. The political map, though ruined by the partition, is improving by the integration of the innumerable States, small and big. It is, indeed, unfortunate that the problems resulting from partition and the millions of refugees have made such pressing calls on the time of our Central Government that they have not been able to devote as much time, as I am sure they would have liked to, to the work of giving to this country the benefits of economic freedom. The Kashmir issue increased their worries. Mahatma Gandhi's assassination came like a bolt from the blue. Murder is bad enough ; elimination of political adversaries—enough of it in Russia, Mussolini's Italy, Hitler's Germany and latterly again in certain parts of Europe—is worse still, but to shoot in cold-blooded deliberation, and that too when Mahatma Gandhi was on his way to his famous prayer meeting, was unthinkable. It is a lasting disgrace to India, if not to all mankind. Mahatma Gandhi was the architect of India's freedom and the father of the nation. He was solely and wholly instrumental in removing the curse of untouchability. Generally, the really great men are not fully, if at all, appreciated during their lifetime, and usually it is after a varying lapse of time that their greatness is truly realised, and their efforts, work and achievement receive due and proper recognition, but then Mahatma Gandhi was a saint amongst politicians if he was a politician amongst saints. His exemplary life and noble ideals and his great work put him in a niche apart, but even so, I feel that we are too near in the concept of time to fully and really realise his work and achievements, not only for this country but for all mankind.

3. It is nearly three years since the war ended, but unfortunately, there is no real peace and tranquillity. The World War of 1914-18 was supposed to be the war to end all wars. The League of Nations raised great hopes in the hearts of men, which were finally dashed to the ground by the Second World War of 1939-45. Now we have, or at least we are supposed to have, "United Nations" and a "Security Council," but no sense of security. The reference of the Kashmir issue to the Security Council and its deliberations thereon

are, to say the least, disappointing. If ever there was a case of the aggrieved party being named the aggressor and put in the wrong box, here is one. The world political situation is extremely unsatisfactory, and the world abounds with enmities, uncertainties, apprehensions and fear. The international economy and trade are in a chaotic and depressing state. Shortages of food and consumer goods are felt in most, if not all, countries. Production is down, prices are high, and humanity is suffering and unhappy. This country, unfortunately, is not the exception that proves the rule. Apart from, and over and above, the adverse effects of the economic maladies and exchange difficulties of the world on our economy, we have to bear the ills brought about by the partitioning of the country, the mass migrations that followed it and by the dislocation of the once internal trade and the non-availability of food and raw materials in the required quantities. The partitioning of the country has engendered bitter feelings, and the two Dominions, *vis-a-vis* each other, are practically in a state just short of war. India as a whole was an economic entity though not entirely self-sufficient, and the repercussions and far-reaching consequences of partition will take years, if not decades, to readjust and repair the damage. Shortages of food there are in one part of the country or other and consumer goods are scarce.

4. Unfortunately, railway transport is not at all satisfactory, raw materials, stores and manufactured goods do not move quickly, and there are delays and accumulations. Ample transport facilities, efficient and quick, are the prerequisite of a satisfactory economy.

The Bombay Industrial Relations Act was brought into force from the 29th September of last year. It has made revolutionary and far-reaching changes. There are many 'whereases,' provisos and notwithstandings, and there are many sections and sub-sections, and the whole Act is very complicated. I had to go through it and study it carefully, but I must frankly admit that one cannot help being lost in its meshes. It is a veritable paradise for lawyers.

The Act entitles employees to ask for reinstatement even if they are duly discharged or dismissed in accordance with the provisions of the Act and the Standing Orders thereunder. I am afraid I must say that this provision affects fundamental rights, and surely if an employer finds an operative inefficient or guilty of misconduct, he has every right under common law to terminate his services. During the past few months, many demands for reinstatement have come before the Labour Court, and the rulings of the Court have always been in favour of the employee. If such a right to demand reinstatement is to stand, then logical corollary would be that, if an employee left the service of the employer, the employer should also be allowed to go to court, and the court would force the employee to go back to his original employment.

5. Turning to our own sphere, we have the award given by the Industrial Court in May last year. This increased the wage bill of the Bombay textile mills by 30 per cent. and meant a benefit of Rs. 2.57 crores a year to the workers. I think this was the first instance in this country, and a unique example anywhere in the world, of such a large body of workers getting such a big increase through compulsory arbitration. The award of the Industrial Court dated 31st May 1947 gave increased wages and also standardised wages that were to be paid to all the operatives in the cotton mills in Bombay. The benefits accruing to the workers through a standardisation scheme of wages are apparent, and it is not necessary for me to elaborate this point. Except for a negligible percentage of workers—must have been less than one or two per cent.—all the other workers got substantial increases, and still the workers in the drawing-in and warping departments, who were already getting satisfactory wages, were not satisfied with the increases they were granted, and they openly flouted the award and created trouble. Here it is relevant to recall that when the wages of the weavers in Ahmedabad mills were standardised, one-third of the workers concerned got an increase, one-third had no increase, and the remaining one-third had actually to accept and agree to a cut in their earnings. It is true that the presence, advice and guidance of the late Mahatma Gandhi and Sardar Vallabhbhai Patel had largely to do with the smooth introduction, but it also speaks very highly of the influence, work and achievement of Mr. Gulzarilal Nanda, who was then the Secretary of the Textile Labour Association, Ahmedabad. One had hoped, and one could certainly expect that there would be peace and smooth working in the industry, and that production would not be hampered and reduced by strikes, but unfortunately, no sooner was the award out than intense propaganda was carried on against

it, and efforts were made to get still further increases for one or the other section of the workers. Not only that; instead of adopting the procedure laid down in the Act, deliberate go-slow tactics were adopted, and work was struck in certain key departments which brought the cotton textile industry in Bombay to a standstill. To my mind, it was most reprehensible, being nothing short of sheer blackmail. One would have expected that Government, having forced compulsory arbitration through legislation, would at least deal strongly with those who were openly flouting the award of the Industrial Court. I do not propose to go into the question and enter into arguments as to whether the workers have the inherent right to strike, but they cannot have it both ways. If they want to get, and they did get, increased wages through the medium of the Industrial Court, then the workers must abide by the decision of the Industrial Court, and if they are dissatisfied, they should make a fresh submission. One does not question the necessity and benefits of resolving disputes by arbitration instead of affecting the economy of the country by resorting to strikes, but if we are to have compulsory arbitration, then the awards have to be enforced, and Government cannot and must not appease and placate one section at the expense of the other.

6. On 20th February 1948, the Industrial Court gave its award giving increased dearness allowance to the workers of the Bombay cotton textile mills also with retrospective effect from 1st January 1947. I am not at all averse to the workers getting increased emoluments, but I do feel that it is wrong in principle, and is not justified by facts or law to give increased dearness allowance with retrospective effect. The dearness allowance is given to offset to a considerable extent, if not to the full extent, increased cost of living. Surely, giving increased dearness allowance with retrospective effect does not help in neutralising the increased cost of living for a period which has already passed.

7. Very recently, the Industrial Court gave its award on the workers' demand for bonus for the year 1947—referred by Government to arbitration of the Industrial Court, and the Industrial Court awarded two months' bonus. I think the following facts and figures are relevant :

The Industrial Court awarded for the year 1946 a bonus equivalent to one-fifth of the earnings as against one-sixth that we had voluntarily granted. The gross profits of the cotton mills in Bombay for the year 1946 were Rs. 12.66 crores. The bonus awarded by the Industrial Court for the year 1946 cost the industry Rs. 1.7 crores. In the year 1947, we had declared one month's bonus as Independence bonus on the 15th of August. This, together with the two extra months' bonus awarded by the Industrial Court recently for the year 1947, cost the Industry Rs. 2.7 crores. The gross profits of the mills in Bombay for the year 1947 are estimated to be about Rs. 7.44 crores. I would like to put it in another way. If the monthly wage of the worker in 1946 is taken as 100, then with the wage increases granted by the award of 31st May 1947, the monthly wage for 1947 would be 130. The Industrial Court had awarded a bonus equivalent to one-fifth of the earned wages in the year 1946, and that would make the bonus quantum 240. For the year 1947, as I have said earlier, we declared one month's bonus as Independence bonus, and with the two extra months' bonus awarded by the Industrial Court for the year 1947, it made a total of three months' bonus, bringing the quantum of bonus for the year 1947 to 390. As compared with the year 1946, the workers had received in the year 1947, Rs. 2.57 crores in the shape of increased wages, Rs. 90 lakhs as increased dearness allowance, and an increased bonus amounting to Rs. 2.7 crores, whereas the profits for the year 1947 had dropped from Rs. 12.66 crores in 1946, to Rs. 7.44 crores in 1947, six mills having actually made losses in the year 1947. I do not think that I need make any comment.

8. It is absolutely essential that the Central Government formulates and lays down general principles and uniform policies applicable to all India. The scope of arbitrators or adjudicators must be restricted within suitable confines. One cannot help feeling that arbitration and adjudication proceedings are vitiated to a large extent by the apprehensions of the arbitrators or adjudicators that unless something was immediately done and the demands of the workers conceded, there would be trouble and stoppage of work and in view of the grave economic position in the country, labour must be appeased at all costs. No one questions the necessity of preventing stoppages of work, but, in achieving this object, fundamental principles of what is right and wrong, and what is just, fair and reasonable, cannot be sacrificed.

9. With all due respect and leaving out personalities, I am constrained to say that the adjudicators or arbitrators do not have an intimate knowledge and sufficient grasp of the working of the industry and its problems. They do not take a long-range and comprehensive view in terms of the country as a whole. The decisions of one, two or three men, who want to get through somehow with the disputes in hand and failing to face the logic of facts and figures, involve large sums of money, and such decisions have far-reaching and disturbing repercussions on the economy of the country. I would most earnestly urge that if we are to have compulsory arbitration, it is absolutely essential to appoint tribunals consisting of one representative of the employer and one representative of labour and one independent person, knowledgeable and duly qualified. There should be a right of appeal to the High Court or the Supreme Court against the decisions of such tribunals. Obviously, if appeals are frivolous, the Appeal Court would throw them out, but the mere fact of a statutory provision for appeal will have a restraining influence on the tendency of arbitrators and adjudicators to go beyond reasonable limits.

10. Industrial peace cannot be bought, and certainly not maintained by giving in to every demand at the point of the pistol in the shape of a threat to go on strike, if their demands, whatever they are, are not immediately conceded. Firmness is sorely needed and must form the pillar of justice and fair dealing.

Labour leaders give as causes of industrial unrest, disputes and strikes, that industrial workers do not get a living wage. They base their arguments on the findings of the Divatia Inquiry Committee which said that, in 1939, the living wage should be Rs. 50 to Rs. 55. I am a believer in high wages, provided they are within the capacity of the industry and the country.

The living wages are based on family budgets, etc. In this connection, I would like to quote from the introduction in the adjudication by the Hon'ble Mr. Justice Rajadhyaksha in the Posts and Telegraph Department employees' dispute :

"In a large majority of cases, the budgets were no more than mere estimates of the expenditure the witnesses incurred in a particular month. Skeleton budget forms were printed and distributed to the witnesses after they came to Simla and were filled up by them in most cases from memory. No accounts were produced to authenticate the entries made in their budgets.

"Many witnesses showed enormous deficits every month and when called upon to explain as to how these deficits were met in the past without incurring debts to a corresponding extent, the answer in many cases was that their mothers-in-law sent money or took their families away in order to lessen the burden of expenditure on the employees themselves. It is some satisfaction that the mothers-in-law of the employees of the Posts and Telegraphs Department belie the generally accepted conception of the role played by mothers-in-law in the domestic life of a married couple. In other cases, the items of expenditure in the budget were obviously inflated. It is obviously impossible to accept such budgets and if the matter was to be decided only on the character of the evidence produced by the Federation and the unions it might well have been that the demand of the unions could not be sustained."

These remarks certainly apply to many cases in dispute.

The following figures will go to show how fantastic and how divorced from realities such demands are. Labour demands minimum wage of Rs. 50 to Rs. 55 in terms of 1939 prices to the lowest category of workers and then suitable differentials for the workers in the different departments. The cost of living index is very nearly 300 and, therefore, to meet their demand, the wage would have to be about Rs. 150. The wage awarded by the Industrial Court in its award dated 31st May was Rs. 30 to the lowest category of workers. If the average D.F.A. paid during the year 1947 for the purpose of argument and a round figure is taken as Rs. 50 (it was less), then the wage for the lowest category of workers of cotton mills in Bombay would be Rs. 80. The average wage of workers in the Bombay cotton mills in the year 1947 is estimated to be Rs. 42 and with dearness allowance of Rs. 50 would come to

Rs. 92. Comparing the figure of Rs. 80 and Rs. 150, gives us a difference of Rs. 70. There are about two lakhs of workers in Bombay cotton mills. Multiply that by an increase of Rs. 70, would bring us to Rs. 140 lakhs. Multiply that by 12 to get at the annual figure and we get Rs. 16.8 crores. The gross profits of the Bombay cotton mills in 1947 is estimated to be Rs. 7.44 crores. The figures given above speak for themselves and no further comment is necessary.

The inadequacy and unsatisfactory condition of housing is quoted as another cause. Housing is the responsibility of the State and it cannot be placed on the shoulders of employers alone.

Shortages of food and the quality of food are also quoted as the cause of unrest, but surely the question of food is beyond the control of employers.

Labour complains bitterly and without any genuine ground that the unsatisfactory attitude and action of employers towards the employees lead to industrial unrest. I think the boot is on the other leg. Statutory provision is made enabling the workers to go to the Labour Court or the Industrial Court for redressing their grievances, if any, in this connection. As a matter of fact, the Labour and Industrial Courts are very sympathetic towards labour and if anything, err on the side of appeasement. I do not wish to indulge in throwing brick-bats but every one in the know is aware of loitering, absenteeism, insubordination, lack of discipline, disrespect for authority, careless work and latterly assaults on the supervisory staff.

You, gentlemen, are aware of a very reprehensible development during the last year or two. I refer to the dastardly assaults made on the supervising staff. If industry is to thrive, then there must be order and discipline. Insubordination, disrespect for authority and the tendency towards violence cannot be tolerated. It is well known that Indians as a rule are not prone to violence, but certain people are definitely guilty of creating dissatisfaction and inciting violence to achieve their ends. There can be no two opinions that this must be put a stop to immediately, and I hope that the Government and the public at large will see to it that this sort of thing does not continue.

11. It is a matter of the greatest regret to me that the cotton textile industry of this country was not able to meet fully the cloth requirements of our people. Whatever the obstacles or difficulties in the way or any excuses therefor, are beside the point. The fact is, and it cannot be gainsaid, that the existing plant and machinery, and they are by no means plentiful in terms of the increased demand for cloth, were not utilised to the utmost capacity inasmuch as the machines were not, wherever and whenever possible, run three shifts due to the opposition on the part of certain labour leaders, labour organisations and Provincial Governments, without any stoppages due to strikes, *hartals*, etc. In spite of the fact that legislation provided that there should be no strikes and all disputes must be resolved by negotiation and arbitration, and in spite of workers getting increased wages, dearness allowance and bonus, there were 134 strikes and 21 *hartals* in the year 1947, resulting in a loss of 754 million spindle-hours and 20 million loom-hours, or an equivalent of 120 million yards of cloth. If we want more cloth, there must not be any strikes or unnecessary *hartals*, nor any "go-slow" on the part of the workers. More yarn and cloth can only be produced if more spindle-hours and loom-hours are worked. I appreciate the shortage of industrial housing, and therefore, new recruits cannot be brought to Bombay to run machines three shifts wherever and whenever possible, but the existing labour supply which is already here, should and must be utilised to run the maximum number of machines as many shifts as possible. It is a matter of great regret that, whilst so much attention has been paid to increase emoluments to workers, the efforts made by management to run more machines by getting workers to mind more machines, wherever and whenever possible, have met with a flat refusal and a complete failure.

12. To get increased production and good cloth, it is absolutely necessary that the machinery should be regularly renovated and replaced with new machinery, the cost of which to-day is nearly four times what it was in 1939, and nearly ten times what it was in the early thirties. The industry has to have reserves not only for rehabilitation but also for

modernisation of the plant and for expansion. There should also be sufficient funds for research. If we want to progress, we must evolve improved processes and methods so that we can manufacture goods of better quality and supply to consumers their requirements at a cheaper cost. The population has increased, and the demand for cloth has also greatly increased. If we want that the demand for cloth should be fully met, there must be a great expansion of the existing plants and installation of many many new plants. I am sorry to have to say that, whilst disposing of the demands made by the labour, sufficient thought and weight have not been given to this aspect of the question. The demands made by the labour are fantastic and are sought to be justified by doctrinaire theories. Violent efforts are made to get for the workers in the cotton textile mills emoluments out of all proportion to the general level of wages and without any consideration whatever for the increased costs that they entail to the whole body of consumers. Increased wages are sought to be obtained at the expense of the shareholders, whose interests are shown no consideration, and callous treatment is sought to be meted out to them. It is only just and fair that the shareholders should also get a fair and reasonable return on capital in terms of the value of rupee as it then was when the capital was subscribed. They seek to maintain that only the original nominal value of the capital should be taken into account, and the reserves built up should not be taken into consideration. The reserves were built up by the shareholders ploughing back again into the business a major portion of the profits, without which the industry could not have developed nor expanded. The capital losses incurred and the fact that the shareholders had not received any dividend for years and years, the fact that the managing agents had given up part or whole of their commissions and that they had given up partly or wholly the loans they had advanced to the companies, are all conveniently forgotten. I am not only for the concept of a living wage but for high wages to the workers; but surely one section is not to be benefited by doing great injustice to another and to the country at large. There should, of course, be a fair and equitable distribution of the wealth produced and the profits made, but a social economy sought to be evolved by what practically amounts to expropriation can never be justified, nor can it stand the test of time. Increased emoluments can only be achieved and sustained by increased effort. If it is sought to have increased wages without increased labour productivity wherever and whenever that is possible, then the only result can be that a certain section of the population would gain at the expense of the rest of the community, as the increased labour costs are bound to be reflected in the increased cost to the consumer.

13. Whilst considering the question of profits, the question of level of taxation has to be borne in mind. The level of taxes on corporations and individuals is very high. Oh! for the days of yore when the Government lived within its income and without taking most of ours. It is a matter of regret that when wage questions are examined, the representatives of labour seek to get immediate wage boosts, and if the profits of the industry and the general economic life of the country cannot bear the burden of such wage increases, then they seek to reduce the remuneration paid according to contract to managing agents and the return on capital to shareholders. The bulk of the income of managing agents and of shareholders goes to Government in the shape of high taxes. It should also be remembered that top executives have responsibilities, worries and greater headaches. Labour does not care or worry about Government revenues or the economy of the country. Economic laws are inexorable and are no respectors of persons, systems, isms or ideologies.

14. The profits made by industries are not viewed in the correct perspective. The Government appropriates to itself a very major portion of the profit and the income-tax, super-tax and corporation tax make a substantial contribution to the revenues of Government. If the profits of the industry are dissipated, where is the Government going to find the money for not only carrying on the administration but also for nation-building activities? The profits made by the industry should be properly construed after taking into account the level of taxation in force. Sufficient net profits have to be left to the industry for a reasonable return on capital, reserves for tiding over difficult and bad times, and ample reserves for renovation, replacement, modernisation and expansion of the plant. The very high prices of machinery have to be borne in mind and depreciation and wear and tear of the machines cannot be lost sight of.

Production can only be increased by running three shifts. A demand has been made on the part of labour for a 25 per cent. increase in wages for the third shift. Generally, when

three-shift working is resorted to, there are three shifts of 7½ hours each, and 8 hours' wages are paid for 7½ hours' work. There is a regular change-over of shifts, and the workers in all the three shifts get the benefit of 8 hours' wages for 7½ hours' work. This itself puts the wage bill up by about 7 per cent. If the demand of increase in wages by 25 per cent. for the third shift was agreed to, it would increase the wage cost by another 8 per cent. approximately. Latterly, the cost of labour has increased tremendously, and so has the cost of raw materials, stores, etc. The result has been that the benefit to the industry accruing by three-shift working in the shape of reduced overheads is very considerably reduced, as the overhead charges now form a negligible percentage of the total cost.

15. Here the question of depreciation allowed by the Income-tax Office is relevant. Government allow only 5 per cent. extra for the second shift, as if the wear and tear of the machines is not proportionate to the number of hours worked. No extra allowance is given if the machines are worked three shifts. Depreciation is allowed on the written-down value of the assets since 1939. Strictly from an accounting point of view, this may be correct, but in view of the fact that since 1939 the prices of machinery have nearly quadrupled, the statutory depreciation allowance is totally inadequate. Depreciation is a definite charge on profits, and if we want the industries to work and thrive at all, due consideration must be given to allow sufficient profits, and relief from taxation in the shape of increased depreciation allowance in terms of the replacement value of machinery must be forthcoming.

16. There is a demand on the part of labour, and Government wants us to have association of labour in the management of industry through works committees, joint committees and production committees. The necessary prerequisite for useful consultations and satisfactory association is that there should be genuine trade unionism. I regret to have to say that, unfortunately, in this country, the trade union movement has not inherently developed from labour itself and is vitiated by a political tinge and class warfare. The so-called self-appointed labour leaders are out to disturb and destroy existing economy to gain their immediate ends without any consideration for the good of the community at large. The trade union movement should be controlled and directed by people who are skilled in the trade and industry concerned. If the works, joint or production committees are to yield useful results for the good of the community, it is essential that the people who demand association in the management of industry have a grasp of the situation and be prepared to adopt a reasonable attitude. If labour want rights and privileges, they must first accept their due obligations and duties. Persons or organisations who claim to speak on behalf of labour, must be in a position to deliver the goods and to implement the decisions. Our experience has been most unfortunate in this connection. Even favourable decisions resulting in very large increases have not been faithfully accepted, and whatever is obtained is sought to be made a stepping stone for still more extravagant demands, which are definitely not within the capacity of the industry or the country to grant. It is indeed unfortunate for us that the rivalry and scramble for power between rival unions has resulted in industrial unrest. Each tries to outdo the other in making more exorbitant demands, and the chances for any settlement based on reason, justice and fairness are practically *nil*.

17. In 1947, the cotton textile industry in Bombay had to bear the increased burden of over six crores of rupees in the shape of increased wages, increased dearness allowance and increased bonus to workers. The prices of cotton, stores, machinery and spare parts were continually mounting up. Since June 1946, the industry had been asking for an increase in the price of cloth to offset the increased costs. Matters were unfortunately allowed to drag on and it was only in January of this year that there was decontrol, and an inadequate increase in the prices of cloth was agreed to. Since then the prices of cotton have gone up anything from 50 per cent. to 100 per cent. and the whole question requires immediate attention. I regret to have to foresee increases in the price of cloth to meet increased costs of wages, cotton, stores and machinery, etc. High prices are certainly objectionable and benefit no one in the long run. But they are the ills of inflation, low production, and the unbridged gap between demand and supply.

18. National security demands that we develop and possess great industrial resources and a productive capacity in line with the size of our country and our large population. Modern war is a war of machines, and industrial potential very largely decides the issue.

Mere numbers are of no avail. We require aeroplanes, tanks, ships, arsenals and various other instruments of modern defence. As our worthy Prime Minister Pandit Nehru has proclaimed, we are wedded to peace and want no war. But we cannot shut our eyes to realities and take deluded refuge behind wishful thought. The best defence lies, if not in attack, certainly so in strength.

19. There has been a great deal of loose talk of nationalisation and threats have been flung from one quarter or the other. It has still to be actually proved that State-owned and State-managed industries are conducive to the greatest good of the greatest number. These loose talks and threats of nationalisation have put a damper on private enterprise and has delayed, if not completely killed, plans and programmes for further industrial development. Here, I would like to state that industrialists and the investing public are naturally apprehensive about the future policy of Government, and are not willing to risk their capital, frightened as they are by the awards of certain arbitrators and adjudicators. No one questions or disputes that labour must be given good wages, but awards and decisions in industrial arbitration must be just, fair, reasonable and in consonance with economic realities. Facts and figures cannot be talked out or brushed aside by doctrinaire theories and unsound arguments. Our country is predominantly an agricultural country. The population increases every year and very little, if anything, has been done to increase the productivity of land and reduce the already unduly heavy pressure on land. The salvation of this country lies in rapid and great industrialisation, and what is absolutely required is that policies should be so framed and directed that the existing industrial resources are utilised to the utmost, and steps are taken immediately to increase the productive capacity of the nation. This is not the time for dangerous experiments, and it will be suicidal to disturb and uproot the present structure.

20. Let us take a calm, reasonable, sensible and practical view of things. What is the State? Government represents the State and acting on its behalf is the party in power. Certain labour leaders, socialists and communists are demanding that all industries should be nationalised. This will mean the death-knell to private initiative and private enterprise. Experience of totalitarian State control is very bitter and, if anything, the working classes are ever so much worse off.

Once Government starts interfering and unduly controlling the economic life of the country, it can never halt itself. To fulfil promises made, of achieving improved conditions out of accord with facts, leads the party in power to seek an excuse and escape in still greater interference and control. The evils of unnecessary bureaucracy are too well known for me to dwell on. As long as Government is not allowed to unduly interfere and control the economic life of the people, there is a chance for true democracy and scope for individual freedom which is after all the most elementary and important possession. Governments are a necessary evil, but they should be confined and circumscribed within their proper sphere. Of course, there must be overall planning and formulation of suitable policies, but once Governments transgress a certain dividing line, humanity is sunk in so far as the individual liberty of the masses of people is concerned.

There is a practical aspect which has also to be considered. In State-management and control of industries, one mistake on the part of a bureaucrat would entail huge losses for the whole country, whereas in the case of private enterprise there is the necessary corrective of competition and even if there are mistakes, it only affects the individual company. We have to accept the world as it is and, to my mind, incentive there must be and the profit motive cannot be done away with absolutely. Party leaders who are in office are sufficiently busy with ordinary administration, legislatures, and of course they make continuous efforts to see that they remain in power, presuming of course that there is not to be a one party dictatorial rule, and Government is responsible to and removable by the Parliament and the people at large. Further, party leaders and even parties come in and go out of power—let us hope, not too soon nor too often, nor stay too long in power. How can they then have the knowledge, grasp, experience and time for the proper administration and running of industries?

21. I hope and trust that labour will not make inordinate and extravagant demands and that Government, both Central and Provincial, will not embark on policies that will

make it impossible for this industry to flourish and expand, and continue to serve the needs of the people. For, after all, though owned by shareholders comprised of all classes of people, cotton mills are in the nature of a national asset.

22. I am afraid that the picture one sees and has to draw is by no means a rosy one, but that is no reason for despondency. Troubles there are, and troubles there will be, but surely we should rise to the occasion and make united efforts to justify our independence and reap the full benefits of freedom. There is a lot to be done, and if spirited efforts are made in all walks of life, this great country can make great progress and occupy its rightful place among the nations of the world. This country has a great potential. This country has produced great men in all walks of life. It may be perhaps that in material resources we cannot be at the top of the world, but the spiritual wealth and heritage of this great country is unique. There have been instances where other nations have made rapid strides in their progress. We have the area, the numbers, ability, skill and the desire for progress. I would most earnestly urge and appeal that we do not waste our time and dissipate our energies in unnecessary bickerings and disputes but, instead, make a great and united effort to develop this country and bring prosperity and happiness to the people.

DOMESTIC MATTERS.

23. I have to thank our Deputy Chairman Mr. Everitt, and the Committee and the various Sub-Committees of the Association for the very willing co-operation and support which I received at their hands in the year under review. I am afraid I had to make very heavy calls on their time. My successor, Sir Vithal Chandavarkar, needs no introduction. I have no doubt that in his able hands your interests will be safe.

In the year under review, the Association was rendered poorer by the demise of Sir Frederick Stones after a short illness, on 12th July. We owe a deep debt of gratitude to Sir Frederick for the eminent services which he rendered to the industry and the Association during the quarter of a century he had been associated with us. Sir Frederick was a host in himself, and it will be very difficult to replace him.

I would be failing in my duty and would be guilty of ingratitude if I did not make a very special mention of the great work done for and the eminent services rendered to the Association by our worthy Secretary, Mr. Aiyer. I know only too well the very busy and exacting year that we have passed through. I will say that the Association is indeed very fortunate in having Mr. Aiyer as its Secretary. I must also mention Mr. Gokhale, the Labour Officer of the Association. I would also wish to express, on your and my behalf, our thanks and appreciation to Mr. Aiyer, Mr. Gokhale and all the other members of the staff.

Gentlemen, I now move :

“ That the Report of the Committee of the Association and the Statement of Accounts for the year 1947 be and are hereby approved and adopted.”

MR. H. G. H. EVERITT, the Deputy Chairman of the Association, in seconding the adoption of the Report and the Statement of Accounts for the year 1947, said :—

GENTLEMEN,

After the very able address of the Chairman, I have very little to add. Our Association has always been a non-political organisation, but to-day it is very difficult to dissociate politics from business, and I, on behalf of the European membership of the Association, assure you that we sympathise with the country's political aspirations. We congratulate India on her attainment of complete independence, and we hope that, in due course, this country, under the able guidance of its leaders, will be able to take its proper place among the nations of the world. As business men, we are interested in a peaceful and orderly form of government, which I believe to be the aim and object of the Congress Government, in whose hands the destiny of this great nation now lies. We may on occasions criticise their proposals and decisions, but I can say that this is done with a sense of responsibility and

with the interest of India at heart. I believe that the present Government stands for peaceful and gradual evolution, and not revolution, and therein lies their claim for your and our support.

As far as I can see, there will be no reservation of seats for Trade and Industry in the Legislature of the future, and thus will be lost to Government and the Legislature the advice and wisdom which can only come from intimate knowledge of industry and commerce. To ensure, therefore, that the views of trade and industry are adequately placed before the Government and the Legislature, it is highly necessary that an organisation should be brought into existence which would act as a liaison between Government and the Legislature on the one hand, the trade and industry on the other, and also take the responsibility for placing the point of view of the industry and trade before Government. I do not overlook the important work already done by individual Chambers of Commerce and Associations in this connection, and what I am suggesting now is that the Central Organisation I have in view would co-ordinate the views of all the federated bodies on broad matters of general policy and place them before Government. Some such organisation might carry more weight than the present somewhat haphazard and ineffectual bleats from the wilderness.

Our Chairman has referred to the large number of illegal strikes and *hartals* in Bombay. The psychology behind these strikes, apart from anything else, is that, rightly or wrongly, the worker feels, or is made to feel, that no effective action can be taken against him for going on an illegal strike. I feel that this sort of a feeling should be driven out of his mind. I am not suggesting the harassment of the worker, but he should be made to feel that, as an integral part of the country's economy, if he fails in his duty and acts in contravention of the law, then punishment would follow as a matter of course.

A lot of ink has been split on the question of decontrol of the cotton cloth and yarn industry and trade. I have personally refrained from expressing strong opinions on this subject. You will, however, recollect that the Association has been doing what it can to ensure that all reasonable facilities are given to the consumer to obtain his reasonable requirements of cloth and yarn at fair prices. In spite of these, there are reports in the air of unfair practices adopted in certain quarters. It is difficult for the Association to take any action in enforcing its resolutions on the basis of unsubstantiated rumours and moreover, I submit that one cannot altogether ignore the feeling of frustration existing among manufacturers. The position is that at to-day's prices of cotton, mill stores, wages, dearness allowance, etc., the majority of mills cannot make ends meet at to-day's stamped ex-mill prices. This drawback needs immediate rectification. I do not object to Tariff Boards going into this matter, and can understand the other preoccupations of Government which prevent them coming to decisions on the price issue, but at the same time Government should not lose sight of the fact that they cannot expect mills to continue to lose money until such time as Government are in a position to come to their rescue. If prices of cloth and yarn have to be kept within reasonable limits, then it is absolutely necessary that Government should accept the responsibility for the supply of raw materials, etc., at reasonable prices.

Gentlemen, I thank you all and, in particular the Chairman, for the consideration and courtesy which I received from you during my term of office as Deputy Chairman of the Association. I was away from Bombay from the commencement of the year up to the middle of July 1947, when Mr. Ferard kindly and very ably acted for me. It is true that Government have been rushing us from pillar to post, from one inquiry into another, from one arbitration to another, throughout the year, giving us absolutely no respite whatsoever. There was never a moment when we had time to sit back and think over matters, but in spite of everything, we worked as a team in a spirit of mutual helpfulness and service to the industry, which I greatly admire.

I have now great pleasure in seconding the motion for the adoption of the Report.

The resolution was then put to the meeting and carried.

On the motion of SIR VITHAL CHANDAVARKAR, seconded by MR. NEVILLE N. WADIA, it was resolved :—

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

On the motion of MR. DHARAMSEY MULRAJ KHATAU, seconded by MR. KRISHNARAJ M. D. THACKERSEY, it was resolved :—

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

	Rs.
The Victoria Jubilee Technical Institute	2,500
The Police Comforts Fund	1,000
The Textile Technical School	700
The Sir J. J. Hospital Poor Box	400
The K. E. M. Hospital Poor Box	400
The Naigaum Social Service Centre	350
The Maharashtra High School	250
The Gocaldas Tejpal Hospital Poor Box	200
The Bombay Textile and Engineering Association	200
Total ..	Rs. 6,000

On the motion of MR. RAMNATH A. PODAR, seconded by MR. NAVINCHANDRA MAFATLAL, it was resolved :—

“That an expenditure of Rs. 2,666-4-0 incurred by the Committee in connection with the presentation of a souvenir to Sir Ness Wadia, K.B.E., C.I.E., on his retirement from the Committee of the Association in July 1947 be approved, confirmed and debited to the Association’s Income and Expenditure Account.”

MR. T. V. BADDELEY proposed a vote of thanks to the outgoing Chairman and Committee for their very able conduct of the Association’s affairs during the year, which was carried with acclamation.

Report for the Year 1947.

Section II.

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

R E P O R T
OF THE COMMITTEE OF
THE MILLOWNERS' ASSOCIATION, BOMBAY.

For the period 1st January to 31st December 1947.

FOREWORD.

THE year 1947, for the world generally, was a year of disappointment. The high hopes entertained at the commencement of the year for achieving lasting peace throughout the world, did not materialise chiefly owing to the intransigent attitude of Russia and her dependent States. Russia opposed all the attempts made by England and America for the economic regeneration of the devastated countries of Europe, and agreed neither in principle nor in the methods suggested by the other two countries. America put forward the Marshall Plan by which she offered to aid the stricken countries of Europe for rehabilitation, but this plan was rejected by Russia and her satellites. All the other European countries welcomed the plan, and accepted the conditions of the plan for Customs Union and Trade Agreements. Russia also rejected all proposals for allowing moderate industrialisation of Germany to make her self-supporting. England emerged, though with difficulty, from her ordeals of a severe winter and disastrous floods, and the rigid austerity imposed by Government in the country, and her determined effort for an export drive brought about some improvement in her economic situation. In conformity with her Government's policy of nationalisation, the Government took control of the entire coal industry from the commencement of the year.

The decision to partition Palestine created a very grievous situation leading to open outbreak of hostilities between the Arabs and the Jews.

In China the situation went from bad to worse. Government forces there were constantly engaged in waging war with the communists. The drain of such continued fighting was very heavy on the country, and the economic conditions there were in a state of temporary chaos.

But in our own country events were moving with remarkable rapidity and the year 1947 will go down in the history of India as the year of her Independence. The early doubts and uncertainties which had created a deadlock were clarified by the announcement of the British Government's intention to quit India by June 1948 even if the parties in India did not come to an agreement. Earl Mountbatten was appointed as Viceroy in place of Lord Wavell. The former after a series of talks with the Indian leaders went back to England from where he soon returned and issued the celebrated declaration of 3rd June for the partition of India. The transfer of power was fixed

for 15th August from which date India achieved her independence. Earl Mountbatten was appointed Governor-General of the Indian Union and Mr. Jinnah was appointed Governor-General of Pakistan. Unfortunately, the partition of the country was followed by mass emigrations from different adjoining provinces accompanied by horrors of untold suffering by massacre and arson inflicted on defenceless people on an unprecedented scale. The question of the Indian States joining one or the other Dominion was peacefully settled except in the case of the three States of Junagadh, Hyderabad and Kashmir. Trouble arose in Junagadh by its ruler deciding to join Pakistan against the wishes of his subjects, but after a short struggle the State finally acceded to the Indian Union. Hyderabad had declared itself an independent state, and the situation there at one time seemed critical, but peace was restored by a standstill agreement between the Hyderabad State and the Indian Union. Trouble arose in Kashmir by that State joining the Indian Union, and the latter sending her troops to help the former against the attacks of the raiders from the frontier province. Incidents relating to Junagadh and Kashmir created bitter feelings between the two Dominions, but, fortunately, towards the close of the year there was amicable settlement of the financial and other issues.

The economic situation in the country deteriorated throughout the year. Trade and commerce were out of question at a time when people of different provinces were in the throes of an agony for the preservation of their life and property. The shock imparted by the Budget in February shattered the confidence of the industrialists, and all the vast schemes for the expansion of industries were abandoned. Confidence was restored to some extent by the new Finance Minister's assurances in November for revising the taxes and for adopting a policy of fostering the growth of industries.

The year also witnessed frequent and prolonged strikes in almost all the industries throughout the country. Apart from the stoppage of production, the strikers also resorted to violence to their officers. As a result of the incessant strikes and go-slow tactics of labour there was a tremendous shortage of production in all the industries, and frantic appeals were made by Government to labour leaders to give the right lead to the workers. An industrial truce was proclaimed by leading representatives of Capital and Labour who met in joint conference in December, but all the appeals and the settlement were flouted and set at naught by labour as demonstrated by the token strike which took place at the close of the year, not only of the workers in industrial concerns, but also of those in docks and transport services.

The food situation continued very serious throughout the year and at times fears were entertained for the breakdown of the rationing system. On the recommendation of the Food Grains Policy Committee, Government decided to introduce a scheme of gradual decontrol of foodgrains.

Let us now examine the state of the cotton, cloth and yarn markets.

Cotton.—The market opened with I.C.C. January at Rs. 453, March at Rs. 464, May at Rs. 474, July at Rs. 485 and September at Rs. 493; New York March at 32.41 cents. There was less activity in the ready market,

in spite of the Government of India allowing further five lacs of bales for export from January to April. Fluctuations in the forward market were also very narrow till the 11th, when prices declined to Rs. 456 March delivery. An agreement had been arrived at between India, East Africa and Sudan whereby India was to receive African and Sudan cottons at a fixed price but Rs. 70 per candy higher than in the previous season. In return, those countries received cloth from India at controlled prices which were very low compared to those from other countries. The American market, however, declined rapidly owing to hedge selling, and the price for March went below 30 cents. The all-India cotton acreage forecast was 1,27,27,000 acres, almost the same as the previous year. Prices for March declined to Rs. 445 on the 31st January.

In the month of February the decline continued, prices touching Rs. 431 on the 12th. Mill consumption was also on the decline owing to various reasons. There were other difficulties in the way of free exports of cotton such as shippers' quotas, destination quotas, export duty, etc., and prices of some of the staple cottons were almost at floor. Demand from mills was negligible owing to their reluctance to buy before the new standardisation scheme was known. There was acute shortage of short-staple cotton, and prices prevailing in the market for these varieties were nowhere under the ceiling prices fixed for them. The March I.C.C. contract stood also at the floor level at this time. The American market had, in the meantime, been rising quickly on account of good spot demand as well as foreign enquiries, and prices stood over 35 cents.

The month of March did not show any improvement, and there was no trading in the market in March contract owing to its going under the floor. The I.C.C. May also was not very far off from the floor. A further allocation of eight lacs of bales for the period of May to August 1947 for export, was declared by Government, the total export target being fixed at 15 lacs bales from September 1946 to August 1947. This brought some liveliness in the market, and the price for May contract rose to Rs. 440 from the floor price of Rs. 430 towards the end of the month.

In the second week of April, however, May contract again stood at the floor, with no trading, while July stood at Rs. 441 and September at Rs. 450. July contract too could not be sustained and began to sag towards the floor. There was, however, good demand for staple varieties for export, and premiums of these qualities began to rise considerably. Purchases by Government began at floor prices and these consisted mostly of Jarillas for which there was practically no demand from mills as well as exporters. Disturbances in the Punjab at this time of the year brought some uncertainty in the market, and most of the cotton stocks from the Punjab found their way towards Karachi, where stocks began to accumulate in very large quantities. The all-India cotton forecast was published which estimated cotton crop at 33,88,000 bales and an acreage of 1,36,32,000.

In the beginning of May, however, prices declined owing to heavy tenders for 25,350 bales on the very first tender day. An Indian Trade Mission was to go to Japan to negotiate trade possibilities between the two countries. There was very good demand from exporters of Broach and Surat cottons,

and premiums of these rose very rapidly. In the forward market, however, there was not much change either way, and fluctuations were very narrow, July a little over the floor price, and September with a premium of Rs. 8 over July.

The first week of June did not show any activity, but after that, on the announcement by the Government of India to allow unrestricted export till August 1947, July contract suddenly appeared above the floor level. The question of floors and ceilings for 1947-48 crop was referred to the Commodity Prices Board on receipt of whose report Government would declare its policy for the new season. The prices for July were now Rs. 436 and for September Rs. 447 towards the middle of the month. The world cotton consumption was estimated at this time to be 2,75,00,000 bales, while the production was estimated to be a little over 2,00,00,000 bales, as against previous production before the war of a little over 3,00,00,000 bales. The consumption was almost near the pre-war level. This showed that the deficit would have to be met from the previous carry-overs. The highest price reached for September Contract was Rs. 451 towards the middle of the month, whereafter there was a reduction of Rs. 7. The fourth all-India cotton forecast showed a crop of 35,15,000 bales with an acreage of 1,46,08,000. Towards the close of the month, prices for July stood at Rs. 436, September at Rs. 449 while New York was over 37 cents. Japan and China took more of American cotton now, and the U.S.A. authorities took care that Japan took most of her requirements from the U.S.A. In pre-war years Japan imported from India over 40 per cent. of her total imports of cotton. Monsoon season this year started late.

The month of July showed further rise, and July touched Rs. 445 and September Rs. 457, but in the second week, prices declined to Rs. 431 and Rs. 446 respectively on heavy speculative unloading by longs as they did not like to take up tenders. The ready market, on the contrary, was very active owing to good demand from mills as well as exporters, and premiums rose daily. This had the eventual effect on the forward market, which rose to Rs. 443 for July and Rs. 455 for September towards the middle of July. The U.S.A. acreage report showed 2,13,89,000 acres, an increase of 17.8 per cent. over previous season, and prices for July in New York went over 39 cents while October stood at a discount of 5 cents. The forward prices here, however, could not be maintained, and went as low as Rs. 435 and September Rs. 440. There was no switch over to new crop months, permission for opening of which was yet to come. The September price went as low as Rs. 437 towards the end of July.

The first part of August saw little change in prices, fluctuations being narrow between Rs. 435 and Rs. 440 for September contract. On 8th of August the U.S.A. crop report was published, which estimated a crop of 1,18,44,000 bales, a little over expectations. Towards the middle of the month, September I.C.C. contract stood at the floor, chiefly because of there being no facility for carrying over to next contract. The Government of Bombay proposed some alterations in the constitution of the Board of the East India Cotton Association as also in the surveying system, whereby it was proposed to introduce full-time paid surveyors, and the amalgamation of the Shree Mahajan Association with the E.I.C.A. as from January 1948.

Permission was granted to begin trading in the new 1947-48 cotton crop with the same floors and ceilings except for Deshi cottons, ceilings of which had been considerably raised. Most of the latter part of August there was no trading and the price stood nominally at Rs. 430. The Pakistan Government permitted free export till the end of November 1947, and the Government of India too decided to continue the same policy of free export till 30th November 1947, after which this policy was to be reviewed. Most of the long-staple qualities had been rapidly disappearing from the market as they mostly went for exports. It was feared that owing to mob violence in the Punjab and Sind the big number of ginning and pressing factories there would not be working smoothly and, therefore, premiums of long-staple cotton had been daily on the increase owing to very good spot offtake. It was agreed between India and Japan to send 1,70,000 bales of Indian cotton to Japan and in return to receive from Japan textiles and other necessary goods. Total exports at the end of the cotton year, i.e., August 1947 were slightly under 11 lacs of bales against 13 lacs allowed by the Government of India. With the partition of India on 15th August 1947 into the Dominions of the Union of India and Pakistan, it was hoped India would have much needed peace. Unfortunately, the partition of the country was followed by mass emigrations from different adjoining provinces accompanied by the horrors of untold suffering. The result was neglect of farm work and farm lands, which resulted in a considerable shrinkage in the outturn from the fields.

September did not show any improvement in September contract, which nominally stood at Rs. 430 but on the 6th, new January 1948 contract opened at Rs. 456 and March at Rs. 463. During the latter part of the month prices registered a rise of Rs. 10. The total tenders against September delivery were 55,800 bales. Unfortunately, strike in Bombay mills broke out at this time owing to dispute over wages of drawers-in and continued for 10 days. The spot market, however, was active owing to good demand from exporters.

The month of October showed further signs of improvement chiefly owing to continued demand for exports of nice white cottons, premiums of which rose very high. January contract rose to Rs. 474 but thereafter, towards the middle of the month, it dropped down to Rs. 461 owing to good crop reports from all over cotton districts. Ready cotton, however, maintained its firm tone. Towards the end of the month January contract further dropped to Rs. 456.

In the month of November, the market took a turn for the better and with a continued rising tendency by slow degrees prices rose to Rs. 478 on the 28th owing to continued demand for spot cotton, thus reducing actual Bombay stocks to a great extent. Arrivals at up-country centres of new crop commenced by now in some of the Berar and Khandesh districts. New N.T. cotton also was available on a limited scale. Towards the end of the month the Government of India announced their export policy, prohibiting export till March 1948 of cotton of 13/16" staple and longer, as it was feared that such long-staple cotton would not be freely supplied from Sind and the Punjab owing to disorganisation of business there. This announcement, however, had little effect on prices as the trade had expected even more drastic policy as regards allowing staple length for export.

The month of December showed continued strength and prices rose steadily day by day. There were also strong rumours of decontrol of cotton and cloth coming in the near future. Railway booking was practically closed and this prevented cotton from coming into Bombay in large quantities. This fact stimulated the trend of the market and January contract with small reactions here and there rose as high as Rs. 527 on the 23rd, owing to supposed shortage of tenderable cotton in January and the tight statistical position of actual stocks in Bombay which were reduced to 8 lacs of bales against 12 lacs the previous year, with exporters, dealers and mills. African crop was reported to be very small and it was feared that India might not be in a position now to get cotton from Africa and Sudan at controlled prices. Egyptian cotton prices had tremendously risen because most of the stocks were with the Government there and these were not likely to be released except at certain prices. American markets also rose considerably owing to a very strong statistical position there. Towards the close of the year, however, prices in the forward market dropped as swiftly as they had risen as longs began to unload their holdings or transfer into distant months. The market closed on 31st December 1947 as under :

1948		1948	
I.C.C. January	.. Rs. 495½	New York January	.. 35.92
„ March	.. Rs. 492¾	„ March	.. 36.10

Cloth and Yarn.—Prices and distribution of cloth and yarns continued under control in the same manner and at the same rates as those of the preceding year. Although during the year 70 per cent. of the looms and 80 per cent. of the spindles were worked in the second shift, there was a marked fall in the production of cloth as a result of frequent strikes and labour troubles, to which reference has been made above. Distribution of cloth also suffered on account of political disturbances and the situation became very critical after the declaration of Independence and the partition of the country in August. Mills also encountered a serious difficulty created by rising prices of cotton without a compensating increase in prices of cloth. On representations being made to Government, the latter appointed a Committee to examine the position of the industry. The Committee made its recommendations towards the end of the year, the principal among them were the levy of a surcharge on all yarns and on cloths of fine counts and relief to be given to mills manufacturing coarse and medium counts from the proceeds of such a levy. With a view to step up production, the mills were also required to manufacture cloths of certain specified textures. Owing to continuous shortage of cloth Government were finding it more and more difficult to maintain the rationing of cloth. There was a strong agitation throughout the country against the rationing of cloth. The Central Government had decided to adopt the policy of gradual decontrol of all articles which were under control. In conformity with that policy the various provincial Governments also decided to abolish cloth rationing and shortly after the close of the year de-rationing of cloth was announced by the Government of Bombay. The Government of India referred to the Tariff Board the question whether cloth prices should be increased or not and pending the report of that body the millowners agreed not to increase the prices beyond a certain maximum laid down by Government and also not to increase the varieties of the manufacturing counts beyond the number fixed by Government.

ELECTION OF CHAIRMAN OF THE ASSOCIATION FOR 1948.

The ballot for the election of the Chairman of the Association for the year 1948 was held on 12th January 1948, and resulted in the election of **Sir Vithal Chandavarkar, Kt.**, Managing Director of Messrs. N. Sirur & Co., Ltd., Managing Agents of the Mysore Spinning and Manufacturing Co., Ltd., the Minerva Mills, Ltd., and the Modern Mills, Ltd.

ELECTION OF DEPUTY CHAIRMAN OF THE ASSOCIATION FOR 1948.

The ballot for the election of Deputy Chairman of the Association for the year 1948 was held on 19th January 1948 and resulted in the election of **Mr. Neville N. Wadia** of Messrs. The Bombay Dyeing and Manufacturing Co., Ltd., Bombay.

ELECTION OF THE COMMITTEE FOR 1948.

The ballot for the election of the 18 members of the Committee for the year 1948 was held on 26th January 1948 and the following gentlemen were duly elected:—**Sir Sorab Saklatvala, Kt., M.L.A., Mr. Dharamsey Mulraj Khatau, Mr. A. Pether, Mr. Krishnaraj M. D. Thackersey, Mr. J. C. Burns, Mr. Navinchandra Mafatlal, Mr. G. D. Somani, Mr. J. C. Lancashire, Mr. L. F. H. Goodwin, Mr. H. G. H. Everitt, Mr. W. B. Bryden, Mr. Ramnath A. Podar, Mr. Bhagvandas C. Mehta, Mr. R. S. Khaitan, Mr. Radhakrishna Ramnarain, Mr. M. L. Tapuria, Mr. S. P. Jain, and Mr. E. D. Sheppard.**

ASSOCIATION'S REPRESENTATIVES ON VARIOUS BODIES AND COMMITTEES.

During the year under review, the following appointments were made to the various bodies and Committees on which the Association is represented :

Advisory Committee of the College of Engineering, Poona.	Sir Vithal Chandavarkar, Kt., for a period of three years from January, 1947.
B. B. & C.I. Railway Local Advisory Committee.	Sir Vithal Chandavarkar, Kt., for a period of two years from August, 1947.
Bombay Port Trust	Mr. Krishnaraj M. D. Thackersey, for a period of two years beginning with 1st April 1947.
Bombay Provincial Housing Advisory Committee.	Mr. J. C. Lancashire and Mr. Dharamsey Mulraj Khatau.
Bombay Smoke Nuisances Commission ..	Mr. H. A. Wood and Mr. G. S. Karpur for a period of two years from 1st January 1948.

Food Advisory Council	Mr. Neville N. Wadia.
Indian Central Cotton Committee—Technological Research Sub-Committee.	Mr. Bhagvandas C. Mehta and Mr. A. D. Walwyn for a period of one year from 1st April 1947.
Railway Rates Advisory Committee	Mr. H. G. H. Everitt was appointed as the Association's representative in the vacancy caused by the demise of Sir Frederick Stones.
Telephone Advisory Committee, Bombay ..	Sir Vithal Chandavarkar, Kt.

INDIAN CENTRAL COTTON COMMITTEE.

SUB-COMMITTEE FOR PROPOSED REVISION OF CLASSIFICATION OF INDIAN COTTON ACCORDING TO STAPLE LENGTH—ASSOCIATION'S REPRESENTATIVE.

Early in December the Indian Central Cotton Committee informed the Association that at its meeting held towards the latter part of November, a special Sub-Committee had been appointed to go into the question of revision of the classification of Indian cotton according to staple length, and requested the Association to nominate a representative to serve on the said Sub-Committee.

The Committee appointed Mr. A. Pether as the Association's representative.

BOMBAY PORT TRUST.

ASSOCIATION'S REPRESENTATION ON THE BOARD OF TRUSTEES.

(See also page 5 of Report for 1946.)

Reference was made on page 5 of the Association's report for 1946 to the Committee's representation to the Bombay Port Trust requesting that the Association's representation on the Board of Trustees should be raised from one to two members.

Towards the beginning of November, the Bombay Port Trust informed the Committee that the question of increasing the representation of Indian commercial interests on the Port Trust Boards had been under the consideration of the Government of India. The Committee were, however, enquired by the Trust authorities as to whether, in view of the subsequent political developments which had resulted in the partition of the country, they had any fresh views to offer in the matter. In reply, the Committee stated that the Association's case for increased representation on the Board of the Port Trust was in no way affected by the partition of the country. (*Appendix 1.*)

ASSOCIATION'S REPRESENTATIVE ON THE COMMITTEE FOR THE DISTRIBUTION OF SPINDLES.

Following a conference convened by the Government of Bombay on the 21st February 1947 to discuss the question of distribution of the 1,14,000 spindles allotted to the Province of Bombay, the Honourable Minister for Industries appointed a Committee consisting of a representative of Government working with two nominees of the Millowners' Associations of Bombay and Ahmedabad, with a view to ascertain whether an equitable system of distribution could be worked out. The Association was accordingly requested to nominate a representative to serve on the proposed Committee.

The Committee appointed **Mr. T. V. Baddeley** as the Association's representative.

REPRESENTATION OF INDUSTRIAL AND COMMERCIAL INTERESTS IN THE DOMINION CONSTITUTION.

Following the announcement regarding the partition of the country and formation of the two new Dominions, the Chairman of the Association sent the following telegram to members of the Interim Cabinet, Government of India towards the latter part of July :—

“ The partition of the country must entail apart from political and territorial problems financial, industrial and commercial consequences of a far-reaching nature. All these problems must involve a great encroachment on your time and must entail a tremendous strain on your goodselves. We hasten to place at your disposal our services in matters concerning industry and trade. We trust that same if not greater representation will be given to industrial and commercial interests as hitherto in the new Constitution set up.”

EXPORT ADVISORY COUNCIL.

(See also page 5 of Report for 1944.)

Reference was made on page 5 of the Association's report for 1944 to the Committee's representation to Government in connection with the reconstitution of the Export Advisory Council, under which the Association's representation on the Council was taken away and two seats were accorded to the Textile Control Board.

By a resolution dated the 3rd May 1947, the Government of India again reconstituted the Council. The Association's representation was not restored and the Textile Control Board continued to have two seats on the Council. The Committee considered that this was not satisfactory for the reason that the preponderating membership which the industry had on the Textile Control Board, and which was, perhaps, one of the considerations that weighed with Government in according direct representation on the Council to the Control Board at the time of the Council's reconstitution in 1944, no longer held good, for the reason that the Control Board had been enlarged with an increased representation for non-manufacturing interests

thereon and it was doubtful whether any two members of the Control Board, as reconstituted, would, under all circumstances, be able to represent the industry effectively on the Council. Moreover, as the Association could claim as its members most of the premier exporters of cotton goods from amongst the manufacturers, the Committee, in a representation submitted to Government towards the end of June 1947, urged that if and when the Textile Control Board was abolished, the representation on the Council, now given to the Board, should be given to the Association.

The Council was again reconstituted by the Government of India by a resolution dated the 1st November 1947, which is reproduced below :

“The Government of India consider that in consequence of the political changes that have taken place since the Export Advisory Council was set up by Ministry of Commerce Resolution No. 96-CW(5)/46, dated the 3rd May 1947, the composition of the Council needs to be revised. In supersession of the said Resolution, the composition will now be as follows:—

- (i) Chairman (The Honourable the Commerce Minister).
 - (ii) Eight members, nominated one each by the following Associations :—
 - (a) Calcutta Baled Jute Association ;
 - (b) Indian Jute Mills Association, Calcutta ;
 - (c) Grain and Oilseeds Merchants' Association, Bombay ;
 - (d) Calcutta Hides and Skins Shippers' Association ;
 - (e) Southern India Skin and Hide Merchants' Association, Madras ;
 - (f) East India Cotton Association, Bombay ;
 - (g) All India Exporters' Association, Bombay ;
 - (h) Seeds Traders Association, Bombay.
 - (iii) One member nominated by the All India Handloom Board.
 - (iv) Two members nominated by the Textile Control Board.
 - (v) Four members nominated as follows :—
 - (a) Two members by the Federation of Indian Chambers of Commerce and Industry ;
 - (b) One member by the Associated Chambers of Commerce of India ;
 - (c) One member by the All India Manufacturers' Association.
 - (vi) One member jointly nominated by the United Planters' Association of Southern India and the Indian Tea Association, Calcutta.
 - (vii) Twelve members to be nominated by the Government of India as representatives of interests not otherwise adequately represented on the Council.
2. The revised Council is constituted for a term of two years.”

Under the revised constitution, the representation accorded to the Karachi Cotton Association and the Federation of Muslim Chambers of Commerce and Industry was taken away and their places were given to the All India Exporters' Association and the All India Manufacturers' Association. So far as the textile industry was concerned, the Textile Control Board continued to have two seats as before. (*Appendix 2.*)

MEMBERSHIP OF THE ASSOCIATION.

The total membership of the Association at the end of 1947 was 152 as against 147 at the beginning. The undermentioned five mills were elected members during the year :

1. Messrs. The Jaipur Spinning and Weaving Mills, Ltd., Jaipur.
2. Messrs. The Sutlej Cotton Mills, Ltd., Okara (Punjab).
3. Messrs. The Janak Ltd. (Proprietors : Prabha Mills), Viramgam.
4. Messrs. The Lakshmiratan Cotton Mills Co., Ltd., Cawnpore.
5. Messrs. The Kotah Textiles Ltd., Kotah Junction.

DONATIONS.

At the Annual General Meeting of the members of the Association held on Thursday, the 15th May 1947, the following donations were sanctioned and paid out of the Association's funds :

	Rs.
The Victoria Jubilee Technical Institute	2,500
The Police Comforts Fund	1,000
The Textile Technical School	700
The Sir J. J. Hospital Nursing Association Fund	500
The K.E.M. Hospital Poor Box Fund	400
The Naigaum Social Service Centre	350
The Maharashtra High School	250
The Goculdas Tejpal Hospital Nursing Association Fund	200
The Bombay Textile and Engineering Association	200
Total ..	6,100

AUDITORS OF THE ASSOCIATION.

At the Annual General Meeting of members of the Association held on Thursday the 15th May 1947, Messrs. A. F. Ferguson & Co. were appointed as the Association's Auditors for the year 1947 on a remuneration of Rs. 500 per annum.

RETIREMENT OF SIR NESS WADIA, K.B.E., C.I.E., FROM
THE COMMITTEE OF THE ASSOCIATION.

Reference was made in the Chairman's speech at the last Annual General Meeting to the retirement of Sir Ness Wadia who had been connected with the Association for about half a century.

At a party held in the Taj Mahal Hotel towards the end of June, the Chairman paid a glowing tribute to the services rendered to the Association by Sir Ness Wadia, and presented him with an artistic silver salver and a cigar box on behalf of the members of the Association.

DEATH OF SIR FREDERICK STONES.

At a meeting of the Committee held on 18th July 1947, the following resolution was passed, all members standing :

“The Committee of the Millowners’ Association, Bombay, were deeply grieved to learn of the sad and untimely demise of Sir Frederick Stones, Kt., O.B.E., on Saturday the 12th July 1947.

Sir Frederick was on the Committee of the Association from 1922 to 1944, and was the Deputy Chairman of the Association in 1927. Over this long period, Sir Frederick Stones rendered eminent services to the Association and the textile industry. His technical knowledge, wide experience and his genial and cheerful disposition enabled him to discharge eminently the onerous duties and difficult and important tasks that were placed on his shoulders. Sir Frederick was largely responsible for initiating and putting into practice many of the efficiency and rationalisation schemes which came into operation in Bombay and other textile centres. His extensive and up-to-date knowledge of all matters, particularly concerning the textile industry, was of inestimable value to the Association and the industry. Sir Frederick’s demise has created a gap among the stalwarts of the industry which it will be very difficult to fill.

Sir Frederick made a great contribution to the promotion of general and technical education, and in this connection, the Committee of the Association recall his service on the Senate of the Bombay University, to the Department of Chemical Technology, on the Board of the Victoria Jubilee Technical Institute and of the Textile Technical School of the Social Service League, and in the Bombay European Textile Association.

He was a guide, philosopher and friend of Government Departments and of the textile industry’s representatives in successfully planning and securing the supply of special textile goods required by the armed forces during the last war. Sir Frederick evinced deep concern for the welfare of labour and made constant efforts for their well-being.

Resolved that the unique services rendered by the late Sir Frederick Stones to the country, the cotton textile industry and the Millowners’ Association, Bombay, be placed on record.

Further resolved that the Committee’s condolences be conveyed to Lady Stones and her daughters and Messrs. E. D. Sassoon & Co., Ltd., for the irreparable loss which they have sustained by the sad and untimely demise of Sir Frederick Stones, and that a copy of the Resolution be forwarded to them.”

ARBITRATORS’ AND UMPIRES’ PANELS.

In accordance with rules 3 and 4 of the Association’s rules for arbitration on Indian piecegoods, the Committee appointed the following gentlemen to serve on the Arbitrators’ and Umpires’ Panels, for the triennium ending 31st March 1950 :—

ARBITRATORS.

Millowners’ Panel.—Mr. Krishnaraj M. D. Thackersey, Mr. Ramniwas Ramnarain, Mr. T. V. Baddeley, Mr. H. F. Milne, Mr. A. Pether, Mr. H. G. H. Everitt, Mr. R. L. Ferard, Mr. G. D. Somani, Mr. J. C. Burns, Mr. E. D.

Sheppard, Mr. L. F. H. Goodwin, Mr. B. S. Dabke, Mr. Ramgopal Ganpatrai Ruia, Mr. Narandas Munmohandas Ramji, and Mr. E. M. Solomon.

Piecegoods Merchants' Panel.—Mr. Gordhandas Vandnavan, Mr. Gordhandas Goculdas Morarjee, Mr. Laxman Vaman Apte, Mr. Devji Damodar. Mr. Raghavji Vallabhdas Kapadia, Mr. Ratansey Champsey, Mr. Haranarayan Gopaldas, Mr. Mansukhlal Chimanlal, Mr. Narottamdas Keshavlal, Mr. Anandji Kanji, Mr. Mansukhlal Premji, Mr. Manilal Harilal, Mr. Purshottam Mulji Kapadia, Mr. Tansukhrai M. Karundia, and Mr. Gajadhar Jaipuria.

UMPIRES.

Mr. Krishnaraj M. D. Thackersey, Mr. Ramniwas Ramnarain, Mr. T. V. Baddeley, Mr. A. Pether, Mr. H. G. H. Everitt, Mr. R. L. Ferard, Mr. Purshottam Mulji Kapadia, Mr. Raghavji Vallabhdas Kapadia, Mr. Devji Damodar, and Mr. Gordhandas Goculdas Morarjee.

BILL TO AMEND THE CITY OF BOMBAY MUNICIPAL ACT, 1888, RE: WATER TAX.

(See also page 16 of Report for 1934.)

Reference was made on page 16 of the Association's report for 1934 to a Bill which was introduced in the Bombay Legislative Assembly to amend the Act so as to enable the Corporation to make a profit on water supply if it so desired. The Committee opposed the proposals and were also supported by certain other leading industrial and commercial bodies in the city. This was followed by a conference convened by Government, with the result that the amending Bill was not proceeded with.

The Municipality increased the rate of water tax charged to mills from Re. 0-14-0 to Rs. 1-2-0 per thousand gallons with effect from 1st April 1944 and from Rs. 1-2-0 to Rs. 1-8-0 per thousand gallons with effect from 1st April 1945. The Committee protested against these increases, and a test case challenging the validity of the increase in the rate was filed in the High Court.

Early in April, the attention of the Committee was drawn to a Bill to amend the Municipal Act introduced in the Bombay Legislative Assembly with the following objects and reasons.

“Under Section 140 (a) of the City of Bombay Municipal Act, 1888, the Bombay Municipality is required to levy a water-tax of so many per centum of the rateable value of buildings and lands as the Corporation shall deem reasonable with reference to the expenses of providing a water supply for the city. Doubts have been expressed whether it is open to the Corporation under this provision to fix a rate which yields an income in excess of the actual expenses from year to year. It is considered undesirable that the discretion of the Corporation in fixing the rate of levy should be fettered. The amendment is intended to make it clear that the Corporation is not precluded from fixing a rate which may yield a profit in a particular year. The amendment follows the provision made in section 73 (I) (X) of the Bombay Municipal Boroughs Act, 1925, relating to the levy of a water-rate by borough municipalities.”

The Committee submitted a representation to Government reiterating their objections to the proposed amendment. In view of the extreme importance of the amendment, the Committee suggested circulation of the Bill for inviting opinions thereon. If this was not acceptable, a conference of representatives of all interests for the purpose of arriving at a fair solution of the whole problem was suggested. If this suggestion too was not acceptable to Government, the Committee urged that a provision should be made in the Bill setting a ceiling to the profits which could be made by the Municipality. The Bill was, however, passed by the Assembly on the 8th April 1947. (*Appendix 3.*)

WATER TAX PAYABLE BY MILLS.

(*See also page 7 of Report for 1946.*)

Reference was made on page 7 of the Association's report for 1946 to a test case pending in the High Court challenging the validity of the increase in water-tax in 1944-45 from As. 14 to Rs. 1-2 per 1,000 gallons, effected by the Bombay Municipality. The rate was further increased to Rs. 1-8 in the year 1945-46.

Certain negotiations took place in the year under review between the Association and the Municipal authorities and the following understanding which was reached, was communicated to the members in Bombay :—

- (1) That the rate charged to the mills in the City for the years 1944-45 and 1945-46 will remain undisturbed.
- (2) That the rate for the year 1946-47 and three years thereafter ending 31st March 1950 will be Rs. 1-1 per 1,000 gallons.
- (3) That subject to the understanding as aforesaid, the Colaba Land and Mill Co., Ltd., who had filed a suit in the High Court challenging the validity of the levy, would withdraw the suit without prejudice, or alternatively, get the suit dismissed.
- (4) That all the mills who had filed appeals against the water tax bills under section 217 of the Municipal Act for the years 1944-45, 1945-46 and 1946-47 would either withdraw the appeals or get them marked as "settled out of Court."

Requisite steps were taken by the Association and the Municipality to give legal effect to the above understandings.

MUNICIPAL ASSESSMENT OF COTTON MILLS.

(*See also pages 10 and 51 of Report for 1944.*)

Reference was made on page 12 of the Association's report for 1943 to the terms of the agreement which was reached between the Association and the Municipal Commissioner in connection with the assessment of cotton mills. This agreement was to be in force for a period of five years commencing from the 1st day of April 1943 and ending on the 31st day of March 1948.

Towards the end of December, the Committee were informed that special notices had been served by the Municipality on individual mills, increasing the valuations of all the mills, applying a flat rate of Rs. 6-8 per 100 sq. ft. per month with effect from 1st April 1948, irrespective of the nature and user of buildings as against different rates for different purposes prescribed under the agreement.

The Committee, therefore, advised member mills to protest against the proposed increase under section 162(2) of the City of Bombay Municipal Act within 15 days from the date of service of notice.

RIOT AND CIVIL COMMOTION TARIFF RATES.

(See also page 12 of Report for 1944.)

Reference was made on page 12 of the Association's report for 1944 to the withdrawal of the increase in Riot and Civil Commotion Tariff rates effected in the month of August 1942 by the Bombay Fire Insurance Association.

Early in August 1947 the Bombay Fire Insurance Association again increased the rates under the Riot and Civil Commotion Tariff and in the case of cotton mills including cotton mill godowns situated in the Island of Bombay and Salsette, the rates were increased from half-anna to one anna per cent. for buildings and contents for risks covered by column 1 (i.e., riot and fire damage only) of the tariff schedule, and from nine pies to two annas per cent. for buildings and contents in case of risks covered by column 2 i.e., riot, fire and other damage).

The Committee failed to appreciate the reasons which prompted the Bombay Fire Insurance Association to increase the rates. They were prepared to concede that normal conditions did not obtain in certain parts of the country, particularly in the Punjab and Bengal, but conditions were normal in Bombay City, and in this view of the case, there seemed to be no case for an increase in tariff by 100 per cent. in the case of risks covered by column 1, or for a much higher increase in the case of risks covered by column 2.

In a representation addressed in this connection to the Bombay Fire Insurance Association the Committee pointed out that that Association had increased the tariff rates on more than one occasion in the past, but the Committee were doubtful whether those increases had ever been justified by the subsequent claims experience in Bombay City. It was further pointed out that the city of Bombay had been well protected from the point of view of forces which Government had at their disposal to deal with any untoward incidents. This was amply demonstrated in the past, and even in 1942, when Bombay was comparatively quiet, though disturbances had occurred in other parts of the country. Even when there had been disturbances in the city, e.g., communal riots, etc., instances of damage to the mill buildings, mill properties and mill godowns from riot had been extremely few and of a very minor character. In this connection, the Committee invited the attention of the Fire Insurance Association to the fact that though they had increased

rates in 1942, they reduced the same subsequently. Taking all these into consideration, the Committee felt that there was no justification whatsoever for increasing tariff rates for Bombay City mills and godowns. If the increases which the Fire Insurance Association had proposed were justified by the claims experience of its members, the Committee wished to have a look at the figures. An adjustment in tariffs in anticipation of an emergency was justifiable but the point which the Committee desired the Insurance Association to consider was whether such an emergency was likely to arise in Bombay. It was pointed out that the criterion for judgment was past experience, and on that ground, it was submitted that there was no justification whatsoever for an increase. In view of these circumstances, the Committee strongly protested against the increases referred to and requested the Bombay Fire Insurance Association to reconsider the whole position in the light of facts set forth by the Committee in their representation and to revert to the old tariff rates.

Towards the end of September, the Bombay Fire Insurance Association replied expressing their inability to revert to the previous rates, since those rates were, in their opinion, not commensurate with the additional risks involved in view of the present conditions prevailing in certain parts of the country. (*Appendix 4.*)

BUDGET PROPOSALS FOR 1947-48.

The budget proposals of the Hon'ble the Finance Member of the Interim Government for 1947-48 presented to the Central Assembly at the end of February 1947 included, among other things, the following:—

- (a) levy of a special income-tax of 25 per cent. on business profits exceeding one lakh of rupees ;
- (b) levy of a tax on " capital gains " arising out of the sale, exchange or transfer of a capital asset, which as the law stood, were outside the scope of the Income-tax Act ;
- (c) enhancement of the rate of corporation tax from one anna to two annas ;
- (d) levy of enhanced super-tax. Under the existing arrangements, the maximum rate of 10½ annas in the rupee was reached at levels of Rs. 3.5 lakhs for unearned income and Rs. 5 lakhs for earned incomes. But it was proposed that the maximum should be reached at Rs. 1.2 and Rs. 1.5 lakhs for unearned and earned incomes respectively. In the words of the Hon'ble Finance Member, " this will, in effect, mean that in these reaches of income the total of income-tax and super-tax taken together will amount to fifteen and half annas in the rupee " ;
- (e) the provisions relating to " dividend " tax were further tightened by making the rates of tax more penal.

These proposals were considered by the Committee and towards the beginning of March, the following telegram was addressed to the Government of India :—

“Reference Central Government’s new taxation proposals. Committee Millowners’ Association, Bombay, regret having to oppose provisions relating to imposition of special twenty-five per cent. tax on profits exceeding lakh of rupees on business professions and vocations and provisions relating to super-tax on companies. They are also strongly opposed to Government’s proposals relating to taxation on capital gains.

The proposals referred to in preceding paragraph will stifle new post-war capital enterprise industrial expansion and rehabilitation of existing industry and will definitely discourage establishment new mills for which licences have been granted by Government and are in striking contrast to the generous proposals regarding subsidies, etc., formulated by His Majesty’s Government for the rehabilitation of British industries.

Violent departure from recognised methods of taxation when industry is swinging from war to peace economy is likely to injure national interests and should therefore be avoided. Committee respectfully suggest taking careful stock of economic resources of the country and overhaul method of taxation taking everything into account.

Propose submitting if necessary further representation after studying Government’s proposals details of which are not yet to hand.”

The necessary Bills covering these proposals were introduced in the Legislature and notwithstanding the vehement opposition, were passed with certain modifications.

PRICE OF FURNACE OIL.

(See page 8 of Report for 1946.)

Reference was made on page 8 of the Association’s Report for 1946 to the alterations in the price of furnace oil made by Messrs. The Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., from time to time, during 1946. The following further alterations in the price of furnace oil were made by Messrs. The Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., in 1947 :

Rs.	a.				
60	13	per ton of 2,240 lbs. delivery at mills within Bombay City Municipal limit with effect from	..	..	1st January 1947.
61	15	”	”	”	29th January 1947.
61	4	”	”	”	8th March 1947.
61	13	”	”	”	29th March 1947.
66	7	”	”	”	2nd April 1947.
69	10	”	”	”	19th April 1947.
69	14	”	”	”	16th May 1947.
75	12	”	”	”	19th June 1947.
77	3	”	”	”	16th July 1947.
79	0	”	”	”	15th August 1947.
82	2	”	”	”	15th November 1947.
86	6	”	”	”	15th December 1947.

REMOVAL OF DUTY ON FURNACE OIL.

When the Hon'ble the Commerce Member met the Committee of the Association early in October 1946, it was represented to him that the prices of fuel oil had been registering successive increases and that, in consonance with Government's policy of making cheap raw materials available to the industry, the import duty on fuel oil should be removed.

Subsequently, the Government of India stated, in a letter addressed to the Association early in May 1947, that as a result of an enquiry made by Government it had been ascertained that in Bombay, as against a rate of Rs. 35-8 per ton of coal ex-depot, furnace oil was sold at round about Rs. 60 per ton delivered at mills. Two tons of coal being roughly equivalent to one ton of furnace oil, the use of furnace oil even at the existing enhanced rates was, in the opinion of Government, economical and there was, therefore, no case for considering the removal of import duty on furnace oil.

The Committee pointed out, in reply, that the furnace oil price had since 1946 registered a further rise and was quoted at Rs. 79 per ton in Bombay. The request for the removal of duty on furnace oil was based on the ground that oil being one of the raw materials required by the industry, should be admitted free of duty as was apparently being done in the U.K. in consonance with their policy of making raw materials available to the industry as cheaply as possible. The Committee, therefore, felt that the argument advanced by Government in reply to the above suggestion was hardly tenable for the reason that the Committee did not enter into any question of comparison of furnace oil prices with coal prices. As a matter of fact, so far as the Committee were aware, even the oil company had not so far admitted that their prices were linked with those of coal. It was found from experience that four tons of furnace oil were approximately equal to seven tons of Indian coal in calorific value and that on the above basis, and with coal at Rs. 36 in Bombay, oil should not be selling at more than Rs. 63 per ton. Moreover, there was no guarantee that if the prices of coal went down considerably, the oil company would be prepared to readjust their prices accordingly. In this connection, the attention of Government was invited to a letter addressed to the Association by Messrs. Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., in which it was stated that the rise in prices was due to the world demand for oil having outstripped its supply. The Committee considered that such a state of affairs was extremely unsatisfactory which, if allowed to continue, might allow oil prices to rise regardless of other considerations. In this view of the case, the Committee felt that there was sufficient justification for active enquiries by Government as regards the price structure of oil supply in India and the prices at which it was sold in the U.K., U.S.A., etc.

No reply has yet been received from Government, but the price of furnace oil has registered further increases and at the end of December stood at Rs. 86-6. (*Appendix 5.*)

CONTROL AND REGULATION OF COTTON TRADE.

CABINET COMMITTEE'S REPORT.

(See also page 9 of Report for 1946.)

Reference was made on page 9 of the Association's report for 1946 to the Committee's replies to a questionnaire issued by the Cabinet Committee of the Government of Bombay, which had been constituted towards the end of September 1946, to go into the question of the control and regulation of cotton trade in the Province of Bombay.

The Cabinet Committee submitted their report towards the end of April. These recommendations were examined by the Committee and in a representation submitted to Government early in June, the Association's views on some of the recommendations were set forth in some detail.

In paragraphs 12 and 13 of their report, the Cabinet Committee proposed :

- (a) Election to the Board should be by the general body of the East India Cotton Association though it was proposed to retain the panel system of representation.
- (b) Two out of the six seats now reserved for the brokers should be reduced and a corresponding number reserved for associate members.
- (c) The number of growers' representatives on the Board of the East India Cotton Association was proposed to be increased from 5 to 7.

As regards (a), the implication of the recommendations was, so far as the Committee could make out, that voting for the election of a director representing, for instance, the Buyers' Panel, would not be confined only to the members of that panel, but would be thrown open to all members of the East India Cotton Association, regardless of the panel to which they belonged. If the above reading of the situation was correct, then, far from protecting the minority against the majority constituting the broker element of the trade, Government were seeking actively to help the latter by even allowing them to pull their weight in the election of the directors from the panels with which they had no concern whatsoever. The Committee felt that this would give the brokers an opportunity to utilise their numbers in supporting the candidature of the person in whom they were interested. In other words, though the directors on the Board would represent different interests on paper, they would, in practice, owe their election to the Brokers' Panel. In this connection, the Committee invited the attention of Government to their answers to the questionnaire of the Cabinet Committee in which it was explained how the brokers by their weight of numbers were utilising the organisation for their own ends and to the detriment of *bona fide* trading interests, and it was with a view to get this situation corrected, that the Committee had suggested reversion to the old method of representation through representative committees. The recommendation made by the Cabinet Committee only made matters worse, for the brokers would not

only continue to have a preponderating majority at general meeting, but would also have a say in the election of Directors from all panels.

With regard to (b), the Committee submitted that the Cabinet Committee were trying to make a distinction without difference, and that associate members were, in practice, brokers, and, therefore, brokers' representation on the Board continued as before, namely, a majority of six as against four each allotted to the buyers and sellers.

Turning to (c), the Committee had no objection to adequate representation being given to the growers on the Board of the East India Cotton Association, but they pointed out that an increase in the number of Directors on the Board was not calculated to help the trade and the grower, but, on the other hand, would make their minority on the Board more pronounced than before. In these circumstances, the Committee earnestly requested Government that the recommendation made in paragraphs 12 and 13 of the report should be reconsidered.

With regard to paragraph 14 of the Cabinet Committee's report relating to transfer of membership, the Committee pointed out that they had in their evidence suggested that the constitution of the East India Cotton Association should definitely prohibit not only the transfer of membership from one individual, corporate or otherwise, to another, but also transfer of membership from one panel to another. Unless such a prohibition was contained in the constitution, the Committee felt that transfer of membership from individual to individual or from panel to panel would be permitted on the ground that it was not prohibited by the rules.

With reference to paragraph 15 of the report containing recommendation for an increase in the Survey Committee from 25 to 50, the Appeal Committee from 16 to 40, and Super-Appeal Committee from 3 to 5, the Committee pointed out that this proposal was likely to do more harm than good as it was doubtful whether there were sufficient experts in Bombay who were qualified and willing to serve on the said committees. Unfortunately, the Cabinet Committee had not made any reference in their report to the appointment of whole-time surveyors. It was thought that the services of the whole-time surveyors should be made available to the trade. It might not perhaps be possible to get just at present the services of duly qualified experts in requisite numbers to act as full-time paid surveyors, but a start could be made, and it was suggested that this aspect of the question might be considered by Government. As regards the proposed introduction of machine tests at the stage of appeal, the Committee stated that they were aware that even machine test results were not likely to be conclusive for the reason that whatever the machine used for measuring staple length, the human element could not be altogether disassociated from the result. It might, perhaps, be that with new inventions, depending less for their results on the human element, results might become more dependable, and it was thought that the time would then have reached for the introduction of machine test in the stage of appeals.

In their answers to the questionnaire, the Committee of the Association had recommended the introduction of a system of blind survey with

whole-time surveyors. It was pointed out that there was at present in force a system of blind survey appeal and super-appeal for determining the quality and staple of cotton tendered, but that, in spite of everything somehow or other, the trade had never been fully satisfied with the result. Recently there had been either an extremely long or short position in the market, and sometimes allegations had been made against the manner in which these survey appeals and super-appeals were being held. In this view of the case, the Committee had suggested that the best way out of the difficulty was to put the system of arbitration on the basis of certification of cotton as appeared to prevail in the U.S.A. This recommendation seemed to have been ignored by the Cabinet Committee. The Committee felt that the recommendations made by the Cabinet Committee were not calculated to do away with the evils which were likely to follow from an arbitrator being interested in a sample tendered for arbitration; whereas in an arbitration by certification, the personal factor would disappear, because of the certification of cotton being done by him before he knew his own interest and the long and short position thereof.

The Committee earnestly requested Government to reconsider the whole position in the light of these observations. The essence of the Committee's complaint against the East India Cotton Association lay in the constitution of the latter and the comparative ease with which the brokers could override the wishes of the other sections of the trade. If this fundamental defect was not remedied, the Committee did not see how the East India Cotton Association might be expected to function in the *bona fide* interest of the growers and the users of Indian cotton.

According to a Press *communiqué* issued by the Government of Bombay on the 11th August 1947, the report of the Cabinet Committee was adopted by Government *in toto* and none of the suggestions made by the Committee was accepted. The Committee of the Association, therefore, addressed a further communication to Government early in October 1947, reiterating their objections to the proposals made by the Cabinet Committee, particularly with regard to the election of directors to the Board of the East India Cotton Association. A communication on similar lines was also sent to the Government of Bombay over the joint signatures of several members of the Buyers' Panel of the East India Cotton Association and this was followed by the Hon'ble the Finance Minister receiving a deputation from the Buyers' Panel. Nothing transpired, however, but early in November, Government notified certain amendments to the articles of association and bye-laws of the East India Cotton Association giving effect to the proposals contained in the Cabinet Committee's Report, and ignoring the suggestions made by this Association. (*Appendix 6.*)

APPOINTMENT OF WHOLE-TIME AND SWORN SURVEYORS.

With regard to the system of survey and arbitration, Government announced their decision, towards the latter part of December, to have a scheme of paid whole-time and sworn surveyors. The press *communiqué* issued by Government in this connection read as follows :—

“ In a Press Note issued on August 11, 1947, on the recommendations of the Report of the Cabinet Committee on Forward Trading in Cotton, the Government of Bombay

announced, *inter alia*, that while it accepted as a provisional solution the Committee's recommendation in respect of the modifications in the system of survey and arbitration, it would be prepared to accept in its place any other solution, such as that of employing whole-time paid surveyors, agreed upon, in mutual consultation, by the representatives of the East India Cotton Association and of the Indian Central Cotton Committee, provided such agreement was reached as early as practicable and in any case not later than January 1, 1948. The joint discussions of the representatives of these two bodies have not, however, resulted in an agreed solution. The Board of the East India Cotton Association was itself divided on this question, and by a majority recommended a scheme of survey and arbitration under which each party would appoint its own arbitrator from a panel of arbitrators, selected by the Board of the East India Cotton Association, but would not otherwise take any part in the proceedings. The Indian Central Cotton Committee, on the other hand, has unanimously recommended that the survey should be by the whole-time paid surveyors. The Government has again reviewed these alternatives as well as others which have been suggested and has come to the conclusion that a scheme of paid, whole-time and sworn surveyors, which has the added advantage of being a step in the direction of the eventual establishment of a system of licensed warehouses, would, in the circumstances, be the most appropriate solution. This decision has been communicated to the East India Cotton Association which has been requested to take early steps to implement it."

THE BOMBAY FORWARD CONTRACTS (CONTROL) BILL, 1947.

(See also pages 55 and 200 of Report for 1939.)

Reference was made on page 55 of the Association's report for 1939 to the Bombay Options in Cotton Prohibition Act, 1939, prohibiting all options in cotton entered into subsequent to the operation of the Act.

The control which the Provincial Government exercised over the forward trading in cotton was derived from the Bombay Cotton Contracts Act, 1932, and the Bombay Options in Cotton Prohibition Act, 1939. Besides, there were various other orders like the Cotton (Forward Contracts and Option Prohibition) Order, 1943, etc., passed by the Government of India during the war by virtue of the powers under the Defence of India Act and Rules made thereunder. Relevant orders were continued in force in Bombay Province by the Essential Commodities and Cattle (Control) Act, 1946, under which cotton was declared an essential commodity.

The question as to control which Government should assume over forward trading in cotton was considered by the Cabinet Committee. This Committee were of the opinion that Government should take power to impose bye-laws in all matters and that it would not suffice merely to provide that bye-laws of the recognised association would be subject to the approval of Government. Further, contracts not in accordance with the by-laws should not be merely void but be made illegal. The Committee also held that Government should have power to nominate the President or one or more members of the Board of the recognised association and that it should also have the power to supersede the entire Board including the President.

A Bill to provide for the regulation and control of forward contracts, for prohibition of options and for certain other purposes in the Province of Bombay was published in the *Bombay Government Gazette* dated 6th September

1947. The statement of objects and reasons attached to the Bill read as follows :

“ At present Government has no control over forward markets in commodities other than cotton and stocks and shares. The complaint has frequently been made that in view of this lack of control there is often excessive speculation in commodity markets the effects of which have proved disadvantageous both to producers and to genuine traders. The complaint has also been made that such control as Government exercises over the cotton and stock markets under the Bombay Cotton Contracts Act, 1932, and the Bombay Securities Contracts Control Act, 1925, has proved ineffective. These Acts provide that forward contracts other than those made through recognised associations are void in law ; but experience has shown that such a provision does not go far enough to be effective in actual practice. In fact, forward trading takes place outside recognised associations and in a manner which is detrimental to genuine trade interests. The Report of the Committee of the Cabinet on the control of forward trading in cotton in this Province contains the recommendation that Government should, in order to make its control more effective, take power to impose by-laws on a recognised association in all matters, to nominate the President or one or more members of the Board and to supersede the entire Board of such association. The Committee has also recommended that contracts not in accordance with the by-laws of a recognised association should not merely be void as at present, but be made illegal and parties thereto rendered liable to punishment, and further that it should be a penal offence for any person to organise, assist in organising or be a member of an unrecognised association. The Bill while consolidating the present law regarding control of forward markets, also incorporates provisions on the lines recommended by the Committee, for tightening up Government control over such markets. Further, it enables Government to extend the Act or certain parts of it not only to cotton and stocks and shares but also to other goods and to such areas as it may specify in a notification. Clauses 3, 6, 8 and 10 which may be notified together under sub-clause (3) of clause 1 of the Bill, provide for the recognition of an association in respect of any commodity and for the prior approval of its by-laws by Government. Further, under these clauses any forward contract not in accordance with the by-laws of a recognised association is illegal and the organising, managing or becoming a member of an unrecognised association, is a penal offence. Clauses 4, 5 and 7, any or all of which may be notified in addition to the clauses already mentioned, provide for fuller powers which include the powers to impose rules and by-laws on a recognised association, to nominate the President or one or more members of the Board, or to supersede the entire Board including the President of such association. Clause 9 enables Government to declare that options or such kinds of options in such goods and in such areas as may be notified shall be illegal.”

As the proposed legislation envisaged in the Bill did not appear to be objectionable, no representation was made to Government.

The Bill was subsequently introduced in the Legislative Assembly early in September and then referred to a Select Committee for consideration. The Bill as modified by the Select Committee was brought before the Legislative Assembly early in November, and was passed. It received the assent of the Governor-General on 30th January, 1948.

THE BOMBAY WAREHOUSES BILL, 1947.

(See also page 9 of Report for 1946.)

Reference was made on page 9 of the Association's Report for 1946 to the Committee's replies to the questionnaire issued by the Cabinet Committee in connection with the question of control of forward trading in cotton. In reply to question 2 (f), the Committee had stated that they would welcome the introduction of the system of certified godowns or bonded warehouses.

A Bill to provide for the regulation and licensing of warehouses in the Province of Bombay was published in the *Bombay Government Gazette* dated the 5th September 1947. The statement of objects and reasons attached to the Bill read :

“ The object of the Bill is to encourage the establishment of independent warehouses for the storage of agricultural produce and to make provision for their proper supervision and control. The receipt issued by a licensed warehouseman for the produce stored by him will serve as a collateral security for short-term loans at a low rate of interest for the purpose of financing seasonal agricultural operations or other needs and will be transferable by endorsement. The Reserve Bank is prepared to advance money for the purpose at a low rate of interest through the Provincial and other Co-operative Banks. The proposed legislation which is based on the lines recommended by the Reserve Bank will enable agriculturists to secure short-term loans against their agricultural produce and eliminate the necessity of disposing of their produce in unfavourable market conditions. Savings have been made in favour of co-operative societies in the operation of sections 20 and 21.”

The Bill was subsequently introduced in the Legislative Assembly and was passed on the 4th October 1947. It received the assent of the Governor-General on 8th January, 1948.

EXPORT DUTY ON COTTON.

(See also page 15 of Report for 1946.)

Reference was made on page 15 of the Association's report for 1946 to the levy of an export duty on cotton at Rs. 20 per bale of 400 lbs. by the Government of India, with effect from 26th October. This duty was increased by Government to Rs. 40 per bale of 400 lbs., by a notification issued towards the latter part of January 1948.

COMMODITIES PRICES BOARD.

Early in February, the Government of India announced the establishment of a Commodities Prices Board. The Government resolution on this subject reads as under :

“ Government have for some time been conscious of the paramount importance in view of the present economic situation in the country, of the particular price levels chosen for those commodities, the prices of which are fixed under statutory powers. It is essential to maintain a reasonable relationship between the prices of cash crops and the prices of foodgrains, on the one hand, and between agricultural prices and industrial prices, on the other, if producers and consumers alike are not to be put under a constant sense of grievance and agrarian and industrial unrest is to be prevented. In this difficult task of fixing prices, Government feel they will be greatly assisted by the advice of a body of experts, charged with the special duty of maintaining a continuous review over the prices of all commodities and of advising Government what prices, or price levels, to fix for controlled commodities so that the best interests of the community may be served. It is thought also that public confidence in the equity of Government's decisions will be reinforced if the public are aware that in reaching their conclusions Government have had the benefit of the advice of an authoritative body.

2. It has been decided, therefore, to establish, for a period of three years in the first instance, a Commodities Prices Board. The Board will consist of :

President : Mr. A. D. Gorwalla, C.I.E., I.C.S.

Members : 1. Professor D. R. Gadgil.

2. Name to be announced later.

Mr. S. I. Hague, I.C.S., will act as Secretary to the Board.

3. The terms of reference of the Commodities Prices Board will be as follows :—

- (i) At the request of the Central Government to advise in the light of all relevant data and of such conditions as may be specified, what prices or price limits should be fixed for commodities, the price of which is controlled by the Central Government or by a Provincial Government.
- (ii) To keep under constant review the movements of commodity prices in India and, whether at the request of the Central Government or of their own volition, to advise the Central Government whether the price of any commodity not controlled should be controlled, and if so, what price, or price limits should be fixed for that commodity.

4. The Headquarters of the Board will be at New Delhi. Associations and persons wishing to represent their views on commodity prices generally or specifically should address their representations to the Secretary to the Board.

5. The Central Government trust that Provincial Governments and Administrations will afford the Board all the assistance which it may require and will comply with any request for information which may be addressed to them."

COTTON CLASSIFICATION AND PRICES FOR COTTON OF 1947--48 SEASON.

(See also page 83 of Report for 1943.)

Reference was made on page 83 of the Association's report for 1943 to the Cotton (Forward Contracts and Options Prohibition) Order, 1943, and Cotton (Forward Contracts in Current Crops Prohibition) Order, 1943, issued by the Government of India. Early in August 1945 these orders were replaced by the Cotton (Forward Contracts and Options Prohibition) Order, 1945, and Cotton (Forward Contracts in Current Crops Prohibition) Order, 1945, which were subsequently repealed by the Indian Cotton (Control) Order promulgated by the Government of India towards the end of December 1945.

The Indian Cotton (Control) Order not only prohibited options in cotton contracts, but also prohibited contracts relating to the sale and purchase of cotton except in accordance with any general order issued by the Textile Commissioner under clause 5 thereof, but subject to such restrictions and conditions, which might be prescribed in this behalf—one such condition being that the contracts were subject to the floor and ceiling prices specified in the general order. The prices governing the cotton crop of 1946-47 season were laid down in the Textile Commissioner's notification dated 19th January 1946, as amended by notification dated the 12th April 1946.

Questions relating to the cotton classification and prices for cotton of 1947-48 season were referred by the Government of India to the Commodities Prices Board, which was established early in February 1947. This Board issued a questionnaire on the subject early in May 1947, and requested the Committee to express their views on the questions raised therein.

The questionnaire and the Committee's replies are reproduced below :

PART I

Question 1.—How far is the classification adopted in the Government of India, Department of Industries and Supplies Notification No. 33 (2)/TB/46, dated 12th April 1946, appropriate and adequate from the point of view of the interests of the grower of cotton, of the cotton millowner, of internal trading in cotton and of cotton export? Do you suggest any modifications in this classification? Please give specific details of modifications suggested showing the reasons in support of the suggestions.

Answer.—My Committee have no alterations to suggest in the classification.

Question 2.—Are the price levels—floors and ceilings—announced for 1946-47 appropriate from the point of view of all interests indicated above and is it advisable to continue them during the year 1947-48? Please give reasons for any modifications suggested.

Answer.—My Committee feel that the price levels for the year 1947-48 should be the same as for 1946-47.

Question 3.—Are the price differentials between various classes of cotton in the Control Order for 1946-47 appropriate and should they be continued during 1947-48? Please give reasons for any modifications suggested.

Answer.—My Committee consider that the price differentials are reasonable.

Question 4.—Do you advocate the establishment of floors for varieties of cotton for which they are not provided to-day? If so, why?

Answer.—My Committee's answer is in the negative.

PART II.

Question 1.—Is it (a) desirable, (b) possible, to replace or reduce the imports of cotton at present taking place into India? If so, what are the methods of achieving this?

Is it necessary in any way to alter the classification, the floor and ceiling prices or the relative structure of Indian cotton prices existing to-day in order to affect in the direction desired by you imports of cotton into India?

Answer.—With regard to Part II of the questionnaire, my Committee's view is that it is neither desirable nor possible to reduce the import of foreign cotton into India.

Oral evidence was tendered before the Board by a Sub-Committee consisting of Mr. Bhagwandas C. Mehta, Chairman, Mr. R. L. Ferard, Acting Deputy Chairman, Mr. Krishnaraj M. D. Thackersey and Mr. Madanmohan Ramnarain Ruia.

Towards the latter part of December 1947, the Textile Commissioner issued a notification under clause 5 of the Indian Cotton (Control) Order, 1945, which, *inter alia*, specified the floor and basic ceiling prices for the different varieties of cotton of the 1947-48 season. A Press Note which was

subsequently issued by the Textile Commissioner explaining the implications of the notification referred to is reproduced below :

“The Textile Commissioner wishes to draw the attention of all concerned to his notification dated December 23, 1947, under clause 5 of the Indian Cotton (Control) Order, 1945, which has already been published in the Press. The notification, *inter alia*, specifies the ceiling prices for the different varieties of cotton of the 1947-48 season. Contracts made for the purchase or sale of such cotton at prices exceeding the specified ceilings are not only null and void but the parties to the contracts lay themselves open to prosecution.

The notification provides for a basic ceiling price which may be increased in the case of cotton of superior quality by the specified amount. Parties who are desirous of entering into a contract at a price exceeding the basic ceiling price are advised to obtain a certificate from the Bombay *Ad Hoc* Committee to the effect that on account of the superior quality of the cotton which is the subject matter of the contract the contract price is within the ceilings fixed by the notification.”

Subsequently prices of cotton began to rise, and towards the end of December, the Committee addressed the following telegram to the Government of India :

“Millowners' Association Bombay respectfully draw Government's attention to position created by abnormal rise in cotton prices since Industry's Committee meeting of twenty-first October. Egyptian cottons gone up by rupees three hundred and Indian cotton prices of all qualities risen substantially. Official transactions taking place above ceiling prices in C.P. cottons. Important cotton varieties not available at ceiling prices. Unless Government make cotton available to mills within ceilings and pending Tariff Board's Report grant immediate increases in cloth and yarn prices to offset rise in cotton cost the cloth production programmes of mills likely to be seriously disorganised and uneconomic.”

In reply, the Committee received the following telegram from Government early in January 1948:

“Your telegram 30th regarding fixation of cloth and yarn prices in view of abnormal rise in cotton prices. Government is giving your views expressed in telegram careful consideration.”

EXPORT OF RAW COTTON.

Towards the latter part of January 1946, the Textile Commissioner to the Government of India notified, under clause 5 of the Indian Cotton (Control) Order, 1945, the floor and ceiling prices in respect of cotton of various descriptions. During the following two months, as cotton prices ranged at or about the prescribed ceilings, Government, early in April, adopted a threefold measure, namely amplifying the cotton ceiling prices, authorising, under licence, the import of foreign cotton stapling 7/8" and longer and prohibiting the export of Indian cotton stapling 13/16" and longer with the exception of such cotton as had already been sold prior to 12th April 1946. Early in May, however, Government imposed a ban on the export of raw cotton except that for which applications for licence had been received prior to 11th May 1946.

Towards the middle of August, Government permitted the export of two lakhs of bales of cotton on private account for the first four months of the 1946-47 cotton season, and a further quantity of three lakhs of bales

to be exported to Japan on Government-to-Government account. This was followed by another announcement in October fixing an export quota of five lakhs of bales for each of the periods January to April and May to August 1947 respectively. Towards the latter part of March 1947, Government, however, decided to allow a quota of eight lakhs of bales for export for the period April to August 1947.

Early in June, Government announced their decision to allow free export of cotton as a temporary measure upto the end of August, and this period was subsequently extended up to the end of November 1947. Thereafter, Government prohibited, by a press *communiqué* issued towards the end of November, the export of raw cotton of long staple (cotton 13/16" and above) to all countries including Pakistan. The text of the Press *communiqué* reads as follows :—

“The Government of India announced in a Press *communiqué* dated 30th August, 1947 that exports of cotton from India would be free until the 30th November 1947 and that restriction would not be reimposed unless exports were likely to exceed 15 lakhs of bales for the year September 1947 to August 1948, or unless the export of any type or variety needed by India cotton mills was excessive.

The Government have reviewed the position and have decided to prohibit the export of raw cotton of long staple (cotton 13/16" and above) to all countries including Pakistan until it is known whether supplies of long-staple cotton from Pakistan will be normal during 1947-48. The bulk of the requirements of Indian mills in this type of cotton were met before the partition of the country from areas which now lie within the dominion of Pakistan and discussions are in progress with the Pakistan Government in the matter of their cotton export policy. Since Pakistan depends for the supply of cloth on India, it is hoped that a common policy would be arrived at in the matter of cotton and cloth. Exports of short and medium staple cotton will continue to be free in accordance with the Press *communiqué* of 30th August 1947, since the rate of export does not make it probable that the target figure of 15 lakhs for India and Pakistan combined will be exceeded.

The position will be reviewed early in March.”

Following the meeting of the Industry's Committee of the Textile Control Board held at Bombay towards the latter part of January 1948, which resulted in a considerable relaxation of control over cloth and yarn, the Government of India announced their decision to prohibit, with immediate effect, export outside the Indian Union to all territories including Pakistan, of all raw cotton except the following specified varieties, namely, Bengal Deshi, Oomra Deshi (excluding C.P. I and II), Mathia, Assams and Commillas.

TRADING IN HEDGE AND DELIVERY CONTRACTS OF THE 1947-48 SEASON'S COTTON CROP.

Towards the latter part of August 1947 a press note was issued by the Textile Commissioner announcing that the Government of India had given their consent for trading in hedge and delivery contracts for the 1947-48 season's cotton crop in the Bombay market of the East India Cotton Association subject to that Association obtaining the assent of the Government of Bombay and also subject to the existing floor and ceiling prices and other terms and conditions.

The Board of the East India Cotton Association approached the Government of Bombay for certain modifications in the 1947-48 Indian Cotton Contract. However, Government informed them that they were unable to sanction any modifications in the hedge contract but that there would be no objection, if the Board so desired, to commence trading without any change in the present hedge contract. Trading in the 1947-48 hedge contract started accordingly on 6th September 1947 without any modifications.

MOVEMENT OF COTTON.

LACK OF RAIL TRANSPORT.

Towards the latter part of December, the Indian Central Cotton Committee in a telegram drew the attention of the Government of India to the fact that cotton was accumulating at the producing centres owing to lack of rail transport facilities, while the consuming centres were being starved, with the result that the prices of cotton were looking up, and requested Government to provide adequate rail transport for movement of cotton from the producing tracts to the consuming centres.

The Committee of the Association addressed the following telegram to Government towards the end of December, supporting the request of the Indian Central Cotton Committee :—

“ We submit cotton prices in Bombay and elsewhere are already above ceiling prices fixed by Government. Lack of transport from cotton producing tracts particularly in Central Provinces and Berar are understood to be one of the factors responsible for scarcity cotton and high prices. Understand Indian Central Cotton Committee have already represented matters to you. We support their request and urge that cotton be transported immediately from producing to consuming centres in order avoid undue high prices.”

Early in January 1948, the Chief Controller of Railway Priorities, New Delhi, informed the Association that quotas had already been allotted for all movements of cotton from the Central Provinces to Bombay, Cawnpore, and Ahmedabad in the moving class with effect from 11th December 1947 to 1st May 1948; and that applications for urgent movements of cotton not covered by quotas in question should be made to the Regional Controller of Railway Priorities, Bombay.

INDIAN CENTRAL COTTON COMMITTEE.

COTTON IMPROVEMENT.

Towards the end of April, the Indian Central Cotton Committee requested the Association to express an opinion on certain points raised in a questionnaire issued by them in connection with the review of work done on cotton in the past and the future requirements thereof.

In reply, the Committee stated that the answers required by the Indian Central Cotton Committee were all in the nature of factual data which should already be in the possession of the Agricultural Departments and

the Research Laboratories owned by the Indian Central Cotton Committee. The Committee, therefore, did not go into the details of the questionnaire, but only referred to two or three matters to which their attention had been drawn by members.

First, it was felt that the present qualities and standards of Indian cottons should be maintained for at least ten years, at the end of which, if any particular variety was found to be not popular in the home and export markets, then, that should be given up and replaced by some other variety.

Secondly, stringent measures should be taken to preserve the purity of the seeds and prevent crops being mixed up; it was reported, for instance, that N.T. and M4 seeds were mixed and the resulting crop had a very irregular staple.

Thirdly, bad ginning and bad pressing and baling should be put down with a strong hand; it was reported that in Sind and the Punjab particularly, the standard of pressing and baling was very low, the factory-owners having reduced the number of lashes. The Committee stated that this should be set right.

Lastly, it was suggested that the Indian Central Cotton Committee should be on the look-out for badly pressed and ginned bales, and warn the factory-owners concerned, and licences to operate gins and presses should be cancelled wherever the factories were proved to have adopted doubtful practices.

BOMBAY COTTON (STATISTICS) RULES, 1947.

(See also page 16 of Report for 1946.)

Reference was made on page 16 of the Association's report for 1946 to a Bill to facilitate the collection of statistics of stocks of Indian raw cotton in the province of Bombay. The Bill was passed into law in November 1946.

Early in May 1947, the draft Rules under the Bombay Cotton (Statistics) Act, 1946, were published in the *Gazette* and the Committee's opinion was invited thereon.

The Committee pointed out that the rule 4, as it stood, required, for its compliance, the presence on the premises of the record clerks and office superintendents of the establishment concerned on all days from sunrise to sunset so that the inspector, on his visit, could have access to every relevant document. In view of the fact that even if two or three shifts were worked in a mill the clerks who were in charge of the relevant records would be present in the mill only in the first shift, the Committee suggested that the above rules should be amended so that the inspectors might visit the industrial establishments concerned between 10.00 a.m. and 3.00 p.m., i.e., during the first shift, after giving previous notice to the occupier or owner of the premises as the case might be.

The Rules as finally accepted by Government were published in the *Bombay Government Gazette Extraordinary* dated 3rd July 1947. The changes suggested by the Committee were not accepted. (*Appendix 7.*)

IMPORT OF EAST AFRICAN AND SUDAN COTTONS.

(*See also page 16 of Report for 1946.*)

Reference was made on page 16 of the Association's report for 1946 to the arrangements made by Government for the import and distribution of East African and Sudan cottons for 1947.

Towards the end of October, the Deputy Chief Controller of Imports informed the Committee that the question of bulk purchases of East African and Sudan cottons for the next season was under Government's consideration and inquired whether the Committee were agreeable to the continuance of the present system of bulk purchases for 1947-48 crop. The Committee agreed to the continuance of the present system.

Towards the end of December, the Committee were given to understand that the East African Government was going to auction East African cottons on the 7th January 1948, and the Committee, therefore, immediately addressed the following telegram to the Government of India:—

“Understand East African Government going to auction East African cottons seventh proximo. If you have any definite information on this point please let us know immediately by telegram. Please let us know immediately whether Government of India propose to buy East African cottons for Indian mills and whether Indian mills are free to bid at this auction.”

In reply, the following message was received by the Committee from the Deputy Chief Controller of Imports, Bombay, early in January 1948:—

“Mills are permitted to bid at the auction of East African cotton to be held on the 7th instant. Import licences will be issued to the mills. Inform members.”

The Committee were subsequently informed by the Deputy Chief Controller that the mills could make their own imports of East African cottons from the 50,000 bales set apart for free export by the East African Government.

RECONSTITUTION OF THE TARIFF BOARD.

(*See also page 49 of Report for 1945.*)

Reference was made on page 49 of the Association's report for 1945 to the appointment of a Tariff Board for investigating the claims to assistance or protection received from certain industries which had been started or developed in war-time and which were established on sound lines.

By a resolution dated 26th November 1947, the Government of India reconstituted the Tariff Board. The resolution read as follows :

" No. 28-T(37)/47.—In partial modification of paragraph 4 of the late Department of Commerce Resolution No. 218-T(55)/45, dated the 3rd November 1945, the Government of India have decided that the Tariff Board shall consist of :—

Mr. G. L. Mehta (*President*).

Mr. H. L. Dey, and
Dr. B. V. Narayanaswamy Naidu } *Members.*

This Board shall function for a period of three years from 3rd November 1947.

2. It has also been decided that the Board shall be entrusted with the following functions in addition to those enumerated in paragraph 5 of the Resolution referred to in the previous paragraph :

- (1) To report to Government, as and when required, factors that lead to increase in the cost of production of Indian manufactured goods as against imported articles ; and
- (2) To advise Government, as and when required, on measures whereby internal production may be secured on the most economical cost basis."

COTTON YARN AND CLOTH CONTROL.

REVISION OF PRICES OF CLOTH AND YARN.

(See also page 19 of Report for 1946.)

Reference was made on page 19 of the Association's report for 1946 to the appointment of an *Ad Hoc* Committee by the Government of India with the following terms of reference :—

- (i) to advise Government on the regulation of varieties of production ;
- (ii) to enquire into the existing prices of various types of cloth and yarn and to recommend a basis for fixing reasonable price levels for the different counts of yarn and different types and varieties of cloth ;
- (iii) to advise on all measures that may secure increased production of yarn for hand-looms and for obtaining maximum production of cloth ; and
- (iv) to investigate the need, if any, for a special rate of depreciation on machinery for the third shift where mills work three shifts.

The *Ad Hoc* Committee were understood to have submitted their confidential report to Government in the middle of June. It was also understood that the Committee had recommended, *inter alia*, an increase in the existing ceiling prices for yarn and cloth. A copy of the *Ad Hoc* Committee's report was not made available to the Association, but it was understood that, on the whole, the *Ad Hoc* Committee's recommendations amounted to an increase of about 10 to 20 per cent. in prices for coarse and medium yarn upto 40s. A small reduction, it transpired, was suggested in the price of 40s yarn, whereas for 50s and 60s, a small reduction was made, with a substantial

reduction for 80s, the reduction in the last mentioned category being about 20 per cent. As regards cloth, an average increase of about 10 to 11 per cent. was suggested : the prices of cloths falling in groups 3 and 4 being increased by 23 per cent. and 21 per cent. respectively ; cloths in groups 5 and 6 by 12 per cent. ; and cloths in group 7 by 5 per cent. In the case of cloths falling under group 8, however, a reduction of 5 per cent., it was understood, was recommended.

Another recommendation which the *Ad Hoc* Committee was understood to have made was that the manufacture of yarn above 80s count and cloth involving the use of such higher counts of yarn should be totally prohibited.

The *Ad Hoc* Committee also seemed to have recommended that the 3 per cent. margin allowed to quota-holders should be eliminated if the cloth distribution was made directly from the mills.

ADDITIONAL SHIFT WORKING IN MILLS.

The *Ad Hoc* Committee, it was understood, also referred to some of the incentives required for additional shift working, and in this connection they dealt with the question of additional extra depreciation for third-shift working. They seemed to have expressed the view that, on technical grounds, the claim for additional depreciation for third-shift working was justified, though they thought that the grant of such a concession was not likely to induce the Indian textile industry to take to three-shift working.

Another reason which the *Ad Hoc* Committee brought forward for additional depreciation was that the current ruling prices for new machinery were about three to four times the pre-war prices, and that a mill introducing third shift would be required to replace its machinery more quickly owing to the more rapid deterioration caused by the third-shift working.

STANDARDISATION SCHEME.

The *Ad Hoc* Committee recommended the adoption of a standardised scheme of production, the object of such standardisation in their opinion being of a twofold character : first, to increase the output per spindle and loom ; and second, to get the maximum yardage of serviceable cloth out of the available supplies of yarn.

TARIFF BOARD ENQUIRY.

The *Ad Hoc* Committee's report was discussed by the Hon'ble Mr. C. H. Bhabha and the Hon'ble Mr. R. K. Shanmukham Chetty with members of the Industry's Committee in Bombay at the end of September, and a further meeting was also held in Delhi in the middle of October, the latter meeting being attended by the Hon'ble Sardar Vallabhbhai Patel and the Hon'ble Dr. Syama Prasad Mookerji. Early in November, the Government of India issued a statement to the Press announcing their decisions following their meeting with the Industry's Committee, and these decisions

were subsequently embodied in a Government Resolution dated the 17th November 1947, which is reproduced below :—

“ In February 1947, the Government of India appointed an *Ad Hoc* Departmental Committee to investigate facts bearing on the prices of cotton textiles, and to recommend measures necessary for increasing the production of yarn and cloth. This Committee prepared a scheme for standardisation of production devised to increase output by reducing types and varieties of cloth and yarn produced by the mills and lowering the average counts produced. The scheme has found general support and has been endorsed by the Commodities Prices Board. The Committee also recommended a revision of the existing price structure which is stated to have rendered the production of coarse yarn and cloth unremunerative on account of increases in prices of Indian raw cotton and in wages. The Commodities Prices Board were, however, of the view that an adequate case had not been made out for an increase in prices of coarse cloth and yarn, and also that if any adjustment was necessary, it should be brought about through a scheme like the constitution of an Equalisation Fund whereby a levy on fine varieties might be utilised to subsidise coarse and medium varieties.

Government have given careful consideration to the recommendations of the *Ad Hoc* Committee, which were admittedly based on a rapid investigation and subject to review, and the views of the Commodities Prices Board, and have also taken note of the weight of public opinion against any increase in the prices of coarse and medium cloth until it is established that such an increase is absolutely necessary and will not result in excessive profits to sections of the industry.

The Government of India have, therefore, decided that :

- (i) the standardisation scheme as finally devised on the recommendations of the *Ad Hoc* Committee should be put into force on the 1st December 1947, and its introduction completed before the 31st December 1947 ;
- (ii) the question of prices should be referred to the Tariff Board ; and
- (iii) an Equalisation Fund should be started with effect from 1st December 1947, to which will be credited :
 - (a) the differences between existing ex-mill prices of fine and superfine cloth and lower prices which the *Ad Hoc* Committee believe to be fair,
 - (b) half of the amount now being paid as quota-holders' commission, which Government have decided to reduce from 3 to 1½ per cent. from 1st January 1948, and
 - (c) a surcharge on a sliding scale on ' free ' yarn sold by mills.

It has been estimated that the standardisation scheme will roughly increase production by about eight hundred million yards of both mill-made and handloom cloth.

If, on a consideration of the Report of the Tariff Board, Government decide that the prices of any types or varieties of cloth and yarn require to be increased, the mills will be paid such prices with retrospective effect for all cloth and yarn delivered under the standardisation scheme after 1st December 1947. Such payments will, however, be on condition that certain targets set for production are achieved. If in any particular case, production falls short of the target due to circumstances which Government are satisfied were beyond the control of the mill concerned, such a case will receive special consideration. Government will also consider the question of making some payments ' on account ' wherever they are satisfied that this is necessary in the interest of maintenance of production.

The Government of India have also decided to set up Regional and Unit Production Committees consisting of representatives of labour and industry, to ensure that there is no wastage or leakage of cloth and yarn at the mill-end and that labour fully co-operates in the production programme of the mills.

A further increase of about eight hundred million yards could be secured if labour will agree to work one hour longer each shift where only two shifts are worked. For this purpose Government will endeavour to secure the co-operation of leaders of labour. Government are conscious that the recent reduction of working hours from 9 to 8 hours was a progressive measure, but trust that in view of the present national emergency and the great shortage of cloth in the country, labour will take a patriotic and national view of the proposal that the working day should be slightly lengthened as a temporary measure. Such overtime will, of course, be remunerated on the accepted scale. Government also propose to promote labour welfare measures through Provincial or State Governments or other suitable authorities, with contributions from the Equalisation Fund referred to earlier, at all mills which work two shifts of 9 hours each or three shifts.

The terms of reference to the Tariff Board will be as follows :—

- (i) To enquire into the cost of production of the various types of cloth and yarn produced, and to recommend fair ex-mill prices to be paid for cloth and yarn, with special reference to the changes created by the introduction of the Standardisation Scheme.

In making their recommendations, the Board will keep in mind the desirability of maintaining the production of all mills at the maximum level, while at the same time ensuring that the profits of the more efficient units will not thereby become excessive. If the Board consider that it would be impracticable to settle a level of prices which would balance these two requirements, they may consider whether prices cannot be kept down to reasonable levels with a subsidy or similar relief to sections or units of the industry whose production cannot otherwise be maintained. If special circumstances apply to mills engaged in the production of yarn alone, the Board will take those circumstances into consideration when making their recommendations.

- (ii) To advise on the adjustments to be made from time to time to the ex-mill prices recommended by them for cloth and yarn, so as to allow for fluctuations in the prices of raw cotton and in other elements of the cost of production.
- (iii) In the event of subsidy or other relief being recommended for certain sections or units of the industry under (i) above, to suggest ways and means of finding the necessary funds.
- (iv) To recommend in what forms the co-operation of labour should be secured in order to increase production and eliminate waste or leakage.
- (v) To advise Government generally on the existing system of control of production and distribution of cloth and yarn and on its continuance.

The Board are requested to submit their report in two parts—the first relating to the terms of reference numbered (i) to (iii) above, and the second to the remaining terms of reference. The first of these reports should be submitted within a period of about three months subject of course to the Board being satisfied that reasonably accurate findings can be arrived at within this period.

The Government of India wish to take this opportunity to appeal to both the textile industrialists and labour employed in the industry for full co-operation for the successful implementation of the decisions herein published.”

Early in December, Government issued the Textile Industry (Control of Production) Order, 1947 and also an Ordinance constituting an Equalisation Fund. The Order and the Ordinance will be found reproduced in *Appendix 3*.

RELAXATION OF CLOTH AND YARN CONTROL.

Towards the latter part of April 1947, the attention of the Committee was drawn to various statements appearing in the press from various organisations, officials and individuals on the question of the continuance or otherwise of the present controls over the production and distribution of cotton cloth and yarn in the country. The Committee's attitude towards this matter was clarified by a statement issued to the Press stating that the Association was prepared to serve Government and the public, and if Government and the public after fully considering the pros and cons of the question, came to any decision on the question of continuance or otherwise of the present controls, that decision would be acceptable to the Association.

In other words, it was left to the Government and the public to choose for themselves whether they would have the controls or not. Since it appeared that the Government of India were considering the question, it was suggested that it might facilitate matters if Government could hold a joint conference of the interests concerned before taking a final decision in the matter.

Early in November 1947, the Government of India issued a statement to the press, relevant extracts from which are reproduced below :

“During recent weeks, there has been considerable controversy on the question of decontrol of cloth and yarn. Government are of the view that with supplies well below demand, immediate decontrol would only lead to a repetition of the shortages and the high prices which occurred in 1943 and were the direct reasons for the institution of the existing control over cloth and yarn. Apart from the grave hardships which will ensue, should such a situation recur, an increase of the price levels of cloth and yarn to those of 1943 would start an inflationary spiral dangerous to the country's economy. If, however, the present scheme for the increase of production should produce the expected results, relaxation or withdrawal of existing control would become feasible. It is the policy of Government to continue the control only so long as is necessary in the best interests of the country, and in a form which will throw the least inconvenience on consumer and producer alike.”

The question of continuance of control over cloth and yarn subsequently came up for consideration before the Industry's Committee of the Textile Control Board at its meeting held on the 18th and 19th January 1948 which was attended by the Hon'ble Sardar Vallabhbhai Patel and the Hon'ble Dr. Syama Prasad Mookerji and the Hon'ble Mr. C. H. Bhabha. The decisions taken by Government in pursuance of the discussions at this meeting were set out in a Press note issued by the Textile Commissioner, Bombay, which is reproduced below :—

“In November 1947, the Government of India announced their decision to put into force the Standardisation Scheme for the production of cloth and yarn as finally devised on the recommendations of the *ad hoc* Committee and to refer the question of prices to the Tariff Board. Since the issue of this *communiqué*, Government have decided to relax control over food with a view to its eventual elimination in stages. In pursuance of this policy of progressive decontrol of commodities, Government have also decided that the existing control over cotton textiles should be considerably relaxed. During the last few weeks there has been a sharp and sudden increase in raw cotton prices all over the world and these increases have had their repercussions in India. Difficulties have also arisen in the matter of securing supplies of long-staple cotton from Pakistan on which the scheme of standardisation was very largely based. These increases have made it necessary to relax the Standardization

Scheme. Some increase of prices of yarn and cloth appears to be inevitable, at least for the time being. It has also become desirable to devise a scheme which will provide for flexibility both in production programmes and in ex-mill prices.

As regards production it has been decided that every mill will in future be allowed to reach the targets already laid down either by following the Standardisation Scheme or by rationalising its production to suit its individual circumstances. Subject to certain limitations of a general nature devised to increase production and also to direct it towards such types and varieties as are in great demand like *dhotis* and *saris*, mills will be allowed to work out their own production programme in the light of the demands of the market and their own raw material position. Existing measures to prevent hoarding will continue.

To increase production to the maximum and to facilitate for this purpose the exchange of views and discussion of production problems between managements and labour, the setting up of Production Committees at all mills will be promoted. Detailed proposals regarding these committees are under the consideration of the Government.

Government are anxious that there should not be any abnormal rise in prices immediately following this measure of decontrol. They have received the assurance of the industry that they will fix reasonable prices taking into consideration the current prices of cotton. The Government welcome this assurance and will now leave the fixation of prices to the industry. They will also take serious notice of any mill exceeding the price level fixed by the industry. The enquiry now being undertaken by the Tariff Board will continue to enable the Government, and the public to satisfy themselves that the consumer does not pay a larger price than is justified.

The Equalisation Fund is being closed, and surcharges on yarn and cloth will no longer be collected. The industry has agreed that subsidies will no longer be necessary on any yarn or cloth and these will therefore not be paid by Government as contemplated in the Standardization Scheme which is no longer being enforced by statute.

As regards distribution, it is the intention of Government to restore normal trade channels to facilitate movement of cloth to the largest extent possible. Provincial and State Governments will, however, be free to set up or continue their own procurement agencies. The system of quota-holders will be abolished. To relieve local shortages every mill in surplus producing areas will be required to reserve 25 per cent. of its production at the disposal of the Textile Commissioner for a period of one month. Mills will be encouraged to set up fair price shops in deficit areas and have promised their co-operation. Movements of textiles within a Province will be free and will be sanctioned by the Textile Commissioner from one Province to another except where such transport is uneconomic or unreasonable.

It would be difficult and undesirable to have the same type or variety of cloth selling at two different prices in the market. The Government have considered the question of the difference between new and old prices on stocks now held by mills, quota-holders and the Bengal Textile Association. This increase could not in fairness be allowed to be appropriated by the holders. It has, therefore, been decided that this difference should be collected from the mills for the benefit of the public revenue on the basis of stocks held by them on the 31st December 1947 or the 20th January 1948 whichever is greater, and from stock holders on the stocks held by them on the latter date.

The present system of distribution of yarn has worked reasonably well and will be continued for the present in the interests of the handloom weavers. Mills will, however, be given permission to distribute as they wish such quantities of yarn as are not lifted within a reasonable period of allocation.

In view of the unsatisfactory supply position of raw cotton, Government have decided that all staples which could be spun by Indian mills should be reserved for their use. The existing ban on export of cotton of 13/16" staple and above will, therefore, be extended. With immediate effect, exports will be restricted to Bengal Deshi, Oomra Deshi (excluding CP I and II), Mathia, Assams and Comillas.

In pursuance of Government's general policy of decontrol, however, the statutory floors and ceilings of cotton prices will be abolished with immediate effect. To stabilise cotton prices, the present export duty will be doubled. In view of the prevailing scarcity of cotton, Government do not anticipate that cotton prices will fall below the floor levels hitherto prescribed. Should, however, such a contingency arise, they will take such steps as are necessary to protect the interests of the cotton growers. The existing control over the export of cloth and over the distribution of machinery, imported mill stores, dyes, chemicals, sizing materials, etc., will continue. Control over the prices and distribution of imported cloth and yarn will, however, be discontinued immediately.

The Government have every hope that their present policy will meet the popular demand for a relaxation of the textile control and are confident of receiving the co-operation of the industry, labour, the trade and the general consumer in the production of cloth and its equitable distribution at reasonable prices. They are, however, as is their general policy, prepared to consider the reimposition of the control, should circumstances render this necessary, and for this purpose are retaining the existing machinery of control to the extent necessary."

These decisions were subsequently incorporated in a resolution dated 22nd January 1948 issued by Government.

EXPORT DUTY ON CLOTH AND YARN.

(See also page 35 of Report for 1944.)

Reference was made on page 35 of the Association's report for 1944 to the Cotton Textiles Fund Ordinance levying an export duty of 3 per cent. *ad valorem* on all exports of cotton cloth and yarn from the country.

As a result of representations made by the Committee, Government gave an assurance towards the end of September 1944 that the question of reducing the duty or removing it altogether, would be considered by Government if it was found that the export trade was prejudiced by the levy of the duty.

Towards the end of November in the year under review, a Bill was introduced by the Hon'ble the Finance Minister in the Constituent Assembly of India (Legislative) to give effect to the supplementary financial proposals of the Central Government for the year ending on the 31st day of March 1948, which *inter alia* provided for the levy of a duty of 4 annas per sq. yard on cloth and 6 annas per lb. on cotton yarn exported from India. The levy affected cloth and yarn of any description manufactured either wholly from cotton or partly from cotton and partly from any other substance and containing not less than 10 per cent. of cotton by weight.

Though the duty on cloth and yarn was levied as a revenue measure, the Committee did not see any justification for it on the following among other grounds :—

- (a) The indigenous industry was already at a disadvantage in the sense that it had to pay an import duty on all cottons, mill stores, fuel oil, dyes, chemicals, etc., used by it.
- (b) The incidence of the duty of 4 annas per square yard and 6 annas per lb. of yarn would be unduly heavy in the case of certain types of yarn and cloth as against others.

- (c) There was the danger of the duty, once levied by the Legislature, continuing for some reason or other, adversely affecting the chances of the industry in expanding its overseas markets. Government had been urging, time and again, the necessity and importance of developing India's export markets, consistently with the obligations within the country, with a view to improve the country's internal economy and it was thought that such a duty on cloth and yarn was likely to cut across this object.

The duty was likely to embarrass Government in their negotiations with certain countries for the supply of foodgrains at concessional rates. Solely from the point of view of the desirability of balancing the country's financial budget, no objection could perhaps be taken to the levy of the duty, but bearing in mind the effect of the duty on Government's negotiations with certain countries for the supply of foodstuffs, and also its effect in the long run, on the country's export markets, the Committee suggested that the Bill be amended in the following directions :—

- (a) Provision should be made to enable Government to reduce, or abolish the duty altogether, without consulting the Assembly if it was found that the duty was adversely affecting India's export trade in cotton piecegoods and yarn. In any event, the life of the duty should be limited to one year only.
- (b) That Government be empowered to levy a lower rate of duty in the case of exports to certain countries which were prepared to supply foodgrains to India at special concessional rates.

The Bill was passed by the Assembly on the 6th December 1947 and received the assent of the Governor-General on the 18th December 1947. (*Appendix 9.*)

PROTECTION TO COTTON TEXTILE INDUSTRY.

(*See also pages 21 and 96 of Report for 1946.*)

Reference was made on page 21 of the Association's report for 1946 to the conferences held by the Tariff Board towards the latter part of January 1947 to consider the question of continuance of protection to the cotton textile industry.

Towards the end of March, the Tariff Board submitted its report to Government. The recommendations of the Board and Government's decisions thereon were set forth in a resolution No. 218-T(22)/47 dated the 29th March 1947 issued by the Government of India, which is reproduced :

"The Government of India, in their Resolution in the Department of Commerce No. 28-T(8)/46, dated the 20th January 1947, requested the Tariff Board to hold a summary enquiry and advise whether, in the present circumstances, protection at the existing or at a different scale should be granted to the cotton textiles manufacturing industry for a further year after the 31st March 1947 when the existing protective duties on cotton piecegoods and

yarn will expire. The Tariff Board has submitted its report, and has made the following main recommendations :—

- (i) The industry has failed to substantiate its demand for extension of protection, and the protective duties should be allowed to expire on the 31st March 1947, to be replaced, however, by such revenue duties on cotton textiles as may be imposed on budgetary considerations. There should be only one scale of duties and that should be the lower of the two existing scales.
- (ii) Any declaration of expiry of protection should be accompanied by a definite and categorical announcement that deprotection does not signify any weakening in the interests of Government in the well-being and integrity of the cotton textile manufacturing industry which is the premier industry of the country. A tariff enquiry should definitely be guaranteed to the industry as soon as imports of cotton piecegoods exceed for three months running, a monthly average of 25 million yards unless the industry itself asks for a tariff enquiry earlier, in order to determine whether the volume and prices of imports affect the position and integrity of the Indian industry so as to call for re-imposition of protection.
- (iii) The import duty on yarn is doing no good to the Indian mill industry, while its existence imposes some hardship on the handloom industry; there should, therefore, be no duty on yarn, protective or revenue.
- (iv) The recommendations in regard to duties on cotton textiles should apply to the imports of artificial silk and cotton and art silk mixed fabrics.

2. Government have carefully considered the report, and have decided to accept the recommendation of the Board on the main issue before it. Government agree with the Board that the world position of the cotton textiles industry is such that there is very little prospect in the near future of any textile producing country exporting cloth to India in such quantities as to compel the indigenous industry to curtail its production or produce at unremunerative prices. In 1946-47 the total imports of cotton yarn and cotton piecegoods are not expected to exceed 150,000 lbs. and 15 million yards, respectively, while India can stand the import of 2,000 million yards of cloth a year, which represents the present gap between estimated consumption and production of mill and handloom cloth. There is no possibility of more than a fraction of the deficit being imported and Government, therefore, agree that there is at present no competition between the Indian industry and the textile industry of other countries. Even in regard to prices, the indigenous products have nothing to fear from the imported goods except in the case of certain fine and superfine qualities. The protective duties on cotton piecegoods and yarn will accordingly be allowed to expire on the 31st March 1947.

3. Government accept recommendation (ii) and have no hesitation in giving the industry the assurance and guarantee suggested by the Board.

4. The rates of revenue duties to be imposed on imports of cotton piecegoods and yarn are under consideration and will be announced at the proper time.

5. With regard to recommendation (iv), Government consider that in recommending that the protective duties on artificial silk and cotton and artificial silk mixed fabrics should be allowed to lapse, the Board has gone beyond its terms of reference, and that since the rayon industry in India is in its infancy the protective duties should not be removed without a full inquiry. It is proposed, therefore, to continue the existing protective duties on these goods for a further period of one year, and the necessary legislation will be undertaken as soon as possible."

In pursuance of the above decision, the Central Government introduced in the Central Legislative Assembly on the 1st April 1947 a Bill further to amend the Indian Tariff Act, 1934. The effect of the Bill in so far as it affected the cotton textile industry was that the protective duties on cotton cloth and yarn were converted into revenue duties without any change whatsoever in the quantum. As regards piecegoods of art silk and of cotton and art silk mixed, protection was continued for another year.

The Bill was passed by the Legislature and received the assent of the Governor-General on 18th April 1947.

LABOUR MATTERS.

INCREASE IN WAGES AND STANDARDISATION OF WAGES: AWARD OF THE INDUSTRIAL COURT—STRIKE OF DRAWERS-IN.

(See also page 25 of Report for 1946.)

Reference was made on page 25 of the Association's report for 1946 to certain matters pending before the Industrial Court in respect of workers' demands for increase in bonus, increase in basic wages, standardisation of wages, adequate dearness allowance, etc., and to the award of the Court on the question of bonus.

The questions relating to the increase in basic wages, and the standardisation of wages were taken up by the Court; hearings took place in March and April 1947, and the Court issued its award on 31st May 1947.

The interpretation and implementation of the award presented numerous difficulties, and these formed the subject matter of a series of communications addressed by the Committee to the Industrial Court.

The Committee presumed that as the award referred to a standard wage for 26 working days in a calendar month for time workers, wages for such workers given in the award were for a month of 26 working days, and that in months where the working days exceeded or were below 26, wages had to be proportionately increased or reduced. In a month of 27 working days, for instance, the wages shown in the award would have to be increased by 1/26th, whereas in a month of 25 working days, the wages would have to be reduced by 1/26th. The Industrial Court confirmed this presumption was correct.

This was followed by another communication in which it was pointed out, among other things, that the last paragraph of the award laid down that "All cotton textile mills in Bombay and Greater Bombay should pay their employees according to the standardised uniform list of basic wages and rates as per annexure 'A' attached herewith with effect from 1st January 1947. . . ." The Industrial Court was requested to state whether mills paying higher than the rates indicated in the award, were required by the award to come down to the level indicated therein. In reply, the Court pointed out that the award clearly directed all mills to pay according to the standardised uniform list of basic wages and rates. Standardised wages and rates as explained in para 26 of the award, did not mean minimum or maximum wages, but uniform wages according to one standard. The Court added that all mills were, therefore, bound to pay the same wages and rates for particular occupation mentioned in the award.

Two further communications were addressed to the Industrial Court setting out the difficulties experienced by members in interpreting and giving effect to certain sections of the award.

The award laid down a standardised uniform list of basic wages and rates for employees of the textile industry in the city of Bombay. Schedule I of the award prescribed a standard wage for each time-work occupation listed therein for a calendar month of 26 working days, and Schedule II dealt with piece-workers. In the case of certain piece-work occupations such as drawing, slubbing, intermediate and roving; winding including grey, colour and art silk winding; warping and drawing-in, a standard basic average earning for a month of 26 working days had been laid down, and mills were required to convert these basic average earnings into a piece-work rate equivalent to, say, so many pies per hank in the case of each of the three frame departments, or so many pies per lb. for each count of yarn wound, or so many annas per 10,000 yards warped by each warper, or so many pies per 1,000 ends drawn-in in the drawing-in department, etc. To enable mills to carry out correctly the intentions of the award, members were instructed by the Association to convert the basic monthly earnings indicated by the Court into a piece-work rate on the basis of normal expected production in the department.

Since the publication of the award, however, there had been deliberate slowing-down of production in certain piece-work departments of certain mills. There could not be any object in such slowing-down other than to show that the piece-work rates fixed by the individual mills on the basis of normal expected production were on the lower side. It was not very difficult to foresee that having secured higher piece-work rates on the basis of lower production, the operatives would, in due course, resume normal production, thus securing an earning which would be far in excess of the amount indicated in the award for the occupation concerned. Though the drop in production following from deliberate slowing-down could not be ascertained with exactitude, the position was that, if, for instance, production in the drawing-in department dropped down, then it would not be possible to maintain full work in the weaving department.

As a result of the representations made by the Association, the Industrial Court announced on the 7th August 1947, the appointment of an *Ad Hoc* Standardisation Committee. With regard to the slowing-down tactics adopted by the workers, the Government of Bombay issued a press note on the same date. The announcement of the Court and the press note issued by Government are reproduced below :

ANNOUNCEMENT OF INDUSTRIAL COURT.

“Whereas the Millowners' Association, Bombay, has reported to this Court that the managements of most of the cotton textile mills in Bombay are experiencing certain difficulties in giving effect to the scheme of standardisation of wages and wage rates prescribed in Schedule I, II and III in Annexure 'A' to the Award dated 31st May 1947, on References Nos. 1, 4 and 5 of 1946 and whereas it is necessary that the said scheme should be implemented in the interest of the employers and the employees it is hereby announced that an *Ad Hoc* Standardisation Committee consisting of the following persons is appointed :—

- (1) to investigate and consider all questions which may be referred to the Committee by this Court ;
- (2) to report and advise the Court on all matters concerned with clarification and interpretation of doubtful points, if any, in the award ; and

- (3) to suggest ways and means of smooth execution of the standardisation scheme without impairing the production in the mills or efficiency of the employees:—

Chairman : Nandulal M. Mehta, Esq. ; Members :—H. G. H. Everitt, Esq. ; G. D. Somani, Esq. ; G. D. Ambekar, Esq., P. B. Vaidya, Esq. ; Secretary : C. N. Bagwe, Esq., Assistant Government Labour Officer, Bombay.”

PRESS NOTE OF THE BOMBAY GOVERNMENT.

“ It has been noticed that subsequent to the publication of the award of the Industrial Court, dated the 31st May 1947 relating to standardisation of wages in Bombay Cotton Textile Mills, there has been a deliberate slowing down of production by workers in certain departments where wages are paid on piece-work basis, which not only interferes with the smooth and full working of other departments but also results in great loss of production in yarn and cloth which the country can ill afford at this stage. Such go-slow tactics far from being likely to be of any help to workers in any way are definitely harmful to their interests as well as interests of the community. It is understood that some workers are under the impression that by reducing production they will get higher piece-rate wages or a fixed wage as mentioned in the award. This is a serious misapprehension. If there are instances in which the award has not been properly interpreted or carried out, it is open to the workers to seek redress through the proper channels. The question of setting up a Standardisation Committee as recommended in the award is under consideration of Government, but, in the meanwhile, an *Ad Hoc* Committee has already been appointed by the Industrial Court to deal expeditiously with points relating to the interpretation of the terms of the award that may be raised on behalf of the employers or labour, and to secure the removal of any anomalies discovered, and to suggest ways and means for the smooth execution of the Standardisation Scheme. Government desires that the workers who feel aggrieved by the terms of the award or its interpretation should approach this *Ad Hoc* Committee and assures them that if any genuine complaint or hardship is brought to notice, steps will be taken for its redress with the least possible delay. The Government of Bombay hopes that in view of the position explained above, the workers who have, under some misapprehension or the other, resorted to go-slow tactics will resume normal production both in the interests of the workers themselves and of the public at large.”

The *Ad Hoc* Committee commenced its deliberations from 18th August 1947 and considered the question of piecework earnings of drawers-in. After a series of discussions, a majority report was submitted to the Court by the Chairman of that Committee recommending for plain sorts a rate of 46 pies for 1,000 ends drawn through cotton healds.

On 3rd September 1947 the Committee of the Association addressed a further representation to the Government of Bombay that a stage had been reached when Government had to take adequate steps to ensure that the award of the Industrial Court was respected, obeyed and adhered to by the parties concerned in letter and in spirit. By referring certain demands relating to increase in basic wages, standardisation of wages, etc., to the arbitration of the Industrial Court under section 49A of the Bombay Industrial Disputes Act, Government were committed to use the powers at their disposal to enforce that award. The Committee had already referred in their previous communications to the deliberate attempts which were being made, no doubt, at the instance of a certain union, to get round the award by slowing-down tactics in processes such as drawing-in, warping, etc., with the object of forcing the powers-that-be to award earnings to these operatives higher than those laid down in the award. The slowing-down tactics had dislocated the industry to a considerable extent and had prevented even those, who were putting in a normal day's work, from earning a full day's wages. In view

of the serious cloth situation in the country, the Committee submitted with all the emphasis at their command that Government should no longer hesitate to act against those disruptive influences which militated against the smooth application and working of the award. The Committee further pointed out that hesitation to do so on any ground whatsoever, was calculated to engender the belief in the minds of the workers that the award of the Court might be ignored with impunity when it suited them—a situation which neither the Committee nor Government could contemplate with equanimity, and which would cut at the very root of the principle of compulsory arbitration in industrial disputes, to which Government stood committed. It was further submitted that though the award of the Industrial Court in respect of References Nos. 1, 4 and 5 of 1946 imposed an unduly heavy burden, members of the Association had been interpreting and faithfully carrying out the award to the best of their ability and in as reasonable and fair a manner as possible in the sincere hope that that would bring peace in the industry. Unfortunately, however, these hopes had been falsified, and the Committee were very grieved to note that a section of labour were flouting the award of the Court.

It was reported that a general meeting of the workers of the drawing-in departments was held on the 8th September 1947, at which a resolution was passed to the effect that the drawers-in should go on strike if they did not secure a demand of 48 pies per 1,000 ends.

The Industrial Court issued an order on the 16th September 1947, accepting the rate recommended by the majority members of the *Ad Hoc* Committee and fixing the following piece-work rates for drawers-in :—

Rates of Wages for Drawers-in.

- (1) Grey, plain, twills and drills woven on 4 shafts or less—46 pies per 1,000 ends.
- (2) 100 per cent. self colour, plain, twills and drills woven on 4 shafts or less—48½ pies per 1,000 ends.
- (3) Plain, stripes and checks susi plain or twill weave—51½ pies.
- (4) Dhoties up to and including ⅝" plain border—48½ pies.
- (5) Dobby border dhoties up to and including ⅝" border—50½ pies.
- (6) Sarees with plain borders over ⅝" border—51½ pies.
- (7) Sarees containing up to and including ⅝" doobby work—53 pies.
- (8) Sarees, full doobby borders over ⅝"—67 pies.

Dobby cloths including doobby stripped cloth and including drills on more than 4 shafts but excluding dhoties and sarees :—

5—6 shafts	..	..	..	..	..	..	..	..	..	60 pies.
7—12	"	"	"	"	"	"	"	"	"	84 pies.
13—16	"	"	"	"	"	"	"	"	"	104 pies.
17—20	"	"	"	"	"	"	"	"	"	138 pies.

Double beam work—above rates plus 7 pies.

Wire healds—above rates plus 15 per cent.

Double Drawn beams—75 per cent. of the above rates.

Note—2 and 1 Drill drawn-in on 6 shafts would be paid at 6 shafts doobby rates.

Sorts drawn-in on 80, actual reeds and finer (two ends per dent)—add 7 pies to the above rates."

The drawers-in and reachers in a number of mills, however, went on strike on 23rd September 1947. Warpers in a few mills also went on a sympathetic strike for one day and the following press note was issued by the Government of Bombay on the same day :

"If we are unable to prevent the setting at naught of an award of the Industrial Court by illegal pressure or coercion at the hands of a party or section, Government will be powerless to protect the workers themselves against encroachments by the employers on the rights and privileges which the workers have secured under the various laws and awards," declared Mr. Gulzarilal Nanda, Minister for Labour, today.

"Two days ago," said the Minister, "I informed representatives of the Girni Kamgar Union (Red Flag) that I had asked the textile industry to furnish me immediately with precise data regarding the wage position of the drawers-in in the local mills and assured them that these figures would be published so that a clear picture as to how this section of workers would fare under the award, could be presented to the public.

"I had also offered to find out if there were any legitimate means to afford relief to the drawers-in if a case of real hardship was disclosed, as a result of the award.

"In spite of these assurances the Girni Kamgar Union hastened to bring about a strike.

"But there is one aspect of the matter of which I wish to lay special stress. Industrial conditions in this Province are at present regulated by the Bombay Industrial Disputes Act, 1938. At the instance, and on the insistence, of the workers in the industry, the question of standardisation and increase in wages was referred to the Industrial Court for arbitration. The Industrial Court has given its award.

"The Act provides that, while the award remains in force, any contravention of the terms of the award on the part of the employers would be an illegal change, and a stoppage by workers in similar circumstances would amount to an illegal strike.

"It is, however, open to the parties to terminate the operation of the award by giving six months' notice under section 77 (1) of the Act.

"An occasion may arise when labour, or a section thereof finds that an award or something in it is not fully satisfactory from its standpoint.

"If in such a case, the workers are free to stop work in violation of the award, the employers may also in their turn refuse to carry out an award if they found it irksome.

"This will inevitably strike at the root of the whole machinery of arbitration as administered by the Industrial Court.

"If the people, who are the ultimate authority for all legislation in a democracy, find that a piece of legislation fails to fulfil the end of justice or of social welfare, they are at liberty to scrap or replace it by something better through their representatives in the Legislature.

"As long, however, as the law remains, not to enforce it would be a direct invitation to chaos and anarchy.

"If we are unable to prevent the setting at naught of an award by illegal pressure or coercion, Government will be powerless to protect the workers themselves against the encroachments of the employers on the rights and privileges which they (the workers) have secured under various laws and awards.

"In the interest of public peace and good government and the general good of the workers, the industry and the community, it is the sacred duty of Government to counteract attempts to ruin the prestige of an award or to overthrow the authority of the Industrial Court. This duty will be done.

"I am confident, we have the co-operation of the working class, its leaders, the press and the public in general in the performance of this duty."

Thereafter certain statements appeared in the press saying, among other things, that the Millowners had admitted the injustice of the award. The Chairman of the Association therefore issued a statement to the press clarifying the position of the Association in the matter.

An application under the Bombay Industrial Disputes Act, 1938, was filed by the Association in the Industrial Court, praying that the strike of the drawers-in, reachers and warpers of member mills of the applicant Association might be declared illegal. The case was heard in the Court on the 1st and 3rd October 1947 and the Court issued an order declaring the strike illegal.

The strike fizzled out and most of the drawers-in, reachers and warpers had resumed their work by the 3rd October 1947. The *Ad Hoc* Committee are discussing the other issues referred to them. (*Appendix 10.*)

ENQUIRY INTO THE NORMAL DAILY PRODUCTION : APPOINTMENT OF MR. K. R. GADGIL.

A press *communiqué* issued by the Government of Bombay, and published in the daily papers on the 16th October 1947, is reproduced below :—

"The attention of the Government of Bombay has been drawn to the differences of opinion that have arisen as to what should be the normal daily production for drawers-in of the textile mills of Bombay City.

The Government of Bombay have, therefore, appointed Mr. K. R. Gadgil, Inspector under the Payment of Wages Act, to enquire into the question and report on what should be a fair rate of output for the different types of production."

PROVINCIAL LABOUR ADVISORY BOARD.

Early in March 1947, the Government of Bombay announced the establishment of a Provincial Labour Advisory Board with the Minister for Labour as the Chairman and the following gentlemen as members : Mr. Abdul Aziz Khan, Mr. Sadashiv K. Patil, Mr. Kanayalal N. Desai, Mr. Keshavrao M. Jedhe and Mr. S. Nijalingappa representing consumers ; Mr. Chunnusing K. Chandele, Mr. Shripad A. Dange, Mr. Khandubhai K. Desai, Mr. Sidney J. McCann, Mr. Akhtar H. Mirza, Mr. D. W. Mullock, Mr. Chandulal P. Parikh, Mr. Chhotabhai S. Patel, Mr. Ramnath A. Podar, Sir Sorabji Saklatvala and Mr. C. R. Sharp representing Labour, Industry and Commerce ; and the Commissioner of Labour, the Director of Labour Administration, the Director of Labour Information, and the Director of Labour Welfare as the Government representatives, the Deputy Secretary to Government, Political and Services Department (Labour) acting as Secretary of the Board.

It was stated that the object of the Board was to advise Government on matters affecting the interests of labour and, in particular, relations between the employers and employees. The function of the Board was to advise on all matters which might be referred to it by Government.

SIT-DOWN AND STAY-IN STRIKES.

The question as to what steps should be taken to discourage the sit-down and stay-in strikes was referred by the Government of Bombay to the Provincial Labour Advisory Board for consideration. This was discussed by the Board at its first meeting held on the 16th and 17th May 1947, and certain recommendations were made in this regard. A press *communiqué* was subsequently issued by Government on the 29th May 1947, which is reproduced below :—

“ Constructive measures for the removal of causes of illegal strikes and sit-down or stay-in strikes have been set forth in detail in a comprehensive resolution adopted recently by the Provincial Labour Advisory Board at its first meeting in the Secretariat on May 16 and 17.

“ The Board, after full discussion in which the representatives of the Employers and Employees, who were present by invitation participated, arrived at the following conclusions on the question of illegal strikes and sit-down or stay-in strikes :—

“ In the opinion of the Board, it is of the utmost importance to take steps to remove the causes of such strikes. The following are among the important constructive measures which, in its opinion, should be adopted without delay to ensure that occasions for such strikes do not, as far as possible, arise.

“ The conditions under which workers have to perform their duties should be made acceptable to them in the largest possible degree, and these conditions should conform to uniform minimum standards.

“ The workers should be provided with amenities on an approved and uniform scale. For this purpose, a code should be prepared for adoption by employers. The recommendations to be made by the Industrial Conditions Enquiry Committee on the subject might form a suitable basis for such a code.

“ The treatment of the workers should be such as to avoid giving rise to irritation and leading to friction. Efforts should be made to find out and remove the causes of such friction before they develop into more serious trouble. For this purpose, the management should keep in close touch with the Joint Committees which should be set up and discuss with them all matters relating to the welfare of workers and their grievances. All concerned should be instructed to foster mutual good behaviour, keeping constantly in mind the dignity of labour generally and in particular the need for showing respect to the workers' personality.

“ The supervisors should not be arbitrary in their dealings with the workers. A high standard of discipline should be maintained but rules of discipline should be reasonable and keep the human aspect fully in view ; and the system of mill or factory Labour Officers should be placed on a proper footing and their functions and powers should be so defined as to ensure that they are more helpful in improving relations between the management and the employees and keeping the latter contented. In particular, it should be their duty to take prompt and positive steps to bring about a quick settlement of any disputes that may arise.

“ The Board is also of the opinion that the Government, besides taking all such steps as would bring about better understanding between the employers and employees, should ensure—

“ (i) that all disputes are dealt with expeditiously at all stages by the Labour Department of Government and in the Industrial Court ;

“ (ii) that a responsible officer of Government is available to the parties to investigate promptly into the causes of stoppages of work and to bring about speedy settlement of disputes.

“ Investigation should be made into the causes of strikes, especially illegal strikes, to determine what factors were responsible for the strikes and what steps should be taken to avoid them in future.

“ The Board, while anxious to secure for the workers just and fair treatment and conditions of work and to remove the causes for such strikes, at the same time expects the workers to behave in a responsible manner and urges all trade unions to make an earnest and vigorous effort to inculcate in the workers a sense of responsibility.

“ The Board is of the opinion that, while in the case of strikes which, although technically illegal, are the result of misunderstandings or serious provocation, immediate steps should be taken by the management, the organisation of labour concerned, and the Government officers to bring the workers back to work. Where, however, a strike is resorted to in deliberate defiance of the law and of the machinery provided thereunder for the settlement of disputes, there should be no negotiations or attempts at settlement but unconditional and immediate resumption of work should be insisted upon, failing which action should be taken under the law. The Board suggests that, if any organisation has supported an illegal strike, the organisation should be deprived of any status which it may have under the law. Suitable legislation should be framed for the purpose, but provision should be made in the legislation for the restoration of the lost status under suitable safeguards and specified conditions.

“ Where workers resort to a stay-in or sit-down strike the management should send immediate intimation to the Police, the Labour Department, and to the workers' organisation concerned, and if efforts to persuade the workers to resume work or leave, do not succeed within two hours, steps should be taken to remove them from the premises.

“ The Board is of the opinion that if the management of a concern persists in contravention of awards or agreements or making illegal changes or is generally so unresponsive in its attitude and neglectful of its duties as to provoke labour unrest, dislocation of work and loss of production, Government should be in a position to take over the administration of the concern, and should take such steps as are necessary to invest itself with the requisite powers.”

THREE-SHIFT WORKING IN TEXTILE MILLS.

(See also page 43 of Report for 1946.)

Reference was made on page 43 of the Association's report for 1946 to the resolution passed at the urgent general meeting of members held on 14th February 1947, rescinding the restrictions imposed on the working of additional shifts in Bombay cotton mills.

Subsequently, certain mills started or proposed to start an additional shift in order to increase production. The position was, at the invitation of Government, discussed by the Hon'ble the Labour Minister with the Chairman and Deputy Chairman of the Association, following which two press *communiques* were issued by Government.

The press *communique* dated the 1st April 1947 read :—

“ The question of the advisability of having a third shift in mills was discussed with the Chairman and the Vice-Chairman of the Millowners' Association, Bombay, by Mr. Gulzarilal Nanda, Minister for Labour, on Monday in view of the difficulties which have arisen on account of the third-shift working in some of the local mills. It was agreed that the whole question of a third shift should be re-examined immediately in the light of the consequences to the health of the workers and the net effect on the production of cloth. The Government of Bombay will immediately be taking up this question with the Central Government so that a satisfactory decision may be taken at a very early date.”

The press *communiqué* dated the 3rd April 1947 read :—

“The Government of Bombay has recommended to the Millowners' Associations at Bombay and Ahmedabad and through them the textile industry in the Province that the system of three-shift working in the textile mills which has been recently introduced in some of the mills should be stopped except temporarily, in cases in which the workers of all the shifts in particular mills have expressed their willingness to work the three-shift system.

“The reasons which have led the Government to make this recommendation, briefly stated, are :—

- “ (1) Workers are exposed to temptation to work more than one shift on the same day and in different mills ;
- “ (2) The Textile Labour Enquiry Committee strongly reported against any arrangement of hours which involves post-mid night work ;
- “ (3) The system adversely affects the health and efficiency of workers ;
- “ (4) The system requires grafting of additional labour for which there is no adequate living accommodation, housing for industrial labour, among other classes of the population, being a problem which is difficult of satisfactory solution at the moment ;
- “ (5) It also creates the problem of finding employment for the workers thrown out of employment as and when three shifts are stopped by one or the other of the mills ; and
- “ (6) Speaking generally, workers themselves are not willing to work such a system and if forced on them, there is bound to be serious labour trouble which should be avoided at all costs, if production is to be increased and not decreased.”

The Government of Bombay also addressed a letter to the Association in terms of the second press note suggesting the stoppage of third-shift working except temporarily in cases in which the workers of all the shifts in a particular mill were agreeable.

The Committee submitted, in their reply to Government, that the press *communiqué* of 1st April was unfortunate, giving as it did, an incomplete version of the interview which the Chairman and the Deputy Chairman had with the Hon'ble the Minister for Labour. The Committee stated that the representatives of the Association did not agree either to the suspension of treble-shift working or to the prohibition of the further extension of treble-shift working. The premature announcement of Government's policy had unfortunately created a demand for the suspension of third shift, and it was likely that, even in mills where treble-shift system had been working for a considerable time, the operatives would refuse to continue.

With regard to the second press *communiqué*, the Committee felt that it did not apparently throw any light on the question as to whether, in view of the importance of the subject, the Government of Bombay had discussed the matter, as indicated in the first press *communiqué*, with the Government of India, and if so, with what results.

Regarding the reasons which led Government to recommend the stoppage of three-shift system, the Committee, at the outset, submitted that the Association had, on several occasions in the past, been asked by the

Government of India and the Textile Commissioner to devise measures for increasing the production of cloth and yarn in cotton mills. Various methods were proposed by Government, and their spokesmen were continuously urging on the Association the desirability of introducing the third shift in cotton mills, though the difficulties which had to be overcome before another shift could be successfully introduced, had been placed before, and discussed with, Government. Even the public and labour had been asking for an extension of treble-shift working, and in this connection the Committee drew the attention of Government to the following demand made by a section of labour in Bombay, which Government had referred to the arbitration of the Industrial Court in August 1946 :—

“In view of the urgent need to increase the supply of cloth to the people and in view of the necessity to provide greater employment, the said employees demand immediate introduction of three shifts of 7½ hours with same remuneration for 8 hours.”

While the above demand was still pending before the Industrial Court, having been referred to that Court by Government, the Committee were surprised that Government should now point out that three shifts should not be introduced ; that workers themselves were not willing to work such a system ; and that, if it was forced upon them, there was bound to be serious trouble, which, in the opinion of Government, should be avoided at all costs.

The Hon'ble the Minister for Labour had mentioned that there were communal disturbances in Bombay at the moment, and if there were strikes on account of the workers' opposition to run three shifts, then that might result in a general strike. The Committee, however, pointed out that it was not, perhaps, appreciated by Government that, if mills were forced to discontinue the third shift in those departments where there were three shifts, and particularly in spinning, it would mean that a large number of workers in other departments, where shortage of workers was not felt, would be thrown out of work, resulting in unemployment to an appreciable extent which would create great discontent and affect the smooth working of even two shifts.

With regard to the Government's contention that “trouble has arisen in several textile mills in Bombay City on account of the reluctance or refusal of the workers to accept work on the third shift,” the Committee submitted that it was a gross exaggeration. There was trouble only in two mills, namely, the Madhowji Dharamsi and the Seksaria Cotton Mills.

Turning to the troubles in Ahmedabad, referred to by Government, the Committee submitted that these troubles had arisen from the fact that the Textile Labour Association, Ahmedabad, had never really supported change-over of shifts, however desirable that might be. It was only recently that night-shift workers were brought into day shift and *vice versa*, and if, as in Bombay, Ahmedabad had a system of change-over of shifts, it was pointed out, the difficulties would not have arisen, and workers would have taken to two or three shifts, knowing well that no differentiation was likely to arise therefrom. As a matter of fact, there were mills in Bombay, which had been entirely on the three-shift system for well over 12 years, and mills, which were partially on the three-shift system since the last few years, where

no trouble whatsoever had arisen. In the circumstances the Committee did not see how Government could possibly state that "the working class seems bitterly opposed to third-shift working." That there was a demand for three-shift working from labour was clear from the case pending before the Industrial Court, and some mills had already been working on that system. Yet the Hon'ble Minister stated that the workers were definitely opposed to three-shift working and that he wanted to stop it because mills, which had only two shifts working, experienced shortage of workers on account of the workers going to the mills where there were three shifts. The Committee felt that the above statement was self-contradictory because, if the workers did not like, and were definitely opposed to, three shifts running, then, naturally there could be no question of their going from mills working two shifts only to those on three shifts.

In reply to Government's statement that "not much additional production has accrued by the working of the third shift," the Committee believed that where there had been three-shift working in mills over a considerable period, there had been a proportionate increase in production compared to the increase in the machine hours worked. Even in mills where three-shift working had been resorted to recently, there had been a considerable increase in production, though not exactly to the extent of the machinery worked. In terms of the working hours, it would mean an increase in production of about 40 per cent. in that a double shift running would have only 16 working hours per day whereas in treble shifts of $7\frac{1}{2}$ hours each, there would be $22\frac{1}{2}$ working hours. It was pointed out that three-shift running in spinning was absolutely essential for, unless a sufficient number of spindles was worked, it would not be possible to find work for people in the spinning preparatory, and weaving and weaving preparatory departments, not to say anything of the folding, calendering, baling, bleaching, dyeing, etc. If the third shift in spinning was discontinued, or further extension of the third-shift running in spinning was prohibited, then it could only mean that, apart from reduction in production of yarn and cloth and prevention of further increase in production of yarn and cloth, workers in the other departments would also be thrown out of work. That apart, in treble-shift running, where there was a regular change-over of shifts, workers in the departments concerned had to work after midnight only once in three months, or in other words, only one-third of the total number of workers in that department had to run after midnight.

Government had admitted that a considerable number of workers had been unable to resist the temptation to work on two shifts on the same day in different mills in violation of the provisions of the Factories Act. The Committee, however, had no direct evidence of workers seeking employment in more than one shift, but if the facts were as stated, then, it was suggested, that the position should be set right by awarding exemplary punishment to the worker who defied the law, but if, in spite of everything, a worker sought employment in more than one shift, then, that could hardly be an excuse for Government intervening and stopping efforts to step up production of cloth when it was so much in short supply.

The Committee, therefore, regretted that they were unable to agree with Government, and stated that they were aware of the fact that treble-

shift working or work after midnight had been going on in the cotton textile industry and also in other industries in the country for some considerable time. That was intensified during the war, but the Committee were not aware of any evidence to show that work after midnight had had any detrimental effect on the health of the workers.

This question was subsequently brought up by Government before the Provincial Labour Advisory Board at its first meeting held on the 16th May 1947. The Chairman of the Association attended the meeting by invitation. Following the meeting, certain reports appeared in the press which seemed to convey the impression that employers were in agreement with Government's policy in the matter of treble-shift working. The following press note was, therefore, issued by the Chairman on 22nd May 1947 explaining the Association's point of view :—

“ I attended, as an invitee only, the meeting of the Provincial Labour Advisory Board on last Friday and Saturday as a representative of the Millowners' Association, Bombay, which was invited by the Government of Bombay to send a representative. Similarly, Mr. Gautam Sarabhai of Ahmedabad represented the Ahmedabad Millowners' Association. I expressed disagreement with, and opposition to, Government's intention and policy to prohibit and force the discontinuance of three-shift working in textile mills. There is no mention whatever, whether through inadvertence or deliberate, of the fact that the representatives of the Bombay and Ahmedabad Millowners' Associations were definitely against the discontinuance or prohibition of three-shift working. The report in the press is unfortunately worded, in that it would convey the impression that the employers were in agreement with, and support the policy of, Government and the conclusion arrived at the meeting. My Association had already conveyed to the Bombay Government by a letter dated the 17th April 1947, our considered and definite disagreement with, and opposition to, Government's intention and proposals to prohibit and force the discontinuance of three-shift working in cotton mills. This matter was again discussed by my Committee since, and I must make it clear to the public that the Millowners' Association, Bombay, does not agree with, nor was it a party to, the conclusions arrived at and recommendations made at the meeting of the Provincial Labour Advisory Board. We hold that three-shift working should not be prohibited nor caused to be discontinued by Government, but rather should be actively encouraged by Government and resorted to by mills wherever and whenever possible in the national interests of the country and the people. The demand for cloth far exceeds the supply. Deliveries of new machinery and complete textile plants are hopelessly inadequate. Running three shifts of 22½ machine-hours per day as against 16 machine-hours in two shifts means a 40 per cent. increase in productive capacity and the improvement in the cloth production is obvious. Workers employed in three-shift working work for only 7½ hours as against 8, and still get eight hours' wages. With a regular change-over of shifts, the workers work after midnight only once in three months. Besides, there is no, nor can there be any, question of forcing the workers to a three-shift system. In the absence of a plentiful supply of labour and on account of technical difficulties to a certain extent, three-shift working is prevalent not in a majority of mills in Bombay, nor does it, except rarely, cover all the departments. It helps to overcome bottlenecks where they exist. Three-shift working is mainly resorted to in preparatory and spinning departments to provide yarn for looms which would otherwise have to be stopped even in the second shift with a consequent reduction in cloth production and resulting in unnecessary unemployment to weavers and other workers in the preceding and subsequent departments. If workers, or rather the labour leaders and unions, were to co-operate and help in furthering and extending rationalisation—more machines per worker—only, of course, where and when it is reasonably possible, not only would an extension of three-shift working be possible even with the existing labour force with a resultant increase in yarn and cloth production, but would also mean increased earnings to the workers through increased productivity. Government should encourage three-shift working and help industry in its efforts in the direction. Out of a total of about 2.2 lakhs workers in cotton mills in Bombay, only about 8,000 are in third shift and the number in Ahmedabad is, I understand, still less. Surely, the interests of 40 crores of

people in this country should not and must not be overlooked. Three-shift working has been, is, and will have to be allowed and resorted to in transport, communications and other industries, and it is beyond comprehension why only the cotton textile industry should be singled out and that too at the present juncture when the cloth situation is acute. It is indeed unfortunate that some of the labour leaders and labour unions or organisations incite workers and create opposition to three-shift working. I would strongly urge upon the Bombay Government not to arbitrarily and in disregard of the pressing need for cloth of the people of this country prohibit an extension of three-shift working or prohibit three-shift working altogether and not to do anything to prevent an increase in cloth production or bring about a reduction in cloth production; otherwise the cloth shortage will be worse still with its concomitant evils of control, black markets, unsatisfactory distribution, dissatisfaction and resentment."

The Government of India, to whom a copy of the Association's letter to the Government of Bombay had been sent, informed the Committee in the beginning of June 1947 that they had written to the Government of Bombay requesting them to co-operate with the industry in working three shifts wherever possible. A further communication was, therefore, addressed by the Committee to the Government of Bombay, inviting their attention to the letter received by the Association from the Government of India, and requesting them to issue a press note, as early as possible, advocating the continuance of third-shift working, in order to relieve the cloth shortage in the country. But no further action was taken in this direction by the Government of Bombay.

Towards the latter part of July 1947, the Government of Bombay forwarded to the Association a copy of the resolution on this subject passed by the Provincial Labour Advisory Board at its meeting on the 17th May 1947. The resolution read as follows :—

"(1) In view of the findings of the Textile Labour Enquiry Committee that night work has a deleterious effect on the health and social life of the workers, it has recommended that three-shifts working, involving work after midnight, should be avoided. The Committee has, however, recognised that there may be exceptional circumstances justifying three shifts.

"It was urged at the meeting of the Board that exceptional circumstances existed now, having regard to the acute shortage of cloth in the country. While the insufficiency of cloth in relationship to a suitable standard of consumption is obvious, it is not possible for the Board to judge the extent of the shortage and the additional quantity of cloth required to make up the gap between the existing supply and the required minimum. Considering, however, the increase in the number of looms as compared with the pre-war figure, it is not clear why there should be so serious a cloth shortage in the country.

"(2) The Board is convinced that there is a very substantial scope for increase in the supply of cloth without recourse to the third shift if the following measures are adopted :—

"(i) It is reported that there is a large curtailment in production due to a serious decline in efficiency in recent months. All practicable steps should be taken to improve efficiency in the 1st and 2nd shift. The Industrial Conditions Enquiry Committee having been entrusted with the duty of ascertaining the reasons for any fall in efficiency that may have occurred and of recommending remedial action, the Committee should be requested to furnish this Board with the results of their inquiry and their suggestions as early as possible.

"(ii) Immediate steps should be taken to remove any shortage of labour that might exist in the 1st and 2nd shifts.

- “(iii) Production should be regulated in the matter of texture of cloth and count of yarn so as to yield the maximum yardage of cloth of durable quality.
- “(iv) The loss of production due to strikes and *hartals* should be reduced to the minimum by concerted action on the part of all concerned.
- “(v) Prompt steps should be taken on a large scale to increase the supply of hand-spun yarn for feeding handlooms.

“(3) To the extent the third-shift working has to be adopted on the ground of exceptional circumstances, the Board is of opinion that it must be subject to the following safeguards :—

- “(i) Effective arrangements should be made to remove any defects and drawbacks which make the third-shifts working objectionable.
- “(ii) There should be no extension of third shift so as to involve risks of unemployment on a considerable scale at a subsequent period.
- “(iii) No third shift should be attempted or continued while there is a shortage of labour in a particular centre or area to maintain full and efficient working of the 1st and 2nd shifts.
- “(iv) Immediate action should be taken to prevent double employment on the part of the same set of workers and towards this end a complete register of the workers engaged in the industry should be prepared and service cards with serial numbers for each occupation in a centre should be issued. The decasualisation scheme should be introduced with the least possible delay.
- “(v) Third-shift work will be introduced only in those mills where machinery and the working conditions will permit and warrant such working and where the necessary amenities are provided to avoid discomfort and strain.
- “(vi) In no mill third shift should be allowed if the additional shift does not lead to considerable net increase in production and if steps have not already been taken to obtain maximum production by suitable alterations in the texture and the counts of cloth.
- “(vii) Since the third shift is for a short duration to meet a temporary emergency, there should be no compulsory change-over unless the workers of the other shifts are agreeable.
- “(viii) Every care should be taken to see that the working of third shift does not cause discontent among workers and dislocation of work.

“(4) It is the considered opinion of the Board that the possibilities of third-shift working consistently with these safeguards are very severely limited but wherever such a third shift is either continued or taken up in future it should be subject to a permit or a licence from a special Committee appointed by Government for this purpose, of which the Chief Inspector of Factories will be a member.

“(5) Efforts should, however, be made to keep up for the time being the third shift in such mills where it is necessary for the purpose of balancing the weaving and the spinning production on a proper basis with the view to maximising the yardage of cloth. Stoppage of the third shift now in operation should be avoided if, as a consequence, the workers at present employed in the industry would be thrown out of employment. In this case, too, the suggested safeguards in clause 2 as far as they apply, should be enforced.

“(6) It is the consensus of opinion that the *status quo* as at present should be maintained in respect of night shift work till the extent to which the third-shift working is inevitable and feasible is determined and the machinery for licensing is set up. These steps should be taken at once.

“II. The Board takes a grave view of the notices of stoppage of the second shift in two mills in the city of Bombay which is considered incomprehensible and astonishing in view of the insistence of the Millowners' Association to start the third shift to relieve the shortage of cloth. The Board recommends to the Government to move in the matter so as to avert the stoppage of work on the part of the workers.”

The recommendations contained in the above resolutions were considered by the Committee, and in reply, they only drew Government's attention to the views previously expressed by the Association and stated that they sincerely hoped that Government would render all possible assistance to those mills which were in a position to work three shifts to do so. (*Appendix 11.*)

HOUSING OF MILL WORKERS.

(*See also page 12 of Report for 1945.*)

Reference was made on page 12 of the Association's report for 1945 to the Housing Panel of the Bombay City and Suburbs Post-war Development Committee, appointed by the Government of Bombay to deal with the question of housing and slum clearance in Bombay and the appointment of Mr. J. C. Lancashire on the Panel as the Association's representative. This Panel submitted its report to Government in March 1946.

At the seventh meeting of the Government of India's Standing Labour Committee held on 28th August 1945, an Industrial Housing Sub-Committee was appointed with the following terms of reference:—

- “(a) Whether there should be a building fund for the housing of workers and the manner in which it can best be raised, and in particular the manner in which the cases of those employers who have already provided housing can be dealt with ;
- (b) the basis on which the worker can be required to pay rent ;
- (c) the minimum standards required for workers' houses ;
- (d) the most suitable manner of administering any funds which will become available (whether from Government, employers or workers) for the housing of workers ; and
- (e) the facilities that are required to be granted by the Central and Provincial Governments and local authorities to facilitate the housing schemes of workers.”

This Industrial Housing Sub-Committee made the following recommendations in its report published in May 1946:—

- “(1) There should be a building fund provided to finance the housing of workers who are unable to pay an economic rent for the minimum standard of housing laid down.
- (2) Government (Central and/or Provincial) should make available long term interest-free loans for housing built to approved standards, and such loans should be redeemed by the building authority by means of a sinking fund spread over a period of not less than 30 years.

- (3) The housing fund and in the first instance the housing subsidy should be administered by a National Industrial Housing Board including representatives of the Provinces, the Centre, the States, employers, labour and other interested parties. In addition to the National Industrial Housing Board, Regional Industrial Housing Boards, representing Provincial Governments, the States, local authorities, employers, labour and other interested parties should be set up to co-ordinate regional schemes before they are submitted to the National Industrial Housing Board.

To enable a start to be made with a nation-wide housing of workers, Provincial and Central Governments should, between them, provide the necessary finance by making available long-term interest-free loans for approved schemes complying with prescribed minimum standards. In addition to the provision by Government of interest-free loans employers should be asked to pay a sum of Rs. 2 per month per house for every house allotted to them. Any deficit that may remain over and above that covered by employers' contribution and the interest-free loan should be met by further subsidy raised by some form of general taxation.

To ensure that houses are constructed as cheaply and as efficiently as possible, it is essential for the Centre and Provincial Governments to co-ordinate their building programmes through the National Industrial Housing Board and to ensure that the requirements of raw materials for the various provincial housing schemes all over the country are co-ordinated by the Board and bulk orders at controlled rates placed by the Board for these materials. Government should also take every step possible to encourage and develop more production methods.

Provincial and local authorities should be responsible for making available properly developed sites for approved housing schemes."

The Standing Labour Committee which considered the Report of the Housing Sub-Committee at its meeting held on 26th July 1946 passed a resolution requesting Government to establish immediately a National Working Class Housing Board and also to take steps through the Provincial Governments for the establishment of Provincial Boards for promoting the housing of working classes and the carrying out of the programmes as speedily as possible. The functions assigned by the Committee to the National Housing Board were as follows :—

- "(1) laying down standards and policies for suitable housing in different areas on the lines recommended in the Report of the Sub-Committee ;
- (2) preparing standard plans, specifications and general housing schemes ;
- (3) supervision and carrying out the housing schemes undertaken by the Central Government ;
- (4) taking measures for making building material, land and other necessary facilities available at reasonable rates and in sufficient measures ;
- (5) advising the Central and Provincial Governments, the local bodies and other public organisations with a view to promoting the objects of housing working classes ;
- (6) the co-ordinating the working and activities of the Provincial Housing Boards, and
- (7) undertake research in all."

The functions of the Provincial Housing Boards were stated to include among others :—

- "(1) undertaking the construction and management of houses built out of the funds provided by Provincial Government,

- (5) supervising and carrying out the housing schemes undertaken by Provincial Governments, local bodies and other public organisations.”

Towards the beginning of November 1946 the Government of India suggested to Provincial Governments that in view of the considerable rise in the cost of construction of buildings, they should consider at present only such housing schemes as were extremely urgent since the building of houses on a large scale at such high costs would prove highly inflationary. When the schemes had been prepared by the Provincial Governments according to the urgency of their needs, they might be in a position to indicate the share of cost that might be borne respectively by industrialists, municipal authorities and Provincial Governments. The Central Government would be prepared to co-ordinate and co-operate in any of such measures by rendering reasonable financial assistance, the extent of which would be decided on the merits of each case.

By a Resolution dated the 18th January 1947, the Government of Bombay announced the establishment of the Bombay Provincial Housing Board consisting of the Honourable Mr. Gulzarilal Nanda, Minister for Labour and Housing, as Chairman, and the Honourable Dr. D. D. Gilder, Minister for Public Works, the Honourable Mr. V. L. Mehta, Minister for Finance, and the Honourable Mr. G. D. Vartak, Minister for Local Self-government as members with the Joint Secretary to the Government of Bombay, Political and Services Department, and the Housing Commissioner as Secretaries. The functions of the Board as set forth in the Resolution were :—

“The object of the Government in setting up the Board is the provision of increased housing accommodation conforming to approved standards for such classes of the population as are in need of such accommodation, either through the agency of Government or local bodies or by promotion of co-operative housing or by encouragement of private enterprise in building. The Board will advise on such measures, schemes or works as are calculated as speedily as possible to achieve this object, and in particular with regard to—

- (1) schemes for the development of lands including their reclamation, zoning and lay-out ;
- (2) provision in areas to be developed of essential services such as water-supply, drainage, electricity and gas supplies, public parks, fire brigades and ambulances, public conveyances, places of entertainment and other amenities ;
- (3) the manner in which various development and housing schemes should be co-related, so as to ensure orderly extension of the whole area affected by these schemes ;
- (4) preparation and execution of schemes for housing of industrial workers and low income groups ;
- (5) remodelling of sub-standard houses, clearance of slums, removal of industries from congested areas and other measures of improvement, *inter alia*, by
 - (a) declaration of buildings or structures as unfit for human habitation and enforcement of the remodelling or demolition of such buildings and structures ;
 - (b) regulation of location, continuance and removal of industries, trades and activities, including the change in the uses of the buildings connected with such industries, trades and activities ;
 - (c) issue of permits and licences for buildings of all types and categories in order to regulate building activity in the public interest :

- (6) providing for the housing programme lands and structures, *inter alia*, by
 - (a) acquisition of lands and structures, and all rights pertaining to lands and structures ;
 - (b) disposal of lands, structures and other properties vesting in Government by way of sale or lease or on other terms ;
- (7) the manner in which the building industry may be reorganised with a view to expediting and cheapening housing construction, *inter alia*, by
 - (a) unification, simplification and standardisation of building materials;
 - (b) encouraging pre-fabrication and mass production of house components ;
 - (c) encouraging research with a view to discovering alternative cheap building materials and evolving new methods of economic construction ;
 - (d) taking steps to secure a steady and sufficient supply of labour trained in building construction ;
- (8) regulation of supply and distribution of building materials ;
- (9) raising funds, *inter alia*, by
 - (a) imposition on employers the obligation to provide housing accommodation to their employees in structures owned or leased by them ;
 - (b) levy and collection from employers of contributions for the purpose of erection of dwellings for their employees ;
 - (c) levy and collection of betterment charges from owners of lands and other properties included in the schemes where acquisition is not enforced ;
- (10) collection through employers of rent in respect of tenements and houses provided for their employees ;
- (11) encouraging house building by provision of suitable building sites or improved supply of building materials or facilities for financing house construction ;
- (12) administration of such funds as Government may initially provide as capital and by way of annual grants, as well as funds derived from other sources such as central subvention, levy on employers, proceeds from the sale of assets, realisations by way of rents or betterment charges from lands and properties ;
- (13) setting up of Regional Boards, defining their duties and functions and delegating to them such of the functions as it may deem fit ;
- (14) such other matters as may be necessary to enable it to carry out the above functions entrusted to it.

2. Government also proposes to set up a consultative body, to be known as the Provincial Housing Advisory Committee, composed of various interests concerned orders regarding which will issue separately."

In pursuance of the last paragraph of the above resolution, the Government of Bombay formed a consultative body known as the Bombay Provincial Housing Advisory Committee, to advise the Bombay Provincial Housing Board, and invited the Association to nominate a representative to serve on it. The Committee appointed Mr. J. C. Lancashire as the Association's representative.

The Advisory Committee held its first meeting early in April 1947, when, at the instance of Mr. J. C. Lancashire, Government agreed to co-opt another representative of the Association. Accordingly, Mr. Dharamsey

Mulraj Khatau, the then Chairman of the Association, attended the meeting as an additional representative of the Association.

The Bombay Government placed before the Advisory Committee a programme as adopted by the Bombay Provincial Housing Board, which aimed at building 15,000 tenements in industrial centres in a period of five years commencing from 1st April 1947. The programme was estimated to cost Rs. 7½ crores including expenditure on research, experimental work, information, advice and the administration of the scheme. It was proposed that the Bombay Government would provide one-third of this cost, the Central Government would be requested to contribute a similar amount and the balance of 2½ crores should be contributed by employers in industrial areas like Bombay, Ahmedabad and Sholapur in the shape of a levy at the rate of Rs. 2 per month per employee in the case of an industrial or commercial establishment employing more than 100 workers and at lower rates for establishments employing between 10 and 100 workers. In the first instance, it was proposed to confine the levy to the first category of employers and to extend it subsequently to other categories as need for more funds arose. It was further laid down that the call on the employers would increase in proportion to their failure to carry out the obligation to construct houses for their employees on their own responsibility with such assistance as Government might be in a position to offer. Further, in respect of the tenements built by Government and actually occupied by the employees, the employers concerned would be asked to pay in each case an additional sum of Re. 1 per tenement. The standards of accommodation, the type of construction and the standard rent were also prescribed. The collection of rent would be the responsibility of employers.

According to Government's programme, the major part of the housing needs would have to be met by employers, co-operative societies and private builders. Provincial Government would offer assistance to employers in the shape of loans to the extent of half the capital (exclusive of land) invested in housing, subject to a maximum of Rs. 2,000 per tenement, at a rate of interest which would not entail for Government loss in interest exceeding one per cent. The loan would be recovered in a maximum period of 15 years. Government might also grant a lump sum subsidy of equivalent value in place of loan. In respect of the remaining half, the Provincial Government would request the Central Government to forgo its taxes if the investment was made from current revenues. If current revenues were in any case insufficient for such investment, the Central Government would be asked to give an equivalent assistance in other forms. The amount of assistance available for the purpose from the Provincial Fund was estimated to be on an average at the rate of Rs. 20 lakhs a year. The annual assistance thus rendered was calculated to result in the construction of 80,000 tenements by the employers. If the employers, however, failed to take advantage of the offer of help made by Government, the amount of levy would be increased in order to enable Government to increase the number of houses to be built directly.

In a representation submitted to Government on the 14th May 1947, the Committee stated that they were unable to accept Government's view, viz., that it was the duty of employers to provide housing for labour. They

were of opinion that housing, whether for labour or for the public, was the responsibility of the State and the civic authorities concerned. In no country in the world, the Committee pointed out, was the housing of labour recognised by law as the responsibility of the employer. The need for housing was realised, but the Committee held the view that the situation should be met by Government by raising loans if necessary and the rent should be so fixed as to make it possible to pay a small interest on the loans and to build up a sinking fund, which would facilitate the repayment of the loan after a specified number of years.

The Committee invited the attention of Government to the recommendations of the Industrial Housing Sub-Committee appointed at the seventh Meeting of the Tripartite Labour Conference, and earnestly suggested that Government should attempt to solve the problem on the basis of those recommendations one of which fixed the contribution from employers at the rate of Rs. 2 per month per house allotted to them.

Turning to the scheme put forward by Government, the Committee stated that the 15,000 tenements which Government proposed to put up would, including land and other items, cost about $9\frac{1}{4}$ crores of rupees. The Central Government "would be requested" to give financial aid to the extent of $2\frac{1}{2}$ crores of rupees, and the Provincial Government would contribute $2\frac{1}{2}$ crores of rupees. Apparently, the balance of $4\frac{1}{4}$ crores of rupees was to come from employers, though Government had stated that employers would be required to pay $2\frac{1}{2}$ crores of rupees subject to adjustment. Assuming, however, that the figure of $2\frac{1}{2}$ crores of rupees mentioned by Government as the employers' shares was correct, Government apparently were endeavouring to collect the entire amount, or even more, from the cotton textile industry alone, for the total number of persons employed in the cotton textile industry of the Province was approximately 4,39,000 and the employers' contribution at the proposed rate of Rs. 2 per head per month would work out at 5 crores 76 lakhs of rupees for five years. If this calculation was correct, it followed that either the other employers would not be called upon to pay or that the contribution fixed by Government at Rs. 2 per head was unduly high.

Besides "direct construction" Government expected employers to put up 80,000 tenements under "the assisted scheme" and those tenements were expected to cost about 49 crores of rupees on the basis of Government's own estimates, i.e., excluding price of land, etc., and it would cost more if proper provisions were made for all items. As against this estimated expenditure, Government proposed to give "assistance" to the extent of a crore in annual instalments of 20 lakhs each in the shape of a repayable loan. In other words, the employers' total disclosed liability under the scheme was not less than Rs. $53\frac{1}{4}$ crores (Rs. 49 crores plus Rs. $4\frac{1}{4}$ crores). In this connection, the Committee pointed out that employers in the Province would not be able to spare such a colossal sum within the next five years, or even in a reasonable number of years thereafter. With special reference to the cotton textile industry of Bombay, the Committee felt that an expenditure of such a magnitude was out of the question. Rehabilitation and modernisation of the industry being the first charge on the surplus cash available with the industry, the Committee pointed out that in Bombay City alone, the cash resources available to the industry fell short of the estimated requirements

for purposes of rehabilitation by about Rs. 45 crores and in their opinion, other centres of industry in the Province would not have a different story to present.

Apart from the colossal capital expenditure on putting up tenements for workers which the industry was being asked to undertake, Government's proposal to let out the tenements at rents which fell far below what might reasonably be called fair economic rents would, according to the Committee's calculations, further saddle the industry with a huge recurring loss. After allowing for the creation of a sinking fund for the replacement of buildings at the end of about 60 years, and after allowing on the capital outlay a nominal yield of $2\frac{1}{2}$ per cent. as against 3 per cent. proposed to be charged by Government on loans advanced by them, the Committee estimated that the total annual recurring loss would be in the neighbourhood of Rs. $1\frac{3}{4}$ crores.

Regardless of any other consideration, the industry could not be expected to bear this colossal annual loss. In fact, the estimated annual loss, by itself, exceeded what the industry would be called upon to pay annually to Government in the shape of the proposed levy of Rs. 2 per month per worker employed. In other words, even if Government's schemes and the levy were discontinued after five years, employers would still be paying out, in the shape of the annual loss, more than Rs. 2 per worker per month !

It was understood that Government had made no survey of the actual housing requirements. This, the Committee felt, was a very strange and risky procedure as Government were endeavouring to take important decisions without first knowing what was really wanted. In this connection, the Committee invited the attention of Government to the costly and grievous mistakes made by them immediately after the First World War, when important development and housing schemes were launched without proper scrutiny and which finally led to the schemes being abandoned before completion. Even before the Second World War, a number of Development Department chawls were reported to have been empty, though they were offered at concessional rates of rents. The Committee, therefore, pointed out that it was of the utmost importance that steps should be taken to ascertain that the locality and the type of housing proposed were such that the workers would actually live in them. In this connection, the importance of transport, and the proximity to the place of employment, access to important markets, hospitals, playgrounds, etc., of the city were considered to be some of the factors which must be emphasized, and in the opinion of the Committee, the old housing scheme's unpopularity was partly due to the fact that sufficient weightage had not been given to these considerations.

It appeared that neither the Government of India nor the local civic administrations had so far definitely taken any responsibility in connection with the scheme, nor had Government come to any conclusions regarding the actual type of machinery to be set up for directing and controlling housing operations. The estimates which had been put up were tentative, but according to the information which the Committee had, they were, in any case, much on the high side, and there seemed to be room for drastic curtailment of expenditure. Concluding, the Committee stated that they were at one with

Government in improving housing accommodation in Bombay and elsewhere, but they pointed out in all earnestness that the proposals made by the Industrial Housing Sub-Committee appointed by the Tripartite Labour Conference indicated the lines on which the problem should be tackled. The Committee felt that it could not be the intention of the Government of Bombay to ignore such proposals and impose a burden on employers in Bombay alone. An attempt to solve the problem on an all-India scale on the lines indicated by the Special Sub-Committee of the Tripartite Labour Conference would, in the opinion of the Committee, not only help to relieve the housing congestion all over the country, but also prevent the employers of Bombay being singled out for a heavy imposition.

Towards the latter part of August 1947, the Government of Bombay informed the Association that the Provincial Housing Advisory Committee at its fourth meeting held on 10th June 1947 had fixed for all industrial towns in the Province a target of 1,25,000 tenements to be completed in five years and that the said target would include tenements constructed by all agencies, Government, Government-aided, and private enterprise. The Advisory Committee had also adopted the programme of constructing 15,000 tenements by Government in a period of five years at a cost of Rs. 7½ crores. Of this amount Rs. 2½ crores each would be provided by the Government of India, the Government of Bombay and the employers; and Rs. 3¾ crores each by the Government of Bombay and the employers, if the Government of India were unable to contribute. As regards the recovery of employers' contributions for raising the necessary funds, it was stated that recoveries would be made only after completion of each year's programme and that the position would be reviewed every year with a view to devising ways and means of reducing deficits if any in the scheme. With regard to other parts of the scheme entailing further financial burden on the employers, Government proposed to discuss the basis with employers before taking further steps.

In reply, the Committee stated that they were very much grieved to note that the Association which represented all mills in Bombay City and a very large section of cotton mill employers in Bombay Province had not been fairly treated by Government in a matter which vitally concerned the members of the Association.

In tracing the history of the proposition, the Committee pointed out that Government's proposals regarding housing were first placed before the Advisory Board at a meeting held early in April, and at the instance of Mr. J. C. Lancashire, Government agreed to co-opt another representative of the Association on the Board to consider Government's proposals. In accordance with the above decision, Mr. Dharamsey Mulraj Khatau attended the conference as an additional representative from the Association. The Association had no authoritative report of the proceedings of the conference which Mr. Dharamsey attended, but it transpired that the view generally expressed at the conference was that the proposals circulated by Government were far too vague, and that it was not possible to give detailed consideration thereto without further information on certain points. Accordingly, the Association addressed a letter to Government itemising the points on which additional information was required by the Committee so as to facilitate consideration of Government's proposals. It was understood at the conference

that information on whatever points might be required by this Association and other bodies would be immediately supplied by Government, and on the basis of the data acquired, individual organisations were expected to submit their views to Government in writing, on or before 21st April 1947.

The information asked for by the Association was not forthcoming before 6th May 1947, and in the meantime, in order to avoid their replies being time-barred, certain organisations and Chambers submitted their views on Government's original proposals, though they had not with them sufficient data relating to this scheme. However, the Association's reply to Government on the scheme which was under preparation when Government's letter arrived, had to be recast in the light of the information conveyed by Government, and this was finally sent to Government on 14th May 1947. No acknowledgment of this letter had been received from Government by the Association.

The Committee did not honestly believe that they deserved the treatment which had been meted out to them. They could not also believe that Government would like the Association to express anything except sincere and honest opinion. It might perhaps be that Government did not see eye to eye with the Association on the issue, but to ignore an opinion after having invited it, and to treat it with scant courtesy was considered to be a misfortune which the Association had not experienced in all these years.

With regard to the specific question of the Housing Scheme, it was felt that Government would appreciate that, while the Committee had criticised Government's proposals at length, they had not altogether been unhelpful or destructive in their attitude; nor had they failed to appreciate the gravity of the situation. In this connection, the attention of Government was invited to paragraph 9 of the Association's letter dated 14th May 1947 which contained a suggestion that Government might consider and put forward a housing scheme on the lines proposed by the Tripartite Labour Conference in 1945. Surely, if according to Government, their scheme had been misunderstood by the Association, and if Government had weighty reasons for proceeding with their own scheme in preference to the one put up at the Tripartite Labour Conference in 1945, then, the Committee pointed out that they would certainly like to know what the facts were as they were always prepared to approach the question with an open mind.

Government's decisions on the housing programme of the Bombay Provincial Housing Board were set down in a Government resolution issued early in November. Government generally accepted the programme originally prepared by the Board. (*Appendix 12.*)

THE INDUSTRIAL CONDITIONS ENQUIRY COMMITTEE.

INTERIM REPORT.

(*See also page 27 of Report for 1946.*)

Reference was made on page 27 of the Association's report for 1946 to the appointment of the Industrial Conditions Enquiry Committee and to the questionnaire issued by them. The Enquiry Committee commenced its investigations in Khandesh and submitted an interim report to Government on conditions in the cotton textile industry there.

The Government of Bombay reconstituted the Industrial Conditions Enquiry Committee, towards the end of November, with Mr. Purushottam Kanji as Chairman and Mr. P. V. Gillespie and the Director of Labour Information as members.

COURT OF ENQUIRY.

Towards the end of December the Government of Bombay constituted a Court of Enquiry under section 100 of the Bombay Industrial Relations Act, 1946. The personnel of this Court was the same as that of the reconstituted Industrial Conditions Enquiry Committee, with Mr. Purshottam Kanji, B.A., as Chairman and Mr. P. V. Gillespie and the Director of Labour Information as members. The following industrial matters were referred to that Court :—

- “(i) Whether absenteeism, indiscipline and violent behaviour on the part of the employees in the cotton textile industry in the Province of Bombay have increased ?
- (ii) Whether these matters have affected efficiency, employment and wages, and if so, how and to what extent ?
- (iii) Whether wages and employment and the relations between employers and employees in the industry have been affected by changes in production and if so, how ?
- (iv) To what extent are economic privations, lack of facilities and unfair treatment responsible for the recent manifestations of labour unrest in the cotton textile industry and estrangement between employers and employees ?”

THE FACTORIES ACT.

DEFINITION OF THE TERM “ORDINARY RATE OF PAY.”

(See also pages 28 and 170 of Report for 1946.)

Reference was made on page 28 of the Association's report for 1946 to the Committee's representation to Government in connection with the interpretation of the expression “ordinary rate of pay” for the purpose of calculating overtime which, according to a statement issued by the Government of India in the February 1946 issue of the *Indian Labour Gazette*, included dearness or war allowance.

In reply, Government stated that the view expressed by them in this matter was based upon the advice of their legal advisers. The correct interpretation of legislative enactments being the function of law courts, Government stated that it was for the courts alone to give authoritative and binding decisions.

Early in July 1946, Mr. S. K. Patkar, Authority under the Payment of Wages Act, Bombay, in delivering judgment in a dispute between certain

workers of the Spring Mills and the management, held that dearness allowance was to be included in the ordinary rate of pay, for calculating the wages for overtime work. The management of the mills filed a Revisional Application in the Bombay High Court, under section 115 of the Civil Procedure Code, praying for setting aside the Order of the Authority under the Payment of Wages Act. The application came up for hearing early in October 1947 before the Hon'ble Chief Justice who, in view of the importance of the matter and also the conflicting decisions of the Punjab and Lahore High Courts as to whether or not, Authority under the Payment of Wages Act was a Civil Court, referred the matter to a Bench consisting of Mr. Justice Rajadhyaksha and Mr. Justice Jahagirdar. This Bench held that the Authority appointed under the Payment of Wages Act was not a Civil Court and that, therefore, the High Court had no revisional powers. The matter is now under consideration of the Association. (*Appendix 13.*)

HOLIDAYS WITH PAY.

(*See also page 40 of Report for 1946.*)

Reference was made on page 40 of the Association's report for 1946 to the decision taken by the urgent general meeting held at the end of December 1946, to condone unauthorised absence on the part of workers to the extent of 24 days in each of the completed years 1945 and 1946, for the purpose of granting annual holidays with pay.

Towards the end of April, the attention of the Committee was drawn to certain statements that appeared in the press in connection with strikes in certain mills in Bombay, which were stated to have originated, *inter alia*, from the millowners refusing to grant holidays with pay as laid down in the Factories (Amendment) Act, 1945. The Committee issued the following statement to the press in this connection on 26th April 1947 :

"When the Holidays with Pay legislation was first discussed at the Tripartite Conference of the Government, it was understood—and in fact the spokesmen of Government made it clear—that the benefits of the legislation would begin to accrue only on and after 1st January 1946, and that holidays, if any, due, would be only on or after 1st January 1947. However, the Act as it now stands, has to be interpreted that the holidays are to be given from 1-1-1946 and, therefore, the qualifying period of twelve months commences from the 1st of January 1945, and Government asked the employers to give holidays with pay also against the qualifying period commencing from the 1st January 1945.

Under the law, even one day's unauthorised absence would rule out a worker's claim to holidays with pay, but in appreciation of the fact that the workers may not have been aware of the provisions of the law, the Association on its own initiative put up a poster in individual mills bringing to the notice of the workers the salient features of the legislation, and further offering to condone unauthorised absence to the extent of 24 days per year in 1945 and 1946. In doing so, the Association actually went far beyond the provisions of the Act in an effort to meet all possible complaints from workers arising from their ignorance of the provisions of the law. In this view of the case, it will be seen that there is no question of the Association or individual millowners imposing any harsh conditions, or strictly interpreting the provisions of the law to the detriment of workers."

Following certain discussions which the Chairman and Deputy Chairman had with the Honourable Mr. Morarji Desai, Home Minister, and the Honourable Mr. Gulzarilal Nanda, Minister for Labour, on the 22nd April 1947, in connection with matters arising out of the strikes occurring in certain mills in Bombay on the question of holidays with pay, the Government of Bombay issued a press *communiqué*, dated the 25th April 1947, which read as follows :—

“The question of holidays with pay for workers has lately been engaging the urgent attention of the Government of Bombay.

Under section 49B of the Factories Act, 1934, a worker becomes eligible for 10 holidays with pay on the conclusion of a period of 12 months' continuous service in a factory, and a worker is deemed to have completed a period of 12 months' continuous service notwithstanding any interruption in service during those 12 months brought about by sickness, accident or authorised leave not exceeding 90 days in the aggregate for all three, or by a lock-out, or by a strike which is not an illegal strike, or by intermittent periods of involuntary unemployment not exceeding 30 days in the aggregate. As the workers are experiencing difficulty in the matter of the interpretation of the Act and there was likely to be considerable hardship to the workers depriving a number of them of the benefits of the legislation, the Rashtriya Mill Mazdur Sangh made a representation to the Government on the 7th of April to take remedial action. The Government of India was then approached for the necessary amendment of the Act.

Meanwhile, the Minister for Labour took up the question with the Millowners' Association, Bombay, and as a result of the discussion which he had with the Chairman of the Association it has been agreed that in respect of the years 1945 and 1946 and until such time as the Factories Act is suitably amended, all workers who worked for 230 days in the year, should be considered eligible for the holidays. In cases where there was involuntary unemployment a further concession in respect of the days of involuntary unemployment should be granted, subject to a maximum of 26 working days in the year. It has been ascertained that the total number of working days in a year is approximately 308 and three-fourths of this would be about 230. The Government of Bombay urges all employers in the Province to adopt this basis for deciding the eligibility of workers for holidays with pay under the Factories Act.”

The understanding between the Association and the Government set out in the last paragraph of the above press *communiqué* was circularised to all members of the Association.

Towards the latter part of June, the Government of India in a letter addressed to the Employers' Federation of India, suggested that in respect of services prior to 1st January 1946, the provisions relating to holidays with pay should be interpreted in a liberal spirit and that unauthorised absence should be condoned when it did not, in the aggregate, exceed 20 days when such absence together with authorised absence or leave did not, in the aggregate, exceed 90 days. Government also proposed to make a provision in the new Factories Bill incorporating the above suggestions. As the Association had accepted the understanding set out in the press *communiqué* of the Government of Bombay which was even more liberal, no action was taken in the matter.

A Bill to consolidate and amend the law regulating labour in factories, which was introduced in the Constituent Assembly of India (Legislative) early in December, contains a provision to the effect that authorised leave should include unauthorised leave not exceeding, in the aggregate, one-eighteenth of the period, for the purpose of calculating holidays with pay.

EIGHTH SESSION OF THE INDIAN LABOUR CONFERENCE.

The Eighth Session of the Indian Labour Conference was held at New Delhi on the 21st and 22nd April 1947. The following subjects were discussed at the Conference :—

1. Report of action taken on the decisions of the previous meetings of the Labour Conference and the Standing Labour Committee.
2. Brief report on labour policy and administration during the previous year.
3. Report of action taken on the reports of the Labour Investigation Committee.
4. Replies of the Government of India to the International Labour Office on the following subjects :—
 - (a) Organisation of labour inspection in industrial and commercial undertakings ;
 - (b) Social policy in non-metropolitan territories ; and
 - (c) Employment services organisation.
5. Industrial Employers' (Standing Orders) Control Rules, 1946.
6. Desirability of collecting information relating to wages, conditions of work in distributive trades and services.
7. Attitude of employment exchanges during strikes and lockouts.
8. Bill for regulating employment of dock labour.
9. Note on the constitution of the Indian Labour Conference and Standing Labour Committee.

The following gentlemen represented the employers :—

Employers' Federation of India :

1. Mr. N. H. Tata (Bombay).
2. Mr. A. P. Benthall (Calcutta).
3. Mr. T. S. Swaminathan (Bombay) (Adviser).

All-India Organisation of Industrial Employers :

1. Sir Shri Ram (New Delhi).
2. Mr. Sakarlal Balabhai (Ahmedabad).
3. Mr. Shantiprasad Jain.
4. Mr. R. B. Bagri.

INDEPENDENCE BONUS TO BOMBAY COTTON AND WOOLLEN MILL WORKERS.

At an urgent general meeting of the members of the Association held on 11th August 1947, the following resolution was passed :—

“Resolved that the Committee's recommendations in connection with the grant of an 'Independence' bonus to the operatives employed in cotton and woollen mills situated in Bombay City and Island which are members of the Association be approved and adopted.”

The recommendations of the Committee of the Association referred to in the preceding resolution, as amended at the meeting itself, read as under :—

“That in commemoration of the attainment of independence by the country, an 'Independence' bonus equivalent to one-eighth of their basic earnings in the period 1st January 1947 to 31st August 1947 inclusive, be granted to all cotton and woollen mill workers on such terms and conditions as may be determined by the Committee, and paid on Thursday, 23rd October 1947.”

The terms and conditions as determined by the Committee are reproduced below :—

1. Employees who have worked for less than 50 working days and more than 20 working days shall be granted a bonus to the extent of 50 per cent. and employees who have not worked for more than 20 days shall not be paid any bonus.

2. Any employee who has been dismissed for misconduct in the period 1st January 1947 to 31st August 1947 shall not be entitled to any bonus, even if he has worked for more than 20 days.

3. Bonus shall be calculated on earnings (exclusive of dearness allowance and bonuses paid during the period) from 1st January 1947 to 31st August 1947.

4. In the case of women workers who have been on maternity leave during the period referred to, the actual maternity allowance drawn by them, shall be included in their earnings for the purpose of calculating the bonus payable.

5. Bonus as stated above, shall be paid to the employees in one lump sum on Thursday, 23rd October 1947.

6. Persons who are eligible for bonus, but who are not in service of the mill on the date of payment, shall be paid on 20th December 1947, provided claims in writing are received by the Manager of the mill before 10th December 1947, after which no application for bonus will be entertained.

BONUS TO COTTON MILL WORKERS OF BOMBAY.

Towards the end of December, the Government of Bombay addressed a communication to the Association in which they referred to a demand for bonus received by Government from the cotton mill workers of Bombay, and suggested for the consideration of the Association the advisability of taking up the question of bonus at the earliest possible date with a view to ensuring that avoidable delay did not give rise to dissatisfaction on the part of labour.

In reply, the Committee stated that they were not in a position to consider the question of bonus to workers until and unless the dearness allowance and other matters, which would be shortly taken up for hearing by the Industrial Court, had been decided.

Government, however, referred to the arbitration of the Industrial Court, the question of the grant of bonus to workers for the year 1947 by a notification issued on the 9th January 1948, which is reproduced below :—

“Whereas an industrial dispute has arisen between the Millowners' Association, Bombay, and the employees in the cotton textile mills in Bombay City who are its members (hereinafter referred to as 'the said industrial dispute') in respect of the demand for bonus for the year 1947,

And whereas the Provincial Government is satisfied that the industrial dispute is not likely to be settled by other means,

Now, therefore, in exercise of the powers conferred by section 73 of the Bombay Industrial Relations Act, 1946 (Bombay XI of 1947), the Government of Bombay is pleased to refer the said industrial dispute to the arbitration of the Industrial Court.”

The Industrial Court's award in this matter is published in the appendices. (*Appendix 14.*)

DEARNESS ALLOWANCE TO BOMBAY COTTON MILL WORKERS.

The Bombay Working-class Cost of Living Index Numbers for the twelve months ending the 31st December 1947 and the appropriate dearness allowance applicable in each case in accordance with the Industrial Court's award dated the 20th February, 1948, were as under :—

Month.			<i>Bombay Working Class Cost of Living Index (of the previous month).</i>	<i>Dearness allowance for a month of 26 working days.</i>	
				Rs.	a.
January	1947	.. ..	279	44	13
February	..	.. ..	267	41	11
March	..	.. ..	263	40	10
April	..	.. ..	269	42	4
May	..	.. ..	270	42	8
June	..	.. ..	271	42	11
July	..	.. ..	278	44	8
August	..	.. ..	274	43	8
September	..	.. ..	284	46	1
October	..	.. ..	299	49	15
November	..	.. ..	296	49	2
December	..	.. ..	287	46	13

PREPARATORY ASIAN REGIONAL CONFERENCE.

In pursuance of the decision taken at the 98th Session of the Governing Body of the International Labour Organisation held at Montreal on the 24th May 1946, the Preparatory Asian Regional Conference was held in New Delhi from 27th October to 8th November 1947. The agenda consisted of the following items :—

1. Problems of Social Security.
2. Labour policy in general, including the enforcement of Labour measures.

3. Programme of action over a period of years for the enforcement of social standards embodied in the Conventions and Recommendations adopted by the International Labour Conference, but not yet ratified or accepted by the countries concerned.
4. The general economic background of social policy including problems of industrialisation.
5. Director-General's Report.

The Employers' Delegation to the conference consisted of Sir Shri Ram (Delegate) and Mr. Shantilal Mangaldas, Mr. Hari Shankar Bagla, Mr. Chaturbhujdas Chimanlal, Mr. Vijayasingh Govindji, Dr. R. D. Tiwari, Mr. S. Bhattacharji, Mr. A. C. Ramalingam, Mr. D. G. Mulherkar, Mr. Mulchand C. Parekh, Sir Har Govind Misra, Mr. Y. S. Pandit, and Mr. T. S. Swaminathan (Advisers).

INTERNATIONAL LABOUR CONFERENCE, 1947.

The thirtieth session of the International Labour Conference was held at Geneva from 19th June to 11th July 1947. The agenda of the Conference consisted of the following items :—

1. Report of the Director-General.
2. Financial and Budgetary questions.
3. Minimum Standards of Social Policy in Dependent Territories. (Provisions suitable for a Convention), (second discussion).
4. Organisation of Labour Inspection in Industrial and Commercial undertakings (single discussion).
5. Employment Service Organisation. (First discussion.)
6. Reports on the application of Conventions.
7. Freedom of Association and Industrial Relations.

The Employers' Delegation to the Conference consisted of Mr. N. H. Tata (Delegate) and Mr. R. Basu, Mr. P. K. Chauhan, Mr. Dawood Hajee Nasser and Mr. T. S. Swaminathan (Advisers).

QUESTIONNAIRE ON FREEDOM OF ASSOCIATION AND RIGHT TO ORGANISE, ISSUED BY THE INTERNATIONAL LABOUR OFFICE.

Towards the end of October 1947 the Employers' Federation of India requested the Committee to express an opinion on certain issues relating to employees' freedom of association and the right to organise, raised in an exhaustive questionnaire issued by the International Labour Office. This subject had been placed on the agenda of the Thirty-first Session of the International Labour Conference to be held at San Francisco in June 1948, and Government desired to have the Federation's replies to the questionnaire. The Committee briefly answered the questionnaire. (*Appendix 15.*)

EMPLOYMENT EXCHANGE.

DECASUALISATION OF TEXTILE WORKERS IN BOMBAY PROVINCE.

(See also pages 26 and 146 of Report for 1939.)

Reference was made on page 26 of the Association's report for 1939 to a draft scheme, prepared by the Government of Bombay, for the establishment of employment exchanges in Bombay City and Ahmedabad, and the Association's objections thereto. The scheme was, however, not proceeded with.

Early in May, the Government of Bombay forwarded to the Association another scheme for decasualisation of textile workers in the Bombay Province, and requested the Committee to express an opinion thereon.

The essence of the scheme, as far as could be gauged from the Government's explanatory memorandum, was :—

- (a) The employment of *badli* labour in individual mills was proposed to be regulated through the Exchange. Every mill would be bound to accept the *badli* workers allotted to it by the Exchange and no *badli* could be employed by a mill except through the Exchange.
- (b) Mills would be expected to accept legal and financial responsibilities for training labour according to methods approved by Government, and no mill would be expected to work any training scheme which had not been previously approved by Government.
- (c) The whole cost of the Exchange and the training of labour, including the payment of pool wages, would be recovered from the mills.

In their introductory remarks, Government referred to certain conditions and drawbacks which, according to them, existed in Bombay in matters of recruitment of labour and which, in Government's opinion, justified the introduction of an exchange as proposed in their scheme. Nevertheless, it was admitted that the *badli* control scheme now in force in Bombay, had undoubtedly helped to check the powers of the jobber in the employment of labour. Government's memorandum went on to state "it cannot, however, be claimed that it has succeeded in entirely dissociating him (jobber) from the work of recruitment." Whether Government's draft scheme would, on its part, succeed entirely in setting matters right, had nowhere been stated in Government's scheme, nor were the Committee prepared to concede that the scheme was an improvement over the one already in force.

Government had also referred to experiments in decasualisation of labour in other countries, but it appeared that these experiments were made as a war-time emergency and were, moreover, *confined only to dock labour*. Since the experiments were made in respect of dock labour only, it was only reasonable that, if at all such experiments were to be made in India, they should first be made on dock labour and similar employments, and not on

labour in the Bombay cotton textile industry. Dock labour, moreover, comprised mostly of unskilled labour not handling any machinery, and it need not necessarily follow that any war-time experiments made on them could be successfully applied to the cotton textile industry where conditions of work, recruitment, etc., were entirely different.

The Committee's opposition to the scheme proposed by Government rested on the following, among other grounds :—

- (i) It was unnecessary, several mills in Bombay having their own schemes for regulating the employment of *badli* labour. The strength of *badli* labour in each mill was adjusted according to its own requirements.
- (ii) The Association was unable to recommend members to accept any commitment regarding trainees and the method of training. Facilities were already available at the Textile Technical School of the Social Service League and the Victoria Jubilee Technical Institute.
- (iii) The Association was also unable to accept any financial responsibility for either the introduction or working of the exchange, or the training of labour including the payment of pool wages.
- (iv) In Bombay, a new worker became attached to a mill as a *badli*, temporary or permanent employee under the following, among other, circumstances :—
 - (a) Proximity of the mill to the worker's place of residence.
 - (b) Friends and relations working in the mill, and other similar reasons. In the circumstances, the Committee had grave doubts whether the workers themselves would like to have the scheme, proposed by Government, under which they might have to go and work wherever the exchange asked them to go.
- (v) Government were seeking to interfere in a matter, which was after all the domestic concern of the industry, imposing incidentally an unnecessary financial burden on the industry.

Government had admitted that there was already a *badli* control scheme in the Bombay cotton textile industry, and that it had produced satisfactory results. This being so, the most logical course for Government to follow would be to ask other industries and establishments to follow Government's scheme on a voluntary basis with a view to ascertain whether the scheme, which was tried on dock labour, could be successfully worked in other industries, and if so with what changes. The Committee associated themselves with Government in their desire to alleviate unemployment, but they thought that it should not be at the expense of the industry. In any event, there was no surplus labour in the Bombay cotton textile industry, and it appeared that the problem was not likely to arise in its case for years to come.

Training schemes were already in existence in the Textile Technical School of the Social Service League, the Victoria Jubilee Technical Institute, etc. The Committee felt that the employer should have absolute freedom in the matter of employing any person who, in his opinion, would meet his requirements, and in any event, the mill recruitment officer under the *badli* control scheme might be expected to know the mill's requirements better than the manager of the proposed employment exchange.

In a representation submitted to Government towards the middle of June the Committee assured Government that they were as anxious as Government to improve the efficiency of labour and to secure trained employees for the industry, and as a matter of fact all possible encouragement was being given to induce employees to undergo practical training. The Committee were, however, unable to agree that the employer should, as a general proposition, accept responsibility for the training of employees. In their view, it was, first and foremost, the duty of every citizen to equip himself with the requisite training before entering any trade. If Government doubted the usefulness or adequacy of the available training facilities, then it was up to them to establish trade schools, which would function side by side with general educational institutions, so that children with special aptitude for particular trades might, after completing their elementary or preparatory course in the general educational institutions, join the particular school which suited them best. This called for a general overhaul of the educational system of the country, and the Committee were unable to accept Government's proposals which amounted to a piecemeal effort to solve the problem at the employers' expense, and which, moreover, sought to introduce the principle of educating the operatives at the employers' expense.

Nothing further has so far been heard about the exchange.
(Appendix 16.)

ATTITUDE OF EMPLOYMENT EXCHANGES DURING STRIKES AND LOCKOUTS.

(See also page 34 of Report for 1946.)

Reference was made on page 34 of the Association's report for 1946 to the suggestions made by the Government of India at the seventh Labour Conference held at Delhi in November 1945, with regard to the question of attitude of employment exchanges during strikes and lockouts.

The following press note was issued by the Regional Public Relations Officer, Bombay, on 20th June 1947, on this subject :—

“ The Government of India have given further consideration to the question of the attitude to be taken by the Employment Exchanges in cases of strikes and lockouts. The Government of India were prepared on this issue to accept and operate any workable policy agreed upon between the employers and workers and held, with this end in view, repeated consultations with the representatives of employers and workers. As, unfortunately no agreement could be reached between the parties, the Government of India have decided that the future policy should be as follows :—

In the event of a strike or lockout, the Employment Exchange will refuse to accept vacancies or register workpeople, except in the case of a strike or lockout which the appropriate Government through an officer duly authorised in this behalf, notifies to the Employment Exchange to be an illegal strike, the continuance of which is contrary to

the public interest, and directs the Employment Exchange to submit suitable applicants. In all cases where workers are submitted to strike vacancies or where workers who are on strike are submitted to employers for employment, the Employment Exchange before making such submission will inform the workers or employer, as the case may be, that the vacancy is due to an illegal strike or that the person who has been submitted for employment is at present unemployed because of an illegal strike or lockout.

The Government of India hope that the new procedure will allay the apprehensions which the present procedure had given rise to in some quarters."

INDUSTRIES CONFERENCE.

Towards the end of November 1947 the Director of Industries, Bombay, forwarded to the Association a copy of the draft agenda of a Conference convened on the 15th and 16th December 1947 at New Delhi by the Hon'ble Minister for Industry and Supply, and requested the Committee's views thereon.

So far as the cotton spinning and weaving industry was concerned, the Committee believed that the Government of India were already in possession of full information as the questions covered by the agenda had already been discussed by them on more than one occasion in the last few months with the Industry's Committee of the Textile Control Board. In deference, however, to the wishes of the Director of Industries, Bombay, the Committee answered the questionnaire as briefly as they could, in the short time at their disposal.

The Conference took place at New Delhi from 15th to 18th December 1947 and was attended by the representatives of the various Provinces and States, and of employers and workers.

The resolutions passed at the Conference are reproduced below :—

RESOLUTION No. 1.—I. "This Conference views with grave concern the continued decline in industrial production which has occurred during the last two years."

II. "This Conference is of the view that the present inability of industry to produce to its installed capacity and to expand as planned is mainly due to

- (a) inadequacy of transport to meet present needs,
- (b) unsatisfactory relations between management and labour,
- (c) shortage of raw materials and defects in their procurement and distribution,
- (d) difficulty in obtaining capital goods and constructional materials to install them,
- (e) supply and exchange limitations on the import of the full requirements of industry, and
- (f) paucity of technical personnel.

This Conference recommends the following immediate measures :—

(1) *Transport* :—(a) The increase in the movement of coal by four million tons per annum over the existing level of 25 to 26 million tons per annum to enable existing requirements to be met. For this purpose the fullest use should be made of present wagon availability, and every effort should be made to increase wagon availability and other railway facilities.

(b) The assessment of the transport required for the movement of finished goods and raw materials necessary for full production ; and arrangements to secure such transport through a reduction of less essential movements, whether of goods or passengers.

(c) An examination of all possibilities of increasing total goods traffic such as rationalisation of line, power and wagon capacity, and fullest use of present resources.

(d) The fullest utilisation of road, river, sea and air transport.

(2) *Raw Materials* :—(a) Special assistance for increased production in India of industrial raw materials like steel, cement, caustic soda and other chemicals, light metals, etc.

(b) The increase of imports of essential raw materials in short supply, like steel, non-ferrous metals, caustic soda and other chemicals, etc.

Foreign exchange difficulties should be overcome to the extent possible by limiting less essential imports, by increasing exports, including export for barter and by arranging deferred payments and loans in cash or commodities on lines approved by Government.

(c) The planned utilisation of industrial raw materials in critical short supply with a view to secure increased production. To the extent possible, such distribution of raw materials should be effected in consultation with representative associations of industry in the case of organised industries and with Provincial and State Governments in other cases.

Provinces and States should be invited to consider, in consultation with industries in their areas, the possibilities of rationalising the use of raw materials in short supply so as to secure maximum production. For this purpose they should suggest standards of classification of units in an industry according to efficiency in production, so that all-India standards may be laid down.

(3) *Technical Man-power* :—(a) The establishment of scientific and technical liaison offices abroad for the recruitment of technical personnel and the placing of advanced Indian students and technicians in foreign universities, technical institutions, and the acquisition of technical information.

(b) The increase of facilities in India for the training of scientific and technical personnel, and the training of labour to increase its efficiency and skill.

(c) The maintenance of a register of scientific and technical personnel."

III. "This Conference recommends that during the next three to five years the increase of capacity and production in certain industries for which plans have been approved and are under execution should be pressed forward with vigour. The essential pre-requisite for such expansion is the increase of production of commodities and provision of services which are basic to industry and without which any expansion would be impossible. The following measures are, therefore, recommended :

(a) *Railways* : The capacity of rail transport should be increased to meet prospective demands of movement of constructional materials, fuel, raw materials and finished products. The import of locomotives and wagons should be given high priority and existing capacity for manufacture should be developed so as to secure self-sufficiency at the end of this period.

(b) *Steel* : New steel plants should be erected and brought into production and in the meantime every effort should be made to import the country's essential requirements in iron and steel.

(c) *Cement* : The approved plan for the expansion of cement production should be hastened to an early completion so that this important constructional material becomes available for the installation of new industrial plants.

(d) *Electric Power* : Simultaneously with the preparation and execution of hydro-electric projects like the Damodar Valley Scheme, which will take time, existing plans for the installation of ancillary thermal power stations should be speedily implemented.

(e) *Coal* : The recommendations of the Indian Coalfields Committee regarding the acquisition of mineral right, planned and co-ordinated development of production in new areas, regulation of use and distribution and creation of suitable executive machinery amongst other things, must be implemented early, so that the growth of the coal industry on rational lines can be facilitated.

(f) *Oil*: In order to reduce dependence on foreign sources, prospecting for oil should receive increased attention and the possibility of producing substitutes from coal should be investigated.

In addition, legislation to secure the fullest utilisation of power alcohol produced in the country should be enacted.

(g) In the light of the development anticipated under (a) to (f) above, targets for the next five years should be fixed in a realistic manner for other important industries like cotton textiles, paper and newsprint, chemicals, penicillin, sulpho drugs and anti-malarials, heavy and light engineering, electric and other machinery and machine tools. Suitable machinery should be established for watching and ensuring progress towards the targets.

(h) *Machinery for watching and ensuring the execution of immediate and short-term plans*: The need for close consultation between the various Ministries concerned with industrial development needs no emphasis.

It is also necessary to associate representatives of Provincial and States Governments, industry and labour in a periodical review of progress and the measures necessary to stimulate it. A Central Industrial Advisory Council should be set up with appropriate sub-committees for important groups of industry and one sub-committee for reviewing and advising on problems of transport in relation to industry. Similar Industrial Advisory Committees should also be constituted in the Provinces.

(i) To assist Government on the proper utilisation of scarce raw materials, capital goods, foreign exchange and other resources, a Priorities Board should immediately be set up."

IV. "Current limitations of men and materials necessitate concentration on immediate and short-term measures for increasing productive capacity. A long-term plan, however, should be based on the needs of the country for the achievement of maximum self-sufficiency, a higher standard of living and maximum exploitation of indigenous resources. The long-term plan, therefore, must be of a fundamentally different character. The Conference, therefore, recommends that separate machinery for long-term planning must be established very early so that completion of the immediate and short-term programme might merge smoothly into future plans for industrial development. A Planning Commission or Development Board, free from the preoccupations of immediate problems of industrial development, appears to be suitable.

V. "This Conference recommends the creation of permanent machinery, both in the Centre and in the Provinces and States, for the regular collection and maintenance of accurate industrial statistics, as provided for in the Industrial Statistics Act of 1942."

RESOLUTION NO. II.—"This Conference recommends to Government that while enunciating their national policy of industrial development, the following aspects among others, should be kept in view :—

1. The need for an equitable distribution of the country's wealth and production leading to rapid improvement of the standard of living and comfort of the masses of the Indian people, based on social justice.

2. The need for the fullest utilisation of the country's resources without allowing wealth to accumulate in the hands of a section of the people.

3. The need for central planning, co-ordination and direction so as to obtain maximum efficiency and output, a fair and reasonable distribution of the industries throughout the country in relation to the potentialities of each area, and also to determine a fair basis of wages and profit.

4. The division of industries into three broad categories :—

(a) Industries which should be under State ownership and management.

(b) Industries which may be jointly owned and managed by the State and private enterprise.

(c) Industries owned and managed by private enterprise.

In selecting the industries as aforesaid, which will be reviewed from time to time, the paramount considerations will be the country's basic economic and defence requirements on the one hand and the possibility of quick and efficient production on the other."

RESOLUTION No. III.—“This Conference, while recognising that participation of foreign capital and enterprise particularly as regards industrial technique and knowledge, will be of value for the rapid industrialisation of the country, considers that the conditions under which they may participate in Indian industry should be carefully regulated in the national interest, and that all arrangements between private industry in India and abroad should have the prior approval of the Central Government.”

RESOLUTION No. IV.—“This Conference recognises the importance of cottage and small-scale industries to the economy of the country. It is of the view that while the size and nature of these industries make it unavoidable that their proper development must remain the responsibility of Provincial and State Governments, the Central Government should investigate how far and in what manner these industries can be co-ordinated and integrated with large-scale industries. The healthy expansion of cottage industries depends on the provision of raw materials, technical advice and organised marketing of their produce. For this purpose the Central Government should establish a Cottage Industries Board.”

RESOLUTION No. V.—“This Conference recommends that the following suggestions be considered by the Central Government in consultation with the Provinces :—

- (a) that raw materials of vital importance to industry like coal, steel, cement, and cotton should be exempted from the sales tax ;
- (b) that the tax on other industrial raw materials should be low and at uniform rates ;
- (c) that taxation of the same material more than once should be avoided ; *and*
- (d) that the policies of Provincial and State Governments regarding the levy of sales tax should be co-ordinated.

RESOLUTION No. VI.—“This Conference considers that the lack of a uniform policy in the matter of provincial excise has adversely affected indigenous manufacture of spirituous, medicinal and other preparations.

The Conference recommends

- (a) that a uniform rate of excise duty be fixed on spirituous, medicinal and other preparations in all Provinces and States, and be collected at the point of manufacture for credit to the first importing Province or State ; *and*
- (b) that all inter-provincial restrictions on the free movement of spirituous, medicinal and other preparations be abolished.”

RESOLUTION No. VII.—“This Conference is of the view that the expansion of the alcohol industry whether for power or for other industrial purposes is of national importance.

The Conference recommends

- (a) that Central legislation to enforce admixture of power alcohol with petrol should be undertaken.
- (b) that the question of reducing the excise duty should be considered with a view to making the mixture of power alcohol and petrol available to the consumer at a reasonable price, *and*
- (c) restrictions on manufacture of by-products be removed.”

RESOLUTION No. VIII.—“This Conference notes with regret that the census of manufacturing industries for the years 1944 to 1946 has failed. It is of the view that this failure is largely due to the inadequacy of staff and organisation in the Provinces and States. It recommends that adequate machinery is necessary both at the Centre and in the Provinces and States for their regular collection and maintenance of accurate industrial statistics as provided for in the Industrial Statistics Act of 1942. It is also of the view that the existing statistical forms should be re-examined with a view to simplifying them if possible.”

RESOLUTION ON INDUSTRIAL TRUCE.—“This Conference considers that the increase in industrial production which is so vital to the economy of the country cannot be achieved without the fullest co-operation between labour and management and stable and friendly relations between them. The employer must recognise the proper role of labour in industry and the need to secure for labour fair wages and working conditions; labour for its part must give equal recognition to its duty in contributing to the increase of the national income without which a permanent rise in the general standard of living cannot be achieved. Mutual discussion of all problems common to both and a determination to settle all disputes without recourse to interruption in or slowing down of production should be the common aim of employers and labour. The system of remuneration to capital as well as labour must be so devised that while in the interests of the consumers and the primary producers excessive profits should be prevented by suitable measures of taxation and otherwise, both will share the product of their common effort after making provision for payment of fair wages to labour, a fair return on capital employed in the industry and reasonable reserves for the maintenance and expansion of the undertaking.

For attaining these objectives, this Conference recommends :—

(a) that the fullest use should be made of statutory and other machinery for the resolution of industrial disputes in a just and peaceful manner; where it does not exist, it should be created without delay. Such machinery should as far as possible be uniform throughout India;

(b) that the establishment of machinery, Central, Regional and Functional, for the study and determination of fair wages and conditions of labour, and fair remuneration for capital, and methods for the association of labour in all matters concerning industrial production, such as the formation of Central Regional and Unit Production Committees;

(c) that the constitution in each industrial undertaking of Works Committees representing management and duly elected representatives of labour for the settlement of any dispute which may arise from day to day;

(d) that, as a first step towards improving the standard of living of workers, immediate attention should be devoted to the problem of housing of industrial labour; the cost of such housing should be shared in suitable proportions between the Government, employers and labour, the share of labour being given in the shape of a reasonable rent.

The principles enunciated above having been accepted, this Conference calls upon labour and management to agree to maintain industrial peace and to avert lockouts, strikes or slowing down of production during the next three years.

This Conference invites labour and management to assist Government to secure, promote and guarantee such agreements between the parties as will usher in a period of contented and orderly advancement towards a co-operative Commonwealth.”
(*Appendix 17.*)

INDIAN INDUSTRIAL COMMITTEE ON COTTON TEXTILES.

Towards the middle of March 1947, the Government of India informed the Association that the Indian Labour Conference and the Standing Labour Committee which were the only tripartite organisations set up to advise Government on problems affecting labour policy and administration, could only handle general problems by virtue of their respective constitutions. With the changed conditions in the national and international spheres, necessity had arisen to set up separate organisations to study the specific problems of individual industries. The International Labour Organisation had, Government pointed out, recognised this necessity by setting up separate Industrial Committees to deal with the specific problems of the individual industries. India being a member of some of the Committees, Government felt that the constitution of National Committees on a tripartite basis to

discuss the various problems individual to each industry would serve another advantage in that it would act as the national counterpart of the International Industrial Committees and would provide meeting ground for representatives of Government, employers and workers to consult one another on problems coming before the International Industrial Committees, so that Indian representatives on the International Committees might be able to present, as far as possible, a co-ordinated Indian view and try to mould the decisions and the activities of the International Committees in a manner fruitful to India.

Apart from the above general considerations, Government thought that the constitution of a Committee on Cotton Textiles was very urgent in view of the fact that there had been a considerable drop in the production of cloth resulting in a serious curtailment of cloth supplies available to the people of whom workers constituted the great bulk. The problem of arresting the drop in production had been under the active consideration of Government, but there were many issues bound up with labour organisation which only a tripartite organisation could effectively solve. Further, the question of recruitment and training of labour for the additional cotton mills proposed to be set up under the development programme was another important question which should engage the attention of the proposed committee for some time. Besides, there would be numerous questions relating to the rationalisation of wage structure, dearness allowance, standardisation of occupational nomenclatures, etc., which would require constant study and adjustment, if the industrial organisation was to function with smoothness and efficiency so as to maximise production.

Government, therefore, proposed to constitute an Industrial Committee on Cotton Textiles with a membership of 32 of which 16 seats were to be allotted to Government and 8 each to employers and workers and to convene the first meeting of this Committee on 18th and 19th April 1947.

With regard to the proposal to hold the meeting on the 18th and 19th April 1947, the Committee of the Association represented that the dates proposed were extremely inconvenient to them on account of their pre-occupation with certain matters pending before the Bombay Industrial Court and requested postponement to the middle of May 1947. The meeting was accordingly postponed. The Committee agreed with the objects underlying the establishment of a tripartite Committee for the purpose indicated in Government's letter, but pointed out that the organisation which they proposed to set up should, if it was to serve a useful purpose, have some status in the eyes of the Central and Provincial Governments, the employers, labour and the public, and that could be had only if the Central and Provincial Governments would agree to observe as a convention that they would not ordinarily initiate labour legislation on any matters unless the subject had been previously discussed and endorsed by the tripartite Committee.

The Committee also suggested for the consideration of Government certain drawbacks which were observed in connection with the working of the existing tripartite conferences and Standing Labour Committees and

requested Government to set them right. In this connection, the Committee made the following suggestions :

- (a) No proposal should ordinarily be discussed by the proposed Committee unless industrial and commercial organisations in the country had been given three months' notice of the proposal, and unless the views of the industrial and commercial community were circulated to the members of the proposed Committee at least three weeks before the conference.
- (b) No industrial and commercial organisations should be by-passed on the ground that the parent organisation to which the former were affiliated had already been addressed by Government. In this connection, the Committee pointed out that Federation and similar organisations and associations, however efficient they might be, might not be expected to place before the conference the special knowledge and experience relating to any particular industry, which only the organisation immediately concerned with that industry could do ; and
- (c) Agenda and other papers of the conference should be circulated to members at least three weeks before the date of the conference.

The Committee further pointed out that they did not see any provision having been made for the appointment of advisers to the representatives. It was, therefore, suggested that not more than two advisers should be allowed per organisation represented at the conference.

Since Bombay being most conveniently situated with reference to every other centre of India, the Committee suggested that the conference should be held in Bombay.

Finally, the Committee pointed out that the Association had, among its members, mills covering about 52 per cent. of the productive capacity of India, and urged upon Government to recognise this preponderating membership in granting representation on the proposed Committee.

Towards the end of November 1947, the Government of India informed the Association that after considering carefully the views expressed by the Provincial Governments, employers' and workers' organisations, Government had decided that the Industrial Committee on Cotton Textiles should consist of 39 members with equal representation for Government, employers and workers. Accordingly, employers had 13 seats out of which the Association was given 3. The first meeting of the Committee, it was stated, would be held at New Delhi on Monday, the 12th January 1948, to discuss the following subjects :

- (1) standardisation of wages and rationalisation of the dearness allowance structure ;
- (2) measures for increasing production ;
- (3) training of workers with a view to increasing their efficiency ;
and
- (4) provision for old age, institution of provident fund and insurance schemes.

Government requested the Committee to communicate the names of the Association's representatives. The Committee appointed Mr. Bhagvandas C. Mehta, Mr. N. H. Tata and Mr. N. S. V. Aiyer as the Association's representatives on the Industrial Committee on Cotton Textiles. The Employers' Federation of India nominated Mr. Dharamsey Mulraj Khatau as their representative on this Committee.

The meeting took place on the scheduled date and the subjects were discussed generally, but no resolutions were passed, as there was no agreement between the employers' and the workers' side on the main issues. (*Appendix 18.*)

TAXATION ON INCOME (INVESTIGATION COMMISSION) ACT, 1947.

(See also pages 35 and 173 of Report for 1946.)

Reference was made on page 35 of the Association's report for 1946 to the Taxation on Income (Investigation Commission) Bill, 1947, which was passed by the Central Legislature and received the assent of the Governor-General on the 18th April 1947. By a notification dated the 26th April 1947, the Government of India appointed the 1st day of May 1947 as the date on which the Act would come into force.

In accordance with section 3 of the Act, the Government of India constituted a Commission in November 1947 with Sir S. Varadachariar, ex-Judge of the Federal Court, as Chairman, and Mr. Justice Rajadhyaksha, Judge of the High Court, Bombay, and Mr. V. D. Muzumdar, member of the Income-tax Appellate Tribunal, Bombay, as Commissioners. The Commission was to report on "all matters relating to taxation on income" and in due course to examine specific cases of alleged evasion of income-tax.

THE INDIAN FINANCE ACT, 1947.

LEVY OF EXTRA SUPER-TAX.

Under paragraph (D) of Part (II) of the Schedule to the Indian Finance Act, 1947, a company was required to pay extra super-tax in addition to the usual rate of 2 annas in a rupee on the whole of its income, if the dividend declared by the company exceeded 30 per cent. of the total income (as reduced by preference shares dividends), or 5 per cent. of the share capital plus general reserve, whichever was higher. If the company did not wish to attract the extra super-tax, it had to limit its dividends within the limits specified above.

There might be cases where a company might desire to stabilise its financial position and to keep the percentage of dividends on its share capital more or less steady from year to year, so that the prices of its shares in the market might not unduly fluctuate from time to time. To attain this object, the company might not declare big dividends in the years in which it made

high profits, but might declare small but reasonable dividends—much below the 30 per cent. limit referred to in the Schedule to the Act—and carry forward the balance of such profits as a dividend equalisation reserve to be utilized along with whatever profits that might be made in the following year or years for declaring reasonable dividends for those years. The principle underlying the dividend equalisation fund was unobjectionable, and in the opinion of the Committee deserved to be encouraged by Government.

Assuming that the company referred to in the preceding paragraph made substantial profits in the calendar year 1945, it could have easily declared a dividend not exceeding 30 per cent. of its total income of 1945 without attracting the additional super-tax. The company might not, however, desire to do so and might declare a dividend which would work out at the rate of 6 per cent. per annum on its share capital—which was the rate in the preceding three years—which would work out at about 20 per cent. only of its total income in 1945. During the year 1946, the same company made a lower profit than 1945, but in order to declare the usual 6 per cent. dividend on its shares on the results of working in 1946, the company would require to distribute more than 30 per cent. of its total income for the year 1946, in which case under the Finance Act of 1947, it would attract the extra super-tax of 3 annas in the rupee.

In a representation addressed to the Central Board of Revenue towards the middle of December, the Committee submitted that in such cases, the company should be allowed to carry forward the unappropriated 10 per cent. from the total income of 1945, to enable it to declare a dividend of 6 per cent. on paid-up capital on the working of 1946 without attracting the extra super-tax rate. If the company had declared dividends upto the maximum permitted out of the profits of 1945, it was pointed out, it would not have attracted the extra tax. What the company now sought to do was to conserve its resources to be utilised for stabilising its dividends. The Committee believed that in any event, the acceptance of their suggestion would not mean a loss of revenue to Government which they would have otherwise earned. On the other hand, the suggestion sought to stabilise business conditions as far as possible, which in itself could not be objectionable from any point of view. (*Appendix 19.*)

EXCESS PROFITS TAX DEPOSITS WITH THE GOVERNMENT OF INDIA.

In view of the impending division of assets consequent upon the partition of the country, the Chairman of the Association, early in August, addressed the following telegram to the Government of India, with regard to the refund of E.P.T. deposits to the member mills :

“ In view of the partition of the country and on account of the impending division of assets we would earnestly request with all the emphasis at our command that E.P.T. deposits of all joint stock companies of member mills should be returned to respective companies before fifteenth of August 1947. We would also request that E.P.T. refunds should also be given to companies before fifteenth of August 1947.”

INCOME-TAX.

DOUBLE INCOME-TAX RELIEF.

A circular dated 30th April 1947 issued by the Secretary, Central Board of Revenue, New Delhi, in connection with the double taxation relief is reproduced below :

"It has been brought to the notice of the Board that as the time limit of four years under section 34 (2) of the Income-tax Act for completing an assessment (except in a case in which penalty is impossible for concealment of income) is the same as that under section 50 for making a claim for refund, there is not enough time left for filing a claim for double taxation relief in cases where the assessment is completed by about the close of the limitation period. To remedy this effect it has been suggested that section 50 of the Income-tax Act and Rule 5 of the Income-tax (Double Taxation Relief) (Indian States) Rules, 1939, be amended so as to reckon the time limit from the date of payment of the tax at either place whichever is later. The Board considers that the time limit of 4 years laid down in these provisions is sufficient in ordinary cases, and it is not therefore necessary to amend them. However, to obviate the hardship in any cases of delayed assessment, Income-tax Officers should, with the previous approval of the Inspecting Assistant Commissioner, admit provisional claims made by assesseees whose assessments at one or both places are pending at about the close of the financial year in which the time limit for making the regular claim for relief in respect thereof would expire. The provisional claim should be accompanied by a certificate of the Income-tax Officer stating that the assessment is pending before him (*cf.* in this connection the instructions on provisional claim on page 289 of the Income-tax Manual). Any specific cases in which owing to the circumstances mentioned above the claim for double income-tax relief became time-barred in 1946-47 should be reported to the Board for consideration with full facts."

PAY-AS-YOU-EARN SCHEME—TIME FOR PAYMENT OF INSTALMENTS.

A circular letter dated 17th May, 1947 issued by the Central Board of Revenue is reproduced below :—

"Under the provisions of section 18A(1) the dates for the payment of instalments of tax due are fixed. It has been represented to the Board that since the dates are statutorily fixed and the Income-tax Officer cannot alter them, inconvenience is caused to assesseees in complying with legal requirement where the demand notice is served only a few days before instalment falls due to be paid. The inconvenience is all the more where a lump sum demand is made just a few days before the 15th March which is the last date for the payment of advance tax.

To avoid any inconvenience to assesseees in this behalf, Income-tax Officers should as far as possible, issue demand notices for advance payment of tax well in time so as to reach the assesseees by the 1st of the month in which the first instalment after the demand notice falls due. In practice the assesseees are and should be allowed to pay the advance tax later within ten days of the due date particularly in cases where the tax is required to be paid in one lump sum on the last date falling due on the 15th March."

INDIAN COMPANIES (AMENDMENT) BILL, 1947.

A Bill further to amend the Indian Companies Act 1913 was introduced in the Central Legislative Assembly by Dr. G. V. Deshmukh, M.L.A., on the 6th February 1947. The Statement of Objects and Reasons attached to the Bill read as follows :—

Clause 2.—The object is to enable persons to know the provisions of the Memorandum and of Articles of Association of a Company before subscribing for or purchasing shares in it.

Clause 3.—The proposed amendment appears to be included in the section itself, but it is not in practice observed, as a result of which it is impossible or very difficult to trace the names of joint members from the Register, particularly when a joint member other than the first one executes any document whenever he is entitled to do so.

Clause 4.—The policy, if any, of acceptance and rejection of transfers should be known to all concerned.

Clause 5.—It is desirable that a copy supplied of any Register of Members or of any part thereof or of the list and summary required by the Companies Act, be certified to be true by an officer of the company.

Clause 6.—It is desirable that Members should have information as regards investments in shares or debentures of any company under the management of the same Managing Agents.

Clause 7.—This is to prevent Redeemable Preference Shareholders from acquiring additional rights as these shares are liable to be paid off in course of time.

Clause 8.—It is desirable that the shareholders should know the dissenting opinion of a Director.

Clauses 9 and 10.—In a recent case where an application was made to the Registrar of Companies, Bombay, under section 137 (1) to call for information in view of certain statements made in the Auditors' Certificate reflecting on the management of the company, it appears to have been suggested that no action could be taken under the section inasmuch as there was no provision in the Act requiring the Auditors' Certificate to be filed. It is, therefore, desirable to expressly provide that the Director's Report and the Auditors' Report should be filed with the Registrar.

Clause 11.—The object of this amendment is to ensure the presence of Auditors at General Meetings instead of leaving it to their option.

Clause 12.—The object of this amendment is to bring Form E of the Third Schedule into conformity with the proposed amendment in section 32 (2).

In a representation addressed to the Government of India in this connection, the Committee pointed out at the outset that the Indian Companies Act was a comprehensive piece of legislation which was overhauled only in 1936. Experience in the last few years might have revealed the need for further amendment of the law, but the Committee were of the opinion that any attempt to do it piecemeal and without proper investigation should be resisted. The Committee invited the attention of Government to what had been done in U.K. in similar circumstances. A special Committee was appointed in the United Kingdom under the Chairmanship of Mr. Justice Lionel L. Cohen, who went into the question of amending the English Company Law, and whose report was already in the hands of His Majesty's Government, and legislation following the Cohen Committee's recommendations would, no doubt, be initiated in due course in the House of Commons. In India too, the Committee were given to understand, an expert on company law was at present going into the amendments required in the Indian Companies Act at the instance of Government, and if the above report was correct, then there was no reason why the Bill under consideration should not be kept in abeyance till Government could study the expert's recommendations and formulate a list of amendments in consultation with commercial and industrial interests of the country. Since the Bill had already come up before the Central Legislature, the Committee recorded the following observations on the detailed provisions incorporated therein for the consideration of Government,

Clause 2.—This clause sought to amend section 25 (1) of the Indian Companies Act with a view to compel a Company to send “to any person” at his request and within 14 days thereof on payment of Re. 1, a copy of the Memorandum and of the Articles and if the Company failed to comply with this request, it would be liable, for each offence, to a fine not exceeding Rs. 10. The Committee felt that it was impracticable to keep in stock an indefinite number of copies of a Company’s memorandum and articles of association on the off chance of some interested persons embarrassing the company with simultaneous requests for such copies on payment of the very low charge of Re. 1 fixed by the Act. The Committee could understand the company’s responsibility in the matter of providing an up-to-date copy of its memorandum and articles of association to one of its existing shareholders, but they were unable to understand where exactly the company’s liability arose in respect of outsiders who might think of acquiring shares in the company. However, the object which the mover of the Bill had in view, could be achieved by making it incumbent on a company to give inspection of the company’s memorandum and articles of association to any person at the registered office of the company at reasonable hours, either free of charge or on payment of a nominal fee. In this connection, the Committee pointed out that the latter facility was already available at the office of the Registrar of Companies. The above remarks, the Committee felt, applied with greater force to a private limited company with which an outsider had no concern whatsoever.

Clause 3.—The object of this clause was to amend sub-section (1) of section 31A of the Act thereby requiring every company having more than fifty members, to keep an index of the names of the members of the company, and in the case of joint holders, of the names of every joint-holder separately. The provision regarding index of members was already in the Act, and what was at present sought to be done was to provide a separate index for joint-holders. The Committee felt that this amendment was unnecessary. As an index of every member of the company was being maintained at the registered office of the company, a person could easily trace the names of the other joint-holders, if he could trace the name of the first holder of the share as the names of all joint-holders would be listed or printed immediately after the name of the first joint-holder. In the opinion of the Committee, the index of all joint-holders separately would only impose additional clerical work, as, under the articles of association of almost all companies, the first named of the joint-holders for the time being, was the only person entitled to any notice or to execute any document (other than a transfer deed which must be executed by all joint-holders) on behalf of all the joint-holders.

Clause 4.—This clause in amending sub-section (2) of section 32 sought to provide for the inclusion in the list of members and summary, particulars of the names of transferees whose applications for transfer of shares were refused and the number of shares comprised in each such transfer. Transfer of shares refused by the directors, if any, would be within the powers conferred on the directors under the memorandum and articles of association of the company, and the Committee felt that there was no reason why particulars of such refusal should be recorded in the annual list of members and summary. The mover of the Bill in referring to clause 4 stated in his statement

of Objects and Reasons that "the policy, if any, of acceptance and rejection of transfers should be known to all concerned." The Committee pointed out that it was very difficult to see who were concerned in an application for share transfer except the transferor who might be one of the present shareholders, and the transferee who might be one of the prospective shareholders. If the transferor was aggrieved by the decision of the directors in refusing to transfer the shares, then that decision could be challenged in a court of law, and the Committee did not see the point in recording the refusal to transfer in the register maintained under section 32 of the Act.

That apart, refusals to transfer a share might be classified under the following three heads :—

- (a) Those due to defective execution or presentation ;
- (b) Those due to transfers being objected by transferors and/or restrained by prohibitory orders from Courts ; and
- (c) Those due to rejection or disapproval of transferees by the directors of the company.

The Committee were of the opinion that no record of cases falling under (a) was generally maintained in that they were being returned with objection memos in the same way as cheques refused by a bank for technical defect, and were registered as soon as they were represented with defects remedied. In cases falling under (b), a registered notice was served on the transferor calling upon him to serve the company with a Court's prohibitory order. If the order was served, the transfer was rejected and the document was returned ; otherwise a transfer was proceeded with, in terms of the notice. Cases under (c) were extremely few and far between and were so decided only in the best interests of the company under powers expressly provided by the articles of association of the company. The Committee were doubtful whether in such extreme cases, the transferees themselves would relish their names, etc., being conspicuously listed in the returns to be filed with the Registrar of Companies.

Clause 5.—The proposed amendment to section 36 of the Act sought to provide that the company should ensure that *certified* copies of the extracts of the Register of Members were sent to any person asking for them. The section as it stood to-day, stated that only copies should be sent, and if the amendment were accepted, it would mean that *certified* copies would have to be sent. Section 32 allowed a period of 21 days for submission of annual list of shareholders to the Registrar, evidently because the list was intended to be certified. The Committee were aware of instances when full lists were requisitioned by shareholders under section 36, and they felt that there was no reason why such requests might not be repeated after the amendment had been incorporated. In many companies if full list of members were requisitioned, it would be physically impossible for them to comply with such a requisition if the period was not extended to at least six weeks.

Clause 6.—With regard to this clause which sought to amend section 87F of the Act, the Committee pointed out that the position at present was that a company, other than an investment company, was not entitled

to purchase shares or debentures of any other company under the management of the same managing agents unless the purchase had been previously approved by an unanimous decision of the board of directors of the purchasing company. The amendment now sought to add the following words to the section :—

“ A statement of investments in such shares or debentures shall be placed every year before the shareholders at the Annual General Meeting of the Company for approval.”

In justifying the need for the above amendment, Dr. Deshmukh stated :

“ It is desirable that Members should have information as regards investments in shares or debentures of any Company under the management of the same Managing Agents.”

If the intention was only “ to give information,” then the Committee recommended that the words “ for approval ” appearing at the end of the amendment, be dropped.

Clause 8.—In seeking to amend sub-section (2) of section 131A of the Act which, *inter alia*, laid down that the directors should make out and attach to every balance sheet, a report with respect to the state of the company's affairs, etc., which might be signed by the chairman of the board of directors on behalf of the directors if authorised in that behalf by the directors, it was proposed to add to this provision the following words :—

“ The report shall state whether the report was unanimously passed by directors present or not, and where the report is not unanimous, the dissenting director shall have the right to add a dissenting note to the report and the same shall be published in the report and form part of the same.”

The mover of the Bill in his Statement of Objects and Reasons stated :—

“ It is desirable that the shareholders should know the dissenting opinion of a Director.”

The Committee pointed out that apart from the fact that a director was not debarred at a general meeting from expressing his own personal opinions as a shareholder, it should not be forgotten that the board of directors were functioning as a board, the view of the majority prevailing and the minority being bound by the decision of the majority. If the amendment was made, the Committee felt that it was not only likely to lead to petty quarrels and bickerings at general meetings, but might result also in wrecking even sound Boards.

Clause 10.—The proposed amendment of sub-section (1) of section 137, under this clause, sought to empower the Registrar of Joint Stock Companies to call for certain additional information on the working of the Company on the written application of members holding one-tenth of the shares issued, of the Company. The Committee did not see the object underlying the amendment. If a company was carried on in fraud of its creditors or in fraud of persons dealing with the company or for a fraudulent purpose, the Registrar

already possessed the requisite powers to take action and investigate matters on his own initiative or on the representation of a section of shareholders under the provisions of sub-section (6) of section 137. The proposed amendment was, therefore, unnecessary since it would only encourage malcontents to get together without adding to Registrar's existing powers.

Clause 11.—The object of this clause in amending section 145, was to lay down that the auditors should attend every general meeting. At present the auditors were entitled to attend, but they might or might not attend. It was doubtful whether the Indian Companies Act could enforce the attendance of auditors at the general meeting. The shareholders were only concerned with the audit, and so long as the audit had been done in conformity with the requirements of the Indian Companies Act and the Audit Regulations, nobody could have any grievances. If shareholders required any particular information about any matter relating to the audited statement of accounts, the details could be obtained by previous notice, and the Committee did not see the necessity for the above amendment.

In conclusion the Committee felt that they ought to reiterate that Government should use their good offices in persuading the mover to withdraw the Bill. The Committee requested Government that the report of the expert who, it was understood, was working with Government on the question of the amendment of the company law, should be published at a very early date, and commercial and industrial organisations should be invited to comment upon the expert's proposals, before actual legislation was undertaken. (*Appendix 20.*)

REGISTRATION OF TRADE MARKS.

ARRANGEMENT WITH PAKISTAN.

(*See also pages 61 and 253 of Report for 1946.*)

Reference was made on page 61 of the Association's report for 1946 to certain amendments made in the Trade Marks Act, 1940, with a view to provide reciprocity arrangements between British India and Indian States in the matter of registration of trade marks.

The creation of the two new Dominions of India and Pakistan under the Indian Independence Act, 1947, gave rise to certain difficulties with regard to the Trade Marks Registry as also the reciprocity scheme in respect of trade marks.

According to section 18 of that Act, the laws of British India existing immediately before the appointed day, would, so far as applicable and with the necessary adaptations, continue as the laws of each of the new Dominions until other provisions were made by the laws of the Legislature of the two Dominions in question. The effect of this section on the Trade Marks Act of 1940 was that the Act would continue to apply to both the Dominions, but the Registrar of Trade Marks, whose office would be situated in India,

would continue to be the Registrar of Trade Marks in Pakistan also. The Committee had no objection if the Registrar continued to act for both the Dominions, but they were doubtful whether that was really the position in view of the fact that the two Dominions would be, to all intents and purposes, separate independent sovereign States. The Committee had no information as to what the intentions of the Dominion of Pakistan were in the matter of registration of trade marks, and whether they would insist upon having a separate Registrar, but early in August, the Committee submitted for consideration of the Government of India, the following two points:

(a) It was not absolutely necessary for two separate Registries functioning in the Dominion of India and the Dominion of Pakistan. There were not many trade marks registered in the Dominion of Pakistan nor were there likely to be many. In this view of the case, it was suggested that the Registrar of Trade Marks, Bombay, be appointed as the Registrar of Trade Marks for the Pakistan area also. To facilitate matters, the Registrar might be asked to go to Karachi or any other place in Pakistan to dispose of complaints or any other matters arising out of them. In this connection, the Committee drew the attention of the Government of India to the fact that certain Indian States which had acceded to the scheme of reciprocity offered by the Government of India had already appointed the Registrar of Trade Marks, Bombay, as their Registrar, and even to-day, applications for registration of trade marks in those states were being received and examined by the office of the Registrar of Trade Marks, Bombay, and the Committee did not see why such an arrangement could not be introduced by the Government of the Dominion of Pakistan.

(b) The next point was in connection with the reciprocity measures between the two Dominions in the matter of trade marks. The Committee were anxious that reciprocity measures such as those which existed between British India and certain Indian States should also exist between the Dominions and these arrangements should commence to operate as early as possible after the 15th day of August 1947.

The Committee were aware that the points raised above would necessitate discussion with the appropriate authorities in the Dominion of Pakistan, but they suggested for the consideration of Government, that, to facilitate matters, the Registrar of Trade Marks should be directed to go into this matter and submit a report.

The Indian Independence (Miscellaneous Transitional Provisions) Order, 1947, which was subsequently issued on the 14th August 1947 contained certain provisions in clause 6 thereof relating to the Trade Marks Registry which were substantially in agreement with the suggestions made by the Committee in this behalf. (*Appendix 21.*)

RECIPROCITY ARRANGEMENTS WITH CERTAIN INDIAN STATES.

Towards the end of September 1947, the Government of India entered into reciprocal arrangements with the State of Hyderabad (Deccan) in the matter of registration of trade marks. Notification No. 401 (9)-Tr. (F.M.)-46,

dated 27th September 1947 on the subject issued by the Ministry of Commerce is reproduced below :—

No. 401(9)—Tr. (T.M.)/46.—Whereas the Central Government has entered into reciprocal arrangements with the State of Hyderabad (Deccan) whereby trade marks and certification trade marks registered under the Trade Marks Act, 1940 (V of 1940), shall have in that State protection as if registered in that State ;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 82A of the said Act the Central Government is pleased to declare that the said section shall apply to the State of Hyderabad (Deccan).

Similar arrangements were made by Government in respect of the States of Cochin, Travancore, Kolhapur, Baroda and Mysore also.

COTTON YARN AND COTTON THREAD MARKING RULES, 1947.

Early in November 1946, the Government of India published the draft of certain rules which they proposed to make under section 20 of the Indian Merchandise Marks Act, 1899, relating to the marking on cotton yarn and cotton thread and invited the Committee's suggestions thereon.

Section 12 (2) of the Merchandise Marks Act required (a) cotton yarn sold in bundles to be stamped with the count and the weight of yarn in the bundle ; and (b) cotton thread, namely, sewing, darning, etc., to be stamped with the length or weight of thread in the unit. The Committee felt that the draft Rules 5, 6 and 7 were somewhat confusing in relation to these requirements of the Act and therefore suggested that the rules should be clarified to place the requirements of section 12 (2) of the Act beyond doubt. (*Appendix 22.*)

ESTABLISHMENT OF NEW FACTORIES OR EXTENSION OF EXISTING FACTORIES.

FACTORIES (AMENDMENT) BILL.

Towards the end of August 1947 the Employers' Federation of India drew the Committee's attention to certain proposals of the Government of India for the revision of the Factories Act. In Government's opinion, designs of most of the factory buildings and layout of machinery in good many of them were not wholly satisfactory with the result that working conditions inside the factory became, in the opinion of Government, unusually trying. Proper arrangements for the disposal of industrial and trade wastes were also lacking in many factories with the result that the sanitation of the area was affected. With a view to remedy these defects, Government proposed to provide (a) that plans, designs and specifications of new factory buildings or extensions to existing factory premises should be submitted to the Chief Inspector of Factories before the construction was undertaken, and (b) that adequate arrangements should be made for the disposal of industrial and trade wastes. Government further stated that till such time as the Factories Act was revised, it would be advisable if the Factory Inspectorates were consulted before starting work on the construction of new factories or extension to existing ones.

The Committee felt that all-India legislation to control and regulate factory buildings, etc., was desirable inasmuch as it was calculated to ensure the application of a uniform standard all over the country. However, there were at present certain provincial statutes which conferred on Provincial Governments and municipal administrations certain powers in these matters and the Committee hoped that if and when the all-India statute came into operation, the powers given to Provincial Governments and civil administrations under the existing statutes would be withdrawn and further, even if the new Central Act were to be administered by the Provinces, sufficient safeguards would be provided to ensure uniform application of the law all over the country.

In communicating these views to the Employers' Federation of India, the Committee suggested that whatever standards might be laid down under the law, should not be made applicable to existing buildings so long as they did not constitute a danger to the health or life of the people working in these factories.

Subsequently, Government stated that the proposed Bill to revise the Factories Act would be an all-India legislation, the administration of which would vest in the Provincial Governments. With a view, however, to secure uniform policy in the administration of the factory law, the organisation of the Chief Adviser, Factories, which had been set up under the Central Government would provide the necessary guidance and advice to the Provincial Inspectorate whenever necessary.

A Bill has since been introduced in the Assembly to consolidate and amend the law relating to conditions of work in factories and it is very probable that it will be referred to a Select Committee. (*Appendix 23.*)

INDIAN TRADE UNION (AMENDMENT) ACT, 1947.

(*See also pages 51 and 213 of Report for 1946.*)

Reference was made on page 51 of the Association's report for 1946 to the Select Committee's report on the Trade Union (Amendment) Bill, 1946.

The Bill as modified by the Select Committee was introduced in the Constituent Assembly of India (Legislative) on the 18th November 1947. Several amendments were moved in the Assembly, but the Bill was eventually passed in substantially the form in which it emerged from the Select Committee. It received the assent of the Governor-General and became an Act on 20th December 1947. (*Appendix 24.*)

WORKMEN'S STATE INSURANCE BILL, 1946.

(*See also pages 54 and 229 of Report for 1946.*)

Reference was made on page 54 of the Association's report for 1946 to the Committee's representation in connection with the Workmen's State Insurance Bill, 1946.

The Bill was taken up for discussion in the Constituent Assembly of India (Legislative) towards the latter part of November 1947 and referred to a Select Committee.

WELFARE TRUST FUNDS FOR INDUSTRIAL EMPLOYEES.

Towards the latter part of July 1947, the Government of Bombay requested the Committee to express an opinion on certain proposals in connection with the setting up of welfare trust funds for industrial employees, which were discussed at the eighth meeting of the Standing Labour Committee held in the middle of March 1946.

The proposals, briefly stated, seemed to be that the Factories Act should be amended, making it obligatory on employers to provide for welfare measures. Since labour welfare measures would serve to increase the productive efficiency of workers, Government considered they should be regarded as a legitimate charge on the industry. They, therefore, requested the Committee to consider the question of setting up voluntary welfare trust funds in the undertakings under the control of members of the Association for being expended on welfare measures and suggested that the following might be considered as appropriate items on which the funds could be expended :—

- (a) Education of workers and their dependants.
- (b) Health of workers and their dependants.
- (c) Recreation and entertainment for workers and their dependants.
- (d) Other general amenities.
- (e) Administration of the trust funds.

As regards the question of setting up voluntary welfare trust funds, the Committee pointed out that several Bombay mills had already welfare funds and that the fund in each case was built up from allocations made from profits, unclaimed wages, fines realised from workers, etc., and the expenses were incurred from the funds on clearly well defined objects connected with labour. In this view of the case, the Committee felt that no further action was necessary in this matter. In view of the fact that welfare trust funds were already in existence, the Committee submitted that it was not necessary to have any legislation in that respect.

The Committee stated that they had no remarks to offer in connection with the purpose for which the welfare trust funds might be utilised so far as the workers themselves were concerned, but they had grave objections to any portion of the fund being utilised for the welfare of workers' dependants. For instance, the education of workers' dependants, the health of workers' dependants and recreation and entertainment of workers' dependants, were the responsibility of the State and the civic authorities, and the Committee felt that this responsibility should not be passed on to the shoulders of the employers.

With regard to the administration of the trust funds, the Committee stated that they were unable to understand Government's proposal since it seemed to be vague. In any event, if Government were suggesting the participation of workers in the administration of the fund, the Committee were unable to agree to it for the reason that wherever the amount was expended from fines fund or unpaid wages fund, such expenditure was only incurred on purposes previously approved by the authorities concerned. Where, however, the expenditure was incurred from allocations made from the profit and loss account, the discretion in the matter of such expenditure and the purposes for which the amount might be actually spent should rest with the management. Unofficial consultations between the management and the workers did take place in individual cases, but the Committee were unable to agree to the statutory association of workers in the administration of the fund. (*Appendix 25.*)

THE BOMBAY INDUSTRIAL RELATIONS ACT.

(See also page 56 of Report for 1946.)

Reference was made on page 56 of the Association's report for 1946 to the enactment of the Bombay Industrial Relations Act, 1946. The Act was published in the *Bombay Government Gazette* on the 9th April 1947, and ultimately brought into force on 29th September.

JOINT COMMITTEES FOR INDUSTRIAL UNDERTAKINGS.

Section 48 of the Bombay Industrial Relations Act reads:

"(1) A Joint Committee may be constituted for an undertaking or occupation with the consent of the employer and the registered union for the industry for the local area :

Provided that no Joint Committee shall be constituted in respect of an undertaking or occupation where there is no representative union, unless not less than fifteen per cent. of the employees are members of a registered union.

(2) On application made in this behalf by the employer or the union to the Registrar, a Joint Committee shall be entered in a list of Joint Committees maintained by him, and thereupon all the provisions of this Act shall apply to the Joint Committee.

(3) A Joint Committee shall stand dissolved—

- (a) whenever the condition specified in the proviso to sub-section (1) ceases to be complied with ;
- (b) on expiry of the period of a three months' notice in that behalf being given by the employer to the union, or by the union to the employer."

In February, the Government of Bombay requested the Committee's views on the question of constituting joint committees in member mills, but the Committee stated, in reply, that they were not in favour of such committees being established in mills.

BOMBAY INDUSTRIAL RELATIONS RULES, 1947.

Section 123 of the Bombay Industrial Relations Act empowers the Provincial Government to make rules for the purpose of carrying out the intentions of the Act, subject to previous publication in the official *Gazette*.

On 28th April, Government published the draft rules under the Act and invited criticisms thereon.

The draft was carefully examined by the Committee and the following comments were submitted to Government :

Rule 9.—This rule laid down, among other things, that a person, in order to be eligible for appointment as the President of the Labour Court, should not be more than 35 years of age. The Committee were somewhat sceptical about Government being able to find a knowledgeable President with the qualifications listed in the rule within the age limit prescribed. It was, therefore, suggested that the age limit be raised to 45.

Rule 9 (e).—This rule seemed to facilitate the appointment of persons connected with the trade union movement as Chairman of the proposed Labour Court. While the Committee had no objection to people with the requisite qualifications being appointed, they felt that the Chairman should be absolutely an impartial and non-party man, free from all prejudices and preconceived notions.

Rule 29 (a) and (b).—The Committee suggested that the number of officers entitled to visit the mills and collect union dues, be limited to three.

Rule 29 (d).—The Committee felt that this clause should be amplified to make it clear that collection of subscription should be made without causing hindrance to the smooth working of the undertaking.

Rule 29 (e).—This clause stated that not more than 25 persons at a time should gather at the place where the trade union funds were collected by an officer of the approved union. As this number seemed to be far too high, it was suggested that it should be reduced to 10. The Committee further stated that the expression " persons " in this clause should mean employees of the mills concerned.

Rule 29 (f).—The Committee were unable to subscribe to the view that it was necessary to allow officers of approved unions to carry on the work of collecting union dues two days subsequent to the pay-day. With a maximum of three officers visiting the mill for the purpose of collecting subscriptions, it should be possible to finish the work of collection in a day without any difficulty if workers were really anxious to pay their union subscription. In this view of the case, it was suggested that the proviso to sub-rule (f) of Rule 29, be deleted.

The Committee further suggested the addition of a proviso which would make it necessary for the officers of an approved union to submit to the mill in question in advance of the date of collection of subscription, a statement showing the number of members classified by departments, and the nature of collections sought to be made from each. This, it was thought, would facilitate matters. Such a list would have been prepared by the union in any event, as the union officers collecting the subscription should know from whom to collect the dues, and the amount actually due from each.

Rule 30 (b).—The Committee suggested that a proviso should be introduced to make it incumbent on the union concerned to furnish to the management a copy of the notices to be put up on the notice board, under the signature of one of the office-bearers of the union inasmuch as it would enable the management to ascertain whether any particular notice was authentic or not, and would also do away with the necessity of keeping a watch on the notice board to ensure that no unauthorised person put up a notice.

Rule 32.—The rule empowered the officers of an approved union to enter the mill premises to hold discussion on the premises of the undertaking with the employees concerned who were members of the approved union. Unless a list of members of the approved union working in a particular mill was submitted to the management in advance, the Committee felt that it would never be possible for the latter to find out whether the discussions were being carried on strictly in accordance with Rule 32. At any rate, names of such of the members with whom it was proposed to carry on discussions by the officers of the union should, in the opinion of the Committee, be submitted to the management in advance.

Rule 32 (b).—The Committee suggested that this rule be reworded somewhat as under :—

“ the discussions shall be held at such place and in such manner as would not interfere with the working of the undertaking.”

Rule 35.—The Committee objected to the footnote to the Table of Maximum fees for legal aid as it made the Schedule entirely valueless, and, therefore, suggested its deletion.

Rule 40 (1).—Wherever the expression “ any person ” occurred in this clause, the Committee suggested that the words “ any officer ” should be inserted instead.

Rule 43 (1).—Having elected their representatives in accordance with the formalities laid down in the rules, it should not be made possible to recall them unless a very substantial proportion of the workers did not want them. The Committee felt that the 20 per cent. limit laid down in the rule was far too low, and suggested that to recall elected representatives, at least 50 per cent. of the workers in the establishment should sign the requisition.

Rule 47 (2).—The Committee stated that they did not understand the logic behind the arrangement proposed by Government. If 5,000 workers could be represented by 25 persons, it was not understood why five representatives should be elected when the number of workers affected was only 15. The practice, so far, was to elect upto five employees as representatives in any dispute regardless of the number involved, and so far as the Committee were aware, this system had worked well. The Committee further felt that sub-rule (2) did not appear to be in accordance with section 28 of the Act.

Rule 50.—The Committee felt that this rule was unnecessary. Taken to its logical conclusion, it meant, that if 20 per cent. of the labour force of

an undertaking were Bhayyas, the Standing Orders should be printed in Hindi, and if 20 per cent. of the workers were Kamatis, the Standing Orders should be printed in Telugu. Since the existing arrangements whereby the Standing Orders were printed in Marathi and English, had worked well, the Committee strongly recommended Government to steer clear of all language complications.

Rule 57.—In connection with the third paragraph of this rule which read “ Failing agreement between the employer and the union, the Chairman shall be appointed by the employer and the union in rotation,” the Committee presumed that the period of rotation was 12 months as laid down in Rule 55 (2).

Rule 67.—This rule provided that any member of the Board of Conciliation might administer oath to witnesses. The Committee pointed out that this power should be given only to the Chairman of the Board.

Rule 73.—This rule stated that, before proceeding to hold an inquiry under sub-section (1) of section 112, the officer authorised by the Provincial Government should give at least three days’ intimation to the employer concerned. The Committee pointed out that this was much too vague inasmuch as it did not clearly define from what stage the three-day period would commence to run. The Committee, therefore, felt that the time limit should count from the date of receipt of the notice by the employer, or one week from the date of issue of notice by Government.

The rules were finally published on 20th September without any material changes from the draft.

CONSTITUTION OF LABOUR COURTS.

Section 9 of the Act provides for the constitution of one or more Labour Courts, having jurisdiction in such local areas as might be specified therein and also for the appointment of persons having the prescribed qualifications to preside over such Courts.

By notification dated 24th September, the Government of Bombay constituted four Labour Courts, having jurisdiction over each of the areas represented by Bombay, Ahmedabad, Jalgaon and Sholapur respectively. The following persons were appointed to preside over them : P. S. Bakhle, Esq., B.A., LL.B., for Bombay; P. D. Vyas, Esq., B.A., LL.B., for Ahmedabad; A. S. Sarela, Esq., M.A., LL.B., for Jalgaon and M. K. Trilokekar, Esq., B.A., LL.B., for Sholapur.

STANDING ORDERS FOR OPERATIVES AND CLERKS EMPLOYED IN MILLS.

Section 35 (1) of the Industrial Relations Act, lays down that, within six weeks from the date of the application of the Act, employers in the cotton textile industry shall submit, for approval, to the Commissioner of Labour, in the prescribed manner draft standing orders regulating the relations between employers and employees with regard to the industrial matters mentioned in Schedule I thereof.

In pursuance of the above section of the Act, read with Rule 48 of Rules made thereunder, the Association prepared a draft of Standing Orders for operatives and for clerks in member mills and submitted them to the Commissioner of Labour on 8th November 1947.

BOMBAY ADJUDICATION PROCEEDINGS (TRANSFER AND CONTINUANCE) ACT, 1947.

Early in September, the Government of Bombay issued an Ordinance to provide for the transfer and continuance of adjudication proceedings referred for adjudication to Sir Harisidhbhai Divatia under the provisions of Rule 81A of the Defence of India Rules. The statement attached to the Ordinance read :—

“ A number of trade disputes have been referred by the Provincial Government for adjudication to Sir Harisidhbhai Divatia, President of the Industrial Court, under the provisions of Rule 81A of the Defence of India Rules. As the disposal of these references is being delayed on account of the preoccupation of Sir Harisidhbhai with the work of the Industrial Court and as it is essential that references of this type should be speedily disposed of, it is necessary to take powers to transfer some of these references to a Tribunal appointed under the Industrial Disputes Act, 1947, for disposal.”

This Ordinance would have expired six weeks after the date of the meeting of the Bombay Legislature. A Bill on the subject was, therefore, introduced in the Bombay Legislature in October and was passed. It received the assent of the Governor-General on the 17th November 1947 and was published as an Act in the *Bombay Government Gazette* dated 22nd November 1947.

THE INDUSTRIAL DISPUTES (BOMBAY) RULES, 1947.

(See also page 47 of Report for 1946.)

Reference was made on page 47 of the Association's report for 1946 to the Industrial Disputes Bill which was passed into law on the 17th March 1947.

Towards the end of June 1947, the Government of Bombay published the draft rules under the Act and invited objections or suggestions thereon.

The Committee made the following observations :—

Rule 4 (b) (i).—This rule authorised the submission of an application for the reference of an industrial dispute to a Tribunal, by a trade union of which the majority of workmen directly affected were members. This would mean that even if a small department belonged to one union, then, notwithstanding the fact that the majority of the workers of the mill and possibly even the rest of the mills, belonged to another union, the union representing the small department could, for extraneous reasons, bring up complaints and intimidate the majority. It was, therefore, suggested

that the right of making applications under this rule should be confined only to the representatives of the workers, or to the union which represented the majority of the mill workers.

Rule 10.—According to this rule, the Tribunal might accept, admit or call for any evidence at any stage and in any manner which it thought fit. It was felt that the admission and tendering of evidence should be strictly in accordance with the provisions of the Indian Evidence Act.

Rule 12.—This rule authorised the Chairman of the Tribunal to call upon parties to state their case in such order as he thought fit. The Committee submitted that in all cases the party which made the application should be required to state its case first.

Rule 16.—Under this rule, a Tribunal or any member thereof or any other person authorised in writing by it in this behalf, might, for the purposes of adjudication, at any time, enter into any building, factory, workshop, etc., and inspect any work, machinery, etc., and interrogate any person there, in respect of any matter relevant to the subject matter of adjudication. The Committee felt that the power of the Tribunal to authorise any other person in the above manner should be restricted to Government officers and that the words “any other person” appearing in the rule should be substituted by “any Government officer.”

Rule 20.—This rule gave the right of examination, cross-examination and re-examination of witnesses and of addressing the Tribunal, to all representatives of parties appearing before the Tribunal. It was felt that such rights should be restricted to accredited spokesmen of each of the parties concerned as otherwise the proceedings would be unduly delayed and the issues confused.

The rules as finally accepted by Government were published in the *Bombay Government Gazette* dated 15th September 1947. Some of the suggestions made by the Committee were accepted. (*Appendix 26.*)

BOMBAY SHOPS AND ESTABLISHMENTS ACT, 1939.

ENQUIRY INTO THE WORKING OF THE ACT.

(See also page 58 of Report for 1946.)

Reference was made on page 58 of the Association's report for 1946 to the appointment of Mr. R. R. Bakhale, M.L.C., for making an inquiry into the working of the Bombay Shops and Establishments Act, 1939.

According to a press *communiqué* issued by the Government of Bombay on 6th June 1947, Mr. R. R. Bakhale was relieved of his appointment in view of his poor health, and Mr. Shantilal H. Shah, M.L.C., appointed as Chairman with Mr. R. R. Bakhale, M.L.C., and Mr. Chimanlal C. Shah, J. P., as members. It was stated that Mr. Bakhale had been appointed as a member of the Committee in view of his previous association with the Enquiry Committee.

SALES TAX.

THE BOMBAY SALES TAX ACT.

(See also pages 76 and 287 of Report for 1946.)

Reference was made on page 76 of the Association's report for 1946 to the Bombay Sales Tax Act, 1946.

Early in September 1946, Government announced that in the light of the public scrutiny to which the Act had been subjected, Government proposed to revise it in as comprehensive a manner as possible and to submit the revised measure to the Legislature before the end of the current financial year. Accordingly Government appointed a Committee consisting of Mr. D. R. Gadgil, Director of Gokhale Institute of Politics and Economics, Poona, as Chairman, and Mr. Mahomed Husein Hasham Premji, President of the Indian Merchants' Chamber and Mr. Shantilal Shah, member, Legislative Council, as members with Mr. P. S. Nadkarni, Secretary to the Committee, with the following terms of reference :

- “(i) To consider whether the scheme of Sales Tax adopted in the Bombay Sales Tax Act, 1946, and the Rules thereunder requires modification ; and
- (ii) if so, to indicate the lines of modification.”

The Sales Tax Enquiry Committee submitted its report towards the middle of January 1947 suggesting certain modifications in the Act. Further, a majority of the Committee recommended that the present single point system of levying tax, where an article is taxed only at the point of its sale by a registered dealer to a consumer or to an unregistered dealer, be replaced by one in which an article will be taxed every time it changed hands.

Early in April, a Bill was introduced in the Bombay Legislative Assembly to amend the Act in certain respects. The statement of objects and reasons attached to the Bill read as follows :

“ A Sales Tax Enquiry Committee was appointed by Government in October 1946 to consider whether the scheme of the sales tax adopted in the Bombay Sales Tax Act, 1946, requires modification and, if so, to indicate the lines of modification. The Committee has submitted its report. Government considers it desirable to implement, without delay, some of the main recommendations which, while not involving a departure from the present scheme of the Act seek to remove various difficulties now experienced by the dealers. The requisite amendments are incorporated in the Bill.”

As there was nothing objectionable in the proposed amendments, no representation was made to Government. The Bill was enacted on the 16th May 1947, and came into force on the 19th May 1947.

AMENDMENT OF BOMBAY SALES TAX RULES.

Government published in the *Gazette Extraordinary* dated the 19th May 1947, a draft of the proposed amendments to the Bombay Sales Tax Rules, 1946, necessitated by the changes in the Act and invited comments thereon.

As the proposed amendments sought only to make consequential changes in the Rules to give effect to the amendments made in the Act, no representation was made by the Association.

CHANGE IN THE BASIS OF SALES TAX.

Towards the beginning of July 1947, the Government of Bombay requested the Association to express an opinion on the Bombay Sales Tax Enquiry Committee's majority recommendation regarding a change from the present single point system of sales tax to a general turnover tax.

The Committee pointed out that the present basis of taxation had been in operation only for a very short period, and it was, therefore, too early to express an opinion on its working. In the circumstances, it was suggested that the present basis should be continued for the time being. After sufficient experience in the practical working of the Act had been gained, the position might be reviewed by the Government in consultation with the interests concerned. The Committee felt that it might perhaps facilitate matters if Government could, at the appropriate time, circulate a short note on the working of the present Act and the directions in which the Act, in the opinion of Government, required amendments. (*Appendix 27.*)

CONSTITUTION OF TRIBUNAL UNDER THE BOMBAY SALES TAX ACT.

Towards the end of August, the Government of Bombay constituted, with effect from 1st September 1947, a Tribunal consisting of the following members for the purpose of sub-section (1) of Section 4 of the Bombay Sales Tax Act, 1946 :

Dewan Bahadur R. M. Bhise, B.A., LL.B.,	<i>President</i>
Mr. J. K. Mehta, M.A.,	} <i>Members</i>
Mr. P. G. Hansotia, B.Com., G.D.A., F.S.A.A.	

EXEMPTION FROM SALES TAX.

Reference was made in the last Annual Report of the Association to the standard lists of classes of goods purchased by mills for the purposes of manufacture and sale which were accepted by the Sales Tax Commissioner as goods which mills could buy free of sales tax.

Towards the beginning of September 1947, the Association submitted to the Commissioner of Sales Tax, Bombay, a further list of articles used in the actual process of manufacture and requested their inclusion in the list of goods exempted from tax, and this was subsequently accepted by the Sales Tax Commissioner.

INDIAN STANDARDS INSTITUTION.

(*See also pages 65 and 260 of the Report for 1946.*)

Reference was made on page 65 of the Association's report for 1946 to the formation of the Indian Standards Institution.

The Institution had allotted one seat to the Association on the Textile Division Council, to which the Committee nominated Mr. N. S. V. Aiyer, Secretary of the Association.

PROTECTION TO THE COTTON TEXTILE MACHINERY MANUFACTURING INDUSTRY.

The Government of India, by a resolution dated 13th July 1946, referred to the Tariff Board a claim to protection received from the cotton textile machinery industry.

The Government of India resolution dated 9th August 1947 embodying the recommendations of the Tariff Board and Government's decision in the matter is reproduced below :

"No. 218-T/B(2)/47.—In their resolution in the Department of Commerce No. 218-T(55)/45, dated the 13th July 1946, the Government of India referred to the Tariff Board a claim to protection received from the cotton textile machinery industry. The terms of reference to the Tariff Board are contained in paragraph 5 of Commerce Department resolution No. 218-T(55), dated the 3rd November 1946.

2. The Board, having considered this claim, have submitted an interim report to Government with the following recommendations :—

- (i) 'It is not possible to make any reasonable estimate of costs based on the very small volume of production so far achieved in the country. The application for protection is, therefore, premature and the enquiry should be postponed and taken up again early in 1948.
- (ii) It is recommended that in the accounts relating to the Sea-borne Trade and Navigation of British India, spinning and weaving machinery should be subdivided as follows :—

Spinning Machinery : (a) blow room machinery, (b) cards, (c) speed frames (including drawing), (d) spinning frames, (e) doubling frames.

Weaving Machinery : (a) winding machines, (b) warping machines, (c) looms.

3. As regards recommendation (i) the Government of India have decided to authorise the Tariff Board to hold a fresh enquiry in the year 1948 after the cotton textile machinery industry has attained a sufficient volume of production which would enable the Board to estimate costs of production.

4. Government accept recommendations (ii) and necessary steps will be taken to give effect to it."

PROTECTION TO WIRE HEALDS INDUSTRY.

Early in June, the Indian Tariff Board forwarded to the Association a questionnaire in connection with the enquiry regarding the grant of protection to wire healds industry and requested the Committee to furnish information on the points mentioned therein.

In reply, the Committee stated that, from the information available with the Association, wire healds did not appear to have been manufactured in India on a commercial scale. In any event, the wire required for manufacture of wire healds was being imported from abroad. The Committee, however, felt it was very important that efforts should be made to develop indigenous sources for the supply of wire. Though an increase in duty on wire healds would put up the cost of production in the cotton textile industry,

the Committee held the view that the development of indigenous industry for the manufacture of wire healds would assist the cotton textile industry in the long run. They were aware that any industry applying for protection should conform to the requirements set forth in the relevant resolution of the Indian Legislative Assembly passed in the year 1923. As to whether the wire healds manufacturing industry in India conformed to the standards laid down in the said resolution, the Committee were not in a position to say; but if the conditions for protection were satisfied, the Committee would not mind an increase in the price of wire healds for a temporary period, if an increase in duty would help in the development and establishment of a well organised wire healds manufacturing industry in the country.

The Tariff Board held a public enquiry into this industry towards the latter part of February 1948, and at the invitation of the Board, oral evidence on behalf of the Association was tendered before it by Mr. N. S. V. Aiyer, Secretary of the Association. (*Appendix 28.*)

REVISION OF IMPORT DUTY ON NICKEL AND NICKEL ALLOYS.

Towards the end of May, Messrs. Greaves Cotton & Co., Ltd., drew the Committee's attention to an application addressed to the Central Board of Revenue by Messrs. The Mond Nickel Co., Ltd., England, for the repeal of the duty on nickel and nickel alloys imported into India and requested support.

Briefly stated, the case of the applicants rested on the following, among other, grounds:—

- (a) Nickel and nickel alloys were neither produced nor manufactured in India to any extent.
- (b) Nickel and nickel alloys were largely used in various industries, the biggest user in India, perhaps, being the cotton textile industry, and particularly, their bleaching and dyeing departments.

It was also stated that the prices of nickel and nickel alloys had not been raised during the war.

So far as the Committee were aware, the removal of the duty on these materials would not hurt any Indian industry directly or indirectly. The application was therefore supported.

CO-ORDINATED TECHNICAL RESEARCH PLAN FOR BOMBAY'S TEXTILE INDUSTRY.

(*See also page 50 of Report for 1945.*)

Reference was made on page 50 of the Association's report for 1945 to the appointment of the Textile Research Co-ordination Committee under the chairmanship of the Director of Industries, Bombay, to consider

the question of the organisation of co-ordinated technical research plan. This Committee submitted its report to Government towards the latter part of July 1947. Early in October, the Government of Bombay forwarded to the Association a copy of the Co-ordination Committee's report requesting an expression of opinion thereon.

The Co-ordination Committee aimed at securing co-ordination of the research work done by the Technological Laboratory of the Indian Central Cotton Committee, the Victoria Jubilee Technical Institute and the Department of Chemical Technology of the University of Bombay. The plan envisaged a non-recurring expenditure of Rs. 1,37,000 on equipment and a recurring expenditure of Rs. 1,98,000 per year on research staff. The Co-ordination Committee recommended that half the amount should be contributed by Government and the balance be raised by the levy of a cess on mills of the Province at $\frac{1}{4}$ anna per spindle.

Government's attention was invited to a special fund (Cotton Textile Fund) which was being built up by the Government of India since 1st October 1944 from the duty realised on cotton textiles exported out of India. This fund, which was estimated to amount to about 2 crores of rupees, had been earmarked, *inter alia*, for the development of technical education and research relating to the cotton textile industry. A very substantial part of the cotton textiles exported from India was from mills of the Bombay Province, and it was not therefore unreasonable to suggest that the recurring expenditure indicated by the Textile Research Co-ordination Committee should be met from that fund in case Government were unable to provide otherwise for the money required in full. (*Appendix 29.*)

THE DEPARTMENT OF CHEMICAL TECHNOLOGY.

RESEARCH ASSISTANTSHIP IN TEXTILE CHEMISTRY.

(See also page 7 of Report for 1944.)

Reference was made on page 7 of the Association's report for 1944 to the Association's donation to the Department of Chemical Technology of the University of Bombay. A sum of Rs. 1,25,000 was earmarked for the institution and maintenance of two research assistantships to be awarded to graduates of the Department with the minimum qualification of Ph.D. in textile chemistry.

It was subsequently pointed out by the Director of the Department that a candidate with the requisite qualifications was not available in the grade provided. He, therefore, recommended for the consideration of the Committee the following alternatives :—

- (a) Lowering the minimum qualification of the research assistants to M.Sc., Tech. in textile chemistry, or
- (b) Converting the two research assistantships in the grade of Rs. 150-180 into one research assistantship in the grade of Rs. 200-20-300, to be held by a graduate of the Department with the degree of Ph.D.

The Committee accepted the second proposal which was subsequently agreed to by the Senate of the University of Bombay.

CONTROL OF ACCOUNTANCY PROFESSION.

(See also pages 134 and 382 of Report for 1938 and pages 64 and 307 of Report for 1928.)

Reference was made on page 64 of the Association's report for 1928 to the views expressed by the Committee on the proposals framed by the Government of India for the establishment of an all-India Accountancy Board. The Committee expressed the opinion that the establishment of such a Board was only a first step towards the building up in India of an Association of Chartered Accountants of the same standing and reputation as those which existed in the United Kingdom and elsewhere, and supported the proposal on the understanding that the establishment of the Board would not indefinitely postpone the attainment of the ultimate ideal of the scheme, viz., the formation of an Institute of Accountants.

With the amendment of the Indian Companies Act in 1930, the Indian Accountancy Board was brought into being. The Board consisted of not less than 15 and not more than 20 members, all of them being nominated by Government. In 1939, the elective principle was introduced into appointments to the Board.

Towards the end of April 1947 the Government of India forwarded to the Committee a memorandum setting out certain proposals made by Government for the establishment of an autonomous Association of Accountants consisting of 25 members—13 elected and 12 nominated—which would assume the responsibility for the maintenance of requisite standard of professional qualifications and for the discipline and conduct of members, subject to the supervision of Government.

The tentative scheme drawn up by Government seemed to have been prepared on right lines. The Committee were concerned with the maintenance of a very high standard of auditing and accountancy in this country, and they, therefore, suggested that Government should continue, for the time being, to exercise certain measure of control over those subjects also, which, it was proposed under the scheme, to transfer to the autonomous Association of Accountants. It might perhaps be possible to reduce Government control later on, but it was best to defer consideration of this question till experience of the working of the autonomous association had been gained.

Under the scheme, it was also proposed, among other things, that power should be exercised by Government in the matter of the disposal of appeals by persons aggrieved by the Association's decision. The Committee felt that provision should be made for a further appeal from the decision of Government, but whether this appeal should lie to the Federal Court or to the Provincial High Court was, in the Committee's opinion, a matter for Government to decide. (*Appendix 30.*)

COTTON PIECEGOODS AND YARN FROM JAPAN.

Early in April 1947, the Committee addressed the following telegram to the Government of India :

“Committee Millowners’ Association Bombay understand Government of India have negotiated or are negotiating with Japanese authorities for import large quantities Japanese cotton piecegoods and yarn into India. Committee would be grateful if Government would give details of arrangement if any fixed up particularly in reference to quantities types and prices of piecegoods to be brought in if negotiations have not been completed. Association would appreciate information on the following points: (a) Nature of arrangement which Government have in view. (b) Type, qualities and prices of cloth and yarn which Government propose to buy. (c) Whether any long-term arrangement contemplated. (d) Whether Government would consider advisability of associating with them representatives Indian industry in negotiations if they are not complete.”

In reply, Government stated that in view of the present acute cloth shortage in the country they were endeavouring to import from Japan cotton yarn and piecegoods on Government account and through Government channels until Japan was thrown open to private trade. As the transaction was not yet finalised, Government stated that it was not possible to give any further information for the time being.

Subsequently, the Committee addressed a further letter to Government requesting information as to the prices at which these goods would be purchased in Japan and ultimately distributed in India and also as to the types of cloth and yarn proposed to be imported and pointing out that if it was the intention of Government to introduce in this country, a scheme for the manufacture of utility cloths, then Government should not permit the importation into this country of cloths which were better in quality than the cloths permitted to be manufactured by the mills in India under the proposed utility cloth scheme. In reply, the Government of India stated that the cloth proposed to be imported was grey unbleached and that the prices had not yet been fixed. No final decision had yet been taken to import cotton yarn. As regards the quantity of textiles that was being imported, Government were of opinion that it was so small compared to India’s present needs that its imports could not adversely affect the cotton textile industry. It was, however, assured that Government would bear in mind the suggestion made by the Committee.

The Association was subsequently informed by the Textile Commissioner, early in December, that Government had decided not to make allotments of cloth imported from Japan to parties for consumption in India and that it was going to be re-exported against export licences. (*Appendix 31.*)

WOOLLEN GOODS (CONTROL) ORDER, 1947.

(See also page 73 of Report for 1946.)

Reference was made on page 73 of the Association’s report for 1946 to the notification issued by the Government of India, cancelling the Indian Woollen Goods (Control) Order, 1944.

Under section 3 of the Essential Supplies (Temporary) Powers Act, 1946, the Government of India again promulgated the Woollen Goods (Control) Order, towards the latter part of October 1947, imposing control over the prices, production and sale of knitting wool, knitted goods such as sweaters, jerseys, pullovers and scarves, and woven goods such as suitings, lohis, shawls, blankets and rugs. The Order remained in operation for only a short period and was withdrawn on 17th January 1948.

GOVERNMENT CONTRACTORS (DISPOSAL OF COTTON TEXTILES, UNUSED MATERIAL, AND REJECTED STORES) ORDER, 1945.

(See also page 72 of Report for 1946.)

Reference was made on page 72 of the Association's report for 1945 to the promulgation of the Government Contractors (Disposal of Cotton Textiles, Unused Material and Rejected Stores) Order, 1945, by the Government of India.

By a notification dated the 27th August 1947, the Textile Commissioner specified the wholesale prices of disposals cloth of which the maximum ex-factory and retail prices had been fixed under sub-clause (1) of clause 9 of the said Order and also prescribed the markings to be made on such cloth. The text of the notification read as follows :—

No. TB-8(4)/46-II.—In exercise of the powers conferred on me by sub-clauses (1) and (2) of clause 9 of the Government Contractors (Disposal of Cotton Textiles, Unused Material and Rejected Stores) Order, 1945, as continued in force by the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946), I hereby direct that the maximum wholesale prices of cloth of which the maximum ex-factory and retail prices have been fixed under the said sub-clause (1) and the markings to be made on such cloth shall be as specified below :

I. The wholesale price of any such cloth shall not exceed—

(1) three per cent. above the maximum ex-factory price thereof where the cloth is sold by a person who purchased it directly from a contractor ;

Provided that if the cloth is sold and delivered at the place of business of such person and if such place is situated in a zone different from that in which the contractor's premises are situated, the seller may add to the maximum price specified above the amount of the actual freight incurred by him in respect of the cloth, not exceeding the amount of the freight which would be payable for the carriage of the cloth direct from the contractor's premises to the seller's place of business by transport services ordinarily employed for the purpose and subject also to such maximum charges as the Textile Commissioner may from time to time prescribe ;

(2) three per cent. above the maximum ex-factory price thereof where the cloth is sold by a dealer carrying on business in one zone to a dealer carrying on business in a different zone.

(3) ten per cent. above the maximum ex-factory price thereof in other cases ;

(i) Provided that where the cloth is sold to a dealer carrying on business in the same town the seller may add to the maximum price specified the amount of the sales tax, octroi or other local tax or cess which he may have paid in respect of the cloth at such town or as the case may be, the proportionate part thereof, such addition shall be shown separately in the seller's invoice or cash memorandum ;

- (ii) Provided further that the principal officer appointed by the Provincial Government for the administration of textile control may specify the wholesale prices, not exceeding the said ten per cent. above the maximum ex-factory price and the wholesale prices so specified shall apply in relation to the sales made within his jurisdiction.

Explanation. For the purposes of this notification "zone" means a surplus area or a deficit zone as defined in General Permit No. 1 under the Cotton Textiles (Control of Movement) Order, 1946, and "wholesale price" means the price charged in respect of a sale made to a person other than a consumer.

II. The following markings shall be made on the cloth :—

(a) the markings prescribed in clause 2 of the Textile Commissioner's Notification No. T.C.(6)1/44, dated the 19th February 1944 ;

(b) immediately below the markings mentioned in (a) above the month and year of packing and the letter 'G' in capital not less than 1½" in height ; (for purposes of stamping the month of marking, the abbreviations prescribed in clause 5 of the Textile Commissioner's Notification No. T.C.(6)1/44, dated the 19th February 1944, shall be employed) ;

(c) immediately below the markings specified in (b) above the ex-factory and retail prices specified by the Textile Commissioner in letters and figures not less than one half inch in height ;

(d) the markings prescribed in clause 4 of the Textile Commissioner's Notification No. T.C.(6)1/44, dated the 19th February 1944, shall be stamped on every bale or other package of cloth.

THE BOMBAY LAND REQUISITION ORDINANCE, 1947.

Early in December, the Government of Bombay issued an Ordinance to provide for the requisition of land, for the continuance of requisition of land and for certain other purposes. The statement attached to the Ordinance read as follows :—

"The powers of requisitioning which Government had under the Defence of India Rules have lapsed. In view of the great pressure on accommodation available in urban areas, it has become necessary to regulate the distribution of vacant premises. For that purpose and also for the purpose of carrying out the plans of housing and development and for other public purposes, it was felt essential to have powers of requisitioning. By the Government of India, Ministry of Law, Notification No. F.311/47-C. & G. published in the *Gazette of India (Extraordinary)*, dated 25th October, 1947, the Governor-General, in exercise of the powers conferred by section 104 of the Government of India Act, has empowered Provincial Legislatures to enact laws with respect to the requisitioning of land. As these powers were given very recently, legislation could not be undertaken while the Legislature was in session. Consequently, an Ordinance is now being promulgated. By this Ordinance powers of requisitioning for public purposes are taken ; special provision is made for intimation to Government by landlords of vacant premises in specified areas with a view to the requisitioning of such premises ; and provision has also been made for the continuance of subsisting requisitions. The Ordinance also provides for the payment of just compensation in cases of requisitioning."

According to section 4 of the Ordinance, a landlord was required to give intimation to Government in the prescribed form, of any premises, situate in an area specified by Government by notification in the official *Gazette*, vacant on the date of such notification, and would become vacant after such date either by the landlord ceasing to occupy the premises or by the termination of a tenancy or by the eviction of a tenant or by the

release of premises from requisition or otherwise ; and further a landlord was prohibited from letting out the premises, without the permission of Government, before giving such intimation and for a period of one month from the date on which the intimation was given.

In a representation addressed to Government towards the end of December 1947, the Committee drew the attention of Government to the fact that certain mills had provided housing for their employees, and submitted that, bearing in mind the specific purpose for which these chawls were provided, and the low rents at which they were let out, they should be exempt from the provisions of the Ordinance. To ensure, however, that the objects underlying the Ordinance were duly carried, the Committee were prepared to recommend to the mills concerned that (a) they should maintain a register showing the location of the tenements and the names of the occupants, (b) a register of their own employees applying for allotment of these tenements and that (c) they should also undertake to allot tenements to their employees, as and when they become vacant, in the order of registration.

The Committee further stated that mills would also be asked to co-operate with Government in any investigation, which Government might find it necessary to undertake following a complaint regarding non-observance of clause (c) referred to above. The Committee hoped that in view of the above undertakings, Government would exempt mill chawls from the scope of the Bombay Land Requisition Ordinance. (*Appendix 32.*)

GOVERNMENT APPRENTICE SCHEME.

PRACTICAL TRAINING OF STUDENTS FOR ADDITIONAL YEAR.

(See also page 67 of Report for 1946.)

Reference was made on page 101 of the Association's report for 1939 to the modifications incorporated in the Government Apprentice Scheme.

Towards the latter part of October in the year under review, the Director of Industries, Bombay, informed the Association that his Department had also been conducting additional year classes in the subjects covering Mechanical Engineering, Electrical Engineering, Spinning, Weaving and Dyeing, for the apprentices who completed their prescribed course of apprenticeship under the Government Apprentice Scheme. The object of conducting these classes was to train the apprentices in some particular branch of the course or to give them higher knowledge of the subject or subjects taught during the final year stage of their apprenticeships. With a view to deriving maximum benefit of a continuous training, the Director of Industries stated that it was desirable that such apprentices should get practical training for an additional year in the same mills in which they were apprenticed for regular course when they joined additional year classes. The Director of Industries, therefore, requested the Committee to secure the co-operation of member mills to allow the apprentices who attended the additional year

classes to continue their apprenticeships for one year more in their respective courses.

The Committee agreed to the proposal of the Director of Industries. (*Appendix 33.*)

ADVISORY BOARD FOR THE SCHOOL FOR TRAINING OF LABOUR WELFARE WORKERS IN BOMBAY.

A Press note dated 8th July 1947 issued by the Government of Bombay regarding training classes in citizenship and in trade unionism for selected workers is reproduced below :

“ In pursuance of the Government's policy of assisting the growth among workers of a sense of responsibility towards industry and the community, the Government has felt the need for the establishment of centres for training workers in trade unionism and citizenship. The Government has, therefore, accorded administrative approval to training classes in citizenship and in trade unionism for selected workers being conducted, for a period of one year in the first instance, at each of the ‘ A ’ and ‘ B ’ type labour welfare centres in Bombay, Ahmedabad and Sholapur, as part of its Post-war Reconstruction programme.”

By a resolution dated 17th December, the Government of Bombay constituted an Advisory Board for the School for Training of Labour Welfare Workers in Bombay, consisting of the Director of Labour Welfare, Bombay, as the Chairman, and Professor C. N. Vakil, Dr. J. M. Kumarappa, Mr. G. D. Ambekar and Mr. R. G. Gokhale, as members with the Principal of the School as the Secretary and member.

The Board's function was to advise on all matters pertaining to the training of labour welfare workers. The Board was asked to consult the following representatives of capital and labour in Ahmedabad and Sholapur, if necessary: (1) Mr. Somnath Dave of the Textile Labour Association, Ahmedabad; (2) Dr. M. H. Patel, of the Ahmedabad Millowners' Association, and (3) Mr. S. G. Athavale, of Rashtriya Girni Kamgar Sangh, Sholapur.

The Board would co-opt one representative of the Social Service League, Bombay.

DONATION OF CLOTH FOR REFUGEES.

In response to an appeal received by the Committee, 300 bales of cloth were donated by Bombay mills to be distributed among the refugees from Pakistan who had crossed over to the Union territory.

SPINDLE AND LOOM HOURS LOST AND LOSS OF PRODUCTION DURING THE YEAR 1947.

During the year a census of the spindle and loom hours lost due to shortage of labour, strikes, *hartals*, etc., in cotton spinning and weaving

mills in the City and Island of Bombay was undertaken, and the loss of production of cloth and yarn following from strikes, *hartals*, shortage of labour, etc., was estimated. The results are given below. For the sake of comparison, corresponding figures for the period 1946 are also given.

				<i>Spindle hours lost.</i>	<i>Loss of production. Yarn.</i>
Shortage of labour	.. ..	..	..	1946 .. 626,584,353	26,107,681 lbs.
				1947 .. 300,065,774	12,502,737 ..
Strikes, <i>hartals</i> , etc.	.. ..	..	..	1946 .. 839,317,957	34,971,581 ..
				1947 .. 753,570,439	31,398,767 ..
				<i>Loom hours lost.</i>	<i>Loss of production. Cloth.</i>
Shortage of labour	.. ..	..	..	1946 .. 15,535,196	93,211,176 yards.
				1947 .. 6,532,857	39,197,142 ..
Strikes, <i>hartals</i> , etc.	.. ..	..	..	1946 .. 18,048,798	108,292,788 ..
				1947 .. 20,102,257	120,613,542 ..

RAW COTTON STOCKS.

In accordance with the usual practice, a census of stocks of raw cotton held by the cotton spinning and weaving mills in the City and Island of Bombay on 28th February 1947 and on 31st August 1947 was undertaken by the Association and the results are summarised below :

Quantity of Raw Cotton in Stock.

Date.	Cotton actually on hand in mill godown		Ready cotton bought but not taken delivery of		Total	
	Actual number of bales.	Actual weight of bales (in candies of 784 lbs.)	Actual number of bales.	Actual weight of bales (in candies of 784 lbs.)	Actual number of bales.	Actual weight of bales (in candies of 784 lbs.)
28-2-1947	457,821	240,339	29,967	14,554	487,788	254,893
31-8-1947	406,649	212,880	24,008	11,675	430,657	224,555

PIECEGOODS MARKET REPORTS.

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

MEMBERSHIP SUBSCRIPTION.

In accordance with Rule 35 of the Association's Rules and Regulations, the following rates of membership subscription for the year 1948 were fixed at a special meeting of the Committee held on Monday, the 8th December 1947 :

	Bombay City and Island (including Kurla).		Up-country.	
	Woollen Mills.	Cotton Mills.	Woollen Mills.	Cotton Mills.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
For every 1,000 Mule spindles or part thereof	30 0	17 8	24 0	10 0
For every 500 Ring spindles or part thereof..	30 0	17 8	24 0	10 0
For every 50 looms or part thereof, set up in the mill or mills, factory or factories which, for the time being, shall belong to each member	22 8	40 0	18 0	25 0
For every Rs. 10,000 or part of Rs. 10,000 of the cost up-to-date without depreciation, of the plant, buildings and land, of dyeing and/or bleaching and/or printing and/or mercerising factories or departments owned by a member	5 0	5 0	4 0	4 0

In the case of minimum subscription, the rates were fixed as under :

	Rs.
In the case of cotton mills, woollen mills and dyeing and bleaching establishments situated in the City and Island of Bombay and Thana ..	750
Do. do. situated elsewhere in India	500
In the case of ginning or pressing factories	300

PUBLIC AND MILL HOLIDAYS.

PUBLIC HOLIDAY—MAHATMA GANDHI'S BIRTHDAY.

The Government of India announcement declaring a holiday on 2nd October 1947, on account of Mahatma Gandhi's birthday, was received late in the evening on 1st October with the result that on account of the shortness of notice, it was not possible for several establishments to observe the holiday. In a letter addressed to the Government of India, the Committee stated that they agreed that the birthday of the great architect of India's freedom should be observed as an all-India holiday by all establishments, factories, etc., but pointed out that this could be done only if the Government of India in consultation with the provinces fixed and declared, for this purpose, a special day as a public holiday, when the holiday list for the year 1948 was drawn up. Advance notice would not only help everybody to observe the holiday, but would also help the banking and commercial circles to arrange their business programme accordingly.

In reply, Government expressed their regret that the announcement on this occasion had been delayed, but assured that the holiday list for 1948 was being drawn up, and it was not likely that in future any inconvenience on this account would be caused to commercial establishments.

MILL HOLIDAY FOR GANDHI JAYANTI.

Following the declaration made by the Government of Bombay for observing 11th October 1947 as a public holiday on account of the birthday of Mahatma Gandhi according to the Indian calendar, the Committee recommended to member mills that 11th October should also be regarded as a mill holiday. In order, however, that the cloth production might not suffer, the Committee requested Government to permit mills to work on Sunday the 19th October in lieu of the holiday granted on the 11th October. Notification No. 4165/34, dated 8th October 1947, issued by the Government of Bombay granting the necessary permission is reproduced below :—

"No. 4165/34.—In exercise of the powers conferred by sub-section (2) of section 44 of the Factories Act, 1934, the Government of Bombay is pleased to exempt the textile mills affiliated to the Millowners' Association, Bombay, from the operation of section 35 of the said Act on Sunday the 19th October 1947, subject to the condition that the said mills shall be granted a compensatory holiday under section 35-A of the said Act on Saturday, the 11th October 1947."

INDEPENDENCE DAY HOLIDAYS FOR MILL WORKERS.

Towards the beginning of August, the Government of India and the Government of Bombay declared Friday and Saturday, 15th and 16th August 1947, respectively, as Public Holidays in connection with the attainment of Independence by India. The Committee also recommended that 15th and 16th should be observed by member mills in Bombay as mill holidays and that workers should get their wages and dearness allowance for those two days.

MILL HOLIDAYS AND PAY DAYS FOR 1948.

The following mill holidays and pay days, which are in accordance with the provisions of the Factories Act, 1934, and of the Payment of Wages Act, 1936, respectively, were recommended by the Committee of the Association for adoption by all Bombay member mills during the year 1948.

MONTH.	DATE.	DAY.	FESTIVAL.	PAY DAY.	
				MILLS EMPLOYING 1,000 OR MORE OPERATIVES.	MILLS EMPLOYING LESS THAN 1,000 OPERATIVES.
JANUARY	1st	THURSDAY	<i>New Year Day</i>	Sat. 10th	Wed. 7th
	11th	SUNDAY			
	18th	SUNDAY			
	25th	SUNDAY			
FEBRUARY	1st	SUNDAY		Tues. 10th	Sat. 7th
	8th	SUNDAY			
	15th	SUNDAY			
	22nd	SUNDAY			
	29th	SUNDAY			
MARCH	9th	TUESDAY	<i>Maha Shivratri</i>	Wed. 10th	Sat. 6th
	14th	SUNDAY			
	24th	WEDNESDAY	<i>Holi</i>		
	25th	THURSDAY			
	26th	FRIDAY			
APRIL	4th	SUNDAY	<i>Gudi Padwa</i> <i>Ram Navami</i>	Fri. 9th	Wed. 7th
	10th	SATURDAY			
	17th	SATURDAY			
	25th	SUNDAY			
MAY	2nd	SUNDAY	<i>Solar Eclipse</i>	Mon. 10th	Fri. 7th
	9th	SUNDAY			
	16th	SUNDAY			
	23rd	SUNDAY			
	30th	SUNDAY			
JUNE	6th	SUNDAY		Thurs. 10th	Mon. 7th
	13th	SUNDAY			
	20th	SUNDAY			
	27th	SUNDAY			
JULY	4th	SUNDAY	<i>Ashadi Ekadashi</i>	Sat. 10th	Wed. 7th
	11th	SUNDAY			
	17th	SATURDAY			
	25th	SUNDAY			
AUGUST	1st	SUNDAY	<i>Nag Panchami</i> <i>Narli Purnima</i> <i>Gokul Ashtami</i>	Tues. 10th	Sat. 7th
	9th	MONDAY			
	15th	SUNDAY			
	19th	THURSDAY			
	28th	SATURDAY			
SEPTEMBER	6th	MONDAY	<i>Ganesh Chaturthi</i> <i>Gowri Visarjan</i> <i>Anant Chaturdashi</i>	Fri. 10th	Tues. 7th
	11th	SATURDAY			
	17th	FRIDAY			
	26th	SUNDAY			
OCTOBER	2nd	SATURDAY	<i>Sarva Pitri Amvasa</i> <i>Dasara</i> <i>Diwali</i>	Sun. 10th	Thurs. 7th
	12th	TUESDAY			
	17th	SUNDAY			
	24th	SUNDAY			
	31st	SUNDAY			
NOVEMBER	1st	MONDAY		Wed. 10th	Sat. 6th
	2nd	TUESDAY			
	7th	SUNDAY			
	14th	SUNDAY			
	21st	SUNDAY			
DECEMBER	5th	SUNDAY		Fri. 10th	Tues. 7th
	12th	SUNDAY			
	19th	SUNDAY			
	26th	SUNDAY			

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.

For purposes of record, the Indian Customs Tariff, Schedules I and II, appended to the Indian Tariff Act, XXXII of 1934 (as in operation on 1st January 1948), showing the rates of customs duties including the additional duties leviable under the Indian Finance Act, 1947, the Indian Tariff (Amendment) Act, 1947, the Indian Finance (Supplementary) Act, 1947, the Indian Tariff (Second Amendment) Act, 1947, and the Cotton Textiles Fund Ordinance, 1944, on goods imported into, and exported from British India, together with (1) the tariff values fixed, and (ii) the rates of duties leviable on articles produced or manufactured in Burma during the twelve months January to December 1948, are reproduced in full in *Appendix 34*.

THE MILLOWNERS' ASSOCIATION, BOMBAY.

Dr.

Income and Expenditure Account for the year ended on the 31st December, 1947.

Cr.

EXPENDITURE.		Rs.	a.	p.	Rs.	a.	p.	INCOME.		Rs.	a.	p.	Rs.	a.	p.
To Establishment		81,679	15	0				By Subscriptions for 1947	2,54,511	12	0				
" Dear Food Allowance		33,401	14	0				" Additional Subscriptions for 1947	2,681	5	0				
" Conveyance Allowances to Secretary, Labour Officer and Assistant Labour Officers		4,650	0	0				" Miscellaneous Receipts	3,908	11	0				
" Preparation of Monthly Import and Export Statistics for 1947		2,139	0	0				" Interest on Investments of General Fund, etc. (including interest accrued Rs. 4,823-15-4)	23,283	4	3				
" Preparation of Statistics for the Bombay Cotton Mill Industry for 1946		400	0	0								2,84,380	0	3	
" Office Rent		3,460	8	0											
" Printing Statistical Returns, Mill Statement for 1947, and Annual Report for 1946, etc.		10,148	8	9											
" Stationery		4,209	9	6											
" Advertisements		734	10	0											
" Fact Advertisements		3,629	8	0											
" Books and Periodicals		1,077	14	3											
" Auditors' Fees		600	0	0											
" Telephones		1,612	8	0											
" Electric Lights and Fans		2,012	1	1											
" Law Charges		1,622	2	0											
" Furniture and Fixtures		1,812	9	3											
" Petty Charges, Sundry expenses including Postage and Telegrams		3,823	1	6											
" Association's Contribution to Provident Fund		5,171	6	0											
" Membership subscription to the Employers' Federation of India, the Textile Institute, the Royal Asiatic Society, the Indian Institute of Art in Industry, and the Indian Standards Institution for the year 1947		2,618	10	0											
" Income-tax on interest on Securities for 1946-47	Rs. a. p.	7,810	10	0											
Do. deducted by Brokers		343	12	0											
		8,154	6	0											
Less—Refund from Brokers		1,575	10	0	6,578	12	0								
" Income-tax on cloth shops (1943 and 1944)					3,026	7	0								
" Bonus to Staff					7,467	2	0								
" Contributions for the year to:—					1,81,776	2	4								
The Victoria Jubilee Technical Institute		2,500	0	0											
" Police Comforts Fund		1,000	0	0											
" Textile Technical School		700	0	0											
" Sir J. J. Hospital Nursing Association Fund		500	0	0											
" K. E. M. Hospital Poor Box Fund		400	0	0											
" Naigaum Social Service Centre		350	0	0											
" Bombay Textile and Engineering Association		200	0	0											
" Goculdas Tejpal Hospital Nursing Association Fund.		200	0	0											
" Maharashtra High School		250	0	0											
		6,100	0	0											
Less—Provided in 1946 for Ambulance	Rs. a. p.	11,000	0	0											
" Cost of Ambulance		9,405	0	0	1,595	0	0								
" Balance, being excess of Income over Expenditure, carried to Balance Sheet					4,505	0	0								
					98,098	13	11								
	Total Rs.				2,84,380	0	3								
								Total Rs.					2,84,380	0	3

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Examined and found correct.

BOMBAY, 8th March, 1948.

A. F. FERGUSON & CO.,

Chartered Accountants,

Registered Accountants

N S V AYER

THE MILLOWNERS' ASSOCIATION PROVIDENT FUND.

Statement of Funds for the year ended on the 31st December, 1947.

PROPERTY AT OPENING AND RECEIPTS	Rs. a. p.	Rs. a. p.	Rs. a. p.	PROPERTY AT CLOSING	Rs. a. p.	Rs. a. p.
<i>Funds as at 1st January, 1947.. .. .</i>		93,104 14 11		<i>Investments held at Cost :—</i>		
<i>Contributions received from members during 1947</i>	5,375 1 0			Face Value. Rs.	Cost.	
<i>Contributions from the Association for 1947 ..</i>	5,171 6 0			<i>4 per cent. Government Loan, 1960-70 ..</i>	70,500	70,082 8 0
<i>Interest (including interest accrued Rs. 987-8-0) ..</i>	Rs. a. p. 3,919 6 6			<i>3 per cent. Government Loan, 1963-65 ..</i>	14,000	13,833 12 0
<i>Less—Bank Charges ..</i>	9 13 6			<i>3 per cent. Government Loan, 1951-54 ..</i>	5,000	5,031 4 0
	3,909 9 0	14,456 0 0		<i>3 per cent. 1st Development Loan, 1970-75</i>	6,000	5,902 8 0
		1,07,560 14 11		<i>3 per cent. Government Loan, 1966-68 ..</i>	6,500	6,849 8 0
<i>Less—Claims paid</i>	1,111 9 0			<i>Post Office 12-year National Savings Certificates 15,000</i>	15,000	15,000 0 0
<i>„ Claims forfeited</i>	868 9 0	1,980 2 0			1,17,000	1,16,699 6 0
		1,05,580 12 11		<i>(Market value of these securities was Rs. 1,27,389-1-0 on 31st December, 1947.)</i>		
<i>Lapses and Forfeitures :—</i>				<i>Advances to Members</i>		90 0 0
<i>Balance as per last statement</i>		15,483 1 11		<i>Interest accrued on the above securities</i>		987 8 0
<i>Add—Amount forfeited during the year</i>		868 9 0		<i>Cash with the Imperial Bank of India on current account ..</i>		5,172 0 10
<i>Suspense—Mr. P. S. Deshmukh's amount</i>		1,008 9 0				
<i>Narayan Amin's amount ..</i>		7 14 0				
		1,016 7 0				
Total Rs..		1,22,948 14 10		Total Rs. ..		1,22,948 14 10

Examined and found correct.

BOMBAY, 8th March, 1948.

A. F. FERGUSON & CO.,

Chartered Accountants,

Registered Accountants,

Auditors.

N. S. V. AIYER.

Secretary.

Report for the Year 1947.

Section III.

CORRESPONDENCE.

APPENDICES 1—34.

APPENDIX 1.

BOMBAY PORT TRUST.

ASSOCIATION'S REPRESENTATION ON THE BOARD OF TRUSTEES.

Copy of letter No. 257, dated 25th January 1947, addressed by Mr. Bhagwandas C. Mehta, Acting Chairman, to Sir B. Rama Rao, Kt., C.I.E., I.C.S., Chairman, Bombay Port Trust.

With reference to the interview that I had with you at your office last Saturday, I have been turning the matter over in my mind, and I think that I should perhaps bring the following to your notice.

I have since gone into the figures of the import and export trade done through the Chief Port of Bombay, and set forth below my analysis of the situation.

I have taken the years 1935-36 to 1939-40. In this period, the total value of import and export trade, which could directly be attributed to the existence of the cotton industry in Bombay amounted to an average of 18 crores of rupees per year. For ready reference, the items I have taken into this calculation are :—

Imports.

Bobbins.	Shuttles.
Bleaching materials.	Fuel oils.
China clay.	Tallow and stearine.
Dyes.	Cotton, raw.
Pickers.	Hoops and strips.
Picking bands.	Starch Dextrine and Farina.
Cotton textile machinery.	Artificial silk yarn.

Exports.

Cotton piecegoods and yarns.

In addition to the above, there are several other items of imports, which, though not entirely consumed by the cotton textile industry, are yet required to a very large extent for use in the cotton mill industry. Such items are :

Beltings.	Coal and coke.
Chemicals including acids.	All electrical materials, etc., etc.
Caustic soda.	

Without, however, taking into account the value of the items referred to in the immediately preceding paragraph, the value of items directly concerned with the cotton textile industry, namely, 18 crores, is about 19 per cent. of the total trade (exclusive of treasure) done in the Chief Port of Bombay, which amounts to 98 crores.

Perhaps you would be inclined to say that, generally speaking, mills do not directly import the articles mentioned above, but I trust that you will agree that the textile mills being the ultimate consumers or users of these, they have a justifiable case for adequate representation.

I venture to express the hope that you would perhaps be inclined to support our case for increased representation on the Board of Trustees.

Copy of letter No. A/GA-PT/8772, dated 4th November 1947, from the Bombay Port Trust to the Association.

I am directed to refer to the correspondence ending with your letter No. 257, dated 11th January 1947, conveying the views of the Millowners' Association on the question which is under the consideration of the Government of India of increasing the representation of Indian commercial interests on the Port Trust Boards.

The Trustees now direct me to enquire whether, in view of the subsequent political developments which have resulted in the partition of the country, the Millowners' Association have any fresh views to offer in the matter. If so, I am to request that you will kindly communicate them as early as possible but in any case *not later than the 20th instant*.

Copy of letter No. 257, dated 6th November 1947, from the Association to the Bombay Port Trust.

With reference to your letter No. A/GA-PT/8772, dated 4th November 1947, I have to state that the Association's case for increased representation on the Board of the Port Trust is in no way affected by the partition of the country.

APPENDIX 2.

EXPORT ADVISORY COUNCIL.

Copy of letter No. 48-A, dated 24th June 1947, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.

I am directed by the Committee of the Association to refer to the Department of Commerce Resolution No. 96-CW(5)/46, dated the 3rd May 1947, setting forth the revised constitution of the Export Advisory Council, and to make the following submissions thereon.

When the Export Advisory Council was originally set up in 1940, direct representation was accorded to this Association ; this was, however, taken away in 1944, and instead, the Textile Control Board was given the right to send in two representatives regardless of our protests.

My Committee note that under the revised arrangements, the Textile Control Board will continue to have two seats on the Export Advisory Council. But this is not satisfactory, for the preponderating membership, which the industry had on the Textile Control Board, and which was perhaps one of the considerations, which weighed with Government when they accorded direct representation on the Council to the Control Board when the Council was reconstituted in the year 1944, no longer holds good, since the Control Board has been enlarged with increased representation for non-manufacturing interests and my Committee have grave doubts whether it can now be seriously maintained that any two members of the Control Board will under all circumstances be able to represent the industry effectively on the Council. Moreover, the Association can claim as its members most of the premier exporters of cotton goods who are also manufacturers, and in this view of the case, it is urged that if and when the Textile Control Board is abolished, the representation on the Council now given to it should be given to the Association.

APPENDIX 3.

BILL TO AMEND THE CITY OF BOMBAY MUNICIPAL ACT, 1888, RE. WATER TAX.

Copy of letter No. 328, dated 3rd April 1947, from the Association to the Secretary to the Government of Bombay, General Department.

The attention of the Committee of my Association has been drawn to a Bill to amend the City of Bombay Municipal Act, 1888, published in Part V of the *Bombay Government Gazette* dated the 29th March 1947. The statement of objects and reasons attached to the

Bill states that doubts have been expressed whether it is open to the Corporation under section 140 (a), to fix a rate which yields an income in excess of the actual expenses from year to year, and that "it is considered undesirable that the discretion of the Corporation in fixing the rate of levy should be fettered. The amendment is intended to make it clear that the Corporation is not precluded from fixing a rate which may yield a profit in a particular year."

In this connection, I am directed to invite your attention to a Bill for amending the Bombay City Municipal Act published by Government in the year 1934, which, *inter alia*, proposed exactly the same amendment to section 140. The Committee of the Millowners' Association addressed a representation to Government setting forth their objections to the proposed amendment of the Municipal Act, and requested Government to withdraw the Bill. The Association's case was supported by all the industrial and commercial bodies in the city, and the Hon'ble the Minister for Local Self-Government convened a conference of representatives of these bodies for an informal discussion of the question. As a result of the discussions, Government subsequently withdrew the Bill.

The reasons which prompted Government to withdraw the Bill in 1934 still stand, and my Committee feel that they can do nothing better than re-state the grounds on which they opposed the Bill at that time.

At present, two methods are adopted by the Corporation for levying water tax. The small consumer pays his water tax at a percentage on the rateable value of his property, and large consumers as a general rule pay for their water by measurement at so much per thousand gallons. There is no relationship, whatsoever, between the two systems of assessments, and as a matter of fact, the larger consumer paying for his water on a meter measurement, has, according to our calculations, always paid a far higher charge than he would have had to pay if he had been taxed on rateable value of his property, and a much greater charge per thousand gallons than the actual cost to the municipality. In other countries, an entirely different principle has been followed, and large consumers usually pay a lower rate than smaller consumers. The principle of a reasonable charge in comparison to cost laid down in section 140 (a)—which when framed was probably intended to cover all classes of consumers—has been consistently flouted by the municipality in so far as the rates made applicable to consumers paying for water on a measurement basis are concerned, and my Committee maintain that the time is ripe for the removal of this inequitable treatment, and propose that the Act should be amended—after previous consultation with the important parties concerned—in such a way as would provide that the charges for water to consumers of all types should be upon an equitable basis, and fixed at such figures as would give to the municipality an income sufficient for its present and future needs.

While my Committee consider that the Corporation should be entitled to make a charge for water sufficient to cover the cost of providing an adequate supply to all consumers under all circumstances and possibly sufficient to make some provision for increasing its water-supply to meet possible future demands occasioned by the natural increase in population, industrial development, etc., they are strongly of the opinion that no particular class of consumers should be unfairly penalised to the advantage of other classes and hold that the Municipal Act should be amended to ensure equitable water charges for all classes of consumers in preference to amending the Act as provided in the Bill.

If some such provision is not made, my Committee fear that the losses which the municipality will incur in supplying water to the small consumers, will be made up by further penalisation of consumers who pay for water on a measurement basis. In addition, consumers paying on a measurement basis may, owing to their small direct representation in the Corporation, be called upon to pay still higher charges to provide the profit, which the Corporation would be entitled to make if section 140 (a) is amended in the manner specified in the Bill.

My Committee, therefore, strongly recommend that a Bill of so important a nature should first be circulated for eliciting public opinion before it is considered by the Legislature. If, however, Government find themselves unable to accept this suggestion, my Committee

would suggest that a conference of representatives of all interests should be convened for the purpose of arriving at a fair solution of the whole problem.

If, for whatever reasons, Government find themselves unable to accept even this suggestion, then, as a last resort, my Committee would suggest the introduction of a provision in the Bill which would place a limit on the profit to be made by the municipality in relation to the actual cost of bringing water to Bombay.

APPENDIX 4.

RIOT AND CIVIL COMMOTION TARIFF RATES.

Copy of letter dated 11th August 1947, from the Bombay Fire Insurance Association to the Association.

I enclose a copy* each of two circulars which are being issued to-day to the members of this Association.

In regard to the Apprehensive Period rates and procedure you will appreciate that the step now been taken will afford considerable relief to the insured who have been paying these rates for some months past and also to those to whom these rates may become applicable in future.

With regard to the general revision of the Riot and Civil Commotion Tariff the increased rates now published represent approximately 100 per cent. on those which were in force before last September's increases were introduced and these latter did not, of course, affect cotton mills and cotton mill godowns. Before deciding on the present increases my Committee have considered the position in India very carefully over a period of several months and have had the opportunity of consulting with officials of the Government of India as well as insurance representatives from Calcutta and Madras. You are aware that the Government of India proposals covering this type of risk fell through some time ago and insurers throughout India have subsequently been giving very anxious consideration to their position in view of the very uncertain state of public feeling and the possible further repercussions of forthcoming political developments. It has become apparent that for some time to come this matter cannot be handled on an all-India basis and it, therefore, became the duty of each insurance association to consider and legislate for conditions in its own territory. My Committee came to the conclusion that while some alleviation of the Apprehensive Period rates and conditions is justified it is equally true that conditions in general throughout our territory merit the increases now being promulgated in the normal annual rates for this type of cover. The type and complexity of the disturbances now being experienced are vastly different to the periodical labour disturbances contemplated when this Tariff was instituted and my Committee feel that the rates now to be charged are reasonable and more commensurate with the nature of the risk now involved.

Copy of letter No. 75, dated 3rd September 1947, from the Association to the Bombay Fire Insurance Association.

I am directed to acknowledge the receipt of your letter, dated the 11th August 1947, in which you reported your Committee's decision to increase your Riot and Civil Commotion Tariffs. In the case of cotton mills including cotton mill godowns situated in the Island of Bombay and Salsette, the rate has been increased from $\frac{1}{2}$ anna to 1 anna per cent. for buildings and contents respectively in the case of risks covered by column I, and from 9 pies to 2 annas per cent. for buildings and contents respectively in the case of risks covered by column II of the Tariff. My Committee are unable to appreciate the reasons which led to

* Not published.

the increase. They are prepared to concede that normal conditions do not obtain in certain parts of the country, particularly in the Punjab and Bengal ; conditions are, however, normal in Bombay City with which we are at present concerned, and in this view of the case, there seems to be no case for an increase in tariff by 100 per cent. in the case of risks covered in column I or for a much higher increase in the case of risks covered in column II.

Your Committee have raised the Riot and Civil Commotion Tariff rates on more than one occasion in the past, but my Committee wonder whether these rises have ever been justified by the subsequent claims experience in Bombay City of your organisation and its members. Bombay City has been well protected from the point of view of the forces which Government have at their disposal to deal with any untoward incidents. This has been amply demonstrated in the past, and even in 1942, when Bombay was comparatively quiet though disturbances had occurred in other parts of the country. Even when there had been disturbances in the city, e.g., communal riots, etc., instances of damage to mill buildings, mill property and mill godowns from rioting have been extremely few and of a very minor character. In this connection, your Committee will remember that, though you had increased the rates in 1942, they were reduced later. Taking all these into consideration, my Committee feel that there is no justification whatsoever for increasing the tariff rates for Bombay City mills and godowns. If the increases you have proposed are justified by the claims experience of your members, my Committee would be glad to have a look at the figures. It is conceded that an adjustment in tariff is made in anticipation of an emergency, but the point which my Committee desire you to consider is whether such an emergency is likely to arise in Bombay. Here the criterion is past experience, and it is submitted that on this ground there is no justification whatever for an increase.

In the circumstances referred to in the preceding paragraphs, my Committee strongly protest against the increases referred to, and trust that you will reconsider the whole position in the light of the facts set forth in this communication and revert to the old Tariff rates.

An early reply will be greatly appreciated.

Copy of letter dated 30th September 1947, from the Bombay Fire Insurance Association to the Association.

I refer to your letter No. 75, dated 3rd instant, and am directed to inform you that, as mentioned in my letter of the 11th instant, my Committee gave very full and careful consideration to the matter before deciding on the revised rates brought into force on 11th August 1947 and they were unanimously of the opinion that in view of present conditions the previous rates were not commensurate with the additional risks involved. My Committee, therefore, had no option but to increase the rates and they trust you will appreciate that in the circumstances they are unable to accede to your request to revert to the previous rates.

I am also to inform you that my Committee propose to keep the rates under review.

APPENDIX 5.

REMOVAL OF DUTY ON FURNACE OIL.

Copy of letter No. D.O. 112-Secy./47, dated 8th May 1947, from the Government of India, Department of Commerce, to the Association.

You would perhaps recall that on the occasion of the Hon'ble the Commerce Member's visit to the Association on 11th October 1946 it was represented that the price of fuel oil had been registering successive increase during the past few months, and in consonance with

the policy of Government of making cheap raw materials available to the industry, it was requested that the import duty on fuel oil amounting to Rs. 9-12 per ton should be removed. The question has been carefully examined in consultation with all the departments concerned and it has been found that the complaint of the Association really relates to furnace oil, which is distinct from Diesel oil, though both are included in the term "fuel oil." As a result of the enquiry, it has been ascertained that in Bombay as against a rate of Rs. 35-8 per ton of coal ex-depot, furnace oil sells at round about Rs. 60 per ton delivered at mills. Two tons of coal being roughly equivalent to one ton of furnace oil, the use of furnace oil even at the present enhanced rates appears to be economical. It is, therefore, concluded that there is no case at present for considering the removal of the import duty on furnace oil.

Copy of letter No. 208, dated 28/29th August 1947, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.

Would you kindly refer to your letter No. D.O. 112-Secy./47, dated the 8th May 1947? Furnace oil prices have since registered a further rise in prices and is quoted at present at Rs. 79 per ton in Bombay. The request for the removal of the duty on furnace oil was based on the ground that oil being one of the raw materials required by the industry, should be admitted free of duty as is apparently being done in U.K. in consonance with their policy of making raw materials available to the industry as cheaply as possible.

The argument advanced by Government in reply to this suggestion is hardly tenable, for, the Association never entered into a comparison of furnace oil prices with coal prices. As a matter of fact, even the oil company have not, so far as our recollection goes, admitted that their prices are linked with coal prices. From our experience, 4 tons of furnace oil are approximately equal to 7 tons of Indian coal in calorific value. On this basis and with coal at Rs. 36 in Bombay, oil should not be selling at more than Rs. 63 per ton. Moreover, there is no guarantee that, if the prices of coal went down considerably, the oil companies would be prepared to readjust their prices accordingly.

The Association desires to draw Government's attention to a letter dated the 25th June 1946 addressed to the Association by Messrs. Burmah-Shell Oil Storage and Distributing Co. of India Ltd. The letter is self-explanatory. Briefly stated, their explanation for the rise in prices is that the world demand for oil has outstripped supply. This state of affairs is extremely unsatisfactory, which, if allowed to continue, might allow oil prices to rise regardless of other considerations. In this view of the case, the Committee feel that there is sufficient justification for active enquiries by Government, as regards the price structure of the oil supplied in India and the prices at which they are sold in U.K., U.S.A., etc.

Copy of letter No. B/LF/7 D/O, dated 25th June 1946, from the Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., to the Association.

We refer to your letter of the 4th May.* We regret the delay but we have been discussing with our London office the increase in our rate on the 5th April.

We may say frankly that an increase was not expected by us and like your Committee we had hoped that rates would tend to drop rather than to increase. Since then we have noted the increase in the cost of other commodities and we feel now that perhaps our optimism was unjustified.

You will appreciate that like other important commodities such as wheat and cotton, furnace oil is a world commodity and is subject to a number of influences which tend to stimulate or decrease production, and to raise or lower the value. When we say to stimulate production, we would remind you that there are two ways of stimulating production of furnace oil. First, by an absolute increase in the production of crude oil in the world and secondly by a decrease in the production of other petroleum products also obtained from

* Not published.

the crude oil. Further, it is only natural that, in the uncertain and insecure conditions prevailing throughout the world to-day, investors of capital in new production projects should require attractive prices to encourage additional capital investment.

To-day there is an abnormal demand for furnace oil and in this connection we can quote Bombay City as an example. The consumption here both for ships' bunkers and industries greatly exceeds the pre-war figure. The demand is due to the fact that all over the world factories and mills, which have not been wrecked in the war, are working at maximum output.

Coal production for various reasons, principally Labour troubles, is considerably below normal. The former enemy-occupied countries which have been starved for oil supplies throughout the war are pressing for supplies. Our London office also mentions one other fact which had certainly not occurred to us. During the war deforestation took place on an unprecedented scale in certain areas and this is now having a further adverse effect on the general fuel situation.

There is thus a world fuel shortage and as always occurs in such circumstances, this is reflected by a tendency for prices to harden.

The extra demand has not yet been balanced by extra production. In fact, one of the principal pre-war producing areas, the Dutch East Indies, is at present contributing practically nothing. We must expect, therefore, that the present abnormal state of affairs will continue for some time. Your Committee will, however, be interested to see the following prediction made by our London office :—

“ Whether or not the present level of fuel prices is of a temporary nature we cannot say but it is reasonable to assume that when the world coal position improves and oil fields, now in process of being restored and developed, come into full production prices will then reflect the improved position.”

APPENDIX 6.

CONTROL AND REGULATION OF COTTON TRADE.

CABINET COMMITTEE'S REPORT.

Report of the Committee of the Cabinet on the Control of Forward Trading in Cotton in the Bombay Province.

In September 1946, the Government of Bombay decided that a Committee of the Cabinet, consisting of the Ministers for Revenue, Finance and Agriculture, should examine the question of legislating for the further control and regulation of forward trading in cotton in the Bombay Province. On 24th September 1946, the Committee issued a questionnaire which covered the various issues it proposed to examine. In response to this questionnaire which was published in the Press and also individually addressed to different Associations and Governments, as well as to persons interested in the cotton trade, several replies were received. A certain amount of useful comment appeared in the Press.

2. The Committee then issued invitations to selected individuals and Associations and, at a series of interviews, had the opportunity of eliciting their views in personal discussion. The Committee is grateful to all those who have assisted it in its task. The thanks of the Committee are particularly due to Sir Purshotamdas Thakurdas, President of the East India Cotton Association, who unreservedly placed the benefit of his experience at its disposal.

3. The Committee has reached agreed conclusions on the various issues involved and, in the following paragraphs, submits its recommendations to the Cabinet.

4. A perusal of the questionnaire will show that the Committee was concerned with three broad issues, viz., control by Government, constitution of the East India Cotton Association, and composition of the present hedge contract. These three items, namely, control, constitution and contract, may now be dealt with in that order.

Control.

5. The control which the Provincial Government now exercises over forward trading in cotton is derived from the Bombay Cotton Contracts Act, 1932, and the Bombay Options in Cotton Prohibition Act, 1939. Besides, there are various orders passed by the Government of India during the war by virtue of powers vested in that Government by the Defence of India Act and the Rules thereunder. The relevant orders have been continued in force in this province by the Essential Commodities and Cattle (Control) Act, 1946, a provincial Act, under the provisions of which cotton has been declared an essential commodity. The position under the various enactments and orders may be briefly summarised as follows.

6. As long as the emergency orders, originally issued under the Defence of India Rules and now continued under the Essential Commodities and Cattle (Control) Act, remain in force, forward trading in cotton may be carried on in this province by the East India Cotton Association alone, and the trading in that Association is subject to the conditions originally imposed in exercise of the emergency powers. The most important of these conditions is the ceiling and floor prices laid down by the Government of India. These measures may be regarded as temporary. A less temporary piece of legislation is the Bombay Options in Cotton Prohibition Act, 1939, which too, however, being a Section 93 measure, will lapse after a time unless duly re-enacted. There then remains one permanent measure of legislation, namely, the Bombay Cotton Contracts Act, 1932, and it is in the relation to the provisions of this Act that the question of any enduring changes in the degree and extent of control must be considered. The operation of this Act is confined to the limits of the city of Bombay and Salsette. Under it, Government has power to recognise cotton Associations. The by-laws of the recognised Associations are subject to the approval of Government. Contracts not in accordance with such by-laws (which, of course, include contracts made outside a recognised Association) are void. It is open to Government to recognise more than one Association, but Government has so far recognised only one Association, namely, the East India Cotton Association. This is in pursuance of a policy which is popularly known as "unitary control."

7. Unitary control, in the form in which it now exists, is, as already stated, confined to Bombay City and Salsette under the Bombay Cotton Contracts Act, 1932. The first question which the Committee has had to consider is whether this or a similar measure should be extended to the whole Province. The Committee has no doubt that the measure should be so extended and that, so far as hedge trading is concerned, there should be only one recognised Association for the whole Province, namely, the East India Cotton Association. Forward trading in places outside Bombay may be permitted, provided it is confined to delivery contracts (that is to say, broadly speaking, contracts in which delivery is compulsory but transfer is not prohibited) in local growths of cotton not covered by the hedge contract of the East India Cotton Association. But such permission should not by any means be given as a matter of routine. Genuine need for such trading and the practicability of a contract which cannot be readily manipulated by speculators should be required to be fully established by the Association which seeks permission. The Committee considers that, normally, no region (Gujarat, Maharashtra and Karnatak) need have more than one recognised Association of this kind.

8. The next question which the Committee has had to deal with in this connection relates to the degree of control which Government should assume over recognised Associations. The Committee is of the opinion that Government should take power to impose by-laws in all matters. It will not suffice to provide merely that the by-laws of a recognised Association should be subject to the approval of Government. Moreover, contracts not in accordance

with the by-laws should not be merely void as at present, but should be made illegal ; that is to say the parties thereto should be rendered liable to punishment. It should also be a penal offence for any person to organise, assist in organising, or be a member of, an unrecognised Association.

9. The Committee is further of the opinion that Government should take power to nominate the President or one or more members of the Board of any recognised Association. It should also have the power to supersede the entire Board, including the President, of any recognised Association.

Constitution.

10. The second broad issue with which the Committee was concerned is the constitution of the East India Cotton Association. It will be noticed that, in the frame work of control contemplated by the Committee, the East India Cotton Association will have a virtual monopoly of forward trading in cotton. In such a framework it is obviously necessary that the constitution and by-laws of the Association should be such as to leave no room for legitimate complaint from any of the interests affected.

11. In regard to this Association, the Committee has been most impressed with the need for effective enforcement of the by-laws of the Association. Such enforcement will, in the last analysis, mean the prompt and proper exercise of the power to fine, suspend or expel members who contravene the by-laws. The powers in question fall into two categories :

- (i) those concerned with the initiation of steps leading to possible disciplinary action : such powers are at present vested in the Board acting by a bare majority ; and
- (ii) those concerned with the actual taking of disciplinary action : such powers are at present vested in the Board acting by a three-fourths majority.

As regards the first category, the Committee recommends that parallel powers should also be vested in the President, acting by himself ; and, as regards the second category, the Committee recommends that these powers should be exercisable by a bare majority of the Board instead of by a three-fourths majority. The Committee also recommends that where, in any of these matters, the President disagrees with a resolution of the Board, he should be entitled to forward to Government a copy of the resolution, a statement of his reasons for disagreeing with the Board, and his own recommendation. Government should take power to pass orders on such recommendation.

12. The Committee is of the opinion that the present system of directors being chosen to represent different interests should continue but that the election should be by the general body as a whole and not by panels thereof. In other words, the directors would be divided into panels, but not the general body. The Committee also recommends that two of the six seats now reserved for brokers should be reduced and a corresponding number reserved for Associate Members.

13. It has been represented to the Committee that growers' representatives nominated to the Board lack in the experience necessary for the effective safeguarding of the interests which they represent. In accordance with the suggestion already made, buyers, sellers and brokers will have four seats each and Associate Members two seats. Including the one seat reserved for co-option, these make a total of 15 seats. Regarding the other seats which are filled at present by representatives of growers, the Committee is of the opinion that, in addition to the three persons nominated by the Indian Central Cotton Committee, four persons should be nominated by Government and that, in making these nominations, Government should normally appoint persons who can be trusted effectively to safeguard the growers' interests, but that they need not necessarily be growers, provided that, where the person to be so appointed is neither a grower nor an official, he should be a person with experience of the marketing of cotton.

With these seven nominations, the Board of the East India Cotton Association will consist of 22 directors instead of 20 as at present.

14. For the reasons already stated, it is necessary that the East India Cotton Association should not be either a closed corporation or one in which membership can be traded in by those who hold it. Accordingly, the Committee is of the opinion that there should be no provision for transfer of membership and no limit to the admission of new members either Ordinary or Associate. The present conditions regarding deposit, entrance fee and annual subscription should, however, remain. The Associate Members, who have at present no voice in the general body of the East India Cotton Association, should be allowed to elect members to the general body in the following manner :—

for the first 100 Associate Members	5 members,
for every additional 50 Associate Members, or part of 50 ..	1 member,

provided however that the total number of such members elected to the general body does not exceed 20.

15. The present system of survey and arbitration has come in for much criticism. The Committee is of the opinion that, ultimately, licensed warehouses are the only means of eliminating the abuses to which the system of survey and arbitration is liable. But that can only be a long-term measure and should probably be worked out by a special officer. Meanwhile, improvements in the present system are necessary and these, in the opinion of the Committee, should comprise an enlargement of the personnel of the Survey and Appeal Committees, an insistence on the possession of a high standard of technical knowledge or experience for membership of these Committees, and the introduction of machine tests at the stage of appeal. The Committee recommends that the Survey and Appeal Committees should be enlarged as follows :—

Survey Committee	from 25 to 50
Appeal Committee	from 16 to 30
Super-Appeal Committee	from 3 to 5

Simultaneously, it is necessary to ensure that no surveyor is retained whose work consistently falls below an acceptable standard. The Committee would leave it to the Board to prescribe the standard and the manner of enforcing it. The former may perhaps be related to the percentage of cases in which decisions in survey have stood the test of appeal ; while the latter will undoubtedly require some kind of periodical review of the work of individual surveyors. But, whatever the standard and the form of review, the Board should take power to remove unsuitable surveyors, and exercise the power without hesitation. The Committee further recommends that the Association should make more use of the machine tests at the stage of appeal. While the machine test may be optional for the Appeal Committee, it should be obligatory for the Super-Appeal Committee to order such test if it should be demanded by the appellant. The Committee is impressed with the evidence it had before it regarding the utility of machine tests in surveying cotton and would urge the East India Cotton Association to depute a suitable officer to make a thorough study of the machine tests carried out in the United States of America.

16. Regarding the preparation of standards for Indian cotton for staple and for grade, the Committee feels that unless such standards are prepared at an early date, the present disputes arising from survey of cotton may continue unabated. One of the recommendations of the Cotton Contracts Act Committee of 1930 (Wiles Committee) was "that the Standards Committee of the East India Cotton Association should refer this question to the Imperial Council of Agricultural Research established by the Government of India and invite their assistance." The present Committee would suggest that Government should take the initiative in this matter and, in consultation with the East India Cotton Association, the Indian Central Cotton Committee and other appropriate bodies, prepare standards for different varieties of cotton, both for staple and for grade.

17. No changes seem necessary to the Committee in respect of the provisions regulating trading hours and holidays, the prevention of bear raids and squeezes and the Ring Committee. Complaints have been made to the Committee that there is large-scale evasion of the by-laws relating to business deposits by collusion between members. The Committee considers that the Board should either effectively enforce the relevant by-laws

or establish a case for their deletion. There is no provision at present in the by-laws of the East India Cotton Association prescribing minimum brokerage rates. In this regard, the Committee would merely record its opinion that, while such a provision would be very desirable, if enforced, it would be worse than useless, if not enforced.

18. One important question which has arisen before the Committee is whether special facilities should be given to the small trader. More concretely put, the question is whether trading in units of 20 bales should be permitted as against the 50-bale unit adopted by the East India Cotton Association. The Committee has carefully considered the question and come to the conclusion that smaller units should not be allowed. Following from this conclusion, the Committee recommends that there should not be a general reduction in the membership fee of the East India Cotton Association nor a separate class of membership for small traders. This also disposes of the question whether there should be a separate trading ring for the small traders. The small trader can become an Associate Member and the Committee has already recommended that two seats of directors should be reserved for the Associate Members and that these members should elect a certain number of members to the general body of the Association. In view of these recommendations, the Committee does not feel it necessary to give separate consideration to the question of amalgamation of the Shri Mahajan Association with the East India Cotton Association.

19. For the same reason as mentioned above, namely, that the small man should not be encouraged to gamble on the cotton market, the Committee considers that options in cotton, i.e., Teji Mandi transactions, should be forbidden. A large body of opinion to the effect that these transactions cannot really be suppressed and that they should therefore be controlled rather than eliminated has been put before the Committee. One of the principles which the Committee would emphasize is that no type of trading should be permitted which is not in the interests of grower and consumer; and it does not seem to the Committee that trading in options is necessary in the interests of either the grower of cotton or the consumer of cloth, or indeed that it is conducive to a healthy cotton trade. As for enforcement, the Committee hopes that Government, and, with the fuller powers proposed to be vested in him, the President of the Association, will be able to enforce the prohibition against options.

Contract.

20. The third and last of the main issues with which the Committee was concerned is the present hedge contract known as the Indian Cotton Contract. The Committee has received no serious complaints against the working of this contract, but has noted various minor particulars in respect of which it may need alteration. The Committee is of the opinion that the present time is not opportune for considering a change in the major basis of the contract. Such a change would only be occasioned by a substantial alteration in cotton policy itself. As long as Indian cotton is grown and marketed, as at present, largely for domestic consumption, and only partially for export, and as long as the quality of cotton required for domestic consumption is medium and long staple and not short staple, it does not seem to the Committee that any radical alteration in the present contract is necessary. In this respect, therefore, the Committee would recommend that, while minor defects should be rectified, a review of the basis of the contract should be deferred for the present. Among the minor points which need attention are (i) a suggestion, which has been strongly urged on the Committee by various witnesses, that the basis of the hedge contract should be changed from $\frac{3}{4}$ " Jarilla to 25/32" Jarilla and (ii) another suggestion that the by-laws should provide for buying on account in the event of the seller defaulting.

Copy of letter No. 308, dated 11th June 1947, from the Association to the Secretary to the Government of Bombay, Finance Department.

The Committee of the Association have read with interest the Report of the Committee of the Cabinet on the Control of Forward Trading in Cotton in the Bombay Province. They are glad to note that, with the possible exception of one or two, the Report has conceded practically all the points made by the Committee of the Association in their answers to the questionnaire issued by the Cabinet Committee.

In paragraphs 12 and 13 of their Report, the Cabinet Committee make the following proposals :—

- (a) Election to the Board should be by the General Body, though it is proposed to retain the Panel system of representation.
- (b) Two out of the six seats now reserved for the Brokers should be reduced, and a corresponding number reserved for Associate Members.
- (c) The number of Growers' representatives on the Board is proposed to be increased from 5 to 7.

As regards (a), the implication of the recommendation is, so far as my Committee can make out, that voting for the election of a Director representing, for instance, the Buyers' Panel, would not be confined only to the members of that panel, but would be thrown open to all members of the East India Cotton Association regardless of the panel to which they belong. If this reading of the situation is correct, then, my Committee regret to observe that, far from protecting the minority against the majority constituting the broker element of the trade, Government are seeking actively to help the brokers by even allowing them to pull their weight in the election of Directors from panels with which they have no concern whatsoever. This would give them an opportunity to utilise their numbers in supporting the candidature of the person in whom they are interested. In other words, though the Directors on the Board will represent different interests on paper, they would, in practice owe their election to the Brokers' Panel. My Committee respectfully invite attention to their answers to the Cabinet Committee's questionnaire in which it was explained how the brokers, by their weight of numbers, were utilising the organisation for their own ends and to the detriment of *bona fide* trading interests, and it was to correct this situation that the Committee suggested a reversion to the old method of representation through representative committees. The recommendation made by the Cabinet Committee only makes matters worse, for the brokers would not only continue to have a preponderating majority at the General Meetings, but would also have a say in the election of Directors from all panels.

With regard to (b), my Committee respectfully beg to submit that the Cabinet Committee are trying to make a distinction without difference. Associate Members are, in practice, brokers, and therefore, the brokers' representation on the Board continues as before, namely, a majority of six as against four each allotted to the buyers and sellers.

Turning now to (c), the Committee of the Association would have no objection to the adequate representation of the growers on the Board of the East India Cotton Association, but it should be pointed out that increase in the number of Directors on the Board of the East India Cotton Association is not calculated to help the trade and the grower, but, on the other hand, will make our minority on the Board more pronounced than before.

In these circumstances, the Committee of the Association earnestly request that the recommendations made in paragraphs 12 and 13 of the Report be reconsidered by the Cabinet Committee.

My Committee refer to paragraph 14 of the Cabinet Committee's recommendation, namely, that there should be no provision for transfer of membership. The point made by the Committee of the Association was that the constitution of the East India Cotton Association should definitely prohibit not only the transfer of membership from one individual, corporate or otherwise, to another, but also transfer of membership from one panel to another. Unless such a prohibition were contained in the constitution, transfer of membership from individual to individual, or from panel to panel, will be permitted on the ground that it is not prohibited by the Rules.

In paragraph 15 of their Report, the Committee of the Cabinet have recommended an increase in the Survey Committee from 25 to 50, the Appeal Committee from 16 to 40, and the Super-Appeal Committee from 3 to 5. My Committee desire to point out that this proposal is likely to do more harm than good, as it is doubtful whether there are sufficient experts in Bombay, who are qualified and willing to serve on these committees.

My Committee are disappointed to note that, in paragraph 15, the Committee of the Cabinet have made no reference to the appointment of whole-time surveyors. It is thought that the services of whole-time surveyors should be made available to the trade. It may not be possible to get just at present the services of duly qualified experts in requisite numbers, to act as full-time paid surveyors, but a start can be made, and it is suggested that this aspect of the question may be considered by Government.

In paragraph 15, the Cabinet Committee have also referred to the introduction of machine tests at the stage of appeal. My Committee are aware that even machine test results are not likely to be conclusive for the reason that whatever the machine used for measuring staple length, the human element cannot be altogether dissociated from the results. It may perhaps be that with new inventions depending less for their results on the human element, results may become more dependable, and it is thought that the time would then have reached for the introduction of machine tests in the stage of appeals.

In their answers to the questionnaire issued by the Committee of the Cabinet, the Committee of the Millowners' Association had recommended the introduction of a system of Blind Surveys with whole-time Surveyors. It was also pointed out that there is to-day in force a system of Blind Survey Appeal and Super-Appeal for determining the qualities and staple of cotton tendered against Hedge Contracts, but that, in spite of everything somehow or other the trade has never been fully satisfied with the results. It was further pointed out that recently there had been either an extremely long or short position in the market, and sometimes allegations had been made against the manner in which these Survey Appeals and Super-Appeals are being held. In this view of the case, the Committee of the Association had suggested that the best way out of the difficulty was to put the system of Arbitration on the basis of certification of cotton as appears to prevail in the United States of America. This recommendation seems to have been ignored by the Cabinet Committee. The recommendations made by the Cabinet Committee are not calculated to do away with the evils which are likely to follow from an arbitrator being interested in a sample tendered for arbitration; whereas in an arbitration by certification the personal factor disappears because, one certifies cotton before he knows his own interest and long and short position.

The Committee of the Association earnestly request that Government might reconsider the whole position in the light of the observations made in this communication. The essence of this Association's complaint against the East India Cotton Association lies in the constitution of the latter and the comparative ease with which the brokers override the wishes of the other sections of the trade. If this fundamental defect is not remedied, then, my Committee do not see how the East India Cotton Association may be expected to function in the *bona fide* interest of the growers and users of Indian cotton.

*Copy of Press Note issued by the Director of Publicity, Government of Bombay,
on 9th August 1947.*

CONTROL AND REGULATION OF FORWARD TRADING.

Government Accepts Recommendations.

The Government of Bombay has carefully considered the recommendations of the Committee of the Cabinet appointed to report on the further control and regulation of forward trading in cotton in the Bombay Province. The Committee's report was published towards the end of April 1947. The Government has also taken into account the comments offered on the various proposals contained in the Report and is gratified to note that, in respect of these proposals, a large measure of agreement with the Committee has been expressed by the public and the trade.

Subject to what follows, the Government of Bombay accepts the recommendations of the Cabinet Committee. In so far as these relate to the assumption of larger powers of control by the Government, it is proposed to bring forward the requisite legislation as early

as practicable. To the extent that the proposals involve a change in the constitution of the East India Cotton Association, a request has already been addressed to the Board of that Association to take steps to effect the alterations recommended. It is hoped that the Board and the Association will be reconstituted accordingly by January 1, 1948. The Government has further accepted the suggestion that the life of the existing Board should meanwhile be extended to December 31, 1947.

Non-transferable Delivery Contracts.

It has been asked whether the control recommended by the Committee covers not merely transferable delivery contracts and hedge contracts but also contracts between specific buyers and sellers in which delivery is definitely contemplated, that is to say, non-transferable delivery contracts. The Government desires to make it clear that the Committee does not envisage, and that the Government does not propose, the assumption of control over non-transferable delivery contracts in cotton.

In paragraph 15 of its Report, the Committee has expressed the opinion that, while licensed warehouses are the ultimate means of eliminating the abuses to which the present system of survey and arbitration is liable, short-term measures of improvement are meanwhile necessary and these should comprise "an enlargement of the personnel of the Survey and Appeal Committees, an insistence of the possession of a high standard of technical knowledge or experience for membership of these committees, and the introduction of machine tests at the stage of appeal." The short-term recommendations have been criticised, particularly on the ground that the machine test is unsuited for the purpose in view and, indeed, is nowhere utilised in the testing of cotton for commercial buying in the forward markets. In respect of survey and arbitration the Government wishes to announce the following decision: while the Government accepts the relevant recommendations of the Cabinet Committee as a provisional solution for a very difficult problem, it would be prepared to waive it in favour of any other solution, such as that of employing full-time paid surveyors, agreed upon, in mutual consultation, by representatives of the East India Cotton Association and of the Indian Central Cotton Committee, provided such agreement is reached as early as practicable and in any case not later than January 1, 1948.

New Class of Members.

The desirability of affording some facilities to the members of the Shri Mahajan Association, with a view to the absorption of these members in the unitary body into which the East India Cotton Association will be reconstituted, has been strongly urged upon the Government by several Trade Associations. The Government has decided that the facility should take the form of the creation of a new and temporary class of membership which, it is trusted, will, on the expiry of the temporary period and on further conditions to be then prescribed, be absorbed in one of the regular classes of membership of the East India Cotton Association. It may be emphasised that the prescribed duration will be of the nature of a period of experiment and probation at the end of which, should it appear to the Government that the arrangement has been detrimental to the interests of healthy cotton trading in the Province, the Government will not hesitate to reject pleas either for the further continuance of the temporary class of membership or for the grant of further facilities for its absorption in one of the regular classes of membership. In arriving at its decision, the details of which are as follows, the Government has also taken into consideration the view urged that a larger degree of representation on the general body than that recommended by the Cabinet Committee should be permitted to this class of members as well as to associate members of the East India Cotton Association generally:

1. The East India Cotton Association will be requested to create a class of New Special Associate Members (Temporary), which will be terminable on August 31, 1950.

2. Only such persons will be eligible for admission to this class as have continued to hold a membership card of the Shri Mahajan Association from a date prior to May 1, 1947.
3. Every member of this class will pay a deposit of Rs. 5,000 and an annual subscription of Rs. 200.
4. The trading rights of such member will be the same as those of a full member of the East India Cotton Association, subject to the condition that, in the event of any party asking for either a havalas or a deposit from a member of this class in respect of any transaction, he shall forthwith give the havalas of a full member of the East India Cotton Association or pay such deposit ; and subject further to the number of permits admissible to a member of this class being such as may be decided by the Government in consultation with the East India Cotton Association.
5. The voting rights of such member will be the same as those of an associate member of the East India Cotton Association, Associate and special Associate Members of the East India Cotton Association (including New Special Associate Members) may be allowed to elect representatives to the general body up to nine per cent. of the total strength of such members (in place of the lower limits recommended by the Cabinet Committee in paragraph 14 of its Report).
6. The Government will in due course, and in any case not later than May 31, 1950, review the position, and decide in consultation with the East India Cotton Association (a) whether this special class should be continued beyond August 31, 1950, and if so for what period and on what further conditions, and (b) if it is not to be so continued, whether any facilities should be given for its absorption in one or more of the other classes of membership of the East India Cotton Association, and, if so, what facilities.

Copy of letter No. 308, dated 3rd October 1947, from the Association to the Secretary to the Government of Bombay, Finance Department.

I am directed to invite your attention to my letter No. 308, dated the 11th November 1946, and to the Press Note issued by Government on 9th August 1947. Briefly stated, Government seem to have accepted the recommendations of the Report of the Committee of Cabinet on the elections to the Board of the East India Cotton Association.

In my letter No. 308, dated the 11th November 1946, I set forth at length, in answer to question 2 of the questionnaire, my Committee's dissatisfaction with the proposed administration of the E.I.C.A. It was pointed out, for instance, how the brokers were in a position to throw out, through the advantage in numbers they possessed, even certain desirable reforms in the trade, which the Board had decided to introduce. The recommendations of the Committee of Ministers go further and make the position even worse, for, at present, the brokers can throw their weight of numbers at general meetings only ; but under the proposed arrangements, they would also have a hand in the election of Directors to represent, for example, Buyers' and Sellers' Panels. In this connection, I would respectfully invite attention to my letter No. 308, dated the 11th June 1947, in which the danger which is likely to arise from the adoption of the Report of the Committee of Ministers in this respect has been set forth at length.

My Committee feel that the implications of the Cabinet Committee's recommendations have not been fully appreciated by Government, and they request, therefore, that the whole question be reconsidered in the light of what has been stated above.

APPENDIX 7.

BOMBAY COTTON (STATISTICS) RULES, 1947.

Copy of letter No. 88, dated 28th May 1947, from the Association to the Special Officer (Reconstruction Finance), Finance Department, Bombay.

DRAFT OF THE BOMBAY COTTON (STATISTICS) RULES, 1947.

I am directed to refer to your letter* No. 6280/33-D, dated the 5th May 1947, forwarding the draft Bombay Cotton (Statistics) Rules, 1947, and to communicate my Committee's views thereon.

Draft Rule 4 reads :—

“ Exercise of the right of access, inspection and search under section 4 of the Act.—The officers authorised under section 4 of the Act shall exercise the right of access, inspection and search conferred by that section during any time between sunrise and sunset.”

The rule, as it stands, would require, for its compliance, the presence on the premises of the record clerks and office superintendents of the establishment concerned on *all days from sunrise to sunset*, so that the inspector, on his visit, may have access to every relevant document. This, my Committee believe, is not the object which Government have in view. Even if two or three shifts are worked in a mill, the clerks who are in charge of the relevant records, are present in the mill only in the first shift, and my Committee would suggest that the above rule should be amended so that the inspectors may visit the industrial establishments concerned between 10-00 a.m. and 3-00 p.m., i.e., during the first shift after previous notice to the occupier or the owner of the premises, as the case may be.

The Act and the Rules apply only to the Province of Bombay, and if, really useful statistics relating to raw cotton are to be obtained, similar legislation must be introduced in other Provinces and States, and my Committee trust that Government will bring this matter to the notice of the appropriate authorities.

Bombay Cotton (Statistics) Rules, 1947, issued by Finance Department, Government of Bombay, on 3rd July 1947.

No. 6280/33-D.—In exercise of the powers conferred by section 13 of the Bombay Cotton (Statistics) Act, 1946 (Bom. XXVII of 1946), the Government of Bombay is pleased to make the following rules, namely :—

1. *Short title.*—These rules may be called the Bombay Cotton (Statistics) Rules, 1947.
2. *Definitions.*—In these rules, unless there is anything repugnant in the subject or context—
 - (1) “Act” means the Bombay Cotton (Statistics) Act, 1946 ;
 - (2) “Form” means the form appended to these rules ;
 - (3) Words and expressions not defined in these rules but defined in the Act shall have the meanings assigned to them in the Act.
3. *Form of return under section 3 of the Act.*—(1) The return to be submitted to the Director of Agriculture (Extension), Bombay Province, Poona, in accordance with section 3 of the Act shall be in form “A” hereto appended.
 - (2) A copy of the form duly filled in shall be sent to the Cotton Superintendent of the Division.
4. *Exercise of the right of access, inspection and search under section 4 of the Act.*—The officers authorised under section 4 of the Act shall exercise the right of access, inspection and search conferred by that section during any time between sunrise and sunset.

FORM A.

(See rule 3.)

To

THE DIRECTOR OF AGRICULTURE (EXTENSION),

PROVINCE OF BOMBAY, POONA.

I/We.....trader/owner hereby declare that I/we possessed the following stocks of cotton detailed below on 31st August 19.... according to the records maintained by me/us and that the same actually tally with the stocks on hand :—

(a) Full name and address of the trader or owner.....

(b) House No. and complete address of the premises where the cotton is stocked

(c) Stock per variety :—

Name of variety of cotton	Unginned cotton (<i>Kapas</i>) (lbs.)		Ginned cotton not pressed (lbs.)		Full pressed bales (392 lbs.) of lint.		Premises where stored
	Old	New	Old	New	Old	New	
1	2	3	4	5	6	7	8
(i) Dharwar-Upland ..							
(ii) Jarila							
(iii) Barai-Nagar Oomras ..							
(iv) Broach-Vijaya .. .							
(v) Surti-Suyog .. .							
(vi) Gujarat Dholleras ..							
(vii) Kumpta-Jayawant ..							
(viii) Kumpta ordinary ..							
(ix) Others .. .							
Total ..							
(x) Cotton Waste (fly) ..							

Note 1.—Under "Orders" should be included the stocks of cotton, if any, from outside the Province, specifying the quantity held under each variety.

Note 2.—No statistics need be given if stock of cotton stored in any premises is less than 100 lbs. in weight.

I/We declare that the above information is true and correct.

Signatures of trader or owner.....

APPENDIX 8.

COTTON YARN AND CLOTH CONTROL.

REVISION OF PRICES OF CLOTH AND YARN.

Copy of letter No. 284, dated 29th April 1947, from the Association to the Times of India, Bombay.

Prominence has been given in the Press to the views expressed by various organisations, officials and individuals on the question of the continuance or otherwise of the present controls over production and distribution of cotton cloth and yarn in the country. The Association feels that the stage has been reached when it should make its own position quite clear to Government and the public.

The Association is prepared to serve Government and the public, and if Government and the public, after fully considering the pros and cons of the question, come to any decision on the question of continuance or otherwise of the present controls, that decision will be acceptable to the Association. In other words, the Government and the public must choose for themselves whether they would have the controls or not. It seems that the Government of India are considering this question, but it might perhaps facilitate matters if they hold a joint conference of the interests concerned before taking a final decision in this matter.

Will you kindly publish this communication ?

Copy of the Textile Industry (Control of Production) Order, 1947, issued by the Government of India, Ministry of Industry and Supply, on 1st December 1947.

No. 78-Tex. I/47.—In exercise of the powers conferred by section 3 of the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946), the Central Government is pleased to make the following Order, namely :—

- (1) This Order may be called the "Textile Industry (Control of Production) Order, 1947."
- (2) It extends to the whole of India.
- (3) It shall come into force on the first day of December 1947.
- (4) The Textile Industry (Control of Production) Order, 1945, published with the Notification of the Government of India in the Department of Industries and Civil Supplies, No. T.B. (4)/45, dated the 11th August 1945, is hereby repealed.

Provided that anything done under any provision of that notification shall be deemed to have been done under the corresponding provision of this Order.

2. In this order, unless there is anything repugnant in the subject or context—
 - (a) "producer" means a person engaged in the production by power of cloth or yarn or both; and the term "power" shall have the meaning attributed to it by section 2 (f) of the Factories Act, 1934.
 - (b) the expressions "cloth," "yarn" and "Textile Commissioner" shall have the meanings respectively attributed to them in the Cotton Cloth and Yarn (Control) Order, 1945.
3. (1) No producer shall produce yarn of counts more than 10 in number or more than the number specified in column (2) of Schedule A for a plant of the size of his spinning plant, whichever is less.

(2) No producer having both a spinning and a weaving plant shall produce yarn of counts other than those specified in Schedules B and C, and no producer who has no weaving plant shall produce yarn of counts other than those specified in Schedule C :

Provided that for the purposes of this clause—

- (a) the same count of warp and weft yarn produced from the same mixing shall be deemed to be one count ;
- (b) where any part of the spinning plant is employed exclusively for the performance of any contract with the Crown such part shall if the producer so elects be deemed not to form a part of the plant and nothing in this clause shall apply in relation to the production of any yarn in pursuance of such contract ; and the producer shall be deemed to have employed a part of the plant exclusively for the performance of any such contract where it is employed for the production of yarn for being supplied to any person under contract with the Crown to utilise such yarn for the production of any article for sale to the Crown and the producer has submitted to the Textile Commissioner a report in writing stating the quantity, counts, period of delivery and the consignee of such yarn and the number of spindles employed and the period requisite for the production of such yarn.

(3) Nothing in this clause shall apply to the production by a producer on a waste spinning plant of waste yarn of 6s or coarser.

4. (1) No producer shall produce cloth of a variety not specified in Schedule D.

(2) No producer shall produce cloth of more than two varieties for every 50 looms or part thereof in his possession or more than 20 varieties in all, whichever is less in number.

Explanation.—For the purposes of this sub-clause, cloth shall be deemed to be of the same variety if it is woven in the same counts of yarn in warp and weft and in the same reed and pick notwithstanding that it is woven in different widths, lengths, patterns or colours.

(3) Nothing in this clause shall apply—

- (i) to cloth produced in pursuance of a contract with the Crown ; and the looms employed in the production of such cloth shall be excluded in determining the number of varieties which may be produced under sub-clause (2) ;
- (ii) to cloth produced for experimental purposes provided the looms employed for such production shall not exceed in number one per cent., of the total number of looms in the producer's possession.

5. No producer shall produce any cloth with a border whether plain, dobby or jacquard exceeding 2" in width.

6. The Textile Commissioner may, by an order in writing, require any producer—

- (i) to utilise a minimum specified number of looms or a minimum specified percentage of his entire weaving energy as expressed in loom-hours for the production of any variety or varieties of cloth ; or
- (ii) to produce any variety or varieties so as not to exceed a maximum specified quantity thereof ; and the producer shall comply with such order.

7. The Textile Commissioner may, by a General or Special Order and subject to such conditions as may be specified therein, wholly or partially exempt any producer or class of producers from the operation of all or any of the provisions of this Order.

8. (1) The Textile Commissioner may with a view to securing compliance with this Order—

- (i) require any person to give any information in his possession with respect to any business carried on by that or any other person ;
- (ii) inspect or cause to be inspected any books or other documents belonging to or under the control of any person ;
- (iii) enter and search, or authorise any person to enter and search any premises, and seize or authorise any person to seize, any cloth or yarn in respect of which he has reason to believe that a contravention of this Order has been committed.

(2) Every producer shall submit to the Textile Commissioner returns in such form and at such time as the Textile Commissioner may prescribe by notification in the *Gazette of India*.

SCHEDULE "A."

Maximum number of counts of yarn which a producer may produce :—

Size of plant, with reference to the number of spindles installed and in working order. (1)	Number of counts of yarn. (2)
1 10,000	3
For every additional spindles or part thereof 10,000	1

SCHEDULE "B."

List of standardised counts of yarn for weaving in composite spinning and weaving mills.

	WARP		WEFT	
	Counts	Minimum counts strength product	Counts	Minimum counts strength product
Indian cotton	10s	800	10s	800
	13s	1,250	13s	1,200
	19s	1,500	19s	1,200
African cotton	22s	1,500	24s	1,250
	26s	1,500	30s	1,250
	35s	1,650	36s	1,280
Egyptian cotton, carded	42s	1,800	40s	1,600
Egyptian cotton, combed	44s	2,250	42s	1,800
Egyptian cotton, combed	60s	2,250	44s	2,000
			60s	2,220
			80s	2,000
COUNTS OF DOUBLED YARN				
Indian cotton	2/19s	1,500		
	2/24s	1,500		
	2/30s	1,500		
African cotton	2/36s	1,600		
	2/40s	2,000		
Egyptian cotton, combed	2/44s	2,800		
	2/60s	2,700		
	2/80s	2,500		
From cotton waste (weft yarn)	0/75s			
(Weft yarn)	1½s			

SCHEDULE "C."

Counts of yarn standardised for handlooms and other uses.

Counts of Yarn from Cotton Waste—

- 0.75s
- 1½s
- 2s
- 3s
- 4s
- 6s

Counts of single yarn from Cotton—

	Counts	Minimum counts strength product
Indian cotton	8s	800
	10s	800
	13s	1,200
	16s	1,200
	19s	1,200
	24s	1,250
African cotton	30s	1,250
	36s	1,280
	40s	1,600
Egyptian cotton, carded	60s	1,800
Egyptian cotton, combed	60s	2,220
Egyptian cotton, combed	80s	2,000
Indian cotton	2/10s	1,000
	2/13s	1,500
	2/16s	1,500
	2/19s	1,500
	2/24s	1,500
	2/30s	1,500
African cotton	2/36s	1,600
	2/40s	2,000
	2/60s	2,250
Egyptian cotton, carded	2/80s	2,700
Egyptian cotton, combed	2/80s	2,700
Egyptian cotton, combed	2/80s	2,500

SCHEDULE "D."

Schedule of Standardised Cloth Qualities.

Group	Description of cloth	Width and length	Counts of warp	Weft	Reed	Pick	
I	Dhoties, grey calendered or bleached.	39" in 8 and 9 yards per pair.	19	19	40	36	
		42" in 8, 9 and 9½ yards per pair.	19	24	40	36	
		44" in 8, 9 and 10 yards per pair.	19	24	44	36	
		47" in 6, 7, 8, 9 and 10 yards per pair and 50" in 8, 9 and 10 yards per pair.	22	30	44	40	
			26	36	48	40	
			35	40	52	44	
		42 Eg. Carded	42 Eg. Carded	56	48		
		44 Combed	60 Combed	56	48		
		60 Combed	80 Combed	64	56		
		II	Sarrees, grey calendered or bleached.	39" × 9 yards per pair. 42" × 10 yards per pair. 42" × 6, 7 and 8 yards each. 44" × 5, 6, 7, 8 and 9 yards each. 47" in 5, 6, 7, 8 and 9 yards each.	Same as I.		
(a) Mulls and voiles—	26				36	48	40
	35				40	52	44
	42 Eg. Carded				42 Eg. Carded	52	44
	44 Combed				60 Combed	52	44
(b) Mulls, and voiles, bleached, dyed or printed.	60 Combed	80 Combed	64	52			
	Combed	Combed					
	IV	Dorias, bleached or dyed ...	42 Eg. Carded	42 Eg. Carded	52	40	
			44 Combed	60 Combed	52	44	
60 Combed			80 Combed	64	52		
Combed			Combed				
V	(a) Longcloth, bleached, dyed or printed.	26", 29", 33" and 36" and 41"/42" in solid selvedge (25", 28", 32" and 35" in split selvedge).	19	19	48	44	
			19	24	48	44	
			22	30	52	48	
			26	24	60	52	
			26	36	68	56	
			35	40	68	60	
			35	40	68	48	
			44	42 Eg.	96	52	
			Combed	Carded			
			44	42 Eg.	80	48	
			Combed	Carded			
			44	44	96	52	
Combed	Combed						
44	44	80	48				
Combed	Combed						
VI	(a) Sheeting, grey or bleached.	27", 29", 31" and 33" and 35", 37", 39" and 41", and 41", 43", 47", 51" and 55" in solid or split selvedge.	10	10	36	32	
			13	13	40	36	
			13	13	40	40*	
			19	19	48	44	
			19	19	48	40	
			19	24	40	36	
			19	24	48	44	
			22	30	52	44	
			26	36	60	52	

* For export only.

Group	Description of cloth	Width and length	Counts of warp	Weft	Reed	Pick
VII	Sucies or woven coloured shirtings, including drop box checks. (Widths)	26", 29" and 31" in solid selvedge (25", 28" and 30" in split selvedge only).*	10	10	36	32
			13	13	40	36
			19	19	44	40
			19	24	48	44
			22	30	52	44
			26	36	60	48
			35	40	68	48
			44	42 Eg.	80	48
			Combed	Carded		
			44	42 Eg.	96	52
			Combed	Carded		
			44	44	96	52
			Combed	Combed		
44	44	80	48			
VIII	Drills, grey, bleached or dyed.	30"/31", 27"/28"	13	10	4/44	44
			13	13	4/44	44
			13	10	3/48	44
			19	13	3/52	48
IX	Twill, grey and bleached	30", 33" and 36" 27", 30" and 33"	19	19	52	48
			19	24	56	48
			22	30	60	52
			26	24	64	52
			26	36	64	56
			35	40	80	56
			44	42 Eg.	96	64
X	Bed ticking cloth— (a) Drill weave only, grey calendered. (b) 2/2 Twill weave in check patterns, 50 per cent. colour both in warp and weft.	27", 32", 36", 44", 48" and 54" 27", 32", 36", 44", 48" and 54"	Combed	Carded		
			19	19	3/40	36
			13	13	3/36	32
			13	13	44	36
			19	19	48	40
XI	Crepes, bleached, dyed or printed.	26", 29", 33" and 35"	19	19	52	48
			19	24	56	48
			22	30	60	52
			26	24	64	52
			35	40	80	56
XII	(a) Coating, bleached or dyed, dobby or plain weave.	28"	19	13	4/36	44
			2/19	13	56	44
			2/26	13	4/32	48
			2/35	13	4/36	52
	2/44	13	4/52	52		
	(b) Mazri cloth	28"	13	13	40	40
			19	13	48	40
	(c) Holland cloth.	28"	19	13	48	40
XIII	Turkish towels, bleached or dyed.	12", 16" and 24" in split selvedge. 28", 32" and 36" in solid selvedge.	2/13	13	44	40
			Ground			
			13	10	44	40
XIV	Huckaback and honey-combed towels, bleached.	12", 16" and 24" in split selvedge. 28", 32" and 36" in solid selvedge.	10	10	4/24	22
			13	13	4/32	32
XV	Dosuti (2-ply warp)	Grey 40", 34". Bleached 36", 31". (2-ply weft.)	13	10	4/28	24
			19	13	4/36	28
			19	19	4/36	32
XVI	Dedsuti	Grey 40", 34". Bleached 36", 31".	13	10	4/28	44
			19	13	4/36	36
			19	19	4/36	40
XVII	Plain chadars, grey only, calendered.	43", 47", 50" and 54" in 5, 5½ and 6 yards per pair.	10	10	36	32
			13	13	40	36
			19	19	48	44
XVIII	Flannelettes, bleached and raised or dyed and raised.	27"	19	10	40	40
XIX	Cotton waste blankets— Raised Unraised	48" × 78" 48" × 96" 54" × 96" 60" × 96" 50" × 70" 56" × 94" 62" × 94" 50" × 94"	13	0.75	1/32	11
			(Waste)	Japae or white grey.		
			13	1½ or 0.75	1/40	15
				(Waste) japae or white grey.		

* Also to be woven in 44" check loongies.

N.B.—It is strongly recommended to the mills to utilise their wide width looms (60" and over) to weave suitable split width cloths from this schedule.

ORDINANCE No. XXVIII OF 1947.

An Ordinance to create the Cotton Textiles Equalisation Fund and to levy surcharge on the prices of certain cotton textiles manufactured in the Provinces of India, issued by the Ministry of Law, Government of India, on 4th December 1947.

Whereas an emergency has arisen which makes it necessary to stabilize the prices of the cotton textiles manufactured in the Provinces of India and for that purpose to create a fund by levying surcharge on the prices of certain cotton textiles manufactured in the Provinces of India ;

Now, therefore in exercise of the powers conferred by section 42 of the Government of India Act, 1935 (26 Geo. 5, c. 2), as adapted by the India (Provisional Constitution) Order, 1947, the Governor General is pleased to make and promulgate the following Ordinance :—

1. *Short title, extent and commencement.*—(1) This Ordinance may be called the Cotton Textiles Equalisation Fund Ordinance, 1947.

(2) It extends to all the Provinces of India.

(3) It shall be deemed to have come into force on the 1st day of December, 1947.

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

(a) “ cloth ” and “ yarn ” mean respectively the cloth and yarn of which prices have been fixed by any order made under section 3 or continued by section 17 of the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946) ;

(b) “ Fund ” means the Cotton Textiles Equalisation Fund established under section 3 ;

(c) “ prescribed ” means prescribed by rules made under this Ordinance ;

(d) “ producer ” means a person engaged in the production of cloth or yarn or both by power as defined in clause (f) of section 2 of the Factories Act, 1934 (XXV of 1934), and the expression “ produced ” shall be construed accordingly.

3. *The Cotton Textiles Equalisation Fund.*—(1) The Central Government shall, for the purposes of this Ordinance, create and maintain a fund to be called the Cotton Textiles Equalisation Fund.

(2) The fund shall consist of the surcharge and the penalty, if any, imposed under this Ordinance.

4. *Levy of surcharge.*—The Central Government may, by notification in the official Gazette, levy on the prices of any cloth or yarn produced in any textile mill or factory after the 30th day of November 1947 or, in the case of cloth used after such date, within such mill or factory for the manufacture of any article of clothing or any other article from cloth, a surcharge at such rate as may be specified in the notification.

5. *Power to exempt.*—The Central Government may, by notification in the official Gazette, exempt any cloth or yarn produced by any producer or class of producers from the surcharge levied under section 4.

6. *Payment of surcharge.*—The surcharge shall be paid by the producer to such authority, within such time and in such manner as may be prescribed.

7. *Penalty for non-payment.*—If any surcharge payable under this Ordinance is not paid as prescribed, it shall be deemed to be in arrears and the authority prescribed may, after such enquiry as he deems fit, impose on the producer a penalty not exceeding the amount of surcharge in arrears.

8. *Recovery of surcharge and penalty.*—The amount of surcharge in arrears and any sum imposed as penalty under section 7 shall, without prejudice to any other liability incurred under this Ordinance, be recovered as arrears of land revenue.

9. *Surcharge and penalty to be credited to the fund.*—The amount of any surcharge paid under section 6 and the amount of any surcharge in arrears and the penalty thereon recovered under section 8 shall be credited to the fund.

10. *Application of fund.*—(1) The Central Government may apply the Fund for—

- (a) meeting the expenses of administering the Fund ;
- (b) paying subventions to producers as prescribed ; and
- (c) making grants, not exceeding twelve-and-a-half per cent. of the moneys to the credit of the fund, to the Provincial Governments and such other authorities as may be constituted by the Central Government for carrying on such labour welfare measures for the benefit of workers in the cotton textile industry as may be approved by it.

(2) Where any dispute arises as to whether or not any particular expenditure is debitable to the fund, the decision of the Central Government thereon shall be final.

11. *Accounts and audit.*—The accounts of the fund shall be kept in such manner as may be specified by the Auditor General of India and shall be audited by him.

12. *Power of inspection, entry and search.*—Any authority authorised by the Central Government in this behalf may, with a view to securing compliance with this Ordinance,—

- (a) require any producer to furnish to such authority such information relating to his business as that authority may specify ;
- (b) inspect or cause to be inspected any books or other documents belonging to or under the control of such producer ;
- (c) enter and search or authorise any person to enter and search any premises and seize or authorise any person to seize any cloth or yarn in respect of which he has reason to believe that a contravention of this Ordinance or any rule made thereunder has been or is about to be committed.

13. *Penalty for evasion of surcharge or failure to comply with order under section 12.*
—(1) Whoever evades or attempts to evade the payment of surcharge payable by him under this Ordinance or fails to comply with any order issued to him under clause (a) of section 12 or furnishes any information which is false and which he knows or has reasonable cause to believe to be false or does not believe to be true, shall be punishable with imprisonment which may extend to six months or with fine which may extend to two thousand rupees or with both.

(2) Any Court trying any offence under this Ordinance may order that any cloth or yarn together with the packages or coverings thereof in respect of which the Court is satisfied that an offence under this Ordinance has been committed shall be forfeited to the Central Government.

14. *Compounding offences.*—(1) The authority prescribed may accept from any producer who has committed or who is reasonably suspected of having committed an offence under this Ordinance or any rule made thereunder, a sum of money in lieu of prosecution by way of composition for the offence.

(2) On payment by such person of such sum of money to such officer, such person, if in custody, shall be set at liberty and any property seized shall be released, and, if magisterial proceedings shall have been instituted against such person the composition shall be held to amount to an acquittal and in no case shall any further proceedings be taken against such person or property with reference to the same facts.

15. *Power to make rules.*—(1) The Central Government may, by notification in the official *Gazette*, make rules to carry out the purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may—

- (a) provide for the method of levy and collection of the surcharge ;
- (b) prescribe the authorities to whom, the time within which and the manner in which the surcharge shall be payable ;
- (c) provide for the appointment of officers to supervise the issue or use of cloth or yarn within any textile mill or factory ;
- (d) provide for the records to be maintained by a producer ;
- (e) regulate the manner of inspection or search or any premises used for the production or storage of cloth or yarn and the seizure of the cloth or yarn liable to seizure ;
- (f) provide for the method of recovery of the amount of surcharge in arrears and any penalty thereon ;
- (g) provide for any other matter which is to be or may be prescribed.

(3) In making any rule under this section the Central Government may provide that a breach of the rule shall, where no other penalty is provided by this Ordinance, be punishable with fine not exceeding one thousand rupees.

APPENDIX 9.

EXPORT DUTY ON CLOTH AND YARN.

Copy of letter No. 48-D, dated 6th December 1947, from the Association to the Secretary to the Government of India, Ministry of Finance, New Delhi.

In introducing the Supplementary Budget in the Constituent Assembly of India (Legislative), the Hon'ble the Finance Member announced the other day the levy of an export duty on cloth and yarn amounting to 4 annas per square yard on cloth and 6 annas per lb. of yarn. This duty, he further announced, would replace the 3 per cent. export duty levied on cotton cloth and yarn in 1944.

2. The Committee of the Association desire to draw attention to the telegraphic representation made by this Association to the Government of India, Department of Industries and Civil Supplies, on 15th May 1944,* a copy of which was also sent to the Department of Commerce, which set forth in detail their objection to a duty on the export of cotton yarn and cloth from India. The matter was subsequently discussed by the Committee of the Association with the Hon'ble Mr. N. R. Pillai on 29th June 1944, and as a result of the further correspondence which followed, the Government of India (Department of Commerce) by their letter No. 67-CW-(88)/44, dated the 29th September 1944, stated that the points made by the Association (in connection with the duty) have been considered by Government, and that they would be prepared if, at any time, it is found that the export trade is prejudicially affected by the levy of the export duty, to consider the question of reducing the duty, or removing it altogether.

3. It transpires from the speech made on the floor of the Assembly by the Hon'ble Mr. Shanmukham Chetty that the export duty of 4 annas on cloth and 6 annas on yarn has been levied only as a revenue measure ; nevertheless, my Committee desire to point out that such a duty cannot be justified on the following, among other, grounds :—

(a) The indigenous industry is already at a disadvantage in the sense that it has to pay an import duty on all cottons, millstones, fuel oil, dyes, chemicals, etc., etc., used by

it. In this connection, it will be remembered that, by a Press Note dated the 17th May 1941, Government stated that they were considering the possibility of granting a rebate upon exportations of cotton manufactures containing imported cotton upon which duty has been paid.

(b) The incidence of the duty of 4 annas per square yard and 6 annas per lb. of yarn will be unduly heavy in the case of certain types of yarn and cloth as against others.

(c) There is the danger of the duty, once levied by the Legislature, continuing for some reason or other, adversely affecting the chances of the industry in expanding its overseas markets. Time and again, Government have urged the necessity and importance of developing our export markets, consistently with our obligations in this country, with a view to improve the country's internal economy, and it is thought that such a duty on cloth and yarn is likely to cut across this object.

4. In the event of prices of cotton piecegoods and yarn coming down in the case of our foreign competitors, which is not improbable in view of the great drive for rehabilitation of the industry which is already under way in those countries, the duty would unduly put up the cost to the consumer of goods of Indian origin in the overseas markets *vis-a-vis* our overseas competitors, bearing in mind the fact that the Indian industry has already to pay a duty on all cotton, millstores, dyes, chemicals, fuel oil, etc., used by it, which is not the case with the industry in other countries.

5. Government may not be altogether unaware of the fact that the duty is likely to embarrass them in their negotiations with certain countries for the supply of foodgrains at concessional rates. Solely from the point of view of the desirability of balancing the country's financial budget, no objection could perhaps be taken to the levy of the duty, but bearing in mind the effect of the duty on Government's negotiations with certain countries for the supply of foodstuffs, and also its effect in the long run, on the country's export markets, it is suggested that the Bill be amended as indicated below :—

(a) Provisions should be made to enable Government to reduce or abolish the duty altogether, without consulting the Assembly if it was found that the duty was adversely affecting India's export trade in cotton piecegoods and yarn. In any event, the life of the duty should be limited to one year only.

(b) That Government be empowered to levy a lower rate of duty in the case of exports to certain countries which are prepared to supply foodgrains to India at special concessional rates.

(c) The Committee of the Association would greatly appreciate it if Government would kindly consider the above suggestions and amend the Bill accordingly.

(Received the Assent of the Governor General on 15th December 1947.)

ACT No. XLII OF 1947.

An Act to give effect to the supplementary financial proposals of the Central Government for the year ending on the 31st day of March 1948.

Whereas it is expedient to impose an export duty on cotton cloth and yarn, and to amend the Cotton Textiles Fund Ordinance, 1944 (XXXIV of 1944);

It is hereby enacted as follows :—

1. *Short title and extent.*—(1) This Act may be called the Indian Finance (Supplementary) Act, 1947.

(2) It extends to all the Provinces of India.

2. *Addition to Second Schedule, Act XXXII of 1934.*— In the Second Schedule to the Indian Tariff Act, 1934 (XXXII of 1934), after Item No. 5, the following items shall be inserted :—

- | | |
|--|-----------------------------|
| “ 6. Cloth of any description manufactured either wholly from cotton or partly from cotton and partly from any other substance and containing not less than ten <i>per centum</i> of cotton by weight. | Annas four per square yard. |
| 7. Yarn of any description manufactured either wholly from cotton or partly from cotton and partly from any other substance and containing not less than ten <i>per centum</i> of cotton by weight. | Annas six per lb.” |

3. *Amendment of Ordinance No. XXXIV of 1944.*— For section 4 of the Cotton Textiles Fund Ordinance, 1944, the following section shall be substituted, namely :—

- “ 4. *Government's contribution to the Fund.*— The Central Government may from time to time make such contributions to the Fund as it thinks fit.”

APPENDIX 10.

LABOUR MATTERS.

INCREASE IN WAGES AND STANDARDISATION OF WAGES : AWARD OF THE INDUSTRIAL COURT.

*Copy of the Association's letter No. 78, dated 14th June 1947, addressed to the Registrar,
the Industrial Court, Bombay.*

I am directed by the Committee of the Millowners' Association to draw your attention to Annexure “ A,” Schedule 1, of the Award issued by the Court in References Nos. 1, 4 and 5 of 1946. The last column of the Schedule is headed thus :—

“ Standard Wage
26 working days in
a calendar month.”

My Committee presume that the wages for time-workers given in the Schedule are for a month of 26 *working days*, and in months where the working days exceed or fall below 26, the wages have to be proportionately increased or reduced. For instance, in a month of 27 working days, the wages shown in the Schedule would have to be increased by 1/26th, whereas in a month of 25 working days, the wages shown in the Schedule would have to be reduced by 1/26th. I shall be glad if you will kindly let me know, at your earliest, whether this presumption is correct.

The wage sheets for the month of June and also for the preceding months have to be prepared in terms of the Award, and *an immediate clarification of this point would facilitate matters.*

*Copy of letter No. 1413, dated 18th June 1947, addressed by the Registrar,
Industrial Court, to the Association.*

With reference to your letter No. 78 of 1947, dated the 14th June 1947, on the above subject, I am directed to state that the presumption of the Committee of your Association, viz., “ that in months where the working days exceed or fall below 26, the wages will have to be proportionately increased or reduced,” is correct.

*Copy of letter No. 78, dated 19th June 1947, from the Association to the Registrar,
Industrial Court, Bombay.*

Further to my letter No. 78, dated the 14th June 1947, I am directed by the Committee of the Millowners' Association, Bombay, to request you to kindly place this

letter before the Hon'ble the President of the Court and seek clarification on the points raised :

Point (1).—The Award says in the last paragraph :—

“ All the cotton textile mills in Bombay and Greater Bombay should pay their employees according to the standardised uniform list of basic wages and rates as per Annexure “A” attached herewith with effect from 1st January 1947.....”

The Committee of the Association desire to know whether mills, paying higher than the rates indicated in the Award, are required by the Award to come down to the levels indicated in the Award ?

Point (2).—Whether the Award would necessitate the reopening of all cases where holidays with pay have been granted, or where overtime, work men's compensation or wages in lieu of notice have been paid in the period 1st January 1947 to the date of the Award ? My Committee desire to draw attention to the fact that, if payments already made have to be reopened and readjusted on the basis of the Award, it would involve an enormous amount of clerical work. It may be pointed out that the timekeeping staff of the mills will not only have to work overtime to prepare revised musters and to give retrospective effect to wage increases from 1st January 1947, but will also have to work on stop days, and the reopening of cases of the nature referred to would seriously embarrass them. In the circumstances, my Committee respectfully suggest for the consideration of the Court that cases, where payments have already been made on the old basis, need not be reopened.

Point (3): Schedule I of Annexure “A”—Item 7.—A point which arises in this connection is with regard to the complement of doffer boys and tarwallas per 1,000 spindles on various counts. The list only goes up to “over 50s.” It has been pointed out by members of the Association that the complement laid down for “under 50s” as well as for “over 50s” is too high, and that, if it has to be adhered to, they would have to increase their complement to a very considerable extent, which would be a retrograde step.

It is respectfully submitted that the Standardisation Committee recommended by the Court might go into the whole question of complement of tarwallas, doffer boys, gaiters, etc., and that, in the meantime, mills which have a higher complement might be allowed to reduce it. Where, however, the existing complements are below the standards laid down in item 7 of Schedule I of Annexure “A,” the mills concerned need not be forced to increase the complement to the scales indicated in Schedule I. In other words, our request is that, pending the examination of the whole question by the Standardisation Committee, mills should be allowed to maintain the *status quo* in cases where their present complements are lower than those stipulated in the Award.

Point (4).—The Award states that piecers minding warp and weft frames, spinning 18s count and below, should be given an additional allowance of 12½ per cent. (*vide* sub-clause 7 (3) (iii) of Schedule I of Annexure “A”).

Members of the Association have drawn attention to the fact that it is impossible to give retrospective effect to this part of the Award, as no records have been maintained to show the count or counts spun by a particular worker on a particular frame on different days in the month. In view of the impossibility of giving effect to this part of the Award, it is submitted that it should not be given retrospective effect from 1st January 1947, and should be made applicable from 1st June 1947.

Point (5).—Attention is invited to paragraph (2)—*Reeling Department*—in Schedule II (Piece Workers) of Annexure “A.” The Schedule in question prescribes reeling piecework rates for the following types of work :—

- (a) Hand reels of 40 spindles per reel with two reelers per reel upto and including 38s count.
- (b) Power reels with one reeler per reel irrespective of hand or power reel over 38s.

The list of rates covered applies to 5" and 6" twist bobbins, and it is further stated that, if the yarn is reeled from weft bobbins, the listed rates for different counts should be increased by 20 per cent. It has further been provided that for single cross reeling, the listed rate should be decreased by 5 per cent. and that for double cross reeling, the rate should be decreased by 10 per cent. For twofold yarns, the rates should be taken on the resultant counts. My Committee desire to submit that the list is incomplete inasmuch as it does not cover the following operations :—

- (a) Hand reels—40 spindles per reel—two reelers per reel, on counts over 36s.
- (b) Hand reels—40 spindles per reel—one reeler per reel, on counts 1s to 38s.
- (c) Power reels—40 spindles per reel—one reeler per reel, for counts 1s to 38s.
- (d) Reeling from cones or cheese or bottle bobbins or similar large packages.
- (e) Reeling from weft bobbins.
- (f) Double tie hanks.
- (g) For yarn containing more than two-folds.

In this connection, my Committee desire respectfully to draw the attention of the Court to their letter No. 78, dated the 25th February 1947. This matter is very urgent as the mills have to be given a definite lead about the calculation of reeling piece-rates in time to enable them to prepare their pay-rolls for the month of June.

Point (6).—Under the Award, the weaving line and head jobbers come under Schedule III. As their earnings are generally over Rs. 80, they would be entitled to an increase of 10 per cent. on present earnings as per the Award. To give effect to the Award, mills propose to so alter the fixed percentage on the weavers' earnings by which the wages of the line and head jobbers are calculated on the weavers' earnings, so that on the increased earnings of the weavers on the new weaving rates, it will give the line and head jobbers an increase of approximately 10 per cent. on the present earnings. The earnings of the weaving line and head jobbers will be calculated on the same system as before, namely, a fixed percentage of the weavers' earnings. The percentage, however, will be suitably amended to correspond with the increase of the weavers' earnings due to the new weaving rates laid down in the Award. We presume that this is in order.

Point (7).—Schedule III of Annexure "A," which covers all time and piece-work employees not included on Schedules I and II, seems to be defectively worded. My Committee, therefore, propose to rearrange the gradations to cover in sub-paragraphs (1), (2), (3) and (4) as below :—

- (1) Below Rs. 30 per month.
- (2) Rs. 30 and upto and including Rs. 49 per month.
- (3) Rs. 50 and upto and including Rs. 79 per month.
- (4) Rs. 80 and above per month.

Point (8).—It is not clear whether the Award covers those employed in mill grain shops, mill canteens, mill creche, mill dispensary and any occupations not strictly connected with the process of manufacture, including the watch and ward staff and office staff. The employment of these people is not peculiar to the cotton mill industry, and my Committee's presumption, therefore, is that the Award will not apply to these persons. The Association may kindly be informed whether this presumption is correct.

Point (9).—There is no reference in the Award to the rates of wages to be paid to children and adolescents. My Committee submit, that if they are covered by the Award, then the rates of wages applicable should be 30 per cent. and 50 per cent. respectively of the time-work rates mentioned in the Award.

IN THE INDUSTRIAL COURT, BOMBAY.

REFERENCE NO. 1 OF 1946, ARBITRATION BETWEEN THE MILLOWNERS' ASSOCIATION, BOMBAY, AND THE EMPLOYEES IN THE COTTON TEXTILE MILLS IN BOMBAY CITY WHO ARE THEIR MEMBERS RE. STANDARDISATION OF WAGES, INCREASE IN THE PRESENT DEARNESS ALLOWANCE, ETC. AND REFERENCE NO. 4 OF 1946, ARBITRATION BETWEEN CERTAIN COTTON TEXTILE MILLS IN BOMBAY AND THEIR RESPECTIVE EMPLOYEES RE. RESTORATION OF WAGE CUT, INCREASE IN BASIC WAGES, STANDARDISATION OF WAGES, ETC., AND REFERENCE NO. 5 OF 1946, ARBITRATION BETWEEN CERTAIN COTTON TEXTILE MILLS IN BOMBAY AND THEIR RESPECTIVE EMPLOYEES RE. MEDICAL FACILITIES, STANDARD WAGE INCREASE, ADEQUATE DEARNESS ALLOWANCE, ETC.

Award of the Industrial Court, Bombay, dated the 31st May 1947, published in the "Bombay Government Gazette Extraordinary" dated Monday, 2nd June 1947, with Government notification No. 29/47 of the same date.

Application from the Millowners' Association, Bombay, under Rule 64 of the Rules under the Bombay Industrial Disputes Act, 1938, on behalf of its members in Bombay City who are affected by the abovementioned Award.

1. This application is submitted in continuation of the Association's letter No. 78, dated the 19th June 1947.

2. The applicants pray that the Court may be pleased to consider and clarify the points hereunder made, to facilitate proper implementation of the Award by members of the appellants who are affected by the Award :—

(1) The Award says in the last paragraph :—

"All the cotton textile mills in Bombay and Greater Bombay should pay their employees according to the standardised uniform list of basic wages and rates as per Annexure "A" attached herewith with effect from 1st January 1947....."

Mills have interpreted the Award to the effect that they can reduce their existing rates to the rates indicated in the Award. They, however, want to know whether mills paying higher than the rates indicated in the Award, are required by the Award to come down to the levels indicated in the Award.

(2) Under the Award, the weaving line and head jobbers come under Schedule III. As their earnings are generally over Rs. 80, they would be entitled to an increase of 10 per cent. on present earnings as per the Award. To give effect to the Award, mills have interpreted the Award to the effect that they can alter the fixed percentage on the weavers' earnings by which the wages of the line and head jobbers are calculated on the weavers' earnings, so that on the increased earnings of the weavers on the new weaving rates, it will give the line and head jobbers an increase of approximately 10 per cent. on the present earnings. The earnings of the weaving line and head jobbers will be calculated on the same system as before, namely, a fixed percentage of the weavers' earnings. The percentage, however, will be suitably amended to correspond with the increase of the weavers' earnings due to the new weaving rates laid down in the Award. It is presumed that this is in order.

(3) It is not clear whether the Award covers those employed in mill grain shops, mill canteens, mill creche, mill dispensary and any occupations not strictly connected with the process of manufacture, including the watch and ward staff, office staff and apprentices under the Government Apprentice Scheme. The employment of these people is not peculiar to the cotton mill industry, and it is presumed therefore that the Award will not apply to these persons. Is this presumption correct ?

(4) What is the position of a mill which has a foundry, a workshop and a building department? Are employees working there covered by the Award?

(5) A mill is at present working 5½s yarn from 10s mixing on roving frames for tapestry cloths. One tenter minds four roving frames as the front roller speed is very low and consequent production is only 200 lbs. on four roving frames, as compared with a tenter working a single roving on 1.8s hank from 10s mixing, which gives 288 lbs. per frame. At present a tenter working four roving frames on 5½s gets an average monthly earning of Rs. 29. Under the Award, a tenter working four roving frames on 5½s will get, at the rate of Rs. 34-2-0 per roving frame of 150 spindles and extra Rs. 1-4-0 for every 12 spindles, making in all a monthly earning of Rs. 79-2-0. This will create an extraordinary difference between the present monthly earnings and the new revised monthly earnings, and instructions are requested as to how the situation should be met.

(6) The definition "plain cloth grey" includes cloths of "twill weave woven on a tappet loom." If the cloth is woven on a dobbie loom, is it necessary to give allowance for dobbie shafts?

(7) Schedule III of Annexure "A," which covers all time and piece-work employees not included in Schedules I and II, seems to be defectively worded. It is, therefore, proposed to rearrange the gradations to cover in sub-paragraphs (1), (2), (3) and (4), as below, which, it is thought, will be in order:—

- (1) Below Rs. 30 per month.
- (2) Rs. 30 and upto and including Rs. 49 per month.
- (3) Rs. 50 and upto and including Rs. 79 per month.
- (4) Rs. 80 and above per month.

3. The Association craves leave to add to, alter, amend, modify or rescind the above statement of case submitted on behalf of its members in Bombay City who are affected by the abovementioned Award.

*Copy of letter No. 78, dated 1st July 1947, from the Association to the Registrar,
Industrial Court, Bombay.*

With reference to my letter No. 78, dated 19th June 1947, and to the interview which the Chairman and the Deputy Chairman had with the Hon'ble the President of the Court on 27th ultimo, I am directed to request you to be good enough to place this letter before the Hon'ble the President of the Court for his consideration, and request his orders thereon. I set forth below some of the points which have so far been raised by members:

Point (1): Schedule I of Annexure "A"—Item 7.—Complement of doffer boys and tarwallas per 1,000 spindles on various counts. The list only goes up to "over 50s." It has been pointed out by members of the Association that the complement laid down for "under 50s" as well as for "over 50s" is too high, and that, if it has to be adhered to, they would have to increase their complement to a very considerable extent, which would be a retrograde step.

It is respectfully submitted that the Standardisation Committee recommended by the Court might go into the whole question of complement of tarwallas, doffer boys, gaiters, etc., and that, in the meantime, mills which have a higher complement might be allowed to reduce it. Where, however, the existing complements are below the standards laid down in item 7 of Schedule I of Annexure "A," the mills concerned need not be forced to increase the complement to the scales indicated in Schedule I. In other words, our request is that, pending the examination of the whole question by the Standardisation Committee, mills should be allowed to maintain the *status quo* in cases where their present complements are lower than those stipulated in the Award.

Point (2).—The Award states that pleasers minding warp and weft frames, spinning 18s count and below, should be given an additional allowance of 12½ per cent. (*vide* sub-clause 7 (3) (iii) of Schedule I of Annexure "A").

Members of the Association have drawn attention to the fact that it is impossible to give retrospective effect to this part of the Award, as no records have been maintained to show the count or counts spun by a particular worker on a particular frame on different days in the month. In view of the impossibility of giving effect to this part of the Award, it is submitted that it should not be given retrospective effect from 1st January 1947, and should be made applicable from 1st June 1947.

Point (3): Paragraph (2)—Reeling Department.—Schedule II (piece workers) of Annexure "A." The Schedule in question prescribes reeling piecework rates for the following types of work :—

- (a) Hand reels of 40 spindles per reel with two reelers per reel upto and including 38s counts.
- (b) Power reels with one reeler per reel irrespective of hand or power reel over 38s.

The list of rates covered applies to 5" and 6" twist bobbins, and it is further stated that, if the yarn is reeled from weft bobbins, the listed rates for different counts should be increased by 20 per cent. It has further been provided that for single cross reeling, the listed rate should be decreased by 5 per cent. and that for double cross reeling, the rate should be decreased by 10 per cent. For twofold yarns, the rates should be taken on the resultant counts. It is submitted that the list is incomplete inasmuch as it does not cover the following operations :—

- (a) Hand reels—40 spindles per reel—two reelers per reel, on counts over 36s.
- (b) Hand reels—40 spindles per reel—one reeler per reel, on counts 1s to 38s.
- (c) Power reels—40 spindles per reel—one reeler per reel, for counts 1s to 38s.
- (d) Reeling from cones or cheese or bottle bobbins or similar large packages.
- (e) Reeling from weft bobbins.
- (f) Double tie hanks.
- (g) For yarn containing more than twofolds.

In this connection, my Committee desire respectfully to draw the attention of the Court to their letter No. 78, dated the 25th February 1947.* This matter is very urgent as the mills have to be given a definite lead about the calculation of reeling piece-rates in time to enable them to prepare their pay-rolls for the month of June.

Point (4).—Whether the Award would necessitate the reopening of all cases where holidays with pay have been granted, or where overtime, workmen's compensation or wages in lieu of notice have been paid in the period 1st January 1947 to the date of the Award? If payments already made have to be reopened and readjusted on the basis of the Award, it would involve an enormous amount of clerical work. It may be pointed out that the timekeeping staff of the mills will not only have to work overtime to prepare revised musters and to give retrospective effect to wage increases from 1st January 1947, but will also have to work on stop days, and the reopening of cases of the nature referred to would seriously embarrass them. In the circumstances, it is respectfully suggested for the consideration of the Court that cases, where payments have already been made on the old basis, need not be reopened.

Point (5).—There is no reference in the Award to the rates of wages to be paid to children and adolescents. It is submitted that, if they are covered by the Award, then the rates of wages applicable should be 30 per cent. and 50 per cent. respectively of the time-work rates mentioned in the Award.

* Not printed.

Copy of letter No. 78, dated 5th July 1947, from the Association to the Registrar, Industrial Court, Bombay.

We beg to invite your attention to our application of the 1st instant. We had also sent you our letter No. 78, dated 1st July 1947. Here, however, we refer you to para 2 (1) of the application dated 1st July 1947. As you are aware, the wages for the month of June have to be paid on the 10th instant, and the pay tickets have to be given to the workers on the 9th instant. We have, therefore, to request you to place this letter immediately you receive this before the Honourable the President, and request him to let us know immediately what was the intention of the Court when they state in the last paragraph of the Award—

“ All the cotton textile mills in Bombay and Greater Bombay should pay their employees according to the standardised uniform list of basic wages and rates as per Annexure ‘A’ attached herewith with effect from 1st January 1947 . . . ”

In para 2 (1) of the application referred to above, we have inquired as to whether the mills paying higher than the rates indicated in the Award are required by the Award to come down to the levels indicated in the Award.

2. In view of the extreme urgency and importance of the matter and to enable us to advise the mills regarding the above before the pay tickets are given to the workers, we would specially ask you to request the Honourable the President to let us know immediately, and in any event *not later than before 12-00 noon on Monday, the 7th instant.*

3. We have raised many points in our application dated 1st July 1947, and our letter dated 1st July 1947, but we particularly request for an answer to the query made in para 2 (1) of our application dated 1st July 1947.

Copy of letter No. 1655, dated 5th July 1947, from the Registrar, Industrial Court, Bombay, to the Association.

In reply to your letter No. 78 of 1947, dated the 5th July, I am directed to state as follows :—

This is not a question of interpretation of the Award as there is no ambiguity in the Award. The Award clearly directs that all mills should pay according to the standardised uniform list of basic wages and rates. Standardised wages and rates as explained in para 26 of the Award do not mean minimum or maximum wages but uniform wages according to one standard. Therefore all mills are bound to pay the same wages and rates for particular occupations mentioned in Annexure ‘A’ to the Award.

Copy of letter No. 78, dated 29th July 1947, from the Association to the Registrar, Industrial Court, Bombay.

I am directed by the Committee of the Association to request you to be good enough to place this communication before the Hon’ble the President of the Industrial Court.

2. The Award of the Court in References Nos. 1, 4 and 5 of 1946 lays down a standardised uniform list of basic wages and rates for employees of the textile industry in the city of Bombay. Schedule I of the List prescribes a standard wage for each time-work occupation listed therein for a calendar month of 26 working days, and Schedule II deals with piece-workers. In the case of certain piece-work occupations such as drawing, slubbing, intermediate and roving ; winding including grey, colour and art ; silk winding ; warping ; and drawing-in, a standard basic average earning for a month of 26 working days has been laid down, and mills are required to convert these basic average earnings into a piece-work rate equivalent to, say, so many pies per hank in the case of each of the three frames departments, or so many pies per lb. for each count of yarn wound, or so many annas per 10,000 yards warped by each warper, or so many pies or annas for 1,000 ends drawn-in in the drawing-in department, etc. To enable mills to carry out correctly the intentions of the

Award, members were instructed by the Association to convert the basic monthly earnings indicated by the Court into a piece-work rate *on the basis of normal expected production in the department*. To illustrate the point. Assuming that the Court fixed a basic monthly earning of Rs. 50 for a particular piece-work occupation, and that the normal expected production in that particular occupation is 100 units per month of 26 working days. The piece-work rate to be fixed by the mill would be 8 annas per unit.

3. My Committee regret to have to bring to the notice of the Hon'ble the President of the Court that, since the publication of the Award, there has been a deliberate slowing-down of production in the piece-work departments referred to above. There cannot be any object in such slowing-down other than to show that the piece-work rates fixed up by the mills in pursuance of the Association's instructions and on the basis of normal expected production, is on the low side, and it is not very difficult to foresee that, having secured a higher piece-work rate on the basis of a lower production, the operatives will, in due course, resume normal production, thus securing an earning which is far in excess of the amount indicated in the Award for the occupation concerned.

4. The drop in production following from deliberate slowing-down cannot be ascertained with exactitude just at present, but my Committee desire to submit for the information of the Court that it has already resulted in the stoppage of some of the looms. For instance, if production in the drawing-in department drops down, then it is not possible to maintain full work in the weaving department.

5. Any assistance which the Hon'ble the President of the Court may be able to render in securing normal production in the industry would be very gratefully appreciated.

Copy of letter No. 78, dated 1st August 1947, from the Association to the Registrar, Industrial Court, Bombay.

Further to my letter No. 78, dated 29th July 1947, and in continuation of the interview, which my Chairman had with the Hon'ble the President of the Court, I am to submit the following suggestion for the consideration of the Court.

2. It is the considered opinion of several mill managers and mill agents that the immediate issue of a statement under the authority of the Industrial Court, or, if this cannot be done, of the Government of Bombay, might go a long way in relieving the present situation.

3. The statement referred to in the preceding paragraph might, it is thought, state that the Award of the Court in Reference Nos. 1, 4 and 5 of 1946 in the matter of bonus and standardisation of wages, etc., is final and binding on both parties, and that the Millowners are only giving effect to the Award of the Court. The statement might also state, in general terms, that the Court or the Government, as the case may be, expect workers and their unions to co-operate in implementing the Award in all respects, without resorting to any cessation of work or slowing down of production, and that complaints relating to non-compliance with the Award should be referred to the Industrial Court in the appropriate manner, but should not be made the pretext of a strike.

4. It is submitted that a statement of the type indicated will assist in explaining matters particularly to those employees who derive little or no benefit from the Award as compared with other operatives who have fortunately secured a bigger quantum of increase. At one of the previous interviews which the Chairman and certain other members of the Committee of the Association had with the Hon'ble the President of the Court, the question of appointing an *Ad Hoc* Committee was discussed, and it is assumed that early orders will be passed regarding the constitution and terms of reference of this Committee. It is, therefore, submitted that the proposed statement, which the Court or Government are being requested to issue might also contain a reference to the appointment of the *Ad Hoc* Committee to deal with all matters requiring clarification, or extension of the Award.

5. I am asked to submit that the matter is very urgent, and the Association would be very grateful if the Hon'ble the President of the Court would pass early orders in this matter. If there are any points on which the Hon'ble the President would like to have further information or discussion, the Chairman of the Association would be at his disposal.

*Copy of letter No. 78, dated 22nd August 1947, from the Association to the Registrar,
Industrial Court, Bombay.*

Further to my letters No. 78, dated the 29th July and 1st August 1947, I am desired to submit for the information of the Court certain additional information which has come to the notice of the Association in connection with the matters raised in the two letters referred to above.

2. It has already been pointed out that the object of slowing down of production in certain specified occupations is to create a situation which would help the workers to secure an earning which is very much higher than the earning indicated for the particular occupation in the Court's Award. From the information which has since come into the possession of the Association, two factors emerge, namely :—

- (a) That the tendency to slow down is not, by any means, spontaneous, but has been and is being actively preached and encouraged by a union in Bombay.
- (b) That even loyal workers who desire to put in normal day's work, are being actively prevented from doing so by intimidation and assault.

3. My Committee desire respectfully to draw the attention of the Court to the proceedings of a meeting which appears to have been held under the auspices of the Red Flag Union at 5-30 p.m. on Sunday, the 10th August 1947, at the Kamgar Maidan. The principal speaker was Mr. Patkar, the General Secretary of the Union, who is reported to have supported the tactics of the drawers-in and said that they should continue to do so. Mr. Patkar is further reported to have expressed the view that what the workers (drawers-in) are doing at present is good enough. It is very significant that in a notice which was printed, published and distributed by the Bombay Girmi Kamgar Union (Red Flag) just before the meeting held on the 10th of August 1947, the following statement was made :—

" Really speaking, workers of the drawing-in department must not only be complimented for the organisation they have shown against the Award of the Industrial Court, but workers of other departments must also run to their rescue for themselves and for the unity of the working class."

A copy of the notice referred to is enclosed* herewith for the inspection of the Court.

4. There was also a meeting of the drawers-in of certain mills the same evening, when a clear hint was thrown out to the drawers-in of those mills which were working normally, that they should also slow down production. My Committee reproduce below the English translation of an anonymous letter which a worker of the Shree Ram Mills, who was putting in a normal day's work, has received :—

" The workers of the drawing-in departments of Shree Ram Mill are informed that you are at present giving 10 to 11 thousand ends. You should reduce it to 6 to 7 thousand ends, as all the drawers-in in the industry are fighting. If you do not do so, we will have to take some strong step against you."

5. One of the drawers-in employed at the Morarjee Goculdas Mills, who was generally putting in a normal day's work, was assaulted by the other workers outside the mill premises when he was returning home from the mills. This incident occurred after a meeting of drawers and reachers which was held a day or two previously. These and other similar instances are reported to have created a considerable amount of uneasiness in the minds of those workers who would otherwise be willing to put in full day's work.

6. My Committee beg to submit for the information of the Court that, in the month of July alone, 2,70,000 *loom-hours* have actually been lost by the Bombay cotton mill industry due entirely to the slow-down tactics adopted by workers. On the 14th August 1947, 9,000 looms were actually idle. The number would have been much more had not some mills closed down their weaving department completely for a day or two, to enable the preparatory departments to make up production lost, and keep up with the weaving department.

7. The state of affairs which exists in the industry to-day is best illustrated by the following example of one mill, the identity of which it is not necessary to divulge at present :—

A. *Looms* :

(1) Average looms stopped from 23rd July onwards due to slow down tactics	From 200 to 500
(2) Average looms stopped in August 1947 due to slow down tactics	From 600 to 650

B. *Spindles* :

(1) Average spindles stopped normally	About 10,000
(2) July and August 1947	From 25,000 to 30,000

C. *Preparations* :

(1) Number of preparations normally working	39½
(2) From 25th July 1947	About 34
(3) August 1947	29½

D. *Reeling Production* :

(1) Average reeling production	51 lbs. per head
(2) In July 1947	42.1 „ „ „

E. *Doubling Winding* :

(1) Normal production per day	86 lbs. per head
(2) July 1947	48.1 „ „ „

It is unnecessary to add that this is entirely due to deliberate slowing-down of production by the operatives.

8. My Committee are grateful to the Court for having announced the appointment of an *Ad Hoc* Committee to go into certain matters arising out of the Award. They are also thankful to the Hon'ble the President of the Court for representing to Government to issue a Press note, but apparently things do not seem to have improved. In the circumstances, it is suggested for the consideration of the Hon'ble the President of the Court that he might be good enough to take the matter up with the office-bearers of the Red Flag Union who, it transpires, are responsible to a certain extent for the slow-down tactics adopted by workers.

Copy of letter No. 9815/34-E, dated 27th August 1947, from the Joint Secretary to the Government of Bombay, Political and Services Department, to the Association.

Subject :—AWARD OF THE INDUSTRIAL COURT REGARDING STANDARDISATION OF WAGES, ETC., OF COTTON TEXTILE WORKERS IN BOMBAY.

I am directed to refer to your letter No. 78, dated the 22nd August 1947, to the Registrar, Industrial Court, Bombay, on the subject noted above a copy of which has been received in this department and to request that Government may be kept informed of further developments in the matter.

Copy of letter No. 2305 (a), dated 29th August 1947, from the Registrar, Industrial Court, Bombay, to the Association.

With reference to your letter No. 78 of 1947, dated the 22nd August 1947, in connection with the alleged slow-down tactics of the employees in the cotton textile mills in Bombay, pursuant to the award on standardisation of wages, etc., I am directed to state that you may make a representation to Government in the matter. The Court has no power to execute its award. The Court cannot advise either the workers or their union after the award is made. It is for Government to take such steps as Government may think proper.

Copy of letter, dated 3rd September 1947, from the Association to the Joint Secretary to the Government of Bombay, Political and Services Department, Bombay.

I am directed to acknowledge the receipt of your letter No. 9815/34-E, dated the 27th August 1947, and to enclose herewith a copy of letter* No. 2305 (a), dated the 29th August 1947, from the Industrial Court, in reply to our letter No. 78, dated the 22nd August 1947, a copy of which was forwarded to you on the 22nd August 1947. The letter of the Industrial Court is self-explanatory. It states that the Association "may make a representation to Government in the matter." The Committee of the Association feel that the stage has been reached when Government should take adequate steps to ensure that the Award of the Industrial Court is respected, obeyed and adhered to by the parties concerned, in the letter and in spirit.

By referring certain demands relating to increases in basic wages, standardisation of wages, etc., to the arbitration of the Industrial Court under section 49A of the Bombay Industrial Disputes Act, Government were committed to use the powers at their disposal in enforcing that Award. Here, as has been shown in my letter of the 22nd August 1947, and the previous letters addressed to the Industrial Court (copies enclosed), a deliberate attempt is being made, no doubt at the instance of a union, to get round the Award by slowing-down in processes such as drawing-in, warping, etc., with the object of forcing the powers that be to award higher earnings to the operatives than those laid down in the Award. The slowing down tactics has dislocated the industry to a large extent, and has further prevented even those who are prepared to put in a normal day's work from earning a full day's wage. In view of the serious cloth situation in the country, my Committee submit, with all the emphasis at their command, that Government should no longer hesitate to act against those disruptive influences which militate against the smooth application and working of the Award. Hesitation to do so on any ground whatsoever, is calculated to engender the belief in the minds of the workers that the awards of the Court may be ignored with impunity when it suits them, a situation which neither the Association nor Government can contemplate with equanimity, and which cuts at the root of the principle of compulsory arbitration in industrial disputes, to which Government stand committed.

Though, in the opinion of the Committee, the Award of the Industrial Court in Reference Nos. 1, 4 and 5 of 1946 imposes an unduly heavy burden, members of this Association interpret and faithfully carry out the Award to the best of their ability and in as reasonable and fair a manner as possible, in the sincere hope that that will bring peace in the industry. Unfortunately, however, these hopes have been falsified, and my Committee are very grieved to note that a section of labour are openly flouting the Award of the Court. My Committee would be very grateful if Government would kindly let them know as to what action they propose to take in this matter.

Copy of letter No. 78, dated 12th September 1947, from the Association to the Joint Secretary to the Government of Bombay, Political and Services Department.

Further to my letter No. 78, dated the 3rd September 1947, I am desired to place before Government certain results which follow from the go-slow tactics adopted by workers in individual departments.

* Already printed.

The go-slow tactics deliberately adopted by workers in various departments of many mills has very seriously affected the smooth and balanced working of the mills. Reduced production in any one department prevents the full working, and affects the smooth and efficient working of subsequent and preceding departments. This throws the balance of mill processes out of gear, and reduces the production of yarn and cloth with a corresponding increase in the costs of the mill. It should also be borne in mind that when the smooth and balanced working of departments is affected, the wages of the workers in those departments particularly, and of other departments too generally, are affected. Whenever the issue of wages and earnings of workers is before the Government, Conciliators, Tribunals or the Industrial Court, the fact of lower earnings than normal brought about by reprehensive and irresponsible action on the part of workers in the shape of, say, deliberate go-slow tactics, should certainly be borne in mind, and the employers should not be criticised or penalised for results for which they are in no way responsible.

Copy of circular No. 78, dated 19th September 1947, from the Association to all Mills in Bombay and all up-country Member Mills for information.

I enclose herewith for your information and necessary action, a copy of an Order dated the 16th day of September 1947, issued by the Industrial Court. Printed copies, in poster form, of the Order are also forwarded herewith, which should be put up in the drawing-in department and also in the timekeeper's office.

Briefly stated, the enclosed Order seeks to amend the Court's Award dated 31st May 1947 in respect of wages to be paid to workers in the drawing-in department. (Please see sub-para (5) of Schedule II of the Award dated the 31st May 1947.) It also seeks to amend the Order issued by the Court (in paragraph 31 of the Original Award) according to which "the additional payment due under the Award from 1st January 1947 should be paid in one or two instalments within a period of four months from the date of this award." The Court's order, a copy of which is now sent to you, lays down the rates of wages to be paid to workers in the drawing-in department. These rates are standard rates in the sense that wherever mills' present rates of wages are either below or above those indicated in the Order, they should be brought in line with those indicated in the Order.

Another point made in the Order dated the 16th September 1947 is that the difference in wage, namely, the amount due to the workers (under the Order dated the 16th September 1947) from 1st January 1947 to 31st August 1947, less whatever wages have already been paid to them in respect of these months, should be calculated and paid to them *on or before 10th November 1947*.

I shall be grateful if you will kindly bring the following points to the notice of your mill management and the timekeeping staff :—

- (a) The wage rates indicated in the enclosed Order should be given effect to at once, i.e., from the 1st of September 1947, and the wages due to the workers in the drawing-in department on the basis set forth in the enclosed Order, would become payable on the pay day for the month of September which has been fixed for 10th October 1947.
- (b) Mills are required to calculate the amount which would become payable to the employees in the drawing-in department on the basis set out in the enclosed Order from 1st January 1947 to 31st August 1947, and deduct therefrom whatever amounts may have already been paid to the workers as wages for the period in question, and the balance due to the individual workers should be paid to them *on Saturday, the 18th October 1947*.
- (c) It should be very carefully noted that no payment will be made to the employees of the drawing-in department on 20th September 1947, which date now applies only to employees of the Departments other than drawing-in.

- (d) The Committee of the Association have decided that where *on balance* workers in the drawing-in department have actually received from the mills in the period January to August 1947 inclusive, an amount which is in excess of the amount to which they are entitled under the Order dated the 16th September 1947, the excess should not be recovered from the workers.

If, however, in the period January to August 1947, the drawers-in have received more in some months and less in other months, the necessary set-off should be made, and the balance should be paid to the workers if, on the whole, he has received less. If, however, the balance shows that the worker has received more than what is due to him, that amount should not be recovered.

IN THE INDUSTRIAL COURT, BOMBAY.

Before Sir Harsidhbhai V. Divatia, President.

Applications Nos. 111, 115, 116 and 133 of 1947.

In the matter of interpretation of the Award dated the 31st May 1947 (on References Nos. 1, 4 and 5 of 1946), re. standardisation of wages of drawers-in.

Industry : Cotton Textile.

ORDER.

The question of the wages of drawers-in arising in the above mentioned applications was referred by this Court to the *Ad Hoc* Standardisation Committee (hereinafter referred to as "the Committee") appointed by the Court on 7th August 1947. The Committee was asked to consider whether the matter could be mutually adjusted and settled between the Millowners' Association, Bombay, and the representatives of the employees and advise the Court in the event a settlement was not possible. Mr. Nandulal M. Mehta, the Chairman of the Committee, made a report on 2nd September 1947. According to the Report, the majority of the Committee recommend a rate of 46 pies for one thousand ends for drawers-in for grey, plain, twills and drills, etc., and the rates for more difficult sorts should be as per the Appendix attached herewith. As the report was not unanimous, I heard Mr. P. B. Vaidya, the representative of the Bombay Girmi Kamgar Union who was the dissenting member of the Committee. Mr. Vaidya desired a rate of 48 pies. After careful consideration, I think that the rate recommended by the majority of the Committee is reasonable and I accept the same. It is, therefore, ordered that the rates prescribed in the Appendix to this order should be substituted for the average earnings of Rs. 56-14 for the month of 26 days fixed for drawers-in in item No. 5 of Schedule II to the Award dated the 31st May 1947, and the Award may be read accordingly. Consequently the words, "a reacher should get wages equivalent to 60 per cent. of the earnings of the corresponding drawer-in under the standardisation scheme" should be substituted for the words "the full time reacher should get Rs. 34-2-0" in item No. 5 of Schedule II to the Award.

2. The rates of wages and earnings as interpreted here-in-above for drawer-in and reachers should be deemed to have come into effect from 1st January 1947. The additional payment, if any, which may be due under this order, should be made in one instalment on or before 10th November 1947.

(Sd.) K. R. WAZKAR,
Registrar.

(Sd.) H. V. DIVATIA,
President.

APPENDIX.

Rates of Wages for Drawers-in.

- (1) Grey, plain, twills and drills woven on 4 shafts or less—46 pies per 1,000 ends.
- (2) 100 per cent. self colour, plain, twills and drills woven on 4 shafts or less—48½ pies per 1,000 ends.
- (3) Plain, stripes and checks susi plain or twill weave—51½ pies.

- (4) Dhoties up to and including $\frac{5}{8}$ " plain border—48½ pies.
- (5) Dobby border dhoties up to and including $\frac{5}{8}$ " border—50½ pies.
- (6) Sarees with plain borders over $\frac{5}{8}$ " border—51½ pies.
- (7) Sarees containing up to and including $\frac{5}{8}$ " doobby work—53 pies.
- (8) Sarees, full doobby borders over $\frac{5}{8}$ "—67 pies.

Dobby cloths including doobby striped cloth and including drills on more than 4 shafts but excluding dhoties and sarees :—

5— 6 shafts	.. .. .	65 pies.
7—12	.. .. .	84 ..
13—16	.. .. .	104 ..
17—20	.. .. .	138 ..

Double beam work—Above rates plus 7 pies.

Wire healds—Above rates plus 15 per cent.

Double drawn beams—75 per cent. of the above rates.

Note.—2 and 1 drill drawn in on 6 shafts would be paid at 6 shafts doobby rates.

Sorts drawn in on 80, actual reeds and finer (two ends per dent)—add 7 pies to the above rates.

Statement issued to the Press by Mr. Bhagvandas C. Mehta, on 23rd September 1947.

In the report which appeared in the Press of the interview given by Mr. S. G. Patkar, General Secretary of the Girni Kamgar Union, he tried to justify the drawers-in and warpers going on strike by stating that even the Millowners have admitted the injustice of the Award. I think it is necessary for me to refute that mis-statement, and to explain the position. To understand the position correctly, it is necessary to go into the history of the case. The demands from workers for increased bonus, increase in basic wage, and standardisation of wages and other demands were referred by the Government of Bombay to the arbitration of the Industrial Court. The Industrial Court asked the representatives of the employers and workers to nominate one representative each to form a committee of two who would go into the question of standardisation of wages and make a report to the Industrial Court. The workers' representatives did not agree to the name of their representatives and consequently the Industrial Court, under Rule 61 of the Bombay Industrial Disputes Rules, appointed two Assessors, viz., Mr. Khandubhai K. Desai and Mr. P. V. Gillespie. Mr. Khandubhai Desai is well known, and Mr. Gillespie was formerly employed in a supervisory capacity in some of the mills. The sympathy of these two gentlemen towards labour is well known. It should be noted that as the representatives of the workers would not agree to their representative, the Millowners were deprived of having their selected representative on the Committee originally proposed by the Industrial Court. The Industrial Court took the question of bonus first, and awarded a bonus equivalent to one-fifth of the earned wages in the year 1946 as against a bonus equivalent to one-sixth of the earned wages declared by the Millowners' Association. The amount of the bonus as awarded by the Court came to about Rs. 135 lakhs.

2. The Assessors made their report to the Industrial Court, and the Industrial Court gave its award regarding increase in basic wages and standardisation of wages on 31st May 1947. The Industrial Court set down the wages that were to be paid by the mills in Bombay to workers who were paid on time-work basis and fixed standard rates to be paid for two of the piece-work occupations, viz., weaving and reeling. As regards the other piece-work occupations, the Industrial Court laid down a level of earnings in the various piece-work departments, and ordered that piece-work rates should be fixed by individual mills so as to yield to a full-time employee for a month of 26 days, the average earnings laid down in the Award for the various occupations.

3. Soon after the Award was published on 31st May, workers in the drawing-in and warping departments resorted to "go-slow tactics." This disorganised working of the mills. The result was that many departments in mills could not work fully, and some of the departments had to be closed down. Cloth production was definitely reduced, and the earnings of the workers were also affected.

4. The question of whether, where mills were paying for a very small minority of workers wages higher than those laid down in the Award must come down to the level indicated in the Award, was referred to the Industrial Court, to which the answer was in the affirmative.

5. Certain clarifications were necessary in the Award for its correct interpretation and application, and the necessary reference was made to the Industrial Court. The Industrial Court set up an *Ad Hoc* Standardisation Committee, which consisted of two representatives of the Millowners' Association, one representative of the Rashtriya Mill Mazdoor Sangh, and one representative of the Bombay Girni Kamgar Union (Red Flag) with an independent Chairman.

6. The workers wanted that, in the drawing-in and warping departments particularly, there should be standardised piece-work rates as in the two other piece-work departments, viz., weaving and reeling. A scheme of standard rates for the drawing-in department was formulated, which was agreed upon by a majority of the *Ad Hoc* Committee. However, as Mr. Vaidya, representing the Bombay Girni Kamgar Union (Red Flag), would not agree, the *Ad Hoc* Committee made a report to the Industrial Court, and the Industrial Court gave its Award on Tuesday, the 16th instant. Even when the *Ad Hoc* Committee was functioning and formulating a scheme, Mr. Vaidya took up an obstructive attitude, and what is most irregular and reprehensible, gave out information of what was happening. He made various statements and issued pamphlets inciting the workers to go on an illegal strike.

7. The Award of 31st May has given an increase in basic wages and a standardised scheme of wages for about 2.2 lakhs of workers in the Bombay cotton mills. The Award resulted in an increase of wages of about 30 per cent. and resulted in mills paying about Rs. 2½ crores over what they were paying before. This is indeed a very heavy burden on the industry. Surely, in India if not in the world, this is a unique example of such a large body of workers getting such a big increase in wages through the medium of arbitration of the Industrial Court. If any workers were dissatisfied with the Award of the Industrial Court, the proper course for them would be to follow the procedure laid down in law. Instead, the workers indulged in "go-slow tactics," which, in view of the acute shortage of cloth in this country, is most reprehensible. Some of the so-called labour leaders issued threats that the workers would go on strike, and to-day the workers in the drawing-in and warping departments have gone on strike. As the departments are key departments, it will mean that the mills will come to a stop. The attitude and tactics adopted by a section of workers and certain so-called labour leaders is nothing but pure blackmail, inasmuch as that, unless whatever they want is immediately agreed to, they threaten to paralyse the industry, and thereby cause considerable hardship to the people of this country.

8. The figures of earnings of drawers-in and warpers as given by Mr. Patkar are incorrect and misleading. The average earning of drawers-in in the Bombay cotton mills before the Award was Rs. 49-11-0. Similarly, the average wage for warpers was Rs. 53-10-0. The level of earnings for warpers and drawers-in indicated in the Award is Rs. 56-14-0. Mills have done their utmost to faithfully and correctly interpret and give effect to the Award not only in letter but in spirit. The mills fixed their rates so that for a normal full day's work the workers would get the level of earnings laid down in the Award. If anything, the mills have erred on the generous side, and if the workers had put in a full day's work, their earnings, if anything, would have been higher than those laid down in the Award.

9. The General Secretary of the Bombay Girni Kamgar Union has definitely tried to mislead the public. He tries to make out that in wanton disregard of the cloth needs in this country, the millowners would not agree to the workers' demand for a rate of 48 pies. It is pertinent to note here that in the *Ad Hoc* Committee his union first made a demand

for 72 pies, and thereafter reduced it to 52½ pies, and when the majority of the *Ad Hoc* Committee agreed to the rate of 46 pies per 1,000 ends, his union revised their demand to 48 pies. The Industrial Court gave its Award for standard rates in the drawing-in department on 16th September 1947, and awarded 46 pies. Surely, the workers must abide by this, as they had definitely agreed to do so when the President of the Industrial Court had an informal conference with the representatives of the millowners and labour when the question of the appointment of an *Ad Hoc* Standardisation Committee was discussed.

10. A section of the workers and the Red Flag Union have definitely flouted the Award and deliberately tried to mislead the public and bring into disrepute the Millowners and the Industrial Court by twisting the main issue of abiding by the Award of the Industrial Court, into a question of uncalled for bargaining as regards rates of wages. To my mind, the issue is very clear. Here is an Award of the Industrial Court regarding wages to be paid in Bombay cotton mills, which a section of labour is openly and wantonly defying. Can this be tolerated ?

IN THE INDUSTRIAL COURT, BOMBAY.

Application No. 153 of 1947.

The Millowners' Association, Bombay Applicant

Versus

- | | | |
|---|---|------------|
| <p>1. The Government Labour Officer, Bombay</p> <p>2. (a) Pandu Akhad Koli, Drawer, T. No. 5, Drawing Department,
Kohinoor Mill No. 2</p> <p> (b) Bhudajee Zipra Harian, Warper, T. No. 40, Warping Department,
Morarjee Goculdas Mills, Ltd.</p> <p> (c) Iaxman Govind, Reacher, T. No. 18, Digvijay Spg. & Wvg.
Co., Ltd.</p> <p> (d) Krishna Abba Parker, Drawer, T. No. 7, Kohinoor Mills No. 2</p> <p>Opponents 2 (a), (b), (c) and (d) for themselves as well as for and on behalf of all the employees working in the drawing-in, warping and reaching departments of all the member mills of the Applicant Association</p> | } | Opponents. |
|---|---|------------|

Subject.—Illegal strike.

Industry.—Cotton textile.

Present.—Sir Harsidhbhai V. Divatia, President.

Appearances.—Counsel Sir Jamshedji B. Kanga with Mr. B. Narayanaswamy, Advocate, instructed by Messrs. Craigie, Blunt and Caroe, Solicitors, for the Applicant Association.

Counsel Mr. K. T. Sule with Mr. T. Godiwalla, Advocate, instructed by Messrs. S. G. Patkar and P. B. Vaidya for opponents 2 (a), (c) and (d).

Opponent 2 (b) present in person.

Mr. C. N. Bagwe, Assistant Government Labour Officer, Bombay, in person.

Order.

This is an application by the Millowners' Association, Bombay, for a declaration of the illegal nature of the strike of drawers-in, reachers and warpers in their 56 member-mills shown in Appendix II to the application. The Applicant Association is a recognised Association of its member-mills under section 74 of the Bombay Industrial Disputes Act, and this application has been filed in that capacity. Opponents 2 (a), (b), (c) and (d) have been made parties to the application in their representative capacity and leave to proceed against them as such was granted under Rule 11 of the Rules of Procedure of this Court. The allegations of the Applicant Association in substance are that the drawers-in, reachers and the warpers of the 56 member-mills resorted to a strike on the 23rd September last and

that the strike was in respect of an industrial dispute, viz., demand for higher wages than those awarded by this Court in its award of the 31st May 1947 and as interpreted by an order made on 16th September 1947. It is further alleged that these employees went on strike without giving any notice of change as required under section 28 of the Bombay Industrial Disputes Act, and that they all acted in combination and resorted to cessation of work on a common understanding on account of the said industrial dispute. The application was made on the 24th September and it is stated therein that the strike was continuing on the date of the application. The declaration sought for is that the said strike was illegal under section 62 of the Bombay Industrial Disputes Act.

2. Opponents 2 (a) and (d) filed their written statement on 1st October when the matter was fixed for hearing. Opponent 2 (b) appeared in person. Opponent 2 (c) was served but he did not file any statement on that day. It was contended, among other things by opponents 2 (a) and (d) in their statement, that the application was bad for misjoinder of parties, that these two opponents were absent from work some days before the 23rd September 1947, that the order of 16th September made by this Court in interpretation of the award was without jurisdiction and not binding on them, that it was also otherwise bad in law, that the two opponents refused to bind the whole body of the drawers-in, reachers and warpers and did not consent to be their representatives in this application.

3. At the hearing Mr. Sule who appeared on behalf of the opponents 2 (a), (c) and (d) filed an application on behalf of five other employees two of whom were drawers-in, two reachers and one warper and it was prayed that these five employees should be joined as parties to this application because they strongly felt that their interests would be seriously affected to their prejudice if they were not joined as parties. For that purpose they wanted a week's time to file their statement. In support of that application Mr. Sule urged that the warper (opponent 2 (b)) who was made a party to the original application had not filed his written statement and that by his silence the interests of the other warpers would be seriously prejudiced. The two new drawers-in felt that because of the statement filed by the two drawers-in (opponents 2 (a) and (d)), in which they were completely silent on the question of the strike, their interests would be seriously affected on account of their silence and that, therefore, they should be added as parties.

4. In my opinion there is no substance in any of these contentions. Rule 11 of the Rules of Procedure of this Court, which is on the same lines of Order 1 Rule 8 of the Civil Procedure Code, lays down that with the permission of the Court one or more employees having the same interest in the application can be proceeded against on behalf of all the employees so interested, that any employee on whose behalf the application was defended may apply to the Court to be made a party to such application, and the Court may grant the application if it is satisfied that his interests would be seriously affected to his prejudice if he is not joined as a party. As permission had already been given to the Applicant Association to implead the original opponents in their representative capacity, there is no question whether they are now willing to be impleaded as such. Two out of them have filed their written statement and the fact that they are silent as to the circumstances in which the cessation of work took place, cannot necessarily lead to the inference that the interests of the new applicants would be seriously affected if they are not joined as parties. They have stated nothing in their written statement which might go to show that they have taken up any stand which is antagonistic to the interests of these employees whom they are made to represent. For these reasons I dismiss the application of these applicants to be joined as parties.

5. Mr. Sule then applied for a short adjournment on the ground that he wanted to move the High Court to set aside the award and its subsequent interpretation. He further contended that notice of the application was received on the 27th September and a large number of drawers-in and warpers were out of Bombay with the result that he could not take proper instructions from them. He also contended that as I had passed the order of the 16th September interpreting the original award, I should not hear this application but that it should be heard by the Full Bench, especially as the original award was made by the Full Bench. As regards the latter point, there is no reason in law or in equity why the application for a strike cannot be heard by a member of this Court who was a party to the award or the order in respect of which an alleged strike has taken place. Applications for illegal changes relating to an award have been heard in the past by any member of this

Court who was a party to that award and in the same manner there is no reason why an application relating to a strike on account of the alleged infringement of the award cannot be heard by a member who was a party to the award. However, as the interval between the service of the notices on the opponents and the date of hearing was short, I gave Mr. Sule one day's adjournment to take instructions and fixed the hearing on the 2nd October. As 2nd October was declared a public holiday, I heard the matter on the 3rd.

6. On the 3rd Sir Jamshedji Kanga on behalf of the Applicant Association led evidence in support of his case that the strike was illegal. Two documents, one a pamphlet issued by the General Secretary of the Bombay Girni Kamgar Union convening a general meeting of the employees on the 14th September, and the other, a pamphlet issued on the 24th September, were admitted by the other side and were, therefore, exhibited as Exs. A and B. The Applicant Association examined Mr. R. G. Gokhale, Labour Officer of the Millowners' Association, and he produced several documents, viz., a notice issued by one of the member-mills to its employees about the illegal nature of the strike (Ex. C), a poster pasted on the compound walls of a number of mills (Ex. D), a handbill issued by the members of the committee of the drawers-in (Ex. E), another pamphlet issued by the Central Committee of the drawers-in (Ex. F), a handbill issued by the warpers (Ex. G) and a report of the meeting of the employees held on the 14th September appearing in newspaper *Prabhat* (Ex. H). Mr. S. D. Oke who is Manager of Jam Mill No. 1, which was one of the mills affected by the strike, was also examined and he produced a notice (Ex. I) which he had displayed in his mill after conversation which he had over the telephone with Mr. Gokhale on the morning of the 23rd September.

7. The question which is to be decided on this evidence is whether the cessation of work by the drawers-in, reachers and warpers on the 23rd September amounted to an illegal strike, firstly because it related to an industrial matter, secondly, it took place without giving any notice of change under section 28, and thirdly, whether the action of the strikers in resorting to strike was "a concerted refusal or a refusal under a common understanding to continue to work." I may state here that the question of the alleged illegality of the award or the order of its interpretation on 16th September, is not material for the purpose of this application. Even assuming that the award and the order were bad in law or *ultra vires*, the question is whether the cessation of work related to an industrial matter. There is no doubt from the documentary evidence consisting of the pamphlets as well as the posters that the drawers-in were demanding Rs. 3 to Rs. 3-8 per day and their grievance was that their earnings were reduced by the award, and its interpretation. Exs. A and B are signed by the General Secretary of the Bombay Girni Kamgar Union and Exs. E and F are the handbill and the pamphlet issued by the Central Committee of the drawers-in. There is no doubt from this evidence that these employees were dissatisfied with their earnings which according to them were reduced under the alleged illegal award. That undoubtedly is an industrial matter.

8. It is clear that no notice of change was given under section 28 of the Bombay Industrial Disputes Act. It has to be noted further that under section 77 of the Act the award which was made on 31st May 1947, can only cease to have effect on the expiry of a period of six months from the date on which notice in writing to terminate the award is given. No such notice has been admittedly given. The award is, therefore, still in force and under section 62 of the Act a strike would be illegal if it is commenced or continued, among other things, in contravention of the terms of the award. In the present case the strike is in such contravention because the employees demanded higher earnings than those fixed under the award. As regards common understanding and concerted refusal to continue to work, there is also no doubt on the evidence that they all combined together to press their demand and fixed 23rd September as the day on which they were to commence the strike. It is, therefore, clear that there was a combined or concerted action on the part of the strikers within the meaning of that term under section 3 (33) of the Act.

9. Mr. Sule did not lead any evidence but advanced some arguments in support of his case that the strike was not illegal. His first point was that the various mills which were affected by the strike should have filed separate applications for declaration of a strike in each mill and that the application by the Millowners' Association on their behalf is not good in law. There is, however, no substance in this contention. The Millowners' Association is included in the definition of an employer and is also recognised as such. It has, therefore, the right to file such application on behalf of its member-mills which may be affected under the

Act. Just as the employees can make the Association a party opponent in their application for an illegal lockout by several mills, the Association also has the right to maintain an application in respect of a strike concerning its member-mills. The second point urged by Mr. Sule was that the employees of the particular department should have been made parties only to represent the other employees of the same department and not the rest. The present application is filed on the ground that there was a concerted action on the part of all these employees to resort to strike on the 23rd September and it is this alleged common understanding among these employees that makes them representatives of the others and not any particular work that they may be doing in different departments. In my opinion, therefore, this contention has no force. A third point urged by Mr. Sule was that it is the drawers-in alone who have made a demand for higher wages and the warpers and reachers have made no such demand. It is true that they have not made any demand for themselves. But as admitted in paragraph 11 of the written statement filed by opponent 2 (c) on 3rd October, the warpers staying away from work on the 23rd was with a desire to show their sympathy and demonstrate their fraternity with the lot of their brother workers, the drawers-in. As regards reachers, it appears from the evidence that they also stayed away from the work under a common understanding with the drawers-in. It is not necessary that in order that it may amount to a strike the cessation of work should be on account of an industrial dispute with regard to the employee himself. If an employee refuses to work in sympathy with the demand of other employees relating to an industrial matter, his action must also partake of the same nature as that of the employees who have made the demand. There is, therefore, no doubt that the warpers and reachers are standing on the same footing as the drawers-in. It may be stated here that the warpers remained away from work only on the 23rd September to show their sympathy with the drawers-in and resumed work from the 24th. The reachers, however, remained absent on the subsequent days also along with the drawers-in till the strike was officially called off from the morning of 3rd of October.

10. Mr. Sule further contended that the handbills did not refer to any strike but exhorted the workers to fight ('ढढढ') and that did not amount to strike. Even if it were so, the other documentary evidence clearly points to the conclusion that the drawers-in stopped work from the 23rd September in order to press their demand and that a Central Committee was appointed for that purpose. These are all the contentions urged by Mr. Sule.

11. On the evidence led before me I come to the conclusion that the action of the drawers-in and reachers in staying away from work from the 23rd September till the morning of the 3rd October and the action of the warpers in not working on the 23rd, amounted to an illegal strike inasmuch as (1) it was resorted to for the purpose of obtaining higher earnings which is an industrial matter, (2) no notice of change was given under section 28 of the Act, and (3) it was a concerted action on the part of the employees to stay away from the work. In the result, therefore, I allow the application and make a declaration that the strike of the opponent employees as mentioned in Appendix II annexed to the application was illegal under section 62 of the Bombay Industrial Disputes Act. No order as to costs.

(Sd.) K. R. WAZKAR,
Registrar.

(Sd.) H. V. DIVATIA,
President.

APPENDIX 11.

PROVINCIAL LABOUR ADVISORY BOARD.

THREE-SHIFT WORKING IN TEXTILE MILLS.

Copy of letter No. 638/46-E, dated 2nd April 1947, from the Chief Secretary to the Government of Bombay, Political and Services Department to the Association.

I am directed to address your Association on the question of three-shift working in the textile mills in this Province.

As you are no doubt aware, trouble has arisen in several textile mills in Bombay City on account of the reluctance or refusal of the workers to accept work on the third shift which occupies hours after midnight. On the same issue, there had recently been very serious unrest

in Ahmedabad affecting a very substantial portion of the workers in the textile industry ; stoppage had occurred in over 20 mills and it was with great difficulty that a general strike was averted and an early resumption of work brought about. The working class seems bitterly opposed to third-shift working. The results of the experiment have, also, so far been very disappointing. Not much additional production has accrued by the working of the third shift. Moreover, it has been observed that considerable numbers of workers have been unable to resist the temptation to work on two shifts on the same day in different mills in violation of the provisions of the Factories Act. The Textile Labour Inquiry Committee has strongly reported against any arrangement of hours which involve post-midnight work. Such late hours are known to be exceedingly bad for the health of the workers and efficiency suffers all round.

For these reasons the Government of Bombay is of the view that persistence in or extension of third-shift working may very likely result in large curtailment of production and possibly a serious dislocation of the entire industry as a consequence of the intensification of labour unrest and recommends for the reconsideration of your Association that the third-shift working be stopped except, temporarily, in cases in which the workers of all the shifts in a particular mill are agreeable.

Copy of letter No. 285-A, dated 17th April 1947, from the Association to the Chief Secretary to the Government of Bombay, Political and Services Department.

I am directed to refer to your letter No. 638/46-E, dated the 2nd April 1947, which was received by the Association in the afternoon of 5th April 1947.

2. Your letter follows certain discussions which the Chairman and the Deputy Chairman of the Association had with the Hon'ble the Minister for Labour on Monday, the 31st March 1947. Following these discussions, two Press *communiques* were issued, one on 1st April 1947, and the other on 3rd April 1947. The first mentioned *communique* states :

“ It was agreed that the whole question of a third shift should be re-examined immediately in the light of the consequences to the health of the workers and the net effect on the production of cloth.”

This, my Committee submit, is an unfortunate statement, giving as it does, an incomplete version of the interview referred to. The representatives of the Association did not agree to either the suspension of treble-shift working or to the prohibition of further extension of treble-shift working. Unfortunately, the premature announcement of Government's policy has created a demand for the suspension of third shift, and it is very likely that, even in mills where treble-shift system had been working for a considerable time, the operatives will refuse to continue. The Press *communique* in question goes on and states :

“ The Government of Bombay will immediately be taking up this question with the Central Government so that a satisfactory decision may be taken at a very early date.”

3. The second Press *communique* of Government, dated the 3rd April 1947, starts :

“ The Government of Bombay has recommended to the Millowners' Association at Bombay and Ahmedabad and through them the textile industry in the Province that the system of three-shift working in the textile mills which has been recently introduced in some of the mills should be stopped except temporarily, in cases in which the workers of all the shifts in particular mills have expressed their willingness to work the three-shift system.”

The Press *communique* apparently throws no light on the question as to whether, in view of the importance of this matter, the Government of Bombay have discussed the matter, as indicated in the first mentioned Press note, with the Government of India, and, if so, with what results.

4. The Press *communique* of 3rd April then enumerates the reasons, which have led Government to make the recommendations. Some of these reasons have also been mentioned in the letter of 2nd April 1947 addressed to this Association, and in view of the importance

of the issues involved, my Committee desire leave to refer to them at length. At the outset however, I am desired to submit that this Association has, on several occasions in the past, been asked by the Government of India and the Textile Commissioner to devise measures for increasing the production of cloth and yarn in cotton mills. Various methods were proposed by Government, and their spokesmen were continuously urging on us the desirability of introducing the third shift in cotton mills, though the difficulties which had to be overcome before another shift could be successfully introduced, had been placed before, and discussed with, Government.

5. Here, it should be pointed out that even the public and labour have been asking for an extension of treble-shift working, and in this connection, my Association only desires to draw the attention of Government to the following demand made by a section of labour in Bombay, which Government referred to the arbitration of the Industrial Court in August 1946. This is how the demand reads :—

“ 5. In view of the urgent need to increase the supply of cloth to the people and in view of the necessity to provide greater employment, the said employees demand immediate introduction of three shifts of 7½ hours with same remuneration for 8 hours.”

This demand, as has already been pointed out, is before the Industrial Court, having been referred to that Court by Government; yet, Government now point out that three-shift working should not be introduced; that workers themselves are not willing to work such a system; and that, if it is forced upon them, there is bound to be serious trouble, which, in the opinion of Government, should be avoided at all costs. The Hon'ble the Labour Minister mentioned that there were communal disturbances in Bombay at the moment, and if there were strikes on account of the workers' opposition to run three shifts, then that might result in a general strike. It is not perhaps appreciated that, if mills were forced to discontinue the third shift in these departments where there are three shifts, and particularly in spinning, it would mean that a large number of workers in other departments, where shortage of workers is not felt, would be thrown out of work, resulting in unemployment to an appreciable extent which would create great discontent and affect the smooth working of even two shifts.

6. Turning now to Government's letter dated the 2nd April 1947, it is stated :

“ trouble has arisen in several textile mills in Bombay City on account of the reluctance or refusal of the workers to accept work on the third shift.”

My Committee respectfully submit that this is a gross exaggeration. There was trouble only in two mills, namely, the Madhowji Dharamsi Manufacturing Co., Ltd., and the Seksaria Cotton Mills Ltd.

7. Government have referred to the troubles in Ahmedabad, but that, my Committee venture to submit, has arisen from the fact that the Textile Labour Association, Ahmedabad, has never really supported change-over of shifts, however desirable that may be. It was only recently that night-shift workers were brought into day shift and *vice versa*, and if, as in Bombay, Ahmedabad had a system of change-over of shifts, the difficulty would not have arisen, and workers would have taken to two or three shifts, knowing well that no differentiation is likely to arise therefrom. As a matter of fact, there are mills in Bombay which have been entirely on the three-shift system for well over 12 years, and mills which are partially on the three-shift system since the last few years, where no trouble whatsoever has arisen, and my Committee do not see how Government can possibly state :

“ The working class seems bitterly opposed to third-shift working.”

There is a demand for three-shift working from labour, which is before the Industrial Court, and some mills have already been working on that system; yet Government state that the working class seems bitterly opposed to third-shift working. At the discussions referred to in para 2 above, the Hon'ble Minister stated that the workers are definitely opposed to three-shift working. He also stated that he wanted to stop three-shift working because mills, which had only two-shift working, experienced shortage of workers on account of the workers going to the mills where there were three shifts. This is self-contradictory because, if the workers did not like, and are definitely opposed to, three-shift running, then, naturally, there can be no question of their going from mills working two shifts only to those on three shifts.

8. It has been pointed out by Government :

“ Not much additional production has accrued by the working of the third shift.”

My Committee believe that, where there has been three-shift working in mills over a considerable period, there has been a proportionate increase in production compared to the increase in the machine-hours worked. Even in mills where three-shift working has been resorted to recently, there has been a considerable increase in production, though not exactly to the extent of the machinery worked. In double-shift running, there are 16 working hours per day, whereas in treble shift of $7\frac{1}{2}$ hours each, there are $22\frac{1}{2}$ working hours. That means an increase of about 40 per cent. Three-shift running in spinning is absolutely essential, for, unless a sufficient number of spindles is worked, it would not be possible to find work for people in the spinning preparatory and weaving and weaving preparatory departments, not to say anything of the folding, calendering, baling, bleaching, dyeing, etc. If the third shift in spinning is discontinued, or further extension of the third-shift running in spinning is prohibited, then it can only mean that, apart from reduction in production of yarn and cloth and prevention of further increase in production of yarn and cloth, workers in the other departments would also be thrown out of work. That apart, in treble-shift running, where there is a regular change-over of shifts, workers in the departments concerned have to work after midnight only once in three months, or in other words, only one-third of the total number of workers in that department have to run after midnight.

Production in the spinning department is the keynote of the industry, and if it is curtailed, or if treble-shift working as an aid to increase the spinning production were prohibited, then it can only result in reduced output, dislocation of work in other departments, and cause unemployment amongst the workers in other departments.

9. Government have made the admission that considerable number of workers have been unable to resist the temptation to work on two shifts on the same day in different mills in violation of the provisions of the Factories Act. While my Committee have no direct evidence of workers seeking employment in more than one shift, they would only like to submit that, if the facts are as stated, then the position should be set right by awarding exemplary punishment to the worker who defies the law, but if, in spite of everything, a worker seeks employment in more than one shift, then, that can hardly be an excuse for Government intervening and stopping efforts to step up production of cloth when it is so much in short supply.

10. My Committee regret they are unable to agree with Government. They are aware of the fact that treble-shift working or work after midnight has been going on in the cotton textile industry and also in other industries in the country for some considerable time. This was intensified during the war, and so far as my Committee are aware, there has been no evidence to show that work after midnight has had any detrimental effects on the health of the workers.

Copy of letter No. 95(1)-TA/47, dated 2nd June 1947, from the Government of India, Department of Industries and Supplies, to the Association.

With reference to your letter No. 285-A, dated the 17th April addressed to the Government of Bombay, a copy of which has been endorsed to this Department, I am directed to say that the Government of India have addressed the Government of Bombay in the matter and have suggested that they should lend co-operation and advise you to suggest to the mills to adopt the system of working three shifts wherever possible. That Government has also been asked to impress on the labour the desirability of assisting the mills in the present national emergency. I am to add that it is proposed to hold in the near future a Tripartite Labour Conference under the auspices of the Labour Department to thrash out all problems relating to textile labour and the question of working three shifts will also be reviewed at that Conference.

I am to suggest that you should ask the mills to adopt three-shift working wherever possible so that the present acute shortage of cloth and yarn should be relieved as much as possible.

Copy of letter No. 285-A, dated 24th June 1947, from the Association to the Chief Secretary to the Government of Bombay, Political and Services Department.

I am directed to invite your attention to my letter No. 285-A, dated the 17th April 1947, and to enclose herewith for your information copy of a letter No. 95(I)-TA/47 dated the 2nd/4th June 1947, received by us from the Government of India, Department of Industries and Supplies.

The Government of India state in the first paragraph of their letter that they have addressed you in the matter and "have suggested that they (Government of Bombay) should lend co-operation and advise you (the Association) to suggest to the mills to adopt the system of working three shifts wherever possible." The Government of India communication also suggests in the second paragraph of their letter that this Association should ask the mills to adopt three-shift working wherever possible so that the present acute shortage of cloth and yarn should be relieved as much as possible.

In the second paragraph of my letter No. 285-A, dated the 17th April 1947, I pointed out that "the premature announcement of Government's (Bombay Government's) policy has created a demand for the suspension of third shift, and it is very likely that, even in mills where treble-shift system had been working for a considerable time, the operatives will refuse to continue." What has transpired subsequently, has fully confirmed my Committee's fears, and it is very likely that more mills would have to discontinue their third shift. My Committee would like to take action on the lines indicated in the second paragraph of the Government of India's communication, but before doing so, it would greatly strengthen their hands if the Government of Bombay would very kindly consider the advisability of issuing a Press note advocating the continuance of third-shift working, in order to remove the tightness in the cloth situation.

My Committee may kindly be advised, at a very early date, as to whether and, if so, what action Government propose to take in this matter.

APPENDIX 12.

HOUSING OF MILL WORKERS.

Copy of letter No. 376, dated 14th May 1947, from the Association to the Chief Secretary to the Government of Bombay, Political and Services Department.

I am directed to draw your attention to Government's Resolution No. 459/46, dated the 18th January 1947, announcing the constitution of a Bombay Provincial Housing Board "with a view to formulating a long-range housing policy and undertaking an immediate programme for the purpose of encouraging and facilitating private enterprise to build houses and for building houses through the agency of Government or local bodies or both." Subsequently, Government also decided to set up a Committee known as the "Bombay Provincial Housing Advisory Committee" to advise the Housing Board. The Advisory Committee met early last month, when they were asked to consider certain proposals which had been drawn up by Government to give effect to their housing policy. Briefly stated, the essence of Government's scheme is that, all employers in the Province should contribute a levy varying between Re. 1 and Rs. 2 per head per month, calculated on the number of workers employed by them, for an unspecified period of time. Employers are, in addition, expected to put up tenements for the housing of their own labour with the assistance of Government, the exact extent of which is not also specified, failure to do so resulting in an increase in the levy on the employer which has already been referred to.

2. The proposals placed before the Advisory Committee by Government were not complete, and information was required in several respects, without which it was impossible

for my Committee to express their views on the schemes prepared by Government. A communication was addressed to Government on 17th April 1947 seeking clarification on certain matters to which a reply was received only on 6th May 1947. It seems that, in the view of Government, it is the duty of employers to provide housing for the labour. My Committee are unable to accept this view. In their opinion, housing, whether for labour or for the public, is the responsibility of the State and the civic authorities concerned. In no country in the world is housing of labour recognised by law as the responsibility of the employer. My Committee are aware of the need for housing, but in their view, the situation should be met by Government by raising loans if necessary and the rent should be so fixed as would make it possible to pay a small interest on the loans and to build up a sinking fund, which would facilitate repayment of the loan after a specified number of years.

In this connection, my Committee would like to submit that the suggestions made by them in the above paragraph are somewhat similar to the recommendations made by a special Sub-Committee appointed by the Seventh Meeting of the Tripartite Labour Conference held on 28th August 1945, which went into the question of housing. My Committee earnestly suggest that an attempt to solve the problem be made on the basis of the recommendations made by the Sub-Committee of the Tripartite Conference, the contribution from employers being limited to Rs. 2 per month per head allotted to them.

3. Turning now to the scheme put forward by Government, as amplified by the information now supplied to my Committee :

Government propose to put up 15,000 tenements which, excluding land and certain other items would cost about $9\frac{1}{2}$ crores of rupees. The Government's scheme states that the Central Government " would be requested " to give financial aid to the extent of $2\frac{1}{2}$ crores of rupees. They themselves have allotted $2\frac{1}{2}$ crores, and the balance, therefore, namely, $4\frac{1}{2}$ crores, apparently comes from employers, though it is stated in Government's letter dated 6th May that " employers would be required to pay $2\frac{1}{2}$ crores subject to adjustments.

4. Another point which requires to be made in connection with employers' contribution to " the direct construction scheme " is that if the figure of $2\frac{1}{2}$ crores mentioned by Government as the employers' share is correct then as shown below, Government are endeavouring to collect the entire amount, or even more than that from the cotton textile industry alone. The total number of persons employed in the cotton textile industry of the Province is 4,39,000 ; at Rs. 2 per head per month, the employers' contribution works out at 5 crores 76 lakhs of rupees for five years, and if this is correct, it follows that either the other employers do not pay or that the contribution fixed by Government at Rs. 2 per head is unduly high.

5. In addition to " direct construction," Government expect employers to put up 80,000 tenements under " the assisted scheme." These tenements are expected to cost about 49 crores of rupees on the basis of Government's own estimates, i.e., excluding price of land, etc., and more if proper provisions were made for all items. Against this estimated expenditure, Government propose to give " assistance " to the extent of 1 crore in instalments of 20 lakhs each in the shape of a repayable loan. In other words, the employers' total disclosed liability under the scheme is not less than $53\frac{1}{2}$ crores (49 plus $4\frac{1}{2}$). In this connection, it must be pointed out that employers in the Province would not be able to spare such a colossal sum within the next five years, or even in a reasonable number of years thereafter. Speaking, however, on behalf of the cotton textile industry of Bombay, my Committee are in a position to say that an expenditure of this magnitude is out of the question. Rehabilitation and modernisation of the industry should be the first charge on our surplus cash. In Bombay City alone, the cash resources available to the industry fall short of the estimated requirements for purposes of rehabilitation by about 45 crores, and my Committee are sure that other centres of industry in the Province would not have a different story to present.

6. Apart from the huge capital expenditure which our industry is being asked to undertake, Government also expect us to incur a colossal recurring loss, which arises from the fact that it is proposed to let these tenements at rents which fall far below what may reasonably be called fair standard rents. The table in the appendix shows to what extent the rents, which Government propose to fix, fall below the fair standard rents and the estimated annual loss, which employers are expected to bear. The point which should be

made in connection with the figures presented in the appendix is that they provide for a nominal interest yield of 2½ per cent. on fixed capital as against the 3 per cent. which Government propose to charge in respect of loans made by them, and for the creation of a sinking fund to facilitate replacement of buildings at the end of, say, about 60 years. The total annual loss as revealed by our figures, which is in the neighbourhood of 1½ crores, does not include the loss on dormitories, and even this loss will impose an annual burden, which the industry cannot bear, regardless of any other consideration. Incidentally, it may be pointed out that this recurring annual loss exceeds the amount which Government hope to realise each year at the rate of Rs. 2 per worker employed. In other words, though the scheme is discontinued after five years, employers would still be paying out more than Rs. 2 per head per month.

7. My Committee note from Government's letter dated 6th May that no survey of the actual housing requirements has yet been made. This is a very strange and risky procedure as Government are endeavouring to come to important decisions without first knowing what is really wanted. My Committee feel that it is not necessary to remind Government of the costly and grievous mistakes made by them immediately after the First World War, when important development and housing schemes were launched without proper scrutiny, and which finally led to the schemes being abandoned before completion. Even before the Second World War, a number of Development Department chawls were reported to have been empty, though they were offered at concessional rates of rents. It is of the utmost importance that steps should be taken to ascertain that the locality and the type of housing proposed are such that the workers would prefer to live in them. In this connection, the importance of transport, and the proximity to the place of employment, access to important markets, hospitals, play-grounds, etc., of the city have to be emphasised and perhaps the old housing scheme's unpopularity was partly due to the fact that sufficient weightage had not been given to these considerations. My Committee wonder whether there is at present in Bombay City any site fulfilling the above requirements, which is available for the industrial housing scheme.

8. Government's letter of 6th May reveals that, so far, neither the Government of India, nor the local civic administrations have definitely undertaken any responsibility in connection with the scheme, nor have Government come to any conclusions regarding the actual type of machinery to be set up for directing and controlling housing operations. The estimates which have been put up for the scheme are tentative, but according to the information of the Association, the estimates are in any case much on the high side, and there seems to be room for drastic curtailment of expenditure.

9. My Committee are at one with Government in improving housing accommodation in Bombay and elsewhere, but they would point out in all earnestness that the proposals made by the Special Sub-Committee appointed by the Tripartite Labour Conference (a copy of which is attached for ready reference) indicate the lines on which the problem should be tackled. It cannot be the intention of the Government of Bombay to ignore such proposals and impose a burden on employers in Bombay alone. An attempt to solve the problem on an all-India scale on the lines indicated by the special Sub-Committee of the Tripartite Labour Conference would not only help to relieve the housing congestion all over the country, but also prevent the employers of Bombay being singled out for a heavy imposition.

GOVERNMENT OF INDIA'S POLICY AND PROPOSALS REGARDING HOUSING.

(Proposals made by the Special Sub-Committee appointed at the seventh meeting of the Tripartite Labour Conference held in New Delhi on 28th August 1945.)

(1) There should be a building fund provided to finance the housing of workers who are unable to pay an economic rent for the minimum standard of housing laid down.

(2) Government (Central and/or Provincial) should make available long-term interest-free loans for housing built to approved standards and such loans should be redeemed by the building authority by means of a sinking fund spread over a period of not less than 30 years.

(3) The Housing Fund and in the first instance the housing subsidy should be administered by a National Industrial Housing Board including representatives of the Provinces, the Centre, the States, employers, labour and other interested parties. In addition to the National Industrial Housing Board, Regional Industrial Housing Boards representing Provincial Governments, the States, local authorities, employers, labour and other interested parties should be set up to co-ordinate regional schemes before they are submitted to the National Industrial Housing Board.

To enable a start to be made with a nation-wide housing of workers, Provincial and Central Governments should, between them, provide the necessary finance by making available long-term interest-free loan for approved schemes complying with prescribed minimum standards. In addition to the provision by Government of interest-free loans, employers should be asked to pay a sum of Rs. 2 per month per house for every house allotted to them. Any deficit that may remain over and above that covered by employers' contribution and the interest-free loan should be met by further subsidy raised by some form of general taxation.

To ensure that houses are constructed as cheaply and as efficiently as possible, it is essential for the Centre and Provincial Governments to co-ordinate their building programmes through the National Industrial Housing Board and to ensure that the requirements of raw materials for the various Provincial Housing Schemes all over the country are co-ordinated by the Board and bulk orders at controlled rates placed by the Board for these materials. Government should also take every step possible to encourage and develop more production methods.

Provincial and local authorities should be responsible for making available properly developed sites for approved housing schemes.

APPENDIX.

Outgoings.	For tenements costing Rs. 1,600.	For tenements costing Rs. 2,800.	For tenements costing Rs. 5,400.	For tenements costing Rs. 7,000.	For tenements costing Rs. 9,100.
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest on investment at 2½%	40.00	70.00	135.00	175.00	227.50
Sinking fund at 3% interest (.61% on cost for 60 years)	9.76	17.08	32.94	42.70	55.51
Insurance (.25% on 9/10 of invested amount)	3.60	6.30	12.15	15.75	20.47
Repairs (8% of annual rent)	6.89	12.08	23.27	30.17	39.22
Vacancies, bad debts, cost of collection, sweepers' welfare services, etc. (7½% on annual rent)	6.45	11.32	21.80	28.28	36.77
Municipal taxes (16.6% of annual rent)	14.35	25.14	48.46	62.84	81.70
Urban immovable property tax (6% of annual rent)	5.15	8.95	17.31	22.40	29.10
Total annual rent	86.20	150.85	290.93	377.14	490.27
Monthly fair rent	7.18	12.57	24.24	31.43	40.86
Monthly rent which Government propose should be charged	..	4.00	8.00	10.00	11.00
Deficit per month	..	8.57	16.24	21.43	29.86
Tenements in each class	4,000	4,000	32,000	32,000	8,000
Loss per month	..	34,280	5,19,680	6,85,760	2,38,880
Loss per year	..	4,11,360	62,36,160	82,29,120	28,66,560
Total loss on all tenements	..	..	..	Rs. 1,77,43,200	..

Copy of letter No. 1199/46-F, dated 25th August 1947, from the Joint Secretary to the Government of Bombay, Political and Services Department, to the Association.

I am directed to state that the Provincial Housing Advisory Committee at its fourth meeting held on Tuesday, the 10th June 1947, fixed for all industrial towns in the Province a target of 1,25,000 tenements to be completed in 5 years. This target will include tenements constructed by all agencies, Government, Government-aided, and private enterprise.

2. The Committee also adopted the programme of constructing 15,000 tenements by Government in a period of 5 years at a cost of Rs. 7½ crores. Of this amount, Rs. 2½ crores each will be provided by the Government of India, the Government of Bombay and the employers, and Rs. 3¼ crores each by the Government of Bombay and the employers if the Government of India are unable to contribute.

3. Important decisions were taken by the Committee as regards the recovery of employers' contributions for raising the necessary funds. It was decided to effect the recovery only after the completion of each year's programme. It was further decided to review the position every year with a view to devising ways and means of reducing the deficit which the scheme involves according to present estimates of Government. As regards the other parts of the scheme entailing further financial burden on the employers, Government undertook to discuss the basis with the employers, before taking further steps.

4. I am to add that the above decisions are being placed before Government for final sanction.

Copy of letter No. 376, dated 24th September 1947, from the Association to the Joint Secretary to the Government of Bombay, Political and Services Department.

I am directed to acknowledge the receipt of your letter No. 1199-46-F, dated the 25th August 1947, in which you have referred to certain decisions taken at the fourth meeting of the Provincial Housing Advisory Committee in connection with the question of providing housing for labour in Bombay. You have further stated in your letter that the decisions incorporated in your paragraphs 2 and 3 "are being placed before Government for final sanction."

2. The Committee of the Millowners' Association, Bombay, are very grieved to note that the Association, which represents all mills in Bombay City and a very large section of cotton mill employers in Bombay Province, has not been fairly treated by Government in a matter, which vitally concerns their members. The views expressed by the Association on the scheme, at the definite invitation of Government, have apparently been ignored, and in this connection, it should be pointed out that no acknowledgment has been vouchsafed by Government to the communication addressed to it by the Association on 14th May 1947.

3. As you are doubtless aware, Government's proposals regarding housing were first placed before the Advisory Board at a meeting held early in April, and at the instance of Mr. J. C. Lancashire, Government agreed to co-opt another representative of the Association on the Board to consider Government's proposals. In accordance with this decision, Mr. Dharamsey Mulraj Khatau attended the conference on or about the 11th of April as an additional representative from the Association. The Association has no authoritative report of the proceedings of the conference, which Mr. Dharamsey attended, but it transpires that the view generally expressed at the conference was that the proposals circulated by Government were far too vague, and that it was not possible to give detailed consideration thereto without further information on certain points. Accordingly, the Association was asked to write in to Government and set forth the additional information, which, in its opinion, was necessary to facilitate consideration of Government's proposals. The Association complied with this suggestion, and in a letter dated 17th April addressed to you, the points on which additional information was required by the Association were itemised at length. It was understood at the conference that information on whatever points may be required by this Association and other bodies would be immediately supplied by Government, and on the basis of this data, the individual organisations were expected to submit their views to Government in writing on or before the 21st April.

4. The information asked for by the Association was not forthcoming before 6th May 1947, and in the meantime, in order to avoid their replies being time-barred, certain organisations and Chambers submitted their views on Government's original proposals, though they had not with them sufficient data relating to the scheme. However, the Association's reply to Government on the scheme, which was under preparation when Government's letter arrived, had to be recast in the light of the information conveyed by Government,

and this was finally sent to Government on 14th May 1947. As has already been pointed out, no acknowledgment of this letter has been received from Government.

5. Government appear to have convened a further meeting of the Housing Advisory Board on 10th June 1947 to consider their scheme. The Association's representatives, Mr. Dharamsey Mulraj Khatau and Mr. J. C. Lancashire, did not receive any intimation of the meeting. The matter was taken up by the Association with the Department concerned and all that the latter had to say was that "a letter of invitation was sent by post on 4th June 1947 along with other members of the Provincial Housing Committee, to Mr. Dharamsey Mulraj Khatau, c/o the Millowners' Association, requesting him to attend the meeting of the Housing Advisory Committee, which was held on 10th June 1947." Government's letter contained no reference about any invitation having been sent to Mr. Lancashire, but when their attention was drawn to this omission, Government stated that the "letter of invitation to attend the meeting of the Provincial Advisory Committee held on 10th June 1947 was sent to Mr. Lancashire, c/o Messrs. Forbes, Forbes Campbell & Co., as directed by him." Government did not say on what date the invitation was posted in the case of Mr. Lancashire but it was received by him on 27th June 1947. My Committee do not desire to offer any more comments on the situation except to say that the Association's straightforward but sincere criticisms of the scheme have apparently discouraged Government and the Advisory Committee to the extent that the Association's letter of the 14th May was ignored.

6. My Committee do not honestly believe that they deserve the treatment which has been meted out to them. They cannot also believe that Government would like the Association to express anything except sincere and honest opinions. It may perhaps be that Government do not see eye to eye with the Association on this issue, but to ignore an opinion after having invited it, and to treat it with scant courtesy, is a misfortune, which the Association has not experienced in all these years.

7. Turning now to the specific question of the Housing Scheme, Government will appreciate that, while the Committee of the Association have criticised Government's proposals at length, they have not altogether been unhelpful or destructive in their attitude; nor have they failed to appreciate the gravity of the situation. In this connection, Government's attention is drawn to paragraph 9 of my letter dated the 14th May 1947, which contains a suggestion that Government might consider and put forward a housing scheme on the lines proposed by the Tripartite Labour Conference in 1945. Surely, if Government's scheme has been misunderstood by the Association and if Government have, as my Committee hope, weighty reasons for proceeding with their own scheme in preference to the scheme put up at the Tripartite Labour Conference in 1945, then the Association would certainly like to know what the facts are; my Committee are always prepared to approach the question with an open mind. For ready reference, I enclose herewith a copy of the Association's letter* dated the 14th May 1947, and would appreciate a reply from Government in this matter. Pending receipt of a detailed reply from Government to that communication, I am directed to say that my Committee must make it clear to Government that whatever the decision of the Advisory Board, such decision will not be binding on either the representatives of the Association on the Advisory Board, or on the Association itself.

8. My Committee are anxious that they should not be misunderstood. This communication is not addressed in a recriminatory spirit. It arises solely from a desire to place before Government once again the danger of giving effect to schemes, which have not been well considered, and which have in the past, as Government will recollect, mulcted this Province in a colossal and wasteful financial expenditure. It has been written with a sincere desire to understand Government's reasons for proceeding with their scheme, and it is hoped that Government will appreciate the position, and take the Association into their confidence.

Copy of Government of Bombay Political and Services Department Resolution No. 751/46, dated 3rd November 1947.

Government has carefully considered the Bombay Provincial Housing Board's programme for the provision of increased housing accommodation, which was discussed by the Provincial Housing Advisory Committee at its meetings held on the 7th, 8th and 11th

* Already printed.

April 1947, and again on the 10th June 1947, and which has been printed as an accompaniment to the Resolution, together with the Press note embodying the recommendations of that Committee embodied in the minutes of its meeting held on the 10th June 1947. Government is now pleased to pass the following orders for the execution of the Board's programme.

2. Government approves generally the recommendations in respect of the fixing for all the industrial towns in the province, a target of 125,000 tenements to be completed in five years, the target including tenements constructed by all agencies—Government, Government-aided and private enterprise, and it sanctions, subject to the following paragraphs, the programme of constructing 15,000 tenements by Government in a period of five years at a cost of Rs. 7½ crores.

3. *Direct Construction, Cost, Number of Tenements, Location, etc.*—The programme assumes a contribution of Rs. 2½ crores from the Central Government and an equal amount from the employers by the imposition of levy and the Provincial Government.

4. *Rents.*—Under the Housing Programme it is proposed to charge rent at a rate equivalent to 12½ per cent. of the occupants' earnings, irrespective of the economic rent of the accommodation provided. It is true that out of the amount of Rs. 7½ crores proposed to be spent on direct construction, a contribution of Rs. 2½ crores is assumed from the Government of India and a similar amount from the employers. Apart, however, from the present uncertainty of these factors, it would in any case be financially unsound to proceed with the programme on the basis of the realisable rent as envisaged in the programme when it is considered that it will not cover more than a mere fraction of the economic rent and that even before the last war low-paid workers used to spend about 20 per cent. and probably in some cases 25 per cent. of their income on rent in a thickly populated industrial city like Bombay. The Housing Board should accordingly reconsider the rate of levy of rents and say whether the concessional rent should not be fixed on the basis of about 20 per cent. of the workers' earnings.

5. *Levy.*—The feasibility of levy remains to be established, and its details as well as some of its underlying principles must be worked out and settled in consultation with the interests concerned; the requisite legislation has also not yet been drafted. The necessary steps in this behalf should be taken with all possible expedition.

ASSISTED CONSTRUCTION.

6. *Local Bodies.*—The programme contemplates that Government will provide land or financial aid to the extent of the cost of land for all houses constructed by local bodies during the period of five years, provided that this concession will not apply to accommodation required by the employees of local bodies. A sum of Rs. 50 lakhs is proposed to be earmarked for this concession. Government accepts this recommendation of the Housing Board, subject to the condition that individual cases in which it is proposed to provide free land to local bodies or to give them financial assistance equal to the value of land, should receive the prior approval of Government in the Finance Department.

7. *Employers.*—The terms on which loans are proposed to be given to employers are accepted. The proposal to earmark an amount of Rs. 1 crore for loans to employers during the five-year period is also accepted.

8. *Co-operative Housing Societies.*—(a) Co-operative housing societies constructing tenements consisting of two living rooms and a kitchen (with other amenities) or of a lesser size may be granted loans at 3 per cent. or ½ per cent. less than the Government borrowing rate, whichever is higher. These loans may be to the extent of 75 per cent. of the value of the land and buildings in the case of tenant co-partnership societies, and to the extent of 60 per cent. in the case of other societies.

(b) Co-operative housing societies constructing tenements of higher standards than those stated in sub-paragraph (a) above may be given loans to the extent of 50 per cent. of the value of the land and buildings at the rate of ½ per cent. above the bank rate provided

the bank rate is not lower than the rate at which Government has itself borrowed on the last occasion before giving loans.

(c) The period of repayment of loans to co-operative housing societies should be 25 years.

(d) The proposal to earmark a sum of Rs. 50 lakhs for the grant of loans to co-operative housing societies is accepted.

9. *Private Building.*—Persons undertaking construction of tenements of approved design and layout, conforming to standards of construction on plots leased from Government in areas to be developed by Government may be given assistance in the form of loans on the same terms as co-operative housing societies mentioned under sub-paragraph (b) of paragraph 8 above.

10. Details regarding each item of assisted construction, whether undertaken by co-operative societies or individuals, should be separately worked out and the terms and conditions subject to which advances will be given and recoveries effected, should be formulated. The approval of Government to these should be obtained in due course.

11. The work of constructing 212 tenements at Worli at an estimated cost of Rs. 16,00,807 is administratively approved. The detailed estimates should be revised in accordance with the rates in tenders and resubmitted to Government for technical sanction. The work should be carried out in anticipation of allotment of funds, orders regarding which will issue later. The Housing Commissioner should submit an application in February 1948 for the allotment of funds actually required. Orders as to the budget head to which the cost should be debited will issue in due course.

I

*Accompaniment to Government Resolution, Political and Services Department,
No. 751/46, dated the 3rd November 1947.*

The Bombay Provincial Housing Board has adopted the following programme for the provision of increased housing accommodation in accordance with the requirements of Government Resolution (Political and Services Department, No. 459/46, dated the 18th January 1947) relating to the constitution and functions of the Board.

(1) This programme will cover a period of five years commencing from the 1st April 1947. The matters regarding which concrete action can be taken now are set out below. Other aspects of the question are still being examined.

(2) The programme will embrace the following measures :—

A. *Direct Construction.*

(a) *New houses.*—(i) Government will undertake construction of new houses with the help of contributions from the Central Government, employers and the local bodies ; (ii) where circumstances permit temporary structures will be erected.

(b) *Conversion.*—Surplus military huts or other available structures will be converted for civilian residential purposes to the extent it is practicable to do so.

B. *Assisted Construction.*—Government will assist the employers, local bodies, co-operative societies and approved private builders to undertake construction of houses conforming to the standards and regulations sanctioned by the Government.

C. *Research and information* and arrangements for technical advice to the Public.

D. *Removal of Basic Difficulties.*—Government are taking steps to remove the impediments which hinder building activity at present. This concerns primarily the availability of building materials and housing sites.

(3) *Allocation of Funds.*—In the reconstruction programme of the Government of Bombay, provision has been made for an amount of Rs. 5 crores for the housing programme. It is proposed to allocate this amount as follows :—

1. *Direct Construction.*

(a) New houses ; Rs. 2 crores 50 lakhs.—(i) Permanent structures ; Rs. 2 crores 30 lakhs. (ii) Temporary structures ; Rs. 20 lakhs.

(b) Conversion : 10 lakhs.

2. *Assisted Construction.*

(a) The cost of land for local bodies : 50 lakhs.

(b) The cost of cheap loans.—(i) For co-operative societies : Rs. 50 lakhs, i.e., an average of Rs. 10 lakhs a year. (ii) For employers Rs. 1 crore, i.e., an average of Rs. 20 lakhs a year.

3. Research, experimental work, information and advice : 15 lakhs.

4. Administration : 25 lakhs.

(4) *Direct Construction.*—New houses to be constructed by Government.

Permanent Structures—

(a) *Resources.*—It is intended to apply Rs. 7½ crores towards the capital cost of a programme of construction of new houses during the next five years.

(i) The Central Government would be requested to give financial aid to the extent of 2½ crores.

(ii) The employers in industrial areas like Bombay, Ahmedabad and Sholapur would be required to contribute a similar amount in the shape of a levy. It is proposed that the levy should be—

1. At the rate of Rs. 2 per month per employee in the case of an industrial or commercial establishment employing more than 100 workers,

2. Rs. 1-8-0 per month in the case of an establishment employing between 50 and 100 workers, and

3. Re. 1-0-0 in the case of an establishment employing between 50 and 10 workers.

In the first instance, this levy may be confined to the first category of employers and it may be extended to the other categories as need for more funds arises. The amount of levy may be adjusted within the specified maximum limits with the same end in view. The call on the employers would increase in proportion to their failure to carry out the obligation to construct houses for their employees on their own responsibility with such assistance as Government may be in a position to offer. The scale of the levy will have to be raised, if and to the extent, the employers fail to build an adequate number of suitable houses for their employees.

In respect of the tenements built by Government and actually occupied by the employees the employers concerned will be asked to pay in each case, an additional sum of Re. 1 per tenement.

(iii) The local bodies would be asked to provide the requisite land for housing or to meet the cost of acquiring sites for the purpose. This request will not extend to the provision of houses by Government for its own employees.

Note.—It is realised that this form of construction cannot but be of small magnitude and the major part of the housing needs will have to be met by employers, co-operative societies and private builders.

(b) *Type of Construction.*—In the city of Bombay the construction will necessarily be of the vertical type but the number of floors will be restricted to four including ground floor. In the suburbs of Bombay and Ahmedabad the tenements will be of the semi-detached type with fewer storeys whereas in other areas, if cheap lands are available, self-contained cottages will be constructed. Besides family units, dormitories and hostels will also be built, for accommodating single persons. The layout will make sufficient provision for the neighbourhood amenities which may be required on each site.

(c) *Standards of Accommodation.*—It will vary according to the number of persons in a unit for whom accommodation has to be provided. The following categories have been evolved :—

(i) *Hostels and Dormitories (Class A).* In hostels, there will be a cubicle for each person 11'3"×9' in size, i.e., having a carpet area of 101 sq. ft.

Each room in the dormitories will accommodate 10 persons. Provision will be made at the rate of 60 sq. ft. of carpet area per person.

(ii) *Tenements for small families, i.e., family units of not more than two adults and two children (Class B):* 195 sq. ft. (135 sq. ft. living room plus 60 sq. ft. kitchen).

(iii) *Tenements for medium size families, i.e., family units of not more than three adults and two children (Class C):* 320 sq. ft. (2 living rooms 120 plus 100 sq. ft. plus 100 sq. ft. kitchen).

(iv) *Tenements for larger families (Class D):* 444 sq. ft. (2 living rooms 168 sq. ft. each plus 108 sq. ft. kitchen).

(d) The cost of a unit in each category will be as follows :—

Class of Unit.	Present cost (exclusive of cost of land).	
	Bombay and Ahmedabad.	Sholapur and elsewhere.
A Cubical type	Rs. 2,800	Rs. 2,500
A Dormitory type	1,600	1,500
B Small family	5,400	5,000
C Medium family	7,000	6,500
D Large family	9,100	8,500

It is expected that the cost will decline in course of time and the average cost will be about 15 per cent. below the present cost.

(e) *Realisable rent* (i) The standard rent will be according to the following scale :—

Class A Cubic : Rs. 4, dormitories Rs. 2/8 per head ; Class B Rs. 8 per family ; Class C Rs. 10 per family, and Class D Rs. 11 per family.

(ii) Only persons whose income does not exceed Rs. 80, Rs. 100 and Rs. 110 will be entitled to the benefit of the standard rent for accommodation of Class B, C and D, respectively.

Additional rent will be charged to the extent of 10 per cent. for earnings in excess of this scale. The average earnings during the previous quarter will be taken as the basis for assessment in the succeeding quarter.

(iii) The standard scale will apply in cases where there is one earner in the family. Additional amount to the extent of half the payable rent will be charged for every additional adult earner in the family.

These scales are worked out for Bombay. The rents charged in other places will vary according to the cost of construction and the earnings of the workers in those places.

(f) *Number of Tenements.*—At the estimated cost it would be possible to build 15,000 tenements with the funds to be secured for the purpose. Of these, 10 per cent. will be of A type, 40 per cent. of B type, 40 per cent. of C type and 10 per cent. of D type.

The proposed time-schedule is—to build 1,000 in the first year, 2,000 in the second year, 3,000 in the third year, 4,000 in the fourth year, and 5,000 in the fifth year.

Distribution by localities will depend upon the extent of shortage and the amount of the levy collected in each case.

(g) *Allotment*.—(a) These houses will be available for—

(1) employees whose income does not exceed Rs. 150 in Bombay, Rs. 125 in Ahmedabad and Rs. 100 in other places.

(2) employees of industries and of employers who contribute towards the cost by paying the levy, will have a prior claim on the accommodation that is made available.

(3) Income of the employees will be the basis for preference in the allotment.

(h) *Agency for Construction*.—In the earlier stages the agency of the contractors will be employed. Experiments will be made and possibilities of utilizing departments agency will be explored, and the necessary organisation will be set up for the purpose. The method which proves to be the most economical and efficient will be adopted for the bulk of the construction work.

(i) *Estate Management*.—Collection of rents will, in order to reduce costs, be made a responsibility of the employers, whenever possible.

The Labour Welfare Department will be entrusted with the actual administration of the estate.

(5) *Temporary Structures*.—In view of the abnormally high cost of construction at present, and the urgency of giving immediate relief, Government will undertake to build houses designed to last for a period of four to five years in places where climatic and other conditions permit construction of this type. An amount of Rs. 20 lakhs will be set apart for this purpose. Since a tenement of this kind will not on an average cost more than Rs. 750 this amount will provide about 3,000 temporary houses.

(6) *Conversion*.—Government has made arrangements for the inspection of surplus military structures with a view to negotiating the purchase of such of the buildings as are capable of utilization. Military hutments have already been procured at several places.

These structures are being let out as they are or after the necessary additions and alterations are carried out.

(7) *Assisted Construction*.—Financial assistance will be available in respect of houses which conform to the standards and specifications laid down by Government and which are let out in accordance with approved rules and regulations.

(a) *Local Bodies*.—Government will provide land or financial aid to the extent of the cost of the land for all houses constructed by local bodies during this period provided that this will not apply to accommodation required by their own employees. The Government of India will be approached to sanction an equal amount from its own funds as its share of the assistance due to local bodies. The amount of Rs. 50 lakhs provided under this head will defray the cost of land for about 10,000 tenements.

(b) *Employers—Financial Assistance*.—The Provincial Government will offer assistance in the shape of loans to the extent of half the capital (exclusive of land) invested in housing subject to the maximum loan limit of Rs. 2,500 per tenement at a rate of interest which will not entail for Government loss in interest exceeding one per cent. The loan will be recovered in the course of a maximum of 15 years. The Government will have the option of converting this offer into a lump sum subsidy of equivalent value. It is proposed that on the remaining half of the capital, the Central Government should forgo its taxes if the investment is made from current revenues. If the current revenues are in any case insufficient for such investment the Central Government should give an equivalent assistance in other forms.

The value of the assistance from public funds should not in any case exceed half the deficit which may be incurred by an employer in letting out the houses according to the Government regulations.

The amount of assistance available for the purpose from provincial funds will be at the rate of Rs. 20 lakhs a year, on the average. This would provide assistance towards the construction of 80,000 tenements. In case employers should fail to take advantage of this offer the amount of levy will be increased in order to enable Government to increase the number of houses to be built directly.

(c) *Co-operative Societies.*—(i) Societies consisting of members whose income level does not exceed Rs. 150 per month in the case of Bombay, Rs. 125 in the case of Ahmedabad and Rs. 100 in other places, will receive assistance in the shape of cheap loans to the extent of 75 per cent. of the value of land and 50 per cent. of the value of structure subject to a maximum limit per tenement of Rs. 5,000 in Bombay and Rs. 4,000 elsewhere. Interest will be charged at the rate of three per cent. The loan will be repaid within a period of 25 years.

(ii) Other co-operative housing societies will be offered assistance in the shape of loans on the same basis as above at 1 per cent. over bank rate or 4 per cent. whichever is higher.

(d) *Private Building.*—Persons who are prepared to undertake construction of tenements of approved design, lay-out and standards of construction on plots leased from Government in the areas to be developed by Government, will be given assistance in the form of loans on the same terms as co-operative societies mentioned under (ii).

II.

*Accompaniment to Government Resolution, Political and Services Department,
No. 751/46, dated the 3rd November 1947.*

Important decisions were taken by the Bombay Provincial Housing Advisory Committee at its fourth meeting held on Tuesday, June 10, at the Secretariat under the chairmanship of the Minister for Labour and Housing, Mr. Gulzarilal Nanda.

The Committee fixed for all industrial towns in the Province a target of 1,25,000 tenements to be completed in five years. This target will include tenements constructed by all agencies—Government, Government-aided and private enterprise.

The Committee also adopted the programme of constructing 15,000 tenements by the Government in a period of 5 years at a cost of Rs. 7½ crores. Of this amount, Rs. 2½ crores each will be provided by the Government of India, the Government of Bombay and the employers, and Rs. 3½ crores each by the Government of Bombay and the employers, if the Government of India is unable to contribute.

Important decisions were taken by the Committee as regards the housing levy to be imposed on the employers to raise the necessary funds. It was decided to collect the levy only after the completion of each year's programme. It was further decided to review the position every year with a view to devising ways and means of reducing the deficit which the scheme involves according to the present estimates of cost. As regards the other parts of the scheme entailing further financial burden on the employers, the Government undertook to discuss the basis with the employers, before taking further steps.

The Committee, deciding to give the utmost help to co-operative housing, divided co-operative housing societies into three categories for the purpose of State-aid. Co-operative housing societies, constructing tenements of two living rooms and a kitchen each (with other amenities) or of a lesser size, would be granted loans at 3 per cent. or ½ per cent. less than the Government borrowing rate. These loans would be to the extent of 75 per cent. of the value of the land and buildings in the case of tenant co-partnership societies and to the extent of 60 per cent. in the case of other societies. Co-operative housing societies, constructing tenements of higher standards than this, would be given loans to the extent of 50 per cent. of the value of the land and buildings at a rate of ½ per cent. above the Bank rate provided the Bank rate is not lower than the rate at which the Government has itself borrowed on the last occasion, before giving the loans.

The recommendations of the Committee will be placed before the Government for its consideration and final decision.

APPENDIX 13.

THE FACTORIES ACT.

DEFINITION OF THE TERM "ORDINARY RATE OF PAY."

Copy of letter No. 315, dated 22nd May 1946, from the Association to the Secretary to the Government of India, Department of Labour, New Delhi.

I am directed to invite your attention to section 47 of the Factories Act, 1934, which states that, where a worker in any factory works for more than certain number of hours in any week, he shall be entitled to extra pay at the rate of so many times "his ordinary rate of pay." The expression "ordinary rate of pay" has nowhere been defined in the Act itself, and so far as this Association is aware, mills in Bombay and elsewhere have so far been allowing overtime on basic rates, i.e., exclusive of dearness and other allowances.

The attention of the Committee of the Association has, however, been drawn to the following statement made in the February 1946 issue of the *Indian Labour Gazette* :—

"Recently a doubt arose regarding the correct interpretation of the term 'ordinary rate of pay' for the purpose of calculation of overtime pay under section 47 of the Factories Act, 1934. The question raised was whether 'war' or 'dearness' allowance is to be included as 'wages' for the purposes of this section. The Factories Act does not contain any definition of wages or ordinary rate of pay. In the opinion of the Government of India, dearness allowance or war allowance should be treated as part of the 'ordinary rate of pay' for the purpose of calculating overtime pay under section 47 of the Factories Act."

My Committee are surprised that an important ruling of the nature referred to should have been given by Government without consulting the interests concerned. For one thing, however, Government, in issuing the statement, have apparently failed to take into consideration current practice in Bombay and other centres where dearness allowance is linked up with the cost of living and the workers' attendance in the factory. The reasonableness of this basis of dearness allowance has been conceded, and applied to other establishments in Bombay and elsewhere by the Industrial Court and adjudicators. The Association has been working on this basis of dearness allowance according to which dearness allowance will become payable only if the operative was at his place of work in the factory. In other words, dearness allowance is worked at so much per working day, the actual daily rate fluctuating according to the Bombay Working Class Cost of Living Index. Provided a worker was present at the factory, the quantum of dearness allowance for the day is the same irrespective of whether he was on a 7½-hour shift, 8-hour shift, 9-hour or 10-hour shift. If, as suggested in the statement issued by Government dearness allowance is included in calculating overtime then it follows that overtime work increases workers cost of living, a theory to which this Association cannot subscribe. If, however, Government desire to insist on their ruling, then this Association would have to review the whole position.

The next point to which my Committee would like to refer, relates to the compensation for involuntary unemployment arising from shortage of coal, etc. As you are aware, an unofficial scheme of compensation was placed before the Tripartite Conference in September 1943. Though employers were not bound under any law to compensate workers for involuntary unemployment arising from shortage of coal, etc., representatives of employers present at the Conference gave their approval to the principle underlying the scheme as a gesture of goodwill to labour. It was, however, never intended that the remuneration for the period laid off would include dearness allowance. In this connection, Government would remember that the unofficial scheme clearly states that the compensation might be given at so much percentage of the ordinary rate of pay. This expression is free from all ambiguity, and cannot, by any stretch of imagination, be deemed to include dearness and other similar allowances. Yet, the Commissioner of Labour, Bombay, in a communication addressed to the Association

on 31st October, 1945, stated that the term ordinary rate of pay includes dearness allowance for the purpose of the benefits under the scheme of compensation for involuntary unemployment. The Association immediately protested against that, and regretted its inability to accept the interpretation referred to. If the Association were to concede that dearness allowance would become payable even if workers were not at work, then that would cut across the entire basis of the dearness allowance which the Association has introduced, a position which, my Committee regret, they are unable to accept.

The immediate reason for making a reference on this particular issue at this juncture is that, in an Award recently issued by Mr. K. B. Wassodew in an adjudication between the Pratap Spinning and Weaving and Manufacturing Co., Ltd., and their employees, the basis of compensation for involuntary unemployment was calculated on average earnings including dearness allowance of the employees concerned. My Committee are aware that adjudicator's decision have neither the standing nor the authority, which are usually attached to decisions of Indian High Courts of Judicature, but my Committee cannot rule out the possibility of one adjudicator, whatever his own convictions may be in this matter, following the example of his predecessor in such matters. The scheme for compensation for involuntary unemployment still remains on paper, and is being observed by employers in spite of the fact that it has not been given the force of law. In the circumstances, my Committee are unable to understand why Government should have given expression to their own interpretation of the term "ordinary rates of pay" without giving an opportunity to employers to set forth their case. In these circumstances, the Committee suggest that Government might issue a general direction indicating that, for the purpose of compensation, the expression "ordinary rate of pay" does not include dearness and other similar allowances.

Copy of letter No. Fac. 47(1), dated 30th April 1947, from the Assistant Secretary to the Government of India, Department of Labour, New Delhi, to the Association.

Subject :—INTERPRETATION OF THE TERM 'ORDINARY RATE OF PAY' FOR THE PURPOSE OF CALCULATING OVERTIME PAY UNDER SECTION 47 OF THE FACTORIES ACT.

I am directed to refer to your letter No. 315 dated the 22nd May 1946, on the above subject, and to say that the views expressed on page 249 of the February 1946 issue of the *Indian Labour Gazette* were based upon the advice given to Government by their legal advisers. You will, no doubt, appreciate that the Government of India cannot, and indeed no executive authority can, either by a ruling or interpretation, or by the exercise of a rule-making authority enlarge or abridge the scope of any rights or privileges conferred by an Act of the legislature. It is not open to the Government of India to take away any right expressly conferred by an Act of the Legislature. The correct interpretation of legislative enactments is the function of the law courts, who alone can give authoritative and binding decisions.

APPENDIX 14.

BONUS TO COTTON MILL WORKERS.

Award of the Industrial Court, Bombay, dated 20th March 1948.

IN THE INDUSTRIAL COURT, BOMBAY.

Between the Millowners' Association, Bombay and the Employees in the Cotton Textile Mills in Bombay *Re.* Bonus for the year 1947.

Industry :—Cotton Textile.

Present :—Sir Harsidhbhai V. Divatia, President ; Divan Bahadur D. G. Kamerkar, Member ; Mr. M. C. Shah, Member.

Appearances :—Counsel Sir Jamshedji B. Kanga with Mr. R. J. Kolah instructed by Messrs. Craigie Blunt and Caroe, Solicitors for the Millowners' Association, Bombay ; Mr. Shantilal H. Shah, Solicitor, for some employees ; Mr. K. T. Sule, Advocate, for some

employees; Mr. S. S. Kavlekar, Advocate, for some employees; Mr. A. S. Iyengar, Government Labour Officer, Bombay, in person.

AWARD.

Subject to the following conditions all employees whether permanent or *badlis* who have worked in the mills concerned in this reference shall be given a bonus equal to 1/6th of their earnings in 1947.

(1) Employees who have worked for less than 75 working days and more than 32 working days shall be granted a bonus to the extent of 50 per cent. and employees who have worked for 32 days or less shall not be paid any bonus.

(2) Any employee who has been dismissed for misconduct in 1947, shall not be entitled to any bonus even if he has worked for more than 32 days.

(3) Bonus shall be calculated on earnings (exclusive of dearness allowance and bonuses paid during the period) from 1st January to 31st December 1947.

(4) In the case of women who have been on maternity leave during the period referred to, the actual maternity allowance drawn by them shall be included in their earnings for the purpose of calculating the bonus payable.

(5) Bonus as above stated shall be paid to the employees in one lump sum on or before the 30th April 1948.

(6) Persons who are eligible for bonus but who are not in service of the mill on the date of the payment shall be paid in one lump sum on 31st May 1948, provided claims in writing are submitted to the Manager of the mill concerned before 21st May 1948, after which no application for bonus shall be entertained.

2. In fixing the quantum of bonus, viz., 1/6th of total annual earnings as against the demand for 1/4th of the annual earnings, the following main considerations have weighed with the Court :

(a) The Industry has made lesser profits in 1947 than in 1946 for which a bonus equivalent to 1/5th of the total earnings was granted.

(b) The employees have got increased wages with effect from 1st January 1947 as a result of the award on standardization of wages made on 31st May 1947, inasmuch as both the minimum and the average wage has been raised, the former being about Rs. 30 and the latter Rs. 41.

(c) The rate of dearness allowance has been increased from 1.75 pies to 1.9 pies per day for rise of each point in the cost of living index number over the pre-war figure, with effect from 1st January 1947.

As a result of these two increases the employees have got a total additional benefit of more than 3 crores of rupees.

(d) The Millowners have voluntarily paid "Independence Bonus" equivalent to one month's earnings in 1947.

The reasons in detail for this decision will be published later.

Award

On 9th January 1948, the Government of Bombay by issuing a notification, Political and Services Department No. 6481/34, under section 73 of the Bombay Industrial Relations Act, referred to the arbitration of this Court the dispute between the Millowners' Association, Bombay and the employees in the cotton textile mills in Bombay City who are its members, in respect of the demand for bonus for the year 1947.

2. During war years the Millowners' Association voluntarily declared bonus almost every year about the month of December. The bonus was as follows :—

<i>Year</i>	<i>Amount of bonus paid</i>	<i>Reference</i>
1941	.. 12½ per cent. of the total earnings during the year 1941.	<i>Labour Gazette</i> , December 1941, p. 364.
1942	.. 1/6th of the total earnings during the year 1942.	<i>Labour Gazette</i> , October 1942, p. 71.
1943	.. 1/6th of the total earnings during the year 1943.	<i>Labour Gazette</i> , November 1943, p. 191.
1944	.. 1/6th of the total earnings during the year 1944.	<i>Labour Gazette</i> , November 1944, p. 176.
1945	.. 1/6th of the total earnings during the year 1945 in addition to victory bonus of one month.	<i>Labour Gazette</i> , November 1945, p. 197.

The dispute for the bonus for 1946 was referred to the arbitration of this Court along with the dispute for standardization of wages and the said dispute was pending under Reference Nos. 1, 4 and 5 of 1946. Towards the end of the year 1946 the Millowners' Association offered 1/6th of the total annual earnings as bonus but a certain section of the employees did not accept the same on the ground that the reference was pending in the Court. We heard that dispute in March 1947 and made an award directing payment of bonus equivalent to 1/5th of the earnings in the year 1946 on certain conditions. On 31st May 1947 we made the award about the standardization of wages.

3. In the month of February 1948 we revised the scale of dearness allowance raising the rate from 1.75 pies to 1.9 pies per day per rise of each point in the cost of living index number over the pre-war figure. The Millowners' Association of their own accord paid an "Independence Bonus" equivalent to 1 month's earnings, soon after 15th August 1947, in celebration of the Independence of India. No bonus was declared by the Millowners' Association towards the end of the year 1947 as they used to do formerly. It appears that the Bombay Girni Kamgar Union, the Rashtriya Mill Mazdoor Sangh and the Mill Mazdoor Sabha, which are the three unions of the employees in the cotton textile mills in Bombay, moved the Government suggesting that either the Millowners' Association be directed to declare a bonus for 1947 or that the dispute be referred to arbitration. Government accordingly issued a notification on 9th January 1948, as stated above.

4. There being no "representative union" of the employees in the cotton textile mills in Bombay, entitled to act under the Bombay Industrial Relations Act, the notification, as usual, mentioned the dispute having arisen "between the Millowners' Association, Bombay, and the employees in the cotton textile mills in Bombay who are its members." Although we cannot go behind the notification, we should like to suggest that before issuing a notification Government should see that a dispute is raised by competent parties and wherever possible mention such parties in a reference like this. Whenever disputes under the Bombay Industrial Relations Act are referred to the arbitration of this Court and when there is no representative union, qualified union or elected representatives of employees on record, there always arises a difficulty of issuing notices to the proper parties to the dispute. In the absence of either of these, the Government Labour Officer of the local area is always the statutory representative of employees under section 30 of the Bombay Industrial Relations Act. Notice was, therefore, issued to the Government Labour Officer, Bombay, asking him to file a statement of claim in this matter and the Millowners' Association to submit its written statement in reply thereto by a certain date. The copies of the notice to the Government Labour Officer were sent to the unions for their information. It appears that the secretaries of the unions prepared their statements and forwarded them to this Court through the Government Labour Officer. In forwarding these statements of claim, the Government Labour Officer states in a covering letter that no approach was made to him by the individual workers but the two unions submitted their statements of claim on their behalf. The Millowners' Association filed its written statement in reply to the statements of claim without prejudice to their contention that they were entitled to take no notice of the statements of the two unions submitted by the Government Labour Officer on the ground that no employee had directly approached him.

5. At the time of hearing also Sir Jamshedji Kanga raised a preliminary objection on behalf of the Association that none of the unions *per se* had a right to appear or a right to prepare a statement on behalf of the employees or to take part in these proceedings. He, therefore, suggested that the statements should not be taken on record and that the Government Labour Officer be directed to file a statement after consulting the employees or taking their instructions and that the Association be given an opportunity to submit its reply later on. We think there is force in this contention. But this procedure suggested by Sir Jamshedji Kanga would have necessitated adjournment of the case to some other date for which the counsel for the employees were not prepared to wait. The Government Labour Officer admitted that he had not received any representation from the employees and, therefore, he did not file any statement. He also said that he did not consult the individual employees before forwarding the statements. In such cases, we think, it is imperative for the Government Labour Officer to contact the employees as soon as he receives the notice from this Court and to prepare a statement under their instructions and file the same in the Court. If the employees place divergent views before him, in presenting the case to the Court he should see as to which is the majority view and which in his opinion is reasonable for him to adopt as his own. We think that the statements filed in this case cannot be taken on record. Our attention was also invited to sections 32 and 33 of the Act whereby it is open to the employees to appear in their individual capacity or they may engage a counsel or any person to argue the case on their behalf. After careful consideration we decided that we should go on with this case without the statements. It is not necessary that in every case statements must be filed. Sir Jamshedji Kanga agreed to argue and asked us to record his protest. We ruled that we would hear such persons as we might think necessary for this dispute. Accordingly Mr. Shantilal Shah, Mr. K. T. Sule and Mr. S. S. Kavlekar who asked our permission were allowed to speak for different sections of employees concerned in this case. We may make it clear that this permission was granted by way of concession and that this should not be taken as a precedent. It is indeed a sad state of things that in a dispute between a group of employers who are usually represented by one set of counsel on the one hand and a large number of employees on the other hand, there should be three bodies with different ideologies to voice the claim of employees. We feel that the earlier the employees close their ranks and make a united effort in the spirit of collective bargaining, the better will they be able to conduct their cases with one voice.

6. Coming to the merits of the dispute, Mr. Shantilal H. Shah who appeared for some employees based his demand for three months' bonus equal to $\frac{1}{4}$ th of the annual earnings. Mr. Sule and Mr. Kavlekar also supported him so far as the quantum was concerned and adopted most of his arguments. General arguments about the capacity of the industry to pay were advanced and it was pointed out that the textile industry in Bombay was still in a position to pay that much bonus. The demand for bonus was sought to be justified on the ground, among others, that in spite of the increased wages as a result of standardization scheme and increase in the dearness allowance, the average wage was short of the living wage standard. In reply Sir Jamshedji Kanga pleaded the financial inability of the industry during the year 1947-48. It was pointed out to us that the financial years of all the mills were not uniform. Some mills closed their accounts on 31st December, some on 31st March, others in June and some in September. It was not possible even for the Association to get accurate figures of Profit and Loss Accounts of all the mills in order to draw a complete picture of the profits of the industry during the year 1947-48. This difficulty of all the balance-sheets not being ready is experienced in every dispute relating to bonus particularly from Ahmedabad and Bombay, whenever the disputes are heard in March. We had, therefore, suggested at the informal conference of representatives of employers and employees in textile industry held on 10th March 1948 that all questions of bonus should be considered in the month of June or at such other time when the balance-sheets of all the mills would be ready so that the Court would get as complete a picture of the industry as possible. At the conference an attempt was made to find out whether the employers and the employees would agree to a self-adjusting sliding scale of profit-sharing instead of bringing every year, a dispute for bonus before this Court. After some discussion it was found that the parties were not prepared to agree to such a scheme at this juncture, particularly in view of the fact that the Government of India was also likely to consider the question on an all-India basis and make its recommendations accordingly; and secondly, any consideration of profit-sharing scheme would have required postponement of the decision of bonus for 1947 for a

long time. It was, therefore, decided that bonus question for the year 1947 only should be considered without basing it on the principle of profit-sharing.

7. It was pointed out on behalf of the Millowners' Association that in the previous years when bonuses were declared they did not bear any mathematical relation to the profits earned by the industry in a particular year. Although this may be true, in deciding bonus for a particular year it is necessary to look into the financial condition of the industry as a whole with particular reference to the profits made during the year. When we made an award on the standardization of wages we estimated that for the year 1947-48 after meeting the liability for increased wage bill due to standardization and bonus, but exclusive of increase in dearness allowance, a reserve of about Rs. 1.50 crores would be left with the industry. This calculation was based on the estimated gross profits of 10 crores of rupees during the year 1947-48. Sir Jamshedji Kanga pointed out that on the basis of balance-sheets available for 38 mills and estimates of the remaining 16 mills for which the accounts are not yet finally prepared, it is calculated that the total gross profits for the year 1947-48 would be 7.44 crores of rupees. We were told that these gross profits were estimated after taking into consideration the cost of the increased wage bill due to standardization and the increased dearness allowance. We were told that the standardization scheme had cost the industry as much as 2.57 crores of rupees and the revised dearness allowance would impose a burden of approximately Rs. 0.92 crores. Compared with the profits of 1946-47, the profits for 1947-48 are certainly less, and the fact that the employees have received benefits of standardization and higher rate of dearness allowance do not justify the same rate of bonus as that of the last year. By way of standardization and increased dearness allowance the employees have received a total benefit of more than three crores of rupees. According to the figures given by Mr. Shantilal Shah about Rs. 4.54 crores would be available for distribution for bonus if no provision was made for additional reserves. On the other hand, if 20 per cent. of the profits are to be set aside for reserves, then the balance available for distribution of bonus would be Rs. 2.37 crores. In supplementing the argument of Sir Jamshedji Kanga, Sir Vithal Chandavarkar said that although the profits earned by some of the mills show that they will be able to pay a bonus, yet if the average capacity of the average mill were to be taken into consideration, the financial position was not encouraging enough for the grant of any bonus. This argument would drive us into the concept of ability to pay of the marginal unit. In an industry with as many as 54 units it is not easy to place one's finger either on the marginal unit or the average unit. It is no doubt true that in any industry there are bound to be weak and strong units. But in a dispute which affects all the units and all the workers in an industry, we have to look to the capacity of the industry as a whole. For this we have got to take into account the consolidated figures of the profit and loss accounts prepared by the Millowners' Association. We have made further calculations and we feel that the industry would still be left with a reserve of approximately Rs. 1.54 crores as shown below, even if bonus equivalent to two months' earnings is awarded in 1947-48.

Estimated gross profit for the year 1947-48	..	..	Rs. 7.44	crores
Less two months' bonus	..	..	..	1.80 ..
Balance	..	..	..	5.64 crores
Less depreciation	..	..	..	1.30 ..
Balance	..	..	..	4.34 crores
Less tax at 7 annas in the rupee	..	..	..	1.90 ..
Balance	..	..	..	2.44 crores
Less dividend at 6%	..	..	..	0.90 ..
Balance	..	..	..	1.54 crores

In this calculation we have taken the figure of Rs. 1.30 crores for depreciation but according to the statement of Sir Vithal Chandavarkar a higher amount of depreciation would be allowed on new machinery. If that be so, the amount by way of taxation would be proportionately reduced.

8. As regards the conditions on which bonus should be paid, it was argued on behalf of the employees that no conditions should be attached to the payment of bonus. We cannot accept this plea; the conditions which we have laid down in the last award should also be made applicable and hold good for the payment of bonus in this dispute with the necessary change as regards the date of payment. When we made the last award we gave the operative order on 18th March 1947 and the payment was directed to be made on 12th April 1947, i.e., within less than a month. If we look to the written statement of the Association, we find it stated that if the Court decides that bonus should be paid then in the interest of the worker himself, the bonus should be paid in two equal instalments and the mill should be allowed not less than six weeks to pay the first instalment. In the operative part of the award dated the 20th March, which is reproduced below, we directed that bonus should be paid in one instalment on or before the 30th April.

Subject to the following conditions all employees whether permanent or *badlis* who have worked in the mills concerned in this reference shall be given a bonus equal to 1/6th of their earnings in 1947 :—

(1) Employees who have worked for less than 75 working days and more than 32 working days shall be granted a bonus to the extent of 50 per cent. and employees who have worked for 32 days or less shall not be paid any bonus.

(2) Any employee who has been dismissed for misconduct in 1947, shall not be entitled to any bonus even if he has worked for more than 32 days.

(3) Bonus shall be calculated on earnings (exclusive of dearness allowance and bonuses paid during the period) from 1st January to 31st December 1947.

(4) In the case of women who have been on maternity leave during the period referred to, the actual maternity allowance drawn by them shall be included in their earnings for the purpose of calculating the bonus payable.

(5) Bonus as above stated shall be paid to the employees in one lump sum on or before the 30th April 1948.

(6) Persons who are eligible for bonus but who are not in service of the mill on the date of the payment shall be paid in one lump sum on 31st May 1948, provided claims in writing are submitted to the Manager of the mill concerned before 21st May 1948, after which no application for bonus shall be entertained.

In fixing the quantum of bonus, viz., 1/6th of total annual earnings as against the demand for 1/4th of the annual earnings the following main considerations have weighed with the Court :—

(a) The industry has made lesser profits in 1947 than in 1946 for which a bonus equivalent to 1/5th of the total earnings was granted.

(b) The employees have got increased wages with effect from 1st January 1947 as a result of the award on standardization of wages made on 31st May 1947, inasmuch as both the minimum and the average wage has been raised, the former being about Rs. 30 and the latter Rs. 41.

(c) The rate of dearness allowance has been increased from 1.75 pias to 1.9 pias per day for rise of each point in the cost of living index number over the pre-war figure, with effect from 1st January 1947.

As a result of these two increases the employees have got a total additional benefit of more than 3 crores of rupees.

(d) The Millowners have voluntarily paid "Independence Bonus" equivalent to one month's earnings in 1947.

9. We feel that the employees of the cotton textile industry in Bombay have gained substantially by way of increased dearness allowance, the standardization of wages and the bonus as per this award. It is true that the living wage standard is not yet reached but the total increases granted in recent disputes go to make a fairly good approach to that standard.

If the employees now make an earnest effort to work with zeal and increase production, they will be able to bring about increase in their real wages in future. If on the other hand production is not accelerated and there is lack of effort to increase the production of consumer's goods, any addition to the wages will only result in a further rise in prices, thus reducing real wages, with the result that the object of improving the standard of living of the worker will not be achieved. Realising their own responsibility, we hope that the workers will co-operate with the millowners and the Government in implementing the much needed Industrial Truce by accelerating production and thereby increasing the capacity of the industry to pay.

APPENDIX 15.

QUESTIONNAIRE ON FREEDOM OF ASSOCIATION AND RIGHT TO ORGANISE ISSUED BY THE INTERNATIONAL LABOUR OFFICE.

Copy of letter dated 31st December 1947, from the Employers' Federation of India to the Association.

One of the subjects on the agenda of the 31st session of the International Labour Conference to be held at San Francisco in June 1948 is "Industrial Relations." The International Labour Organisation has prepared a preliminary Report dealing with (a) Application of the principles of the right to organise and to bargain collectively, (b) Collective Agreements, (c) Conciliation and Arbitration, and (d) Co-operation between public authorities and employers' and workers' organisations. The Report contains questionnaires under each heading. As copies of the Report are not available at present, the Government of India in the Ministry of Labour have forwarded to the Federation copies of the four questionnaires, with a request that replies to them may be furnished to Government by the 1st February, 1948, as the consolidated reply of the Government of India is to reach the I.L.O. by the 1st of March, 1948.

I am forwarding herewith a set of the four questionnaires and shall feel obliged if you will kindly let me have your views with regard to the points raised in each of the questionnaires.

Copy of letter No. 388, dated 5th February 1948, from the Association to the Employers' Federation of India, Bombay.

I am directed to acknowledge the receipt of your letter dated the 31st December 1947 and to enclose herewith a memorandum which contains the Association's replies to the questions raised by the International Labour Office in the questionnaire enclosed with your letter under reference.

QUESTIONNAIRE ON RIGHT TO ORGANISE AND TO BARGAIN COLLECTIVELY :

I. *Desirability and Form of International Regulations.*

Question 1.—Do you consider that the International Labour Conference should adopt international regulations concerning the application of the principles of the right to organise and to bargain collectively, in the form of a Convention ?

Answer.—The right to organise and to bargain collectively is conceded to employees in general, except in the case of those who hold positions of supervision, management and direction.

II. *Guarantee of the Workers' Right to Organise.*

Question 2.—Do you consider that the international regulations should include provisions regarding the protection of the workers' right to organise ?

Answer.—We have no objection to the adoption of international regulations to secure the protection of the workers' right to organise, but we would like to make it clear that the conditions on which such right is granted should be clearly laid down; this right should be capable of being withdrawn if the prescribed conditions do not exist or are broken. For instance, the right to organise is conceded solely and wholly for the purpose of furthering the terms of employment of the workers concerned. Nobody could possibly have any objection to workers organising for such purpose, but the moment such an organisation is converted into a medium for subversion of law and authority, then the position must be reconsidered, and whatever protection has been granted to it must be withdrawn.

Question 3.—If so, do you consider that the international regulations should prohibit all acts of anti-union discrimination on the part of the employer or his agents through which

- (a) the employment of a worker is made dependent on the condition that he shall not join a union or shall withdraw from one to which he already belongs?
- (b) a worker is prejudiced by reason of his membership of a union or his union activities?
- (c) a worker is dismissed by reason of his membership of a union or his union activities?

Answer.—We agree that all acts of anti-union discrimination on the part of the employer or his agents might be prohibited. As a matter of fact, the Bombay Industrial Relations Act definitely prohibits victimisation or dismissal of an employee for participating in trade union matters.

III. *Guarantee of the Rights of Workers' Organisations.*

Question 4.—Do you consider that the international regulations should include provisions regarding the protection of the rights of workers' organisations?

Question 5.—If so, do you consider that the international regulations should prohibit all acts on the part of employers, employers' organisations or their agents, infringing the workers' right to organise by

- (a) furthering the establishment of unions under the domination of employers?
- (b) interfering in the establishment or conduct of a union or supporting it by financial or other means?

Answer.—We have no objection to international regulations providing for the protection of the rights of workers' organisations, but, as we have pointed out before, the conditions under which these rights are conceded should be clearly laid down, and workers' organisations should be regarded as unlawful or criminal associations if they participate in dangerous or subversive activities.

IV. *Guarantee of the Right to Organise of Employers and Third Parties.*

Question 6.—Do you consider that the international regulations should include provisions regarding the protection of the right to organise of employers and third parties?

Answer.—International regulations must include provisions regarding the protection of the right of the employers to organise. The reference to third parties in question 6 is not understood.

Question 7.—If so, do you consider that the international regulations should prohibit recourse to assault, intimidation and violence with the object of forcing an employer or a worker to join or not to join an organisation of employers or workers?

Answer.—International regulations should certainly prohibit assaults, intimidation and violence on the employer with the object of forcing the employer or a worker to join or not to join an organisation of employers or workers. We attach great importance to this provision. Any international regulation which has for its object the protection of the workers'

right to organise or to bargain collectively should lay down that *only lawful and peaceful means would be adopted for securing the redress of the grievances of the members of the unions concerned.*

V. *Union Security Clauses.*

Question 8.—Do you consider that the international regulations should include a provision to the effect that legislation—or a collective agreement concluded in conformity with legislation—requiring membership in a given union as a previous condition to engagement, or as a condition to maintenance in employment, is not incompatible with the provisions of the present regulations ?

Answer.—We do not think that membership of a union should be made a condition precedent to the employment of a worker in any establishment. Membership of a union should be absolutely of a voluntary nature, and there should be no coercion whatsoever either by the employer or by a workers' organisation to secure the adhesion of a worker to a particular union.

VI. *Guarantee of the Principle of Collective Bargaining.*

Question 9.—Do you consider that the international regulations should include a provision making it an obligation for employers or employers' organisations on the one hand, and for workers' organisations on the other, to give effect to the principles of union recognition and collective bargaining ?

Answer.—We have no objection to it, but it means that both the organisations, i.e., employers' and employees', are capable of delivering the goods. If in practice, they are not able to do this, then they should cease to have any statutory right to negotiate on behalf of their members.

VII. *Supervisory Measures.*

Question 10.—Do you consider that the international regulations should specify the obligation to establish appropriate machinery for the purpose of ensuring respect for the right to organise ?

Answer.—No objection.

VIII. *Methods of Applying the International Regulations.*

Question 11.—Do you consider that the international regulations should state that effect may be given to the present Convention :

- (a) By means of legislation ?
- (b) By means of agreements between the organisations of employers and workers ?
- (c) By means of a combination of (a) and (b) ?

Answer.—Legislation seems to be the only remedy in the absence of representative organisations of workers.

Question 12.—In case of an affirmative reply to question 11 (b) or (c), do you consider that the following conditions should be fulfilled :

- (a) The employers' and workers' organisations should recognise one another and undertake to provide effective guarantees for the exercise of the right of employers and workers to organise and to bargain collectively ?
- (b) The employers' and workers' organisations parties to such agreements should include a substantial proportion of all employers and employed persons in the country concerned ?

Answer.—Question 12 presupposes the existence of a very high state of organisation among employers and workers. This unfortunately does not obtain in this country so far as workers are concerned, and for the time being, therefore, this matter should be left over.

Question 13.—Have you any proposal or suggestion to put forward on any point relating to the question of the application of the principles of the right to organise and to bargain collectively, which has not been mentioned in the present questionnaire ?

Answer.—Nothing to say.

QUESTIONNAIRE ON COLLECTIVE AGREEMENTS.

Answer.—So far as collective agreements are concerned, while we have no objection to international regulation to facilitate negotiation of such agreements and to secure their validation, it should be clearly understood that, in the present conditions of this country, there is no room for such collective bargaining of agreements. The majority of the workers in the cotton textile industry of this country are not affiliated to any union. Secondly, most of the unions which are in existence to-day cannot be strictly called *bona fide* trade unions, being under the control of political agitators. In this view of the case, their trade union activities constitute only a link in their political career, and it is not unusual that the policy of a union is directed not from the point of view of furthering the interests of its members, but from the point of view of advancing the political aims of its directors.

Unless workers themselves recognise the benefits of organising themselves and are in a mood to resort to collective bargaining with their respective employers, no legislation or international regulation would serve any useful purpose. Bearing in mind the fact that in a large number of unions in the country control is in the hands of politicians and agitators, and also taking into account the number of wanton strikes which are being brought about by them, *there seems to be a case for the setting up of an inspectorate to ensure that the policy of a union is conducted in the bona fide interests of its workers.* The Bombay Industrial Relations Act makes provision for the recognition of certain unions, but it does not prohibit the existence of unrecognized unions, and does not provide any machinery for the control of union's activities.

QUESTIONNAIRE ON CONCILIATION AND ARBITRATION.

I. *Desirability and Form of International Regulations.*

Question 1.—Do you consider that the International Labour Conference should adopt international regulations concerning voluntary conciliation and arbitration in the form of a Recommendation ?

Answer.—We agree. It is, however, understood that a condition precedent to voluntary arbitration is a high state of organisation among the parties to ensure that the award of the arbitrator is faithfully accepted and carried out.

II. *Voluntary Conciliation.*

Question 2.—Do you consider that it should be provided that regional and national conciliation authorities should be established to aid the parties in the prevention and settlement of collective industrial disputes ?

Question 3.—Do you consider that it should be provided that the organisations of the employers and workers concerned in the disputes should be associated in all stages of the procedure ?

Question 4.—Do you consider that it should be provided that the Conciliation procedure should be free of charge and expeditious, and that the periods prescribed for appearance of the parties, hearing of witnesses and submission of other evidence should therefore be fixed in advance and kept to a minimum ?

Answer.—We agree. As a matter of fact, the law in this country provides for compulsory conciliation.

Question 5.—Do you consider that it should be provided that, once a dispute has been submitted to a conciliation authority with the consent of all the parties concerned, the latter should be required to abstain from strikes and lockouts while the conciliation is in process ?

Answer.—The regulation should recognise that there should be no cessation of work when a dispute is pending before a conciliator or arbitrator. If a cessation of work had already taken place before the dispute was referred to conciliation or arbitration, resumption of work should be insisted upon to ensure that conciliation or arbitration takes place in proper atmosphere.

Question 6.—Do you consider that it should be provided that if the recommendation of a conciliation authority has been voluntarily accepted by the parties it should be binding upon them ?

Answer.—Yes. If the report of the conciliator is accepted by the parties, it should be binding upon them.

Question 7.—Do you consider that it should be provided that agreements which the parties may reach during the procedure, and recommendations of the conciliation authorities freely accepted by the parties, should have the same legal force as collective agreements concluded in conformity with national legislation ?

Answer.—The answer is in the affirmative, but we suggest that there should be a provision for the registration of such agreements with the appropriate government authority.

III. *Voluntary Arbitration.*

Question 8.—Do you consider that it should be provided that a system of voluntary arbitration should be established, to which the parties might have recourse either at the outset or after breakdown of the conciliation procedure ?

Answer.—The reply is in the affirmative, provided the parties are properly organised, and provided the award of the arbitrator will be accepted and faithfully carried out.

Question 9.—Do you consider that it should be provided that, once a dispute has been submitted to arbitration with the consent of all the parties concerned, the latter should be required to accept the arbitration award ?

Answer.—The reference of a dispute to arbitration means that the parties agree to abide by the award, and this position should be made quite clear in the regulation.

Question 10.—Have you any proposal or suggestion to put forward on any point regarding the question of voluntary conciliation and arbitration which has not been mentioned in the present questionnaire ?

Answer.—We have no other remarks to offer except that the Industrial Relations Act in Bombay envisages compulsory arbitration wherever a dispute cannot be settled by other means. The great weakness of this arrangement is that the award is accepted by the workers when it suits them, Government being unable to do anything to enforce the award. This was what happened in connection with a recent wage award made by the Industrial Court.

QUESTIONNAIRES ON CO-OPERATION BETWEEN PUBLIC AUTHORITIES AND EMPLOYERS' AND WORKERS' ORGANISATIONS.

We would like to preface our remarks in connection with this questionnaire by saying that there cannot be any co-operation between employers and workers' unions unless the union by its attitude and conduct has earned the respect and confidence of the employer. Recognition must be earned by the union, and not forced on employers by statute.

I.

CO-OPERATION AT THE LEVEL OF THE UNDERTAKING.

I. *Desirability and Form of International Regulations.*

Question 1.—Do you consider that the International Labour Conference should adopt international regulations concerning co-operation between employers and workers in the undertaking, in the form of a Convention or of a Recommendation ?

Answer.—Please see introductory remarks.

II. *Establishment of Machinery for Co-operation.*

Question 2.—Do you consider that it should be provided in the international regulations that machinery for co-operation such as, for instance, works committees, production committees, staff delegations, etc., should be established, either by agreement between the parties or by legislation, in order to promote a gradual raising of the conditions of work and life of the personnel and a continuous improvement in the organisation of production ?

Answer.—We have no objection, but we feel that, in the conditions which exist in this country, the works committees will constitute themselves into strike committees, and far from co-operating with the employer to improve production, they would utilise every opportunity to bring the workers out on strike. It is, therefore, suggested that in any international regulations in this connection, it should be clearly laid down :

- (a) that the works committees would be allowed to function only so long as both the parties desire ;
- (b) that the decisions of the works committees are not binding on the employer ; and
- (c) that the object of the works committees should be to improve production. The works committee should not take upon itself the functions of a trade union.

III. *Scope of the Regulations.*

Question 3.—Do you consider that it should be provided in the international regulations that machinery for co-operation should be established in all industrial and commercial establishments, public or private, ordinarily employing at least fifty persons ?

Answer.—If at all works committees are to be established, they should be confined to factories in the first instance.

IV. *Appointment of Representatives of Personnel.*

Question 4 (a).—Do you consider that it should be provided in the international regulations that the representatives of the personnel for the purpose of co-operation in the undertaking should be elected by the whole of the personnel by direct secret ballot, or

Answer.—Secret ballot.

Question 4 (b).—Do you consider that the representatives of the personnel should be appointed by the representative organisations of the workers ?

Answer.—If a representative workers' organisation exists, of which the majority of the workers in the factory are members, then the workers' representatives on the works committee may be nominated by the union.

V. *Composition of Representative Bodies.*

Question 5.—Do you consider that it should be provided in the international regulations that the number of representatives of the personnel on the Committees or other bodies for co-operation in the undertaking should be proportionate to the number of persons employed therein ?

Question 6.—Do you consider that it should be provided in the international regulations that the different categories of persons employed in the undertaking—manual workers, salaried employees, technicians—should be represented on the said committees, etc. ?

Answer.—Representation of the employers and employees should be equal on the works committee, and it should be possible to secure adequate representation for every type of employee.

VI. *Working of the Co-operation Machinery.*

Question 7.—Do you consider that it should be provided in the international regulations that the Committees or other bodies for co-operation in the undertaking should meet whenever they have urgent questions to consider and in any case not less than once a month ?

Answer.—They may meet once a month, or more often if necessary.

Question 8.—Do you consider that it should be provided in the international regulations that the said committees, etc., should be able to have the assistance of trade union representatives whenever their deliberations relate to matters for which such persons are competent?

Answer.—Agree if the trade union concerned can count among its members the majority of the workers of the establishment concerned.

Question 9.—Do you consider that it should be provided in the international regulations that appropriate action should be taken to secure close collaboration between the machinery for co-operation in the undertaking and the occupational organisations of the employers and workers concerned?

Answer.—We hold that the union should come in only if the majority of the workers in the establishment are members of that union.

VII. *Functions of the Co-operation Machinery.*

Question 10.—Do you consider that it should be provided in the international regulations that the machinery for co-operation in the undertaking should have more particularly the following functions of a social character :

- (a) legislation and regulations regarding health and safety ;
- (b) to give an opinion regarding the engagement and dismissal of employees and their allocation to different jobs ;
- (c) to promote the vocational training of the different categories of employees ;
- (d) to set up and administer social schemes for the welfare of the employees and their families ; and
- (e) in general, to promote a good understanding between the management and the personnel ?

Answer.—The scope and activities of the Works Committees should be confined to improvement of production ; health and safety measures, and promotion of good understanding between the management and the workers. We desire to draw attention to the fact that the Standing Orders settled under the Bombay Industrial Relations Act adequately protect workers against any form of victimisation by the management and their agents, and there is no point in the works committee being allowed to interfere with these matters.

Question 11.—Do you consider that it should be provided in the international regulations that the machinery for co-operation in the undertaking should have more particularly the following functions of an economic character :

- (a) to inform the personnel regarding the economic and technical situation of the undertaking ;
- (b) to study any suggestion put forward by the management of the undertaking or by the personnel with the object of raising the level of production or improving the efficiency of the undertaking ;
- (c) to propose to the management the rewards to be granted to employees whose suggestions have been effectively applied ;
- (d) to study the methods of production used in the undertaking and to make proposals to the management regarding the best utilisation of its material and human resources ?

Answer.—There is no point in referring to the works committees the items included in question 11. We would, however, have no objection to any worker approaching the management with any proposal for improving the efficiency of the undertaking.

VIII. *Obligations of the Management.*

Question 12.—Do you consider that it should be provided in the international regulations that the management of an undertaking should be required :

- (a) to place at the disposal of the committees or other bodies for co-operation in the undertaking the premises, material, and in appropriate cases the staff essential to its meetings or indispensable for its secretariat ;
- (b) to allow to the representatives of the personnel the time required for performance of their functions as such and to remunerate them for this time as hours of work ;
- (c) to consult the said committees, etc., on questions concerning the organisation and general conduct of the undertaking ;
- (d) to inform the said committees, etc., at regular intervals, but at least once a year, regarding the activity of the undertaking and the plans for the coming twelve months ;
- (e) where the undertaking is a limited company, to submit to the said committees, etc., the same documents as are submitted to the general meeting and more particularly the annual balance sheet and the profit and loss account ?

Answer.—We do not agree. As has already been pointed out, our past experience with works committees is somewhat bitter, and we are only anxious that employers should be asked to proceed somewhat cautiously with them. If, however, the works committees turned out to be useful, the employer would only be pleased to encourage them by all reasonable means, but that is a matter to be settled later according to conditions in individual establishments, and we object to any hard and fast rule being placed on the statute.

IX. *Obligations of Representatives of the Personnel.*

Question 13.—Do you consider that it should be provided in the international regulations that the representatives of the personnel chosen for co-operation should be required, within the limits laid down by national legislation, not to disclose confidential information which may be communicated to them by the management ?

Answer.—This is absolutely essential.

Question 14.—Do you consider that it should be provided in the international regulations that the representatives of the personnel should be required to give an account of their activity to the whole personnel at regular intervals but at least once a year ?

Answer.—No objection.

X. *Protection of Representatives of the Personnel.*

Question 15.—Do you consider that it should be provided in the international regulations that appropriate action should be taken to ensure that the representatives of the personnel are adequately protected in the performance of their functions ?

Answer.—The question is vague, and what protection is required is not quite clear. We are against any international regulation or legislation so far as works committees are concerned. Their effectiveness and utility in this country have not been proved, and until that is done, the matter should be left to the voluntary efforts of individual employers.

XI. *Application of the International Regulations.*

Question 16.—Do you consider that the international regulations should provide that effect may be given to their provisions ?

- (a) by means of legislation ?
- (b) by means of collective agreements ?

Question 17.—If the reply to question 16 (b) is in the affirmative, do you consider that the international regulations should provide that States should be required to communicate to the Director-General of the International Labour Office information regarding the measures on the strength of which the regulations are applied, and particularly data regarding all collective agreements through which effect is given to the regulations and regarding the number of undertakings having such machinery for co-operation, the number of persons employed in these undertakings, and the distribution of the co-operation machinery by industry or occupation ?

Answer.—In the present state of things in India, there is not much room for collective agreements. Legislative action is the only alternative, provided it is made quite clear that Government will utilise all forces at their disposal to uphold the law regardless of the aggressor.

Question 18.—Have you any proposal or suggestion to put forward on any point regarding the question of co-operation in the undertaking which has not been mentioned in the present questionnaire ?

Answer.—No.

II.

CO-OPERATION AT THE LEVEL OF THE INDUSTRY.

I. *Desirability and Form of International Regulations.*

Question 1.—Do you consider that the International Labour Conference should adopt international regulations concerning co-operation at the level of the industry, in the form of a Recommendation ?

II. *Establishment of National Industrial Boards.*

Question 2.—(a) Do you consider that it should be recommended in the international regulations that joint national boards should be established on a permanent basis in the different branches of industry and commerce, either by agreement between the employers' and workers' organisations concerned or by legislation ?

(b) Do you consider that where there are several representative organisations of employers and of workers in the branch concerned, the representation of the workers on the board should be proportionate to the membership of such organisations ?

III. *Functions of National Industrial Boards.*

Question 3.—Do you consider that it should be recommended that the national industrial boards should have the function of taking all appropriate action :

- (a) to raise the standard of life of the workers ;
- (b) to increase the level of production and efficiency of the industry ; and
- (c) in general, to examine the social, technical and economic problems of the industry or trade concerned ?

Question 4.—Do you consider that it should be recommended in the international regulations that the national industrial boards should have the power to submit to the competent authorities opinions or recommendations on all questions of an economic or social character falling within their terms of reference ?

IV. *Co-operation in Nationalised Industries and those Established in the Public Services.*

Question 5.—Do you consider that it should be recommended in the international regulations that, where certain branches of economy have been nationalised, or established

in the public services, all appropriate action should be taken to ensure close and permanent co-operation between the authorities responsible for the administration of the nationalised industries and the workers' organisations concerned ?

* * * * *

Question 6.—Have you any proposal or suggestion to put forward on any point regarding the question of co-operation at the level of the industry which has not been mentioned in the present questionnaire ?

Answer.—This matter had better be left to individual countries for the time being. As is well known, cost of living and commodity prices are at their peak at present, and any effort to set up National Boards to consider standard of life for the workers and other matters is likely to lead to an acrimonious controversy which is not calculated to help anybody. In the circumstances, it would be more appropriate if the different countries of the world were left to tackle these issues as best as they could.

III.

CO-OPERATION AT THE NATIONAL LEVEL.

I. *Desirability and Form of International Regulations.*

Question 1.—Do you consider that the International Labour Conference should adopt international regulations concerning co-operation at the national level, in the form of a Recommendation ?

Answer.—This matter had better be postponed for the time being.

II. *Consultation of Employers' and Workers' Organisations.*

Question 2.—Do you consider that it should be provided in the international regulations that the employers' and workers' organisations should be consulted during the preparation and implementation of economic and social measures of national scope ?

Answer.—Such consultations can take place even now without any international regulations.

III. *Establishment of Machinery for Co-operation at the National Level.*

Question 3.—Do you consider that the international regulations should recommend the establishment, by legislative or other means, of national advisory councils of a social and economic character such as, for instance, national economic councils, national labour councils, etc. ?

Question 4.—Do you consider that it should be provided in a Recommendation that the national advisory councils should include among their members an equal number of employers' and workers' representatives, either nominated directly by the representative organisations of employers and workers, or appointed by the competent authorities on the basis of proposals from these organisations ?

IV. *Functions of National Advisory Councils.*

Question 5.—Do you consider that it should be provided in a Recommendation that the national advisory councils should have more particularly the following functions :

- (a) to study social and economic questions falling within their terms of reference, undertake the necessary investigations to this effect and submit their opinions and recommendations to the competent authorities ?
- (b) to give a previous opinion on proposed legislation of an economic or social character falling within their terms of reference, and on proposed regulations to apply such legislation ?

Question 6.—Do you consider that it should be provided in a Recommendation that the competent authorities should be required to submit to the national advisory councils, for their opinion, proposed legislation of an economic or social character falling within their terms of reference, and proposed regulations to apply such legislation ?

V. Participation in Administration of Social Institutions.

Question 7.—Do you consider that it should be provided in a Recommendation that the employers' and workers' organisations should be associated in the administration of national institutions, such as those responsible for social security, organisation of employment, industrial health and safety, and other forms of labour welfare ?

* * * * *

Question 8.—Have you any proposal or suggestion to put forward on any point regarding the question of co-operation at the national level which has not been mentioned in the present questionnaire ?

Answer.—We are not in favour of setting any machinery for co-operation at the national level for the time being.

APPENDIX 16.

EMPLOYMENT EXCHANGE.

DECASUALISATION OF TEXTILE WORKERS IN BOMBAY PROVINCE.

Copy of letter dated 9th May 1947, from the Joint Secretary to the Government of Bombay, Political and Services Department, to the Association.

I am directed to draw your attention to the statement of Labour Policy of the Government of Bombay published in the *Bombay Government Gazette* dated Wednesday the 22nd May 1946, in which the Government of Bombay declared their intention to examine and overhaul the employment procedures prevailing in industry with a view to eliminating injustice and corruption and ensuring the continuity of an adequate and efficient supply of labour. They also expressed the view that the establishment of Employment Exchanges will greatly facilitate progress in this direction.

The Government of Bombay have had, under close examination, the employment procedures prevailing in the textile industry. While they note with satisfaction the good results yielded under the *badli* control system and would recommend it for adoption to such centres as have not yet introduced it, they strongly feel that the time has now come to improve even on the *badli* control system. Accordingly, they have prepared a decasualisation scheme for textile workers, five copies of which are enclosed for the use of your Association.

The Government of Bombay are most anxious to introduce the scheme with the least possible delay. I am, therefore, to request your Association to give immediate consideration to the scheme and favour the Government of Bombay with their views, as early as possible.

A SCHEME FOR THE DECASUALISATION OF TEXTILE WORKERS IN THE BOMBAY PROVINCE.

EXPLANATORY MEMORANDUM.

Introduction.—The engagement of labour, a matter of vital importance to every industry, has not received in this country the close and careful attention it deserves. In almost all industrially advanced countries, the engagement of labour is the function of management. Unfortunately, in this country, the work is left to intermediaries, who hold almost a complete sway over the workers.

The intermediary in the textile industry is the jobber. He is not only the *de facto* recruiter, but also the personnel officer largely exercising, in practice, the powers of engagement, promotion and dismissal. For giving a job, temporary or permanent, or for giving promotion, he usually exacts a monetary reward. He also sometimes exacts a monthly payment by keeping the sword of dismissal hanging over his head. The result is that recruitment of labour becomes a matter of bribery, corruption and favouritism.

It is not, however, only the worker who suffers under this system. The employer also equally does so. A jobber must create vacancies to fill his pockets. His interest, therefore, lies in as much casualisation as possible. Dismissing workers on the slightest pretext, he engages raw or incompetent workers, when experienced and efficient workers roam about for want of employment. The high rate of labour turnover, which this implies, leads to the reduction of skill and efficiency of workers, higher upkeep and depreciation charges for machinery and diminished output of industry. The competitive power of an organised industry depends, to a considerable extent on the experience and efficiency of its workers, which the methods of the jobber are not calculated to promote.

The *badli* control system now in force at Bombay and Sholapur is, of course, an improvement over the pure jobber system. It has undoubtedly helped to check the powers of the jobber in the employment of labour. It cannot, however, be claimed that it has succeeded in entirely dissociating him from the work of recruitment. It is still possible for him, particularly in the mills where the system is not properly worked, to exact illegal gratification from *badlis* seeking employment and to give, for permanent employment, preference to raw recruits coming from the villages, who happen to be his relations or friends, even when senior *badlis* have been waiting for a longer period.

An organisation is, therefore, needed to take over recruitment from the jobber and to deal directly with the mills. That organisation can best be an Employment Exchange.

The Nature of the Problem.—The daily fluctuations in employment in the mills demand that a pool of workers should be available to meet day-to-day requirements. In times of pressure, there is likely to be a shortage; in periods of depression, a surplus. To avoid wastage of human material, this common pool should neither be too large nor too small to meet the day-to-day demands. It is necessary, therefore, to regulate the number of workers in the textile industry by the creation of a common pool of workers.

Under the *badli* control system, *badlis* are assigned to each mill. This results in *badlis* of one mill going without work even when some other mill has run short of *badlis*. In addition to the regulation of numbers, therefore, an arrangement must exist to switch *badlis* from the place they are not wanted to the place where they are.

The question of new entrants to the industry has also so far received no consideration at all. No systematic arrangements for training have been made and no distinction at present exists between raw recruits and experienced workers.

In essence, therefore, the problem is one of decasualisation and training.

Decasualisation Schemes in Other Countries.—Valuable experiments in decasualisation have been made during the recent war in connection with the employment of dock workers. Several schemes were in force but their broad features were the same.

The essence of the schemes was the creation of a common register, entry to which was, *inter alia*, dependent on the immediate requirements of the industry. An allocating authority was created and the employers undertook to engage only workers on such register and according to the orders of the allocating authority. Workers also likewise undertook to serve only such employers as were approved by the allocating authority.

The workers on the register formed a common pool and were liable to serve any employer to whom they were sent by the allocating authority. Those who could not be found work were given what was variously called attendance money, waiting pay or pool pay. It was, of course, a condition precedent for the payment of this amount that they should be available for work and undertake such work as was assigned to them. All the wages were paid through the allocating authority.

The cost of the administration of such schemes as well as the money required for the payment of pool wages were recovered by the allocating authority in the form of a percentage levy on the total wage bill. The schemes, of course, had the sanction of war-time legislation behind them.

The Proposed Scheme.—Legal sanction, however, is not absolutely essential for the introduction of such schemes. Such schemes can be introduced by a tripartite agreement between the Provincial Government, the employers and the workers. It is proposed that this scheme should be introduced in this manner.

The aim of the scheme is to rationalize recruitment in the textile industry. Complete rationalization would, logically speaking, involve the abolition of the *badli* control system. It is, however, not proposed to abolish it in the transitional period. It is also not proposed in the first instance to attempt decasualization between one mill and another. In other words, the *badli* control system would continue. The provision regarding waiting pay would also be not enforced. The scheme, however, presupposes the existence of the *badli* control system.

DECASUALISATION SCHEME.

1. *Name of the Scheme.*—This scheme shall be known as the Textile Workers' Decasualisation Scheme.

2. *Manner of Introducing the Scheme.*—This scheme shall come into force at such date and at such place as may be determined by the voluntary agreement between the Government of Bombay, the representatives of textile employers and the representatives of textile workers of the place concerned.

3. *Objects of the Scheme.*—The principal objects of the scheme are :

- (i) to secure the rationalization of the recruitment system in the textile industry ;
- (ii) to increase efficiency and production by reducing labour turnover ;
- (iii) to reduce the waiting period of unemployed textile workers ;
- (iv) to eliminate bribery, corruption and favouritism in the recruitment of textile workers ;
- (v) to encourage the systematic training of textile workers with a view to ensuring a steady supply of efficient workers.

4. *Organisation.*—The Government of Bombay shall establish an Employment Exchange at the place to which the scheme applies. It shall be in charge of a manager, who shall be provided with such staff as may be necessary for the proper administration of the scheme.

5. *Registers.*—The Manager shall maintain a register of all workers who are employed in the textile industry at the place on the date of the introduction of the scheme and of such workers as may subsequently obtain employment whether as permanent workers, probationers or temporary workers in the industry in accordance with the provisions of the scheme.

The register shall be known as the Master Register.

The Manager shall maintain a register of all persons seeking employment in textile mills consisting of two parts as follows :—

- (i) Workers with previous experience in the textile occupation or operation which they wish to pursue.
- (ii) Persons with no previous experience of any textile occupation or operation or of the textile occupation or operation which they wish to pursue.

The Manager shall maintain a *badli* register of all *badlis* to whom *badli* cards have been given in accordance with the provisions of this scheme.

All these registers shall be maintained according to the card index envelope system.

The card index envelope shall be in the form given in Appendix I.*

6. *Preparation of the 'Badli' register.*—The *badli* register shall be so regulated as to avoid unduly large surpluses or shortages of textile labour.

An estimate shall be made of the probable number of absentees every month/every months and the number of *badlis* shall be based on such estimate. Each person, whether a trainee or otherwise, admitted to the *badli* register, shall be furnished with a *badli* card. Priority of registration shall be the only consideration in issuing a *badli* card.

The *badli* card shall be in the form given in Appendix II.*

Where the estimate of absentees referred to in the preceding paragraph necessitates a reduction in the number of *badli* cards already issued, such number of *badli* cards shall be withdrawn as may be necessary on the principle "last in, first out."

7. *Training of Textile Workers.*—No textile mill shall employ a trainee without adequate and systematic arrangements for his training. The Manager shall, from time to time, determine which mills shall be entitled to employ trainees and their numbers and categories.

8. *Duties of Employers.*—No textile employer governed by this scheme or any person acting on his behalf shall employ a *badli* except in accordance with the provisions of this scheme. No textile employer governed by this scheme or any person acting on his behalf shall fill a permanent vacancy except from the *badlis* attached to his mills.

Provided that he may fill such vacancy by inter-rail promotion from amongst or by transfer of the permanent employees of the mill in which the vacancy occurs.

Duties of Textile Workers and Trainees.—No textile worker or trainee shall seek or obtain employment in the textile mills governed by the scheme except in accordance with the provisions of this scheme.

9. *Continuous Service Certificates.*—Every textile employer shall issue a continuous service certificate in the form given in Appendix III,* when a textile worker or trainee leaves his employment.

10. *Powers of the Manager in relation to the Employers.*—The Manager shall have the power to require any employer governed by the scheme to furnish him such information as he may require for the efficient introduction and administration of the scheme and in particular information regarding :

- (1) The average daily number of *badlis* who present themselves for work but cannot get it ;
- (2) The number of *badlis* appointed to permanent jobs during a month or such period as he may specify ;
- (3) The number of vacancies, temporary or permanent, that occur during a month or such period as he may specify.

The manager or such officer, being not lower in rank than the Assistant Manager, as he may depute, shall have the right to enter the premises in the occupation and inspect any records maintained by any textile employer governed by the scheme with a view to securing compliance with the provisions of this scheme.

* Not printed.

11. *Advisory Committee.*—The Manager shall be assisted by an Advisory Committee consisting of equal number of representatives of employers and workers, with the Manager as Chairman.

The members of the Committee shall be nominated by the Government of Bombay in consultation with the organisations of employers and workers of the place concerned where they exist or such of them as Government may deem fit. Vacancies shall also be filled in the same manner.

Every member shall hold office for one year.

The functions of the Committee shall be purely advisory.

The Committee shall advise and assist the Manager on all matters connected with the efficient introduction and administration of the scheme, and in particular on :

- (1) the regulation of the number of *badli* card-holders ;
- (2) the mills to be permitted to employ trainees and the numbers and categories of trainees to be employed by each.

12. *Appeals.*—An appeal shall lie to the Deputy Director of Labour or such officer as the Government of Bombay may appoint in this behalf against the orders of the Manager :

- (1) refusing to issue a *badli* card whether for employment or for training ;
- (2) withdrawing a *badli* card ;
- (3) refusing to allow more or less *badlis* ;
- (4) refusing to permit the employment of trainees, their numbers or categories.

Time Limit for Appeal.—No appeal shall be considered which is not filed within 30 days of the date of the order of the Manager appealed against.

Copy of letter No. 445, dated 19th June 1947, from the Association to the Joint Secretary to the Government of Bombay, Political and Services Department.

I am directed to acknowledge the receipt of your letter dated the 9th May 1947, in which you requested my Committee to express an opinion on the draft of a scheme prepared by Government for the establishment of an Employment Exchange for the Bombay cotton textile industry. In their introductory remarks, Government have referred to certain conditions and drawbacks which, they state, exist in Bombay in connection with recruitment of labour, and which, in their opinion, justifies the introduction of an Employment Exchange. Nevertheless, it is admitted on page 2 of the introductory memorandum that the *badli* control scheme now in force in Bombay "has undoubtedly helped to check the powers of the jobber in the employment of labour," though, it is stated, "it cannot however be claimed that it has succeeded in *entirely* (italics our own) dissociating him (jobber) from the work of recruitment." Whether Government's draft scheme will, on its part, succeed *entirely* in setting matters right, has nowhere been stated in the papers supplied to the Committee ; nor are my Committee prepared to concede that the scheme, which Government have in view, is an improvement over the schemes at present in force.

2. Government have referred to experiments in decasualisation of labour in other countries, but these experiments seem to have been made as a war-time emergency, and *confined only to dock labour*. If the experiment was made in respect of dock labour only, then, there is every reason that, if at all they are to be made in India, they should first be made on dock labour and similar employments, and *not on labour in the Bombay cotton textile industry*.

3. That apart, dock labour comprises mostly of unskilled labour not handling any machinery, and it need not necessarily follow that any war-time experiments made on them could be successfully applied to the cotton textile industry where conditions of work, recruitment, etc., are entirely different.

4. The essence of the scheme proposed by Government, as far as can be gauged from Government's explanatory memorandum, is :

(a) The employment of *badli* labour in individual mills is proposed to be regulated through the Exchange. Every mill would be bound to accept *badlis* allotted to it by the Exchange, and no *badli* can be employed by a mill except through the Exchange.

(b) Mills would be expected to accept legal and financial responsibility for training labour according to methods approved by Government, and no mill would be expected to work any training scheme which has not been previously approved by Government.

(c) The whole cost of the Exchange and the training of labour, including the payment of pool wages, would be recovered from the mills, though the skeleton scheme appended to the explanatory memorandum is silent about the financial arrangements.

5. At the outset, my Committee desire to point out that they are opposed to the scheme on the following, among other, grounds :—

(i) It is unnecessary, several mills in Bombay having their own schemes for regulating the employment of *badli* labour. The strength of *badli* labour in each mill is now adjusted according to its own requirements.

(ii) The Association is unable to recommend members to accept any commitment regarding trainees and the method of training. Facilities are already available at the Textile Technical School of the Social Service League and the Victoria Jubilee Technical Institute.

(iii) The Association is also unable to accept any financial responsibility for either the introduction or working of the Exchange, or the training of labour including the payment of pool wages.

(iv) In Bombay, a new worker becomes attached to a mill as a *badli*, temporary or permanent employee under the following, among other, circumstances :—

(a) Proximity of the mill to the worker's place of residence.

(b) Friends and relations working in the mill, and other similar reasons. In the circumstances, my Committee have grave doubts whether the workers themselves would like to have the scheme proposed by Government, under which they might have to go and work wherever the Exchange asks them to go.

(v) Government are seeking to interfere in a matter, which is after all the domestic concern of the industry, imposing incidentally, an unnecessary financial burden on the industry.

6. Turning now to (i), Government have admitted that there is already a *Badli* Control Scheme in the Bombay cotton textile industry, and that it has produced satisfactory results. If this is so, then the most logical thing for them to do, would be to ask other industries and establishments to have similar schemes on a voluntary basis with a view to ascertain whether the scheme applied and worked on dock labour could be successfully worked in other industries, and if so, with what changes. My Committee are at one with Government in their desire to alleviate unemployment, but it should not be at the expense of the industry. In any event, in the Bombay cotton textile industry there is no surplus labour, and the problem is not likely to arise, as far as one could foresee, for years to come.

7. With regard to (ii) and (iii) of Para 5 training schemes are already in existence in the Textile Technical School of the Social Service League, the Victoria Jubilee Technical Institute, etc. Employees freely utilise these facilities. To be frank, my Committee feel that the employer should have absolute freedom in the matter of employing any person who, in his opinion, will meet his requirements. In any event, the Officer-in-charge of recruitment in the mills, under the *Badli* Control Scheme now in operation, may be expected to know better than the Exchange Manager under the proposed scheme, the type of person who will fit in the mill's requirements.

8. My Committee are as anxious as Government in improving the efficiency of labour and in securing trained employees for the Industry. All possible encouragement is at present being given to induce the employees to undergo practical training, but the Associa-

tion cannot agree that employers should, as a general proposition, accept responsibility for training of employees. In their view, it is, first and foremost, the duty of every citizen to equip himself with the requisite training before entering any trade. If Government have reasons to doubt the usefulness or adequacy of the facilities for training which are now available, then it is up to them to establish trade schools, which will function side by side with general educational institutions so that children with special aptitude for a particular trade may go into the particular school which suits them best, after completing their elementary or preparatory course in general educational institutions. This calls for a general overhaul of the educational system of the country, and Government's proposals which amount to a piecemeal effort to solve the problem, at the expense of the employer, seeks to introduce a principle, namely, education of the operative at the expense of the employer, which my Committee regret they cannot accept.

9. As the Committee are opposed to the principle underlying the establishment of a Labour Exchange, they do not wish to offer any comment on the details of the scheme.

APPENDIX 17.

INDUSTRIES CONFERENCE.

Copy of letter No. Gen. 456 (ii) 5005, dated 29th November, 1947, from the Director of Industries to the Association.

I am directed by Government to forward to you a copy of the Draft agenda of the Conference convened on the 15th and 16th December 1947 at New Delhi by the Honourable Minister for Industries and Supplies, Government of India, and to request you to be so good as to send to the Joint Secretary to Government in the Education and Industries Department, Secretariat, Bombay, the views of your Association on the items of the agenda of the Conference so as to reach him *not later than 8th December 1947.*

I have to request you to be good enough to endorse to this Department also a copy of the reply to Government.

Copy of letter No. 372, dated 12th December, 1947, from the Joint Secretary to the Government of Bombay, Education and Industries Department.

The Committee of the Association were supplied by the Director of Industries, Bombay, on 1st December 1947, with a copy of the questionnaire issued by him in connection with certain matters on which information was required by the Hon'ble Member in charge of the Ministry of Industry and Supply. The questionnaire covers issues of far-reaching importance, and it was impossible to cover the whole ground within the short space of time allowed to us by the Director of Industries. In this connection, my Committee desire to point out that the questionnaire was received from the Director of Industries on 1st December 1947, and we were asked to send our replies so as to reach you on or before the 8th December 1947.

So far as the cotton spinning and weaving industry is concerned, my Committee trust, the Government of India are already in possession of full information, these questions having been discussed by them on more than one occasion in the last few months with the Industry's Committee of the Control Board, and if this is so, the questionnaire need not be answered by the cotton textile industry. In deference, however, to the wishes of the Director of Industries, Bombay, we have answered his questionnaire as briefly as we can in the short time at our disposal, but would like to submit that the Association would always be ready and willing to supply information, or elaborate any points on which Government would like to hear us again.

As the conference which has been called to discuss this matter is to be held on the 15th instant, I am sending copies of this letter and enclosure to the Ministry of Industry and Supply, direct.

Answers of the Millowners' Association, Bombay, to the Questionnaire issued by the Director of Industries, Bombay.

Question I : The Problem of Securing an Immediate Increase in Industrial Output up to full Existing Capacity.—The recent decline in output in almost every industry is attributable to shortages (transport, coal, raw materials), labour unrest and/or civil disturbances. What measures can and must be taken, in particular as regards the first two ?

- (a) as regards transport, to what extent is increased use of means of transport other than the railways feasible ?
- (b) raw materials of imported origin are either in world short supply or are imported on a restricted scale owing to exchange difficulties. Rationalisation of indigenous production may help utilise available supplies to the best possible advantage. Should this be attempted ? What should be the attitude in the matter of imports between raw materials and capital goods for the immediate future ?
- (c) Labour situation.

Answer : Introduction.—This Association is only interested in the manufacture of cotton yarn and cloth, and an attempt has been made to answer the questionnaire solely from the point of view of this Industry.

Answer to Question I.—There has been a reduction in output in the case of the cotton spinning and weaving industry for the following reasons :—

- (a) Reduction in working hours from 9 to 8 per day.
- (b) Working days lost due to strikes and *hartals*.
- (c) Loss of production following from absenteeism on the part of labour.
- (d) Deliberate slowing down by the operatives, and the tendency on the part of labour to loiter in the mill premises, leaving their machines unattended.
- (e) Time lost through raw materials not being available as and when required.
- (f) Labour's refusal to work for extra hours even on payment of the requisite overtime rates.
- (g) Communal and political disturbances.
- (h) The difficulty of introducing three shifts, and the attitude of the Government of Bombay.
- (i) The tendency to observe *hartals* in connection with matters which have nothing to do with working conditions inside the mills.
- (j) The inordinate delay by the Government of India in the adjustment of prices of cloth and yarn, to offset the increases which had taken place in the prices of raw materials, stores, etc., of the industry.

Prices have not been revised for more than 18 months. It is well known that they yield a loss in certain groups of cloths, and only a meagre profit in some others. This has resulted in mills switching over production from the losing and less remunerative sorts to more remunerative ones.

Government have recently announced a standardised scheme of production for the cotton textile industry. At the request of Government, the industry has agreed to try and carry it out to the best of its ability, but it must be pointed out that the Association is not satisfied that an increased production will follow from all mills as a result of the scheme. What the psychological effect of the scheme would be on the consumer in India, and whether

he would appreciate an increase in production at the expense of quality, the Association is unable to say. It should also be pointed out that, according to recent Press reports, Government are considering the question of decontrolling cloth. If these reports are correct, then the industry should be informed of Government's decision.

As regards remedial measures, we suggest :—

- (1) Action should be taken to revise prices and put them on an equitable basis to the mills.
- (2) Government should not hesitate to remind labour of its responsibilities to the State and the citizen, and the penalties which it would have to bear in case these responsibilities are not satisfactorily discharged.
- (3) Government should give all possible assistance to those mills which desire to do so, to work three shifts.
- (4) There should be no restriction on the mills as to what they should produce, so long as mills manufacture sorts which have been saleable in the market, and so long as mills promise to give an equal or increased yardage as compared with the years 1943, 1944 and 1945, equated to an 8-hour shift basis.
- (5) There should be no room for any mills being closed down due to lack of supplies of coal or other essential raw materials and stores.
- (6) The present high level of company taxation should be readjusted.
- (7) There has recently been a good deal of loose talk of nationalisation, which has been frightening away investors in new industries, and hampering reorganisation and rehabilitation of existing industry. Government should make their position quite clear on the question of nationalisation of industry.

Answer to Question I (a).—So long as railways are not able to handle the traffic, auxiliary transport should be encouraged, namely, motor lorries. This calls for a liberal policy in the matter of petrol allowances. One of the reasons for short supply of cloth in consuming centres is to be found in the inadequate transport facilities, apart from faulty distribution arrangements, and steps should, therefore, be taken to ensure that the country does not suffer by reason of the fact that the railway, by itself, would not be able to cope with the traffic.

Answer to Question I (b).—The proposition enunciated in this question is no doubt sound, but it would not work for the reason that the object in view cannot be attained within a reasonable time. Take, for instance, raw cotton. It cannot be said that India can immediately replace from her own growths, all the cottons that she has been importing from East Africa, Sudan, Egypt, America and Peru. Coming to mill stores such as shuttles, bobbins, pirns, healds, reeds, dyes, chemicals, etc., India has not yet commenced to produce these in commercial quantities, and until this happy stage has been reached, the industry must continue to import articles of foreign origin. It is not enough if India produces mill stores, but the articles produced should be useful and equivalent to those imported, let alone their being comparable in price.

Turning now to capital goods, there is at present no industry in this country which is capable of manufacturing all the capital goods required by our industry. A start has been made, but until more substantial results are achieved, the foreign imports have to continue.

Answer to Question I (c).—*Labour situation.*—The attitude of labour in the industry may be summarised under the following few heads :—

- (a) They resent discipline and do not listen either to the management or to the unions.
- (b) They are inclined to be violent, and several cases of assault (and some of them with fatal consequences) on the supervisory staff of the mills have been reported to the Association, to the Police and to the Government of Bombay.

- (c) Rationalisation and an increase in production per operative by one man minding more machines, has been strongly resisted by them even though rationalisation brings an increased wage.
- (d) There is a tendency to slow-down production and to stay away from work without any reasonable excuse. Absenteeism to-day is higher than ever before. The high wage and the dearness allowance at present operating in Bombay have unfortunately failed to enlist labour's sympathy and co-operation in enhancing production. As a matter of fact, labour do not show any inclination to work overtime for additional emoluments, or to work a third shift, since the present remuneration for 8-hour shift is more than adequate.
- (e) The attitude of the Government of Bombay in all matters concerning labour. The labour laws are not administered equitably to both sides, and Government seem to be inclined to placate labour at the expense of the employer. This attitude of Government has contributed in no small measure to the insubordination and indiscipline which prevail in the mills these days.

Question II. (1).—Planning for future industrial development.

Certain targets for expansion must obviously be fixed and further action must be viewed from two angles; firstly, import of plant and equipment and the expenditure of foreign exchange, and secondly, the maturity of schemes in point of time.

Execution of plans may be taken up in two stages :

- (a) Short-term, i.e., next three years, and
- (b) Long-term.

Resources, including those of foreign exchange, should perhaps be concentrated, with a few exceptions, on schemes which will attain full production within three years.

Answer.—The Post-War Planning Committee (Textiles) has already prepared a scheme for industrial development so far as the cotton textile industry is concerned, and the Association has nothing to add thereto, except perhaps to point out that rehabilitation of the industry, irrespective of whether it is to be short-term or long-term, requires an enormous sum of money. For example, in Bombay City alone, rehabilitation and re-modelling of the present equipment would necessitate, at the prevailing high prices of machinery, a colossal expenditure round about Rs. 90 crores, and no individual industrialist would ordinarily be prepared to stake such a high sum of money unless he knows exactly what the future prospects are. The point arises whether the Tariff Board, which has already been commissioned by Government, would put up recommendations which would enable the industry to build up such a fund.

Question II (2).—Approved plans for development have already been made for the following industries, namely, cotton textiles, sugar, cement, paper, and to a smaller extent chemicals. The overall targets have been broken down and distributed amongst Provinces and States. What, if anything, is impeding the implementation of the various projects? In the short-term view, is it desirable to give priority to any one or more of these industries?

Answer.—Some of the considerations urged in the preceding paragraph will have a very important bearing on the prospects of the industry adhering to its short or long-term programme. The Association has already seen the report of the Post-war Planning Committee (Textiles) and Government's decisions thereon. Briefly stated, this report aims at increasing available supplies of cloth from about 16 yards to 18 yards per head. This, however, is only a short-term policy, and perhaps the question of a long-range policy will be considered at a later date. The point to note, however, is that any attempt to increase the *per capita* consumption of cloth should be made with extreme caution, and in any event, steps should be taken to ensure that the purchasing power of the masses is increased so that the demand for more cloth may be maintained.

Question II (3).—The following industries, on which Panels appointed by the Government of India have reported, appear to be suitable for taking up next for planning :

1. Non ferrous metals. 2. Electro-chemicals and heavy chemical industries. 3. Coir, rope, cordage and other fibres. 4. Silk. 5. Rayon and artificial silk. 6. Hosiery. 7. Paints and varnishes. 8. Woollen industry. 9. Glass. 10. Automobiles and tractors. 11. Industrial plant and machinery. 12. Plastics and celluloids. 13. Refractories and ceramics. 14. Leather and leather goods.

Certain details in regard to the scope of planning will be forwarded shortly. What facilities in the matter of power, raw materials, labour skilled and unskilled, do the various Provinces and States possess for fostering the development of any of these industries ? Can indications be given of the particular suitability of Provinces and States for specified industries ?

For short-term execution, which industries should be preferred and what targets fixed ?

Answer.—The Association has not yet been furnished with copies of the reports prepared by the various Panels appointed by the Government of India in connection with the various industries mentioned in Question II (3). In the circumstances, it is very difficult to say what facilities are available in the country for the establishment of each of the industries specified by Government.

Question II (4).—The development of small-scale and cottage industries.

Plans, if any, already made by Provinces and States and scope for further development. The Asian Conference of the I.L.O. has recommended the “organising of these industries, especially on co-operative and federated lines, so that small and autonomous undertakings can benefit from the financial, technical and commercial advantages normally enjoyed by large undertakings in concentrated industry.” Is there, therefore, perhaps, need for an All-India Cottage Industries Board which would co-ordinate planning and other effort ? In any case, what assistance is required from the Central Government ?

(5) : Any other suggestions.

Answer.—There is no objection to the establishment of an All-India Cottage Industries Board which would be competent to give technical and other assistance to cottage industries in general.

Question III. Controls.—(a) Existing controls (viz., on iron, steel, cotton textiles, paper, coal). What improvements, if any, can be made in their working, in relation particularly to black-marketing and corruption ?

(b) The need for extending control over certain other commodities, e.g., raw cotton, jute, timber, cement, chemicals, drugs and pharmaceuticals. The extent to which such further controls can and ought to be exercised centrally and by Provinces and States.

Answer. On the question of controls in general, the attitude of the Association is that so long as supply can be equated to demand, there is no need for any control either as regards prices or distribution. If, however, there is a lag between supply and demand, there would be a case for Government interference to ensure that prices are kept within reasonable limits and that every consumer gets his correct share of the supply available in the country. It may be that the available supplies may have to be divided giving a priority to essential industries.

If at all Government decide that there should be control over the industry, then it should be a full-fledged control in respect of distribution, including production, importation, distribution and prices of its raw materials. Further, the control should be strictly exercised by the Centre, the Provinces only implementing the directions given by the Centre, to ensure uniformity of practice in all Provinces.

Question IV.—Miscellaneous Aspects of Industrial Policy.

- (a) The sales tax policy of Provincial Governments in relation to basic raw material of industry (such as coal) and certain vital commodities (such as steel).
- (b) The excise policy of Provincial Governments with reference to industrial requirements of alcohol.
- (c) Measures necessary for enforcing admixture of power alcohol with petrol, and development of substitutes for petrol and petroleum products.
- (d) Recruitment and training, etc., of scientific and technical personnel.
- (e) Collection of statistics under the Industrial Statistics Act.

Answer.—(a) According to the Sales Tax Act in Bombay, raw materials and stores required by the industry are not subject to the sales tax. This position should continue.

(b) and (c) In the absence of detailed information, we are unable to express an opinion on this matter.

(d) Provision for the training of scientific and technical personnel of the industry is already available in the Victoria Jubilee Technical Institute in Bombay, and in the Department of Chemical Technology of the University of Bombay. The Victoria Jubilee Technical Institute, it is understood, is extending its activities and adding a course of higher studies to its curriculum. According to our information, facilities for training will shortly be provided in Ahmedabad also, but even then, the needs of the case may not be fully met. What seems to be required is an institution on the lines of the Shirley Institute, which Government should set up at a very early date, this institution working in collaboration with the Victoria Jubilee Technical Institute, the Technological Laboratory of the Indian Central Cotton Committee, the Department of Chemical Technology of the University of Bombay and other technical and engineering institutions all over the country.

(e) The Industrial Statistics Act came into operation only very recently, and it is doubtful whether the Government of India have tabulated and correlated the information they collected from every industry. My Committee would like to see a copy of Government's report before offering any opinions in this regard.

APPENDIX 18.

INDIAN INDUSTRIAL COMMITTEE ON COTTON TEXTILES.

Copy of letter No. LC.20(3), dated 14th March 1947, from the Deputy Secretary to the Government of India, Department of Labour, to the Association.

I am directed to address you on the constitution of a tripartite organisation to deal with the specific problems affecting cotton textile industry.

2. Till recently the Indian Labour Conference and the Standing Labour Committee were the only tripartite organisations set up to advise Government on problems affecting labour policy and administration. By virtue of its constitution, these organisations can handle only general problems. The time has now come when an effort should be made to set up separate organisations to study the specific problems of individual industries. The International Labour Organisation has recognised this necessity by setting up separate industrial committees to deal with the specific problems of the following industries—

- | | |
|---------------------|-------------------------------------|
| (a) Textiles. | (e) Inland transport. |
| (b) Coal mining. | (f) Building and civil engineering. |
| (c) Iron and steel. | (g) Petroleum. |
| (d) Metal trades. | |

India is a member of the first six committees. The constitution of National Committees on a tripartite basis to discuss the various problems individual to each industry will serve another

advantage in that it will act as the national counterpart of the International Industrial Committees. It will provide the necessary meeting ground for representatives of Government, employers and workers to consult one another on problems coming before the International Industrial Committees, so that Indian representatives to the International Committees may be able to present, as far as possible, a co-ordinated Indian view and try to mould the decisions and the activities of the International Committees in a manner fruitful to India.

3. In setting up national committees of the type envisaged in paragraph 1 above, it will be necessary to follow the pattern of Indian industrial development. Committees will be set up for all important Indian industries, irrespective of whether there are international committees for such industries or not. For example, National Committees have been or will be set up for plantations, jute, tanning and leather even though there are no international committees to deal with the specific problems of these industries on an international plane.

4. A tripartite organisation has already been set up to deal with the special problems affecting plantation labour. Proposals have also been circulated for the constitution of a committee on coal mining and these proposals have received general support and it is expected that this committee will be called some time in the course of the year. It is considered desirable to set up committees for the following industries—

- (a) Cotton textiles,
- (b) Jute, and
- (c) Leather Industries.

This letter deals with the constitution of the Committee on Cotton Textiles.

5. Apart from the general considerations set out in para 1 above, the constitution of a Committee on Cotton Textiles is very urgent at the moment. There has been a drop in production of nearly a thousand million yards of cloth and this will result in a considerable curtailment of cloth supplies available to the people of this country, of whom workers constitute the great bulk. The problem of arresting the drop in production is now under the active consideration of Government, but there are many issues bound up with labour organisation, using this expression in its broadest sense, which only a tripartite organisation can effectively solve. Again, the question of recruitment and training of labour for the additional cotton mills proposed to be set up as part of the development programme during the next few years is another important question which must engage the attention of this Committee for some time. In addition, there will be numerous questions relating to the rationalisation of wage structure, dearness allowances, standardisation of occupational nomenclatures, etc., which will require constant study and adjustment, if the industrial organisation is to function with smoothness and efficiency so indispensable both at the present time and, in the future, when everything possible should be done to maximise production.

6. It is accordingly proposed to convene the first meeting of the Industrial Committee on Cotton Textiles early in April. It is suggested that the Committee may be constituted as under—

(a) Government representatives	..	..	..	..	..	..	16
(b) Employers' representatives	..	..	..	..	..	..	8
(c) Workers' representatives	..	..	..	..	..	..	8

On the Government side, there will be representatives from the Governments of Bombay, Madras, United Provinces, Central Provinces and Berar, Bengal, Punjab and Bihar, and among the States, from Hyderabad, Mysore, Gwalior, Indore, Baroda, and a representative of the Chamber of Princes. It is desired that the representatives of employers and workers should be so chosen that every important millowners' association, and workers' organisation in important centres like Ahmedabad, Bombay, Sholapur, Coimbatore, Cawnpore, Bengal, Indore, Central Provinces and Berar are represented.

7. It is realised that the International Industrial Committees are so constituted that Government, employers and workers have each equal representation. Government

representation on the Indian Committee cannot be reduced further without excluding one or other of the important Provinces or States having a considerable interest in the cotton textile industry. If the representation assigned to workers and employers is increased to 16 each, then the membership of the Committee will be increased to 48, a rather unwieldy number. Decisions of the conference will be by general consent and not by vote and, therefore, numbers will not have much significance. What is really wanted is that representation should be so distributed that all important centres of the industry have due representation so as to be able to bring to bear upon the deliberations of the conference their own special points of view in addition to general considerations applicable to the country as a whole. If on any particular question voting becomes necessary, then each member of the employers' and workers' group can be given a second vote so as to bring the voting strength of the employers' and workers' groups to a level with that of the Government group.

8. I am directed to enquire whether your organisation is in general agreement with the proposals set out above. It would be appreciated if the employers' organisations could consult together and send an agreed list of representatives to the conference. It is proposed to hold the first meeting of the Committee at New Delhi on the 18th and 19th of April 1947. The exact time and place of meeting will be communicated later.

Copy of letter No. 435, dated 27th March 1947, from the Association to the Deputy Secretary to the Government of India, Department of Labour.

I am directed to acknowledge the receipt of your letter No. LC.20(3), dated the 14th March 1947, regarding the constitution and establishment of an Indian Industrial Committee on Cotton Textiles. My Committee note that Government propose to hold the first meeting of the Committee at New Delhi on the 18th and 19th of April 1947, and in this connection, I am desired to point out that the dates referred to would be extremely inconvenient to members of the Committee of the Association who are at present fully preoccupied with various matters arising out of the reference to the Bombay Industrial Court. In the circumstances, I am desired to request Government to hold the first meeting of the Committee in the middle of May 1947.

There are certain points arising from the constitution of the proposed Committee, which my Committee desire to place before Government, but these would be dealt with in a separate representation which will be forwarded to Government in the course of the next few days.

Copy of letter No. 435, dated 8th April 1947, from the Association to the Deputy Secretary to the Government of India, Department of Labour, New Delhi.

I am directed to refer to your letter No. LC.20(3), dated the 14th March 1947, and the Association's letter No. 435, dated the 27th March 1947, telegram dated 28th March 1947, and further letter of the same date. The postponement of the conference from the middle of April to the middle of May 1947 was suggested on two grounds :

- (a) The Association's preoccupations with various urgent and important matters necessitating the presence of almost all the senior members in Bombay during the month of April ; and
- (b) There are certain matters arising out of the constitution and functions of the proposed Committee, which require consideration and attention before the conference actually meets.

2. While the Committee of the Association agree with the objects underlying the establishment of a tripartite committee for the purpose indicated in Government's letter, they would like to point out for the careful consideration of Government that the organisation which they propose to set up should, if it is to serve a useful purpose, have some status in the eyes of the Central and Provincial Governments, the employers, labour and the public, and this, it is felt, could be had only if the Central and Provincial Governments would agree

to observe as a convention that they would not ordinarily initiate labour legislation on any matter unless the subject has been previously discussed and endorsed by the tripartite committee.

3. My Committee would also suggest for the sympathetic consideration of Government that certain drawbacks which have been observed in connection with the working of the present tripartite conferences and Standing Labour Committees, be carefully considered and set right by Government. To elaborate only a few of these :

- (a) No proposal should ordinarily be discussed by the proposed Committee unless industrial and commercial organisations in the country have been given three months' notice of the proposal, and unless the views of the industrial and commercial community are circulated to the members of the proposed Committee at least three weeks before the conference ;
- (b) No industrial and commercial organisations should be by-passed on the ground that the parent organisation to which the former is affiliated has already been addressed by Government. In this connection, it is pointed out that Federation and similar organisations and associations, however efficient they may be, may not be expected to place before the conference the special knowledge and experience relating to any particular industry, which only the organisation immediately concerned with that industry can do ; and
- (c) Agenda and other papers of the conference should be circulated to members at least three weeks before the date of the conference.

4. My Committee do not see any provision having been made to the appointment of advisers to the representatives. In this connection, it is suggested that not more than two advisers should be allowed per organisation represented at the conference.

5. My Committee further suggest for the consideration of Government that Bombay being most conveniently situated with reference to every other centre of India, the conference be held in Bombay.

6. Before concluding this letter, I am desired to point out that the Millowners' Association, Bombay, has, among its members, mills covering about 52 per cent. of the productive capacity of India, and my Committee, therefore, urge that this preponderating membership should be recognised when granting representation on the proposed Committee. To secure the representation of the Association at all conferences, my Committee appointed a panel of advisers consisting of :

Mr. Dharamsey Mulraj Khatau (*Chairman*),
 Mr. Bhagwandas C. Mehta (*Deputy Chairman*),
 Sir Vithal Chandavarkar, Kt.,
 Mr. Neville N. Wadia,
 Mr. H. F. Milne,
 Mr. Krishnaraj M. D. Thackersey, and
 Mr. N. H. Tata,

and it is suggested that all communications addressed to the representatives of the Association be sent to the office of the Association.

Copy of letter No. LC-20(3), dated 21st November 1947, from the Joint Secretary to the Government of India, Department of Labour, to the Association.

Subject:—CONSTITUTION OF INDIAN INDUSTRIAL COMMITTEE ON COTTON TEXTILES.

I am directed to invite attention to the correspondence initiated with the Labour Department's letter No. LC-20(3), dated the 8th/14th March, 1947 on the subject indicated above. After carefully considering the views expressed by the Provincial and State Governments, the employers' and workers' organisations the Government of India have decided

that the Committee should consist of 39 members with equal representation for Governments, employers and workers. Representation will be distributed as under :—

I. *Governments.*

1. Government of India	3
2. Provincial Governments of Bombay, Madras, Central Provinces and Berar, United Provinces, Bihar and Bengal (one representative each)	6
3. State Governments of Baroda, Indore, Gwalior and Mysore (one representative each)	4
	13

II. *Employers.*

1. All India Organisation of Industrial Employers	1
2. The Employers' Federation of India	1
3. The Millowners' Association, Bombay	3
4. The Millowners' Association, Ahmedabad	2
5. Bengal Millowners' Association, Calcutta; Southern India Millowners' Association, Coimbatore; Employers' Association of North India, Kanpur; the Central Provinces Millowners' Association, Nagpur; Indore Millowners' Association, Indore; Federation of Baroda State Mills and Industries, Baroda (one representative each)	6
	13

III. *Workers.*

1. The All India Trade Union Congress	7
2. The Indian National Trade Union Congress	6
	13

I am to request that the Provincial and State Governments, the employers' and workers' organisations will kindly communicate the names of the representatives as early as possible and state what arrangements they require to be made for their accommodation at New Delhi.

Copy of letter No. 435, dated 10th December 1947, from the Association to the Joint Secretary to the Government of India, Ministry of Labour, New Delhi.

I am directed to acknowledge the receipt of your letter No. LC-20(3), dated the 21st November 1947, and to state that the following gentlemen will represent the Association at the first meeting of the Indian Industrial Committee on Cotton Textiles to be held at New Delhi, on the 12th January 1948 :

1. Bhagvandas C. Mehta, Esq., c/o Messrs. The Century Spinning and Manufacturing Co., Ltd., Queen's Mansion, Prescot Road, Fort, Bombay.
2. N. H. Tata, Esq., Bombay House, Bruce Street, Fort, Bombay.
3. N. S. V. Aiyer, Esq., Secretary, The Millowners' Association, Elphinstone Bldg., Churchgate Street, Fort, Bombay.

Copy of letter No. LC-20(7), dated 15th December 1947, from the Joint Secretary to the Government of India, Department of Labour, to the Association.

Subject :—INDIAN INDUSTRIAL COMMITTEE ON COTTON TEXTILES.

In continuation of this Ministry's letter No. LC-20(3), dated the 21st/22nd November 1947, I am directed to enclose herewith 15 copies each of notes on the following subjects* :—

Item I—Standardization of Wages and Rationalisation of the dearness allowances structure.

Item II—Measures for increasing production.

Item III—Training of Workers with a view to increasing their efficiency.

Item IV—Provision for old age—Institution of Provident Funds and Insurance Schemes.

Copies of Resolutions passed at the First Session of the Textile Committee of the I.L.O. held at Brussels, November 14-22, 1946, and the action taken by the Government of India, are also enclosed herewith.*

APPENDIX 19.

INDIAN FINANCE ACT.

LEVY OF EXTRA SUPER-TAX.

Copy of letter No. 85, dated 12th December 1947, from the Association to the Secretary, Central Board of Revenue, New Delhi.

I am directed by the Committee of the Millowners' Association, Bombay, to address you in connection with the *additional* super-tax rates laid down in the latter part of paragraph C of Part II of the Schedule to the Indian Finance Act, 1947.

Under the above Schedule, a company is required to pay extra super-tax, in addition to the usual rate of 2 annas in the rupee on the whole of its income if the dividend declared exceeds 30 per cent. of the total income (as reduced by preference shares dividend), or 5 per cent. of the share capital plus general reserves, whichever is higher. If the Company did not, however, wish to attract the extra super-tax, it has to limit its dividends so as not to exceed the range specified above.

There may be cases where a company may desire to stabilise its financial position and to keep the percentage of dividends on its share capital more or less steady from year to year, so that the prices of its shares in the market may not unduly fluctuate from time to time. To attain this object, the Company may not appropriate the whole of its profits by declaring big dividends in the years in which it makes high profits, but might declare a smaller but reasonable dividends—much below the 30 per cent. limit referred to in the Schedule to the Act—and carry forward the balance of such profits as a dividend equalisation reserve to be utilised along with whatever profits may be made in the following year or years for declaring a reasonable dividend for those years. The principle underlying a dividend equalisation fund is unobjectionable, and requires, in the opinion of my Committee, to be encouraged by Government.

Assuming that the Company referred to in the preceding paragraph, made substantial profits in the calendar year 1945, it could have easily declared a dividend not exceeding 30 per cent. of its total income of 1945 without attracting the additional super-tax. The Company

may not, however, desire to do so, and declare a dividend which works out at the rate of 6 per cent. per annum on its share capital—which was the rate in the preceding three years—which worked out at about 20 per cent. only of its total income in 1945. During the year 1946, the same Company made a lower profit than 1945, but in order to declare the usual 6 per cent. dividend on its shares on the results of working in 1946, the Company will require to distribute more than 30 per cent. of its total income for the year 1946, in which case, under the Finance Act of 1947, it will attract the extra super-tax rate of 3 annas in the rupee.

My Committee submit that this is obviously unfair. In such cases, the Company should be allowed to carry forward the unappropriated 10 per cent. from the total income of 1945, to enable it to declare a dividend of 6 per cent. on paid-up capital on the working of 1946, without attracting the extra super-tax rate. If the Company had declared dividends up to the maximum permitted out of the profits of 1945, it would not have attracted the extra tax. What the Company is now seeking to do is to conserve its resources to be utilised for stabilising its dividends. In any event, the acceptance of this suggestion would not mean a loss of tax to Government which they would have otherwise earned. On the other hand, the suggestion seeks to stabilise business conditions as far as possible which, in itself, should not be objectionable from any point of view.

APPENDIX 20.

INDIAN COMPANIES (AMENDMENT) BILL, 1947.

A Bill further to amend the Indian Companies Act, 1913.

Introduced in the Legislative Assembly by Dr. G. V. Deshmukh, M.L.A.

Whereas it is expedient further to amend the Indian Companies Act, 1913 (VII of 1913), for the purposes hereinafter appearing ;

It is hereby enacted as follows :—

1. *Short Title.*—This Act may be called the Indian Companies (Amendment) Act, 1947 .

2. *Amendment of section 25, Act VII of 1913.*—In sub-section (1) of section 25 of the Indian Companies Act, 1913 (VII of 1913) (hereinafter referred to as the said Act)—

For the words “ every member ” the words “ any person ” shall be substituted.

3. *Amendment of section 31, Act VII of 1913.*—In sub-section (1) of section 31A of the said Act, after the words “ members of the company ” the words “ and in case of joint-holders of the names of every joint holder separately ” shall be inserted.

4. *Amendment of section 32, Act VII of 1913.*—In sub-section (2) of section 32 of the said Act, after the words “ the dates of registration of transfers ” the words “ names of transferees whose applications for transfers of shares were refused and the number of shares comprised in each such transfer ” shall be inserted.

5. *Amendment of section 36, Act VII of 1913.*—In sub-section (2) of section 36 of the said Act, after the words *to that person* the words “ certified to be a true copy by an officer of the company ” shall be inserted.

6. *Amendment of section 87F, Act VII of 1913.*—In section 87F of the said Act, the words “ A statement of investments in such shares or debentures shall be placed every year before the shareholders at the Annual General Meeting of the company for approval ” shall be added at the end.

7. *Amendment of section 105C, Act VII of 1913.*—In section 105C of the said Act, after the words “(irrespective of class)” the words “except holders of redeemable preference shares” shall be inserted.

8. *Amendment of section 131A, Act VII of 1913.*—In sub-section (2) of section 131A the words “The report shall state whether the report was unanimously passed by directors present or not, and where the report is not unanimous the dissenting director shall have a right to add a dissenting note to the report and the same shall be published in the report and form part of the same” should be added at the end.

9. *Amendment of section 134, Act VII of 1913.*—In sub-section (1) of section 134 of the said Act, after the words “three copies thereof” the words “and of the report of Directors and of Auditors to the shareholders” shall be inserted.

10. *Amendment of section 137, Act VII of 1913.*—In sub-section (1) of section 137 of the said Act, after the words “the provisions of this Act” the words “or on the written application of members holding one-tenth of the shares issued” shall be inserted.

11. *Amendment of section 145, Act VII of 1913.*—In sub-section (4) of section 145 of the said Act, for the words “to attend any” the words “shall attend every” shall be substituted.

12. *Amendment of Third Schedule, Act VII of 1913.*—In Form E of the Third Schedule of the said Act, after the present tabular statement showing the list of persons holding shares, etc., a tabular statement to the following effect shall be inserted:—

Particulars of transfers of shares refused after the date of the last return

Date of refusal	Name/s and address of the shareholder/s transferring share/s	Name/s and address of the person/s in whose favour the transfer was executed	Number of share/s involved in each transfer	Class of shares
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STATEMENT OF OBJECTS AND REASONS.

Clause 2.—The object is to enable persons to know the provisions of the Memorandum and Articles of Association of a Company before subscribing for or purchasing shares in it.

Clause 3.—The proposed amendment appears to be included in the section itself, but it is not in practice observed, as a result of which it is impossible or very difficult to trace the names of joint members from the Register, particularly when a joint member other than the first one executes any document wherever he is entitled to do so.

Clause 4.—The policy, if any, of acceptance and rejection of transfers should be known to all concerned.

Clause 5.—It is desirable that a copy supplied of any Register of Members or of any part thereof or of the list and summary required by the Companies Act, be certified to be true by an officer of the company.

Clause 6.—It is desirable that members should have information as regards investments in shares or debentures of any company under the management of the same Managing Agents.

Clause 7.—This is to prevent redeemable preference shareholders from acquiring additional rights as these shares are liable to be paid off in course of time.

Clause 8.—It is desirable that the shareholders should know the dissenting opinion of a Director.

Clauses 9 and 10.—In a recent case where an application was made to the Registrar of Companies, Bombay, under section 137 (1) to call for information in view of certain statements made in the Auditors' Certificate reflecting on the management of the company, it appears to have been suggested that no action could be taken under the section inasmuch as there was no provision in the Act requiring the Auditors' Certificate to be filed. It is, therefore, desirable to expressly provide that the Directors' Report and the Auditors' Report should be filed with the Registrar.

Clause 11.—The object of this amendment is to ensure the presence of Auditors at General Meetings instead of leaving it to their option.

Clause 12.—The object of this amendment is to bring Form E of the Third Schedule into conformity with the proposed amendment in section 32(2).

Copy of letter No. 380, dated 2nd June 1947, from the Association to the Secretary to the Government of India, Legislative Assembly Department, New Delhi.

I am directed by the Committee of the Millowners' Association, Bombay, to refer to the Bill to amend the Indian Companies Act, 1913, introduced in the Central Legislative Assembly by Dr. Deshmukh.

At the outset, my Committee desire me to point out that the Indian Companies Act is a very comprehensive piece of legislation, which was overhauled only in 1936. Experience in the last few years may have revealed the need for further amendment of the law, but the attempts to do it piecemeal and without proper investigation, should be resisted. In the United Kingdom, a special Committee under the chairmanship of Mr. Justice Lionel L. Cohen recently went into the question of amending the English Company Law, and their report is now in the hands of His Majesty's Government, and no doubt, legislation following the Cohen Committee's recommendations would soon be initiated in the House of Commons. In India too, my Committee understand, an Expert on Company Law is at present going into the amendments required in the Indian Companies Act at the instance of Government, and if this report is correct, then there is no reason why the Bill under consideration should not be kept in abeyance till Government could study the Expert's recommendations and formulate a list of amendments in consultation with commercial and industrial interests of the country. However, as the Bill has already come up before the Central Legislature, my Committee desire to submit the following observations on the detailed provisions incorporated therein :—

Clause 2.—This clause seeks to amend section 25 (1) of the Indian Companies Act. The amendment would compel a company to send to "any person" at his request and within fourteen days thereof on payment of one rupee, a copy of the Memorandum and of the Articles, and if the company failed to comply with this request, it would be liable for each offence to a fine not exceeding ten rupees. It is impracticable to keep in stock an indefinite number of copies of a company's Memorandum and Articles of Association on the off chance of some interested persons embarrassing the company with simultaneous requests for such copies on payment of the very low charge of Re. 1 fixed by the Act. The printing of the company's Memorandum and Articles of Association at such short notice is equally impracticable. My Committee can understand the company's responsibility in the matter of providing an up-to-date copy of its Memorandum and Articles of Association to one of its existing shareholders, but they do not understand where exactly the company's liability arises in respect of an outsider, who may think of acquiring shares in the company. However, the object which the mover of the Bill has in view can be achieved by making it incumbent on a company to give inspection of the company's Memorandum and Articles of Association to any person at the registered office of the company at reasonable hours, either free of charge or on payment of a nominal fee. In this connection, it should be pointed out that the latter facility is already available at the office of the Registrar of Companies. The above remarks apply with greater force to a private limited company with which an outsider has no concern whatsoever.

Clause 3.—Amendment of Sub-section (1) of Section 31A.—This amendment seeks to require every company, having more than fifty members, to keep an index of the names of the members of the company, and in the case of joint-holders, of the names of every joint holder separately. The provision regarding index of members is already in the Act, and what is at present sought to be done is to provide a separate index for joint-holders. This amendment seems to be unnecessary. An index of every member of the company is at present being maintained at the registered office of the company. If a person can trace the name of the first holder of a share, he can easily trace the names of the other joint-holders, if any, as the latter are listed or printed immediately after the name of the first joint-holder. The index of all joint-holders separately will only impose additional clerical work, as, under the Articles of Association of almost all companies, the first named of the joint-holders for the time being, is the only person entitled to any notice or to execute any document (other than a transfer deed which must be executed by all joint-holders) on behalf of all the joint-holders.

Clause 4.—Amendment of Sub-section (2) of Section 32.—The amendment seeks to provide for the inclusion in the list of members and summary particulars of the names of transferees whose applications for transfer of shares were refused and the number of shares comprised in each such transfer. Transfer of shares refused by the Directors, if any, will be within the powers conferred on the Directors under the Memorandum and Articles of Association of the Company, and there is no reason why particulars of such refusal should be recorded in the annual list of members and summary. The mover of the Bill in referring to clause 4 states in his Statement of Objects and Reasons that “the policy, if any, of acceptance and rejection of transfers should be known to all concerned.” It is very difficult to see who are concerned in an application for share transfer except the transferor who may be one of the present shareholders, and the transferee who is one of the prospective shareholders. If the transferor is aggrieved by the decision of the Directors in refusing to transfer the shares, then that decision can be challenged in a court of law, and my Committee do not see the point in recording the refusal to transfer, in the register maintained under section 32 of the Act.

That apart, refusals to transfer a share may be classified under the following three heads :—

- (a) Those due to defective execution or presentation ;
- (b) Those due to transfers being objected by transferors and/or restrained by prohibitory orders from courts ; and
- (c) Those due to rejection or disapproval of transferees by the Directors of the company.

No record of cases falling under (a) is generally maintained, these being returned with objection memos in the same way as cheques refused by a bank for technical defect, and are registered as soon as they are re-presented with the defects remedied. In cases falling under (b), a registered notice is served on the transferor calling upon him to serve the company with a court’s prohibitory order. If the order is served, the transfer is rejected, and the document is returned ; otherwise the transfer is proceeded with, in terms of the notice. Cases under (c) are extremely few and far between and are so decided only in the best interests of the company, under powers expressly provided by the Articles of Association of the company. It is doubtful whether in such extreme cases, the transferees themselves would relish their names, etc., being conspicuously listed in the returns to be filed with the Registrar of Companies.

Clause 5.—Amendment of Section 36.—The amendment seeks to provide that the company shall ensure that *certified* copies of the extracts of the Register of Members are sent to any person asking for them. The section as it stands to-day, states only that copies shall be sent, and if the amendment were accepted, it would mean that *certified* copies have to be sent. Section 32 allows a period of 21 days for submission of annual list of shareholders to the Registrar, evidently because the list is intended to be certified, that is to say, checked. The Committee of the Association are aware of instances when full lists were requisitioned by shareholders under section 36. There is no reason why such requests may not be repeated

after the amendment had been incorporated. In many companies, if full lists of members were requisitioned, it would be physically impossible for them to comply with such a requisition if the period is not extended to at least six weeks.

Clause 6.—Amendment of Section 87F.—The position at present is that a company, other than an investment company, is not entitled to purchase shares or debentures of any other company under the management of the same managing agent unless the purchase has been previously approved by a unanimous decision of the Board of Directors of the purchasing company. The amendment now seeks to add the following words to the section :—

“ A statement of investments in such shares or debentures shall be placed every year before the shareholders at the annual general meeting of the company for approval.”

In justifying the need for the above amendment, Dr. Deshmukh states :

“ It is desirable that members should have information as regards investments in shares or debentures of any company under the management of the same Managing Agents.”

If the intention is only “ to give information,” then my Committee recommend that the words “ for approval ” appearing at the end of the amendment, be dropped.

Clause 8.—Amendment of Sub-section (2) of Section 131A.—Section 131A, *inter alia*, lays down at present that the Directors shall make out and attach to every balance-sheet, a report with respect to the state of the company's affairs, etc. Sub-section (2) of section 131A states that the report may be signed by the Chairman of the Directors on behalf of the Directors if authorised in that behalf by the Directors. It is now proposed to add to this provision the following words :—

“ The report shall state whether the report was unanimously passed by Directors present or not, and where the report is not unanimous, the dissenting Director shall have the right to add a dissenting note to the report and the same shall be published in the report and form part of the same.”

The mover of the Bill in his Statement of Objects and Reasons states :

“ It is desirable that the shareholders should know the dissenting opinion of a Director.”

Apart from the fact that a Director is not debarred at a general meeting from expressing his own personal opinions as a shareholder, it should not be forgotten that the Board of Directors are functioning as a Board, the view of the majority prevailing, and the minority being bound by the decision of the majority. If the amendment is made, it is not only likely to lead to petty quarrels and bickerings at general meetings, but may result also in wrecking even sound Boards.

Clause 10.—Amendment of Section 137.—The amendment of sub-section (1) of section 137 seeks to empower the Registrar of Joint Stock Companies to call for certain additional information on the working of the company on the written application of members holding one-tenth of the shares issued, of the company. My Committee do not see the object underlying the amendment. If a company is carried on in fraud of its creditors or in fraud of persons dealing with the company or for a fraudulent purpose, the Registrar already possesses the requisite powers to take action and investigate matters on his own initiative or on the representation of a section of shareholders under the provisions of sub-section (6) of section 137. The proposed amendment is, therefore, unnecessary, and only encourages malcontents to get together without adding to the Registrar's existing powers.

Clause 11.—Amendment of Section 145.—The proposed amendment to section 145 (4) seeks to lay down that the auditors “ shall ” attend every general meeting. At present, the auditors are entitled to attend, but they may or may not attend. It is doubtful whether the Indian Companies Act can enforce the attendance of auditors at the general meetings. The shareholders are only concerned with the audit, and so long as the audit has been done in conformity with the requirements of the Indian Companies Act and the Audit Regulations, nobody could have any grievance. If shareholders require any particular information about

any matter relating to the audited statement of accounts, the details could be obtained by previous notice, and my Committee do not see the necessity for this amendment.

In conclusion, my Committee feel they ought to reiterate that Government should use their good offices in persuading the mover to withdraw the Bill. The report of the Expert who, it is understood, is at present working with Government on the question of the amendment of the Company Law, should be published at a very early date, and commercial and industrial organisations should be invited to comment upon the Expert's proposals, before actual legislation is undertaken.

APPENDIX 21.

REGISTRATION OF TRADE MARKS.

ARRANGEMENT WITH PAKISTAN.

Copy of letter No. 214-A, dated 5th August 1947, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.

The Committee of the Association have been considering the situation, which has arisen, and which will probably continue to exist for some time, following from the partition of India and the creation of two Dominions. Under section 18 of the Indian Independence Act, the laws of British India existing immediately before the appointed day shall, so far as applicable and with the necessary adaptations, continue as the laws of each of the new Dominions until other provision is made by the laws of the Legislature of the two Dominions in question. The effect of this section on the Trade Marks Act of 1940 would be that the Act would continue to apply to both the Dominions, but the Registrar of Trade Marks whose office will be situated in Hindustan, would continue to be the Registrar of Trade Marks in Pakistan also. My Committee have no objection if the Registrar continues to act for both the Dominions, but they wonder whether that is really the position, as the two Dominions are, to all intents and purposes, separate independent sovereign States.

2. My Committee have no information as to what the intentions of the Dominion of Pakistan are in the matter of registration of trade marks, and whether they would insist upon having a separate Registrar, but there are one or two points which my Committee would like to submit for the consideration of the Government of India.

(a) It is not absolutely necessary for two separate Registries functioning in the Dominion of India and the Dominion of Pakistan. There are not many trade marks registered in the Dominion of Pakistan, nor are there likely to be many. In this view of the case, it is suggested that the Registrar of Trade Marks, Bombay, be appointed as the Registrar of Trade Marks for the Pakistan area also. To facilitate matters, the Registrar may be asked to go to Karachi or any other place in Pakistan to dispose of complaints, etc. In this connection, my Committee desire to draw the attention of the Government of India to the fact that certain Indian States which have acceded to the scheme of reciprocity offered by the Government of India have already appointed the Registrar of Trade Marks, Bombay, as their Registrar, and even to-day, applications for registration of trade marks in those States are being received and examined by the Office of the Registrar of Trade Marks, Bombay, and my Committee do not see why such an arrangement cannot be introduced by the Government of the Dominion of Pakistan.

(b) The next point is in connection with the reciprocity measures between the two Dominions in the matter of trade marks. The Committee are anxious that reciprocity measures such as those which exist between British India and certain Indian States should also exist between the Dominions of Hindustan and Pakistan, and these arrangements should commence to operate as early as possible after the 15th August 1947.

3. My Committee are aware that the points raised in this communication will necessitate discussion with the appropriate authorities in the Dominion of Pakistan, but they suggest, for the consideration of Government, that, to facilitate matters, the Registrar of Trade Marks should be directed to go into this matter and submit a report.

Clause 6 of the Indian Independence (Miscellaneous Transitional Provisions) Order, 1947, reads as follows :—

“ 6. Without prejudice to the generality of the provisions contained in Article 3 in respect of the Trade Marks Act, 1940,—

- (a) the Trade Mark Registry and the Branch thereof established, and the Registrar and Deputy Registrars of Trade Marks appointed, by or under the said Act, as in force immediately before the appointed day shall be deemed to have been established or as the case may be appointed, by or under that Act as it applies to either of the said Dominions on the appointed day and the said officers shall accordingly be competent to exercise the powers, and perform the duties conferred or imposed on the Registrar and Deputy Registrars respectively of Trade Marks by or under that Act in either of the Dominions ;
- (b) all powers and functions of the Central Government under the said Act as it applies to Pakistan shall be exercised by the Central Government of India on behalf of the Central Government of Pakistan.”

APPENDIX 22.

COTTON YARN AND COTTON THREAD (MARKING) RULES, 1947.

DRAFT RULES.

1. (1) These rules may be called the Cotton Yarn and Cotton Thread (Marking) Rules, 1947.

- (2) They shall come into force on the
 - (a) date (six months after their final publication).

2. In these rules, unless there is anything repugnant in the subject or context, “ the Act ” means the Indian Merchandise Marks Act, 1889 (IV of 1889).

3. The marking of bundles of cotton yarn and units of cotton thread with the particulars required by sub-section (2) of section 12 of the Act, shall be made in accordance with these rules.

4. All markings shall be in the English language and English numerals shall be used.

5. The weight of each bundle or unit shall ordinarily be indicated thereon in pounds or ounces in accordance with the avoirdupois system or in grammes according to the metric system, and the length of each bundle or unit shall be indicated thereon in yards or metres.

6. The name of the manufacturer or of the wholesale purchaser in India or, in the case of imported cotton yarn or cotton thread, of the exporter shall be indicated in full or, provided that the said name is clearly and unambiguously indicated thereby, in an abbreviated form, on each bundle or unit.

7. (1) Each bundle of cotton yarn shall be marked with the required particulars by one or more inscribed wrappers, labels or cards applied, affixed, or stitched thereto, provided that all the required particulars shall be contained on one exposed surface.

- (2) Units of cotton thread shall be marked with the required particulars—
- (a) when made up in skeins, by an inscribed label applied round each skein or bundle of skeins or secured by twine thereto ;
 - (b) when made up in balls, by an inscribed label attached to each ball, or inserted therein but remaining exposed ;
 - (c) when wound on cards, wheels or stars, by inscription on the exposed portion of the card, wheel or star ;
 - (d) when wound on reels, by one or two inscribed labels applied to the end or ends of the reel, provided that all the required particulars shall be contained on one surface ;
 - (e) when wound on paper tubes or cones, by an inscribed label applied round or otherwise affixed to the thread or to the exposed portion of the outer surface of the tube or cone, or where the diameter of the tube or cone is sufficient for the label to be clearly exposed to view, to the inner surface of the tube or cone, or by inscription on the exposed portion of the outer surface of the tube or cone ;
 - (f) when made up in any other form, by an inscribed label or card applied affixed or stitched to, or enclosed or inserted in, such make up.

(3) Labels or cards used in accordance with sub-rules (1) and (2) shall be so applied as not to be easily detachable or removable from a bundle of cotton yarn or from each unit of cotton thread in the ordinary course of handling before it reaches the normal consumer.

8. Where units of cotton thread are enclosed in a cover, the cover shall also be marked with the required particulars.

9. All markings shall be legible, distinct and in a colour not likely to be easily obliterated, which shall be different from the colour of the surface marked.

10. The counts of cotton yarn in a bundle shall be ordinarily expressed by adding the letter " S " after the numeral or numerals. Where, however, a bundle is packed on the metric system, the counts shall be accompanied by the words " metric counts " or by some other clear and definite indication conveying the fact.

11. Nothing in these rules shall be construed as prohibiting the indication in any manner of other particulars relating to the cotton yarn or cotton thread so long as the conspicuousness of the required particulars is not affected thereby.

12. All premises where the work is done by the members of one family with or without the assistance of not more than ten other employees, and all premises controlled by a co-operative society where not more than twenty workers are employed in the premises shall be exempted from the operation of sub-section (3) of section 12 of the Act and of these rules.

Copy of letter No. 294, dated 31st March 1947, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.

I am directed to refer to the draft of the Cotton Yarn and Cotton Thread (Marking) Rules, 1947, published in the *Gazette of India*, Part I, section 1, dated the 2nd November 1946.

Section 12 (2) of the Mercandise Marks Act requires :—

- (a) Cotton yarn sold in bundles to be stamped with the count and the weight of yarn in the bundle.
- (b) Cotton thread, namely, sewing, darning, etc., to be stamped with length or weight of thread in the unit.

Draft Rules 5, 6 and 7 are somewhat confusing, and my Committee suggest that the rules be clarified to place the above requirements of section 12 (2) of the Act beyond doubt.

APPENDIX 23.

ESTABLISHMENT OF NEW FACTORIES OR EXTENSION OF EXISTING FACTORIES.

FACTORIES (AMENDMENT) BILL.

*Copy of letter No. 448, dated 8th October 1947, from the Association to the Secretary,
the Employers' Federation of India, Bombay.*

With reference to your note dated the 21st August 1947, giving cover to a letter No. Fac.31 (2), dated the 14th August 1947, from the Government of India, Department of Labour, I am desired by my Committee to state that all-India legislation to control and regulate factory buildings, etc., is desirable inasmuch as it is calculated to ensure the application of a uniform standard all over the country. My Committee, however, desire to draw your attention to the fact that there are at present certain provincial statutes which confer on Provincial Governments and Municipal Administrations certain powers in these matters, and it is hoped that if and when the all-India Statute comes into operation, the powers given to Provincial Governments and Civic Administrations under the existing Statutes would be withdrawn, and that even if the Provinces had to administer the new Central Act, sufficient safeguards would be provided to ensure uniform application of the law all over the country.

My Committee would also like to draw your attention to the fact that, whatever standards may be laid down under the law, should not be made applicable to existing buildings, so long as they do not constitute a danger to the health or life of the people working in those buildings.

When giving support to Central legislation, my Committee presume that approval or rejection of plans regarding new buildings, etc., would be given by a Technical Committee consisting of a sufficient number of architects, machinery experts, etc.

APPENDIX 24.

INDIAN TRADE UNIONS (AMENDMENT) ACT, 1947.

Act No. XLV OF 1947.

An Act further to amend the Indian Trade Unions Act, 1926.

Whereas it is expedient further to amend the Indian Trade Unions Act, 1926 (XVI of 1926), for the purposes hereinafter appearing ;

It is hereby enacted as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Indian Trade Unions (Amendment) Act, 1947.

(2) It shall come into force on such date as the Central Government may, by notification in the official *Gazette*, appoint.

2. *Amendment of long title and preamble, Act XVI of 1926.*—In the long title and preamble of the Indian Trade Unions Act, 1926 (hereinafter referred to as the said Act),—

(a) after the word “ registration ” the words “ and recognition ” shall be inserted ;

(b) for the words “ registered trade unions in British India ” the words “ registered and recognised trade unions and to certain unfair practices in industrial or trade employment ” shall be substituted.

3. *Amendment of section 2, Act XVI of 1926.*—In section 2 of the said Act,—

(a) clauses (b) to (h) shall be relettered as clauses (f), (g), (i), (j), (k), (m) and (n), respectively ;

(b) for the opening paragraph and clause (a), the following shall be substituted, namely :—

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

(a) ‘ appropriate Government ’ means, in relation to trade unions whose objects are not confined to one Province, the Central Government, and in relation to other trade unions, but subject to the provisions of section 28A, the Provincial Government ;

(b) ‘ employer ’ means,—

(i) in relation to an industry carried on by or under the authority of any department of the Central Government or a Provincial Government, the authority prescribed in this behalf, or where no authority is prescribed, the head of the department,

(ii) in relation to an industry carried on by or on behalf of a local authority, the chief executive officer of that authority,

and includes an association of employers ;

(c) ‘ executive ’ means the body, by whatever name called, to which the management of the affairs of a trade union is entrusted ;

(d) ‘ industry ’ means any business, trade, undertaking, manufacture or calling of employers, and includes any calling, service, employment, handicraft or industrial occupation or avocation of workmen ;

(e) ‘ Labour Court ’ means, in relation to a trade union, a Labour Court appointed by the appropriate Government under sub-section (1) of section 28B ;” ;

(c) after clause (g) as relettered by this section, the following clause shall be inserted namely :—

‘ (h) “ recognised trade union ” means a trade union recognised under this Act ; ’ ;

(d) after clause (k) as relettered by this section, the following clause shall be inserted, namely :—

‘ (l) “ strike ” has the meaning assigned to it in the Industrial Disputes Act, 1947 (XIV of 1947), “ illegal strike ” means a strike which by virtue of any law for the time being in force is illegal, and “ irregular strike ” means an illegal strike or a strike declared by a Trade Union in contravention of its rules referred to in clause (d) of section 28D .’ ”

4. *Insertion of new Chapters IIIA and IIIB in Act XVI of 1926.*—After Chapter III of the said Act the following chapters shall be inserted, namely :—

“ CHAPTER IIIA

Recognition of Trade Unions.

28A. *Modification of the Definition of “ Appropriate Government ” for Certain Purposes.*
—Notwithstanding anything to the contrary in the definition of “ the appropriate Government ” in section 2, the Central Government shall be deemed to be the appropriate Government for the purposes of this chapter in respect of trade unions consisting of workmen employed by the Central Government or by a Federal Railway or in a major port, mine or oilfield.

Explanation.—In this section and for the purposes of this chapter, a trade union of which not less than fifty per cent. of the members are workmen employed by the Central Government or by a Federal Railway or in a major port, mine or oilfield shall be deemed

to be a trade union consisting of workmen employed by the Central Government or by a Federal Railway or in a major port, mine or oilfield as the case may be.

28B. Appointment, Constitution, Powers and Procedure of Labour Courts.—(1) For the purposes of this chapter, the appropriate Government shall appoint such number of Labour Courts as it considers necessary, consisting of one or more persons each of whom—

- (a) is, or has been, a Judge of a High Court or a District Judge, or
- (b) is qualified for appointment as a Judge of a High Court :

Provided that the appointment to a Labour Court of any person not qualified under clause (a) shall be made in consultation with the High Court of the Province in which the Labour Court has or is intended to have, its usual place of sitting.

(2) Every Labour Court shall have all the powers of a Civil Court for the purposes of receiving evidence, administering oaths, enforcing the attendance of witnesses, and compelling the discovery and production of documents, and shall be deemed to be a Civil Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (V of 1898).

(3) The proceedings of Labour Courts shall be regulated and conducted in such manner as may be prescribed.

28C. Recognition by Agreement.—(1) Where an employer agrees to recognize a trade union, a memorandum of agreement signed by the employer and the officers of the trade union, or their authorised representatives, may be presented to the Registrar who shall record the memorandum in a register in the prescribed manner.

(2) Such an agreement may be revoked by either party thereto on application made to the Registrar in the prescribed manner.

(3) While such an agreement is in force, the trade union shall, in its relations with the employer with whom the agreement is made, have all the rights of a recognized trade union under this Act, and shall for all other purposes be deemed to be a recognized trade union.

28D. Conditions for Recognition by order of a Labour Court.—A trade union shall not be entitled to recognition by order of a Labour Court under section 28E unless it fulfils the following conditions, namely :—

- (a) that all its ordinary members are workmen employed in the same industry or in industries closely allied to or connected with one another ;
- (b) that it is representative of all the workmen employed by the employer in that industry or those industries ;
- (c) that its rules do not provide for the exclusion from membership of any class of the workmen referred to in clause (b) ;
- (d) that its rules provide for the procedure for declaring a strike ;
- (e) that its rules provide that a meeting of its executive shall be held at least once in every six months ;
- (f) that it is a registered trade union, and that it has complied with all the provisions of this Act :

Provided that the reference in clause (b) to “ the employer ” shall as respects recognition by an association of employers, be construed as a reference to all the employers who are members of the association.

28E. Application to, and Grant of Recognition by, Labour Courts.—(1) Where a registered trade union having applied for recognition to an employer has failed to obtain recognition within a period of three months from the date of making such application, it

may apply in writing, setting out such particulars as may be prescribed, to the Labour Court for recognition by that employer.

(2) A single application may be made under sub-section (1) for recognition—

(a) by more than one employer, or

(b) by an association of employers as well as one or more members thereof.

(3) The Labour Court may call for further information for the purpose of ascertaining whether the trade union is entitled to recognition by the employer under this section, and if the trade union fails to supply the required information within the time granted, the Labour Court may dismiss the application.

(4) The Labour Court shall, after serving notice in the prescribed manner on the employer, investigate whether the trade union fulfils the conditions for recognition set out in section 28D, and in deciding whether the condition set out in clause (b) thereof is fulfilled, the Labour Court shall have regard to, but shall not be bound by the fact whether the proportion which the number of the workmen referred to in the said clause who are members of the trade union and are not in arrears of their subscription for any period exceeding three months, bears to the total number of such workmen is less, or not less, than such percentage, if any, as may be prescribed in this behalf, either generally, or in respect of any particular locality or any particular employer or class of employers, or any particular industry or class of industries.

(5) If the Labour Court is satisfied that the trade union is fit to be recognized by the employer, it shall make an order directing such recognition and may, where the recognition is to be by an association of employers, further direct, by the same or a subsequent order, recognition by every member of the association in relation to whom the trade union fulfils the condition set out in clause (b) of section 28D.

(6) Every order made under sub-section (5) shall be forwarded to the appropriate Government which shall notify it in the official *Gazette*, and while a recognition directed by such order is in force the trade union shall, in its relations with the employer concerned, have all the rights of a recognized trade union under this Act and shall for all other purposes be deemed to be a recognized trade union.

28F. *Rights of Recognized Trade Unions.*—(1) The executive of a recognized trade union shall be entitled to negotiate with employers in respect of matters connected with the employment or non-employment or the terms of employment or the conditions of labour of all or any of its members, and the employer shall receive and send replies to letters sent by the executive on, and grant interviews to that body regarding, such matters.

(2) Nothing in sub-section (1) shall be construed as requiring an employer to send replies to letters on, or grant interviews regarding matters on which, as a result of previous discussion with the executive of the trade union, the employer has arrived at a conclusion, whether in agreement with the executive or not, unless a period of at least three months has elapsed since the said conclusion was intimated to the executive, or unless there has been a change in circumstances.

(3) Any dispute between the employer and the executive of a recognized trade union as to whether a conclusion has been arrived at, or whether there has been a change in circumstances, within the meaning of sub-section (2), shall be referred to the Registrar whose decision shall be final.

(4) The executive of a recognised trade union shall be entitled to display notices of the trade union in any premises where its members are employed, and the employer shall afford the executive reasonable facilities for that purpose.

28G. *Withdrawal of Recognition.*—(1) Where the recognition of a trade union has been directed under section 28E, the Registrar or the employer may apply in writing,

to the Labour Court for withdrawal of the recognition on any of the following grounds, namely :—

- (a) that the executive or the members of the trade union have committed any unfair practice set out in section 28J within three months prior to the date of the application ;
- (b) that the trade union has failed to submit any return referred to in section 28I ;
- (c) that the trade union has ceased to be representative of the workmen referred to in clause (b) of section 28D.

(2) . On receipt of an application under sub-section (1) the Labour Court shall, unless it thinks fit to dismiss the application summarily serve notice in the prescribed manner on the trade union to show cause why its recognition should not be withdrawn.

(3) If after giving a reasonable opportunity to the trade union to show cause the Labour Court is satisfied that the trade union is no longer fit to be recognized, it shall make an order declaring that the recognition of the trade union has been withdrawn, and forward a copy of the order to the appropriate Government which shall notify it in the official *Gazette*.

28H. *Application for Fresh Recognition*.—On the expiry of not less than six months from the date of withdrawal of recognition of a trade union under sub-section (3) of section 28G, the trade union, if it continues to be a registered trade union, may again apply for recognition, and the procedure laid down in this Act shall apply in respect of such application as if it were an original application for recognition.

28I. *Recognized Trade Unions to submit Prescribed Returns*.—Every trade union recognized under section 28E shall submit to the Registrar at the prescribed time and in the prescribed manner such returns, in addition to those referred to in section 28, as may be prescribed.

CHAPTER IIIB.

Unfair Practices.

28J. *Unfair Practices by recognized Trade Unions*.—The following shall be deemed to be unfair practices on the part of a recognized trade union, namely :—

- (a) for a majority of the members of the trade union to take part in an irregular strike ;
- (b) for the executive of the trade union to advise or actively to support or to instigate an irregular strike ;
- (c) for an officer of the trade union to submit any return required by or under this Act containing false statements.

28K. *Unfair Practices by Employers*.—The following shall be deemed to be unfair practices on the part of an employer, namely :—

- (a) to interfere with, restrain, or coerce his workmen in the exercise of their rights to organise, form, join or assist a trade union and to engage in concerted activities for the purpose of mutual aid or protection ;
- (b) to interfere with the formation or administration of any trade union or to contribute financial or other support to it ;
- (c) to discharge, or otherwise discriminate against, any officer of a recognised trade union because of his being such officer ;
- (d) to discharge or otherwise discriminate against any workman because he has made allegations or given evidence in an inquiry or proceeding relating to any matter such as is referred to in sub-section (1) of section 28F ;
- (e) to fail to comply with the provisions of section 28F ;

Provided that the refusal of an employer to permit his workmen to engage in trade union activities during their hours of work shall not be deemed to be an unfair practice on his part."

5. *Amendment of Section 29, Act XVI of 1946.*—(1) To sub-section (1) of section 29 of the said Act the following proviso shall be added, namely :—

" Provided that the making of regulations under this section for the purpose of carrying into effect the provisions of Chapter IIIA shall be deemed to be a purpose of that chapter within the meaning of section 28A."

(2) To the said section 29 the following sub-section shall be added, namely :—

(3) " The Central Government may give directions to a Provincial Government as to the regulations to be made under this section for prescribing the percentages referred to in sub-section (4) of section 28E."

6. *Amendment of section 31, Act XVI of 1926.*—In section 31 of the said Act,—

(a) in sub-section (1),—

(i) after the word " registered " the words " or recognized " shall be inserted ;

(ii) for the word " statement " the words " statement, return " shall be substituted ;

(b) in sub-clause (2), after the words " that section " the words and figures " or in or from any return referred to in section 28I " shall be inserted.

7. *Insertion of New Section 32A in Act XVI of 1926.*—After section 32 of the said Act the following section shall be inserted, namely :—

" 32A. *Penalty for Unfair Practices.*—(1) Any employer who commits any unfair practice set out in section 28K shall be punishable with fine which may extend to one thousand rupees.

(2) Where a Criminal Court imposes a fine, or confirms in appeal, revision or otherwise a sentence of fine imposed, on an employer for committing an unfair practice set out in clause (c) or clause (d) of section 28K, it may, when passing judgment, order the whole or any part of the fine to be applied in the payment to any person of compensation for loss or injury caused by the unfair practice."

APPENDIX 25.

WELFARE TRUST FUNDS FOR INDUSTRIAL EMPLOYEES.

Copy of letter No. 1313/46/25081-G, dated 24th July 1947, from the Deputy Secretary to the Government of Bombay, Political and Services Department, to the Association.

I am directed to say that at the eighth meeting of the Standing Labour Committee held on the 15th and 16th March 1946 a proposal to set up Welfare Trust Funds to promote the well-being of workers was discussed. Though conclusions were not quite definite, there was a general trend of opinion in favour of setting up such funds and the Government of India has been considering the question of making comprehensive amendments to the Factories Act with a view to making it obligatory on employers to provide for welfare measures. Since welfare measures serve to increase the productive efficiency of workers it will be readily agreed that they should be regarded as a legitimate charge on the industry. I am therefore to request that your Association will kindly consider the proposal to set up voluntary welfare trust funds in the undertakings under the control of the members of your Association for

being expended on welfare measures and to request that the views of your Association on the proposal may be communicated to this Department as early as possible. The following might be appropriate items on which the funds could be expended :—

- (a) Education of the workers and their dependents,
- (b) Health of the workers and their dependents,
- (c) Recreation and entertainment for workers and their dependents,
- (d) Other general amenities,
- (e) Administration of the trust fund.

I am to add for information of the Association that as an inducement to employers of labour for setting up welfare trust funds, the Government of India have permitted employers to count the expenditure actually incurred on labour welfare work, other than expenditure of a capital nature, towards deduction in income-tax assessment. A copy of the circular of the Central Board of Revenue No. 3 of 1946, D. Dis. No. 27(50-IT/46), dated the 26th March 1946, is enclosed for ready reference.

Copy of a circular of the Central Board of Revenue No. 3 of 1946, D. Dis. No. 27(50-IT/46), dated the 26th March 1946.

Subject :—ALLOWANCES IN ASSESSING BUSINESS INCOME—LABOUR WELFARE—RESERVES SET APART BY EMPLOYERS—ADMISSIBILITY IN INCOME-TAX ASSESSMENTS.

It is desirable to offer some inducement to employers of labour to continue expenditure on labour welfare work without interruption during years of low profits or even losses. The Board have, therefore, decided that any expenditure on labour welfare work, not of a capital nature, actually incurred during the previous year should be allowed in entirety as deduction in income-tax assessments, irrespective of the actual amount of profits for that year available for meeting the expenditure. In those years in which there are small profits or losses and the expenditure is wholly or in part met from reserves previously set apart and not allowed as a deduction, it should be allowed in full against the income of the year in which it is actually incurred and the resultant loss, if any, should be carried forward in accordance with the provisions of section 24 of the Income-tax Act.

Copy of letter No. 167, dated 23rd September 1947, from the Association to the Deputy Secretary to the Government of Bombay, Political and Services Department.

I am directed to acknowledge the receipt of your letter No. 1313/46/25081-G, dated the 24th July 1947, in which you request my Committee to express an opinion on certain proposals which were discussed at the eighth meeting of the Standing Labour Committee held in the middle of March 1946.

The proposals, briefly stated, seem to be that the Factories Act should be amended, making it obligatory on employers to provide for welfare measures. It has been pointed out in your letter that since labour welfare measures serve to increase the productive efficiency of workers, it will be agreed that they should be regarded as a legitimate charge on the industry. You further request the Committee to consider the proposal to set up voluntary welfare trust funds in the undertakings under the control of members of our Association for being expended on welfare measures. You further point out that, in the opinion of Government, the following might be considered appropriate items on which the funds could be expended :

- (a) Education of the workers and their dependents,
- (b) Health of the workers and their dependents,
- (c) Recreation and entertainment for workers and their dependents,
- (d) Other general amenities,
- (e) Administration of the trust fund.

As regards the question of setting up *voluntary* welfare trust funds, I am desired to inform you that several Bombay mills have welfare funds. The fund in each case is built up from allocations made from profits, unclaimed wages, fines realised from workers, etc., and expenses are incurred from the fund on clearly well defined objects connected with labour. In this view of the case, no further action seems to be necessary in this matter. In view of the fact that welfare trust funds are already in existence, I submit that it is not necessary to have any legislation in that respect.

My Committee have no remarks to offer in connection with the purpose for which the welfare fund may be utilised, so far as the workers are concerned, but they have grave objections to any portion of the fund being utilised for the welfare of workers' dependents. For instance, the education of workers' dependents, health of the workers' dependents, and recreation and entertainment of workers' dependents are the responsibility of the State and the Civic Authorities, and my Committee feel that this responsibility should not be passed on to the shoulders of the employers.

My Committee regret they are unable to understand sub-paragraph (e) of paragraph 1 of your letter. The proposal seems to be vague. In any event, if Government are suggesting the participation of workers in the administration of the fund, my Committee regret they cannot agree to it, for the following reasons :

Wherever the amount is expended from fines fund or unpaid wages fund, such expenditure is only incurred on purposes previously approved by the authorities concerned. Where, however, an expenditure is incurred from allocations made from the profit and loss account, then, discretion in the matter of such expenditure and the purposes for which the amount is actually spent, must rest with the management. Unofficial consultations between the management and the workers do take place in individual cases, but my Committee are unable to agree to the statutory association of workers in the administration of the fund.

APPENDIX 26.

THE INDUSTRIAL DISPUTES (BOMBAY) RULES, 1947.

PRELIMINARY.

1. *Short title.*—These Rules may be called the Bombay Industrial Disputes Rules, 1947.
2. *Definitions.*—In these Rules unless there is anything repugnant in the subject or context,—
 - (a) “ Act ” means the Industrial Disputes Act, 1947 ;
 - (b) “ Chairman ” means—
 - (i) the Chairman of a Tribunal and in the absence of the Chairman such person as may be elected by the members present at a hearing to be the Chairman for the time being ;
 - (ii) if the Tribunal consists of one person only, such person ;
 - (c) “ Form ” means a form appended to these Rules ;
 - (d) “ trade union ” means a trade union registered under the Indian Trade Unions Act, 1926 ;
 - (e) “ section ” means a section of the Act.

PART I.

Procedure for Reference of an Industrial Dispute to a Tribunal.

3. *Application.*—An application for reference of an industrial dispute to a Tribunal shall be made in Form A, and shall be forwarded by registered post in triplicate to the Director of Labour Administration. The application shall be accompanied by a statement setting forth—

- (a) the names and addresses of the parties to the dispute ;
- (b) the nature and cause of the dispute, including any demands made by either party on the other to which exception is taken by the opposite party ;
- (c) an estimate of the number of workmen affected or likely to be affected by the dispute ;
- (d) the efforts made by the parties themselves to adjust the dispute.

4. *Application by whom Signed.*—The application and the statement accompanying it shall be signed—

- (a) in the case of an employer, by the employer himself, or where the employer is an incorporated, company or other body corporate, by the agent, manager or other principal officer of the corporation ;
- (b) in the case of workmen—
 - (i) where the majority of the workmen directly affected are members of a trade union, by the union ;
 - (ii) in other cases by such representatives of the workmen directly affected not exceeding five, as may be duly authorised by the workmen.

5. *Notification of Reference.*—The reference of a dispute to a Tribunal under section 10 of the Act shall be notified by the Provincial Government in the *Official Gazette*.

6. *Representatives of Parties.*—(1) In cases falling under sub-clause (i) of clause (b) of rule 4, the trade union, and in cases falling under sub-clause (ii) thereof the representatives signing the application shall be treated as the representatives of the workmen for the purposes of all proceedings before a Tribunal ; and notices, summonses, etc., served on such representatives shall be considered to have been duly served on the workmen concerned.

(2) Every party appearing by a representative shall be bound by the acts of such representative.

PART II.

Powers, Procedure and Duties of Tribunals.

7. *Place and Time of Hearing.*—The sittings of the Tribunal shall be held at such times and places as are from time to time fixed by the Chairman, and the parties shall be notified thereof in such manner as the Chairman may deem fit.

8. *Quorum.*—The quorum necessary to constitute a sitting of a Tribunal shall be as follows :—

	Quorum
Where the number of members is 3 or less	1
Where the number of members is more than 3	2

9. *Administration of Oath.*—Any member of a Tribunal may administer an oath.

10. *Evidence.*—The Tribunal may accept, admit or call for any evidence at any stage and in any manner which it thinks fit.

11. *Service of Summons or Notice.*—Every notice, summons, process or order issued by a Tribunal shall be served either by registered post or in such manner as it could be served by a Civil Court under the provisions of the Code of Civil Procedure, 1908.

12. *Procedure at the First Sitting.*—At its first sitting the Chairman shall call upon the parties in such order as he may think fit to state their case.

13. *Information to be kept Confidential.*—All books, papers and other documents or things produced before a Tribunal whether voluntarily or in pursuance of a summons may be inspected by the Tribunal and also by such parties as the Tribunal allows; but the information obtained therefrom shall not, except as provided in the Act, be made public; such parts of the books, papers, documents or things as in the opinion of the Tribunal do not relate to the matters at issue may be sealed up.

14. *Conduct of Proceedings of a Tribunal.*—A Tribunal may at any stage of the proceedings before it direct that any witness be examined or its proceedings be held *in camera*.

15. *Tribunal may Proceed Ex-parte.*—If without good cause shown any party to proceedings before a Tribunal fails to attend or to be represented, the Tribunal may proceed as if the party had duly attended or had been represented.

16. *Power of Entry and Inspection.*—A Tribunal or any member thereof or any other person authorised in writing by it in this behalf may, for the purposes of an adjudication at any time enter any building, factory, workshop or other place or premises whatsoever and inspect the same or any work, machinery, appliances or article therein, or interrogate any person therein in respect of anything situated therein or any matter relevant to the subject matter of the adjudication.

17. *Power of Tribunal.*—(1) In addition to the powers conferred by sub-section (3) of section 11 of the Act, Tribunals shall have the powers vested in Courts under the Code of Civil Procedure, 1908, when trying a suit in respect of the following matters :—

- (a) discovery and inspection.
- (b) granting adjournments.
- (c) evidence on affidavit.

(2) A Tribunal may summon and examine *suo motu* any person whose evidence appears to it to be material.

(3) Every Tribunal shall be deemed to be a Civil Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898.

18. *Decision by Majority.*—All questions arising for decision at any meeting of a Tribunal shall, save where the Tribunal consists of one person, be decided by a majority of the votes of the members thereof (including the Chairman) present at the meeting. In the event of an equality of votes, the Chairman shall also have a casting vote.

19. *Correction of Errors.*—The Tribunal may correct any clerical mistake or error arising from an accidental slip or omission in any award it issues.

20. *Right of Representatives.*—The representatives of the parties, appearing before a Tribunal, shall have the right of examination, cross-examination and re-examination of witnesses called by the Tribunal and of addressing the Tribunal on the completion of the taking of evidence.

PART III.

Remuneration of Members of Tribunals, Assessors and Witnesses, and Establishment.

21. *Travelling Allowance.*—A member of a Tribunal, if a non-official, will be entitled to draw travelling allowance and halting allowance for any journey performed by him in connection with his duties as such member at the rates admissible and subject to the conditions applicable to a Government servant of the first grade under the Bombay Civil Service Rules.

22. *Fees.*—The Chairman and members of a Tribunal shall be granted such fees as may be sanctioned by the Provincial Government in each case.

23. *Expenses of Witnesses.*—Every person who is summoned and duly attends as a witness before a Tribunal shall be entitled to an allowance in the city of Bombay according to the scale prescribed in the Industrial Court at Bombay, and elsewhere according to the scale prescribed for District Courts.

24. *Remuneration to Assessors.*—Where assessors are appointed by a Tribunal their remuneration shall be determined by the Provincial Government.

25. *Establishment.*—The Provincial Government may appoint such persons to be the Secretary and clerks of the Tribunal as it may think necessary and may fix the salaries and allowances payable to them. Except where the Provincial Government otherwise directs, the Registrar of the Industrial Court, Bombay, shall act as Registrar of every Tribunal appointed under the Act.

PART IV.

Miscellaneous.

26. Whenever any application, letter, summons, notice, statement or intimation is required to be forwarded or sent under any of these rules by registered post it shall be deemed to have been duly forwarded or sent for the purposes of these Rules, if such application, letter, summons, notice, statement or intimation is delivered by hand and an acknowledgment in writing, by or on behalf of the party to whom it is forwarded or sent, is obtained in respect of such delivery.

FORM A.

(See Rule 3.)

Form of Application under section 10 of the Industrial Disputes Act, 1947, for the reference of an industrial dispute to an Industrial Tribunal.

Whereas an industrial dispute has arisen/is apprehended between _____ and _____ and it is expedient that the matters specified in the appended statement which are connected with or relevant to the dispute/the dispute should be referred for adjudication by an Industrial Tribunal an application is hereby made to the Government of Bombay under section 10 of the Industrial Disputes Act, 1947, that the said dispute should be referred to a Tribunal.

2. This application is made on behalf of _____ Union
by the undersigned _____ being the* _____ of the † _____ of which the
_____ who have been duly authorised to make this application by ‡ _____ majority of the workmen directly affected are members.

3. A statement giving particulars of the dispute as required by Rule 3 of the Bombay Industrial Disputes Rules, 1947, is appended hereto, duly signed.

Place :

Date :

Signature of Applicant(s).

Designation of Applicant(s).

To

Director of Labour Administration,
Bombay.

* Here state the official positions of the signatories in the Unions, e.g., Secretary, President, etc.

† Here enter name of Union.

‡ Here state the manner in which the authority was given.

Copy of letter No. 169, dated 21st August 1947, from the Association to the Deputy Secretary to the Government of Bombay, Political and Services Department.

I am directed to refer to Government notification No. 575/46, dated 27th June 1947, and the draft rules under the Industrial Disputes Act, 1947, published in the *Bombay Government Gazette* dated 28th June 1947. Objections or suggestions in connection with the draft rules have been invited so as to reach Government before 10th July 1947. A copy of the *Gazette* containing the rules, however, was received in this office only in the afternoon of Saturday, the 26th July 1947, and this fact was brought to your notice by this office letter No. 78A, dated 29th July. My Committee, therefore, trust that their views on the draft rules, which are set forth below, would be taken into consideration even though they could not be submitted before the specified date.

Rule 4(b) (1).—This rule authorises the submission of an application by a trade union of which the majority of the workmen directly affected are members. This would mean that even if a small department belonged to one union, then notwithstanding the fact that the majority of the workers of the mills and possibly even the rest of the mills, belong to another union, the union representing the small department can, for extraneous reasons, bring up complaints and intimidate the majority. The right of making applications under this rule, my Committee feel, should, therefore, be confined only to the representatives of the workers, or to the union which represents the majority of the mill workers.

Rule 10.—According to this rule, the Tribunal may accept, admit or call for any evidence at any stage and in any manner which it thinks fit. My Committee would urge that the admission and tendering of evidence should be strictly in accordance with the provisions of the Indian Evidence Act.

Rule 12.—This rule authorises the Chairman of the Tribunal to call upon parties to state their case in such order as he thinks fit. My Committee submit that in all cases the party which made the application should be required to state its case first.

Rule 16.—According to this rule, a Tribunal or any member thereof or any other person authorised in writing by it in this behalf may, for the purposes of adjudication, at any time, enter into any building, factory, workshop, etc., and inspect any work, machinery, etc., and interrogate any person there, in respect of any matter relevant to the subject matter of adjudication. My Committee feel that the power of the Tribunal to authorise any other person in this manner should be restricted to Government officers and that the words "any other person" appearing in the rule should be substituted by "any Government officer."

Rule 20.—This rule gives the right of examination, cross-examination and re-examination of witnesses and of addressing the Tribunal, to all representatives of parties appearing before the Tribunal. It is felt that these rights should be restricted to one accredited spokesman of each of the parties concerned, as otherwise the proceedings can be unduly delayed as also the issues confused.

APPENDIX 27.

SALES TAX.

THE BOMBAY SALES TAX ACT.

Copy of letter No. 6714/33-S.T., dated 5th July 1947, from the Secretary to the Government of Bombay, Finance Department, to the Association.

I am directed to invite your attention to the Report of the Bombay Sales Tax Enquiry Committee, 1946. A copy of the Report has already been sent to you.

2. (i) Sections VI and VII of the Report deal with improvements within the existing structure of the Act. The Committee's recommendations in this behalf are unanimous.

(ii) Sections VIII and IX of the Report deal with the possibility of an alternative basis for the tax, and in particular the advisability of replacing the existing single-point

system by the multiple-point system which underlies a "general turnover" tax (such as is in operation in Madras). The Committee, by a majority, recommend the adoption of a general turnover tax.

(iii) Section X of the Report deals, *inter alia*, with the need for curtailing the present list of exemptions. On this point, the Committee's recommendations are unanimous.

3. The recommendations which pertain to group (i) above have, with one or two minor exceptions, already been accepted by Government and given effect to in the form of the amendments to the Act passed in the last session of the Legislature. As then explained by Government, it was felt that, while the majority recommendation regarding the adoption of multi-point tax and the unanimous recommendation regarding the curtailment of exemptions required further consideration in consultation with the interests—both dealer and consumer—affected, there was no reason why the various improvements to the Act, which had been suggested by the Committee and which fall within the ambit of the existing system, should meanwhile be postponed. The improvements so effected include (a) the provision of a lower limit of turnover for the registration of importers, manufacturers and processors, with a view, primarily, to minimising the possibilities of unfair competition between unregistered and registered dealers of this category, (b) the introduction of a system of voluntary registration which enables dealers with medium-size turnovers to register themselves or not, according as which course they individually consider more advantageous, (c) the simplification of the certificate of registration, which need no longer specify the goods, other than goods required in the manufacture or processing of other goods, which can be purchased tax-free by the holder of the certificate, and (d) the exclusion of contractors from the definition of "dealer," since, in the normal course, their charges are largely for labour and services and only in small part for goods.

4. As regards the majority recommendation in favour of a general turnover tax—*vide* group (ii), paragraph 2 above—attention is invited to the following paragraphs of the Report :—

Para 4, in which the Committee summarise the reasons which led the Government of Bombay to prefer a single-point tax to a multiple-point tax ;

Para 19, in which the Committee reject various alternative suggestions such as a licence fee on all dealers, a tax on first sales only, a tax on second sales only, a tax on wholesalers only and a tax on producers, manufacturers and importers only, the reasons for rejection being fiscal and/or administrative ;

Paras 20 to 29 which deal with the advisability of imposing a general turnover tax ; and Para 30 which indicates the lines of the general turnover tax recommended.

5. The third group of recommendations referred to in paragraph 2 of this letter is in a sense independent of the two sets of recommendations preceding it ; in other words, a curtailment of exemptions is recommended irrespective of the basis eventually decided on, whether this be the existing single-point basis or the proposed multiple-point basis. In another sense, however, it may be said that a curtailment of exemptions is specially connected with the adoption of a general turnover tax on the multiple-point basis. For it is clear that, without such curtailment, the objects which the majority of the Committee had in view in recommending a general turnover tax will not be fully secured. A statement is attached of (a) articles exempted from the tax at present, and (b) articles which will cease to be exempted from the tax if the Committee's recommendation is accepted. Paragraphs 31 to 35 of the Committee's Report deal with the question of exemptions.

6. As already mentioned, Government has deferred taking decision, pending further consideration in consultation with the interests affected, on the questions relating to the abandonment of the present system in favour of a general turnover tax and the curtailment of the existing list of exemptions. The consideration of these questions will shortly be taken up, and, as preliminary thereto, I am directed to request you to furnish this Department with the views of your Association on the relevant recommendations of the Bombay Sales Tax Enquiry Committee. The reply may kindly be sent as early as possible and in any case not later than the 15th August 1947.

Copy of letter No. 405, dated 19th August 1947, from the Association to the Secretary to the Government of Bombay, Finance Department.

I am directed to acknowledge the receipt of your letter No. 6714/33-S.T., dated the 5th July 1947, in which you request my Committee to express an opinion on a proposal to convert the present basis of sales tax to a general turnover tax.

In this connection, my Committee desire to point out that the present basis of taxation has been in operation only for a very short period, and it is, therefore, too early to express an opinion on its working. In these circumstances, it is respectfully suggested that the present basis of taxation be continued for the time being. After sufficient experience in the practical working of the Act had been gained, the position may be reviewed by Government in consultation with the interests concerned. It might, perhaps, facilitate matters, if Government could at the appropriate time, circulate a short note on the working of the present Act, and the directions in which, in the opinion of Government, the Act requires amendments.

APPENDIX 28.

PROTECTION TO WIRE HEALDS INDUSTRY.

Copy of letter No. TB/E/48, dated 10th June 1947, from the Secretary, Indian Tariff Board, Bombay, to the Association.

An application for protection or assistance from the wire healds industry has been referred to the Board for enquiry by the Government of India, Department of Commerce, and the question of grant of protection or assistance to the industry is under consideration by the Board. It is understood that your firm is one of the principal users of the commodity. The Board would, therefore, be glad if you would kindly furnish information on the following points :

1. For what purpose do you use this commodity ?
2. The quantity and value of the commodity used by you annually : (a) imported ; (b) home-produced.
3. How long have you been using the commodity ? (a) imported ; (b) home-produced.
4. The names of three principal suppliers or manufacturers of the commodity from whom you obtain supplies : (a) imported ; (b) home-produced.
5. Your opinion of the quality of the Indian produced article as compared with the imported article.
6. How does the price of the locally manufactured product compare with that of the imported product, quality being the same ?
7. Is there any prejudice against the indigenous product in general or on the part of the particular classes of consumers ?
8. The percentage which the cost of this commodity bears to the total cost of manufacture of each of your products. Or, what will be the cost of this commodity in the manufacture of your product costing Rs. 100 ?
9. Your views in general on the desirability and measure of grant of protection to the industry under investigation, and how such protection, especially any increase in the existing duty, will affect your industry ?

Your reply with eleven spare copies may kindly be sent so as to reach the Secretary, Indian Tariff Board, Bombay 1, not later than 30th June 1947.

*Copy of letter No. 404, dated 8th July 1947, from the Association to the Secretary,
Indian Tariff Board, Bombay.*

I am directed to acknowledge the receipt of your letter No. TB/E/48, dated the 10th June 1947, in connection with the enquiry in the matter of protection to the wire healds industry.

So far as my Committee's information goes, wire healds do not appear to be manufactured in India on a commercial scale. In any event, the wire required for the manufacture of wire healds is being imported from abroad.

What seems to be very important, therefore, is that efforts should be made to develop indigenous sources for the supply of wires, and perhaps this matter is already engaging the attention of the applicants for protection. An increase in duty in wire healds will put up the cost of production in the cotton textile industry, but my Committee hold the view that the development of indigenous industry for the manufacture of wire healds would assist the cotton textile industry in the long run. They are aware that an industry applying for protection must conform to the requirements set forth in a resolution of the Indian Legislative Assembly passed in the year 1923. As to whether the wire healds manufacturing industry in India conforms at present to the standards laid down in the resolution, my Association is not in a position to say. Probably this matter has been dealt with in the application for protection, and what our Association desires to state now is that, if the conditions for protection are satisfied, the Association would not mind an increase in the price of wire healds for a temporary period, if an increase in duty would help in the development and establishment of a well organised wire healds manufacturing industry in this country.

APPENDIX 29.

CO-ORDINATED TECHNICAL RESEARCH PLAN FOR BOMBAY'S TEXTILE INDUSTRY.

Copy of letter No. 8194/17929-G, dated 29th September/9th October 1947, from the Joint Secretary to the Government of Bombay, Education and Industries Department, to the Association.

Subject :—TEXTILE LABOUR INQUIRY COMMITTEE—RECOMMENDATION OF—IN REGARD TO THE PROMOTION OF TEXTILE RESEARCH.

With reference to Government Resolution, General Department No. 4006/33, dated the 25th January 1945, on the subject mentioned above, I am directed to forward herewith a copy of the report submitted by the Textile Research Co-ordination Committee appointed by Government to consider the question of the organisation of a co-ordinated technical research plan and to request you to place it before the Committee of the Association and to communicate to this Department its views on the same. It is requested that these views may be made available within two months.

REPORT OF THE TEXTILE RESEARCH CO-ORDINATION COMMITTEE.

CHAPTER I.

Appointment of the Committee.—The Textile Labour Enquiry Committee appointed by the Government of Bombay made, *inter alia*, the following recommendation :—

“ 240. We recommend that the Government of Bombay should in consultation with the industry, take suitable measures for the promotion of technical research. The

details of the scheme may be worked out in collaboration with the three institutions referred to below :—

The Technological Laboratory of the Indian Central Cotton Committee.

The Department of Chemical Technology of the University of Bombay.

The Victoria Jubilee Technical Institute, Bombay.

The establishment of a separate institution for textile research was not practicable on account of the difficulty of getting the necessary machinery and equipment which is likely to persist for some time even in the immediate post-war years. Government, however, considered that even under the present conditions it is possible for the textile industry to co-operate with the Department of Chemical Technology of the University of Bombay, the Technological Laboratory of the Indian Central Cotton Committee and the Victoria Jubilee Technical Institute, Bombay, for co-ordinated research. Government thought that the question of the organisation of a co-ordinated research plan should first be considered in all its aspects by a committee under the chairmanship of the Director of Industries, consisting of the representatives of the Indian Central Cotton Committee, the Victoria Jubilee Technical Institute, the Millowners' Associations at Bombay and Ahmedabad, the University of Bombay, and the East India Cotton Association. Government were accordingly pleased to appoint a committee consisting of the following members to report on the question :—

Representation.

- | | | |
|-------|---|---|
| (1) | Mr. M. P. Kanga, Director of Industries (<i>Chairman</i>).. | Government. |
| * (2) | Dr. Nazir Ahmad, Director of Technological Laboratory, Matunga. | Indian Central Cotton Committee. |
| (3) | Mr. P. N. Joshi, Principal and Secretary, Victoria Jubilee Technical Institute, Bombay. | Victoria Jubilee Technical Institute, Bombay. |
| (4) | Sir Sohrab Saklatwala, M.L.A. | Millowners' Association, Bombay. |
| (5) | Mr. Kantilal C. Munshaw, The Vivekanand Mills, Ahmedabad. | The Millowners' Association, Ahmedabad. |
| (6) | Dr. K. Venkatraman, Director, Department of Chemical Technology, University of Bombay. | The University of Bombay. |
| † (7) | Mr. Haridas Madhavdas | The East India Cotton Association, Ltd. |
| ‡ (8) | Mr. S. D. Vashist, Deputy Director of Industries (<i>Secretary</i>). | |

Terms of Reference.—The Committee was advised to consider and report in detail :—

- (i) the type of research problems to be tackled ;
- (ii) the equipment, staff and other facilities available at the three institutions referred to in the recommendation of the Textile Labour Enquiry Committee and the extent to which and the cost at which each of these institutions must be strengthened for the purpose of research ;
- (iii) how the additional cost is to be met ; and
- (iv) administrative arrangements for running the scheme which may be finally adopted.

* Mr. D. L. Sen was appointed member *vice* Dr. Nazir Ahmad appointed as member of the Indian Tariff Board.

† Mr. Haridas Madhavdas recently died but no one was appointed in his place.

‡ Mr. R. U. Patel was appointed Secretary *vice* Mr. Vashist.

Meetings Held.—The first meeting of the Textile Research Co-ordination Committee was held on 23rd April 1945. At this meeting the Committee appointed a sub-committee comprising the following to report on the various points referred to it :—

- (1) Sir Sohrab Saklatwala, Kt., M.L.A. (*Chairman*).
- * (2) Dr. Nazir Ahmad, O.B.E., M.Sc., Ph.D. (Cantab.), F.Inst. P., J.P. (*Convener of the meetings of the Sub-Committee*).
- (3) P. N. Joshi, B.A., M.Sc. (Tech.), A.M.C.T., A.I.C.
- (4) Dr. K. Venkataraman, M.A., M.Sc.(Tech.), Ph.D., D.Sc. (Manc.), F.I.C., A.M.I.Chem.E.

The Sub-Committee held its first meeting on 10th May 1946.

The report of the Sub-Committee, together with other items, was considered by the Textile Research Co-ordination Committee at its meeting held on 23rd April 1947.

CHAPTER II.

The Necessity of Co-ordinated Research.

The Indian Cotton Textile Industry occupies an important place in India's national economy. Its place in the world cotton textile industry is perhaps the fifth from the point of view of spindleage and loomage, and the second from the point of view of cotton consumed. Bombay Province alone contains about half the number of spindles and looms installed in India. With all the progress made by this industry in recent years, little attempt has been made to carry out simultaneously the research for the production of a variety of cloths and fabrics from the comparatively low quality of cotton available in India. Industry cannot thrive without research and it is therefore high time that institutions for conducting research are also established with the assistance and co-operation of the industry.

Though India is the second largest cotton-producing country in the world, fullest use cannot be made of this important raw material on account of the shortness of staple and other characteristics of most of the cottons grown in the country. Large quantities of long-staple cotton have, therefore, to be imported into the country every year. Short-staple cotton has not yet been adequately utilised in the manufacture of goods for industrial purposes. Apart from the research required in this direction, there is admittedly considerable need and scope for scientific research for manufacturing new varieties of fabrics and dropping orthodox methods and systems of manufacture. There is a scope for fancy yarns, imitation linen fabrics, fine crepes, crepe-georgettes, cotton blankets, flannelettes, etc. The production of new varieties of cloth with permanent and attractive finishes and get-up is necessary and urgent since the economic stability and progress of this Province are largely dependent on the prosperity of its mill industry.

It is all the more necessary to conduct research on an extensive scale. A great desideratum of the industry is a distinct and separate institution for textile research including research in spinning and weaving and chemical processing which should be run under the control either of the industry alone or in conjunction with Government. Such an institution, as the Shirley Institute in England, is, however, not likely to be initiated within a reasonable period on account of the difficulties experienced in getting machinery and equipment after the war. The question of expenditure involved will also be a serious consideration.

The Committee are, therefore, of opinion that looking to the facilities already afforded by the Technological Laboratory of the Indian Central Cotton Committee, Victoria Jubilee Technical Institute and the Department of Chemical Technology of the University of Bombay, the industry should, for the present, co-operate with them for co-ordinated research. The Textile Labour Inquiry Committee appointed by the Government of Bombay have also, *inter alia*, recommended that arrangements for co-ordinating the activities of the three institutions should be systematized and regular co-ordination secured among them.

* Mr. D. L. Sen succeeded Dr. Nazir Ahmad after the latter was appointed member of the Tariff Board.

CHAPTER III.

Type of Researches Conducted at the Three Institutions.

A list of researches conducted so far and proposed to be conducted at the three institutions is attached hereto, *vide* Appendix "A." *

Type of Researches proposed to be Conducted under the Co-ordinated Research Scheme.

—We recommend that the following problems should be tackled under the scheme of co-ordinated research :—

- (1) Utilising short and medium-staple Indian cotton by combing, etc., to make imitation linen fabrics ;
- (2) Utilisation of long-staple Indian cotton by combing, etc., to make yarns and fabrics corresponding to those made from imported African and Sudan cotton.
- (3) Experiments in the manufacture of fine crepes, crepe-georgettes, voiles, etc., from combed long-staple Indian cottons.
- (4) Experiments in giving permanent finishes to fabrics included in (1), (2) and (3) above, so as to make them look like linen, worsted and silk fabrics respectively.
- (5) The effects of back and front roller drafts in spinning.
- (6) Effects of different top roller-weights.

Although most of the mills have not given helpful replies to the questionnaire issued to them or stated what problems they were interested in, the problems suggested by the Committee should be taken in hand by different institutions and mills interested in the work under the co-ordinated research scheme.

The Committee further recommend that the allocation of different types of problems between the three institutions should be as under :—

(a) *Technological Laboratory of the Indian Central Cotton Committee.*

- (i) Research on cotton and other textile fibres.
- (ii) Research on the conversion of synthetic fibres into fabrics.

(b) *Victoria Jubilee Technical Institute, Bombay.*

- (i) Research on the conversion of synthetic fibres into fabrics. (Along with the Technological Laboratory.)
- (ii) Research in connection with problems connected with winding, warping, weaving, yarn processing, size mixing, etc.
- (iii) Research on utilisation of waste products and by-products from textile fibres. (The same could be used for producing very low counts from 1 to 3s ; generally from 1½ counts, coarse goods like blankets and flannelettes are produced which are passed through the raising machine so as to give them the appearance of woollen goods.)
- (iv) Research on the manufacture of stores and auxiliary products. (Along with the University Department of Chemical Technology.)

(c) *Department of Chemical Technology of the University of Bombay.*

- (i) Research on problems relating to yarn and cloth in connection with finishing processes (including dyeing.)
- (ii) Research on chemical processing of "artificial" fibres and cloth and the preparation of pulp from cellulose bearing raw materials.
- (iii) Research on the manufacture of stores and auxiliary products.

CHAPTER IV.

Existing Equipment at the Three Institutions.—List of the existing equipment at the three institutions, are attached hereto, *vide* Appendix "B." *

Additional Staff and Equipment Required under the Co-ordinated Research Scheme.—The Committee are of opinion that the equipment according to the lists forwarded by the

* Not published.

Sub-Committee, and the staff and other facilities available at the three institutions, will, for the time being, be adequate, with the addition of the following equipment and staff :—

Equipment.

- (i) Waste plant for carrying out research on utilisation of waste products and by-products from textile fibres, at the Victoria Jubilee Technical Institute.
- (ii) A combing unit with six heads for combing medium and long-staple cotton at the Technological Laboratory of the Indian Central Cotton Committee.
- (iii) (A) Chemical cotton plant (which has been sold by the Indian Central Cotton Committee to the Board of Scientific and Industrial Research) with the following auxiliary equipment :—(a) Chipper, (b) Chip Screen, (c) Washing, screening and pressing of pulp.
 - (B) Yarn dyeing machine and
 - (C) Laboratory pin stenter with hot air blowing arrangement, at the University Department of Chemical Technology.

Staff.

- (i) Two Research Assistants in the grade of Rs. 350-25-500, at each of the three Institutions.
- (ii) One hamal at each of the three Institutions.

As for the administrative arrangement for running the Co-ordinated Research Scheme, the Committee recommend that a central body as suggested in Chapter VII, be appointed and the following staff may be provided to assist it :—

- (1) One Industrial Liaison Officer and Secretary in the grade of Rs. 300-20-500-25-750.
- (2) One Senior Clerk—Grade Rs. 135-5-180.
- (3) One Junior Clerk—Grade Rs. 50-5/2-90-5-140 plus cashier's allowance of Rs. 20 per month.
- (4) One Steno-typist—Grade Rs. 50-5/2-90-5-140 plus shorthand allowance according to speed.
- (5) Two peons at Rs. 23 per month each.

CHAPTER V.

Estimates.—The non-recurring and recurring expenditure in connection with the co-ordinated research scheme proposed by the Committee in this report is estimated as under :—

	<i>Non-recurring.</i>	Rs.	Rs.
(a) Equipment and Machinery.			
(1) Waste plant for carrying out research on utilisation of waste products and by-products from textile fibres ..		45,000	
(2) A combing unit with six heads for combing medium and long-staple cotton		20,000	
(3) Chemical cotton plant		29,000	
(4) Chipper		6,000	
(5) Chip Screen		4,000	
(6) Washing, screening and pressing of pulp		5,000	
(7) Yarn dyeing machine		5,000	
(8) Laboratory pin stenter with hot air blowing arrangement ..		5,000	
	Total ..		1,19,000
(a) Equipment, etc.			
(b) Small (cutohha) shed to house the chemical plant—with service (about 1,000 sq. ft.)			15,000
(c) Furniture			3,000
	Total non-recurring ..		1,37,000

	Recurring.	Rs.	Rs.
(a) Pay of Staff (Average)—			
(1) Industrial Liaison Officer and Secretary (300-20-500-25-750)	.. .. .	6,300	
(2) Six Research Assistants (350-25-500)	.. .. .	33,120	
(3) Senior Clerk (135-5-180)	.. .. .	1,989	
(4) One Junior Clerk (50-5/2-90-5-140) plus cashier's allowance of Rs. 20	.. .. .	1,272	
(5) One Steno-typist (50-5/2-90-5-140) (with shorthand allowance)	.. .. .	1,332	
(6) Two peons at Rs. 23 each	.. .. .	552	
(7) Three <i>hamals</i> , at Rs. 23 p.m. each	.. .. .	828	
		<hr/>	
		45,393	
(b) Dearness allowance	.. .. .	9,311	
(c) Temporary additional pay	.. .. .	660	
(d) Contingencies	.. .. .	5,000	
		<hr/>	
	Total recurring	60,364	60,364
		<hr/>	
	Grand Total	..	1,97,364
	Say	.. ..	1,98,000
			<hr/>

CHAPTER VI.

Proposals to Raise Funds.—The total estimated cost of the Co-ordinated Research Scheme proposed in this report, as will be seen from the figures given in Chapter V, approximately amounts to Rs. 1,98,000. We recommend that the expenditure should be met as under :—

- (i) *Ad hoc* fees should be charged to the mills which may wish their individual problems to be tackled by the Textile Research Co-ordination Committee. Such researches should be treated as *confidential*.
- (ii) A cess of 0.25 annas per spindle should be levied on mills which are in operation and 0.25 annas per spindle should be contributed by Government.

Although it is not possible to estimate the receipts from the *Ad Hoc* fees at this stage, the receipts from the cess as suggested in (ii) above, on the basis of the spindles in the various mills in operation as on 31st August, 1945 is estimated at about Rs. 1,70,000 as shown below :

The total number of spindles in the mills in operation was as under :—

	(In millions)
(i) Bombay City	2.8
(ii) Ahmedabad	1.8
(iii) Other places in the British Districts of the Bombay Province	0.8
	<hr/>
Total	5.4
	<hr/>
	Rs.
Therefore, receipts from cess at 0.25 annas per spindle	85,000
Government contribution at 0.25 annas per spindle	85,000
	<hr/>
	1,70,000
	<hr/>

We recommend that Government may enact necessary legislation, for levy of the cess as suggested in (ii) above.

CHAPTER VII.

We recommend that a Committee such as the one now appointed, be appointed as a central body for co-ordinating the textile research work of the three institutions and of any factories wishing to participate in textile research. If necessary experts in textile research may also be co-opted on the Committee.

BOMBAY, 18th July, 1947.

Copy of letter No. 200-A, dated 4th December 1947, from the Association to the Joint Secretary to the Government of Bombay, Education and Industries Department.

I am directed to acknowledge the receipt of your letter No. 8194/17929-G, dated the 9th October 1947, with which you have forwarded to the Association a copy of the Report of the Textile Research Co-ordination Committee. Briefly stated, the Co-ordination Committee aims at securing co-ordination of the research work done by the Technological Laboratory of the Indian Central Cotton Committee, the V.J.T. Institute, and the Department of Chemical Technology of the University of Bombay. A recurring expenditure of Rs. 1,98,000 per year is estimated. Government propose to meet half the amount by a special grant, and to raise the balance by means of a levy of a cess on mills of $\frac{1}{4}$ anna per spindle.

As the Government of Bombay are no doubt aware, the Government of India have since 1st October 1944 been building up a special fund (Cotton Textile Fund) from the duty realised on cotton textiles exported out of India, and this fund, it is understood, now amounts to about 2 crores of rupees. The fund is earmarked, *inter alia*, for the development of technical education and research relating to the cotton textile industry. A very substantial part of the cotton textiles exported from India comes from the mills of this Province, and it is not, therefore, unreasonable to suggest that the recurring expenditure indicated by the Textile Research Co-ordination Committee should be met from the fund in case Government are unable to provide otherwise for the money required in full.

APPENDIX 30.

CONTROL OF ACCOUNTANCY PROFESSION.

Copy of letter No. 10-A(11)/46, dated 24th April 1947, from the Under Secretary to the Government of India, Department of Commerce, to the Association.

I am directed to forward herewith a memorandum which contains a tentative scheme regarding the constitution and functions of an autonomous association of accountants through which, the Government of India feel, the profession of accountants in India should assume responsibilities now vested in Government. I am to request that any suggestions on the scheme, which your Association may desire to make, may be sent so as to reach the Secretary to the Government of India, Department of Commerce, Simla, before the 30th June 1947.

MEMORANDUM.

The Indian Companies Act of 1913 was intended to ensure the regular and proper audit of the accounts of companies and section 144 of the Act deals with the appointment and qualifications of auditors. The said section, as it stood before 1930, empowered the Local Governments to grant certificates to persons entitling them to act as auditors of public companies and to make rules providing for the grant of such certificates and it also conferred power on the Governor General in Council to declare that the members of specified institutions or associations should be entitled to be appointed and act as auditors of companies throughout British India.

2. Since these arrangements were not intended to be more than temporary, a Bill was introduced in the Legislature in 1930 and passed by it which transferred the power to grant auditor's certificates and to make rules for the grant of auditor's certificates from the Local Governments to the Governor General in Council, and provided for the appointment of an Indian Accountancy Board to advise him on all matters relating to the grant of auditor's certificates and to assist him in maintaining the standards of qualifications and conduct required of auditors.

3. The existing arrangements are, however, transitional and are intended to pave the way for advance towards the ideal system of an autonomous association of accountants able to assume responsibility for the maintenance of the requisite standard of professional qualifications, discipline and conduct of its members, subject to the supervision of Government.

4. The object of bringing into being such an autonomous association of accountants has been under the active consideration of the Government of India for some time and after careful consideration they feel that the stage has now come for the profession to assume the responsibilities vested in the Government. To carry out that object and also to maintain the highest possible standards in the profession, the Government of India have prepared the following tentative scheme regarding the constitution and functions of the proposed autonomous body.

5. The Board will consist of 25 members—13 elected and 12 nominated. The 13 members will be elected from the following six constituencies :—

	<i>No. of members.</i>
1. Registered Accountants of the Province of Madras and the Indian States of Hyderabad, Mysore, Travancore and Cochin	3
2. Registered Accountants of the Province of Bombay and the Western Indian States	4
3. Registered Accountants of Bengal and Assam	3
4. Registered Accountants of the U.P., Bihar, the C.P. and Berar and Orissa	1
5. Registered Accountants of the Punjab and the North-West Frontier Province	1
6. Registered Accountants of Sind, Delhi, Ajmer-Merwara and the Rajputana States	1

The 12 nominated members may be the following :—

2 officers from the Central Board of Revenue not below the rank of Commissioner of Income Tax.

1 Registrar of Joint Stock Companies.

1 member to be nominated by the Associated Chambers of Commerce.

1 member to be nominated by the Federation of the Indian Chambers of Commerce.

1 member to be nominated by the Federation of the Muslim Chambers of Commerce.

1 Accountant member from the Income Tax Appellate Tribunal.

5 others including Government officials and Registered Accountants entitled to train articled clerks.

The nominated members as far as possible to hold registerable qualifications.

6. At present the term of office of all members, other than those in Government service, is three years. With the transfer of control, the Board would become an executive body. To enable the body to function continuously it is proposed that one-third of the members should retire at the conclusion of the annual general meeting, or if the number is not a multiple

of 3, then the number nearest one-third (but not exceeding one-third) should retire from office. The members of the Board to retire at the close of the year should be those who have been longest in office since their last nomination or election but as between persons who became members on the same day those to retire should be determined by ballot.

7. *Rules to be framed under the Indian Companies Act.*—The Auditor's Certificates Rules as they exist at present can remain after suitable modification.

8. The following functions which are now exercised by Government to be transferred to the autonomous Board :—

- (a) The maintenance of a Register of Accountants entitled to apply for Auditor's Certificates.
- (b) The fixation of qualifications for enrolment on the Register and the fees therefor.
- (c) Examination of candidates for enrolment and prescription of the fees to be paid by the examinees.
- (d) Collection of fees from Registered Accountants and examinees.
- (e) Restoration to the Register of Accountants under rule 16 of the Auditor's Certificates Rules.
- (f) Establishment, if necessary, and settling the constitution and procedure of local Accountancy Boards to advise the Board on any matters which may be referred to them.

The Board to have complete control over its finances except for the first three years when its budget will be submitted to Government for sanction. All the fees to be credited to the Board.

The Board to elect its own Chairman and its own Secretary.

9. It is proposed that following powers should be exercised by Government :—

- (a) Removal of names from the Register unless the removal is at the request of the Registered Accountant concerned or for non-payment of annual fee.
- (b) Disposal of appeal by any aggrieved person. The appeal must, however, be lodged within a stated period to the Central Government who after considering any representations submitted by the aggrieved party or by the Board may by order either allow the appeal or confirm the decision of the Board.
- (c) Confirmation of any proposal by the Board involving amendment of the Rules before they become effective. The Government to publish the proposed amendments for public criticism and duly consider the objections or suggestions received before giving its assent.
- (d) Approval of the budget of the autonomous board by the Central Government for the first three years.

Copy of letter No. 442, dated 11th June 1947, from the Association to the Secretary to the Government of India, Department of Commerce, Simla.

I am directed to acknowledge the receipt of your letter No. 10-A(11)/46, dated the 24th April 1947, and to say that so far as my Committee can see the tentative scheme drawn up by Government seems to have been prepared on right lines.

My Committee are concerned with the maintenance at a very high standard of accountancy and auditing in this country, and in this view of the case, they feel that Government should continue for the time being to have a certain amount of control over, even the transferred subjects mentioned in paragraph 8. It may be that after a certain number of years it is possible to reduce the controls, but it is best to consider the question of lifting the controls in the light of the experience and working of the autonomous Board.

Turning to paragraph 9 sub-paragraph (b), my Committee feel that a provision should be made for an appeal from the decision of the Government of India. Whether this appeal should be to the Federal Court or to the High Court of Judicature of the Province in which the appellant may be practising is for Government to decide.

APPENDIX 31.

COTTON PIECEGOODS AND YARN FROM JAPAN.

Copy of letter No. 404-C, dated 1st April 1947, from the Association to the Secretary to the Government of India, Department of Industries and Supplies, New Delhi.

I am directed to confirm having wired you to-day as under :—

“Committee Millowners’ Association Bombay understand Government of India have negotiated or are negotiating with Japanese authorities for import large quantities Japanese cotton piecegoods and yarn into India stop Committee would be grateful if Government would give details of arrangement if any fixed up particularly in reference to quantities types and prices of piecegoods to be brought in stop If negotiations have not been completed Association would appreciate information on following points :

- (a) Nature of arrangement which Government have in view.
- (b) Types qualities and prices of cloth and yarn which Government propose to buy.
- (c) Whether any long-term arrangement contemplated.
- (d) Whether Government would consider advisability of associating with them representatives Indian industry in negotiations if they are not complete.”

Copy of letter No. 147-TA/47, dated 11th April 1947, from the Assistant Secretary to the Government of India, Department of Industries and Supplies, New Delhi, to the Association.

With reference to your telegram dated the 1st April, 1947, I am directed to inform you that, in view of the present acute cloth shortage in the country, Government are endeavouring to import some quantities of Japanese cotton piecegoods and yarn. As this transaction has not yet been finalised it is not possible to give any further information at present.

Copy of letter No. 114-C.B.(2)/46, dated 12th April 1947, from the Under Secretary to the Government of India, Department of Commerce, New Delhi, to the Association.

I am directed to refer to your telegram dated 1st April 1947 and your letter No. 404-C of 1947 of same date confirming your telegram and to state that the Government of India are now endeavouring to import from Japan yarn and cotton piecegoods. The proposed imports will be on Government account and through Government channels only until Japan is thrown open to private trade.

Due publicity will be given when it is decided to open up Japan to private trade.

Copy of letter No. 438, dated 30th April 1947, from the Association to the Assistant Secretary to the Government of India, Department of Industries and Supplies, New Delhi.

I am directed to acknowledge the receipt of your letter No. 147-TA/47, dated the 11th April 1947, from which it transpires that Government are endeavouring to import from Japan yarn and cotton piecegoods. The proposed imports, it is understood, will be on Government account and through Government channels. The Committee of the Association would be grateful if it would be possible for Government to let them have the prices at which these goods would be bought in Japan and ultimately distributed in India. It would also be of considerable assistance to this Association if Government would give them an indication of the types of cloth and yarn which are proposed to be purchased from Japan.

My Committee desire to point out at this stage that, if it is the intention of Government to introduce in this country, a scheme for the manufacture of utility cloths, then it should be made clear even now that Government should not permit the importation into this country of cloths which are better in quality than the cloths permitted to be manufactured by the mills under the proposed utility cloth scheme.

Copy of letter No. TB-33(29)/46, dated 31st May/2nd June, from the Assistant Secretary to the Government of India, Department of Industries and Supplies, New Delhi, to the Association.

I am directed to refer to your letter No. 438, dated the 30th April 1947, and to inform you as follows :

2. The cloth that is being imported is of grey quality and the prices have not yet been finalised. For further particulars you are advised to contact the Textile Commissioner, Bombay, who will give you all the necessary information after the goods arrive in India.

3. No final decision has yet been taken to import cotton yarn. The type of yarn that has been offered to India is cotton carded yarn 20/1 counts.

4. The quantity of textiles that is being imported is so small compared to India's present needs that its import will not adversely affect the cotton textile industry. However, I am to say that Government will bear in mind the point mentioned in paragraph 2 of your letter.

Copy of letter No. 438, dated 5th June 1947, from the Association to the Textile Commissioner, Bombay.

I enclose herewith for your information a copy of my letter No. 438, dated 30th April 1947, addressed to the Assistant Secretary to the Government of India, Department of Industries and Supplies, and his reply thereto.

My Committee would be glad to have such information as you may be in a position to give concerning this matter.

Copy of letter No. TCS.11/IMP/9, dated 16th June 1947, from the Textile Commissioner, Bombay, to the Association.

Subject : IMPORTED JAPANESE COTTON TEXTILES.

I have the honour to refer to your letter No. 438, dated 5-6-1947, on the above subject and to invite your attention to the concluding portion of para 2 of the letter No. TB-33(29)/46, dated 31-5-1947, addressed to you by the Assistant Secretary to the Government of India, Department of Industries and Supplies, New Delhi. These goods have not yet arrived in India, so that this office is not in a position to give any information regarding them at present. Meanwhile you are requested to indicate in detail the particulars which you would like to know.

Copy of letter No. 438, dated 18th June 1947, from the Association to the Textile Commissioner, Bombay.

Please refer to your letter No. TCS.11/IMP/9, dated 16th June 1947. My Committee would like to have, at your convenience, the following information in connection with the imports of Japanese cotton textiles, after their arrival in India.

1. Details regarding the qualities and quantities of Japanese cloth and yarn. (This should include the names of varieties, and classifications to coarse, medium, fine and

superfine and the counts of warp and weft and reed and pick if possible. You might also specify if the goods are grey, bleached, dyed, printed and/or mercerised.)

2. Details regarding the landed cost and the prices at which the goods will be retailed in India.
3. The arrangements made for the distribution of the goods in India.
4. The arrangements that have been made in regard to the procurement of the goods in Japan and their despatch to India.
5. You might also indicate, wherever possible, the rates at which the goods were purchased from Japanese mills.

Copy of letter No. CYC-8/JAP/IMP/ENA, dated 12th July 1947, from the Textile Commissioner, Bombay, to the Association.

I have the honour to refer to your letter No. 438 of 18th June 1948, and to state that this office is not in a position to furnish information asked for therein, at such an early stage. A further communication, will follow in due course when the question in regard to distribution of the above goods to various provinces and the fixation of its prices, is finalised.

Copy of letter No. CYC-22/JAP/IMP/30, dated 2/4 December 1947, from the Textile Commissioner, Bombay, to the Association.

With reference to your letter No. 438, dated 18th June 1947, and to subsequent correspondence, on the above subject, I am directed to inform you that it has now been decided not to make allotments of this cloth to parties for consumption in India. The cloth has been advertised for re-export against export licenses.

APPENDIX 32.

THE BOMBAY LAND REQUISITION ORDINANCE, 1947.

ORDINANCE No. V OF 1947.

An Ordinance to provide for the requisition of Land, for the Continuance of Requisition of Land and for certain other Purposes.

Whereas the Governor-General, in exercise of the powers conferred on him by section 104 of the Government of India Act, 1935, has, by the Government of India, Ministry of Law, Notification No. F.311/47-C. & G, dated the 21st October 1947, empowered all Provincial Legislatures to enact laws with respect to the requisition of land ;

And whereas the Bombay Legislature is not in session and the Governor of Bombay is satisfied that circumstances exist which render it necessary for him to take immediate action to enable the Provincial Government to make provision for requisition of land and for the continuance of the requisition of land already subject to requisition ;

And whereas the instructions of the Governor-General under the proviso to sub-section (1) of section 88 of the Government of India Act, 1935, have been obtained ;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 88 of the Government of India Act, 1935, the Governor of Bombay is pleased to make and promulgate the following Ordinance, namely :—

1. *Short title, extent and commencement.*—(1) This Ordinance may be called the Bombay Land Requisition Ordinance, 1947.

(2) It extends to the whole of the Province of Bombay.

(3) It shall come into force at once.

2. *Definitions.*—In this Ordinance, unless there is anything repugnant to the subject or context,—

(1) “ land ” includes benefits to arise out of land, and premises and all things attached to the earth or permanently fastened to the premises or things attached to the earth ;

(2) “ landlord ” means any person who is, for the time being, receiving or entitled to receive, rent in respect of any premises whether on his own account or on account, or on behalf, or for the benefit, of any other person, or as a trustee, guardian, or receiver for any other person or who would so receive the rent or be entitled to receive the rent if the premises were let to a tenant ; and includes any person, not being a tenant, who from time to time derives title under a landlord ; and further includes in respect of his sub-tenant a tenant who has sub-let any premises ;

(3) “ premises ” means any building or part of a building let or intended to be let separately including the garden, grounds, garages and outhouses, if any, appurtenant to such building or part of a building but does not include a room or other accommodation in a hotel or lodging house ;

(4) “ prescribed ” means prescribed by rules made under this Ordinance ;

(5) “ to requisition ” means in relation to any land to take possession of the land or to require the land to be placed at the disposal of the Provincial Government.

3. *Requisition of Land.*—If in the opinion of the Provincial Government it is necessary or expedient to do so, the Provincial Government may by order in writing requisition any land for any public purpose :

Provided that no land used for the purpose of public religious worship or for any purpose which the Provincial Government may specify by notification in the *Official Gazette* shall be requisitioned under this section.

4. *Requisition of vacant premises.*—(1) If any premises situate in an area specified by the Provincial Government by notification in the *Official Gazette* are vacant on the date of such notification and whenever any such premises become vacant after such date either by the landlord ceasing to occupy the premises, or by the termination of a tenancy, or by the eviction of a tenant, or by the release of the premises from requisition or otherwise, the landlord of such premises shall give intimation thereof in the prescribed form to an officer authorized in this behalf by the Provincial Government.

(2) Such intimation shall be given by post within one month of the date of such notification in the case of premises which are vacant on such date, and in other cases within seven days of the premises becoming vacant.

(3) A landlord shall not, without the permission of the Provincial Government, let the premises before giving such intimation and for a period of one month from the date on which such intimation is given.

(4) Whether or not an intimation under sub-section (1) is given, and notwithstanding anything contained in section 3, the Provincial Government may by order in writing requisition the premises and may use or deal with the premises in such manner as may appear to it to be expedient.

(5) Any landlord who fails to give such intimation within the period specified in sub-section (2), shall, on conviction, be punishable with fine which may extend to one thousand rupees and any landlord who lets the premises in contravention of the provisions of sub-section (3), shall, on conviction, be punishable with imprisonment which may extend to three months or with fine or with both.

5. *Continuance of requisition.*—(1) Notwithstanding anything contained in the Requisitioned Land (Continuance of Powers) Act, 1947 (XVII of 1947), the Provincial Government may, by order in writing, direct that any land which was continued under requisition under the said Act, shall continue to be subject to requisition under this Ordinance when it is released from requisition under the said Act or ceases to be subject to requisition for any reason; and the Provincial Government may use or deal with the land so continued to be subject to requisition in such manner as may appear to it to be expedient.

(2) In respect of the continued subjection of the land to requisition under sub-section (1) compensation shall be determined and paid in accordance with the provisions of this Ordinance and of the rules made thereunder :

Provided that all agreements and awards made in relation to the land in respect of the payment of compensation for the period before it was continued to be subject to requisition under sub-section (1) shall continue to be in force and shall apply to the payment of compensation for the period of requisition under this Ordinance.

6. *Payment of compensation.*—(1) When any land is requisitioned or is continued to be subject to requisition under this Ordinance, there shall be paid, subject to the provisions of section 5, compensation to persons having interest in such land the amount of which shall be determined by an officer authorised in this behalf by the Provincial Government who shall hold an inquiry in the manner prescribed. The officer shall determine such amount of compensation as he deems just having regard to all the circumstances of the case; and in particular he shall be guided by the provisions of sub-section (1) of section 23 and section 24 of the Land Acquisition Act, 1894 (I of 1894), in so far as they can be made applicable.

(2) Where there are several persons interested in the land, the officer shall decide the dispute, if any, as to the apportionment of the amount of compensation or any part thereof or as to the persons to whom the same or any part thereof is payable.

(3) An appeal shall lie against the decision of the officer under sub-section (1) or (2), except in cases where the total amount of compensation in respect of the land does not exceed an amount prescribed in this behalf by the Provincial Government,—

- (a) in Greater Bombay, to the High Court, and
- (b) elsewhere, to the District Court.

Such appeal shall be made within a period of sixty days from the date of the decision.

(4) No further appeal shall lie against any decision in appeal under sub-section (3).

7. *Release from requisition.*—(1) The Provincial Government may, at any time, release from requisition any land requisitioned or continued to be subject to requisition under this Ordinance.

(2) (a) Upon such release the land shall be restored as far as possible in the same condition in which it was on the date on which the Provincial Government was put in possession thereof, and the Provincial Government shall pay compensation for deterioration, if any, caused to the land otherwise than by reasonable wear and tear or irresistible force :

Provided that nothing in this sub-section shall apply to any structures, trees or crops standing on the land on the date on which the Provincial Government took possession thereof and in respect of which compensation has been paid.

(b) The officer authorized in this behalf by the Provincial Government shall determine such amount of compensation as he deems just and his decision, subject to an appeal

to the Provincial Government, shall be final. Such appeal shall be made within a period of thirty days from the date of the decision.

(3) When any land is to be released from requisition, the Provincial Government may, after making such inquiry, if any, as it considers necessary, specify by order in writing the person to whom possession of the land shall be given.

(4) The delivery of possession of the land to the person specified in an order made under sub-section (3) shall be a full discharge of the Provincial Government from all liability in respect of such delivery, but shall not prejudice any rights in respect of the land which any other person may be entitled by due process of law to enforce against the person to whom possession of the land is so delivered.

(5) Where the person to whom possession of any requisitioned land is to be given cannot be found and has no agent or other person empowered to accept delivery on his behalf, the Provincial Government shall cause a notice declaring that the land is released from requisition to be affixed on some conspicuous part of the land and shall publish the notice in the *Official Gazette*.

(6) When a notice referred to in sub-section (5) is published in the *Official Gazette* the land specified in such notice shall cease to be subject to requisition on and from the date of such publication and be deemed to have been delivered to the person entitled to possession thereof; and the Provincial Government shall not be liable for any compensation or other claim in respect of the land for any period after the said date.

(7) For the purpose of releasing any land from requisition, the Provincial Government may, by order, direct the person to whom the Provincial Government had given possession of such land and other person, if any, in occupation of such land to deliver possession thereof to the officer authorized in this behalf by the Provincial Government.

8. *Powers of inquiry.*—For the purposes of holding an inquiry under section 6 the authorized officer shall have the same powers as are vested in civil courts in respect of—

- (a) proof of facts by affidavits,
- (b) summoning and enforcing the attendance of any person and examining him on oath,
- (c) compelling the production of documents, and
- (d) issuing commissions for the examination of witnesses.

9. *Power to take possession.*—Where an order for requisition is made under section 3 or 4, or when any order is made under sub-section (7) of section 7 any officer authorized in this behalf by the Provincial Government may take possession of the land in respect of which such order is made and may take or cause to be taken such steps and use or cause to be used such force as may be in the opinion of such officer reasonably necessary for taking possession of such land.

10. *Power to obtain information.*—(1) The Provincial Government may, with a view to carrying out the purposes of this Ordinance, by order require any person to furnish to such authority as may be specified in the order such information in his possession relating to any land which is requisitioned or is continued under requisition or is intended to be requisitioned or continued under requisition.

(2) Every person required to furnish such information as is referred to in sub-section (1) shall be deemed to be legally bound to do so within the meaning of sections 176 and 177 of the Indian Penal Code (XLV of 1860).

11. *Publication and service of orders.*—(1) Every order made under section 3, 4, 5, sub-section (7) of section 7 or section 10 shall—

- (a) if it is an order of a general nature or affecting a class of persons, be published in the manner prescribed by rules made in this behalf;
- (b) if it is an order affecting an individual corporation, or firm, be served in the manner provided for the service of a summons in Rule 2 of Order XXIX or Rule 3 of Order XXX, as the case may be, in the First Schedule of the Code of Civil Procedure, 1908 (V of 1908);

- (c) if it is an order affecting an individual person other than a corporation or firm, be served on the person—
- (i) personally, by delivering or tendering to him the order, or
 - (ii) by post, or
 - (iii) where the person cannot be found, by leaving an authentic copy of the order with some adult male member of his family or by affixing such copy to some conspicuous part of the premises in which he is known to have last resided or carried on business or worked for gain.

(2) Where a question arises whether a person was duly informed of an order made in pursuance of section 3, 4, 5, sub-section (7) of section 7 or section 10, compliance with the requirements of sub-section (1) shall be conclusive proof that he was so informed; but failure to comply with the said requirements shall not preclude proof by other means that he was so informed or affect the validity of the order.

12. *Power to enter and inspect land.*—Without prejudice to any powers otherwise conferred by this Ordinance, any officer or person empowered in this behalf by the Provincial Government by general or special order may enter and inspect any land for the purpose of determining whether, and, if so, in what manner, an order under this Ordinance should be made in relation to such land, or with a view to securing compliance with any order made under this Ordinance.

13. *Delegation of functions.*—The Provincial Government may, by order notified in the *Official Gazette*, direct that any power conferred or any duty imposed on it by this Ordinance shall, in such circumstances and under such conditions, if any, as may be specified in the direction, be exercised or discharged by such officer, not being in the opinion of the Provincial Government below the rank of a Collector, as may be so specified.

14. *Protection of action taken under the Ordinance.*—(1) No suit, prosecution or other legal proceeding shall lie against any person for anything in good faith done or intended to be done under this Ordinance or any order made thereunder.

(2) Save as otherwise expressly provided under this Ordinance, no suit or other legal proceeding shall lie against the Provincial Government for any damage caused or likely to be caused by anything in good faith done or intended to be done under this Ordinance or any order made thereunder.

15. *Officers to be deemed public servants.*—Every officer authorized or empowered by the Provincial Government to exercise any power or to perform any duty under this Ordinance shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (XLV of 1860).

16. *Power to make rules.*—(1) The Provincial Government may by notification in the *Official Gazette* make rules to carry into effect the purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

- (i) the form in which intimation shall be given under sub-section (1) of section 4;
- (ii) the manner of holding an inquiry under sub-section (1), and the amount of compensation to be prescribed under sub-section (3), of section 6;
- (iii) levy of court-fees in respect of appeals under sections 6 and 7;
- (iv) any other matter which under this Ordinance is to be or may be prescribed.

STATEMENT.

The powers of requisitioning which Government had under the Defence of India Rules have lapsed. In view of the great pressure on accommodation available in urban areas, it has become necessary to regulate the distribution of vacant premises. For that purpose and also for the purpose of carrying out the plans of housing and development and for other public purposes, it was felt essential to have powers of requisitioning. By the Government of India, Ministry of Law, Notification No. F. 311/47-C. & G., published in the *Gazette of*

India (Extraordinary), dated October 25, 1947, the Governor-General, in exercise of the powers conferred by section 104 of the Government of India Act, has empowered Provincial Legislatures to enact laws with respect to the requisitioning of land. As these powers were given very recently, legislation could not be undertaken while the Legislature was in session. Consequently an Ordinance is now being promulgated. By this Ordinance powers of requisitioning for public purposes are taken; special provision is made for intimation to Government by landlords of vacant premises in specified areas with a view to the requisitioning of such premises; and provision has also been made for the continuance of subsisting requisitions. The Ordinance also provides for the payment of just compensation in cases of requisitioning.

Copy of letter No. 376-A, dated 23rd December 1947, from the Association to the Secretary to the Government of Bombay, Health and Local Government Department, Bombay.

I am directed to refer to Government Ordinance No. V of 1947—An Ordinance to provide for the requisition of land, for the continuance of requisition of land and for certain other purposes.

As you are aware, certain mills in Bombay have provided chawls for the benefit of their operatives. A list of such mills is enclosed herewith. It would appear that the Ordinance would be applicable to these chawls also, and under the provisions of section 4 of the Ordinance, all vacancies in these chawls have to be notified to Government. My Committee desire to submit that, bearing in mind the purposes for which the chawls in question have been provided and the low rents at which they have been let out, they should be exempt from the provisions of the Ordinance. To ensure, however, that the objects underlying the Ordinance are duly carried out, my Committee are prepared to recommend to the mills concerned:—

- (a) They should maintain a register showing the location of the tenements and the names of the occupants.
- (b) They should, further, maintain a register containing the names and addresses of their own employees who have applied for allotment of tenements.
- (c) They should also undertake to allot tenements to their employees, as and when they become vacant, in the order of registration.

Mills would also be asked to co-operate with Government in any investigation, which Government may find it necessary to undertake following a complaint regarding non-observance of clause (c).

My Committee hope that, subject to the undertakings referred to above, Government would be pleased to exempt mill chawls from the scope of the Ordinance referred to.

** Names of mills in the City and Island of Bombay, which have provided chawls for their workmen.*

1. The Bombay Dyeing and Manufacturing Co., Ltd.
2. The Century Spinning and Manufacturing Co., Ltd.
3. The Colaba Land and Mill Co., Ltd.
4. The David Mills Co., Ltd.
5. The Digvijay Spinning and Weaving Co., Ltd.
6. The Edward Textiles, Ltd.
7. The Elphinstone Spinning and Weaving Mills Co., Ltd.
8. The India United Mills, Ltd. (No. 1)
9. Do. do. (No. 2)
10. Do. do. (No. 3)
11. Do. do. (No. 4)
12. Do. do. (No. 5)
13. The Kohinoor Mills Co., Ltd.
14. The Meyer Mills, Ltd.
15. The Modern Mills, Ltd.
16. The Madhowji Dharamsi Manufacturing Co., Ltd.
17. The Phoenix Mills, Ltd.
18. The Svadeshi Mills Co., Ltd.
19. The Tata Mills, Ltd.

Copy of letter No. B. 141/575-N, dated 16th February 1948, from the Assistant Secretary to the Government of Bombay, Health and Local Government Department, to the Association.

I am directed to acknowledge the receipt of your letter No. 376A, dated 23rd December 1947, and subsequent reminders dated 20th January 1948 and 30th January 1948, and to inform you that the matter is receiving attention.

APPENDIX 33.

GOVERNMENT APPRENTICE SCHEME.

PRACTICAL TRAINING OF STUDENTS FOR ADDITIONAL YEAR.

Copy of letter No. Tech./3717, dated 18th October 1947, from the Director of Industries, Bombay, to the Association.

I have to state that under the apprentice scheme conducted by this Department, young men are being apprenticed in the following trades for the duration mentioned against them.

(1) Mechanical Engineering	..	..	..	..	..	..	..	} 4 years.
(2) Electrical Engineering	..	..	..	..	..	..	..
(3) Spinning	..	..	..	..	..	..	..	} 3 years.
(4) Weaving	..	..	..	..	..	..	..
(5) Dyeing	..	..	..	..	..	..	..
(6) Typography trades	..	..	..	..	..	..	..	5 years.

This Department also conducts additional year classes in the following subjects for the apprentices who complete their prescribed course of apprenticeship under the above scheme provided a sufficient number of candidates is forthcoming for such classes.

- (1) Mechanical Engineering.
- (2) Electrical Engineering.
- (3) Spinning.
- (4) Weaving.
- (5) Dyeing.

The object of conducting these classes is to train the apprentices in some particular branch of the course or to give them higher knowledge of the subject or subjects taught during the final year stage of their apprenticeships. With a view to deriving maximum benefit of a continuous training, it is desirable that these apprentices should get practical training for an additional year in the same mill in which they are apprenticed for regular course when they join additional year classes. With this aim in view I have to request you to kindly use your good offices with the constituent members of your Association to extend their co-operation in the matter and to allow the apprentices who attend additional year classes, to continue their apprenticeships for one year more in their respective courses.

I shall be greatly obliged for your very early reply in the matter.

Copy of Circular No. 99, dated 8th January 1948, to all Mills in Bombay.

I reproduce below letter No. Tech. 3717, dated the 18th October 1947, received from the Director of Industries regarding the Government Apprentice Scheme (Practical training for an additional year) :

"I have to state that under the apprentice scheme conducted by this Department young men are being apprenticed in the following trades for the duration mentioned against them.

(1) Mechanical Engineering	.. .. .	} 4 years.
(2) Electrical Engineering	.. .. .
(3) Spinning	.. .. .	} 3 years.
(4) Weaving	.. .. .
(5) Dyeing	.. .. .
(6) Typography trades	.. .. .	5 years.

"This Department also conducts additional year classes in the following subjects for the apprentices who complete their prescribed course of apprenticeship under the above scheme provided a sufficient number of candidates is forthcoming for such classes.

- (1) Mechanical Engineering.
- (2) Electrical Engineering.
- (3) Spinning.
- (4) Weaving.
- (5) Dyeing.

"The object of conducting these classes is to train the apprentices in some particular branch of the course or to give them higher knowledge of the subject or subjects taught during the final year stage of their apprenticeships. With a view to deriving maximum benefit of a continuous training, it is desirable that these apprentices should get practical training for an additional year in the same mill in which they are apprenticed for regular course when they join additional year classes. With this aim in view I have to request you to kindly use your good offices with the constituent members of your Association to extend their co-operation in the matter and to allow the apprentices who attend additional year classes, to continue their apprenticeships for one year more in their respective courses.

"I shall be greatly obliged for your very early reply in the matter."

The Committee of the Association are in agreement with the suggestion made by the Director of Industries, and they recommend all mills to give the requisite facilities.

The liability of the employers under the arrangement will be :

- (a) to give apprentice in respect of the additional year at least the same monthly wage as was given to him in the previous year ; and
- (b) to give him time off twice a week in order to enable him to attend the classes at the V.J.T.I.

Copy of letter No. 99, dated 9th January 1948, from the Association to the Director of Industries, Bombay.

I am directed to acknowledge the receipt of your letter No. Tech./3717, dated the 18th October 1947, and to state the Committee are in agreement with the proposal referred to the mills are being advised accordingly.

APPENDIX 34.

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.

Reprint of the First and Second Schedules appended to the Indian Tariff Act, XXXII of 1934 (as in operation on 1st January, 1948), showing the rates of Customs duties, including the additional duties levied under the Indian Finance Act, 1947, the Indian Tariff (Amendment) Act, 1947, the Indian Finance (Supplementary) Act, 1947, the Indian Tariff (Second Amendment) Act, 1947, and the Cotton Textiles Fund Ordinance, 1944 (Central Ordinance No. XXXIV of 1944), levied on goods imported into, and exported from, British India, together with (1) the tariff values fixed for certain articles under Government of India, Ministry of Commerce, Notification No. 73-T(9)/47, dated the 15th December, 1947, for the purpose of assessment of Customs duties with effect from the 1st January, 1948, (2) the rates of duty leviable on articles the produce or manufacture of Burma under Government of India, Finance Department (Central Revenues), Notification No. 39-Customs, dated the 7th June, 1941, as subsequently amended, (3) the rates of Excise duties leviable on articles produced or manufactured in British India, and (4) the rates of Cesses leviable on certain articles on export or otherwise and the Tariff values fixed for certain articles under Government of India, Department of Agriculture, Notification No. F. 17-1/48-51, dated the 21st June, 1948 for the purpose of assessment of the Agricultural Produce Cess with effect from the 1st July, 1948.

- Note 1.**—In the expression “*ad valorem*” used in these Schedules the reference is to “real value” as defined in section 30 of the Sea Customs Act, 1878 (VIII of 1878), unless an article has a tariff value assigned to it.
- Note 2.**—The tariff value specified in the second column of the First Schedule shall, unless otherwise expressly provided, apply whether the article is assessed to duty under the item specified in the corresponding entry in the first column or under any other item.
- Note 3.**—The description of tariff-valued articles in the second column follows the ordinary trade description and covers all reduced grades and mixtures unless they are specially provided for.
- Note 4.**—In this publication, the expression “standard rate of duty” means, in the case of articles liable to preferential rates of duty, the standard rate of duty as opposed to the preferential rate, and in the case of other articles, the ordinary rate of duty.
- Note 5.**—Postal parcels, packets and letters on whose contents the total duty payable is not more than 12 annas, are exempt from payment of import duty.
- Note 6.**—The expression “Far East” covers China, including Hongkong and Macao, Japan and the Japanese Empire, the Straits Settlements, Malaya, Thailand, French Indo-China, the Netherlands East Indies, Sarawak, British North Borneo, the Philippines, Burma and Ceylon.

THE FIRST SCHEDULE.—IMPORT TARIFF.

Item No.	Name of article.	Nature of duty.	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION I.							
LIVE ANIMALS AND PRODUCTS OF THE ANIMAL KINGDOM.							
	ANIMALS, living, all sorts .. .. .	....	Free .. . . .	....	....	....	....
1	BACON AND HAM, not canned or bottled ..	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
2	FISH, not otherwise specified †	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
3(1)	FISH, salted, wet †	Revenue ..	Such rate or rates of duty not exceeding one rupee per Indian maund of 82-2/7 lbs. avoirdupois weight as the Central Government may, by notification in the <i>Official Gazette</i> from time to time prescribe,* plus 6½ per cent. <i>ad valorem</i> plus one-fifth of the total duty.	....	....	Free ..	....
	<i>Tariff values—</i>	Per Indian maund.					
	(f) Soormai	Ra. a. p.					
	(g) Bangdas	14 0 0					
	(h) All other sorts	6 0 0					
		13 0 0					
3(2)	FISH, salted, dry †	Revenue ..	18 per cent. <i>ad valorem</i>.	....	....	Free ..	....
3(3)	FISH, unsalted, dry †	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>	Per cwt.					
	Bomlas	Ra. a. p.					
		20 0 0					

* The rate on the 1st January, 1948, and until further notice is annas 9½ per maund of 82-2/7 lbs. avoirdupois.

† Under Government of India, Finance Department (Revenue Division), Notification No. 18-Customs, dated the 19th July, 1947, fish of Dutch origin imported from Cutch into British India by sea is exempt, until the 31st July, 1948, from payment of the customs duty leviable thereon.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION I—<i>concl.</i>							
LIVE ANIMALS AND PRODUCTS OF THE ANIMAL KINGDOM—<i>concl.</i>							
8(4)	FISHMAWS, including singly and sozille and sharkfins.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>						
	Sharkfins from Arabian and Persian Gulf Ports.	Per cwt. Rs. a. p. 6 0 0					
4	BUTTER, CHEESE AND GHEE	Revenue ..	30 per cent. <i>ad valorem</i>.	..	....	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>						
	Butter	Per lb. Rs. a. p. 2 0 0					
	Ghee	Per cwt. 180 0 0					
4(1)	MILK,* condensed or preserved, including milk cream.	Revenue ..	30 per cent. <i>ad valorem</i>.	..	....	12 per cent. <i>ad valorem</i>.	....
5	CORAL, unprepared	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
5(1)	COWRIES AND SHELLS	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>						
	Per thousand. Rs. a. p.						
	Chanks—						
	Sound, live	90 0 0					
	Sound, dead	60 0 0					
	Other sorts	15 0 0					
	Per cwt.						
	Cowries, bazar, common	12 0 0					
	Cowries, yellow, superior quality.	14 0 0					
	Cowries, mottled, commonly known as Zillab, Tiger and similar other qualities.	13 0 0					
	Cowries, Maldives	22 0 0					
	Cowries, Sankhli	140 0 0					
	Mother-of-pearl, nacre	28 0 0					
	Nakhla	240 0 0					
	Per lb.						
	Tortoise-shell	11 0 0					
	Tortoise-shell, nakh	1 14 0					
5(2)	IVORY, unmanufactured.. .. .	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>						
	Per cwt. Rs. a. p.						
	Elephants' grinders	350 0 0					
	Elephants' tusks (other than hollows, centres, and points), each exceeding 20 lbs. in weight, and hollows, centres, and points each weighing 10 lbs. and over.	750 0 0					
	Elephants' tusks (other than hollows, centres, and points), not less than 10 lbs. and not exceeding 20 lbs. each, and hollows, centres, and points each weighing less than 10 lbs.	675 0 0					
	Elephants' tusks each less than 10 lbs. (other than hollows, centres, and points).	260 0 0					
	Sea-cow or moye teeth, each not less than 4 lbs.	300 0 0					
	Sea-cow or moye teeth, each not less than 3 lbs. and under 4 lbs.	240 0 0					
	Sea-cow or moye teeth, each less than 3 lbs.	140 0 0					
SECTION II.							
PRODUCTS OF THE VEGETABLE KINGDOM.							
6	PLANTS, LIVING, not otherwise specified ..	....	Free .. .. .	....	....	....	....
6(1)	RUBBER STUMPS .. .. .	....	Free .. .. .	....	....	....	....
7	VEGETABLES, all sorts, fresh, dried, salted or preserved, not otherwise specified.	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	Potatoes and Onions— 5 per cent. <i>ad valorem</i> ; all others 12 per cent. <i>ad valorem</i>.	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, dried skim milk, that is to say, dried milk powder containing not more than 4 per cent. of fat and no added ingredients, is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty
				The United Kingdom.	A British Colony.	Burma	
SECTION II—<i>contd.</i>							
PRODUCTS OF THE VEGETABLE KINGDOM—<i>contd.</i>							
8	FRUITS, all sorts, fresh, or preserved, not otherwise specified.*	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>						
	Almonds—						
	(i) Without shell	Per cwt Rs. a. p.					
	(ii) In the shell—						
	(a) Iranian Kagazi	80 0 0					
	(b) Iranian other than Kagazi	35 0 0					
	Cashew or cajoo kernels, not skinned.	39 0 0					
	Coconuts, Ceylon	Per thousand.					
	Coconuts, other except Maldives.	105 0 0					
	Dates, dry, excluding seedless— Shekra or Shakeria, Sakina and Brami.	Per cwt.					
	Kapkapa, Chharra, Chupchap, Sarki, Sori, Omani and Bhatni.	32 0 0					
	All other qualities	23 0 0					
	Dates, wet, in bags, baskets and bundles.	15 0 0					
	Dates, wet, packed in other receptacles.	13 0 0					
	Figs, dried, Iranian	27 0 0					
	Pistachio nuts	15 0 0					
	Raisins, red, Persian Gulf	130 0 0					
		30 0 0					
8(1)	CURRENTS	Revenue ..	Rs. 1-8 per cwt. ..	....	....	Free ..	....
8(2)	FRUITS, dried (salted and all other kinds) not otherwise specified.	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i>.	....	....
8(3)	FRUITS, candied and crystallised	Protective ..	80 per cent. <i>ad valorem</i>.	....	....	....	December 31st, 1948.
9	COFFEE, not otherwise specified	Preferential revenue.	25 per cent. <i>ad valorem</i> plus one anna per pound plus one-fifth of the total duty.	....	30 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....
9(1)	COFFEE, canned or bottled	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....
9(2)	TEA†	Preferential revenue.	Six annas per pound ..	....	Three and three-fifths annas per pound.	Two and two-fifths annas per pound.	....
9(3)	THE FOLLOWING SPICES, whether ground or unground, namely:—						
	Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper.	Preferential revenue.	54 per cent. <i>ad valorem</i>.	....	45 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>						
	Spices, unground—	Per cwt. Rs. a. p.					
	Cloves, (other exhausted)	58 0 0					
	Nutmegs in the shell	Per lb. Rs. a. p.					
	Nutmegs without shell	2 0 0					
		3 0 0					
9(4)	THE FOLLOWING UNGROUND SPICES, namely:—						
	Chillies, ginger and mace	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	27 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>						
	Mace, unground.. ..	Per lb. Rs. a. p.					
		4 8 0					
9(5)	BETELNUTS	Preferential revenue.	Five annas per pound.	....	Four annas and six pies per pound.	20 per cent. <i>ad valorem</i>.	....
9(6)	VANILLA BEANS	Revenue ..	80 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
10	GRAIN AND PULSE, not otherwise specified, including broken grains and pulse, but excluding flour.	....	Free .. ..	....	....	....	....
10(1)	WHEAT	Revenue ..	Free .. ..	....	....	Free ..	....
11	FLOUR, not otherwise specified	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
11(1)	WHEAT FLOUR	Revenue ..	Free .. ..	....	....	Free ..	....
11(2)	SAGO FLOUR .. ..	....	Free .. ..	....	....	....	....
11(3)	SAGO, TAPIOCA AND TAPIOCA FLOUR	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....
11(4)	STARCH AND FARINA	Revenue ..	18 per cent. <i>ad valorem</i>.	....	....	Free ..	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, now withdrawn and exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, Black Brick tea, the produce of China, when imported at Calcutta from a port in Burma is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION II—<i>concl.</i>							
PRODUCTS OF THE VEGETABLE KINGDOM—<i>concl.</i>							
12	SEEDS, all sorts, not otherwise specified* ..	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
12(1)	OILSEEDS imported into British India by sea from the territories of any Prince or Chief in India.	....	Free .. .. .	....	....	....	....
12(2)	OILSEEDS, non-essential, all sorts not otherwise specified, including copra or coconut kernel.†	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>						
	Poppy seeds	Per cwt. Rs. a. p. 18 4 0					
12(3)	RUBBER SEEDS .. .. .	....	Free .. .. .	....	....	....	....
12(4)	HOPS .. .. .	....	Free .. .. .	....	....	....	....
12(5)	FODDER, BRAN AND POLLARDS	Revenue ..	3 per cent. <i>ad valorem</i>.	....	....	Free ..	....
13	DYEING AND TANNING SUBSTANCES, all sorts, not otherwise specified. ‡	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	Free ..	....
	<i>Tariff values—</i>						
	Cochineal	Per lb. Rs. a. p. 5 0 0					
	Gallnuts	Per cwt. 140 0 0					
13(1)	BARKS FOR TANNING§	Revenue ..	3-3/5 per cent. <i>ad valorem</i>	....	....	Free ..	....
13(2)	CUTCH AND GAMBIR, all sorts	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	5 per cent. <i>ad valorem</i>.	....
13(3)	GUMS, RESINS AND LAC, all sorts not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	Free ..	....
	<i>Tariff values—</i>						
	Gum olibanum or frankincense.	Per cwt. Rs. a. p. 27 0 0					
	Gum Iranian (false)	25 0 0					
	Myrrh, excluding cleaned and sifted Myrrh	72 0 0					
13(4)	GUMS, Arabic, Benjamin (ras and cowrie) and Dammar (including unrefined batu) and rosin.	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	Free ..	....
	<i>Tariff values—</i>						
	Acacia gum, other than ground, including gum Arabic, gum Senegal and gum African but excluding gums cleaned and sifted.	Per cwt. Rs. a. p. 39 0 0					
13(5)	STICK OR SEED LAC .. .. .	....	Free .. .. .	....	....	....	....
13(6)	OPIUM	Revenue ..	Rs. 80 per seer of 80 tolas or 18½ per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	Free ..	....
13(7)	CINCHONA BARK .. .. .	....	Free .. .. .	....	....	....	....
14	CANES AND RATTANS	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
SECTION III.							
FATTY SUBSTANCES, GREASES, OILS AND PRODUCTS OF THEIR DECOMPOSITION; PREPARED ALIMENTARY FATS; WAXES OF ANIMAL OR VEGETABLE ORIGIN.							
15	ALL SORTS OF STEARINE, WAX, GREASE AND ANIMAL FAT, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>						
	Lubricating grease	Per lb. Rs. a. p. 9 3 0					
	Petroleum jelly, white	0 8 6					
	Petroleum jelly, all other sorts.	0 6 0					
	N.B.—The tariff values apply to articles packed in containers of not less than 14 lbs.						
15(1)	LARD, not canned or bottled	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
15(2)	BEE SWAX	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
15(3)	TALLOW .. .. .	....	Free .. .. .	....	....	....	....

* Under Government of India, Finance Department (Revenue Division) Notification No. 5, Customs dated the 15th March 1947, cocoa beans imported into British India are exempt from the payment of the customs duty leviable thereon.

† Under Government of India, Department of Education, Health and Lands (Agriculture), Notification No. F.43-4/45-A, dated the 24th May, 1945 and in exercise of the powers conferred by section 3 of the Indian Coconut Committee Act, 1944 (X of 1944), an additional duty of annas four per cwt. *avoldupois* is levied on all copra consumed in any mill in British India when imported from outside British India.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 1—Customs, dated the 9th March, 1946, tanning extracts required for the tanning industry are exempt from payment of the customs duty leviable thereon.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 17—Customs, dated the 25th August, 1945, barks for tanning are exempt from payment of the customs duty leviable thereon.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION III—<i>concl.</i>							
FATTY SUBSTANCES, GREASES, OILS AND PRODUCTS OF THEIR DECOMPOSITION; PREPARED ALIMENTARY FATS; WAXES OF ANIMAL OR VEGETABLE ORIGIN— <i>concl.</i>							
15(4)	FISH OIL, including whale oil, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
15(5)	FISH OIL AND WHALE OIL, hardened or hydrogenated.	Revenue ..	Rs. 12 per cwt. ..	....	....	Free ..	....
15(6)	VEGETABLE NON-ESSENTIAL OILS, not otherwise specified.	Preferential revenue.	42 per cent. <i>ad valorem</i>.	....	30 per cent. <i>ad valorem</i> .	18 per cent. <i>ad valorem</i>.	....
15(7)	THE FOLLOWING VEGETABLE NON-ESSENTIAL OILS, namely, coconut, groundnut and linseed.*	Preferential revenue.	42 per cent. <i>ad valorem</i>.	....	30 per cent. <i>ad valorem</i> .	18 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>	Per Imperial gallon.					
		Rs. s. p.					
	Linseed oil, raw or boiled ..	5 0 0					
	<i>N.B.</i> —The tariff value applies to articles packed in containers of not less than 14 lbs.						
15(8)	ALL SORTS OF ANIMAL OILS, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
SECTION IV.							
PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO.							
16	CANNED OR BOTTLED BACON, HAM AND LARD	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
16(1)	Fish, canned	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
16(2)	ISINGLASS, canned or bottled	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
17	SUGAR, excluding confectionery	Protective ..	The rate at which excise duty is for the time being leviable on Sugar, other than <i>khandasari</i> or palmyra sugar, produced in British India† plus Rs. 6-12 per cwt. plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on sugar, other than <i>khandasari</i> or palmyra sugar produced in British India.†	March 31st, 1949.
17(1)	MOLASSES	Revenue ..	37½ per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
17(2)	CONFECTIONERY	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
17(3)	SUGAR-CANDY	Revenue ..	Rs. 12-9-3/5 per cwt. . . . .	....	....	Free ..	....
18	COCOA AND CHOCOLATE, other than confectionery.	Protective ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1950.
19	BISCUITS, CAKES, AND FARINACEOUS AND PATENT FOODS, canned or bottled.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
20	VEGETABLE PRODUCT, PICKLES, CHUTNIES, SAUCES, KETCHUPS AND CONDIMENTS, canned or bottled.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>	Per lb.					
		Rs. s. p.					
	Vegetable product (excluding hardened coconut oil).	0 12 0					
20(1)	FRUIT JUICES, SQUASHES, CORDIALS AND SYRUPS—						
	(a) manufactured in a British Colony ..	Protective ..	27 per cent. <i>ad valorem</i>.	....	....	....	December 31st, 1948.
	(b) not manufactured in a British Colony..	Protective ..	40 per cent. <i>ad valorem</i>.	....	....	....	December 31st, 1948.
20(2)	VEGETABLES, canned or bottled.	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....
20(3)	FRUITS, CANNED OR BOTTLED—						
	(a) manufactured in a British Colony ..	Protective ..	40 per cent. <i>ad valorem</i>.	....	....	....	December 31st, 1948.
	(b) not manufactured in a British Colony..	Protective ..	60 per cent. <i>ad valorem</i>.	....	....	....	December 31st, 1948.
20(4)	JAMS, JELLIES AND MARMALADES, canned or bottled.	Protective ..	30 per cent. <i>ad valorem</i>.	....	....	....	December 31st, 1948.
21	CANNED OR BOTTLED PROVISIONS, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 83, dated the 22nd June, 1935, the duty leviable on linseed oil at the standard rate is 30 per cent. *ad valorem*.

† The rate of excise duty on the 1st January, 1948, and until further notice, on sugar, other than *khandasari* or palmyra sugar, produced in any factory in British India and either issued out of, or used within, such factory is Rs. 8 per cwt. The rate of excise duty on *khandasari* sugar produced in any factory in British India and issued out of such factory is eight annas per cwt.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION IV—<i>contd.</i>							
PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO— <i>contd.</i>							
21(1)	PROVISIONS AND OILMAN'S STORES AND GROCERIES, all sorts not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>						
	Cocum						
	Vegetable product (excluding hardened coconut oil), not canned or bottled.						
21(2)	ALL SORTS OF FOOD not otherwise specified..	Revenue	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
22	ALL SORTS OF DRINK not otherwise specified..	Revenue	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
*22(1)	.....	....	....	....	....	....	....
22(2)	ALE, BEER, PORTER, CIDER AND OTHER FERMENTED LIQUORS—						
	(a) In barrels or other containers containing 27 ozs. or more.	Revenue	Rs. 12 per Imperial gallon.	....	....	The rate at which excise duty is leviable at the place of importation plus one-fifth of the total duty.	....
	(b) In bottles containing less than 27 ozs. but not less than 20 ozs.	Revenue	Three annas per bottle	....	....		....
	(c) In bottles containing less than 13½ ozs. but not less than 10 ozs.	Revenue	One anna and six pies per bottle.	....	....		....
	(d) In bottles containing less than 6½ ozs. but not less than 5 ozs.	Revenue	Nine pies per bottle ..	....	....		....
	(e) In other containers †	Revenue	Rs. 1-8 per Imperial gallon.	....	....		....
22(8)	WINES, not containing more than 42 per cent. of proof spirit—						
	(a) Champagne and other sparkling wines.	Revenue	Rs. 19-11 per Imperial gallon.	....	....	The rate at which excise duty is leviable at the place of importation plus one-half of the total duty.	....
	(b) Other sorts	Revenue	Rs. 11-4 per Imperial gallon.	....	....		....
22(4)	SPIRITS (other than denatured spirit)—						
	(a) Brandy, gin, whisky and other sorts of spirits not otherwise specified, including wines containing more than 42 per cent. of proof spirit.	Revenue	Rs. 56-4 per Imperial gallon of the strength of London proof.	....	....	The rate at which excise duty is leviable at the place of importation plus one-half of the total duty.	....
	(b) Liqueurs, cordials, mixtures and other preparations containing spirit not otherwise specified—						
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Revenue	Rs. 75 per Imperial gallon.	....	....		....
	(ii) not so entered	Revenue	Rs. 56-4 per Imperial gallon of the strength of London proof.	....	....		....
	PROVIDED THAT—						
	(a) the duty on any article included in this item shall in no case be less than the duty which would be charged if the article were liable to a duty of 87½ per cent. <i>ad valorem</i> ;						
	(b) where the unit of assessment is the Imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.						
22(5)	SPIRITS—						
	(a) Bitters—						
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Preferential revenue.	Rs. 75 per Imperial gallon.	....	Rs. 67-8 per Imperial gallon.	The rate at which excise duty is leviable at the place of importation plus one-half of the total duty.	....
	(ii) not so entered	Preferential revenue.	Rs. 56-4 per Imperial gallon of the strength of London proof.	....	Rs. 50-10 per Imperial gallon of the strength of London proof.		....

* There is no entry bearing Item No. 22(1).

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, ale and beer in containers other than bottles are exempt from so much of the duty as is in excess of the duty that would have been leviable if such containers were bottles.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION IV—<i>concl.</i>							
PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO— <i>concl.</i>							
	(b) Drugs and medicines containing spirit—* (i) entered in such a manner as to indicate that the strength is not to be tested.	Preferential revenue.	Rs. 48 per Imperial gallon.	Rs. 48-3½ per Imperial gallon.	Rs. 43-3½ per Imperial gallon.	.....	.....
	(ii) not so entered	Preferential revenue.	Rs. 34-12½ per Imperial gallon of the strength of London proof.	Rs. 31-3½ per Imperial gallon of the strength of London proof.	Rs. 31-8½ per Imperial gallon of the strength of London proof.	.....	.....
	(c) Perfumed spirits	Revenue ..	Rs. 60 per Imperial gallon or 25 per cent. <i>ad valorem</i> whichever is higher plus one-half of the total duty.	.....	.....	.....	.....
	(d) Rum	Preferential revenue.	Rs. 56-4 per Imperial gallon of the strength of London proof.	.....	Rs. 50-10 per Imperial gallon of the strength of London proof.	.....	.....
PROVIDED THAT—							
	(a) on any article chargeable under this item with the lower rate of duty, the duty levied shall in no case be less than 30 per cent. <i>ad valorem</i> , and on any article chargeable under this item with the higher rate of duty, the duty levied shall in no case be less than 45 per cent. <i>ad valorem</i> ;						
	(b) where the unit of assessment is the Imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.						
22(6)	DENATURED SPIRIT	Revenue ..	11½ per cent. <i>ad valorem</i>.	.....	.....	Free ..	.....
22(7)	VINEGAR IN CASKS	Revenue ..	3 per cent. <i>ad valorem</i>.	.....	.....	Free ..	.....
23	OILCAKES	Revenue ..	30 per cent. <i>ad valorem</i>.	.....	.....	12 per cent. <i>ad valorem</i>.	.....
24	TOBACCO, manufactured, not otherwise specified.	Revenue ..	Rs. 13 per lb. ..	.....	.....	.....	.....
24(1)	CIGARS	Revenue ..	The rate at which duty is for the time being leviable on articles included in Item No. 87 read with any other enactment in force plus Rs. 12-8 per lb.	.....	.....	10 per cent. <i>ad valorem</i>.	.....
24(2)	CIGARETTES	Revenue ..	The rate at which duty is for the time being leviable on articles included in Item No. 87 read with any other enactment in force plus Rs. 31/4/- per thousand or Rs. 12/8/- per lb. whichever is higher.	.....	.....	.....	.....
24(8)	TOBACCO, unmanufactured†	Preferential revenue.	Rs. 7-8 per lb. ..	.....	Rs. 7 per lb.	10 per cent. <i>ad valorem</i>.	.....
SECTION V.							
MINERAL PRODUCTS.							
25	CHINA CLAY .. .. .	.....	Free .. .. .	.....	.....	.....	.....
25(1)	SALT, excluding salt exempted under item No. 25 (2).	Revenue ..	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place.‡	.....	.....	.....	.....
25(2)	SALT IMPORTED INTO BRITISH INDIA AND ISSUED, in accordance with rules made with the previous sanction of the Central Government for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Central Government to manufacturers of glazed stoneware; also salt imported into any port in the provinces of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Central Government for use in curing fish in those provinces.	.....	Free .. .. .	.....	.....	.....	.....
25(3)	THE FOLLOWING BUILDING AND ENGINEERING MATERIALS, namely, chalk, lime and clay.	Revenue ..	30 per cent. <i>ad valorem</i>.	.....	.....	12 per cent. <i>ad valorem</i>.	.....

* If the duty is levied under proviso (a) to Item No. 22(5), the alternative *ad valorem* rates should be 24 per cent. and 36 per cent., respectively.

† Under the Government of India, Finance Department (Revenue Division), Notification No. 24, Customs dated the 14th December, 1946, tobacco imported by sea into British India from the Kalat State is exempt from payment of the Customs duty leviable thereon.

‡ Under the Government of India, Finance Department (Revenue Division) Notification No. 1, Customs, dated the 28th February, 1947, salt specified in this item and imported by sea into British India is exempt from the Customs duty leviable thereon.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION V—<i>concl'd.</i>							
MINERAL PRODUCTS—<i>concl'd.</i>							
25(4)	CEMENT not otherwise specified	Preferential revenue	36 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	....	12 per cent. <i>ad valorem.</i>	....
25(5)	PORTLAND CEMENT excluding white Portland cement.	Revenue	Rs. 16-8 per ton.	....	....	12 per cent. <i>ad valorem.</i>	....
25(6)	STONE prepared as for road metalling ..	....	Free .. ..	....	....	....	....
25(7)	MARBLE AND STONE not otherwise specified*..	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
26	METALLIC ORES, all sorts except ochres and other pigment ores.	....	Free .. ..	....	....	....	....
27	COAL, COKE AND PATENT FUEL	Revenue	Twelve annas per ton..	....	....	Free ..	....
27(1)	ASPHALT	Preferential revenue.	30 per cent. <i>ad valorem</i>	....	18 per cent. <i>ad valorem.</i>	6 per cent. <i>ad valorem.</i>	....
27(2)	PITCH AND TAR	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
	<i>Tariff value—</i> Coalpitch	Per cwt. Rs. a. p. 8 8 0					
27(3)	ALL SORTS OF MINERAL OILS not otherwise specified.**	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
	<i>Tariff values—</i> Mineral Colza oil Transformer oil, including transil and switch oil, other than that assessed to duty under the proviso to Item No. 72(3) of the First Schedule of the Indian Tariff Act, 1934.	Per Imperial gallon. Rs. a. p. 2 4 0 3 2 0					
27(4)	KEROSENE † also any mineral oil other than kerosene and motor spirit which has its flashing point below one hundred degrees of Fahrenheit's thermometer by Abel's close test.	Revenue	Three annas per Imperial gallon.	....	....	Kerosene— 2 annas and 3 pies per Imperial gallon.‡	....
27(5)	MINERAL OIL, not included in item No. 27(4) or Item No. 27(6) which is suitable for use as an illuminant in wick lamps.	Revenue	Three annas per Imperial gallon.	....	....	....	....
27(6)	MOTOR SPIRIT††	Revenue	The rate at which excise duty is for the time being leviable on motor spirit.	....	....	....	....
27(7)	MINERAL OIL— (a) which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer, and is ordinarily used for the batching of jute or other fibre; (b) which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, is not suitable for use as an illuminant in wick lamps, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purposes.	Revenue	Rs. 18-12 per ton ..	....	....	Free ..	....
	<i>Tariff value—</i> Diesel oil Furnace oil	Per ton. Rs. a. p. 100 0 0 55 0 0					
27(8)	LUBRICATING OIL, that is, oil such as is not ordinarily used for any other purpose than lubrication, excluding any mineral oil which has its flashing point below two hundred degrees of the Fahrenheit thermometer by Abel's close test.	Revenue	Two annas and six pies per Imperial gallon.	....	....	Free ..	....
SECTION VI.							
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS.							
	CHEMICALS, DRUGS AND MEDICINES, all sorts not otherwise specified.† § ¶ || ††	Preferential revenue.	36 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	12 per cent. <i>ad valorem.</i>	....
	<i>Tariff values—</i> Alkali, Indian (sajil-khar) .. Ammonium carbonate or bicarbonate.	Per cwt. Rs. a. p. 14 0 0 34 0 0					

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, sandstone is exempt from payment of import duty.

** Under Government of India, Finance Department (Central Revenues), Notification No. 1-Customs, dated the 9th March, 1948, as amended subsequently, mineral oils for the manufacture of insecticides are exempt from payment of the customs duty leviable thereon.

† The rate of excise duty on the 1st January, 1948, and until further notice, on all kerosene produced in a manufactory in British India is the rate at which customs duty is for the time being leviable under the Indian Tariff Act, 1934, read with any other enactment for the time being in force.

†† The rate of excise duty on the 1st January, 1948, and until further notice, on all motor spirit produced in a manufactory in British India is 12 annas per Imperial gallon.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently calcium acetate, radium salts and cryolite are exempt from payment of import duty.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 32, dated the 16th May, 1942 Ipecacuanha root ergot of rye and cascara sagrada are exempt from payment of import duty.

|| Under Government of India, Finance Department (Central Revenues), Notification No. 11-Customs, dated the 8th May, 1943, aluminium fluoride is exempt from payment of import duty.

¶ Under Government of India, Finance Department (Central Revenues), Notification No. 23-Customs, dated the 25th September, 1943, Mepacrine Hydrochloride is exempt from payment of import duty.

||| Under Government of India, Finance Department (Revenue Division), Notification No. 7-Customs, dated the 6th July, 1946, as subsequently amended Paludrine or its salt, Paludrine hydrochloride, in the form of powder or tablets are exempt from the Customs duty leviable thereon.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 39-Customs, dated the 7th June, 1941, as amended subsequently, kerosene, which is the produce or manufacture of Burma, is exempt from so much of the customs duty leviable thereon as exceeds two annas and three pies per Imperial gallon.

SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma	
SECTION VI—contd.							
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS—contd.							
	Per cwt. Rs. a. p.						
	Ammonium chloride—						
	Muriate of ammonia, crystalline, excluding rice grain crystals.						
	Salammoniac, sublimed ..	34 0 0					
	Other sorts, including compressed.	36 0 0					
	Per lb.						
	Carbonic acid gas including compressed or liquefied gas.	0 8 0					
	Chlorine	0 8 0					
	Per cwt.						
	Copper sulphate	86 0 0					
	Soda, caustic, flake, petal or powder.	20 0 0					
	Soda, caustic, solid	18 0 0					
	Sodium hydrosulphite	70 0 0					
	Sodium sulphide	21 0 0					
	<i>N.B.</i> —The tariff values apply to articles packed in containers of not less than 14 lbs.						
28(1)	BLEACHING PASTE AND BLEACHING POWDER..	.....	Free .. .. .	.....	.....	.....	.....
23(2)	COPPERAS, green (ferrous sulphate)	Revenue ..	3 per cent. <i>ad valorem</i>..	.....	.....	Free ..	.....
23(3)	SULPHUR .. .. .	.....	Free .. .. .	.....	.....	.....	.....
28(4)	SODA ASH, including calcined natural soda and manufactured sesqui-carbonates.	Preferential revenue.	30 per cent. <i>ad valorem</i>.	.....	18 per cent. <i>ad valorem</i> .	6 per cent. <i>ad valorem</i>.	.....
	Tariff value—	Per cwt. Rs. a. p.					
	Soda ash in bags including calcined natural soda and manufactured sesqui-carbonates.	8 0 0					
	<i>N.B.</i> —The tariff value applies to articles packed in containers of not less than 14 lbs.						
28(5)	HEAVY CHEMICALS, the following, namely:—						
	Magnesium chloride	Protective ..	Twelve annas per cwt. or 25 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....	12 per cent. <i>ad valorem</i> .	March 31st, 1949
28(6)	THE FOLLOWING CHEMICALS, namely:—						
	(a) Alum (ammonia alum, potash alum and soda alum).	Revenue ..	25 per cent. <i>ad valorem</i> , or Re. 1-6 per cwt., whichever is higher plus one-fifth of the total duty.	.....	.....	12 per cent. <i>ad valorem</i>.	.....
	(b) Magnesium sulphate or hydrated magnesium sulphate.	Revenue ..	25 per cent. <i>ad valorem</i> , or Re. 1-4 per cwt., whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
28(7)	THE FOLLOWING CHEMICALS, namely, cadmium sulphide, cobalt oxide, liquid gold for glass making, selenium, and uranium oxide.	Revenue ..	30 per cent. <i>ad valorem</i>.	.....	.....	12 per cent. <i>ad valorem</i>.	.....
28(8)	THE FOLLOWING CHEMICALS, DRUGS AND MEDICINES, namely, acetic, carbolic, citric, hydrochloric, nitric, oxalic, sulphuric, tartaric and other acids, anhydrous ammonia, naphthalene, potassium chlorate, potassium cyanide and other potassium compounds, bicarbonate of soda, borax, sodium cyanide, sodium silicate, arsenic, calcium carbide, glycerine, lead, magnesium and zinc compounds not otherwise specified, aloes, asafoetida, cocaine, sarsaparilla and storax.	Revenue ..	50 per cent. <i>ad valorem</i>.	.....	.....	12 per cent. <i>ad valorem</i>.	.....
	Tariff values—	Per lb. Rs. a. p.					
	Acetic acid	0 10 0					
	Ammonia gas, anhydrous, including compressed or liquefied gas.	1 1 0					
	Per cwt.						
	Borax, granular, powdered or crystalline.	24 0 0					
	Boric acid	42 0 0					
	Sodium bicarbonate	11 0 0					
	Sodium silicate (in liquid form).	13 0 0					
	Asafoetida, coarse (hingra) ..	150 0 0					
	<i>N.B.</i> —The tariff values apply to articles packed in containers of not less than 14 lbs.						
28(9)	SACCHARINE (except in tablets) and such other substances as the Central Government may, by notification in the <i>Official Gazette</i> , declare to be of a like nature or use to saccharine.	Revenue ..	Rs. 7-8 per lb. ..	.....	.....	Free	.....

SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION VI—contd.							
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS—contd.							
28(10)	SACCHARINE TABLETS	Revenue ..	18½ per cent. <i>ad valorem</i> or Rs. 6-4 per pound of saccharine contents, whichever is higher plus one-fifth of the total duty.	....	....	Free ..	....
28(11)	ALKALOIDS OF OPIUM AND THEIR DERIVATIVES	Revenue ..	Rs. 30 per seer of 80 tois or 18½ per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	Free ..	....
28(12)	ALKALOIDS EXTRACTED FROM CINCHONA BARK including Quinine and alkaloids derived from other sources which are chemically identical with alkaloids extracted from Cinchona Bark.	....	Free .. .. .	....	....	....	....
28(13)	ANTI-PLAGUE SERUM .. .. .	....	Free .. .. .	....	....	....	....
28(14)	TOILET REQUISITES, not otherwise specified ..	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
28(15)	CALCIUM CHLORIDE— (a) of British manufacture (b) not of British manufacture Provided that calcium chloride manufactured in a British Colony shall be deemed to be of British Manufacture.	Protective .. Protective ..	Rs. 3-4-0 per cwt. .. Rs. 4-14-0 per cwt.	....	....	....	31-3-1949 31-3-1949
28(16)	PHOSPHORIC ACID	Protective ..	Rs. 23-0-0 per cwt.	....	....	....	31-3-1949
28(17)	POTASSIUM BICHROMATE, SODIUM BICHROMATE and all CHROME Compounds ..	Protective ..	30 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949
28(18)	The following SODIUM compounds, namely:— (a) Sodium phosphates— (i) of British manufacture (ii) not of British manufacture (b) Sodium sulphite and Sodium bisulphite— (i) of British manufacture (ii) not of British manufacture (c) Sodium thiosulphate— (i) of British manufacture (ii) not of British manufacture Provided that the articles dutiable under this item manufactured in a British Colony shall be deemed to be of British manufacture.	Protective .. Protective .. Protective .. Protective .. Protective .. Protective ..	Rs. 7-6-0 per cwt. .. Rs. 11-0-0 per cwt. .. Rs. 8-0-0 per cwt. .. Rs. 12-0-0 per cwt. .. Rs. 5-0-0 per cwt. .. Rs. 7-8-0 per cwt. ..	....	....	....	31-3-1949 31-3-1949 31-3-1950 31-3-1950 31-3-1950 31-3-1950
29	CINEMATOGRAPH FILMS, not exposed	Revenue ..	Three pies per linear foot	....	....	5 per cent. <i>ad valorem</i>.	....
29(1)	CINEMATOGRAPH FILMS, exposed	Revenue ..	Four annas per linear foot.	....	....	20 per cent. <i>ad valorem</i>.	....
30	PAINTS, COLOURS AND PAINTERS' MATERIALS, all sorts not otherwise specified, including paints, solutions and compositions containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1934. <i>Tariff value—</i> Per cwt. Rs. s. p. Cuttle fish bone 17 0 0	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i>.	....	12 per cent. <i>ad valorem</i>.	....
30(1)	DYES DERIVED FROM COAL-TAR, AND COAL-TAR DERIVATIVES, used in any dyeing process. <i>Tariff values—</i> Per cwt. Rs. s. p. Alizarine, moist— (a) not exceeding 16 per cent. 200 0 0 (b) Over 16 per cent. not exceeding 20 per cent. 225 0 0 (c) exceeding 20 per cent. 450 0 0 Alizarine, dry— (a) not exceeding 40 per cent. 5 8 0 (b) exceeding 40 per cent. 10 8 0 Congo red 4 0 0 Coupling dyes of the naphthol group— (a) Naphthols 12 0 0 (b) Rapid fast colours (rapid salts). 16 0 0 (c) Bases 11 0 0 (d) Other salts 6 0 0 Vats— (a) Indigo (i.e., pure indigo in its various concentrations). 4 8 0 (b) Indigo solubilised including Indigosol O and Soledon Indigo LLs. 18 0 0 (c) Carbazole blue 12 0 0	Revenue ..	12 per cent. <i>ad valorem</i>.	....	....	Free ..	....

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma	
	SECTION VI—<i>contd.</i>						
	CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS—<i>contd.</i>						
	Vats— <i>contd.</i>						
	(d) Solubilized and stable Vat dyes such as Indigosols, Sole-dons and similar products, excluding those falling under group (b) above.		Per lb. Rs. a. p. 50 0 0				
	(e) Other sorts—					12 per cent. <i>ad valorem.</i>	
	(i) Paste	12 0 0					
	(ii) Powder	38 0 0					
	Sulphur black	1 12 0					
	Metanil yellow	3 0 0					
	Aniline oil	1 12 0					
	Aniline salts	1 12 0					
	All others	5 0 0					
30(2)	PAINTS, COLOURS AND PAINTERS' MATERIALS, the following, namely:—						
	(a) Red lead, genuine dry, genuine moist and reduced moist.	Preferential revenue.	30 per cent. <i>ad valorem</i> , or Rs. 4-12 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem.</i>			
	(b) White lead, genuine dry	Preferential revenue.	30 per cent. <i>ad valorem</i> , or Rs. 5-12 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem.</i>			
	(c) Zinc white, genuine dry	Preferential revenue.	30 per cent. <i>ad valorem</i> , or Rs. 6 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem.</i>			
	(d) Paints, other sorts, coloured, moist—						
	(i) in packing of 1 lb. or over	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 8-8 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem.</i>			
	(ii) in packing of $\frac{1}{2}$ lb. and over but less than 1 lb.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 11-4 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem.</i>			
	(iii) in packing of $\frac{1}{4}$ lb. and over but less than $\frac{1}{2}$ lb.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 17 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem.</i>			
	(iv) in packing of less than $\frac{1}{4}$ lb.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 24 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem.</i>			
30(8)	PAINTS, COLOURS AND PAINTERS' MATERIALS, the following, namely:—						
	(a) Red lead, reduced dry	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 4-12 per cwt., whichever is higher plus one-fifth of the total duty.			12 per cent. <i>ad valorem.</i>	
	(b) White lead, genuine moist, and reduced dry or moist.	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 5-12 per cwt., whichever is higher plus one-fifth of the total duty.				
	(c) Zinc white, genuine moist	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 6 per cwt., whichever is higher plus one-fifth of the total duty.				
	(d) Zinc white, reduced dry or moist	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 4-4 per cwt., whichever is higher plus one-fifth of the total duty.				
30(4)	THE FOLLOWING PAINTS, COLOURS AND PAINTERS' MATERIALS, namely, barytes, turpentine, turpentine substitute, and varnish not containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1934.	Revenue ..	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
30(5)	PLUMBAGO AND GRAPHITE	Preferential revenue.	36 per cent. <i>ad valorem.</i>		24 per cent. <i>ad valorem.</i>	12 per cent. <i>ad valorem.</i>	
30(6)	PRINTER'S INK	Revenue ..	12 per cent. <i>ad valorem.</i>			Free	
30(7)	LEAD PENCILS	Revenue ..	25 per cent. <i>ad valorem</i> or one anna per dozen, whichever is higher plus one-fifth of the total duty.			12 per cent. <i>ad valorem.</i>	
30(8)	SLATE PENCILS	Revenue ..	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of preferential rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION VI—<i>contd.</i>							
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS— <i>contd.</i>							
30(9)	ABRASIVE PAPERS and rolls, coils, discs, belts, shapes and tapes, made of abrasive paper, when imported as stores apart from machinery—						
	(a) of British manufacture	Protective ..	24 per cent. <i>ad valorem</i>	....	....	....	31-3-1949.
	(b) not of British manufacture	Protective ..	36 per cent. <i>ad valorem</i>	....	....	....	31-3-1949.
30(10)	EMERY CLOTH and abrasive rolls, coils, discs, belts, shapes and tapes made of emery cloth or a combination of emery cloth and paper when imported as stores apart from machinery	Protective ..	30 per cent. <i>ad valorem</i>	....	....	....	31-3-1949.
31	NATURAL ESSENTIAL OILS, all sorts not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
31(1)	THE FOLLOWING NATURAL ESSENTIAL OILS, namely, citronella, cinnamon, and cinnamon leaf.	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>	....
	<i>Tariff value—</i> Per lb. Rs. a. p. Citronella oil, natural, from 6 0 0 the Far East.						
	<i>N.B.</i> —The tariff value applies to articles packed in containers of not less than 14 lbs.						
31(2)	THE FOLLOWING NATURAL ESSENTIAL OILS, namely, almond, bergamot, gajupatti, camphor, cloves, eucalyptus, lavender, lemon, otrose and peppermint.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
31(3)	ESSENTIAL OILS, synthetic	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
31(4)	CAMPHOR	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
31(5)	PERFUMERY not otherwise specified	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i> Per cwt. Rs. a. p. Rose-flowers, dried 50 0 0						
32	SOAP, not otherwise specified	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
32(1)	SOAP, Toilet	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 20 per cwt., whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i>.	....
32(2)	SOAP, household and laundry—						
	(a) in plain bars of not less than one pound in weight.	Revenue ..	Rs. 4-12½ per cwt. ..	....	....	Re. 1-12½ per cwt.	....
	(b) other sorts	Revenue ..	Rs. 7-12½ per cwt. ..	....	....	....	....
32(8)	POLISHES AND COMPOSITIONS	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
32(4)	CANDLES	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
33	GLUE, not otherwise specified	Revenue ..	80 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
33(1)	GLUE, clarified, liquid	Revenue ..	12 per cent. <i>ad valorem</i>.	....	....	Free	....
34	GUNPOWDER FOR CANNONS, RIFLES, GUNS, PISTOLS AND SPORTING PURPOSES.	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
34(1)	EXPLOSIVES, namely, blasting gunpowder, blasting gelatine, blasting dynamite, blasting roburite, blasting tonite, and all other sorts, including detonators and blasting fuse.*	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
34(2)	FIREWORKS, specially prepared as danger or distress lights for the use of ships.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
34(8)	FIREWORKS, not otherwise specified†	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
34(4)	MATCHES, undipped splints and veneers—						
	(a) Matches—						
	(1) In boxes or booklets containing on an average not more than 40 matches.	Protective ..	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus ten annas per gross of boxes or booklets plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India.‡	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, explosives specially adapted for use in coal mines and included in the list of "Permitted Explosives" issued by the Chief Inspector of Mines in India under the Indian Coal Mines Regulations, 1926, and in force for the time being are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, fireworks specially designed for the use of aircraft are liable to duty at 30 per cent. *ad valorem*.

‡ For the rates of excise duty on the 1st January, 1948, and until further notice, see page 295.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION VI—<i>concl.</i>							
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS— <i>concl.</i>							
	(2) In boxes or booklets containing on an average more than 40 but not more than 60 matches.	Protective ..	The rate at which excise duty is for the time being leviable on such matches manufactured in British India*† plus fifteen annas per gross of boxes or booklets plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India.*†	....
	(3) In boxes or booklets containing on an average more than 60 but not more than 80 matches.	Protective ..	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus Re. 1-4 per gross of boxes or booklets plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India.‡	....
	(4) All other matches	Protective ..	The rate at which excise duty is for the time being leviable on such matches manufactured in British India§ plus one pie for every 48 matches or fraction thereof plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India.§	....
	(b) Undipped splints such as are ordinarily used for match-making.	Protective ..	Six annas and nine pies per lb.	....	....	12 per cent. <i>ad valorem.</i>	....
	(c) Veneers such as are ordinarily used for making boxes, including boxes and parts of boxes made of such veneers.	Protective ..	Nine annas per lb.	....	....	12 per cent. <i>ad valorem.</i>	....
35	MANURES, all sorts, including animal bones and the following chemical manures:—Basic slag, nitrate of ammonia, nitrate of soda, muriate of potash, sulphate of ammonia, sulphate of potash, kainit salts, carbolime, urea, nitrate of lime, calcium cyanamide, ammonium phosphates, mineral phosphates and mineral superphosphates.	....	Free .. .. .	....	....	....	....
SECTION VII.							
HIDES, SKINS, LEATHER, FUR SKINS, AND MANUFACTURES OF THESE MATERIALS.							
36	HIDES AND SKINS not otherwise specified ..	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
36(1)	HIDES AND SKINS, raw or salted .. ..	....	Free .. .. .	....	....	....	....
36(2)	SKINS (other than Fur Skins), tanned or dressed, and unwrought leather.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
37	THE FOLLOWING LEATHER MANUFACTURES, namely, saddlery, harness, trunks and bags.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
37(1)	LEATHER CLOTH INCLUDING ARTIFICIAL LEATHER, and other manufactures of leather not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
38	FUR SKINS, dressed	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
SECTION VIII.							
RUBBER AND ARTICLES MADE OF RUBBER.							
39	RUBBER, raw .. .. .	....	Free .. .. .	....	....	....	....
39(1)	RUBBER TYRES AND TUBES AND OTHER MANUFACTURES OF RUBBER, not otherwise specified, excluding apparel and boots and shoes.††	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....

* For the rate of excise duty on the 1st January, 1948, and until further notice, see page 295. But under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, matches in boxes or booklets containing on an average more than 40 but not more than 50 matches are liable to duty at the rate equivalent to the excise duty leviable on such matches plus 12 annas and 6 pies per gross of boxes or booklets, exclusive of the additional duty (leviable under the Indian Finance Act, 1944) of one-fifth of the total duty.

† Under Government of India, Finance Department (Revenue Division), Notifications Nos. 4-Central Excises and 5-Central Excises, dated the 11th and 13th May, 1946, respectively, the rates of excise only, with effect from the 1st August, 1946, on matches in containers containing on an average fifty matches shall be as noted below:—

I. When manufactured in a factory whose daily output exceeds 100 gross of containers Rs. 1-12-0 per gross of containers.

II. When manufactured in a factory whose daily output does not exceed 100 gross of containers Rs. 1-11-3 per gross of containers.

†† Under Government of India, Finance Department (Central Revenues), Notification No. 36, dated the 27th June, 1942 rubber scrap including unserviceable rubber tyres is exempt from payment of import duty.

‡ For the rates of excise duty on the 1st January, 1948 and until further notice, see page 295.

§ Under Government of India, Finance Department (Revenue Division), Notifications Nos. 4-Central Excises and 5-Central Excises, dated the 11th and 13th May, 1946, respectively, the rates of excise duty, effective from the 1st August, 1946, shall be 8 annas for every 1,440 matches or part thereof, when manufactured in a factory whose daily output exceeds 100 gross of containers, and 7 annas and 9 pies for every 1,440 matches or part thereof, when manufactured in a factory whose daily output does not exceed 100 gross of containers.

SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION IX.							
WOOD AND CORK AND WARES OF THESE MATERIALS; GOODS MADE OF PLAINTING MATERIALS.							
40	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.*	Revenue	30 per cent. <i>ad valorem</i>.	....	....	Free	....
40(1)	FIREWOOD	Revenue	3 per cent. <i>ad valorem</i>.	....	....	Free	....
40(2)	FURNITURE AND CABINETWARE, not otherwise specified, excluding mouldings.	Revenue	30 per cent. <i>ad valorem</i>.	....	....	Free	....
40(3)	TEA CHESTS AND PARTS AND FITTINGS thereof	Revenue	30 per cent. <i>ad valorem</i>.	....	....	Free	....
41	CORK MANUFACTURES not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
42	FURNITURE OF WICKERWORK OR BAMBOO	Revenue	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
SECTION X.							
PAPER AND ITS APPLICATIONS.							
43	WOOD PULP	Revenue	18 per cent. <i>ad valorem</i>.	....	....	....	....
44	PAPER, all sorts, not otherwise specified †	Revenue	30 per cent. <i>ad valorem</i>.	....	....	....	....
44(1)‡	....	....	....	....	....	....	....
44(2)‡	....	....	....	....	....	....	....
44(3)‡	....	....	....	....	....	....	....
44(4)	PASTEBOARD, MILLBOARD, CARDBOARD AND STRAWBOARD, all sorts.	Revenue	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
44(5)	TRADE CATALOGUES AND ADVERTISING CIRCULARS imported by packet, book or parcel post.	....	Free	....	....	....	....
44(6)	PAPER MONEY	....	Free	....	....	....	....
44(7)	NEWSPAPERS, OLD, in bales and bags	Revenue	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
45	ARTICLES MADE OF PAPER AND PAPIER MACHE; Stationery including drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter and other cards, including cards in booklet forms; including also waste paper. §	Revenue	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
45(1)	BOOKS, printed, including covers for printed books, maps, charts and plans, proofs, music manuscripts, and illustrations specially made for binding in books.	....	Free	....	....	....	....
45(2)	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards) on paper or cardboard. ||	Revenue	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
SECTION XI.							
TEXTILE MATERIALS AND TEXTILE GOODS.							
46	SILK, RAW (excluding silk waste and noils), and silk cocoons.	Protective	25 per cent. <i>ad valorem</i> plus 14 annas per lb. plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1949.
46(1)	SILK, WASTE AND NOILS	Protective	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1949.
46(2)	WOOL, RAW, AND WOOLTOPS	....	Free	....	....	....	....
46(3)	COTTON, RAW ¶	Revenue	Two annas per lb.	....	....	Free	....
46(4)	TEXTILE MATERIALS, the following:— Raw flax, hemp, jute and all other unmanufactured textile materials not otherwise specified. §	Revenue	Raw hemp—22½ per cent. <i>ad valorem</i> ; all others—30 per cent. <i>ad valorem</i>.	....	....	Raw hemp—free; all others 12 per cent. <i>ad valorem</i>.	....
46(5)	SISAL AND ALOE FIBRE	Preferential revenue	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....
47	SILK YARN including thrown silk warps and yarn spun from silk waste or noils, but excluding sewing thread. §§	Protective	25 per cent. <i>ad valorem</i> plus 14 annas per lb. plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1949.

* Under Government of India, Finance Department (Central Revenues), Notification No. 1-Customs, dated the 9th March, 1946, as amended subsequently, wood for the manufacture of shuttles and bobbins, and wood for the manufacture of pencils are exempt from payment of the customs duty leviable thereon.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, the following classes of printing paper containing mechanical wood pulp amounting to not less than 70 per cent. of the fibre content are exempt from payment of so much of the import duty as is in excess of the amount mentioned against each:—(i) newsprint in reels, unglazed—Re. 1-12½ per cwt., (ii) newsprint in reels other sorts—Rs. 2-12½ per cwt., and (iii) all sorts not in reels (excluding chrome, marble, flint, poster, stereo and art paper) white or grey—Rs. 2-6½ per cwt.

‡ There are no entries bearing Item Nos. 44(1), 44(2) and 44(3).

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, posters, pamphlets and other printed material intended for tourist propaganda purposes, provided they are issued by or under the auspices of the Governments of the countries, being countries outside India, within which travel is to be stimulated and are not primarily intended to advertise the services of any private tourist agency, are exempt from payment of import duty.

|| Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, wall pictures and diagrams such as are ordinarily used for instructional purposes are exempt from payment of import duty.

¶ Under Government of India, Finance Department (Central Revenues), Notification No. 3-Camp-Customs, dated the 23rd February, 1946, cotton, grown in the States of Las Bela and Kalat and imported therefrom by sea into British India is exempt from payment of the customs duty leviable thereon.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 1-Customs, dated the 9th March, 1946, Manilla hemp, raw, is exempt from payment of the customs duty leviable thereon.

§§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, noil yarn is exempt from so much of the duty as is in excess of 30 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XI—<i>contd.</i>							
TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i>							
47(1)	SILK SEWING THREAD	Protective ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1949.
47(2)	ARTIFICIAL SILK YARN AND THREAD ..	Revenue ..	25 per cent. <i>ad valorem</i> or 5 annas per lb., whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i>.	....
47(3)	WOOLLEN YARN, not otherwise specified ..	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
47(4)	WOOLLEN YARN for weaving and knitting wool	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
47(5)	COTTON THREAD, other than sewing or darning thread.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
47(6)	COTTON TWIST AND YARN, and cotton sewing or darning thread*—					Free	
	(a) of counts above 50's—						
	(i) of British manufacture ..	Revenue ..	6 per cent. <i>ad valorem</i> ..	....	....		....
	(ii) not of British manufacture ..	Revenue ..	7½ per cent. <i>ad valorem</i>.	....	....		....
	(b) of counts 50's and below—						
	(i) of British manufacture ..	Revenue ..	5 per cent. <i>ad valorem</i> or 1½ annas per lb., whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture ..	Revenue ..	6½ per cent. <i>ad valorem</i> or 1½ annas per lb., whichever is higher plus one-fifth of the total duty.	....	....		....
47(7)	TWIST AND YARN OF FLAX OR JUTE	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
47(8)	YARN (excluding cotton yarn) such as is ordinarily used for the manufacture of belting for machinery.	Revenue ..	7½ per cent. <i>ad valorem</i>.	....	....	Free	....
48	FABRICS, not otherwise specified, containing more than 90 per cent. of silk, including such fabrics embroidered with artificial silk—					24 per cent. <i>ad valorem</i> .	
	(a) Pongee	Protective ..	50 per cent. <i>ad valorem</i> plus Re. 1 per lb. plus one-fifth of the total duty.	....	....		March 31st, 1949.
	(b) Fuji, Boseki and corded (excluding white cord).	Protective ..	50 per cent. <i>ad valorem</i> plus Re. 1-8 per lb. plus one-fifth of the total duty.	....	....		March 31st, 1949.
	(c) Other sorts†	Protective ..	50 per cent. <i>ad valorem</i> plus Rs. 2 per lb. plus one-fifth of the total duty.	....	....		March 31st, 1949.
48(1)	FABRICS, not otherwise specified, containing more than 90 per cent. of artificial silk—					18 per cent. <i>ad valorem</i> .	
	(a) of British manufacture	Protective ..	30 per cent. <i>ad valorem</i> or 2½ annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....		March 31st, 1949.
	(b) not of British manufacture‡	Protective ..	50 per cent. <i>ad valorem</i> or 4 annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....		March 31st, 1949.
48(2)	WOOLLEN FABRICS, not otherwise specified, containing more than 90 per cent. of wool, excluding felt and fabrics made of shoddy or waste wool.	Revenue ..	25 per cent. <i>ad valorem</i> or Re. 1-2 per lb., whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i>.	....
48(3)	COTTON FABRICS, not otherwise specified, containing more than 90 per cent. of cotton—					6 per cent. <i>ad valorem</i> .	
	(a) Grey piecegoods (excluding bordered grey chadars, dhuties, saris and scarves)—						
	(i) of British manufacture‡	Revenue ..	15 per cent. <i>ad valorem</i> or 2½ annas per lb., whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture ..	Revenue ..	50 per cent. <i>ad valorem</i> or 5½ annas per lb., whichever is higher plus one-fifth of the total duty.	....	....		....

* Under Government of India, Finance Department (Central Revenues), Notification No. 83, dated the 22nd June, 1935, as amended subsequently cotton sewing or darning thread wound on reels, balls, tubes, cards, bobbins, spools, cops, cheeses and cones is liable to duty at 6 per cent. *ad valorem* when the thread is of British manufacture and at 7½ per cent. *ad valorem* when it is of non-British manufacture.

† Under Government of India, Finance Department (Central Revenues), Notification No. 83, dated the 22nd June, 1935, (1) Chinese silk piecegoods, the following, namely, Ghat-Pote, plain and flower, and Gauze, plain and flower, are liable to duty at 50 per cent. *ad valorem* plus Re. 1 per lb. plus one-fifth of the total duty, and (2) Paj all sorts, are exempt from so much of the duty as is in excess of 90 per cent. *ad valorem*.

‡ Under Government of India, Commerce Department, Notification No. 341-T.(6)/41, dated the 21st July, 1941, the articles assessable under this sub-item are liable to duty at 50 per cent. *ad valorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

§ Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 12½ per cent. *ad valorem* or 2½ annas per lb. whichever is higher plus one-fifth of the total duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XI—<i>contd.</i>							
TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i>							
	(b) Printed piecegoods and printed fabrics—						
	(i) of British manufacture*	Revenue	21 per cent. <i>ad valorem</i>.	....	....		....
	(ii) not of British manufacture	Revenue	60 per cent. <i>ad valorem</i>.	....	....		....
	(c) Cotton piecegoods and fabrics, not otherwise specified—						
	(i) of British manufacture†	Revenue	18 per cent. <i>ad valorem</i>.	....	....		....
	(ii) not of British manufacture	Revenue	60 per cent. <i>ad valorem</i>.	....	....		....
48(4)	FABRICS, not otherwise specified, containing more than 10 per cent. and not more than 90 per cent. silk—					24 per cent. <i>ad valorem</i> .	
	(a) containing more than 50 per cent. of silk or artificial silk or of both.	Protective	50 per cent. <i>ad valorem</i> plus Rs. 2 per lb. plus one-fifth of the total duty.	....	....		March 31st, 1949.
	(b) containing not more than 50 per cent. of silk or artificial silk or of both—						
	(i) containing more than 10 per cent. artificial silk.‡	Protective	50 per cent. <i>ad valorem</i> or Re. 1-8 per lb., whichever is higher plus one-fifth of the total duty.	....	....		March 31st, 1949.
	(ii) containing no artificial silk or not more than 10 per cent. artificial silk.‡	Protective	60 per cent. <i>ad valorem</i>.	....	....		March 31st, 1949.
43(5)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 80 per cent. artificial silk—					18 per cent. <i>ad valorem</i> .	
	(a) containing 50 per cent. or more cotton—						
	(i) of British manufacture	Protective	30 per cent. <i>ad valorem</i> or 2 annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....		March 31st, 1949.
	(ii) not of British manufacture§	Protective	50 per cent. <i>ad valorem</i> or 3½ annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....		March 31st, 1949.
	(b) containing no cotton or containing less than 50 per cent. cotton—						
	(i) of British manufacture	Protective	30 per cent. <i>ad valorem</i> or 2½ annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....		March 31st, 1949.
	(ii) not of British manufacture¶	Protective	50 per cent. <i>ad valorem</i> or 4 annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....		March 31st, 1949.
48(6)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk, but containing more than 10 per cent. but not more than 90 per cent. wool.	Revenue	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i> .	
48(7)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool, but containing more than 50 per cent. cotton and not more than 90 per cent. cotton—					18 per cent. <i>ad valorem</i> .	
	(a) of British manufacture	Protective	30 per cent. <i>ad valorem</i>.	....	....		March 31st, 1949.
	(b) not of British manufacture	Protective	60 per cent. <i>ad valorem</i>.	....	....		March 31st, 1949.
48(8)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool or 50 per cent. cotton.	Revenue	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
48(9)	THE FOLLOWING COTTON FABRICS, namely, Sateens including Italians of Satteen weave, velvets and velveteens and embroidered all-overs—					6 per cent. <i>ad valorem</i> .	
	(a) Printed fabrics—						
	(i) of British manufacture*	Revenue	21 per cent. <i>ad valorem</i>.	....	....		....
	(ii) not of British manufacture	Revenue	42 per cent. <i>ad valorem</i>.	....	....		....

* Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 18 per cent. *ad valorem*.

† Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 15 per cent. *ad valorem*.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, woollen all-overs embroidered with artificial silk are exempt from so much of the duty as is in excess of 25 per cent. *ad valorem* or Re. 1-2 per lb., whichever is higher plus one-fifth of the total duty.

§ Under Government of India, Commerce Department, Notification No. 341-T. (6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent. *ad valorem* or 5½ annas per square yard, whichever is higher plus one-fifth of the total duty.

¶ Under Government of India, Commerce Department, Notification No. 341-T. (6)/41, dated the 21st July, 1941, the articles assessable under this sub-item are liable to duty at 50 per cent. *ad valorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma	
SECTION XI—<i>contd.</i>							
TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i>							
	(b) Other fabrics—						
	(i) of British manufacture*	Revenue ..	18 per cent. <i>ad valorem</i>.	....	....		....
	(ii) not of British manufacture	Revenue ..	42 per cent. <i>ad valorem</i>.	....	....		....
48(10)	FABRICS containing gold or silver thread ..	Protective ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i> .	March 31st 1949.
49	TEXTILE MANUFACTURES, the following articles when made wholly or mainly of any of the fabrics specified in	Protective ..	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.	....	..	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.	The duration applicable to the fabric of which the article is wholly or mainly made.
	(a) Item No. 48, 48(1), 48(4), 48(5), 48(7) or 48(10)						
	(b) Item No. 48(3), or 48(9)	Revenue ..	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.	....	....
	Bed sheets.						
	Bedspreada.						
	Bolster cases.						
	Counterpanes.						
	Cloths, table.						
	Cloths, tray.						
	Covers, bed.						
	Covers, table.						
	Dusters.						
	Glass-cloths.						
	Handkerchiefs.						
	Napkins.						
	Pillow cases.						
	Pillow slips.						
	Scarves.						
	Shirts.						
	Shawls.						
	Sacks (cotton).						
	Towels.						
	Umbrella Coverings.						
49(1)	FRENDS, being <i>bona fide</i> remnants of piecegoods or other fabrics—					24 per cent. <i>ad valorem</i> .	
	(a) of materials liable to duty under Item 48(3), not exceeding 4 yards in length.	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i>.	....		..
	(b) of materials liable to duty under Item 48, 48(1), 48(4), or 48(5), not exceeding 2½ yards in length.	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i>.	....		..
	(c) of other materials, not exceeding 4 yards in length.	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i>.	....		....
49(2)	RIBBONS	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
49(3)	BLANKETS AND RUGS (other than floor rugs), excluding blankets and rugs made wholly or mainly from artificial silk.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
49(4)	WOOLLEN CARPETS, FLOOR RUGS, SHAWLS AND OTHER MANUFACTURES OF WOOL, not otherwise specified, including felt.†	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i>.	....	18 per cent. <i>ad valorem</i>.	....
49(5)	COTTON BRAIDS OR CORDS, the following, namely:— Ghoosis and Muktakesis.	Revenue ..	7½ annas per lb. ..	....	....	Free.	....
50	JUTE MANUFACTURES, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
50(1)	SECOND HAND OR USED GUNNY BAGS OR CLOTH made of Jute.	....	Free .. .. .	....	....	....	....
50(2)	HEMP MANUFACTURES	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
50(3)	COTTON, HAIR AND CANVAS PLY belting for machinery.	Revenue ..	7½ per cent. <i>ad valorem</i>.	....	....	Free.	....
50(4)	ROPES, cotton .. .. .	....	Free .. .. .	....	....	....	....
50(5)	OIL CLOTH AND FLOOR CLOTH	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
50(6)	CORDAGE, ROPE AND TWINE OF VEGETABLE FIBRE other than jute and cotton, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
50(7)	MATS AND MATTINGS, not otherwise specified	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
50(8)	COIR FIBRE, COIR YARN AND COIR MATS AND MATTING.	Preferential revenue.	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff value</i> —						
	Coir fibre	Per cwt. Rs. s. p.					
		23 0 0					
51	SOCKS AND STOCKINGS made wholly or mainly from silk or artificial silk.	Revenue ..	60 per cent. <i>ad valorem</i>.	..	....	24 per cent. <i>ad valorem</i>.	....
51(1)	WOOLLEN HOSIERY AND WOOLLEN KNITTED APPAREL, that is to say, all hosiery and knitted apparel containing not less than 15 per cent. of wool by weight.	Revenue ..	25 per cent. <i>ad valorem</i> or Re. 1.2 per lb., whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i>.	....

* Under Government of India, Commerce Department, Notification No. 20-T (17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 15 per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, woolen waste and rugs are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty
				The United Kingdom.	A British Colony.	Burma.	
SECTION XI—<i>concl.</i>							
TEXTILE MATERIALS AND TEXTILE GOODS—<i>concl.</i>							
51(2)	COTTON KNITTED APPAREL, including apparel made of cotton interlocking material, cotton undervests, knitted or woven, and cotton socks and stockings—					12 per cent. <i>ad valorem.</i>	
	(a) of a weight not exceeding 4 lbs. per dozen.	Revenue ..	25 per cent. <i>ad valorem</i> or 12 annas per lb., whichever is higher plus one-fifth of the total duty.	....			....
	(b) of a weight exceeding 4 lbs. per dozen..	Revenue ..	25 per cent. <i>ad valorem</i> or 10 annas per lb., whichever is higher plus one-fifth of the total duty.	....	....		....
51(8)	COTTON KNITTED FABRIC	Revenue ..	50 per cent. <i>ad valorem</i> or 12 annas per lb., whichever is higher plus one-fifth of the total duty.	....	....	24 per cent. <i>ad valorem.</i>	....
52	APPAREL, HOSIERY, HABERDASHERY, MILLINERY AND DRAPERY, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
52(1)	SILK OR ARTIFICIAL SILK GOODS used or required for medical purposes, namely:— silk or artificial silk ligatures; elastic silk or artificial silk hosiery, elbow pieces, thigh pieces, knee caps, leggings, socks, anklets, stockings, suspensory bandages, silk or artificial silk abdominal belts, silk or artificial silk web catheter tubes, and oiled silk or artificial silk.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
52(2)	UNIFORMS AND ACCOUTREMENTS APPERTAINING THERETO, imported by a public servant for his personal use.	....	Free .. .. .	....	....	....	....
52(8)	INSIGNIA AND BADGES of official British and Foreign Orders.	....	Free .. .. .	....	....	....	....
53	TEXTILE MANUFACTURES, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
53(1)	RAGS AND OTHER PAPER-MAKING MATERIALS excluding wood pulp.	....	Free .. .. .	....	....	....	....
SECTION XII.							
FOOTWEAR, HATS, UMBRELLAS AND PARASOLS; ARTICLES OF FASHION.							
54	BOOTS AND SHOES	Revenue ..	25 per cent. <i>ad valorem</i> or six annas per pair, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem.</i>	....
54(1)*	....	....	....	....	....	....	....
54(2)	UPPERS FOR BOOTS AND SHOES unless entirely made of leather.	Revenue ..	25 per cent. <i>ad valorem</i> or three annas per pair, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem.</i>	....
55	HATS, CAPS, BONNETS AND HATTERS' WARE, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
56	PARASOLS AND SUNSHADES AND FITTINGS for umbrellas, parasols and sunshades.†	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
56(1)	UMBRELLAS	Revenue ..	25 per cent. <i>ad valorem</i> or eight annas each, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem.</i>	....
57*	....	....	....	....	....	....	....
SECTION XIII.							
WARES OF STONE AND OF OTHER MINERAL MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE.							
58	ARTICLES MADE OF STONE OR MARBLE ..	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
58(1)	ASBESTOS MANUFACTURES, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
58(2)	PACKING—ENGINE AND BOILER—all sorts, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>	....	....	12 per cent. <i>ad valorem.</i>	....

* There are no entries bearing Item Nos. 54(1) and 57.

† Under Government of India, Finance Department (Central Revenues), Notification No. 1-Customs, dated the 9th March, 1946, fittings for umbrellas, parasols and sunshades are exempt from payment of so much of the customs duty leviable thereon as is in excess of 15 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XIII—<i>contd.</i>							
WARES OF STONE AND OF OTHER MINERAL MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE— <i>contd.</i>							
59	BUILDING AND ENGINEERING MATERIALS, all sorts not of iron, steel or wood, not otherwise specified, including tiles other than glass, earthenware or porcelain tiles, and firebricks not being component parts of any articles included in Item No. 72 or No. 74(2).*	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
59(1)	BUILDING AND ENGINEERING BRICKS ..	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
59(2)	EARTHENWARE, CHINA AND PORCELAIN, all sorts not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
59(3)	EARTHENWARE PIPES AND SANITARY WARE..	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
59(4)	TILES OF EARTHENWARE AND PORCELAIN ..	Revenue ..	25 per cent. <i>ad valorem</i> or two annas per square foot, whichever is higher plus one-fifth of the total duty	....	....	12 per cent. <i>ad valorem</i>.	....
59(5)	DOMESTIC EARTHENWARE, china and porcelain, the following, namely:—					12 per cent. <i>ad valorem</i> .	
	(a) Tea cups and coffee cups—						
	(i) having a capacity of more than 7½ ozs.	Revenue ..	25 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) having a capacity of not more than 7½ ozs.	Revenue ..	25 per cent. <i>ad valorem</i> or four annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(b) Saucers—						
	(i) for use with tea cups or coffee cups having a capacity of more than 7½ ozs.	Revenue ..	25 per cent. <i>ad valorem</i> or five annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) for use with tea cups or coffee cups having a capacity of not more than 7½ ozs.	Revenue ..	25 per cent. <i>ad valorem</i> or two annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(c) Tea-pots—						
	(i) having a capacity of more than 20 ozs.	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 3 per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) having a capacity of more than 10 ozs. and not more than 20 ozs.	Revenue ..	25 per cent. <i>ad valorem</i> or Re. 1-8 per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(iii) having a capacity of not more than 10 ozs.	Revenue ..	25 per cent. <i>ad valorem</i> or twelve annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(d) Sugar-bowls	Revenue ..	25 per cent. <i>ad valorem</i> or Re. 1-8 per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(e) Jugs having a capacity of over 10 ozs..	Revenue ..	25 per cent. <i>ad valorem</i> or twelve annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(f) Plates over 8½ inches in diameter—						
	(i) over 8½ inches in diameter ..	Revenue ..	25 per cent. <i>ad valorem</i> or Re. 1 per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not over 8½ inches in diameter	Revenue ..	25 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
59(6)	COVERED CRUCIBLES FOR GLASS-MAKING ..	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i> .	
60	GLASS AND GLASSWARE, not otherwise specified, and lacquered ware	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	Lacquered-ware—free; all others 12 per cent. <i>ad valorem</i> .	

* Under Government of India, Finance Department (Central Revenues), Notification No. 33 dated the 22nd June, 1935, sand is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma	
SECTION XIII—concl'd.							
WARES OF STONE AND OF OTHER MINERAL MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE—concl'd.							
80(1)	GLASS GLOBES AND CHIMNEYS for lamps and lanterns— (a) Globes for hurricane lanterns	Revenue ..	25 per cent. <i>ad valorem</i> or four annas and six pies per dozen, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i>.	....
	(b) Other globes and chimneys having an external base diameter of over one inch.	Revenue ..	25 per cent. <i>ad valorem</i> or three annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....	....	....
80(2)	ELECTRIC LIGHTING BULBS	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
80(3)	GLASS BANGLES, GLASS BEADS AND FALSE PEARLS.	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
SECTION XIV.							
REAL PEARLS, PRECIOUS STONES, PRECIOUS METALS AND WARES OF THOSE MATERIALS; COIN (SPECIE).							
61	PRECIOUS STONES, unset and imported uncut, and Pearls, unset.	....	Free .. .. .	....	....	....	....
61(1)	PRECIOUS STONES, unset and imported cut* ..	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	....	....
61(2)	SILVER BULLION AND SILVER SHEETS AND PLATES which have undergone no process of manufacture subsequent to rolling.†||	Revenue ..	Eight annas per ounce.	....	....	....	....
61(3)	GOLD BULLION AND GOLD SHEETS AND PLATES which have undergone no process of manufacture subsequent to rolling.||	Revenue ..	Rs. 25 per tola of 180 grains fine.	....	....	....	....
61(4)	SILVER PLATE AND SILVER MANUFACTURES, all sorts not otherwise specified.	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
61(5)	SILVER THREAD AND WIRE (including so-called gold thread and wire mainly made of silver) and silver leaf including also imitation gold and silver thread and wire, lametta and metallic spangles and articles of a like nature, of whatever metal made.‡	Protective ..	75 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i> .	March 31st 1949.
61(6)	GOLD PLATE, GOLD LEAF AND GOLD MANUFACTURES, all sorts not otherwise specified.	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
61(7)	GOLD OR GOLD-PLATED PEN NIBS	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
61(8)	ARTICLES, other than cutlery and surgical instruments, plated with gold or silver.§	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
61(9)	CUTLERY, plated with gold or silver	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
61(10)	JEWELLERY AND JEWELS¶	Revenue ..	60 per cent. <i>ad valorem</i>.	....	....	24 per cent. <i>ad valorem</i>.	....
62	CURRENT COIN OF THE GOVERNMENT OF INDIA.	....	Free .. .. .	....	....	....	....
62(1)	SILVER COIN, not otherwise specified|| .. .. .	Revenue ..	Eight annas per ounce.	....	....	....	....
62(2)	GOLD COIN|| .. .. .	Revenue ..	Rs. 25 per tola of 180 grains fine.	....	....	....	....
SECTION XV.							
BASE METALS AND ARTICLES MADE THEREFROM.							
63	IRON OR STEEL, old††	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free	....
	<i>Tariff value—</i> Iron or steel, old for remelting. Per cwt. Rs. a p. 1 12 0						
63(1)	IRON ALLOYS, viz., ferro-manganese, ferro-silicon, ferro-chrome, spiegeleisen and the like as commonly used for steel making.	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free	....
63(2)	IRON OR STEEL ANGLE, CHANNEL, TEE, FLAT, (OTHER THAN ALLOY, TOOL OR SPECIAL STEEL SPECIFIED IN ITEM No. 63 (30)) BEAM, ZED, TROUGH AND PILING— (a) not fabricated— (b) of British manufacture— not coated with other metals..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;¶ or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	Free	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently precious stones imported cut and unset are liable to duty at 6 per cent. *ad valorem*.

† The rate of excise duty on the 1st January, 1948, and until further notice, on all silver produced in silver works in British India, is 3 annas and 7½ pies per ounce Troy.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, all the articles included in this item are liable to duty at 60 per cent. *ad valorem*.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, articles of imitation jewellery (including buttons and other fasteners) which consist of, or include, base metal plated with gold or silver or both and in which the proportion of gold or silver or both together to total metallic contents is less than 1.5 per cent., are liable to duty which would have been leviable had they contained no gold or silver.

¶ Under Government of India, Finance Department (Revenue Division), Notification No. 11—Customs, dated the 12th August, 1946, articles assessable under Items Nos. 61(2) and 61(3), 62(1) and 62(2) are exempt from payment of one-half of the customs duty leviable thereon.

†† Under Government of India, Finance Department (Central Revenues), Notification No. 80-C, dated the 4th October, 1941, as amended subsequently, iron and steel, old, covered by this item when imported from Burma, are exempt from payment of import duty.

¶ The rate of excise duty on the 1st January, 1948, and until further notice on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XV—<i>contd.</i>							
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>							
	coated with other metals ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	Free ..	....
	(ii) not of British manufacture ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 43 per ton plus one-fifth of the total duty.	....	....	....	....
	(b) fabricated—						
	(i) of British manufacture ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton plus one-fifth of the total duty.	....	....	....	....
	(ii) not of British manufacture ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton plus one-fifth of the total duty.	....	....	....	....
63(3)	IRON OR STEEL (OTHER THAN ALLOY, TOOL OR SPECIAL STEEL SPECIFIED IN ITEM NO. 63 (80)), BAR AND ROD—					Free ..	....
	(i) of British manufacture ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	....	....
	(ii) not of British manufacture ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 39 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	....	....
63(4)	IRON, pig ..	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free ..	....
63(5)	IRON RICE BOWLS ..	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free ..	....
68(6)	CAST IRON PIPES AND TUBES: also cast iron fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like—					Free ..	....
	(i) of British manufacture† ..	Revenue ..	12 per cent. <i>ad valorem</i>.	....	....	....	....
	(ii) not of British manufacture ..	Revenue ..	Rs. 69-0-0 per ton ..	....	....	....	....
68(7)	CAST IRON PLATES ..	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free ..	....
68(8)	STEEL INGOTS ..	Revenue ..	The excise duty leviable for the time being on steel ingots produced in British India*; or 15½ per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	Free ..	....
	Iron or steel blooms, billets and slabs, provided that no piece less than 1½ inches square or thick shall be included in this item.‡						
68(9)	IRON OR STEEL STRUCTURES, fabricated partially or wholly, not otherwise specified, if made mainly or wholly of iron or steel bars, sections, plates or sheets, for the construction of buildings, bridges, tanks, well curbs, trestles, towers and similar structures or for parts thereof, but not including builders' hardware or any of the articles specified in Item Nos. 72, 72(3), 74(1), 75(3), 75(4) or 76(1)—					Free ..	....
	(a) of British manufacture ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton plus one-fifth of the total duty.	....	....	....	....

* The rate of excise duty on the 1st January, 1949 and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, cast iron fittings for cast iron pipes and tubes, that is to say, bends, boots, elbows, tees, sockets, plugs, valves, cocks and the like of British manufacture are exempt from so much of the duty as is in excess of Rs. 69 per ton.

‡ Under Government of India, Finance Department (Central Revenues) Notification No. 33 dated the 22nd June, 1935, iron or steel billets are exempt from payment of the alternative *ad valorem* duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XV—<i>contd.</i>							
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>							
	(b) not of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton plus one-fifth of the total duty.	....	....	Free ..	....
63(10)	STEEL, TINPLATES AND TINNED SHEETS, including tin taggers, and cuttings of such plates, sheets or taggers—					Free ..	
	(i) of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 38 per ton plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 59 per ton plus one-fifth of the total duty.	....	....		....
63(11)	IRON OR STEEL ANCHORS AND CABLES ..	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free ..	....
63(12)	A. IRON OR STEEL BOLTS AND NUTS, including hookbolts and nuts for roofing but excluding fish bolts and nuts—					Free ..	
	(i) of British manufacture†	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 1-9-0 per cwt. plus one-fifth of the total duty.	....	....		....
	B. IRON OR STEEL FISH BOLTS AND NUTS—					Free ..	
	(i) of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 4-5-0 per cwt. plus one-fifth of the total duty.	....	....		....
68(13)	IRON OR STEEL EXPANDED METAL	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free ..	....
68(14)	IRON OR STEEL HOOPS AND STRIPS ..	Preferential revenue.	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....	Free ..	....
68(15)	IRON OR STEEL RIVETS—					Free ..	
	(i) of British manufacture‡	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 1-14-0 per cwt. plus one-fifth of the total duty.	....	....		....
68(16)	IRON OR STEEL NAILS AND WASHERS, all sorts not otherwise specified.	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free ..	....

* The rate of excise duty on the 1st January, 1948, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, iron or steel bolts and nuts of British manufacture, including hook-bolts and nuts for roofing but excluding fish bolts and nuts are exempt from so much of the duty as is in excess of Rs. 44-11½ per ton.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, iron or steel rivets of British manufacture are exempt from so much of the duty as is in excess of Rs. 52-5½ per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	SECTION XV—<i>contd.</i>						
	BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
68(17)	IRON OR STEEL PIPES AND TUBES AND FITTINGS THEREFOR, if riveted or otherwise built up of plates or sheets—					Free	..
	(i) of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 12 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 35 per ton plus one-fifth of the total duty.	....	....		....
33(18)	IRON OR STEEL PIPES AND TUBES; also fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like, excluding pipes, tubes and fittings therefor otherwise specified.	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free	..
63(19)	IRON OR STEEL PLATES EXCLUDING CAST IRON PLATES—					Free	..
	(a) not fabricated—						
	(i) of British manufacture*—						
	not coated with other metals ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	coated with other metals ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 25 per ton plus one-fifth of the total duty.	....	....		....
	(b) fabricated—						
	(i) of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 40 per ton plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 40 per ton plus one-fifth of the total duty.	....	....		....
68(20)	IRON OR STEEL SHEETS OTHER THAN HIGH SILICON ELECTRICAL STEEL SHEETS					Free	..
	(a) not fabricated—						
	(i) not galvanized—						
	(i) of British manufacture† ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 32 per ton plus one-fifth of the total duty.	..	....		....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, iron or steel plates of British manufacture, assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 36-6-2/5 per ton.

† The rate of excise duty on the 1st January, 1948, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently iron or steel sheets of British manufacture assessable under that sub-item are exempt from so much of the duty as is in excess of Rs. 44-12½ per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	SECTION XV—<i>contd.</i>						
	BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
	(2) galvanised—						
	(i) of British manufacture*	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	..	....	Free	..
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 40 per ton plus one-fifth of the total duty.	....	....		....
	(b) fabricated—						
	(1) not galvanised—						
	(i) of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 12 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 35 per ton plus one-fifth of the total duty.	....	....		....
	(2) galvanised—						
	(i) of British manufacture§	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 44 per ton plus one-fifth of the total duty.	....	....		....
68(21)	IRON OR STEEL RAILWAY TRACK MATERIAL—						
	A. Rails (including tramway rails the heads of which are not grooved)—						
	(a) 80 lbs. per yard and over, and fish plates therefor—						
	(i) of British manufacture||	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture||	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(b) under 30 lbs. per yard and fish plates therefor—						
	(i) of British manufacture||	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, iron or steel sheets of British manufacture assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 54-6-2/5 per ton.

† The rate of excise duty on the 1st January, 1948, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, iron or steel sheets of British manufacture assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 49-3 1/5 per ton.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, iron or steel sheets of British manufacture assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 60 per ton.

|| Under Government of India, Finance Department (Central Revenues), Notification No. 80-C., dated the 4th October, 1941, as amended subsequently, used iron or steel railway track material, covered by this item, when imported from Burma, are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XV—<i>contd.</i>							
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>							
	(ii) not of British manufacture* ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 39 per ton plus one-fifth of the total duty.	....	....	Free ..	....
	13. Switches and crossings including stretcher bars and other component parts, and switches and crossings including stretcher bars and other component parts for tramway rails the heads of which are not grooved—						
	(a) for rails 30 lbs. per yard and over— (i) of British manufacture* ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		..
	(ii) not of British manufacture* ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(b) for rails under 30 lbs. per yard— (i) of British manufacture* ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture* ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† plus Rs. 43 per ton plus one-fifth of the total duty.	....	....		....
	C. Sleepers, and sleeper bars, other than cast iron— (i) of British manufacture* ‡	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture* ‡	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	D. Spikes (other than dog-spikes) and tie-bars— (i) of British manufacture* ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture* ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† plus Rs. 39 per ton plus one-fifth of the total duty.	....	....		....
	E. Dog-spikes— (i) of British manufacture§	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† plus 7 annas per cwt.; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....

* Under Government of India, Finance Department (Central Revenues), Notification No. 80-C, dated the 4th October, 1941, as amended subsequently used iron or steel railway track material, covered by this item, when imported from Burma, are exempt from payment of import duty.

† The rate of excise duty on the 1st January, 1948, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, iron or steel sleeper bars other than cast iron are exempt from payment of the alternative *ad valorem* duty.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 80-C, dated the 4th October 1941, as amended subsequently iron or steel railway or tramway track material, covered by these items, when imported from Burma, are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty
				The United Kingdom.	A British Colony.	Burma	
SECTION XV—<i>contd.</i>							
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>							
	(ii) not of British manufacture*	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 2-15-0 per cwt. plus one-fifth of the total duty.	....	....	Free	....
	F. Gibs, cotters, keys (including tapered key bars), distance pieces and other fastenings for use with iron or steel sleepers—						
	(i) of British manufacture*	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus 7 annas per cwt.; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture*	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 2-15-0 per cwt. plus one-fifth of the total duty.	....	....		....
63(22)	IRON OR STEEL RAILWAY TRACK MATERIALS,* not otherwise specified, including bearing plates, cast iron sleepers and lever boxes.	Revenue	18½ per cent. <i>ad valorem</i>.	....	....	Free	....
3(23)	IRON OR STEEL TRAMWAY TRACK MATERIALS,* not otherwise specified, including rails, fish-plates, tie-bars, switches, crossings and the like materials of shapes and sizes specially adapted for tramway tracks.	Revenue	18½ per cent. <i>ad valorem</i>.	....	....	Free	....
63(24)	IRON OR STEEL BARBED OR STRANDED WIRE AND WIRE ROPE.	Preferential revenue.	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i>.	....	Free	....
33(25)	IRON OR STEEL WIRE, other than high carbon or spring steel wire, barbed or stranded wire, wire rope or wire netting; and iron or steel wire nails—					Free	....
	(i) of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 25 per ton plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 60 per ton plus one-fifth of the total duty.	....	....		....
63(26)	IRON OR STEEL (other than bar or rod) specially designed for the reinforcement of concrete.	Revenue	18½ per cent. <i>ad valorem</i>.	....	....	Free	....
63(27)	IRON OR STEEL, the original material (but not including machinery) of any ship or other vessel intended for inland or harbour navigation which has been assembled abroad, taken to pieces and shipped for reassembly in India—					Free	....
	(i) of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 27-8-0 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
Provided that articles dutiable under this item shall not be deemed to be dutiable under any other item.							

* Under Government of India, Finance Department (Central Revenues), Notification No. 80-C., dated the 4th October 1941, as amended subsequently used iron or steel railway or tramway track material covered by these items, when imported from Burma, are exempt from payment of import duty

† The rate of excise duty on the 1st January, 1948, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XV—<i>contd.</i>							
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>							
63(28)	ALL SORTS OF IRON AND STEEL AND MANUFACTURES THEREOF, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	Free ..	....
	<i>Tariff values—</i>						
	Iron and Steel cans or drums—	Per can.					
	When imported containing kerosene and motor spirit, namely:—	Rs. a. p.					
	Cans, tinned, of four gallons capacity.	1 2 0					
		Per can or drum.					
	Cans or drums, not tinned, of two gallons capacity—						
	(a) with faucet caps ..	2 0 0					
	(b) ordinary	0 12 0					
	Drums of four gallons capacity—	Per drum.					
	(a) with faucet caps ..	Rs. a. p. 2 12 0					
	(b) ordinary	1 8 0					
63(29)	ENAMELLED IRONWARE, the following, namely:—					Free ..	
	(a) Sign-boards	Revenue ..	25 per cent. <i>ad valorem</i> or four and a half annas per square foot, whichever is higher plus one-fifth of the total duty.	....	....		..
	(b) Domestic hollow-ware, the following, namely, basins, bowls, dishes, plates and thalis, including rice-cups, rice-bowls and rice-plates—						
	(i) having no diameter exceeding 19 centimetres.	Revenue ..	25 per cent. <i>ad valorem</i> or per dozen four annas plus one anna for every two centimetres or part thereof by which any diameter exceeds 11 centimetres, whichever is higher plus one-fifth of the total duty.	....	....		..
	(ii) having any diameter exceeding 19 centimetres.	Revenue ..	25 per cent. <i>ad valorem</i> or per dozen eight annas plus two annas for every two centimetres or part thereof by which any diameter exceeds 19 centimetres, whichever is higher plus one-fifth of the total duty.	....	....		....
63(30)	RODS OR BARS OF ALLOY, tool or special steel of the following categories, but excluding precision ground and polished bars, bright drawn bars, blue reeled bars and silver steel finish bars:—						
	(1) High speed steel containing more than 13 per cent. tungsten.						
	(2) Stainless and heat resisting steel containing more than 11 per cent. chromium.						
	(3) Other alloy steels not included (in category (i) or (ii) containing any of the following:—						
	(i) 0.40 per cent. or more of chromium or nickel;						
	(ii) 0.10 per cent. or more of molybdenum, tungsten or vanadium; or						
	(iii) 10.00 per cent. or more of manganese—						
	(a) of British Manufacture ..	Protective ..	30 per cent. <i>ad valorem</i>.	....	....	....	March 31st, 1949.
	(b) not of British Manufacture ..	Protective ..	42 per cent. <i>ad valorem</i>.	....	....	....	March 31st, 1949.
63(31)	HIGH SILICON, Electrical Steel Sheets—						
	(a) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 11 per ton or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of such higher amount.	....	....	....	31-3-1948.

* The rate of excise duty on the 1st January, 1948, and until further notice on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XV—<i>contd.</i>							
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>							
	(b) not of British manufacture	Protective . .	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 32 per ton plus one fifth of the total of such amounts.	....	....	....	31-3-1948.
63(32)	HIGH CARBON OR SPRING STEEL WIRE—						
	(a) of British manufacture	Protective . .	1½ times the excise duty leviable for the time being on steel ingots produced in British India,† plus Rs. 25 per ton, plus one-fifth of the total of such amounts.	....	....	....	31-3-1948.
	(b) not of British manufacture	Protective . .	1½ times the excise duty leviable for the time being on steel ingots produced in British India,† plus Rs. 60 per ton plus one-fifth of the total of such amounts.	....	....	....	31-3-1948.
63(33)	IRON OR STEEL WOODSCREWS	Protective . .	30 per cent. <i>ad valorem</i>.	....	....	....	31-3-1950.
64	COPPER, wrought, and manufactures of copper, all sorts, not otherwise specified.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i>.	....	Free . .	....
64(1)	COPPER, scrap*	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	Free . .	....
65	GERMAN SILVER including nickel silver* . .	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	Free . .	....
66	ALUMINIUM—circles, sheets and other manufactures, not otherwise specified.*	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	Free . .	....
66(1)	UNWROUGHT INGOTS, BLOCKS AND BARS OF ALUMINIUM.*	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	Free . .	....
67	LEAD, wrought—the following articles, namely, pipes and tubes and sheets other than sheets for tea chests.*	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	Free . .	....
67(1)	LEAD SHEETS FOR TEA CHESTS*	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	Free . .	....
68	ZINC OR SPelter, wrought or manufactured, not otherwise specified.*	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	Free . .	....
68(1)	ZINC, unwrought, including cakes, ingots, tiles (other than boiler tiles), hard or soft slabs and plates, dust, dross and ashes; and broken zinc.*	....	Free . . . .	....	....	....	....
69	TIN, BLOCK*	Revenue . .	Rs. 375 per ton . .	....	....	Free . .	....
70	BRASS, BRONZE AND SIMILAR ALLOYS, wrought, and manufactures thereof, not otherwise specified.*	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	Free . .	....
70(1)	ALL SORTS OF METALS OTHER THAN IRON AND STEEL, AND MANUFACTURES THEREOF, not otherwise specified.* ††	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	Free . .	....
70(2)	CRUDE ANTIMONY	Protective . .	20 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.
70(3)	ANTIMONY, other than crude antimony . .	Protective . .	30 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.
71	HARDWARE, IRONMONGERY AND TOOLS, all sorts not otherwise specified, including incandescent mantles but excluding machine tools and agricultural implements.	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>						
		Per gross.					
		Rs. a. p.					
	Crown corks (except those bearing monogram or trade mark or name of an importer).	1 0 0					
71(1)	THE FOLLOWING HARDWARE, IRONMONGERY AND TOOLS, namely, agricultural implements not otherwise specified, buckets of tinned or galvanized iron, and pruning-knives.	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
71(2)	CUTLERY, all sorts not otherwise specified . .	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
71(3)	METAL FURNITURE AND CABINETWARE . .	Revenue . .	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
71(4)	PRINTING TYPE	Revenue . .	One anna and six pies per lb.	....	....	Free . .	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 80-C., dated the 4th October, 1941, waste and scrap of base metals when imported from Burma, are exempt from payment of import duty.

† The rate of excise duty on the 1st January, 1948, and until further notice on all steel ingots produced in British India is Rs. 4 per ton.

†† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, radium is exempt from payment of import duty.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 1-Customs, dated the 9th March, 1946, as subsequently amended, lead, unwrought-*ingot*, slab and pig and lead scrap, and copper, unwrought, are exempt from payment of the Customs duty leviable thereon.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XV—<i>concl.</i>							
BASE METALS AND ARTICLES MADE THEREFROM—<i>concl.</i>							
71(5)	THE FOLLOWING PRINTING MATERIALS, namely, leads, brass rules, wooden and metal quoins, shooting sticks and galleys and metal furniture.	Revenue ..	3 per cent. <i>ad valorem</i>.	....	....	Free ..	....
71(6)	RACKS FOR THE WITHERING OF TEA LEAF* ..	Revenue ..	3 per cent. <i>ad valorem</i>.	....	....	Free ..	....
71(7)	HURRICANE LANTERNS ..	Protective ..	30 per cent. <i>ad valorem</i>.	....	....	Free ..	31-8-1949.
71(8)	GRINDING WHEELS and segments ..	Protective ..	50 per cent. <i>ad valorem</i>.	....	....	Free ..	31-12-1950.
SECTION XVI.							
MACHINERY AND APPARATUS; ELECTRICAL MATERIAL.							
72	MACHINERY, namely, such of the following articles as are not otherwise specified— (a) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts; (b) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts; (c) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose; (d) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials (other than cotton, hair and canvas ply) and driving chains, but excluding driving ropes not made of cotton; (e) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not, and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof. <i>Note.</i> —The term 'industrial system' used in sub-item (c) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	Free ..	..
72(1)	THE FOLLOWING TEXTILE MACHINERY AND APPARATUS by whatever power operated, namely, halds; heald cords and heald knitting needles; reeds and shuttles; warp and weft preparation machinery and looms; bobbins and pirns; dobbies; Jacquard machines; Jacquard harness linen cords; Jacquard cards; punching plates for Jacquard cards; warping mills; multiple box sleys; solid border sleys; tape sleys; swivel sleys; tape looms; wool carding machines; wool spinning machines; hosiery machinery; coir mat shearing machines; coir fibre willowing machines; heald knitting machines; dobbie cards; lattices and lags for dobbies; wooden winders; silk looms; silk throwing and reeling machines; cotton yarn reeling machines; sizing machines; doubling machines; silk twisting machines; cone winding machines; piano card cutting machines; harness building frames; card lacing frames; drawing and denting hooks; sewing thread balls making machines; cumble finishing machinery; hank boilers; cotton carding and spinning machines; mail eyes, lingoes, comber boards and comber board frames; take-up motions; temples and pickers; picking bands; picking sticks; printing machines; roller cloth; cleaver cloth; sizing flannel; and roller skins.	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	Free ..	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently component parts of racks for the withering of tea leaf when proved to have been imported for use in racks for the withering of tea leaf are also liable to duty at 3 per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, coffee pulpers and component parts thereof are exempt from payment of import duty, provided that nothing shall be deemed to be a component part of a coffee pulper for the purpose of this exemption unless it is essential for the working of such machine and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose.

‡ Under Government of India, Finance Department (Central Revenues), Notifications No. 33, dated the 22nd June 1935, as amended subsequently and No. 44, dated the 1st August 1942, the following textile machinery and apparatus and component parts thereof, namely, (1) ground stamping machines, (2) automatic hand repeating machines, (3) pattern cutting machines, (4) cloth analysis machines, (5) hand card punches and (6) automatic weaver knotters are also liable to duty at 10 per cent. *ad valorem*, provided that nothing shall be deemed to be a component part of textile machinery and apparatus for the purpose of this exemption unless it is essential for the working of such machinery and apparatus and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose. Under the same Notifications jacquard harness linen cordage is liable to duty at 10 per cent. *ad valorem* or 4 annas per lb. whichever is higher and striking combs used in textile machinery at 10 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XVI—<i>contd.</i>							
MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i>							
72(2)	PRINTING AND LITHOGRAPHIC MATERIAL, namely, presses, lithographic plates, composing sticks, chases, imposing tables, lithographic stones, stereo-blocks, wood blocks, half-tone blocks, electro-type blocks, process blocks and highly polished copper or zinc sheets specially prepared for making process blocks, roller moulds, roller frames and stocks, roller composition, lithographic nap rollers, standing screw and hot presses, perforating machines, gold blocking presses, galley presses, proof presses, arming presses, copper plate printing presses, rolling presses, ruling machines, ruling pen making machines, lead cutters, rule cutters, slug cutters, type casting machines, type setting and casting machines, paper in rolls with side perforations to be used after further perforation for type-casting, rule bending machines, rule mitrefng machines, bronzing machines, stereotyping apparatus, paper folding machines, paging machines but excluding ink and paper.*	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	Free ..	....
72(3)	COMPONENT PARTS OF MACHINERY (excluding Grinding Wheels and Segments) as defined in Items Nos. 72, 72(1) and 72(2), namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose: Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	Free ..	...
72(4)	PASSENGER LIFTS AND COMPONENT PARTS AND ACCESSORIES THEREOF.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
72(5)	DOMESTIC REFRIGERATORS	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i>.	....	12 per cent. <i>ad valorem</i>.	....
72(6)	MACHINERY AND COMPONENT PARTS THEREOF, meaning machines or parts of machines to be worked by manual or animal labour, not otherwise specified, and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one quarter of one-horse power.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
72(7)	WATER-LIFTS, SUGAR-MILLS, SUGAR CENTRIFUGES, SUGAR PUG-MILLS, OIL-PRESSES, AND PARTS THEREOF, when constructed so that they can be worked by manual or animal power and pans for boiling sugar-cane juice.	....	Free .. .. .	....	....	....	....
72(8)	THE FOLLOWING AGRICULTURAL IMPLEMENTS, namely, winnowers, threshers, mowing and reaping machines, binding machines, elevators, seed and corn crushers, chaff-cutters, root-cutters, ensilage-cutters, horse and bullock gear, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay tedders, hay presses, potato-diggers, latex spouts, spraying machines, powder-blowers, white-ant exterminating machines, beet pullers, broadcast seeders, corn pickers, corn shellers, culti-packers, drag scrapers, stalk cutters, huskers and shredders, potato planters, lime sowers, manure spreaders, listers, soil graders, and rakes; also agricultural tractors, also component parts of these implements, machines or tractors, provided that they can be readily fitted into their proper places in the implements, machines or tractors for which they are imported, and that they cannot ordinarily be used for purposes unconnected with agriculture.††	....	Free .. .. .	....	....	....	....

* Under Government of India, Finance Department (Central Revenues), Notifications No. 33, dated the 22nd June, 1935, as amended subsequently, and No. 41, dated the 1st August, 1942, the following printing machinery and apparatus, namely, composing racks and cases, composing cabinets, die-stamping machines, galley racks, embossing machines, graining machines, furniture cases and racks, line-up and register tables, book sewing machines and cloth stitching machines are liable to duty at 10 per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, the following agricultural machines and implements, namely, flame throwers for attachment to spraying machines designed for the extermination of locusts and latex cups, are exempt from payment of import duty.

‡ Under Government of India, Finance Department (Revenue Division), Notification No. 17-Customs, dated the 19th July, 1947, transplanters used for agricultural purposes in transplanting seedlings and young plants, are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XVI—<i>contd.</i>							
MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i>							
72(9)	THE FOLLOWING DAIRY AND POULTRY FARMING APPLIANCES, namely, cream separators, milking machines, milk sterilizing or pasteurizing plant, milk aerating and cooling apparatus, churns, butter dryers, butter workers, milk-bottle fillers and cappers, apparatus specially designed for testing milk and other dairy produce, and incubators; also component parts of these appliances, provided that they can be readily fitted into their proper places in the appliances for which they are imported, and that they cannot ordinarily be used for other than dairy and poultry farming purposes.*	....	Free .. . . .	....	....	....	....
72(10)	KNITTING MACHINES (and parts thereof) to be worked by manual labour or which require for their operation less than one-quarter of one-horse-power.	Preferential revenue.	36 per cent. <i>ad valorem</i>	24 per cent. <i>ad valorem</i>.	....	12 per cent. <i>ad valorem</i>.	....
72(11)	SEWING MACHINES, (and parts thereof) to be worked by manual labour or which require for their operation less than one quarter of one-horse-power—						
	(a) of British manufacture	Protective ..	24 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.
	(b) not of British manufacture	Protective ..	36 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.
73	ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, not otherwise specified, excluding telegraphic and telephonic.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i>.	....	12 per cent. <i>ad valorem</i>.	....
73(1)	THE FOLLOWING ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely:— Electrical Control Gear and Transmission Gear, namely, switches (excluding switch-boards), fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts; and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which, not being one specially designed as a pilot core, has a sectional area of less than one-eighth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof but excluding electrical earthenware and porcelain otherwise specified.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i>.	....	12 per cent. <i>ad valorem</i>.	....
73(2)	THE FOLLOWING ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely, telegraphic and telephonic instruments, apparatus and appliances not otherwise specified, flash lights, carbons, condensers, and bell apparatus, and switch-boards designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts; also accumulators, batteries and electro-medical apparatus. †‡	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, (1) dairy appliances, excluding transport containers and articles included in this item, provided they are specially designed as dairy appliances and for use for milking the cow or for any subsequent process carried out in the dairy in connection with milk, cream, butter or cheese and (2) component parts of such dairy appliances, provided they can be readily fitted into their proper places in the appliances for which they are imported and they cannot ordinarily be used for other than dairy purposes are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently the following wireless apparatus is liable to duty at 3 per cent. *ad valorem*:—

- (i) apparatus for wireless reception (excluding apparatus specially designed for the reception of broadcast wireless and apparatus of the description specified in clause (ii)) and component parts of such apparatus, when imported under cover of (a) a certificate issued by the Director-General of Posts and Telegraphs to the effect that he is satisfied that the apparatus will not be used for the reception of broadcast wireless or (b) a certificate to the same effect issued by the Director-General, All-India Radio, if the apparatus is imported for the All-India Radio, by the Officer Commanding, Aircraft Depot, Royal Air Force (India), if the apparatus is imported by the Royal Air Force, by the following officers, if the apparatus is imported by the Royal Indian Navy, namely—at Bombay, by the Naval Store Officer; at Karachi, by the Sea Transport Officer; and at Calcutta and Madras, by the Agent for Government Consignments concerned, and by the following officers, if imported for the Army, namely—at Karachi, by the Embarkation Supply and Stores Officer, Kiamari; at Bombay, by the Ordnance Officer, Bombay Depot; at Calcutta, by the Embarkation Supply and Stores Officer at that port, and at other ports, by the Agent for Government Consignments concerned
- (ii) apparatus for wireless reception incorporated in a single unit with transmitting apparatus;
- (iii) wireless transmission apparatus and component parts thereof;

Provided that nothing shall be deemed to be a component part of apparatus for wireless telegraphy or telephony for the purpose of this exemption unless it is essential for the working of such apparatus and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, telegraphic instruments and apparatus and parts thereof imported for supply from bond for use of a Railway Administration are liable to duty at 18½ per cent. *ad valorem*, provided that, (i) at the time of delivering the bill-of-entry for warehousing a declaration is made thereon by the importer to the effect that the goods have been imported for supply from bond for the use of a Railway Administration; and (ii) a certificate from an Officer of the Railway Administration, duly empowered in that behalf by the Agent, is produced along with the application for clearance out of bond that the goods in question are not merely guaranteed stock, but will be definitely appropriated for the use of such Railway on clearance from bond.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, carbon blocks such as are ordinarily used for the manufacture of carbon brushes for electrical motors and generators are liable to duty at 18 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XVI—<i>contd.</i>							
MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i>							
73(8)	TELEGRAPHIC INSTRUMENTS AND APPARATUS AND PARTS THEREOF, imported by, or under the orders of, a Railway Administration.	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free ..	....
73(4)	WIRELESS RECEPTION INSTRUMENTS AND APPARATUS AND COMPONENT PARTS THEREOF, including all electric valves, amplifiers and loudspeakers which are not specially designed for purposes other than wireless reception or are not original parts of and imported along with instruments or apparatus so designed.*	Preferential revenue.	60 per cent. <i>ad valorem</i> .	48 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i>.	....
73(8)	ELECTRICAL EARTHENWARE AND PORCELAIN, the following, namely:—					12 per cent. <i>ad valorem</i> .	
	(a) Insulators, Shackle, Sinclair, Cordeaux or Pin-type, not otherwise specified—						
	(i) fitted	Revenue ..	25 per cent. <i>ad valorem</i> or Re. 1-2 per dozen, whichever is higher plus one-fifth of the total duty.	....	....	....	....
	(ii) not fitted	Revenue ..	25 per cent. <i>ad valorem</i> or fourteen annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....	....	....
	(b) Two-way cleats	Revenue ..	25 per cent. <i>ad valorem</i> or four annas per gross of pairs, whichever is higher plus one-fifth of the total duty.	....	....	....	....
	(c) Spacing insulators	Revenue ..	25 per cent. <i>ad valorem</i> or two annas per gross, whichever is higher plus one-fifth of the total duty.	....	....	....	....
	(d) Ceiling roses—						
	(i) fitted	Revenue ..	25 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....	....	....
	(ii) not fitted	Revenue ..	25 per cent. <i>ad valorem</i> or eight annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....	....	....
	(e) Joint-box cut-outs—						
	(i) fitted	Revenue ..	25 per cent. <i>ad valorem</i> or eight annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....	....	....
	(ii) not fitted	Revenue ..	25 per cent. <i>ad valorem</i> or six annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....	....	....
73(8)	RUBBER-INSULATED COPPER WIRES AND CABLES, no core of which, other than one specially designed as a pilot core, has a sectional area of less than one-eightieth part of a square inch, whether made with any additional insulating or covering material or not.	Revenue ..	7½ per cent. <i>ad valorem</i>.	....	....	Free ..	....
SECTION XVII.							
TRANSPORT MATERIAL.							
74	COAL TUBS, TIPPING WAGONS AND THE LIKE CONVEYANCES, designed for use on light rail track, if adapted to be worked by manual or animal labour and if made mainly of iron or steel; and component parts thereof made of iron or steel—					Free ..	
	(a) of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	....	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently the following wireless apparatus is liable to duty at 3 per cent. *ad valorem*—

- (i) apparatus for wireless reception [excluding apparatus specially designed for the reception of broadcast wireless and apparatus of the description specified in clause (ii)] and component parts of such apparatus, when imported under cover of (a) a certificate issued by the Director-General of Posts and Telegraphs to the effect that he is satisfied that the apparatus will not be used for the reception of broadcast wireless or (b) a certificate to the same effect issued by the Director-General, All-India Radio, if the apparatus is imported for the All-India Radio, by the Officer Commanding, Aircraft Depot, Royal Air Force (India), if the apparatus is imported by the Royal Air Force, by the following officers, if the apparatus is imported by the Royal Indian Navy, namely—at Bombay, by the Naval Store Officer; at Karachi by the Sea Transport Officer; and at Calcutta and Madras, by the Agent for Government Consignments concerned, and by the following officers, if imported for the Army, namely—at Karachi, by the Embarkation Supply and Stores Officer, Kiamari; at Bombay, by the Ordnance Officer, Bombay Depot; at Calcutta, by the Embarkation Supply and Stores Officer at that port, and at other ports, by the Agent for Government Consignments concerned;
- (ii) apparatus for wireless reception incorporated in a single unit with transmitting apparatus;
- (iii) wireless transmission apparatus and component parts thereof;

Provided that nothing shall be deemed to be a component part of apparatus for wireless telegraphy or telephony for the purpose of this exemption unless it is essential for the working of such—apparatus and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose.

† The rate of excise duty on the 1st January 1948, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma	
SECTION XVII—<i>contd.</i>							
TRANSPORT MATERIAL—<i>contd.</i>							
	(b) not of British manufacture	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	....	....
74(1)	TRAMCARS AND COMPONENT PARTS AND ACCESSORIES THEREOF.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
74(2)	RAILWAY MATERIALS FOR PERMANENT-WAY AND ROLLING-STOCK, namely, sleepers, other than iron and steel, and fastenings thereof; bearing plates, chairs, interlocking apparatus, brake-gear, shunting skids, couplings and springs, signals, turn-tables, weigh bridges, carriages, wagons, traversers, rail removers, scooters, trolleys, trucks; also cranes, water-cranes and water-tanks when imported by or under the orders of a railway administration; Provided that for the purpose of this entry 'railway' means a line of railway subject to the provisions of the Indian Railways Act, 1890, and includes a railway constructed in a State in India and also such tramways as the Central Government may, by notification in the <i>Official Gazette</i> specifically include therein; Provided also that articles of machinery as defined in Item No. 72 or No. 72(3) shall not be deemed to be included hereunder.	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free	....
74(3)	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in Item No. 74(2), namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose; Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.	Revenue ..	18½ per cent. <i>ad valorem</i>.	....	....	Free	....
75	CONVEYANCES, not otherwise specified, and component parts and accessories thereof; also motor vans and motor lorries imported complete.	Revenue ..	80 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
75(1)	MOTOR CARS INCLUDING TAXI CABS AND ARTICLES (other than rubber tyres and tubes) adapted for use as parts and accessories thereof, provided that such articles as are ordinarily also used for other purposes than as parts and accessories of motor vehicles included in this Item or in Items Nos. 75(2) and 75(3) shall be dutiable at the rate of duty specified for such articles.	Preferential revenue.	50 per cent. <i>ad valorem</i> .	42½ per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i>.	....
75(2)	MOTOR CYCLES AND MOTOR SCOOTERS AND ARTICLES (other than rubber tyres and tubes) adapted for use as parts and accessories thereof except such articles as are also adapted for use as parts and accessories of motor cars.	Preferential revenue.	45 per cent. <i>ad valorem</i> .	36 per cent. <i>ad valorem</i>.	....	24 per cent. <i>ad valorem</i>.	....
75(3)	MOTOR OMNIBUSES; chassis of motor omnibuses, motor vans and motor lorries; and parts of mechanically propelled vehicles and accessories not otherwise specified, excluding rubber tyres and tubes and such parts and accessories of motor vehicles included in this item as are also adapted for use as parts and accessories of motor cars.	Preferential revenue.	80 per cent. <i>ad valorem</i> .	21 per cent. <i>ad valorem</i>.	....	6 per cent. <i>ad valorem</i>.	....
75(4)	CARRIAGES AND CARTS which are not mechanically propelled, not otherwise specified, and parts and accessories thereof; excluding rubber tyres and tubes.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	12 per cent. <i>ad valorem</i>.	....
75(5)	CYCLES, (other than motor cycles) imported entire or in sections—						
	(a) of British manufacture	Protective ..	24 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.
	(b) not of British manufacture	Protective ..	36 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.
75(6)	FRAMES, for cycles (other than motor cycles)—						
	(a) of British manufacture	Protective ..	24 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.
	(b) not of British manufacture	Protective ..	36 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.
75(7)	HANDLEBARS for cycles (other than motor cycles)—						
	(a) of British manufacture	Protective ..	24 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.
	(b) not of British manufacture	Protective ..	36 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.
75(8)	All other parts and accessories of CYCLES (other than motor cycles) not otherwise specified (excluding rubber tyres and tubes)—						
	(a) of British manufacture	Protective ..	24 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.
	(b) not of British manufacture	Protective ..	36 per cent. <i>ad valorem</i>.	....	....	....	31-3-1949.

* The rate of excise duty on the 1st January 1948, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XVII—<i>concl'd.</i>							
TRANSPORT MATERIAL—<i>concl'd.</i>							
76	AEROPLANES, aeroplane parts, aeroplane engines, aeroplane engine parts and rubber tyres and tubes used exclusively for aeroplanes.*	Revenue ..	3 per cent. <i>ad valorem.</i>	....	....	Free ..	....
76(1)	SHIPS AND OTHER VESSELS† FOR INLAND AND HARBOUR NAVIGATION, including steamers, launches, boats and barges imported entire or in sections: Provided that articles of machinery as defined in Item No. 72 or No. 72(3) shall, when separately imported, not be deemed to be included hereunder.	Revenue ..	18½ per cent. <i>ad valorem.</i>	....	....	Free ..	....
76(2)	LIGHT SHIPS .. .. .	....	Free .. .. .	....	....	....	....
76(3)	FURNITURE TACKLE AND APPAREL, not otherwise described, for steam-sailing rowing and other vessels.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
SECTION XVIII.							
SCIENTIFIC AND PRECISION INSTRUMENTS AND APPARATUS; WATCH-MAKERS' AND CLOCKMAKERS' WARES; MUSICAL INSTRUMENTS.							
77	INSTRUMENTS, APPARATUS AND APPLIANCES, other than electrical, all sorts not otherwise specified, including photographic.‡	Preferential revenue.	36 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	....	12 per cent. <i>ad valorem.</i>	....
77(1)	INSTRUMENTS, APPARATUS AND APPLIANCES, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.	....	Free .. .. .	....	....	....	....
77(2)	OPTICAL, SCIENTIFIC, PHILOSOPHICAL AND SURGICAL INSTRUMENTS, APPARATUS AND APPLIANCES.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
77(3)	ARTIFICIAL TEETH	Preferential revenue.	30 per cent. <i>ad valorem.</i>	....	18 per cent. <i>ad valorem.</i>	6 per cent. <i>ad valorem.</i>	....
78	CLOCKS AND WATCHES AND PARTS THEREOF ..	Revenue ..	60 per cent. <i>ad valorem.</i>	....	....	24 per cent. <i>ad valorem.</i>	....
79	MUSICAL INSTRUMENTS AND PARTS THEREOF, all sorts and records for talking machines.	Revenue ..	60 per cent. <i>ad valorem.</i>	....	....	24 per cent. <i>ad valorem.</i>	....
SECTION XIX.							
ARMS AND AMMUNITION							
0	SAVE WHERE OTHERWISE SPECIFIED, all articles which are arms or parts of arms within the meaning of the Indian Arms Act, 1878 (excluding springs used for air guns), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifled arms and all other sorts of ammunition and military stores, and any articles which the Central Government may, by notification in the <i>Official Gazette</i> , declare to be ammunition or military stores for the purposes of this Act.§	Revenue ..	60 per cent. <i>ad valorem</i>	....	....	24 per cent. <i>ad valorem.</i>	....
80(1)	SUBJECT TO THE EXEMPTIONS specified in Item No. 80(3)—Firearms, including gas and air guns, gas and air rifles and gas and air pistols not otherwise specified, but excluding parts and accessories thereof.§	Revenue ..	Rs. 18-12 each or 37½ per cent. <i>ad valorem</i> , whichever is higher, plus 12½ per cent. <i>ad valorem</i> plus one-fifth of the total duty.	....	....	24 per cent. <i>ad valorem.</i>	...

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, (1) aircraft (other than aeroplanes) such as autogyros, airships, and the like; their parts, their engines, and parts of such engines and (2) aircraft materials, such as dope, 3-ply wood, duralumin sheets and fabric which have been given for use as aircraft materials some special shape or quality which would not be essential for their use for any other purpose are liable to duty at 3 per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, (a) ocean-going vessels, imported to be broken up, and (b) parts of vessels under repair removed for replacement are liable to duty at 18½ per cent. *ad valorem*, provided that articles contained in any such vessel not forming part of her necessary tackle, apparel or furniture (e.g., pianos, crockery, cutlery) shall be assessed to duty separately under the appropriate items of the Tariff.

‡ Under Government of India, Finance Department (Central Revenues), Notifications No. 33, dated the 22nd June, 1935, and No. 44, dated the 1st August, 1942, photo-litho films are liable to duty at 10 per cent. *ad valorem*.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, arms forming part of military equipment of officers and non-commissioned officers of foreign armies detailed for training at Army Schools of Instruction in India are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XIX—<i>concl'd.</i>							
ARMS AND AMMUNITION—<i>concl'd.</i>							
80(2)	SUBJECT TO THE EXEMPTIONS specified in Item No. 80(3)—					24 per cent. <i>ad valorem.</i>	
	(a) Barrels, whether single or double, for firearms, including gas and air guns, gas and air rifles, and gas and air pistols, not otherwise specified.	Revenue ..	Rs. 18-12 each.	} or 37½ per cent. <i>ad valorem</i> , whichever is higher, plus 12½ per cent. <i>ad valorem</i> plus one-fifth of the total duty.	....	....	..
	(b) Main springs and magazine springs for firearms, including gas guns, gas rifles and gas pistols.	Revenue ..	Rs. 6-4 each.		....	....	..
	(c) Gun stocks and breech blocks	Revenue ..	Rs. 3-12 each.		....	....	..
	(d) Revolver cylinders, for each cartridge they will carry.	Revenue ..	Rs. 2-8 each.		....	....	..
	(e) Actions (including skeleton and waster), breech bolts and their heads, cocking pieces, and locks for muzzle loading arms.	Revenue ..	Rs. 1-4 each.		....	....	..
	(f) Machines for making, loading, or closing cartridges for rifled arms.	Revenue ..	60 per cent. <i>ad valorem.</i>		....	....	..
	(g) Machines for capping cartridges for rifled arms.	Revenue ..	60 per cent. <i>ad valorem.</i>		....	....	..
80(8)	THE FOLLOWING ARMS, AMMUNITIONS AND MILITARY STORES:—	....	Free .. ..	....	....	..	..
	(a) Arms forming part of the regular equipment of a commissioned or gazetted officer in His Majesty's Service entitled to wear diplomatic, military, naval, Royal Air Force or police uniform.						
	(b) A revolver and an automatic pistol and ammunition for such revolver and pistol up to a maximum of 100 rounds per revolver or pistol, (i) when accompanying a commissioned officer of His Majesty's regular forces, or of the Indian Auxiliary Force or the Indian Territorial Force or a gazetted police officer, or (ii) certified by the commandant of the corps to which such officer belongs, or, in the case of an officer not attached to any corps, by the officer commanding the station or district in which such officer is serving or, in the case of a police officer, by an Inspector-General or Commissioner of Police, to be imported by the officer for the purpose of his equipment.						
	(c) Swords for presentation as army or volunteer prizes.						
	(d) Arms, ammunition and military stores imported with the sanction of the Central Government for the use of any portion of the military forces of a State in India being a unit notified in pursuance of the First Schedule to the Indian Extradition Act, 1903.						
	(e) Morris tubes and patent ammunition imported by officers commanding British and Indian regiments or volunteer corps for the instruction of their men.*						
80(4)	ORNAMENTAL ARMS OF AN OBSOLETE PATTERN possessing only an antiquarian value; masonic and theatrical and fancy dress swords, provided they are virtually useless for offensive or defensive purposes; and dahi intended exclusively for domestic, agricultural and industrial purposes.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	..
81	CARTRIDGE CASES, filled and empty	Revenue ..	60 per cent. <i>ad valorem.</i>	....	....	24 per cent. <i>ad valorem.</i>	..
SECTION XX.							
MISCELLANEOUS GOODS AND PRODUCTS NOT ELSEWHERE INCLUDED.							
82	CORAL, prepared	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
82(1)	IVORY, manufactured, not otherwise specified..	Revenue ..	60 per cent. <i>ad valorem.</i>	....	....	24 per cent. <i>ad valorem.</i>	....
82(2)	BANGLES AND BEADS, not otherwise specified..	Revenue ..	60 per cent. <i>ad valorem.</i>	....	....	24 per cent. <i>ad valorem.</i>	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, .22 inch Adapters, aim teachers and aperture sights for service rifles imported by officers commanding a unit of the Army in India for the instruction of their men are also exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*concl'd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
SECTION XX—<i>concl'd.</i>							
MISCELLANEOUS GOODS AND PRODUCTS NOT ELSEWHERE INCLUDED—<i>concl'd.</i>							
83	BRUSHES, all sorts	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
84	Toys, games, playing cards and requisites for games and sports, bird shot, toy cannons, air guns and air pistols for the time being excluded in any part of British India from the operation of all the prohibitions and directions contained in the Indian Arms Act, 1878, and bows and arrows.	Revenue ..	60 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
85	BUTTONS, metal	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
8(1)	SMOKERS' REQUISITES, excluding tobacco and matches: Provided that mechanical lighters as defined in the Mechanical Lighters (Excise Duty) Act, 1934, shall be liable in addition to a duty equal to the amount of the excise duty imposed by that Act, on mechanical lighters manufactured in British India.*	Revenue	60 per cent. <i>ad valorem.</i>	....	....	Mechanical lighters— 20 per cent. <i>ad valorem</i> plus the amount of the excise duty on mechanical lighters manufactured in British India* plus one-fifth of the total duty; all others— 24 per cent. <i>ad valorem.</i>	..
SECTION XXI.							
WORKS OF ART AND ARTICLES FOR COLLECTIONS.							
86	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards), not otherwise specified.†	Revenue ..	60 per cent. <i>ad valorem.</i>	....	....	....	....
86(1)	ART, works of, not otherwise specified ..	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
86(2)	ART, the following works of:—(1) statuary and pictures intended to be put up for the public benefit in a public place, and (2) memorials of a public character intended to be put up in a public place, including the materials used, or to be used in their construction, whether worked or not.	....	Free .. . . .	....	....	....	....
86(3)	SPECIMENS, MODELS AND WALL DIAGRAMS, illustrative of natural science, and medals and antique coins.†	....	Free .. . . .	....	....	....	....
86(4)	POSTAGE STAMPS, whether used or unused ..	....	Free .. . . .	....	....	....	....
SECTION XXII.							
ARTICLES NOT OTHERWISE SPECIFIED.							
87	ALL OTHER ARTICLES not otherwise specified, including articles imported by post.‡§||¶	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	...

* The reference to the Mechanical Lighters (Excise Duty) Act, 1934, must, by virtue of section 8 of the General Clauses Act, 1897, be read as a reference to the corresponding provision of the Central Excises and Salt Act, 1944. The rate of excise duty under the latter Act is Rs. 3 per lighter. By virtue of section 6 of the Indian Finance Act, 1942, the amount of duty (*viz.*, 50 per cent. *ad valorem* as standard rate plus Rs. 3 per lighter under the above proviso) is to be increased by one-fifth and thus stands at 60 per cent. *ad valorem* as standard rate (as shown) plus Rs. 3½ per lighter under the proviso.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, wall pictures and diagrams such as are ordinarily used for instructional purposes are exempt from payment of import duty.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, unmanufactured mica and wreaths imported for being placed on graves are exempt from payment of import duty and stereo-flags is liable to duty at 10 per cent. *ad valorem*.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 2-Customs, dated the 24th February, 1945, holite and cellulose acetate sheets are exempt from so much of the duty as is in excess of the duty leviable on printing and lithographic material.

|| Under Government of India, Finance Department (Central Revenues), Notification No. 25-Customs, dated the 15th December, 1945, charcoal imported by sea into British India from the Las Bela State is exempt from the payment of the customs duty leviable thereon.

¶ Under Government of India, Finance Department (Central Revenues), Notification No. 1-Customs, dated the 9th March, 1946, celluloid, raw, for the manufacture of dressing combs; asbestos, raw, including fibre; Bristles for brush making, Dumnuts for the manufacture of buttons and Carbon black for the manufacture of printing ink and black paint are exempt from the payment of the customs duty leviable thereon. Under this Notification, as amended subsequently by Government of India, Finance Department (Revenue Division), Notification No. 15-Customs, dated the 15th October, 1946, raw materials and component parts, other than glass bulbs, required for the manufacture of electric lamps, such as (i) Lamp caps, (ii) Filament wires, (iii) Leading-in-wires, (iv) Molybdenum wires and rods, (v) Glass tubings and rods, (vi) Mineral wires made of steel or any other suitable material, (vii) Forming gas, (viii) Nitrogen gas, (ix) Rare gases like Argon, Aron and Krypton, (x) Bakelite capping or basing cement, (xi) Stamping paste and acid, (xii) Phosphorus Pentoxide, and (xiii) Red Phosphorus are also exempt from the payment of the customs duty leviable thereon.

Note:—As these articles fall under more than one tariff items, they have, for the sake of convenience, been shown together under this item.

SCHEDULE II—EXPORT TARIFF.

No.	Names of articles.	Per	Rate of duty.
JUTE, OTHER THAN BIMLIPATAM JUTE.			Ra. a.
1	RAW JUTE—		
	(1) Cuttings	Bale of 400 lbs.	4 8
	(2) All other descriptions	Bale of 400 lbs.	15 0
2	JUTE MANUFACTURES, when not in actual use as coverings, receptacles or bindings, for other goods—		
	(1) Sacking (cloth, bags, twist, yarn, rope and twine)*	Ton of 2,240 lbs.	50 0
	(2) Hessians and all other descriptions of Jute Manufactures not otherwise specified.†	Ton of 2,240 lbs.	80 0
COTTON			
3	Raw Cotton	Bale of 400 lbs.	20 0
RICE.			
4	RICE, HUSKED OR UNHUSKED, including rice flour but excluding rice bran and rice dust, which are free.	Indian maund of 82-2/7 lbs. avoirdupois weight.	Two annas and three pies.
5	Tea	lb.	For annas.
COTTON CLOTH AND YARN.			
6	Cloth of any description manufactured either wholly from cotton or partly from cotton and partly from any other substance and containing not less than ten per centum of cotton by weight but excluding cloth of hand loom manufacture.		25 per cent. <i>ad valorem</i> .
7	Manganese ore		25 per cent. <i>ad valorem</i> .
8	Oilseeds	Ton	80 0
9	Vegetable oils	Ton	160 0

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, bagging for raw cotton made from cadis rove or from rove containing, in addition to cadis or other material not subject to export duty, not more than 15 per cent. jute weighing not less than 14 lbs. per square yard and having a total of not more than 140 single or double warp and weft threads per square yard, is exempt from payment of export duty and bagging for raw cotton made from jute rove (excluding bagging specified above as exempt from payment of export duty), weighing not less than .75 lb. per square yard, and having not more than 360 warp and weft threads per square yard, is liable to export duty at Rs. 5-8 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, jute rags such as are used for paper making are exempt from payment of export duty provided that the Customs Collector is satisfied that they are useless for any purpose to which cloth or rope is ordinarily put.

EXCISE DUTIES LEVIABLE ON CERTAIN ARTICLES PRODUCED OR MANUFACTURED IN BRITISH INDIA.

Item No.	Description of Goods.	Rate of Duty.
1	KEROSENE—* "Kerosene" means any inflammable hydrocarbon (including any mixture of hydrocarbons or any liquid containing hydrocarbons but excluding motor spirit) which— (i) is made from petroleum as defined in section 2 of the Indian Petroleum Act, 1934 (XXX of 1934), and (ii) is intended to be or is ordinarily used in liquid form for purposes of illumination.	The rate at which Customs duty is for the time being leviable under the Indian Tariff Act, 1934 (XXXII of 1934), read with any other enactment for the time being in force.
2	MATCHES— "Match" includes a firework in the form of a match; and where a match-stick has more heads than one capable of being ignited by striking, each such head shall be deemed to be a match. (1) Matches, manufactured in a factory whose daily output exceeds one hundred gross of boxes, in boxes or booklets containing on an average—† (i) not more than forty matches (ii) more than forty, but not more than fifty matches (iii) more than fifty, but not more than sixty matches (iv) more than sixty, but not more than eighty matches (2) Matches, manufactured in a factory whose daily output does not exceed one hundred gross of boxes, in boxes or booklets containing on an average—† (i) not more than forty matches (ii) more than forty, but not more than fifty matches (iii) more than fifty, but not more than sixty matches (iv) more than sixty, but not more than eighty matches (3) Matches in boxes containing on an average not more than 12 matches of the type known as "Bengal Lights."‡ (4) All other matches†	Rs. 2-0-0 per gross of boxes or booklets. Rs. 2-8-0 per gross of boxes or booklets. Rs. 3-0-0 per gross of boxes or booklets. Rs. 4-0-0 per gross of boxes or booklets. Rs. 1-15-2 per gross of boxes or booklets. Rs. 2-7-0 per gross of boxes or booklets. Rs. 2-14-9 per gross of boxes or booklets. Rs. 3-14-4 per gross of boxes or booklets. 10 annas per gross of boxes. 8 annas for every 1,440 matches or fraction thereof.
3	MECHANICAL LIGHTERS— "Mechanical Lighter" means any mechanical or chemical contrivance for causing ignition which is portable and which operates by producing a spark or flame whether by itself or when brought into contact with gas, and includes a mechanical lighter issued from a factory in an incomplete state or requiring for its completion the addition of a flint.	Rs. 3-0-0 per lighter.
4	MOTOR SPIRIT— "Motor Spirit" means— (a) any inflammable hydrocarbon (including any mixture of hydrocarbons or any liquid containing hydrocarbons) which is capable of being used for providing reasonably efficient motive power for any form of motor vehicle; and (b) power alcohol, that is, ethyl alcohol of any grade (including such alcohol when denatured or otherwise treated), which either by itself or in admixture with any such hydrocarbon, is capable of being used as aforesaid	12 annas per Imperial gallon.
5	SALT— "Salt" includes swamp salt, spontaneous salt, and salt or saline solutions made or produced from any saline substance or from salt earth.	Nil.§
6	SILVER	8 annas and 7½ pies per ounce Troy.
7	STEEL INGOTS	Rs. 4-0-0 per ton.
8	SUGAR PRODUCED IN A FACTORY ORDINARILY USING POWER IN THE COURSE OF PRODUCTION OF SUGAR— "Sugar" means any form of sugar containing more than ninety per cent. of sucrose :— (1) Sugar other than Khandsari or Palmyra (2) Khandsari sugar— that is to say, sugar in the manufacture of which neither a vacuum pan nor a vacuum evaporator is employed. (3) Palmyra sugar— that is to say, sugar manufactured from jaggery obtained by boiling the juice of the palmyra palm.	Rs. 3-0-0 per cwt. 8 annas per cwt. Nil.

* Under Government of India, Ministry of Finance (Revenue Division), Notification No. 28-Central Excises, dated the 4th October, 1947. Kerosene, which is proved to the satisfaction of the Collector of Central Excise to be intended for the manufacture of insecticides, is exempt from the payment of the excise duty leviable thereon.

† Under Government of India, Finance Department (Revenue Division), Notifications Nos. 4-Central Excises and 5-Central Excises dated the 11th and 13th May, 1946, respectively, matches of the description specified below are exempt, with effect from the 1st August 1946, from so much of the excise duty leviable thereon as is in excess of the duty calculated at the rates specified below :—

I. Matches manufactured in a factory whose daily output exceeds one hundred gross of containers :—
(i) if in containers containing on an average fifty matches Rs. 1-12-0 per gross of containers.
(ii) if not in containers as aforesaid Rs. 0-8-0 for every 1,440 matches or part thereof.

II. Matches manufactured in a factory whose daily output does not exceed one hundred gross of containers :—
(i) if in containers containing on an average fifty matches Re. 1-11-3 per gross of containers.
(ii) if not in containers as aforesaid Re. 0-7-9 for every 1,440 matches or part thereof.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 6-Cemp. Central Excise, dated the 7th April, 1945, matches of the type known as "Bengal Lights" when manufactured in a factory whose daily output does not exceed 100 gross of boxes are exempt from duty payable on them to the extent of 10 pies per gross of boxes.

§ Under Government of India, Finance Department (Central Revenues) Notification No. 1-Salt/47, dated the 28th February, 1947, salt manufactured in or imported by land into India is exempt, with effect from the 1st April, 1947, from the whole of the duty leviable thereon under the Central Excises and Salt Act, 1944.

EXCISE DUTIES LEVIABLE ON CERTAIN ARTICLES PRODUCED OR MANUFACTURED IN BRITISH INDIA—*contd.*

Item No.	Description of Goods.	Rate of Duty.																																																
9	<p>TOBACCO*†‡— "Tobacco" means any form of tobacco, whether cured or uncured, and whether manufactured or not, and includes the leaf, stalks and stems of the tobacco plant but does not include any part of a tobacco plant while still attached to the earth.</p> <p>I. Unmanufactured tobacco— (1) If flue-cured and intended for— (a) manufacture into cigarettes containing— (i) more than 60 per cent. weight of imported tobacco. Rs. 7-8-0 per lb. (ii) more than 40 per cent. but not more than 60 per cent. weight of imported tobacco. Rs. 5-0-0 per lb. (iii) more than 20 per cent. but not more than 40 per cent. weight of imported tobacco. Rs. 3-8-0 per lb. (iv) 20 per cent. or less than 20 per cent. weight of imported tobacco. Rs. 2-8-0 per lb. (v) no imported tobacco. Re. 1-0-0 per lb. (b) any purpose other than the manufacture of cigarettes or of the products enumerated in (3) (a) and (3) (b). Rs. 7-8-0 per lb.</p> <p>(2) if other than flue-cured and intended for— (a) manufactured into cigarettes. 9 annas per lb. (b) any purpose other than the manufacture of cigarettes or of the products enumerated in (3) (a) and (3) (b). 9 annas per lb.</p> <p>(3) whether flue-cured or not, if intended for— (a) manufacture into— (i) biris. 9 annas per lb. (ii) snuff. 9 annas per lb. (iii) cigars and cheroots. 3 annas per lb. (iv) bookah tobacco. 3 annas per lb. (b) sale as chewing tobacco, whether manufactured or merely cured. 3 annas per lb. (c) agricultural purposes. Nil.</p> <p>(4) Stalks and other refuse of tobacco intended for use in the preparation of any form of manufactured tobacco. 1 anna per lb.</p> <p>II. Manufactured tobacco— Cigars and cheroots of which the value— (i) exceeds Rs. 30 a hundred. Rs. 12-0-0 per hundred. (ii) exceeds Rs. 25 a hundred but does not exceed Rs. 30 a hundred. Rs. 10-0-0 per hundred. (iii) exceeds Rs. 20 a hundred but does not exceed Rs. 25 a hundred. Rs. 8-0-0 per hundred. (iv) exceeds Rs. 15 a hundred but does not exceed Rs. 20 a hundred. Rs. 6-0-0 per hundred. (v) exceeds Rs. 10 a hundred but does not exceed Rs. 15 a hundred. Rs. 4-0-0 per hundred. (vi) exceeds Rs. 5 a hundred but does not exceed Rs. 10 a hundred. Rs. 2-0-0 per hundred. (vii) exceeds Rs. 2-8 a hundred but does not exceed Rs. 5 a hundred. Re. 1-0-0 per hundred. (viii) exceeds Rs. 1-4 a hundred but does not exceed Rs. 2-8 a hundred. 8 annas per hundred. (ix) exceeds annas 12 a hundred but does not exceed Rs. 1-4 a hundred. 4 annas per hundred.</p>																																																	
10	<p>TYRES §— "Tyre" means a pneumatic tyre in the manufacture of which rubber is used and includes the inner tube and the outer cover of such a tyre.</p> <p>Tariff values— Aero—Tyres¶—</p> <table border="1"> <thead> <tr> <th>Sizes.</th> <th>Covers. Rs. a. p.</th> <th>Tubes. Rs. a. p.</th> </tr> </thead> <tbody> <tr><td>27"</td><td>84 9 0</td><td>11 9 0</td></tr> <tr><td>36"</td><td>163 12 0</td><td>14 1 0</td></tr> <tr><td>47"</td><td>367 11 0</td><td>33 9 0</td></tr> <tr><td>56"</td><td>639 9 0</td><td>Nil</td></tr> <tr><td>10.00</td><td>19 13 0</td><td>5 12 0</td></tr> <tr><td>12.00</td><td>26 4 0</td><td>6 6 0</td></tr> <tr><td>14.50</td><td>40 8 0</td><td>7 3 0</td></tr> <tr><td>17.00</td><td>50 14 0</td><td>7 15 0</td></tr> <tr><td>9.00—6</td><td>85 14 0</td><td>12 13 0</td></tr> <tr><td>10.00—7</td><td>185 4 0</td><td>11 2 0</td></tr> <tr><td>17.00—16</td><td>333 11 0</td><td>70 8 0</td></tr> <tr><td>19.00—23</td><td>649 14 0</td><td>Nil</td></tr> <tr><td>12½ × 4½</td><td>32 12 0</td><td>3 8 0</td></tr> <tr><td>14½ × 5</td><td>59 8 0</td><td>Nil</td></tr> <tr><td>34 × 9</td><td>149 10 0</td><td>13 6 0</td></tr> </tbody> </table>	Sizes.	Covers. Rs. a. p.	Tubes. Rs. a. p.	27"	84 9 0	11 9 0	36"	163 12 0	14 1 0	47"	367 11 0	33 9 0	56"	639 9 0	Nil	10.00	19 13 0	5 12 0	12.00	26 4 0	6 6 0	14.50	40 8 0	7 3 0	17.00	50 14 0	7 15 0	9.00—6	85 14 0	12 13 0	10.00—7	185 4 0	11 2 0	17.00—16	333 11 0	70 8 0	19.00—23	649 14 0	Nil	12½ × 4½	32 12 0	3 8 0	14½ × 5	59 8 0	Nil	34 × 9	149 10 0	13 6 0	10 per cent. <i>ad valorem</i> .
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34 × 9	149 10 0	13 6 0																																																
11	<p>VEGETABLE PRODUCT— "Vegetable Product" means any vegetable oil or fat which, whether by itself or in admixture with any other substance, has by hydrogenation or by any other process been hardened for human consumption.</p>	Rs. 5-0-0 per cwt.																																																

* Under Government of India, Finance Department (Central Revenues), Notification No. 7-Camp-Central Excise, dated the 7th April, 1945, flue cured *gulla* tobacco and the stems of flue-cured tobacco are exempt from so much of the duty leviable thereon as is in excess of the duty leviable on tobacco other than flue-cured tobacco which is intended for manufacture into cigarettes provided that the Collector is satisfied that such flue cured *gulla* tobacco or such stems of flue-cured tobacco are intended for manufacture into cigarettes containing no other flue-cured tobacco.

† Under the Government of India, Finance Department (Central Revenues), Notification No. 8-Central Excises, dated the 17th June, 1944, tobacco powder prepared from stalks and stems and other refuse is exempt from the excise duty leviable under the Central Excises and Salt Act, 1944, provided that the Collector is satisfied that such tobacco powder is intended for use as an insecticide.

‡ Under the Government of India, Finance Department (Central Revenues), Notification No. 4 Central Excises, dated the 1st July, 1944, tobacco which is proved to the satisfaction of the Collector to be intended for the manufacture of Nicotine Sulphate is exempt from duty.

§ Under the Government of India, Finance Department (Central Revenues), Notification No. 16-Central Excises, dated the 1st April, 1941, tyres specially designed for use on animal drawn vehicles are exempt from payment of this duty.

¶ These tariff-values on aero-tyres have been fixed under the Government of India, Finance Department (Revenue Division), Notification No. 8-Central Excises, dated the 27th July, 1946, in exercise of the powers, conferred by sub-section (2) of section 3 of the Central Excises and Salt Act, 1944 (1 of 1944).

EXCISE DUTIES LEVIABLE ON CERTAIN ARTICLES PRODUCED OR MANUFACTURED IN BRITISH INDIA—concl'd.

Item No.	Description of Goods.	Rate of Duty.
12	BETEL-NUTS, CURED* "Betel-nut" means the fruit of the areca-palm (areca catechu), whether with or without husk, whether cured or uncured, but does not include the fruit while still attached to the tree.	1 anna per lb.
13	COFFEE, CURED† — "Coffee" means the seed of the coffee tree (coffea), whether with or without husk, whether cured or uncured, but does not include the seed while still attached to the tree. <i>N.B.</i> —In addition a duty of excise at the rate of one rupee per cwt. is leviable under the Coffee Market Expansion Act, 1942, on all coffee (except coffee sold and delivered before the estate became subject to the provisions of the Act)— (i) which a registered estate is permitted by the internal sale quota allotted to it, to sell in the Indian market, whether such coffee is actually sold or not, and (ii) which is released for sale in India by the Indian Coffee Board from the surplus pool.	2 annas per lb.
14	TEA ‡ "Tea" means the commodity known as tea made from the leaves of the plant <i>Camellia Thea</i> (Linn.) and includes green tea.	2 annas per lb.
15	COAL AND COKE— (i) Coal and Soft Coke (ii) Hard Coke <i>N.B.</i> —1. In addition with effect from the 14th June, 1947, an excise duty at the rate of six annas per ton is leviable under the Coal Mines Labour Welfare Fund Act, 1947, on all coal and coke despatched from collieries in British India. But all coal and coke despatched from collieries otherwise than by rail are, however, exempt from liability to this duty. 2. Further, an excise duty at the rate of 2½ pies per ton, fixed under Government of India Department of Labour, Notification No. M.955, dated the 14th April, 1943, in pursuance of Rule 19, of the Coal Mines Rescue Rules, 1939, is leviable on all coal and coke despatched by rail from collieries or coke plants situated in the areas known as Jharia and Raniganj Coalfields, and a cess at the rate of 2 annas per ton is leviable, under section 3 (1) of the Indian Soft Coke Cess Act, 1929, on all soft coke despatched by rail from collieries in the provinces of Bengal, Bihar and Orissa.	3 annas per ton. 4½ annas per ton.
16	COPRA §	4 annas per cwt. avoird.
17	Oils extracted from oilseeds crushed in any mill in British India || .. .. . <i>N.B.</i> —The term 'Oilseeds' does not include 'coconuts.'	1 anna per maund.
18	Goods specified in item 40 of List 11 of the 7th Schedule to the Government of India Act, 1935, viz.: — (a) Alcoholic liquors for human consumption; (b) Opium, Indian hemp and other narcotic drugs and narcotics; non-narcotic drugs; (c) Medicinal and toilet preparations containing alcohol or any substances included in (b) above.	Rates vary in different provinces.
19	RUBBER¶	8 annas per 100 lbs.

* Under the Government of India, Finance Department (Central Revenues), Notification No. 13-Central Excises, dated the 7th October 1944, betel-nuts which are proved to the satisfaction of the Collector of Central Excise to be intended for being used as seeds are exempt from the payment of this duty.

† Under the Government of India, Finance Department (Central Revenues), Notification No. 2-Central Excises, dated the 3rd June, 1944, coffee seeds which are proved to the satisfaction of the Collector of Central Excise to be intended for the purpose of sowing are exempt from the payment of this duty.

‡ Under the Government of India, Finance Department (Central Revenues), Notification No. 7-Central Excises, dated the 19th August 1944, tea waste which is proved to the satisfaction of the Collector to be intended for the manufacture of caffeine, is exempt from duty.

§ Under Government of India, Department of Education, Health and Lands (Agriculture), Notification No. F43-4/45-A dated the 25th May, 1945, and in exercise of the powers conferred by section 3 of the Indian Coconut Committee Act, 1944 (X of 1944), the duty is levied, with effect from the 1st June, 1945, on all copra consumed in any mill in British India, when produced in British India.

|| This duty was imposed from the 18th April 1946, under the Indian Oilseeds Committee Act 1946.

¶ This duty was imposed with effect from the 1st October, 1947, under Government of India, Ministry of Industry and Supply, Notification No. 23(5)-I.R.P./47, dated the 30th September, 1947, as subsequently amended.

CESSES LEVIABLE ON CERTAIN ARTICLES ON EXPORT OR OTHERWISE.

No.	Name of Article.	Cess leviable.
*1	TEA	Re. 1-0 per 100 lbs.
†2	JUTE— (a) Raw including Jute cuttings and rejections	Two annas per bale of 400 lbs.
	(b) Manufactured Jute	Twelve annas per ton of 2,240 lbs.
‡3	COTTON (ginned)— (a) Baled	Two annas per standard bale of 400 lbs.
	(b) Unbaled	Six pies per 100 lbs.
§4	LAC— (a) Any form of manufactured or unmanufactured lac ..	Seven annas per maund.
	(b) Refuse lac	Five annas per maund.
||5	COFFEE	Re. 1 per cwt.
¶6 (1)	BONES **	
	Bones, broken or crushed (including bone grist but excluding bone-meal or bone manure) ..	8 0 0
(2)	BRISTLES	Per lb.
(3)	BUTTER	2 0 0
(4)	CEREALS, OTHER THAN RICE AND WHEAT—	Per cwt.
	Bajri	12 0 0
	Barley	13 0 0
	Jowar	12 0 0
	Maize	11 0 0
(5)	Drugs ††	
(6)	FIBRE FOR BRUSHES— For brushes, all kinds	41 0 0
(7)	FISH—	
	FISH (excluding canned fish)— (i) Fish, dry, salted	42 0 0
	(ii) Prawns, dry	90 0 0
(8)	FRUITS—	
	Almonds in the shell	80 0 0
	Almonds without shell	220 0 0
	Cashew kernels	130 0 0
	Coconuts	Per Thousand 180 0 0
	Raisins, all kinds	Per cwt. 75 0 0
	Tamarind	22 0 0
	Walnut in the shell	65 0 0
	Walnut kernel	100 0 0
(9)	GHEE	Per Indian md. 190 0 0
	Ghee substitute, including vegetable ghee and hydrogenated edible oil and fat mixtures ..	cwt. 75 0 0
(10)	HIDES, RAW—	
	Buffalo hides (excluding calf skins)—	Per lb.
	(i) Arsenicated	0 12 0
	(ii) Salted	0 10 0
	COW HIDES (excluding calf skins)—	
	(i) Arsenicated	1 0 0
	(ii) Salted	0 14 0

* The cess is levied on all tea exported from any Customs port to any port beyond the limits of British India. Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, tea exported to any place in the Janjira State or exported from any Customs port to any port in Kathiawar and tea exported by post is exempt from payment of this duty.

† The cess is levied on all jute exported by sea from the port of Calcutta to any other port whether beyond or within India and from the port of Chittagong to any other port beyond or within India (except raw jute exported to Calcutta).

‡ The cess is levied on all cotton produced in India and (a) consumed in any mill in British India, or (b) exported from any Customs port to any port outside British India, or (c) exported by land to the French and Portuguese territories of Pondicherry, Karikal, Goa and Daman. The cess is not, however, leviable on cotton waste, kapok and cotton fly. Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, cotton exported from any Customs port to any port in Kathiawar and linters are exempt from payment of this duty.

§ The cess is levied on all lac and refuse lac produced in India and exported from any Customs port to any port beyond the limits of British India. Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, lac and refuse lac exported from any Customs port to any port in Kathiawar are exempt from payment of these duties.

|| The cess is levied on all coffee taken by sea or by land to any place beyond the limits of British India. Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, coffee taken by sea or by land to any place in the Travancore State or Cochin State or by land to any place in the Mysore State, or exported from any Customs port to any port in Kathiawar is exempt from payment of this duty.

¶ Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, articles included under item No. 6, exported (a) by sea as passenger's baggage, (b) by post, (c) to any place in the Janjira State, and (d) from any Customs port to any port in Kathiawar are exempt from payment of this duty.

** Under the Government of India, Department of Education, Health and Lands, Notification No. F. 8/40, dated the 11th September, 1940, Bones, human, exported as anatomical specimens are not subject to this duty.

†† Under the Government of India, Department of Education, Health and Lands, Notification No. F. 8/40, dated the 11th September, 1940, Drugs, manufactured, are not subject to this duty.

CESSES LEVIABLE ON CERTAIN ARTICLES ON EXPORT OR OTHERWISE—*concl.*

No.	Name of Article.	Cess leviable.
6 (11)	MANURES—	Tariff value Per cwt. Rs. a, p
	Manures of animal origin, all kinds (excluding bone meal or bone manure)	8 0 0
	Bone meal or bone manure	7 8 0
(12)	OILCAKES—	Per ton.
	Groundnut oilcakes	130 0 0
	Groundnut oilcake meal	138 0 0
	Linseed oilcakes	140 0 0
	Oilcakes, other kinds	120 0 0
(13)	PULSES—	Per cwt.
	Dal, all kinds	27 0 0
	Pulses, all kinds	20 0 0
(14)	SEEDS *	
	Ajwan	28 0 0
	Aniseed	30 0 0
	Castor seed	27 0 0
	Celery seed	45 0 0
	Coriander	30 0 0
	Cotton seed	15 0 0
	Cummin seed (white)	100 0 0
	Cummin seed (black)	55 0 0
	Fennel seed	30 0 0
	Fenugreek seed	20 0 0
	Groundnuts, decorticated	28 0 0
	Linseed	25 0 0
	Mustard and rape seeds	25 0 0
	Niger seed	23 0 0
	Sawa (Dill) seed	19 0 0
Til (Sesamum)	35 0 0	
(15)	SKINS, raw—	
	Goat skins (excluding kid skins)	Per piece. 2 10 0
	Sheep skins (excluding lamb skins)	1 11 0
(16)	SPICES—	
	Chillies, dry	Per cwt. 50 0 0
	Ginger, dry	46 0 0
	Pepper, black	120 0 0
	Turmeric	45 0 0
(17)	TOBACCO, unmanufactured—	
	Flue cured	Per lb. 1 9 0
	Non-flue cured	0 12 0
	Chewing, bidi, cheroot and cigar tobacco	0 12 0
(18)	VEGETABLES—	Per cwt.
	Garlic	54 0 0
	Onions	15 0 0
	Potatoes	18 0 0
(19)	WHEAT, all kinds	18 0 0
(20)	WHEAT FLOUR—	
	Wheat atta	20 0 0
	Wheat flour and suji	22 0 0
(21)	WOOL, raw	
7	Mica in whatever state†	2½ per cent. <i>ad valorem</i>

* In addition with effect from the 18th April, 1946, a cess at the rate of two annas per maund is leviable under the Indian Oilseeds Committee Act, 1946, on all oilseeds, exported out of British India to a destination outside India. The term 'Oilseeds', as defined in this Act, does not include 'Coconuts'.

† Under Government of India, Department of Labour, Notification No. L.MV5(4) dated the 7th April, 1947, and in exercise of the powers conferred by sub-section (1) of section 2 of the Mica Mines Labour Welfare Fund Act, 1946 (XXII of 1946), the duty is levied, with effect from the 1st April, 1947 until the 1st April, 1948 on all mica in whatever state, exported from British India.

Report for the Year 1947.

Section IV.

**SPEECH OF THE FINANCE MINISTER
ON
INTRODUCTION OF BUDGET FOR 1948-49.**

SPEECH BY THE FINANCE MINISTER ON INTRODUCING THE BUDGET
PROPOSALS FOR 1948-49.

When I presented my Interim Budget to Free India's first Parliament a few months back, our nation had been shaken to its very foundations by the great Punjab tragedy. Thousands of our people had been brutally butchered, and millions of innocent men, women and children driven out of their ancestral homes and forced to make a dusty, deadly trek in search of a new home. Our crying concern then was to dress the wounds of uprooted humanity, and to mobilise all our financial resources to set aright an unhinged economy. Our new found freedom, however, weathered the storm, and as the eve of my first annual Budget approached, I could see a silver lining around the cloud. Then, suddenly, like a thunderbolt that rends the sky and spins the globe, calamity struck us once more and orphaned our infant State and enveloped the country with a darkness even more complete. The hand that nailed Jesus to the Cross reached out of the evil recesses of history once again and slew the latest in the line of Prophets. Along with Bernard Shaw one wonders : " Must then a Christ perish in torment in every age to save those that have no imagination ? " In Mahatma Gandhi the world has lost an uplifting standard, our nation its Founding Father, and each one of us his friend, philosopher and guide. Many ran up to him in times of stress, national or personal, and came back with renewed confidence. Our fledgling freedom felt warm and secure under the protective wing of Gandhiji. The way ill fortune has dogged our heels makes one doubt whether our people had made a tryst with disaster rather than with destiny. But that is a most unGandhian mood ; for he remained cheerful and buoyant and hopeful even in the darkest hour. Indeed I rise to-day under a shadow, but I know it is the shadow of his cross, and so I feel confident that our nation will be prepared to meet the great challenge of the situation. In the faith that looks through death we shall shape the destiny of our nation on the pattern which he cherished and lead it from the dark abyss of hatred and despair to the sunlit pastures of eternal life.

Review of Economic Conditions.

2. The third year after war finds the world still in the meshes of those economic maladjustments which are the inevitable aftermath of total war—the nemesis that inexorably pursues the victor and the vanquished alike. Western Europe is still in a sad plight and intolerable economic conditions prevail in many of the devastated areas. The efforts at rehabilitation by the United Nations Organisation and the United States Government have so far borne little fruit. All hope is now centred round the Marshall Plan. But its gestation is unduly delayed, and it has worsened the already strained relations between the Big Three. The United Kingdom is making a heroic effort to rehabilitate her war-torn economy and shattered trade. There has been serious economic dislocation in many Asian countries owing to violent internal struggles or fight for freedom from foreign domination. Thus, over a large part of the world, economic conditions are still worse than in war-time ; production has fallen, even below pre-war levels in some cases, and prices have been soaring to new heights. The world food situation is still a cause for serious anxiety ; while the world's population has increased by about 200 millions since 1939, the total food production has fallen by 7 per cent. At the same time, there has been a tremendous increase in the money in circulation. The many high-powered international bodies lately set up for rectifying the world's currency and food troubles have so far made little headway. In the result, inflation is still holding the world in its firm grip and the standards of living of the great majority of the world's population remain at depressingly low levels. Especially in Asian countries, the economic situation has greatly deteriorated owing to violent internal struggles and the consequent dislocation of normal economic activity.

3. There has been no material change in the general economic conditions in our own country since I reviewed them last when presenting the budget for the current year last November. The dislocation caused by the mass migration of people between Western Pakistan and India still remains to be surmounted and only the fringe of the problem of rehabilitating the millions of people who have crossed over to India has so far been touched. While active steps are being taken to provide the necessary financial assistance to the refugees to

enable them to start on useful careers in their new surroundings, the process of rehabilitation is necessarily bound to take some time. The budget for next year provides a substantial amount for relief and rehabilitation and the House may rest assured that everything possible will be done to place these refugees in useful occupations as early as possible. It is not merely a matter of humanitarian relief but one of economic investment, for the sooner these people, many of whom are skilled workers and agriculturists with experience, are placed in occupations in which their productive capacity would add to the wealth of the community the better for the country. In this task of rehabilitation the Government of India are working in close co-operation with the neighbouring States and Provinces and the plans for their relief and rehabilitation are being drawn up in co-ordination with them.

4. The food position still continues to cause anxiety and conditions have definitely become worse in large parts of the Madras Presidency following the failure of the monsoon. Steps are being taken to make additional supplies available but the position is bound to be difficult until the new harvest comes on the market. It is not necessary for me to explain in detail the reasons which led to the policy of gradual decontrol of food which was approved by this House. The effects of this policy on the internal sources of supply still remain to be seen but if the expectation behind this policy that it would bring more supplies to the market and, to that extent, reduce our dependence on foreign imports is realised, it would be completely justified.

5. In my speech last November I mentioned the rising trend of prices as the most unwholesome feature in our economic situation. This, as I explained then, was the result of a number of factors some of which, like the accumulation of surplus purchasing power in the hands of the community, have been in operation for some time while the all-round fall in production, both industrial and agricultural, was of more recent origin. I stressed then the need for increasing production in every possible way and I gave details of the steps taken to promote the increase of textile production as an example of what the Government are striving to do. But the House must realise that any substantial increase in production is impossible until the shortage of materials, the bottleneck in transport and other impediments are removed. If the increase in production requires the import of equipment from overseas, this again takes time to obtain and is also limited by considerations of foreign exchange on which the more urgent requirements of food have necessarily the first claim. These difficulties are inherent in the situation but it does not necessarily follow that Government are doing nothing in the matter. One serious hindrance in the way of production, even with the available resources, has been the frequent disputes between capital and labour, resulting in strikes and other interruptions of work. If the recent truce agreed upon between capital and labour for a period of three years in the recent Industries Conference can be implemented in letter and spirit, the way would be clear for a considerable increase in production.

6. A view that has in recent years become almost unanimous among economists and financiers is that each year a Government's financial policy should be so planned as to rectify the economic maladjustments of the time, and to serve as a compensatory device to offset fluctuations in the private sector of economy. In a time of inflation, budgets should not only be balanced but there should be a comfortable surplus for mopping up the excess purchasing power and to encourage economy in private spending. On the other hand, when a depression is on, Government should launch bold schemes of public expenditure and should boldly budget for a deficit if necessary.

7. An inflationary pressure resulting from too much money chasing too few goods has been the keynote of our present economy, and there is no indication that a reversal of this trend is in sight. At such a juncture, we should exert every nerve to budget for a surplus, if possible, by increasing revenue and curtailing expenditure. The methods by which these aims are achieved are important, because as the present phase of inflation is due to an abundance of spending power without the goods to spend on, we must see that a surplus is achieved in such a way as to curtail spending and create suitable incentives for increasing production. In other words, the tax-burdens laid must be met by cutting down expenditure on consumption and not by saving less. Similarly, the borrowing made must be from genuine savings and not from inflated bank credit. The practical application of these principles is indeed difficult, but we must bear them in mind in shaping our financial policy.

Balance of Payments.

8. I should like to draw the attention of the House to a matter which has been causing some concern to Government, namely, the emergence, in recent times, of a substantial adverse balance in India's external payments. India's balance of trade has in the past always been substantially in her favour, the surplus of exports over imports being used by her to meet the interest and amortisation charges on her sterling debt, to pay the pensions and leave salaries of British officers and to make other invisible payments such as the remittance of the profits of foreign investments in India and banking, insurance and shipping charges. During the war years India's balance of trade became even more favourable than before, due not only to restrictions on her imports on account of war-time conditions but to the large payments which accrued to her on account of supplies and services to the allied nations and the Defence Expenditure Plan. The result of India's earnings, both visible and invisible, being vastly in excess of her expenditure, was the rapid accumulation of our sterling balances. Part of these balances was used to purchase the Indian railways and to repatriate compulsorily almost the whole of the Indian sterling debt; part was used through Indian nationals acquiring British investments in India. All these measures served greatly to lessen the annual drain on India while the interest earned on the sterling balances added in some measure to our income. If, therefore, all the other factors in the situation had remained the same, India should have had now a substantially more favourable balance of payments than she had before the war.

9. Far from having a favourable balance, however, India had in the first post-war year, 1946-47, a substantial deficit in her balance of payments on current account. The tendency which then manifested itself for the first time still continues and had it not been for the restrictive import policy which was introduced in June 1947 the deficits we have had would have been substantially greater. The reasons for this are two-fold. Firstly, it is the inevitable result of the absence of imports during the many years of war that the long pent up demand should seek to satisfy itself as soon as goods become available. This is true not only of consumer goods but also of producer goods and plant and equipment, the arrears of maintenance of which have to be made good as soon as possible if production is not to be interfered with. The second, and by far the more important, reason for this deficit is, as is well known, our imports of foodgrains. India has of course been a regular importer of food for many years but quantities and prices have both been recently going up. In 1944-45 and 1945-46 the value of foodgrains imported into India was Rs. 14 crores and Rs. 24 crores respectively. In 1946-47 the figure was Rs. 89 crores. These figures are in addition to the import of supplementary food articles which cost a further Rs. 15 crores in 1946-47. In 1947-48 the amount expected to be spent on the import of foodgrains is Rs. 110 crores.

10. The money required for the purchase of food is of course a first charge on our available foreign exchange resources. These consist of our export earnings and of our sterling balances but on the latter we have necessarily to draw in moderation. These resources are not sufficient to finance both the heavy drain caused by food imports as well as to pay for all the other imports we should like to purchase. As food must have the highest priority, we have necessarily to restrict the import of other commodities. It is undesirable that this should be so, particularly at a time when inflationary tendencies persist in the country. It is therefore imperative for us to take all the steps in our power, not only to increase the production of food in this country so as to reduce imports, but to increase production in every other field of economic activity so that it may be possible to increase our export income without reducing home consumption. I fear, however, that in spite of all the action that may be taken in this direction it will take a few years before it will be possible for India to bring her foreign payments into equilibrium and that, therefore, it will be necessary to continue with our present restrictions on imports.

11. It will be appreciated that, with India's limited resources of hard currencies, it would have been impossible to continue the policy of non-discrimination regarding the source from which Indian imports came, which was a feature of Indian import policy during the last half-year. Hon'ble members will remember that I indicated to them in my last Budget Speech that the dollar shortage would cause us to reimpose discrimination and I fear that we have had, in framing the import policy for the present half-year, to make the most

drastic cuts in imports from the hard currency areas. It is unfortunate that this has to be so, for we are being compelled either to do without a large number of useful articles which are obtainable only in the hard currency area or to pay for them a higher price in the soft currencies. As long, however, as the world dollar shortage caused by the disequilibrium in world trade continues, I fear we have no alternative but to proceed on the basis which has been in force ever since the war broke out and to which we have now had to revert. I am, however, glad to be able to report to the House that we have been able slightly to decrease the rigour of the import control from the sterling and other soft currency areas which we had imposed during the last half-year. It was neither desirable nor indeed possible to continue import control from all over the world with that degree of restriction which we had introduced, for not only would it have led, if continued for any length of time, to an increase in the inflationary potential but would also have interfered with production.

12. One other recent trend in our external financial position is deserving of special mention. Till 1945-46 not only did we have an overall favourable balance of payments but we were in substantial surplus with the U.S.A. Since 1946-47 that situation has also changed both because goods have become much more freely available in that country and because we have to purchase there a substantial portion of our food requirements. In 1946-47 our deficit with the U.S.A. was Rs. 15 crores. In the subsequent months it increased substantially, being Rs. 13½ crores and Rs. 22 crores respectively for the second and third quarters of 1947. Preliminary figures for the two months October and November disclose a deficit of Rs. 14 crores. With the other hard currency countries the position is no better and during the period April to November 1947 our deficit with them has been Rs. 5½ crores. Our total net earnings of hard currencies during the period September 1939 to November 1947 were about Rs. 37 crores.

13. The most important lesson to be drawn from a study of our external financial position is that so long as food imports continue on the present scale, we would be confronted with the problem of an adverse balance of payments and the disequilibrium in our economy will persist. Such a state of affairs will be a source of anxiety and even danger. The only way to redress the balance is to increase the internal production of food. While an expansion of our export trade will go a long way to mitigate the seriousness of the problem, it will be impossible to bridge the gap by exports alone. It will be observed that though I have indicated the trends in our external financial position, I have not given any figures for our overall deficits in the balance of payments. This is for the simple reason that such figures have so far not existed, though steps have now been taken to see that they are collected in future. I would, nevertheless, like to give the House some idea of our position as it is likely to be during the first half of 1948 and propose to mention certain figures on the clear understanding that these are to be taken more as an indication of the magnitude of the figures involved than of the actual figures as they are likely to be. Forecasts of balance of payments are notoriously liable to be inaccurate because of the uncertainties of the factors involved; but in preparing the forecast for the first six months of 1948 we have suffered from the additional handicap that it is impossible to say what effect the partition of the country will have on its external trade and that there are no past actuals to guide us. The figures I shall mention relate to the balance of payments on current account of the Dominion of India with the rest of the world excluding Pakistan. For our balance of payments with Pakistan, I fear it is not possible to make even the roughest of estimates. In the half-year January to June 1948 we hope to earn through exports and other sources Rs. 208 crores. We expect to spend during the same period Rs. 260 crores. We therefore anticipate an overall deficit of Rs. 52 crores. Out of our total expenditure during the half year, no less than Rs. 61 crores will be spent on the purchase of food.

14. Hon'ble Members will appreciate more fully in the light of what I have stated above the significance of the second interim agreement on the sterling balances which has been concluded between the Government of India and the Government of the United Kingdom by an exchange of letters. In brief, the effect of the exchange of letters is that the financial agreement dated 14th August 1947, which expired on the 31st December 1947, has been extended upto 30th June 1948 with some modifications. The first agreement was on behalf of both India and Pakistan but the present extension is on behalf of the Dominion of India alone. Hon'ble members will remember that in December last, when an agreement was reached

between Pakistan and ourselves on all outstanding financial issues including the division of the sterling balances, it was agreed that from the 1st of January 1948 the exchange accounts of the two countries should be kept separately. As a consequence of this separation, it was also agreed that negotiations for a further interim settlement between the United Kingdom and the two Dominions should be carried on separately by each. Hence Pakistan was not a party to our recent negotiations.

15. The object that we kept in view in our recent discussions with representatives of the United Kingdom Government was to make available to us sufficient foreign exchange resources to meet our estimated overall deficit in the balance of payments during the first half of 1948. As I have indicated earlier, we estimate our overall deficit for this period at £39 million or Rs. 52 crores. It has now been agreed that a further £18 million (or Rs. 24 crores) will be transferred from Account No. 2 to Account No. 1, the existing balance in which will, of course, be carried forward at our disposal except for a certain amount to be transferred to Pakistan under the Indo-Pakistan Agreement of December last. This fresh transfer, together with the balances that we have at our disposal under various accounts and some borrowing from the International Monetary Fund, will enable us to meet our anticipated deficit. As our Account No. 1 would now stand, I have no anxiety on account of the external financial position of the country so far as currencies other than the hard currencies are concerned.

16. One important feature of the new agreement is the limit on convertibility. Under the original agreement the whole of our sterling in Account No. 1, whether it arose by transfer from Account No. 2 or through the proceeds of current earnings, was fully convertible for current transactions into any currency including that of the U.S.A. In other words, the whole of the sterling that we held in Account No. 1 was multilaterally convertible. Under the present agreement, however we have been put to the necessity of limiting our right to multilateral convertibility to the extent of only £10 million or Rs. 13.33 crores. This restriction will necessitate our borrowing to some extent from the International Monetary Fund. I am, however, satisfied that the extent of our borrowing from the Fund during the current half-year will be well within the limits of our rights of borrowing from that Fund. Hon'ble members are entitled to know why we agreed to limit the right to full multilateral convertibility which is possessed by every member of the sterling area. The answer is that, like all international agreements, this agreement was a compromise, and in the light of the circumstances that faced us I consider it in the best interests of the country to accept this condition. I am not unmindful of the great difficulties under which the United Kingdom is labouring today, nor am I unappreciative of the valiant efforts being made by that great country to restore equilibrium in her economy and to discharge her international obligations. I am fully aware that the gold and dollar resources of the sterling area are small, are rapidly being exhausted and require to be husbanded with the greatest care. It is for this reason that we agreed last September, soon after our first interim agreement was concluded and when the United Kingdom was forced to suspend the convertibility clause in the Anglo-American Loan Agreement, to co-operate by restricting dollar expenditure as far as possible. For the half year in question our expenditure in hard currency has been severely limited to essentials. Nevertheless, I cannot help feeling that it should have been possible to avoid introducing this very undesirable and harmful principle of a limit on the convertibility of sterling for members of the sterling area who are pledged to holding sterling without limit of amount. We have honoured that pledge perhaps even beyond the bounds of prudence. Even from the point of view of the necessity for safeguarding the central reserves of the sterling area, I cannot feel happy about the low limit of convertibility forced upon us. After all, our proposed drawings on the central reserves were the merest fraction of what the United Kingdom herself proposed to draw therefrom. Undesirable as this feature of the agreement is, we accept it in the hope that it would be possible to remove this condition at the earliest possible moment. We have decided in fact to make a long term settlement with the United Kingdom on this vexed question as soon as possible. I feel that it is unsatisfactory that there should be negotiations every six months on this subject for the element of uncertainty as to the results of these periodical negotiations makes it impossible for any long term co-ordinated trade policies to be formulated. I have, therefore, conveyed to the Leader of the British Delegation my desire that steps should be taken for initiating talks for a long-term agreement.

Financial Settlement with Pakistan.

17. When I gave a brief account to the House in my last Budget Speech of the details of the partition and its financial and economic results, I mentioned that a number of important points connected with the partition still remained unsettled and were likely to be referred to arbitration. As the House is aware, these outstanding questions have been the subject of further consultation between the two Governments and all of them have been settled so that so far as the two dominions are concerned, it became unnecessary to resort to arbitration on any issue. Now that a final settlement has been arrived at, although the details would necessarily take some time to work out, I propose to give the House a short account of these decisions.

18. The position of the undivided Government as on the date of partition was that its outstanding liabilities exceeded its assets so that ultimately it is the debt that is being divided between the two Governments. On a rough estimate the outstanding debt of the Central Government as on the 14th August 1947, including in this not merely the outstanding public debt but all its obligations to outside parties such as deposits in Postal Savings Banks, outstanding balances of Post Office Cash and National Savings Certificates, Provident Fund Deposits of Government servants, the amounts likely to be paid to the British Government for surplus stores and other property acquired by the Defence Services and the capitalised value of the liability for pensions in payment on the date of partition and pensions earned by serving officers upto that date, is likely to be of the order of Rs. 3,300 crores. The Government of India's assets on that date are represented by the capital spent on the great Commercial Departments like the Railways and the Posts and Telegraphs, the Security Printing Press, the Irrigation works in the Centrally Administered areas, the Port of Vizagapatam and New Delhi; the buildings, stores and equipment of the Defence Services and the various branches of the Civil Administration; the cash balance with the Reserve Bank and investments such as the Silver Redemption Reserve and the subscriptions to the International Monetary Fund and the International Bank; and the miscellaneous debts due to it such as the outstanding loans made to Provincial Governments and local bodies and institutions. The total value of these assets is of the order of Rs. 2,800 crores leaving a net excess of liabilities over assets of about Rs. 500 crores. As I said earlier, it will be some time before the final figures are available and the machinery for obtaining them as early as possible is being set in motion. The arrangement with Pakistan is that for all assets located in her territory such as the Railways and the Posts and Telegraphs system operating in Pakistan, the stores and other movable equipment allocated to her, the administrative buildings and installations taken over by her in her territory she takes a debt equal to the book value of these assets. An exception has been made in the case of strategic railways the book value of which, for purposes of the settlement, will be written down from a little over Rs. 32 crores to Rs. 14.45 crores. In addition, Pakistan will take over a debt equal to the amount of the cash balance of Rs. 75 crores allocated to her out of the cash balances of the undivided Government and 17½ per cent. of the net excess of the Central Government's liabilities over assets which, as I mentioned earlier, is likely to be of the order of Rs. 500 crores. The total of Pakistan's debt as calculated above will be reduced by the liability she takes over direct in regard to Postal Savings Banks, Postal Cash and National Savings Certificates outstanding in her area, the pensions of the undivided Government paid in Pakistan and the liability for pensions earned by officers who have opted for service in that Dominion. For purposes of the financial settlement the outstanding debt of the Central Government will be valued after taking into account the interest payments, discounts, the date of redemption and so on. Similarly the actuarial value of the pensionary liability will have to be calculated. The closing of the accounts for the pre-partition period, without which the outstanding assets and liabilities cannot be determined, will also take some time to complete. It is not therefore possible to give anything more than a very rough indication of the amounts involved in the settlement or the share of Pakistan in the outstanding debt. Pakistan's share will take the form of an inter-state debt to India. On a very rough estimate this debt is likely to be of the order of Rs. 300 crores, and the rate of interest may be near about 3 per cent. Pakistan's total debt is to be repaid in Indian rupees in fifty annual equated instalments for principal and interest. As a measure of assistance to the new Dominion in its earlier years it has been agreed that the first repayment should commence only in 1952. In addition to the Rs. 75 crores given to her out of the cash balance of the undivided Government it has also been agreed that

India would make available to Pakistan a further sum of Rs. 6 crores for meeting the expenditure on the setting up of Ordinance factories and similar special institutions required by her. This amount will also be added to Pakistan's debt. With this settlement, the terms of which, as the Deputy Prime Minister has already told the House, are generous and conceived in a real spirit of assistance to Pakistan, the purely financial problems arising out of the partition may be said to have been satisfactorily solved.

19. The allocation of the sterling reserves that the Reserve Bank will hold when it ceases to be the currency authority and banker to the Pakistan Government on the 30th September next also raised difficult issues and I am glad to say that a satisfactory solution has been reached here also. It has been agreed that out of the sterling assets in the Issue Department, Pakistan would receive a share in the proportion of the notes in circulation in Pakistan. In addition she would also be entitled to 17½ per cent. of the excess of the sterling held by the Reserve Bank on the 30th September 1948 in both the Banking and Issue Departments after allowing for the payments to be made to the British Government for surplus military stores and fixed assets and the capitalised value of pensions paid in sterling and for the retention of a reserve in the Issue Department which, together with the gold, would be equal to 70 per cent. of the liabilities. This additional sterling will be released to Pakistan by India, as and when required till the 31st December 1967, against payment in Indian rupees.

FINANCIAL YEAR, 1947-48.

Revenue.

20. I shall now proceed to give a brief review of the financial position in the current and the ensuing years.

In my interim Budget I estimated the deficit for the current year covering 7½ months at Rs. 24.59 crores. The House will be glad to know that I now estimate the deficit at only Rs. 6.52 crores. The improvement is due to some increase in the anticipated revenue and a decrease in expenditure.

21. The revenue receipts during the period 15th August 1947 to 31st March 1948 are now estimated at Rs. 178.77 crores against Rs. 172.8 crores in the Budget passed by this House last November. The improvement of nearly Rs. 6 crores is mainly due to an increase of Rs. 2.35 crores under Customs and a windfall of Rs. 3 crores from the levy on old stocks of cloth released for sale at increased prices following the recent decontrol of textiles. The estimates also include Rs. 2.25 crores on account of Government's share in the increased prices of sugar, stocks of which were frozen by Government when sugar was decontrolled last December, and Rs. 2 crores on account of the receipts of the Cotton Textiles Equalisation Fund. The revenue under Central Excise Duties is now estimated to show a reduction of Rs. 1.36 crores compared with the budget, mainly under sugar and tobacco. The total revenue from Taxes on Income including Corporation Tax is now estimated at Rs. 115 crores, a reduction of Rs. 3 crores in the original estimate. The divisible pool of income-tax is now estimated at Rs. 65.49 crores of which the Provincial share would amount to Rs. 29.74 crores. The credit of Rs. 2.25 crores on account of the increase in sugar prices mentioned above will however be set off by a corresponding provision in the expenditure estimates as the intention is to fund these receipts for the benefit of the industry and the sugar producing Provinces. Similarly the receipts of the Cotton Textiles Equalisation Fund will be transferred to it by provision in the expenditure estimates.

Expenditure.

22. The total expenditure this year is now estimated at Rs. 185.29 crores showing a reduction of Rs. 12.1 crores in the original estimate. The expenditure on Defence Services is expected to show a saving of Rs. 6.11 crores, Civil estimates accounting for the balance of Rs. 5.99 crores.

23. The current year's budget for Defence Services included a substantial provision for new schemes and for the acquisition of land but owing to changes in the plans on strategic

and other considerations and the pre-occupation of the Defence authorities with matters such as the operations in Kashmir to repel the invaders from that State, it is expected that a saving of Rs. 5.75 crores is likely to be effected this year. The budget also included a provision of Rs. 1.68 crores for payment to an Equalisation Fund for the replacement of certain vessels of the Royal Indian Navy and aircraft of the Royal Indian Air Force. On further consideration it has been decided that this contribution should wait until conditions become more stable and the provision on this account will accordingly lapse.

24. The saving of Rs. 5.99 crores in Civil expenditure is mainly due to a reduction in the provision for expenditure on the relief and rehabilitation of refugees. The House will remember that a lump sum of Rs. 22 crores was provided for this purpose in the budget. At that time when the large scale movements of population were still taking place it was impossible to frame a close estimate of the expenditure likely to be involved. On the indications then available, I considered it advisable to provide a substantial figure. The position has since been reviewed and although it is still difficult, in view of the constant changes in the position and the fluid nature of the relief plans, to make a close estimate it is now expected that the expenditure this year may not amount to more than Rs. 14.89 crores. A saving of Rs. 2.36 crores is also expected in the provision of Rs. 22.52 crores for subsidies on imported foodgrains. Interest charges are also expected to show a saving of Rs. 1.29 crores. These savings are partly set off by the provision of Rs. 2.25 crores for funding the special receipts following the decontrol of sugar and the provision of Rs. 2 crores for the transfer to the Cotton Textiles Equalisation Fund of the receipts realised for it, both of which I have mentioned earlier.

FINANCIAL YEAR, 1948-49.

25. I now turn to the estimates for 1948-49. At the existing level of taxation, I place the total revenue for the year at Rs. 230.52 crores and the expenditure charged to revenue at Rs. 257.37 crores leaving a deficit of Rs. 26.85 crores. Before I deal with the detailed estimates, I must warn the House that the revised estimate for the current year does not provide a basis for comparison when considering the estimate for next year, because the estimate for the current year covers only 7½ months while the provision in the budget for next year covers a full year.

Revenue.

26. The total receipts from customs have been placed at Rs. 81.75 crores. This provides for a full year's revenue from the enhanced duty on exports of cotton cloth and yarn imposed in the current year's budget. The effect on our revenue of the restriction on imports so as to conserve foreign exchange has been taken into account as also the restriction on the exports of raw cotton. Central excises are expected to bring in Rs. 34 crores and receipts from income-tax, which include Rs. 12 crores on account of Excess Profits Tax and Rs. 17 crores on account of the Business Profits Tax, have been placed at Rs. 130 crores. The divisible pool of income tax is estimated at Rs. 80.24 crores of which the Centre will retain Rs. 42.37 crores leaving Rs. 37.87 crores as the Provincial share. The profits from Currency and Mint, after allowing for the share of Pakistan under the arrangement for the management of the currency of both the Dominions by the Reserve Bank upto the 30th September 1948, are estimated at Rs. 9.4 crores.

The revenue of the Posts and Telegraphs Department is expected to amount to Rs. 26.2 crores and working expenses and interest to Rs. 25.82 crores leaving a small surplus of Rs. 38 lakhs. In the current year, the surplus will be shared between general revenues and the Department in the ratio of three to one while next year only half the surplus will accrue outright to general revenues. The Department will get a rebate of interest on its share of the accumulated profits in the past which at the end of the budget year are expected to amount to about Rs. 8 crores.

In my estimate of receipts for 1948-49 no credit has been taken for any contribution from the railway surplus. The position with reference to this matter was explained by the Hon'ble Minister for Transport in his Budget Speech the other day.

Expenditure.

27. The total expenditure for next year is estimated at Rs. 257.37 crores of which Defence Services will account for Rs. 121.08 crores and Civil expenditure for Rs. 136.29 crores. Following the customary procedure, I shall first deal with the Defence estimates.

28. *Defence Services.*—The reconstitution of the Armed Forces of the undivided Government of India into separate forces for the two dominions is now virtually complete. It was envisaged at an earlier stage that the reorganisation of the Armed Forces would be largely completed in the financial year, 1948-49. With the alteration in the role of the Armed Forces as a result of the partition a redistribution of the available financial resources between the three services to allow for a more balanced development was contemplated. Unfortunately, however, the recrudescence of communal disturbances and the necessity in present circumstances of having to retain substantial forces till normal conditions return have made it impossible to undertake the long-term planning of the Armed Forces so as to keep the expenditure on them at a level appropriate to the financial resources of the country.

29. As the House is already aware, the process of demobilisation of the Armed Forces was arrested by the partition of the country in order to facilitate the division of the forces between the two dominions and to enable them independently to determine the size and composition of their respective Armed Forces. In the altered strategic situation following the partition and also in view of the recent disturbances in the country, it has not been possible to resume demobilisation in the Armed Forces of the Indian Dominion. The future strength and composition of these forces still remain to be decided and it may be some time before a decision is taken. Meanwhile the Army is expected to be maintained at its present level.

30. Certain decisions for the expansion of the Naval and Air Forces have been taken and a delegation was sent to the United Kingdom last November to discuss with the British Government the question of acquiring certain naval vessels and aircraft and the provision of training and other facilities for officers and men of the Indian Forces. These discussions were successfully completed and arrangements have been made for the acquisition of certain assets and for the training of Indian personnel. Honourable members are aware of the decision by Government to strengthen the Navy with new types of ships, notably a cruiser and three destroyers. A party of officers and men of the Royal Indian Navy has already been despatched to the United Kingdom to undergo the necessary specialised training in order to ensure that these ships are manned as far as possible by Indian nationals. The Royal Indian Air Force is also being expanded.

31. The budget estimate for Defence Services for 1948-49 is, as I have mentioned, Rs. 121.08 crores. This is exclusive of expenditure of a capital nature amounting to Rs. 14.99 crores to be incurred on the acquisition of land, the construction of training institutions, the provision of accommodation for personnel, the acquisition of new naval vessels, aircraft and connected equipment for the expansion of the Navy and the Air Forces which I have mentioned earlier. Provision for this expenditure has been included in the Capital Budget. As the House is aware, this practice of providing for capital expenditure outside the revenue account was introduced during the last war, and was discontinued only in 1947-48. I trust the House will agree with me that in the present abnormal conditions the decision to charge to capital the expenditure on the acquisition of permanent assets is unobjectionable.

32. The partition of the country placed heavy responsibilities on the Armed Forces of this Dominion when they were in the process of reconstitution both in the matter of maintenance of law and order and in assisting the Civil authorities in the evacuation and relief of the minorities in the Punjab. A Military Evacuation Organisation was set up during September 1947 with its headquarters at Amritsar and an advance headquarter at Lahore and this organisation succeeded in evacuating over 4 million non-Muslims from Western Pakistan and about 5 million Muslims from India within a period of 3 months. This stupendous task had to be performed under the most trying conditions and the troops which took part in it have responded most magnificently to the call. While the energy and resources of the army were mobilised for this humanitarian work further calls were made on them for the

defence of Kashmir. The fighting in Kashmir is being carried on in difficult terrain and severe climatic conditions. I am sure the House will join me in paying a tribute to the Army and the Royal Indian Air Force for the magnificent way in which they have responded to the call made on them.

33. *Civil Estimates.*—Details of the estimates under individual heads are, as usual, given in the Explanatory Memorandum circulated with the Budget papers and I do not propose to weary the House by repeating them here. I should like however to refer briefly to the provision included in these estimates for certain special items like the expenditure on refugees and the subsidy for food. The expenditure on the relief and rehabilitation of refugees next year is estimated at Rs. 10.04 crores. The expenditure next year will be largely on relief and rehabilitation as the evacuation of refugees has now been nearly completed, except from Sind and to some extent from the N.-W.F.P. This estimate is necessarily tentative because in the rapidly changing conditions, it has not been possible to frame a close estimate. In addition to direct relief and grants for rehabilitation a comprehensive scheme for granting advances to the refugees to enable them to settle down in various walks of life has also been drawn up. A Rehabilitation Finance Administration to which Government will advance Rs. 10 crores is also being set up. I hope that the facilities provided by the Industrial Finance Corporation will also be available for the assistance of industries which have had to be transferred to India on account of the communal disturbances. In addition to the provision of Rs. 10.04 crores in the revenue budget a sum of Rs. 10 crores has been included in the capital budget for the Rehabilitation Finance Administration and Rs. 5 crores for loans and advances for rehabilitation, including loans to Provinces for this purpose. The expenditure on food subsidies, including the bonus to Provinces on the internal procurement of grain under the new food policy announced recently, is estimated at Rs. 19.91 crores next year. The estimates also include a total provision of Rs. 10½ crores under various heads for expenditure upon development schemes and resettlement.

34. The House would doubtless wish to know if in framing the budget for next year any allowance has been made for the implementation of the recommendations of the Economy Committee the appointment of which under the Chairmanship of Shri Kasturbhai Lalbhai was announced by me. The House will realise that it is obviously impossible to forecast the directions in which the Committee may suggest economies and the total amount that could be expected to be saved. I have however made a lump cut of Rs. 2½ crores under the various heads of civil expenditure in order to ensure that some economy is effected pending the report of the Committee. If the Committee's report suggests economies on a larger scale I propose to take steps during the course of the year to see that they are realised. I wish to make it clear however that this lump cut is mainly in the nature of a token and should not be taken as giving any indication of the size of the economy which I consider could be effected. This must necessarily depend on the considered judgment of the Committee after they have examined the various departmental authorities and I do not wish in any way to anticipate their findings.

35. Of the total expenditure of Rs. 136.29 crores provided in the budget for next year Rs. 29.95 crores are accounted for by the expenditure on refugees and the payment of subsidies and bonus for foodgrains, leaving Rs. 106.34 crores for normal expenditure. This includes Rs. 8.98 crores for tax collection, Rs. 43.86 crores for obligatory expenditure on payment of interest and pensions and provision for debt redemption, Rs. 3.15 crores for Planning and Resettlement, Rs. 2.2 crores for expenditure on the Mints and the Nasik Press, Rs. 2.95 crores for grants-in-aid to Provincial Governments and Rs. 20.93 crores for expenditure in the nation-building sphere such as Education, Medical, Public Health, Broadcasting, Aviation and the conduct of scientific surveys and institutions in which the Central Government supplement the work of the Provincial Governments and provide valuable technical assistance and research. The balance of Rs. 24.27 crores represents the provision for ordinary administration, Civil Works, etc., and this constitutes only 18 per cent. of the total civil expenditure. In addition to Rs. 20.93 crores in the nation-building sphere mentioned above, provision has been made in the capital budget for a grant of Rs. 30 crores to Provincial Governments for development and Rs. 34 crores for loans.

36. On the basis of the estimates of revenue and expenditure that I have so far explained, the anticipated deficit in the Budget for 1948-49 is Rs. 26.85 crores. In a later part of my speech I shall revert to the question of how I propose to deal with this deficit.

Post-war Planning and Development.

37. When I addressed this House last November I mentioned that the question of re-examining the development schemes of the Provincial Governments with reference to the reduced resources likely to be available to the Centre for financing development and the changes resulting from the partition will be taken up. I have since had this further examined and it has been decided that so far as the Centre is concerned there should be no reduction in the extent of assistance promised by it to the Provinces when the Provinces were asked to draw up their plans for development. The House will remember that the Provinces were informed in 1945 that they could draw up their plans of post-war development on the assumption that in the five years beginning with 1947-48 they could expect assistance by way of grants of the order of Rs. 250 crores. This amount was provisionally distributed among the Provinces in the ratio of their population. But some special weightage was given to the backward provinces of Assam, the N.-W.F.P. and Orissa and to Bengal, which with Assam, had been affected by the impact of war in the north-east frontier. With this weightage the Centre's promised contribution in five years rose to Rs. 273.88 crores. The Provinces were given advance grants to cover the expenditure incurred by them on development schemes in 1945-46 and 1946-47 to be taken against their share of the grant for the five-year period. The progress of expenditure on the development schemes has been somewhat slower than anticipated mainly due to the shortage of material and man-power and the time taken to formulate detailed schemes. In the current year a provision of Rs. 20.39 crores was included in the budget for the period 15th August 1947 to 31st March 1948 but it is unlikely that the whole of it will be spent. After allowing for the expenditure incurred up to the partition and for the areas now in Pakistan and reallocating the balance to the Provinces in the Indian Dominion the outstanding balance of the assistance from Centre to the Provinces at the end of the current year, on approximately the same scale as was promised by the then Government of India in 1945, is estimated roughly at between Rs. 170 and Rs. 180 crores. I have carefully considered whether in the altered circumstances the Centre should reduce its assistance to the Provinces but I have come to the conclusion that in the larger interests of the development of the country as a whole it would be unwise to do so, particularly as the Provinces have framed their plans on the assumption that the promised assistance would be forthcoming. In reaching this decision I have been influenced by the fact that in actual practice the grants are likely to be spread over a somewhat longer period than the four years that remain out of the original five-year period fixed for this assistance. This, to some extent, will relieve the strain on the resources of the Centre. But it is being made clear to the Provinces that in future the grants from the Centre upto the maximum agreed to will be contingent on the Provinces spending from their own resources at least an equal amount and that the whole scheme of assistance would be subject to readjustment if in the new constitution there is any substantial transfer of resources from the Centre to the units. I trust that with this assurance the Provinces will now be in a position to go ahead with their schemes of development and that they will conserve and exploit all the available resources for this purpose. The budget for the next year includes a provision of Rs. 30 crores for grants to Provinces for development and Rs. 34 crores for loans to them.

38. For Central schemes of development including resettlement a provision of Rs. 10½ crores has been made in the revenue budget and Rs. 25½ crores in the capital budget. Details of the provision are given in the Explanatory Memorandum circulated with the Budget papers and I do not propose to dilate at length on the individual schemes for which provision has been included in the budget. But they cover a very wide field and among the important schemes I would mention the expansion of the Forest Research Institute, Dehra Dun, the development of the valuable forests in the Andamans, the preliminary work on the Kosi, Sone Valley, Ghandak and Assam Valley projects, all of which form part of the large scale schemes of river development, the reorganisation of the Central Waterways Navigation and Irrigation Research Stations, the setting up of a Tractor Testing Station, the establishment of a Central Agricultural College, the expansion of the Indian Agricultural Research Institute, the loan of Rs. 2 crores to the Damodar Valley Corporation and the investment of Rs. 1 crore in the Industrial Finance Corporation. In addition to provision for expenditure on the individual schemes just mentioned the budget also provides for an expenditure of over Rs. 2 crores for buildings for development schemes, Rs. 6½ crores for the construction and

improvement of National Highways, Rs. 6½ crores for the Fertiliser Factory under construction at Sindri, Rs. 4 crores for the expansion of civil aviation and Rs. 70 lakhs for the expansion of broadcasting facilities.

CAPITAL EXPENDITURE.

39. Before I pass on to deal with the ways and means position I shall give the House a brief account of the provision included in the budget for normal capital expenditure. The revised estimate for this year includes a provision of Rs. 26½ crores of which the Railways account for Rs. 16¾ crores, Posts and Telegraphs for Rs. 2½ crores and schemes of State Trading for Rs. 4¾ crores. For next year the provision amounts to Rs. 76 crores of which Rs. 24½ crores are for Railways, Rs. 3½ crores for Posts and Telegraphs, Rs. 15 crores for Defence, to cover expenditure on the purchase of naval vessels, aircraft and spares for the expansion of the Navy and Air Forces, the acquisition of land and the construction of accommodation for Defence Services personnel, Rs. 3½ crores on the provision of additional accommodation in New Delhi, Rs. 2¾ crores for administrative buildings and communications costing over a lakh of rupees, the cost of which is now met from capital, and Rs. 27 crores for the building-up of the central reserve of 6 lakhs tons of foodgrains in accordance with the recently announced food policy of Government. The total provision in the Capital Budget for normal requirements and for financing the development schemes both of the Centre and the Provinces comes to the impressive figure of Rs. 70 crores this year and Rs. 165½ crores next year.

Ways and Means.

40. I now turn to a brief consideration of the ways and means position. During this year owing to the uncertain political conditions in the earlier months, the partition of the country and the widespread communal disturbances in certain parts of the country it was not possible to borrow from the market the substantial amount which it was originally planned. Next year in addition to the interest-free prize bonds, with an outstanding of a little over Rs. 5 crores, which mature in January 1949, Government have the option of repaying the outstanding balance of the 2¾ per cent. Loan 1948-52 and the 4 per cent. Loan 1948-53. A decision on the exercise of this option will be taken in the course of the year with reference to the conditions then prevailing. The market borrowings next year have been taken at Rs. 150 crores but if circumstances are propitious the scale of borrowing will be stepped up. I would in this connection reiterate the appeal I made on the floor of this House last November for the utmost co-operation from the public in the borrowing operations of the Government. Apart from the need which still remains for withdrawing surplus purchasing power from the hands of the community as a measure of anti-inflation, the requirement of funds for financing the large scale plans of development which the Government have in view and for assistance to the Provinces for implementing their schemes is as great as ever and unless the public co-operate wholeheartedly with the Government by lending their savings it will be impossible to undertake all the schemes of development necessary for raising the standard of life of our people.

41. I shall now pass on to the consideration of the all-important problem of how to deal with the deficit of Rs. 26.85 crores.

42. I just mentioned a deficit of Rs. 26.85 crores. This is exclusive of any contribution from the railway surplus. As Hon'ble Members are aware, it has now been decided that out of the railway surplus a contribution of Rs. 4.5 crores should be made to general revenues during the next year. The estimated deficit is therefore reduced to Rs. 22.35 crores.

Reliefs in Taxation.

43. The House will remember that in my Budget Speech last November I referred to the widespread criticism that the level of taxation in the 1947-48 Budget had seriously affected the incentive for saving and investment and I undertook to make a careful examination of the consequences of our taxation policy before I presented the annual Budget. Since then I have given very anxious thought to the question and I have reached the conclusion

that there is a considerable measure of justification in that criticism. As I have emphasised elsewhere, the paramount need in present conditions is to stimulate production and any fiscal or administrative measure which restricts or curtails the expansion of industry will stunt our development and add to our future difficulties. While industry should be called upon to pay its just contribution to the common exchequer, the burden placed upon it must be such as to allow business to expand. At the same time the aim of our policy should be to secure that, while the level of taxation is reasonably high so that the wealthier sections of the community are placed under an equitable contribution for the common needs of the State, a genuine margin is left for savings which would flow back into investment and thereby add to the productive wealth of the community, which the State itself could subsequently tap. It is also necessary so to adjust our taxation as to provide a real incentive to the ploughing back of profits into fresh business. In making my proposals in the field of direct taxation, I have kept these considerations prominently in mind.

44. I shall pass on to deal first with the various measures of relief which I propose to give.

My first proposal is with reference to the Business Profits Tax. This measure gave room for a good deal of controversy when it was introduced for the first time in the budget for 1947-48. The sudden withdrawal of the Excess Profits Tax gave this tax a considerable measure of justification. During the discussions on the floor of the House the then Finance Member stated that this tax would be in operation for one year, leaving it to his successor to decide whether it should be continued or not. In view of the criticisms levelled against this measure, both inside this House and outside, I have given a good deal of thought to this matter. I have come to the conclusion that, in the present circumstances, there is no justification for the complete withdrawal of this tax. Hon'ble Members might know that in the United Kingdom a tax of this kind was introduced some time back as a National Defence Contribution. The tax is retained though its nomenclature has been subsequently changed to Profits Tax. The need for additional funds for reconstruction and especially for the rehabilitation of refugees would justify the continuance of this measure in India for some time. I have, therefore, decided to retain this source of revenue but to reduce the burden of this tax considerably. The abatement allowed at present is Rs. 1 lakh or 6 per cent. of the capital employed, whichever is larger. The rate of the tax is 16½ per cent. I propose that the abatement should be Rs. 2 lakhs or 6 per cent. of the capital employed, whichever is larger, and that the rate of the tax should be reduced to 10 per cent. I hope this reduction will be welcomed by the business community. The net result of this proposal will be a gross loss of Rs. 2 crores. Rs. 1 crore of this loss will, however, be recovered by the increase in income-tax receipts and the net result will therefore be a loss of Rs. 1 crore.

My second proposal is to reduce the existing rate of super-tax. The House will remember that last year the limit of income at which the maximum rate of 10½ annas is attracted was reduced in the case of earned income from Rs. 5 lakhs to Rs. 1½ lakhs and in the case of unearned income from Rs. 3½ lakhs to Rs. 1,20,000. The effect of this was to take away from any person with an income of over Rs. 1,20,000 nearly the whole of the income beyond this amount. This hardly left any incentive to save and I have no doubt myself that such severe taxation at this level would seriously hamper the growth of savings and retard our industrial development. I have accordingly raised the limit at which the maximum rate of tax will be attracted to Rs. 3½ lakhs for both earned and unearned income. I trust the House will agree with me that this measure of relief is justified. I have also rearranged the rate of the tax within the slabs and the rates as they now stand seem to me to fulfil the double purpose of keeping the level of taxation sufficiently high while leaving at the same time a margin for saving. The changes in super-tax are estimated to cost Rs. 1 crore.

In the budget for 1946-47 a complicated system of levying super-tax at steeply graded rates on dividends above a datum line was introduced and last year these rates were further stiffened. The object of this was to deter the distribution of large dividends and secure the ploughing back of profits into business. In actual practice very little revenue was collected from this source and the purpose with which it was introduced does not appear to have been realised. I feel that something more positive is required to induce industrialists to return more of their profits into investment than taxing those who distribute large dividends. My

proposal to secure this end is to reduce the tax on the undistributed profits of companies by one anna. The effect of my proposal will be that on distributed profits the present rate of 5 annas will remain, while the tax on undistributed profits will be at the rate of 4 annas. I trust that this concession will produce better results than the present complicated system. The cost of this concession is estimated at Rs. 2 crores.

My next proposal is to reduce the income-tax on companies with an income of Rs. 25,000 and below to half the usual rates. Among the dangers to be avoided in the rapid industrialisation of this country is the one of concentrating too many businesses in the hands of large companies, and I feel that every encouragement should be given to the growth of smaller companies. This will broadbase our economy and will also be in line with our general pattern of industrial development with its constant emphasis on the development of cottage industries and a fair distribution of industry over the various Provinces. My contribution towards such a development is to allow this concession in favour of small companies with moderate incomes. The loss of revenue from this is estimated at Rs. 12 lakhs.

There is a widespread feeling that with the heavy taxation to which incomes are now subject there is very little scope left for assistance by the public to deserving institutions and charities. I have received a number of representations on this subject and after careful consideration of the matter I feel that a measure of relief on contributions made to recognised institutions and charities would be justified. In this country there is a far too general a tendency for charitable and other institutions to look to the State for assistance and not to the public. To the extent to which there is a larger flow of private benefaction to such institutions, the burden on the State for supporting them will be reduced. I accordingly propose that donations to approved institutions and charities should be exempted from taxation so long as they do not exceed 5 per cent. of the net taxable income in the case of companies and 10 per cent. in the case of individuals, subject to a maximum of Rs. 2½ lakhs in both cases. I trust the House will welcome this concession and I hope it will encourage our industrialists and the public to subscribe more generously to deserving institutions and purposes. It is my intention to have a list of approved institutions and bodies drawn up in consultation with the Provincial Governments. It is difficult to estimate the loss of revenue involved in this concession and I have taken a rough figure of Rs. 75 lakhs.

I also propose to give a further measure of relief, in regard to the payment of municipal taxes on house property. I have felt that the absence of such an exemption is an anomaly in our tax system and that there is a justifiable claim for relief here. I accordingly propose to exempt these payments from taxation. The cost of this concession is estimated at Rs. 75 lakhs.

45. Before I pass on to deal with reliefs in indirect taxation, I should like to mention briefly a point in which it seems necessary to readjust our Corporation Tax. Hon'ble Members are aware that under the law as it stands we are entitled to recover super-tax on dividends paid by companies incorporated outside this country to their shareholders abroad in respect of their Indian business. For this purpose it is necessary to ascertain from the companies particulars about their shareholders abroad and the dividends distributed to them. This information is rarely available in full with the result that very little of the tax due is collected. It is necessary that some effective arrangement should be made to protect our revenue against this leakage and I think that this can best be done by raising the general rate of Corporation Tax and giving an appropriate rebate on their income to those companies which declare and pay their dividends in India. I accordingly propose that the rate of Corporation Tax be raised from 2 annas to 3 annas and a rebate of one anna allowed to the companies which declare and distribute their dividends in India. The effect of this proposal will be that companies in India will pay the present rate of Corporation Tax at 2 annas while foreign companies having business in India will have to pay a Corporation Tax of 3 annas on their profits earned in this country. This change is expected to bring an additional revenue of Rs. 2 crores.

46. I may now summarise the net effect of the reliefs in income-tax and the proposed change in the Corporation Tax. The various concessions I have just detailed will result in a loss in revenue of Rs. 6.62 crores, of which the Provincial share will amount to Rs. 2.41

crores. This will, however, be partly set off by the additional revenue of Rs. 2 crores from the change in the Corporation Tax and Rs. 1 crore from the ordinary collection of tax resulting from the reduction in the Business Profits Tax, of which the Provincial share will amount to Rs. 45 lakhs. The net effect of my proposals on the Centre is a reduction of Rs. 1.66 crores.

47. I shall now turn to the reliefs in the field of indirect taxation.

During the debate on the interim Budget there was some criticism about the increase in the export duty on cloth and I promised to consider the suggestion that the duty should be converted into an *ad valorem* duty. I have received a number of representations that the present specific duty is pressing too heavily on handloom cloth and on certain categories of mill-made cloth. The duty of 6 annas a pound on cotton yarn has also proved burdensome and on a careful review of the matter in all its aspects I have decided to convert the export duty into an *ad valorem* duty of 25 per cent., to exempt handloom cloth from the duty and to withdraw the duty on exports of cotton yarn. These concessions will involve a loss of revenue of Rs. 4.5 crores.

I also propose to withdraw the present excise duty on betelnuts. The administration of this excise has always been difficult and it has been a prolific source of complaint from the areca-growing Provinces. I trust the House would welcome this concession which I hope will mean a cheapening of this article to the poor man. The loss of revenue involved is Rs. 30 lakhs.

48. The net effect of all the reliefs mentioned so far and the changes in income-tax is a reduction in revenue of Rs. 6.46 crores, raising the prospective deficit to Rs. 28.81 crores.

New and Additional Taxes.

49. In an earlier part of this speech I expressed the view that in the present inflationary conditions it is necessary to reduce, as far as possible, the gap between revenue and expenditure and if it is at all possible to have a surplus budget. I am sure the House will agree with me that the prospective deficit is too large to be left uncovered and that in a transitional time like this we should take every step possible to strengthen our revenue position. In raising additional taxation it is, in my view, necessary to secure that as little of the burden as possible falls on the poor man.

50. Before I deal with my proposals for raising additional revenue I shall briefly digress to mention a change in accounting which will reduce the prospective deficit by Rs. 10 crores. Advance payments of income-tax under Section 18-A of the Income Tax Act are not credited as revenue but held in deposit till the complicated process of assessing the tax completed. These advance payments of tax are not really refundable deposits and there is no reason why they should not be credited to revenue straightaway. I propose to introduce this change with effect from next year. But the change will be made in stages so that the budgetary position is not violently disturbed. The advance payments will be credited to a separate minor head within the major head and transferred to the final heads on completion of the assessments. The change in procedure will be given effect to next year in respect of advance payments of Corporation Tax and will be extended to advance payments of income-tax in subsequent years. I need hardly mention that this change in procedure will not in any way affect the provincial share of income-tax. The result of this change will be to divert to revenue next year Rs. 10 crores which would have otherwise been credited as a deposit. This will reduce the deficit to Rs. 18.81 crores.

51. I shall now address myself to the problem of covering this deficit by new taxes. The House will appreciate that with the existing shortage in the foreign exchange resources of the country and the need to conserve them as far as possible to meet our heavy commitments in respect of our food purchases, it is not possible to expect any substantial relief from the expansion of customs revenue from import duties, although the country could absorb all the imports likely to flow in if the restrictions on imports are relaxed. For a consi-

derable time we shall have to rely on Central Excises and, to some extent, on the yield of export duties. In framing my taxation proposals I have turned as much as possible to the field of export duties, which do not involve any additional burden on our people, and to such of the excises as do not affect the poorer classes.

My first proposal is to levy an export duty of Rs. 80 per ton on oilseeds and Rs. 200 per ton on vegetable oils. There is a wide disparity between the internal prices of these commodities and their export prices and I am satisfied that the imposition of this duty will not affect our export market. The yield from this duty is estimated at Rs. 2.5 crores.

My next proposal is to levy an export duty of Rs. 20 per ton on Manganese to yield Rs. 80 lakhs.

I propose to make only two minor changes in the import duties. The duty on motor cars will be raised from 45 per cent. to 50 per cent., with a preference of $7\frac{1}{2}$ per cent. in favour of the United Kingdom. The yield from this increase is estimated at Rs. 50 lakhs. The import duty on cigars, cigarettes and manufactured tobacco will also be slightly raised following the changes in the excise duty, to which I shall presently refer. The increase in revenue from this change is estimated at Rs. 12 lakhs.

In the field of Central Excises my main proposals concern tobacco. It is only in recent years that the tobacco excise has been developed and the system of taxation could, in my opinion, be rationalised so as to increase the revenue from this source. But this will take some time. Meanwhile, I propose to levy an excise duty on cigarettes amounting to roughly 25 per cent. on the ex-factory prices. I estimated the yield from this change at Rs. 7 crores. Simultaneously the duty on certain categories of unmanufactured tobacco will be raised from 9 annas per lb. to 12 annas per lb. in some cases and 3 annas per lb. to 4 annas per lb. in others in order to secure that there is no diversion from the consumption of cigarettes of the cheaper varieties. This increase is estimated to yield Rs. 2 crores.

The excise duty on tea will be raised from 2 annas per lb. to 4 annas per lb. to bring it to the same level as the export duty. The additional revenue from this increase is estimated at Rs. 1.8 crores.

The duty on coffee will be similarly raised to 4 annas per lb. to yield Rs. 30 lakhs.

The duty on vegetable product will be raised by 50 per cent. to Rs. 7-8-0 per cwt. to yield Rs. 40 lakhs.

The duty on tyres will also be raised by 50 per cent. The additional revenue is estimated at Rs. 40 lakhs.

The House will remember that in the budget for 1946-47 the excise duty on matches was reduced from Rs. 2-8-0 per gross to Rs. 1-12-0 per gross for boxes containing between 40 and 50 matches. In actual practice this reduction has not been passed on to the consumer and I propose that this should be withdrawn and the minimum duty fixed at Rs. 2-8-0 per gross on all boxes containing up to 50 matches. The additional revenue from this will amount to Rs. 150 lakhs.

I also propose to make two minor changes in the Postal and Telephone rates. The registration fee will be raised from 3 to 4 annas while the surcharge on trunk telephone calls will be raised from 40 to 60 per cent. and amalgamated with the basic rate. These changes, which will be introduced by executive orders, will bring in an additional revenue of Rs. 40 lakhs.

Net Result of Proposals.

52. I may now summarise the net effect of all the proposals that I have made. The reliefs and the changes that I have proposed in income-tax, super-tax and Corporation Tax

will result in a loss of Rs. 1.66 crores. The abolition of the export duty on handloom cloth and yarn and the reduction of the export duty on mill-made cloth will mean a loss of Rs. 4.5 crores. The abolition of the excise duty on betelnuts will cost Rs. 30 lakhs. The total loss to revenue on account of relief and readjustments of these taxes will be Rs. 6.46 crores. On the basis of this loss the original deficit of Rs. 22.35 crores will be increased to Rs. 28.81 crores. This deficit will again be reduced to Rs. 18.81 crores by taking the advance payments of Corporation Tax next year direct to revenue. With regard to the additional taxes, the proposed export duties will bring in Rs. 3.3 crores. The increase in the import duties will bring in Rs. 62 lakhs. The increase in excises will bring in Rs. 13.4 crores. The changes made in the Postal and Telephone charges will bring in Rs. 40 lakhs. The total net revenue resulting from these new taxes and the enhancement of certain existing taxes will thus bring in an additional revenue of Rs. 17.72 crores. The final deficit for the year will therefore stand at Rs. 1.09 crores. In the present circumstances, I feel fully justified in leaving this small deficit uncovered. In considering this deficit the House must remember that the estimates do not include any credit on account of the interest due from Pakistan on its partition debt which, but for the moratorium, would be available to the credit of our revenues. Though it is not possible to know accurately at present the amount of the interest due from Pakistan, it may be assumed on a very rough calculation that it would be of the order of Rs. 9 crores. If this amount, which is legitimately due to us and the payment of which is only postponed, was available to me in the next year, the deficit would really be converted into a substantial surplus.

Direct and Indirect Taxes.

53. Much has been said in the past on the floor of this House and elsewhere regarding the maintenance of a proper balance between direct and indirect taxes in our tax structure. The House will appreciate that this is not a matter which could be regulated by any set principles and that, in the ultimate analysis, it is merely a question of arranging the taxation to the best advantage of the community and with reference to the economic conditions of each country. Thus, while in an industrially advanced country it may be possible to raise a substantial revenue by direct taxation it will obviously be unwise to pitch the direct taxes too high in a country in the process of development as the inevitable effect of high direct taxation is to retard the formation of capital without which industrial development is not possible. Similarly, when the main consideration is to curtail consumption, as during a period of shortage of goods and inflation, it may be necessary to raise the level of indirect taxation to secure a reduction in consumption. There is also a common fallacy that the larger the amount of indirect taxation the heavier the burden on the ordinary man. While it is of course true that over a considerable field consumption taxes reach a wider section of the population than direct taxation, consumption taxes on such luxuries as motor cars, the costlier varieties of tobacco and cigarettes, duties on wines and spirits, export duties which do not affect the internal consumer, all of which go to swell the total of indirect taxation do not touch the life of the ordinary man. In this connection I am sure the House will be interested to know the pattern of our tax structure. In 1937-38 out of a total revenue of Rs. 75.8 crores direct taxation accounted for only 21 per cent. while the bulk of the revenue came from indirect taxation. This proportion has naturally varied during the war years when there was a steep rise in direct taxation due to the large increase in income-tax and the levy of the Excess Profits Tax. In the budget for next year which I am now presenting to this House the proportion of direct to indirect taxation will be about equal. It would be interesting to compare our position in this respect with the United Kingdom. In a highly industrialised country like the United Kingdom, the scope for raising large revenues from direct taxation is greater. The United Kingdom budget for 1947-48 discloses that in that country the percentage of direct taxes to the total tax revenue is only 52. This compares very favourably with our tax structure in which, with a comparatively poor industrial economy, we collect about 51 per cent. of our taxes from direct taxes. Another interesting feature of our economy is that, as compared with 1937-38, the direct taxes would have increased eight and half times in 1948-49 while the indirect taxes would have increased only by a little over twice. Considering the relatively undeveloped state of our country, I do not think that any one could say that the burden of direct taxation in this country is unduly light or that there has been any shifting of the burden on the shoulders of the ordinary man.

Future Prospects.

54. On the estimates as they finally emerge, the total revenue next year will stand at Rs. 256.28 crores and the expenditure at Rs. 257.37 crores leaving an uncovered deficit of Rs. 1.09 crores. I must, however, warn the House that this cannot by any means be regarded as the normal figure of revenue and expenditure for the subsequent years. The estimated income-tax receipts for 1948-49 include collections relating to the Excess Profits Tax which will practically disappear in the subsequent years. The Business Profits Tax in subsequent years will also be less and other factors being equal, the net proceeds of income-tax accruing to the Central Government for 1949-50 will be approximately Rs. 20 crores less than the corresponding receipts for 1948-49. The total revenue for 1949-50 will therefore be at least Rs. 20 crores less than in 1948-49. As against this, it should be borne in mind that certain items of expenditure appearing in the budget for 1948-49 may reasonably be expected to show a considerable decrease. The expenditure provided for next year under relief and rehabilitation and food subsidies amounts to Rs. 29.95 crores. It may reasonably be anticipated that the expenditure under these two items will go down considerably during the subsequent years. If normal political conditions are restored, a reduction in the defence expenditure may also be anticipated. Taking all the factors into consideration, it is not unreasonable to hope for a balanced budget in the future. The House will realise that in the transitional phase through which we are passing, it is difficult to make any precise estimate of our financial position for the next two or three years. On any reasonable view of the situation, I feel it is the path of prudence to strengthen our revenue position and keep down our expenditure as much as possible. As a precautionary measure, in tapping new sources of revenue I have decided to re-introduce in the current session the Estate Duty Bill. Even though the proceeds of this duty will go to the benefit of the Provinces, any augmentation of the revenues of the Provinces would, to some extent, reduce the strain on Central finances. Apart from this, it is possible under the proposed measure to levy surcharges for purely Central purposes.

55. Although I have not been able to present a balanced or a surplus budget, much as I wish to, the size of the deficit next year which I propose to leave uncovered is very small in relation to the total expenditure. It may be considered an index of the efforts that we are making to close the era of war-time deficits and bridge the gap between revenue and expenditure. In my interim Budget I ventured to express the view that the financial position of the country was intrinsically sound and that we were not living beyond our means or heading towards bankruptcy. The Budget that I am now presenting fully supports this view. While it will be folly to ignore the difficulties ahead, I feel that we can face the future in a spirit of sober confidence.

Public Debt.

56. The debt position of a country is a sure index of its financial strength and here again I think our position is inherently sound. At the end of the current year the total outstanding public debt is expected to stand at Rs. 1,795 crores and to rise by a further Rs. 56 crores during next year to Rs. 1,851 crores. The total of the interest bearing obligations is estimated at Rs. 2,182 crores at the end of this year and Rs. 2,231 crores at the end of the budget year. Against these obligations, we expect to have at the end of this year roughly Rs. 1,161 crores and at the end of next year Rs. 1,237 crores by way of interest yielding assets representing the investments in the two great commercial departments of Government, namely, the Railways and Posts and Telegraphs, outstanding amounts due to us from the Provincial Governments, Indian States, Burma and others, and the probable debt of Pakistan to us. In addition, we shall be holding cash and other investments on Treasury account amounting to Rs. 246 crores at the end of this year and Rs. 130 crores at the end of next year. The total interest-bearing obligations not covered by interest-bearing assets and our cash and interest yielding investments would thus amount to no more than Rs. 775 crores at the end of the current year and Rs. 864 at the end of the next year. The House will realise that these figures are to some extent approximate and it is not possible to give precise figures until Pakistan's share of the obligations which she would assume direct and

her debt to India have been finally worked out. Allowances has however been made for this on the best guess that could be made and I think the House may accept these figures as giving a broad indication of the position.

57. The debt burden is to be judged primarily by the size of the deadweight debt. The amount of deadweight debt which I estimate at Rs. 864 crores is indeed very small when compared with the resources of the country and the national income. The debt position may be compared with the national income for assessing whether the debt is one which the country can afford to carry. For this purpose, we may take the whole of the interest being obligations of the Government of India which are expected to stand at Rs. 2,231 crores at the end of next year. Unfortunately, we have no accurate data regarding the national income of our country. Various estimates have been made from time to time, but none of them has been made on a really accurate and scientific basis and I do not think we shall be far wrong if we assume that our national income is of the order of 4,500 crores of rupees. Our public debt is less than half of our national income. It is interesting to compare our position with that of more advanced countries like the United Kingdom and the United States. The national debt in the United States is more than $1\frac{1}{2}$ times its national income and the national debt of the United Kingdom is nearly three times its national income. The burden of the debt may also be assessed in another manner by studying the interest charges in relation to the annual revenue. For the year 1948-49 our gross payment of interest charges will amount to Rs. 61.82 crores. From our Commercial Departments like Railways, Posts and Telegraphs, etc., and by way of interest receipts from Provincial Governments and other sources we get Rs. 25.66 crores. The net interest payment therefore is Rs. 36.16 crores. From this must again be deducted the interest due to us from Pakistan which I have estimated at approximately 9 crores of rupees. Our net interest burden is therefore about Rs. 27 crores. The anticipated revenue is Rs. 256.28 crores. Our net interest payment therefore represents only about $10\frac{1}{2}$ per cent. of our revenue. The inference that may legitimately be drawn from these figures is that we could carry even a larger volume of debt and that there is still a large source available here for financing the development of the country. The savings of the community could be mobilised on a very much larger scale for financing productive schemes of development. I appealed earlier in my speech for public co-operation in the borrowing programme of Government. The picture of our financial position which I have unfolded before this House will, I hope, have a reassuring effect on the public and instil a spirit of confidence all round.

Conclusion.

58. Mr. Speaker, I have completed my survey of the economic condition of our country, my estimate of our income and expenditure and my proposals for the coming year. I must apologise to the House for the length of my statement. In the first annual Budget, I thought it my duty to give the House a fairly full picture of our financial position. In my interim Budget I struck a note of subdued optimism and ventured to express my opinion that our financial position was intrinsically sound. A more detailed examination over a longer period has confirmed that opinion. In spite of all the trials to which our infant State has been subjected, we have the solid foundations on which we can confidently build the superstructure of our economic and social edifice. The pattern of that structure is entirely in our hands to draw. While fighting the uphill battle of freedom we dreamt the dream of an India free from want and insecurity, a land in which our people would have in abundance the material and moral contents of a good life. But then our hands were tied and so we merely made plans which would improve our agriculture and industrialise our country, and thus provide a higher standard of living to our masses. From August 15th, 1947, the chains of our bondage have been broken and we are free to translate our dreams into reality. The plans are there, but we find that our freedom was born in an era so fluid and fast changing that any pre-determined step other than the next became obsolete before it could be taken. We feel like the pilgrim who drags his weary limbs finally to the mountain top, only to find higher peaks stretching before his eyes. It is by no means the journey's end and the night falls and engulfs him in darkness. And like him we are inspired to pray in the spirit of the favourite hymn of Mahatma Gandhi—Lead Kindly Light. The next step is enough for us if it is illuminated by the star of our ambition and fortified by the faith in our destiny.

SUMMARY OF ESTIMATES.

Revenue.

	(In lakhs of Rs.)	
	Revised 1947-48	Budget 1948-49
Customs	54,50	{ 81,75 —58*
Central Excise Duties	20,72	{ 34,00 13,10*
Corporation Tax	40,43	{ 39,50 10,30*
Taxes on Income	74,57	{ 90,50 —3,92*
Salt	90	..
Opium	68	1,40
Interest	46	1,17
Civil Administration	7,28	5,12
Currency and Mint	1,25	9,40
Civil Works	47	81
Other sources of revenue	5,11	4,36
Contribution from Posts and Telegraphs	2,14	{ 38 40*
Contribution from Railways .. .. .	..	4,50
<i>Deduct</i> —Share of income-tax revenue payable to Provinces	—29,74	{ —37,87 1,96*
Total Revenue ..	1,78,77	2,56,28

Expenditure.

Direct demands on revenue	5,45	8,98
Irrigation	8	13
Debt Services	19,24	41,16
Civil Administration	23,75	34,56
Currency and Mint	1,14	2,20
Civil Works	6,28	7,21
Pensions	1,57	2,70
Miscellaneous—		
Expenditure on refugees	14,89	10,04
Subsidy on foodgrains	20,16	19,91
Other expenditure	2,36	3,28
Grants to Provinces	1,85	2,96
Extraordinary items	1,89	3,16
Defence Services (net)	86,63	121,08
Total Expenditure ..	185,29	257,37
Net Deficit ..	6,52	1,09

* Budget proposals.

Report for the Year 1947

Section V.

DOCUMENTS AND STATISTICS.

TABLE No. 1.

SPINDLES AND LOOMS SET UP IN INDIA, THE UNITED STATES OF AMERICA, GREAT BRITAIN, GERMANY, JAPAN AND CHINA.

The following figures have been obtained from various sources and may be taken as being approximately correct. In order, however, to make the record as complete as possible, the Committee of the Association will be obliged, if members and others who have any additional particulars available will kindly forward them to the Secretary for inclusion in any future statements that may be published:—

SPINDLES.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1894	3,649,736	16,100,000	45,190,000	....	530,074	....
1895	3,809,929	16,650,000	45,400,000	6,571,332	580,945	....
1896	3,932,946	17,333,396	44,900,000	....	692,384	....
1897	4,065,618	18,228,991	44,500,000	....	768,328	....
1898	4,259,720	18,434,244	44,900,000	7,115,500	1,027,817	....
1899	4,728,333	19,329,092	45,600,000	....	1,170,337	....
1900	4,945,783	19,472,232	45,600,000	8,031,400	1,274,000	550,000
1901	5,006,936	20,196,835	46,100,000	8,434,601	1,234,976	....
1902	5,006,965	20,907,212	49,727,107	....	1,230,697	....
1903	5,043,297	21,212,827	49,700,000	....	1,381,306	....
1904	5,118,121	22,197,522	49,500,000	....	1,345,585	....
1905	5,163,486	22,861,043	50,964,874	8,832,016	1,426,594	....
1906	5,279,595	24,628,379	52,796,230	9,121,259	1,472,253	....
1907	5,333,276	25,681,509	52,583,362	9,730,209	1,540,452	750,000
1908	5,756,020	26,133,442	55,218,024	9,850,209	1,795,879	....
1909	6,053,231	27,914,085	57,026,422	10,162,872	1,954,892	....
1910	6,195,671	28,299,482	57,731,829	10,200,000	2,099,764	....
1911	6,357,460	29,064,492	58,002,435	10,480,090	2,170,796	831,000
1912	6,463,929	29,962,713	58,140,220	10,725,732	2,176,748	833,112
1913	6,596,862	30,579,000	58,481,000	10,920,426	2,414,499	947,406
1914	6,778,895	32,227,840	59,317,187	10,162,872	2,657,174	1,000,000
1915	6,848,744	32,400,792	59,905,500	10,163,000	2,807,514	....
1916	6,839,877	32,653,164	59,811,222	....	2,875,904	1,029,218
1917	6,738,697	33,535,000	60,973,000	....	3,060,478	1,126,568
1918	6,653,871	34,219,156	57,685,841	....	3,227,678	....
1919	6,689,680	34,648,928	59,182,683	....	3,488,262	1,416,556
1920	6,763,076	34,946,721	60,079,394	8,262,872	3,813,680	1,585,300
1921	6,870,804	35,632,193	60,053,246	8,693,221	4,161,126	1,650,000
1922	7,331,219	36,584,487	58,712,303	9,400,000	4,517,612	1,888,348
1923	7,927,938	37,397,000	59,819,000	9,605,000	4,436,798	3,581,214
1924	8,313,273	37,924,000	59,511,000	10,060,000	5,125,698	3,569,440
1925	8,510,633	37,833,000	59,903,000	10,060,000	5,447,184	3,414,062
1926	8,714,168	37,660,000	60,285,000	10,300,000	5,679,862	3,461,152
1927	8,702,780	37,483,000	60,466,000	10,900,000	6,116,266	3,588,483
1928	8,704,172	36,824,000	60,042,000	11,020,000	6,467,174	3,688,483
1929	8,907,064	36,216,000	59,134,000	11,155,000	6,836,516	3,638,098
1930	9,124,768	35,663,000	57,712,000	11,260,000	7,214,001	3,664,120
1931	9,311,953	33,325,000	57,575,522	10,838,000	7,535,146	3,969,552
1932	9,506,083	32,109,000	53,443,684	10,233,000	7,964,850	4,497,902
1933	9,580,658	30,685,000	51,525,314	9,846,000	8,643,928	4,498,000
1934	9,613,174	30,329,000	47,182,560	9,900,000	9,530,574	4,904,788
1935	9,685,175	29,717,000	45,066,787	9,900,000	10,649,048	5,171,600
1936	9,856,658	28,598,538	42,641,685	9,900,000	12,139,408	5,172,000
1937	9,730,798	27,128,413	41,102,514	10,200,000	12,567,296	5,526,847
1938	10,020,275	25,934,590	38,807,925	11,065,000	12,776,220	5,635,068
1939	10,059,370	25,727,330	36,949,088	†13,000,000	12,278,233	5,635,068
1940	10,005,785	25,060,879	35,836,860	†13,000,000	12,278,233	5,635,055
1941	9,961,178	Not available	Not available	Not available	Not available	Not available
1942	10,026,425	Do.	Do.	Do.	Do.	Do.
1943	10,130,568	Do.	Do.	Do.	Do.	Do.
1944	10,222,107	Do.	Do.	Do.	Do.	Do.
1945	10,238,131	Do.	Do.	Do.	Do.	Do.
1946	10,305,169	Do.	Do.	Do.	Do.	Do.
1947	10,353,973	Do.	Do.	Do.	Do.	Do.

Note.—The figures for India are taken from the Association's Mill Statement.

The figures for Japan are taken from the half-yearly publication of the Japan Cotton Spinners Association.

The rest of the figures are taken from the Comtelburo Year Books.

† Includes Austria and Sudetanland.

TABLE No. 2.
LOOMS.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1895	35,338	362,067	606,585	245,000	5,000	....
1896	37,270	354,858	....	....	....	....
1897	37,584	370,341	....	....	2,852	....
1898	38,013	384,745	....	240,000	2,798	....
1899	39,069	392,690	....	....	2,757	....
1900	40,124	439,465	648,820	211,818	5,045	....
1901	41,180	411,106	....	211,818	....	....
1902	42,584	477,072	....	....	....	....
1903	44,092	488,760	684,000	....	5,043	....
1904	45,337	503,027	....	....	5,085	....
1905	50,139	515,006	704,357	230,200	8,140	....
1906	52,668	525,630	704,357	230,200	9,601	....
1907	58,436	536,815	725,221	....	9,462	....
1908	67,920	546,160	736,325	....	11,146	....
1909	76,898	555,398	739,382	....	13,813	....
1910	82,725	625,719	741,197	230,200	17,702	....
1911	85,352	633,909	741,260	....	20,431	....
1912	88,951	671,873	758,712	....	21,898	8,738
1913	94,136	709,255	786,205	....	24,224	4,755
1914	104,179	696,387	805,452	230,200	25,443	....
1915	108,009	689,840	808,145	....	30,068	....
1916	110,268	719,358	808,796	....	31,295	4,755
1917	114,621	725,366	807,543	....	86,181	5,853
1918	116,484	712,426	787,679	....	40,391	....
1919	118,221	700,620	790,936	....	44,401	7,193
1920	119,012	708,079	798,083	190,200	50,583	7,660
1921	123,783	719,120	790,399	190,200	54,994	....
1922	134,620	707,469	799,000	190,200	60,893	10,814
1923	144,794	744,686	795,244	240,700	64,400	22,477
1924	151,485	760,625	791,674	240,700	68,579	21,644
1925	154,292	762,808	788,197	240,700	73,881	25,934
1926	159,464	760,133	786,309	240,700	77,043	22,924
1927	161,952	745,520	767,524	250,000	78,352	24,047
1928	166,532	747,379	754,940	250,000	81,209	25,980
1929	174,992	736,379	739,887	250,000	77,898	29,788
1930	179,250	720,177	703,878	250,000	79,466	29,582
1931	182,429	658,604	657,864	230,000	77,782	29,582
1932	186,341	646,764	624,629	230,000	79,277	33,580
1933	189,040	625,445	601,750	267,000	86,343	33,580
1934	194,388	608,815	560,153	225,000	91,146	42,596
1935	198,867	600,837	517,460	225,000	95,982	42,834
1936	200,062	575,366	499,703	225,000	100,543	42,834
1937	197,810	540,233	471,258	225,000	*332,564	52,009
1938	200,286	501,415	461,209	236,000	*332,564	58,439
1939	202,464	504,286	453,396	†270,000	*253,587	58,439
1940	200,076	505,609	441,065	....	....	....
1941	198,574	Not available	Not available	Not available	Not available	Not available
1942	200,170	....	Do.	....	do.	....
1943	200,890	....	Do.	....	do.	....
1944	201,761	....	Do.	....	do.	....
1945	202,388	....	Do.	....	do.	....
1946	202,814	....	Do.	....	do.	....
1947	202,662	....	Do.	....	do.	....

(Please see footnote to previous table.)
† Includes Austria and Sudetanland.

* Includes narrow width looms.

TABLE NO. 3
PROGRESS OF COTTON MILL INDUSTRY IN INDIA.

Year.	BOMBAY CITY AND ISLAND.						ALL-INDIA.					
	Average Working Daily.		Cotton Consumed. Bales of 392 lbs.	Yarn Spun. Bales of 400 lbs.	Cloth Woven (in yds.)	Average Number of hands employed daily.	Average Working Daily.		Cotton Consumed. Bales of 392 lbs.	Yarn Spun. Bales of 400 lbs.	Cloth Woven (in yds.)	Average Number of hands employed daily.
	Spindles.	Looms.					Spindles.	Looms.				
	1	2	3	4	5	6	1	2	3	4	5	6
Year ending 31st August.	Year ending 31st August.	Year ending 31st August.	Year ending 31st March.	Year ending 31st March.	Year ending 31st August.	Year ending 31st August.	Year ending 31st August.	Year ending 31st August.	Year ending 31st March.	Year ending 31st August.	Year ending 31st August.	
1918	2,671,450	52,887	1,068,492	893,221	933,137,872	124,199	5,987,685	101,141	2,085,678	1,651,429	1,614,126,458	282,227
1919	2,652,115	52,320	999,756	765,475	757,903,744	126,368	6,046,323	102,977	2,044,230	1,537,601	1,450,726,160	293,277
1920	2,814,718	54,664	957,150	794,297	863,292,197	140,208	6,238,771	105,169	1,952,318	1,589,400	1,639,779,227	311,078
1921	2,896,926	57,159	1,060,598	856,141	836,506,933	147,740	6,407,037	111,708	2,120,230	1,650,006	1,580,849,746	332,179
1922	2,922,183	58,848	1,074,193	871,736	921,926,856	149,224	6,549,112	117,318	2,203,540	1,733,929	1,731,573,296	343,723
1923	3,013,593	60,808	1,059,630	870,248	870,284,518	148,771	6,760,218	120,806	2,151,698	1,764,733	1,725,284,187	347,380
1924	2,929,786	62,087	821,466	673,966	855,883,055	148,414	6,962,553	128,320	1,917,748	1,521,569	1,701,574,355	356,887
1925	3,181,654	66,329	994,732	818,857	986,028,304	153,009	7,454,161	135,516	2,226,310	1,798,475	1,970,446,852	367,877
1926	2,860,076	63,403	777,970	654,906	871,840,734	149,099	7,264,234	136,033	2,113,384	1,716,068	1,954,462,650	373,508
1927	2,951,513	69,684	994,500	862,147	1,135,020,515	154,698	7,521,636	146,200	2,417,412	2,017,790	2,258,716,065	384,623
1928	1,826,026	45,464	568,848	796,867	1,131,520,832	129,275	6,505,175	126,235	2,009,782	2,022,351	2,356,564,805	360,921
1929	2,108,747	47,668	630,978	384,382	537,402,790	106,710	6,957,389	133,882	2,161,166	1,620,740	1,893,268,655	346,925
1930	2,803,936	64,397	877,492	658,042	888,944,315	136,774	7,979,454	156,662	2,573,714	2,083,899	2,418,981,049	384,022
1931	2,702,848	62,748	839,388	677,266	967,586,025	129,057	8,093,714	157,609	2,633,176	2,168,196	2,561,133,035	395,475
1932	2,715,889	61,883	920,730	803,974	1,216,886,366	129,534	8,323,082	161,340	2,911,264	2,416,016	2,989,891,101	403,226
1933	2,430,854	58,870	797,976	782,304	1,210,597,547	119,943	8,202,149	162,818	2,837,158	2,541,046	3,169,898,499	400,005
1934	2,043,506	48,764	613,014	606,619	923,057,741	95,007	7,845,077	158,802	2,703,990	2,302,652	2,945,051,727	384,938
1935	2,393,324	57,208	885,252	663,469	1,025,360,827	111,147	8,441,464	174,114	3,123,414	2,501,889	3,397,456,046	414,184
1936	2,305,970	57,783	836,460	762,092	1,236,204,871	109,670	8,504,406	177,935	3,109,618	2,645,742	3,571,370,903	417,803
1937	2,322,151	58,978	828,184	691,490	1,156,084,569	109,479	8,441,001	177,810	3,146,752	2,635,292	3,571,987,099	417,276
1938	2,584,583	62,812	1,036,992	826,503	1,376,127,887	118,993	8,901,635	183,368	3,662,648	2,898,781	4,084,276,363	437,690
1939	2,484,022	61,452	986,542	918,076	1,439,161,075	113,338	8,986,371	183,332	3,810,734	3,258,115	4,269,269,499	441,949
1940	2,350,164	59,568	813,450	725,966	1,241,854,984	104,890	8,847,326	178,842	3,679,874	3,084,216	4,012,529,025	430,165
1941	2,465,515	62,688	1,147,968	885,585	1,308,777,815	115,903	9,083,046	184,258	4,251,022	3,372,597	4,269,475,002	459,509
1942	2,457,782	61,141	1,310,034	1,171,791	1,498,640,911	122,025	9,165,812	184,665	4,740,722	3,942,944	4,493,613,208	480,447
1943	2,578,875	63,171	1,484,462	1,162,553	1,392,440,050	129,655	9,402,397	186,992	4,890,218	3,834,340	4,109,336,790	502,650
1944	2,633,694	63,863	1,451,980	1,275,728	1,656,839,777	129,642	9,493,784	189,241	4,843,112	4,201,156	4,870,686,903	504,401
1945	2,586,850	65,390	1,493,240	1,281,977	1,649,701,235	129,510	9,466,098	190,601	4,909,314	4,127,313	4,726,472,273	509,778
1946	2,625,770	62,312	1,362,486	1,222,456	1,590,465,150	126,798	9,548,295	186,505	4,549,932	4,037,042	4,675,634,321	495,456
1947	2,646,600	60,968	1,127,064	981,700	1,302,350,100	124,371	9,584,257	184,790	3,972,156	3,345,080	3,889,786,000	488,370

Note.—Columns 1, 2 and 3.—Figures taken from the Association's Mill Statement.

Columns 4 and 5.—Are taken from "Monthly Statistics of Spinning and Weaving" published by the Government of India.

Column 6.—Same as columns 1, 2 and 3.

Production was at a standstill in all the mills in the Bombay City and Island for about 2 months in 1924 (end of January to March) and for a further period of 2½ months in 1925-26 (Sept. 15th to 1st Dec.) and again for about 6 months in 1928 (April 15th to first week of October) and for about 4½ months in 1929 (26th April to the middle of September).

TABLE No. 4.
 THE WORLD'S COTTON CROPS, 1914-15 to 1946-47 (TODD'S).
 (Bales approximately 500 lbs.)
 (000's omitted.)

Years.	America (Linters included).	India.*	Egypt.	Russia.	China.	Others.	Total.	Percentage on 1914-15.
1914-15	16,992	5,209	1,298	1,244	2,333	1,154	28,212	100
1915-16	12,123	3,738	961	1,407	2,057	984	21,270	76
1916-17	12,781	4,489	1,022	1,110	1,714	1,027	22,143	79
1917-18	12,428	4,000	1,262	603	1,863	1,086	21,242	76
1918-19	12,970	3,972	964	420	2,203	1,298	21,827	78
1919-20	12,029	5,796	1,114	274	1,914	1,485	22,612	81
1920-21	13,880	3,600	1,206	66	1,829	1,326	21,907	78
1921-22	8,351	4,485	972	42	1,488	1,263	16,601	59
1922-23	10,370	5,073	1,243	52	2,249	1,380	20,367	72
1923-24	10,808	5,161	1,306	214	1,931	1,600	21,020	74
1924-25	14,525	6,088	1,455	458	2,104	1,904	26,534	94
1925-26	17,219	6,215	1,593	741	2,044	1,991	29,803	106
1926-27	19,135	5,024	1,530	785	1,691	1,988	30,153	107
1927-28	13,972	5,963	1,219	1,025	1,833	1,803	25,815	92
1928-29	15,760	5,782	1,602	1,174	2,394	2,105	28,817	102
1929-30	16,066	5,243	1,706	1,279	2,055	2,118	28,467	101
1930-31	14,918	5,226	1,655	1,589	2,386	1,900	27,674	98
1931-32	8,163	4,007	1,271	1,846	1,733	2,081	29,101	103
1932-33	13,914	4,656	991	1,776	195	1,813	25,345	90
1933-34	14,029	5,108	1,715	1,844	2,673	3,005	28,374	100
1934-35	10,638	4,857	1,511	1,772	3,078	3,755	25,611	90
1935-36	11,727	5,972	1,707	2,313	2,410	4,447	28,576	99
1936-37	13,806	6,347	1,821	3,550	3,741	4,583	33,848	120
1937-38	20,765	(a) 5,779	2,202	3,782	3,083	5,266	40,877	145
1938-39	13,321	(a) 5,051	1,668	3,870	2,300	5,120	31,300	111
1939-40	13,147	(a) 4,909	1,738	4,050	1,900	5,155	30,899	109
1940-41 †	13,966	(a) 6,080	1,896	4,300	2,300	4,442	32,689	116
1941-42	11,844	(a) 6,223	1,650	4,000	2,400	5,060	30,772	109
1942-43	..	(a) 4,702	..	..	..	..	..	..
1943-44	..	(a) 5,259	..	..	..	..	..	..
1944-45	..	(a) 3,498	..	..	..	..	..	..
1945-46	..	(a) 3,530	..	..	..	..	..	..
1946-47	..	(a) 3,566	..	..	..	..	..	..

* Estimates.

† 400-lb. bales.

(a) Excludes Burma.

NOTE.—Figures taken from the "Bombay Cotton Annual" issued by the East India Cotton Association.

TABLE No. 5.

PRODUCTION AND CONSUMPTION OF RAW COTTON IN INDIA.

The following statement compares the estimates of the total outturn of cotton in India for the last two years with the sum of exports and internal consumption. The figures are those compiled by the Indian Central Cotton Committee and refer in the case of mills in British provinces to Indian cotton alone. The estimate of mill consumption in Indian States refers to all cotton, but it has been ascertained from the Indian Central Cotton Committee that the amount of foreign cotton consumed in Indian States is negligible. Import figures have not therefore been taken into consideration for the purposes of the comparison set forth below. A conventional estimate has as usual been made for extra factory or local consumption. It should be borne in mind that estimates of the "Carry-over" from one year to another have not been taken into account owing to complete information not being available regarding stocks.

	YEAR ENDING 31ST AUGUST	
	1946. Thousand bales (400 lbs.)	1947. Thousand bales (400 lbs.)
Exports to United Kingdom	133	196
" to United States of America	245	109
" to Australia	31	25
" to Other Countries	631	679
Total	1,040	1,009
Home Consumption—		
Mills†	3,871	3,804
Extra—factory or local‡	450	450
Total	4,321	4,254
Approximate crop	5,361	5,263
Estimated in forecast	3,530	3,566
Excess (+) or deficit (—) neglecting carry-over	+1,831	+1,697

† The figure of mill consumption is that compiled by the Indian Central Cotton Committee, Bombay, mainly on the basis of returns made under the Indian Cotton Cess Act.

‡ Conventional estimate.

TABLE No. 6.

STATEMENT SHOWING THE STOCKS OF COTTON HELD BY INDIAN MILLS ON 1ST AUGUST 1947 AND ON 1ST FEBRUARY 1948.

(In bales regardless of weight.)

	Bombay City and Island.		All-India.	
	1-8-47.	1-2-48.	1-8-47.	1-2-48.
COTTON MILL STOCKS.				
(In actual bales regardless of weight.)				
(a) American (Linters and waste not included)	789	..	1,600	505
(b) Indian	344,319	301,725	1,550,370	1,231,126
(c) Egyptian	22,913	12,919	81,295	57,523
(d) Sundries	58,250	71,114	140,845	171,935
Total	426,271	385,758	1,774,110	1,461,089

Figures from the Cotton Census collected at the request of the International Federation of Master Cotton Spinners' and Manufacturers' Associations.

(Figures are approximations.)

TABLE NO. 7.

The following Table gives details of cotton arrivals into Bombay during the 1946-47 season compared with the total of the nine previous years.

(Actual weight converted into bales of 3½ cwts. each.) (Season ending 31st August in each case.)

NOTE.—The following figures are extracted from the daily returns issued by the Bombay Chamber of Commerce.

	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.	1945-46.	1946-47.
Khandeish	53,986	38,888	55,644	100,995	88,592	117,165	61,592	50,147	66,620	43,306
Central India	53,231	225,421	109,361	149,983	31,284	55,637	59,783	33,656	71,885	56,167
Barsi Nagar and Hyderabad Gaorani	190,816	100,781	162,127	175,952	74,862	63,511	66,193	105,668	139,058	147,037
Berar	335,987	163,102	318,618	386,742	179,814	207,968	257,393	235,529	289,954	203,855
Central Provinces	87,123	40,080	76,962	78,308	87,565	34,409	51,048	55,008	62,812	51,144
Dholleras	160,279	278,134	89,297	102,458	34,832	6,897	70,051	124,056	348,726	114,348
N. W. Provinces	3,112	10,893	26,079	2,049	1,425	1,377	811	742	4,823	1,382
Rajputana	16,929	82,019	35,228	6,778	470	44	1,082	3,946	35,689	31,283
Sind-Punjab	528,924	340,866	387,570	578,393	448,957	779,428	410,414	558,471	501,667	411,866
Broach	267,780	415,085	409,044	299,943	321,774	126,986	334,624	161,742	198,737	229,401
Compta Dharwar	86,276	155,706	53,357	155,178	54,332	89,597	41,322	84,193	52,369	21,961
Western Northern	30,522	99,914	38,178	113,567	48,003	23,082	11,238	82,526	66,749	26,963
Cocanada	23	98	86	239	..	..	..	..	..	..
Tinnevely and Cambodia	9,639	2,677	1,412	16,998	21,873	15,587	1,208	13,674	10,776	4,240
Persians .. .. .	..	..	..	..	..	..	..	..	..	..
Americans	178,188	3,487	105,532	2,160	..	..	..	13,339	40,423	70,316
Egyptians	207,314	158,340	180,112	370,821	261,730	368,121	320,905	375,172	362,475	355,872
East Africans	341,809	238,889	196,543	295,292	296,871	134,578	188,118	149,107	250,206	212,815
Comilla, Burmah and Other Sorts	1,240	267	2,807	1,087	11,426	1,084	2,712	4,109	20,555	3,210
TOTAL	2,553,178	2,354,647	2,247,957	2,836,943	1,963,810	2,025,471	1,878,494	2,051,085	2,523,524	1,985,166

TABLE NO. 9.

STOCKS OF YARN AND CLOTH HELD BY BOMBAY MILLS.

The following table shows the stocks of Yarn and Cloth held by Bombay Mills compiled from returns received by the Association :—

Date of Returns.	CLOTH STOCKS IN BALES.			YARN STOCKS IN BALES.		
	Approximation of stocks for all Bombay Mills.			Approximation of stocks for all Bombay Mills.		
	Sold but delivery not taken.	Unsold.	Total unclear- ed.	Sold but delivery not taken.	Unsold.	Total unclear- ed.
1944.						
January 31st	60,000	5,000	65,000	12,000	2,000	14,000
February 29th	54,000	5,000	59,000	11,000	1,000	12,000
March 31st	52,000	5,000	57,000	12,000	1,000	13,000
April 30th	63,000	7,000	70,000	13,000	1,000	14,000
May 31st	60,000	7,000	67,000	12,000	1,000	13,000
June 30th	61,000	11,000	72,000	8,000	4,000	12,000
July 31st	58,000	17,000	75,000	7,000	5,000	12,000
August 31st	61,000	10,000	71,000	8,000	2,000	10,000
September 30th	64,000	8,000	72,000	9,000	3,000	12,000
October 31st	57,000	9,000	66,000	10,000	2,000	12,000
November 30th	65,000	9,000	74,000	10,000	2,000	12,000
December 31st	65,000	9,000	74,000	8,000	3,000	11,000
1945.						
January 31st	54,000	9,000	63,000	10,000	2,000	12,000
February 28th	60,000	8,000	68,000	11,000	3,000	14,000
March 31st	61,000	6,000	67,000	10,000	4,000	14,000
April 30th	63,000	7,000	70,000	12,000	4,000	16,000
May 31st	60,000	8,000	68,000	13,000	4,000	17,000
June 30th	67,000	9,000	76,000	12,000	4,000	16,000
July 31st	67,000	8,000	75,000	10,000	6,000	16,000
August 31st	65,000	9,000	74,000	10,000	5,000	15,000
September 30th	77,000	11,000	88,000	11,000	7,000	18,000
October 31st	79,000	12,000	91,000	13,000	7,000	20,000
November 30th	63,000	7,000	70,000	12,000	7,000	19,000
December 31st	64,000	9,000	73,000	11,000	6,000	17,000
1946.						
January 31st	60,000	9,000	69,000	9,000	5,000	14,000
February 29th	55,000	8,000	63,000	8,000	6,000	14,000
March 31st	49,000	7,000	56,000	8,000	6,000	14,000
April 30th	50,000	8,000	58,000	9,000	5,000	14,000
May 31st	44,000	10,000	54,000	8,000	5,000	13,000
June 30th	45,000	9,000	54,000	8,000	5,000	13,000
July 31st	54,000	12,000	66,000	8,000	6,000	14,000
August 31st	69,000	14,000	83,000	9,000	6,000	15,000
September 30th	57,000	10,000	67,000	9,000	6,000	15,000
October 31st	48,000	7,000	55,000	11,000	4,000	15,000
November 30th	39,000	6,000	45,000	9,000	6,000	15,000
December 31st	39,000	7,000	46,000	9,000	6,000	15,000
1947.						
January 31st	38,000	7,000	45,000	8,000	6,000	14,000
February 28th	42,000	6,000	48,000	10,000	5,000	15,000
March 31st	39,000	8,000	47,000	7,000	6,000	13,000
April 30th	43,000	9,000	52,000	9,000	6,000	15,000
May 31st	34,000	9,000	43,000	10,000	7,000	17,000
June 30th	34,000	7,000	41,000	8,000	6,000	14,000
July 31st	34,000	9,000	43,000	9,000	4,000	13,000
August 31st	39,000	9,000	48,000	9,000	6,000	15,000
September 30th	33,000	7,000	40,000	12,000	6,000	18,000
October 31st	59,000	7,000	66,000	12,000	10,000	22,000
November 30th	49,000	9,000	58,000	12,000	10,000	22,000
December 31st	28,000	5,000	33,000	13,000	5,000	18,000

TABLE No. 10.
AVERAGE WHOLESALE PRICES OF PIECEGOODS AND YARN
PRODUCED BY BOMBAY MILLS

Date.	PIECEGOODS.			YARN.	
	Longcloth.	T. Cloths.	Chadars.	Twist. No. 10's.	Twist. No. 20's.
	As.	As.	As.	As.	As.
Year ending December 31st, 1905 ..	9.39	9.56	9.30	5 29/32	7.0
Year ending December 31st, 1906 ..	9.46	9.45	9.38	5 29/32	7 5/16
Year ending December 31st, 1907 ..		Not Available.			
Year ending December 31st, 1908 ..	9 7/16	9 1/16	8 15/16	5 2/32	6½
Year ending December 31st, 1909 ..		Not Available.			
Year ending December 31st, 1910 ..	9 15/16	9 3/16	9 3/16	6 27/32	7 18/16
Year ending December 31st, 1911 ..		Not Available.			
Year ending December 31st, 1912 ..	10 18/16	10½	9¾	7 5/32	8½
Year ending December 31st, 1913 ..		Not Available.			
Year ending December 31st, 1914 ..	9½	9 3/16	9 5/16	5½	6 22/32
Year ending December 31st, 1915 ..	9 1/16	8 7/16	8 7/16	5	6 1/32
Year ending December 31st, 1916 ..	11½	11½	10½	6 7/16	8 9/32
Year ending December 31st, 1917 ..	17½	16 3/16	14 15/16	9 7/16	12 29/32
Year ending December 31st, 1918 ..	29½	26½	25½	16 29/32	20 31/32
Year ending December 31st, 1919 ..	26½	24 9/16	24½	16 19/32	21 3/16
Year ending December 31st, 1920 ..	29½	27½	27 9/16	16 11/16	24½
Year ending December 31st, 1921 ..	26 3/16	24½	24 5/16	12 9/32	17
Year ending December 31st, 1922 ..	25 11/32	22½	23½	12½	16 15/16
Year ending December 31st, 1923 ..	21½	19 15/16	19 13/16	12 1/16	15 19/32
Year ending December 31st, 1924 ..	22½	21½	20 9/16	14	17 11/32
Year ending December 31st, 1925 ..	19½	18 9/16	18½	12 3/32	13 31/32

TABLE No. 10—contd.

AVERAGE WHOLESALE PRICES OF GREY UNBLEACHED PIECEGOODS IN 1947.

	Longcloth Standard Quality 37×37½×9 Per lb.	Shirtings 35×38×9 Per lb.	Leopard Cloth 43×38×11½ Per lb.	Dhoties (up to ½" Nakhli border), 32×9×1½ Per lb.	Dhoties Calcutta ½" P.B. 44×10×1½ Per lb.	Drills 29½×40×13½ Per lb.	Domestics 24×48×10 Per lb.	Domestics 26×61×11 Per lb.	Salita 40×66×25 Per lb.	Chadara 50×6×2½ Per lb.
	Rs. s. p.	Rs. s. p.	Rs. s. p.	Rs. s. p.	Rs. s. p.	Rs. s. p.	Rs. s. p.	Rs. s. p.	Rs. s. p.	Rs. s. p.
Year ending 31st December, 1931	0 11 3	0 10 6	.....	0 11 6	.....	0 9 3	0 11 6	0 11 0	0 10 6	0 11 0
Year ending 31st December, 1932	0 11 0	0 10 6	.....	0 11 1	.....	0 8 10	0 10 6	0 10 7	0 10 6	0 10 9
Year ending 31st December, 1933	0 10 4	0 9 9	.....	0 10 6	.....	0 8 5	0 9 7	0 10 0	0 9 10	0 10 1
Year ending 31st December, 1934	0 10 3	0 9 9	.....	0 10 5	.....	0 8 6	0 10 3	0 10 5	0 9 9	0 10 1
Year ending 31st December, 1935	0 10 0	0 9 9	0 9 7	0 10 0	0 14 6	0 8 5	(35×40×13½) 0 8 5	(35×40×12) 0 8 7	0 10 0	0 10 1
Year ending 31st December, 1936	0 9 8	0 9 3	0 9 3	0 9 8	0 14 2	0 8 2	0 8 1	0 8 2	Not quoted	0 9 8
Year ending 31st December, 1937	0 9 9	0 9 4	0 9 5	0 10 1	0 14 9	0 8 5½	0 8 3	0 8 2	"	0 9 9
Year ending 31st December, 1938	0 9 6	0 9 1	0 9 2	0 10 3	0 14 4	0 7 9	0 8 0	0 7 10	"	0 9 8
Year ending 31st December, 1939	0 9 4	0 9 0	0 8 11	0 9 11	0 15 2	0 7 9	0 7 8	0 7 6	"	0 9 5
Year ending 31st December, 1940	0 10 8	0 10 2	0 10 3	0 10 3	1 0 6	0 9 1	0 9 4	0 8 11	0 10 2	0 10 5
Year ending 31st December, 1941	0 15 6	0 14 7	0 14 9	0 14 11	1 4 10	0 14 5	0 13 10	0 15 9	0 14 9	1 0 0
Year ending 31st December, 1942	1 6 8	1 6 1	1 6 3	1 7 7	2 4 0	1 6 0	1 4 2	1 6 4	1 6 8	1 7 8
Year ending 31st December, 1943	2 5 3	2 4 3	2 1 11	2 6 8	3 14 3	2 3 2	2 3 0	2 2 6	2 5 6	2 8 0
Year ending 31st December, 1944 .. .. .	.....	1 10 8	1 11 7	.....	2 12 0	1 8 2	1 11 9	1 8 6	1 10 8	.....
Year ending 31st December, 1945 .. .. .	.....	1 7 6	1 8 0	1 7 6	2 7 0	1 5 3	Not quoted	1 5 4	1 8 1	.....
Year ending 31st December, 1946	Not quoted	1 6 0	1 6 6	1 6 6	2 4 0	1 4 3	"	Not quoted	1 7 0	Not quoted
10th January, 1947	"	1 6 0	1 6 6	Not quoted	2 4 0	1 4 3	"	"	1 7 0	"
24th January, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
7th February, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
21st February, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
6th March, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
20th March, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
3rd April, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
18th April, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
2nd May, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
16th May, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
30th May, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
13th June, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
27th June, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
11th July, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
25th July, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
8th August, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
22nd August, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
5th September, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
19th September, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
3rd October, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
17th October, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
31st October, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
14th November, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
28th November, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
12th December, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
24th December, 1947	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"

NOTE:—Figures extracted from the current quotations issued by the Association.

TABLE No. 10—contd.

AVERAGE WHOLESALE PRICES FOR WHITE PIECEGOODS AND GREY YARN IN 1947.

Year ending	WHITE BLEACHED.		YARN (Price per lb.)											
	Long-cloth 34 x 40	Drill 27 x 42 Per Piece.	4s. All Waste.	6½s. All Waste.	8½s.	10½s.	12½s.	16s.	20s.	24s.	32s.	40s.	60s.	80s.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
31st December, 1931				0 4 3	0 5 3	0 5 8	0 6 0	0 7 0	0 7 5	0 8 0				
Do. 1932				0 4 4	0 5 6	0 6 1	0 6 4	0 7 4	0 7 10	0 8 7				
Do. 1933				0 3 10	0 4 11	0 5 4	0 5 8	0 6 5	0 7 0	0 8 4				
Do. 1934				0 4 2	0 4 11	0 5 3	0 5 7	0 6 7	0 7 1	0 7 10	0 9 6			
Do. 1935				0 4 0	0 5 5	0 5 10	0 6 2	0 7 6	0 8 1	0 8 9	0 9 4			
Do. 1936	9 14 10	8 1 11	0 3 6	0 3 11	0 5 1	0 5 7	0 5 10	0 6 8	0 7 5	0 7 11	0 10 5			
Do. 1937	10 9 1	8 4 9	0 3 10	0 4 6	0 5 7	0 6 0	0 6 4	0 7 2	0 7 9	0 8 9	0 9 7	0 11 0	1 0 0	1 4 6
Do. 1938	10 6 5	7 15 1	0 3 6	0 3 10	0 4 9	0 5 2	0 5 5	0 6 3	0 6 11	0 7 4	0 9 0	0 10 11	1 2 0	1 6 10
Do. 1939	10 5 11	7 10 6	0 3 2	0 3 8	0 4 7	0 5 0	0 5 4	0 6 1	0 6 8	0 7 7	0 10 0	0 11 0	1 0 3	1 5 9
Do. 1940	12 8 7	9 6 3	0 4 3	0 4 8	0 5 10	0 6 5	0 6 9	0 7 11	0 8 6	0 9 2	0 10 5	0 11 2	1 0 11	1 8 11
Do. 1941	16 14 1	12 15 1	0 5 3	0 5 6	0 7 8	0 8 3	0 8 7	0 11 2	0 12 3	0 13 0	0 10 5	0 11 2	1 0 11	1 8 11
Do. 1942	24 11 1	19 3 2	0 7 3	0 7 6	0 11 3	0 12 3	0 12 2	1 0 8	1 1 7	1 4 8	1 0 7	0 12 8	1 13 9	2 5 11
Do. 1943	37 7 8	33 15 1	0 10 10	0 11 9	1 2 4	1 4 2	1 7 0	1 12 5	1 15 2	2 6 1	1 4 11	Not quoted	2 14 8	3 9 5
Do. 1944	29 15 0	Not quoted	1 4 5	0 9 5	0 14 5	0 15 3	0 15 10	1 3 6	1 4 4	Not quoted	Not quoted	Not quoted	Not quoted	Not quoted
Do. 1945	22 4 8	"	0 7 3	0 7 9	Not quoted	0 12 7	0 13 1	0 15 11	1 0 11	"	"	"	"	"
Do. 1946	Not quoted	"	0 7 9	0 8 3	0 9 8	0 11 9	0 12 0	1 0 5	1 1 3	"	"	"	"	"
10th January, 1947	"	"	0 8 0	0 8 6	Not quoted	Not quoted	Not quoted	1 1 0	1 1 9	"	"	"	"	"
24th January, 1947	"	"	0 8 0	0 8 6	"	"	"	0 1 0	1 1 9	"	"	"	"	"
7th February, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
21st February, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
6th March, 1947	"	"	0 8 0	0 8 6	"	"	"	0 1 0	1 1 9	"	"	"	"	"
20th March, 1947	"	"	0 8 0	0 8 6	"	"	"	0 1 0	1 1 9	"	"	"	"	"
3rd April, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
18th April, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
2nd May, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
16th May, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
30th May, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
13th June, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
27th June, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
11th July, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
25th July, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
8th August, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
22nd August, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
5th September, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
19th September, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
3rd October, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
17th October, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
31st October, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
14th November, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
28th November, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
12th December, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"
24th December, 1947	"	"	0 8 0	0 8 6	"	"	"	1 1 0	1 1 9	"	"	"	"	"

TABLE NO. 11.

EXCHANGE VARIATIONS IN 1947 FOR TELEGRAPHIC TRANSFERS, DEMAND DRAFTS AND THE PRICE OF SILVER.

1947.				Bombay/ London. Selling T. T. Rate.	Bombay/ Yokohama Per 100 yens Selling T. T. Rate.	Bombay/ Hongkong Per 100 dollars Selling D.D. Rate.	Bombay/ Shanghai Per 100 dollars. Selling D.D. Rate.	Bombay/ New York Per 100 dollars. Selling D.D. Rate.	Price in Bombay for 100 tolas of ready silver.
				s.	Rs.	Rs.	Rs.	Rs.	Rs. a. p.
Jany.	Highest	..	..	1/5 31/32	Not quoted	84	Not quoted	332½	157 8 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	142 14 0
Febry.	Highest	..	..	1/5 31/32	"	"	"	332½	159 11 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	151 10 0
March	Highest	..	..	1/5 31/32	"	"	"	332½	169 8 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	157 3 0
April	Highest	..	..	1/5 31/32	"	"	"	332½	183 12 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	160 12 0
May	Highest	..	..	1/5 31/32	"	"	"	332½	174 12 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	161 4 0
June	Highest	..	..	1/5 31/32	"	"	"	332½	180 8 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	166 3 0
July	Highest	..	..	1/5 31/32	"	"	"	332½	177 12 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	167 12 0
Aug.	Highest	..	..	1/5 31/32	"	"	"	332½	179 10 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	173 12 0
Sept.	Highest	..	..	1/5 31/32	"	"	"	332½	176 6 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	163 2 0
Octr.	Highest	..	..	1/5 31/32	"	"	"	332½	165 9 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	152 6 0
Nov.	Highest	..	..	1/5 31/32	"	"	"	332½	165 4 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	155 13 0
Decr.	Highest	..	..	1/5 31/32	"	"	"	332½	172 14 0
	Lowest	..	..	1/5 31/32	"	"	"	332½	162 0 0

NOTE.—These figures were supplied by Messrs. Premchand Roychand & Sons, Exchange Brokers, Bombay

TABLE No. 12.

STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN INDIA.

(In thousands of pounds.)

	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.	Calendar Year 1947.
BRITISH INDIA—																				
1 to 10	54,412	94,387	101,283	104,200	104,901	96,691	95,679	97,741	97,328	91,727	116,046	111,091	102,528	125,378	143,112	141,348	150,675	166,013	186,096	111,066
11 to 20	250,954	322,659	338,667	362,721	406,845	378,659	369,876	388,152	393,351	378,110	428,388	432,019	476,449	622,316	658,663	725,826	693,112	694,488	535,071	489,055
21 to 30	181,581	233,098	233,630	253,019	272,051	229,891	239,129	247,875	238,325	249,465	288,765	278,887	257,155	279,709	267,108	316,774	297,307	291,952	243,976	211,523
31 to 40	33,066	43,185	53,411	64,251	78,071	66,314	82,395	102,461	106,003	138,703	156,584	146,359	145,112	157,504	142,387	151,125	158,108	145,967	139,387	141,649
Above 40	9,200	13,839	22,751	31,987	34,245	34,040	39,018	51,953	51,409	75,528	85,266	78,042	77,104	97,228	66,713	74,309	85,871	78,352	102,561	125,841
Wastes	5,227	6,375	5,983	4,891	5,346	5,349	5,669	5,360	7,537	9,692	12,973	14,177	14,806	18,699	17,509	17,754	19,504	22,563	18,164	14,699
TOTAL	534,442	713,543	755,725	821,069	896,459	810,945	831,766	893,182	893,951	943,225	1,088,021	1,060,569	1,073,154	1,300,834	1,295,492	1,427,136	1,404,577	1,399,345	1,175,255	1,093,833
INDIAN STATES—																				
1 to 10	8,756	10,421	11,150	12,997	13,222	10,742	12,994	13,088	14,580	16,907	18,831	18,449	16,241	19,488	22,581	23,260	22,053	22,415	22,973	24,438
11 to 20	48,966	55,315	64,166	66,102	75,467	72,969	82,887	87,706	96,231	103,191	114,934	120,395	121,705	148,320	145,751	160,172	146,852	154,063	131,159	129,897
21 to 30	27,334	30,815	31,603	31,309	33,248	30,226	34,838	38,272	36,610	41,559	47,191	45,631	45,459	48,539	47,310	52,978	48,869	48,204	44,791	43,036
31 to 40	2,304	2,534	3,245	3,971	4,495	6,818	8,805	8,706	7,810	9,749	11,133	10,848	12,285	12,916	11,395	13,883	12,473	12,146	12,325	11,934
Above 40	254	373	861	1,174	1,749	2,495	3,289	4,694	5,657	5,758	6,347	6,605	5,948	6,843	5,580	5,604	6,850	6,044	9,465	14,454
Wastes	256	268	275	283	283	297	293	293	289	441	1,078	1,513	1,052	872	880	1,360	1,138	1,114	1,527	1,856
TOTAL	87,870	99,726	111,300	115,835	128,465	123,486	143,105	153,029	161,177	177,605	199,514	203,441	202,690	236,977	233,497	257,257	238,235	243,986	222,240	225,415
GRAND TOTAL, BRITISH INDIA AND INDIAN STATES—																				
1 to 10	63,168	104,809	112,432	117,197	118,123	107,482	108,673	110,830	111,905	108,634	134,877	129,539	118,769	144,865	165,693	164,608	172,728	188,428	159,069	135,504
11 to 20	299,920	377,974	402,833	428,823	482,312	451,629	452,762	475,859	489,582	481,301	548,322	552,414	598,154	770,636	804,414	885,998	839,964	848,561	666,230	618,952
21 to 30	208,915	263,913	265,233	284,328	305,298	260,117	273,966	286,147	274,935	291,024	335,956	324,518	302,614	328,248	314,418	369,752	346,176	340,156	283,767	254,559
31 to 40	35,370	45,719	56,657	68,222	77,566	73,132	91,201	111,166	113,813	148,452	167,717	157,201	157,397	170,420	153,782	165,008	170,581	158,113	151,712	153,583
Above 40	9,454	14,212	23,612	33,161	35,994	36,475	42,307	56,557	57,066	81,286	91,613	84,647	83,052	104,071	72,293	79,913	92,721	84,396	112,026	140,295
Wastes	5,483	6,643	6,258	5,174	5,630	5,646	5,962	5,653	7,826	10,133	14,050	15,690	15,858	19,571	18,389	19,114	20,642	23,677	19,691	16,355
GRAND TOTAL	622,312	813,269	867,025	936,904	1,024,924	934,431	974,871	1,046,212	1,055,128	1,120,830	1,287,535	1,264,010	1,275,843	1,537,811	1,528,989	1,684,393	1,642,812	1,643,331	1,397,495	1,319,246

§ During the year 1928 all the mills in the City and Island of Bombay were closed for about 6 months and for about 4½ months during 1929.

TABLE NO. 13

STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN BOMBAY CITY AND ISLAND.

(In thousands of pounds.)

Descriptions.	Calendar *Year 1928.	Calendar *Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.	Calendar Year 1947.
Nos. 1 to 10 ..	28,436	54,055	54,381	53,321	52,094	44,725	37,822	43,497	37,566	36,221	44,022	34,973	31,463	47,348	52,851	55,471	53,350	61,643	49,324	45,065
Nos. 11 to 20 ..	58,298	105,766	103,861	115,740	128,178	97,266	90,480	112,848	105,349	103,152	115,441	101,048	119,558	219,135	240,132	265,770	265,308	274,610	198,706	170,110
Nos. 21 to 30 ..	48,697	81,295	85,229	101,541	103,225	76,754	76,990	94,587	80,129	94,655	115,770	104,441	85,533	101,909	92,964	116,928	109,304	97,284	80,961	68,031
Nos. 31 to 40 ..	8,024	12,891	20,517	27,206	33,468	22,040	27,200	37,685	34,372	51,136	57,874	50,203	48,482	54,589	46,573	47,201	47,885	46,815	48,440	53,112
Above 40 ..	2,769	4,768	9,053	12,351	13,487	10,180	13,514	18,702	18,729	28,696	33,458	27,584	24,930	29,604	23,493	24,743	31,282	27,263	30,384	38,091
Wastes, etc. ..	628	967	576	745	655	796	1,148	803	833	504	827	1,189	1,041	1,741	1,745	1,522	1,706	2,034	1,879	1,309
TOTAL ..	146,853	259,741	273,617	310,903	331,108	251,762	247,154	308,122	276,987	314,363	367,393	319,439	311,008	454,326	457,758	511,635	508,835	509,649	409,694	375,718

* Please see footnote to table 12 regarding strikes in Bombay Mills.

TABLE No. 14.

DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN INDIAN MILLS.

GRAND TOTAL, INDIA (British India and Indian States).

(Figures in thousands.)

Description.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.	Calendar Year 1947.
GREY AND BLEACHED PIECEGOODS																				
Chadars Yards ..	55,669	85,342	57,500	54,520	59,690	54,161	59,115	57,848	67,764	66,126	71,898	76,242	59,633	58,808	37,902	41,626	51,157	38,334	39,452	27,523
Dhatis Yards ..	551,131	726,656	829,348	941,398	1,050,443	999,906	1,073,325	1,220,306	1,156,289	1,145,572	1,447,896	1,301,073	1,129,092	964,358	723,111	1,023,608	1,037,815	1,144,415	1,228,778	1,229,652
Drills and Jeans Yards ..	73,668	98,330	80,327	100,232	115,224	105,346	117,120	126,087	135,477	150,687	140,396	123,947	158,931	234,578	212,308	202,691	227,819	195,418	177,638	173,785
Cambrics and Lawns Yards ..	5,204	3,132	17,236	37,574	68,582	70,925	112,652	132,517	115,835	181,543	170,394	181,433	240,183	289,819	223,546	243,171	265,123	183,403	120,833	108,078
Printers Yards ..	21,630	18,751	19,294	21,764	16,008	18,403	18,922	19,136	12,300	23,221	18,083	15,690	17,248	14,528	20,880	26,031	26,518	40,990	27,181	26,536
Shirtings and Longcloth Yards ..	466,134	581,417	605,150	789,607	787,789	714,640	827,316	845,047	856,406	1,062,830	1,061,792	1,038,227	950,843	1,077,295	1,034,516	1,340,736	1,369,937	1,208,806	1,010,755	890,573
T-cloth, Domestics and Sheetings Yards ..	72,057	90,270	104,404	149,956	158,257	129,787	158,623	155,074	158,327	192,833	185,375	179,490	172,262	211,389	218,969	249,461	255,684	256,142	1232,905	199,065
Tent Cloth Yards ..	6,791	7,458	9,268	5,126	6,405	5,357	5,777	7,107	9,369	10,878	13,921	20,486	93,236	111,417	167,926	147,547	158,154	113,221	27,604	10,028
Khadi, Dungri or Khaddar Yards ..	88,226	123,329	165,678	124,074	117,947	96,127	101,629	113,861	124,456	124,602	125,534	107,338	83,547	79,162	66,355	76,517	80,944	90,079	93,735	80,469
Other Sorts Yards ..	33,573	41,960	39,587	49,532	59,103	62,771	76,982	79,357	90,661	119,788	130,827	139,208	165,155	287,376	263,456	280,528	257,691	252,977	284,357	243,991
TOTAL Yards ..	1,374,083	1,756,644	1,927,791	2,253,779	2,436,447	2,257,422	2,551,441	2,756,120	2,726,687	3,078,079	3,968,558	3,183,130	3,070,128	3,328,729	2,968,089	3,631,916	3,731,036	3,523,785	3,193,536	2,969,900
Coloured Piecegoods Yards ..	486,149	600,741	566,315	646,703	763,775	686,002	734,366	798,014	801,711	872,078	936,552	932,865	1,022,039	1,201,949	1,056,637	1,117,580	1,118,957	1,187,663	831,354	819,839
Grey and Coloured Goods other than Piecegoods Dozens ..	781	1,155	913	782	911	900	920	1,174	1,196	1,575	1,409	1,667	1,748	3,183	1,760	1,816	2,160	2,494	1,046	819
Cotton Goods mixed with Silk or Wool Pounds	3,448	3,382	3,514	3,389	1,940	1,477	3,443	4,540	5,587	8,119	6,232	9,100	10,741	10,457	3,013	3,462	2,083	925	513	760
Grand Total exclusive of fast two items Yards	1,860,232	2,357,385	2,494,106	2,900,482	3,203,223	2,943,423	3,285,807	3,554,134	3,528,399	3,950,157	4,305,110	4,115,995	4,092,168	4,530,678	4,024,726	4,749,496	4,849,993	4,711,648	4,024,890	3,809,739

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(Please see footnote to table 12 regarding strikes in Bombay Mills in 1928 and 1929.)

TABLE No. 15.

DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN BOMBAY CITY AND ISLAND.
(Figures in thousands.)

Description of Goods.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.	Calendar Year 1947.	
GREY AND BLEACHED GOODS—																					
Chadars Yds.	13,644	19,279	18,935	16,576	16,487	16,427	14,406	16,474	16,441	13,160	14,653	13,064	9,554	12,262	8,772	10,593	14,180	8,818	10,640	7,199	
Dhuties "	80,484	159,927	224,301	278,577	326,893	258,583	247,321	390,158	350,672	323,485	453,591	399,352	316,746	274,482	167,966	245,140	252,378	319,399	361,910	371,243	
Drills and Jeans "	36,514	55,743	46,294	66,263	71,944	61,017	61,199	62,576	64,868	71,425	71,106	57,280	69,659	116,663	97,510	103,645	130,074	129,714	114,811	98,669	
Cambrics and Lawns "	2,216	840	4,176	14,706	14,634	13,603	26,789	41,678	35,702	75,716	69,985	63,826	82,427	113,901	90,819	92,626	117,499	83,166	47,302	51,356	
Printers "	..	26	13	1,047	933	321	..	..	..	3,796	2,022	530	2	..	..	..	..	12	486	..
Shirtings and Longcloths "	179,243	272,161	319,384	414,754	436,910	331,573	330,702	387,196	367,825	480,569	470,016	457,793	351,127	380,457	373,585	539,339	545,476	478,843	377,517	344,506	
T.Cloths, Domestic and Sheetings "	18,233	25,345	33,133	66,817	68,290	55,833	56,407	55,087	61,788	67,603	60,345	55,458	48,126	75,001	..	89,348	101,940	111,622	82,888	53,287	
Tent Cloth "	1,626	1,842	1,644	698	1,205	814	461	1,198	1,488	1,453	2,435	2,036	8,473	16,001	53,881	46,456	50,956	33,528	5,864	1,553	
Khadi, Dungri or Khaddar "	18,332	34,186	58,677	27,769	15,648	13,831	11,975	11,330	13,442	10,327	3,426	562	79	..	..	2,071	215	48	410	..
Other Sorts "	8,179	14,581	14,116	18,111	20,835	14,686	18,823	23,964	26,657	36,490	36,680	33,323	45,661	94,042	92,789	83,917	84,907	81,376	70,056	61,078	
TOTAL "	358,472	583,929	720,674	905,318	973,779	766,687	768,082	989,662	938,884	1,084,024	1,184,260	1,083,225	931,854	1,082,807	970,275	1,213,135	1,306,623	1,246,525	1,071,884	988,891	
COLOURED PIECEGOODS Yds.	186,974	278,103	239,193	268,712	292,969	203,432	178,048	242,956	217,595	236,055	266,494	255,005	270,067	417,145	404,201	394,576	382,190	366,362	282,269	248,382	
GREY AND COLOURED GOODS other THAN PIECEGOODS Doz.	427	700	458	315	342	316	279	451	374	369	417	426	380	624	307	195	342	350	211	132	
COTTON GOODS MIXED with SILK OR WOOL Lbs.	847	708	1,090	1,749	282	471	1,785	2,700	3,731	5,460	3,579	5,794	6,170	5,899	100	895	944	601	335	614	
GRAND TOTAL EXCLUSIVE OF LAST TWO ITEMS Yds.	545,446	862,032	959,867	1,174,030	1,266,748	970,119	946,130	1,232,618	1,156,479	1,320,079	1,450,754	1,338,230	1,201,920	1,499,952	1,374,476	1,607,711	1,688,813	1,612,687	1,354,153	1,237,273	

See footnote to Table 12 for strikes in Bombay Mills.

TABLE No. 16.
IMPORTS OF COTTON YARN INTO INDIA.
(Quantities in thousands of pounds.)

Classifications of Yarn.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.	Calendar Year 1947*
GREY SINGLES—																				
1s to 10s	17	103	10	..	..	8	39	..	19	126	559	443	46	1,053	157	..	..	..	..	..
11s to 15s	30	6	5	10	10	13	2	..	6	10	4	6	659	6	..	70	..	..	..	..
16s to 20s	748	836	334	143	660	150	162	81	6	35	6	46	696	112	304	..	..	3	..	10
21s to 25s	357	78	49	5	7	11	54	16	1	9	41	18	67	..	..	..	..	..	1	..
26s to 30s	127	245	163	425	823	559	641	1,017	1,071	204	297	38	27	..	..	1	1	..	..	118
31s to 40s	13,826	15,996	14,897	13,025	18,299	15,085	6,100	11,618	7,077	863	4,160	4,147	717	119	334	29	35	34	8	78
41s to 50s	1,118	937	600	257	419	544	391	460	650	437	176	729	398	30	316	87	2	5	30	9
51s to 60s	4,357	4,638	1,792	2,445	3,714	2,639	3,686	4,901	6,626	1,861	2,448	5,014	2,808	623	13	..	11	13	44	6
61s to 100s	1,961	1,956	1,064	901	1,505	1,439	1,915	1,663	1,610	975	594	666	317	65	4	7	15	4	15	34
Above 100s	137	153	137	113	82	75	128	118	80	102	87	40	25	26	2	1	..	..	11	8
GREY TWO FOLDS (Doubles)	3,815	5,600	3,072	3,440	5,149	3,713	5,848	8,137	4,877	3,780	10,382	11,925	9,901	2,451	125	1	..	..	..	9
WHITE (BLEACHED)	4,555	5,570	4,132	3,614	4,238	3,016	3,276	3,642	2,986	3,219	1,781	1,515	1,194	605	19	5	1	1	56	26
COLOURED SINGLES—																				
1s to 20s	266	201	197	177	247	125	182	152	153	46	7	123	11	253	91	..	2	..	..	..
21s to 25s	248	200	204	208	315	219	206	143	162	44	2	5	..	..	..	..	..	..	..	..
26s to 30s	78	28	23	25	6	5	12	10	13	18	11	17	13	2	4	..	12	2	4	2
31s to 40s	2,176	3,126	1,196	552	552	432	280	304	280	311	114	129	42	19	20	..	..	..	..	..
41s to 50s	52	92	49	48	15	58	24	25	10	4	2	90	13	..	..	..	..	..	3	..
Above 50s	270	446	248	181	224	132	133	177	266	241	149	153	98	..	5	..	..	..	8	12
COLOURED TWO FOLDS (Doubles)	498	433	420	280	348	256	347	263	206	48	59	85	36	17	..	..	..	..	..	..
MERCERISED COTTON YARN	3,895	5,874	3,674	4,624	7,547	5,225	6,509	9,932	10,621	8,816	10,041	14,694	9,443	4,474	168	..	..	..	..	..
UNSPECIFIED DESCRIPTION	27	30	11	21	24	40	40	16	30	17	19	10	598	1,879	753	129	427	1	7	104
SEWING THREAD	2,085	2,360	2,049	1,815	2,034	1,939	2,511	2,841	3,126	2,527	1,952	1,657	1,636	1,554	755	1,091	1,602	1,189	1,957	726
ARTIFICIAL SILK YARN	6,927	7,992	6,016	8,045	12,354	8,024	15,279	15,913	15,055	33,853	15,313	26,688	34,240	23,921	278	93	787	1,580	4,845	7,815
TOTAL	47,570	56,900	40,343	40,353	58,572	43,707	47,764	61,429	54,993	57,547	48,206	68,238	62,987	37,267	3,348	1,514	2,894	2,832	6,989	8,957*

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* Figures are for 6 months January to June 1947.

TABLE No. 17.

IMPORTS OF COTTON YARN INTO BOMBAY.

(Quantities in thousands of pounds.)

Classifications of Yarn.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.	Calendar Year 1947.
GREY SINGLES—																				
1s to 10s	16	102	10	..	..	8	39	..	..	2	4	..	..	..	44	..	..	..	..	..
11s to 15s	13	..	..	1	..	12	..	..	2	..	..	..	..	..	..	..	..	..	..	..
16s to 20s	6	40	23	16	578	97	146	46	4	28	..	2	10	..	301	..	..	..	..	98
21s to 25s	228	..	1	..	..	..	38	9	2	3	..	..	..	..	..	..	..	..	..	79
26s to 30s	89	182	106	8	10	9	26	16	15	21	3	3	5	..	..	1	..	..	..	382
31s to 40s	6,075	6,334	3,282	3,183	4,493	2,123	1,351	1,304	1,525	123	1,007	1,056	410	13	330	28	35	..	8	144
41s to 50s	521	588	422	69	96	207	221	297	207	43	4	41	283	..	316	87	1	..	16	53
51s to 60s	1,132	1,047	327	67	162	56	1,146	1,710	2,357	574	967	2,170	960	172	1	..	..	..	12	187
61s to 100s	321	448	237	48	62	135	133	396	654	403	67	186	77	10	4	6	..	..	2	51
Above 100s	19	22	37	..	2	..	2	15	1	..	..	..	..	..	1	1	..	..	..	26
GREY TWO FOLDS (Doubles)	3,124	4,509	2,240	2,504	3,618	2,105	3,306	5,538	3,098	3,229	6,616	8,147	5,710	1,787	125	..	..	..	..	87
WHITE (BLEACHED)	2,144	2,099	1,806	1,668	1,853	1,354	1,189	1,097	754	409	310	302	376	156	16	..	..	..	24	125
COLOURED SINGLES—																				
1s to 20s .. .. .	..	2	1	1	..	1	..	4	2	1	..	3	..	..	..	..	..	..	..	..
21s to 25s	2	1	1	..	..	5	..	..	..	..	..	1	..	..	..	..	..	..	..	..
26s to 30s	16	7	5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
31s to 40s	171	240	50	23	2	11	6	1	..	..	10	..	8	1	..	..	..	..	..	..
41s to 50s	43	26	13	22	6	18	..	..	..	2	..	24	22	..	..	..	..	..	1	..
Above 50s	2	..	..	..	..	..	..	..	4	..	..	1	..	..	3	..	..	..	..	..
COLOURED TWO FOLDS (Doubles)	123	84	50	6	..	2	..	10	6	2	39	29	34	16	..	..	..	..	..	..
MERCERISED COTTON YARN	3,799	5,502	3,045	4,123	6,338	4,054	4,514	7,342	8,098	6,011	7,006	9,833	6,364	3,169	..	..	..	..	..	..
UNSPECIFIED DESCRIPTION	27	20	4	17	10	7	8	6	24	8	9	2	557	1,872	692	129	353	..	..	44
SEWING THREAD	721	830	747	661	816	756	974	994	1,123	1,036	800	737	936	992	351	598	972	691	1,240	847
ARTIFICIAL SILK YARN	4,981	4,996	3,087	5,540	7,675	4,900	8,951	10,754	9,854	21,759	12,216	20,946	26,766	19,039	124	22	324	954	4,128	11,591
TOTAL ..	23,573	27,080	15,494	17,958	25,721	15,860	22,052	29,541	27,732	33,855	29,060	43,485	42,510	27,207	2,308	872	1,685	1,646	5,431	13,714

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TABLE NO. 18.

STATEMENT SHOWING THE VARIOUS CLASSES OF PIECEGOODS IMPORTED INTO BRITISH INDIA.

(Quantities in thousands of yards.)

DESCRIPTION.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.	Calendar Year 1947.†
PIECEGOODS.																				
GREY, UNBLEACHED (PLAIN AND BORDERED) :—																				
Chadars	954	1,193	318	23	45	48	74	255	74	42	155	38	..	..	..	..	..	..	..	..
Dhuties, Saris, etc.	454,127	490,653	304,944	87,149	113,683	120,265	92,894	122,156	106,906	45,014	77,651	72,621	34,281	12,816	..	7	..	..	1	..
Drills and Jeans	10,132	13,179	5,411	2,862	1,721	1,789	830	1,542	812	519	858	205	765	2,920	121	..	..	..	2	..
Flannels	12	2	298	4	..	..	..	21	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets and Madapollams	77,113	58,518	29,496	22,264	24,283	24,151	23,718	20,718	14,060	7,346	7,574	3,344	430	34	..	..	..	..	4	1
Longcloth	207,860	344,623	213,600	130,970	190,983	116,895	134,497	187,970	172,650	81,583	153,867	178,111	126,897	34,269	145	..	..	..	6	41
Printers .. .. .	..	..	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	8,652	14,296	4,471	4,715	3,827	3,591	2,523	1,007	1,618	977	1,628	1,253	14,253	48,151	..	..	..	..	..	..
T-cloth and Domestics	95	118	89	28	14	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Sorts	979	2,296	1,433	1,558	1,900	1,079	1,006	1,600	963	1,072	825	969	854	376	161	..	..	25	27	65
TOTAL	759,925	924,898	560,066	249,572	335,856	267,819	255,033	337,553	296,484	135,953	242,558	256,541	177,480	98,639	437	..	31	34	107	41
WHITE, BLEACHED :—																				
Chadars	173	54	85	..	17	..	10	..	..	..	..	..	..	..	..	..	..	..	..	..
Checks, Spots and Stripes	15,517	11,873	7,046	2,939	6,426	5,900	4,175	4,688	4,658	4,526	3,505	1,034	817	520	109	7	..	17	37	71
Dhuties, Saris, etc.	40,907	51,704	20,921	2,845	2,636	5,694	8,889	5,638	3,293	1,310	1,301	1,197	55	91	13	..	..	..	9	229
Drills and Jeans	5,603	6,468	4,767	3,694	4,918	4,621	4,094	3,578	3,318	3,406	1,681	2,428	1,889	1,627	283	19	83	36	18	298
Embroidered All-Overs .. .. .	..	..	..	..	..	..	4,101	4,752	5,556	8,189	5,716	5,554	2,237	1,431	153	36	30	..	..	..
Flannels	15	23	57	102	68	8	104	54	2	51	19	5	45	51	2	221	2	248	209	519
Jaconets, etc.	16,610	16,181	14,273	8,869	17,438	14,890	23,275	21,283	18,994	15,968	12,044	12,319	7,575	6,208	2,540	221	2	248	209	519
Lawns	7,481	11,958	7,344	4,867	15,272	5,223	6,005	7,182	4,680	1,936	341	139	143	74	556	20	4	..	..	..
Longcloth and Shirting	121,773	100,408	91,883	71,903	109,325	73,440	72,709	71,017	67,348	56,072	51,815	49,807	27,507	27,874	2,651	105	367	..	150	327
Mulls	242,410	203,978	149,462	142,991	194,224	144,275	131,314	139,592	107,376	108,539	102,763	74,867	55,305	16,825	1,836	107	56	136	709	248
Nainsooks	86,832	53,173	40,034	20,329	28,504	21,007	14,155	10,544	3,510	4,377	2,177	1,019	364	177	4	..	..	..	..	..
Printers	269	97	175	89	39	61	113	77	44	106	93	324	65	51	24	2	1	..	..	..
Sheetings .. .. .	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T-cloths and Domestics	27	5	14	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Twills	17,467	16,166	11,448	3,309	9,938	7,997	6,407	9,436	8,352	5,850	4,382	3,599	1,413	995	331	30	32	24	178	61
Unspecified Sorts	10,181	5,060	2,208	1,797	2,327	1,775	2,061	1,662	1,696	821	653	526	446	345	276	218	476	182	552	1,682
TOTAL	565,315	477,143	349,715	262,935	391,132	284,883	277,461	279,487	228,827	211,211	186,510	152,939	97,803	56,269	8,778	772	1,320	854	3,272	3,321
COLOURED, PRINTED OR DYED :—																				
Cambrics	54,335	43,967	28,237	16,627	34,045	35,472	44,222	46,750	38,426	30,688	19,806	16,001	9,216	5,924	2,069	574	604	237	647	661
Chadars	2	11	15	..	2	1	24	..	3	..	..	..	..	..	..	..	..	..	..	..
Checks, Spots and Stripes	23,362	24,139	18,720	4,743	10,799	12,795	14,408	18,985	42,651	21,335	13,477	7,765	2,310	1,624	492	170	519	209	175	184
Dhuties, Lungis and Sarongs	17,222	24,334	21,278	13,658	24,556	15,533	14,012	19,508	8,700	1,476	1,748	954	1,984	430	108	3	25	..	..	..
Drills and Jeans	53,622	78,805	47,464	33,285	66,047	54,977	52,231	65,604	82,317	64,014	65,650	71,220	90,187	49,158	858	74	254	272	269	81
Embroidered All-Overs .. .. .	..	..	..	..	..	..	2,710	3,734	3,431	4,144	2,209	1,533	363	236	4	..	..	..	..	..
Flannels	18,980	10,436	7,078	10,050	19,159	3,719	9,413	10,355	7,291	8,815	7,581	8,080	8,126	3,161	988	3	17	7	16	54
Prints and Chintz	76,079	65,297	42,859	21,243	48,142	25,865	28,392	21,961	10,113	7,121	7,541	5,169	3,011	1,594	234	8	92	12	36	133
Saris and Scarves	37,059	33,920	24,788	7,915	15,836	17,034	22,645	21,554	19,172	15,541	17,203	10,571	3,166	678	456	4	..	..	..	..
Shirtings	95,406	95,974	74,525	57,337	111,125	61,246	81,467	96,491	52,315	48,054	43,268	59,441	47,495	31,330	2,662	211	288	288	907	516
Twills	48,975	35,004	22,329	17,252	22,279	15,378	18,644	14,497	13,852	11,265	9,765	10,989	7,795	3,945	1,007	260	44	87	122	450
Sateens	4,736	2,903	1,747	866	3,653	1,004	969	1,130	562	697	695	468	487	378	21	..	..	..	..	..
Coatings and Trouserings	12,027	7,802	3,079	2,333	3,283	2,273	3,451	3,357	2,489	2,261	1,800	1,700	865	1,345	163	..	..	..	..	..
Italian Cloth and Sateens	34,066	16,510	13,383	11,259	21,123	10,563	22,210	10,732	7,707	9,322	7,064	5,612	1,804	3,639	783	..	27	6	228	175
Velvets and Velvetines	2,465	1,673	1,070	910	2,862	2,702	6,311	5,771	3,108	4,858	2,310	2,659	3,719	1,927	75	2	2	2	41	109
Unspecified Sorts	40,393	31,104	22,368	9,969	16,753	16,033	19,702	23,401	18,058	20,154	19,982	13,071	9,665	9,857	2,099	1,081	1,457	902	6,180	8,189
TOTAL	518,727	471,900	328,940	207,447	399,663	274,597	340,813	363,830	310,196	249,746	220,100	215,211	189,593	115,225	12,021	2,413	3,337	2,076	8,844	11,938
FIBRE OF ALL KINDS	36,778	36,456	14,846	21,420	28,583	32,807	45,180	52,001	*78,032	*47,003	*24,520	*22,542	*22,857	*24,517	5,065	11,080	2,601	1,690	7,490	11,992

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* Is an approximation only on the basis that a lb. of art silk fibre is equal to 8 yards

† 1947 Figures are for six months (January to June 1947).

TABLE No. 19.

STATEMENT SHOWING THE VARIOUS CLASSES OF PIECEGOODS IMPORTED INTO BOMBAY.
(Quantities in thousands of yards.)

	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.	Calendar Year 1947.	
PIECEGOODS.																					
GREY, UNBLEACHED (PLAIN AND BORDERED).																					
Chadars	76	90																			
Dhutus, Saries, etc.	11,672	18,632	10,189	363	2,254	4,113	1,723	2,916	1,460	1,414	880	362	488	392							
Drills and Jeans	9,157	6,464	2,115	1,054	832	553	479	422	227	63	209	23	409	2,658	100				2	3	
Flannels	94			4																	
Jaconets and Madapollams	25,629	20,002	9,933	9,360	11,775	11,540	9,986	9,940	7,503	2,945	2,748	716	123	22						1	
Longcloth	81,226	144,076	71,631	41,208	66,340	48,989	63,908	79,063	60,580	44,072	70,253	63,827	56,302	16,351	171					41	14
Printers	1	22	6																		
Sheetings	5,466	11,879	2,090	4,635	3,671	2,657	855	140	2		405	246	13,979	47,597							
T-cloth and Domestics	6	16	10											72							
Unspecified Sorts	569	1,306	423	960	792	795	690	705	358	603	233	277	256	178	45				1	6	27
TOTAL	129,876	202,487	96,396	57,583	85,665	68,647	77,841	93,184	70,135	49,096	73,848	85,155	71,070	67,270	316			3	47	45	
WHITE, BLEACHED:—																					
Checks, Spots and Stripes	1,664	891	503	149	795	1,173	843	934	761	845	479	143	92	76	56				3	10	81
Dhutus, Saries, etc.	19,407	16,356	3,785	196	102	1,765	2,443	1,716	1,491	644	465	567	31	42	2						
Drills and Jeans	3,394	3,353	1,854	643	1,817	2,166	2,186	2,381	2,460	2,800	937	1,721	1,296	1,298	198					146	347
Embroidered All-Overs	7	23	20	25	41	4	32	22	30	30	2,797	2,549	1,325	1,095	86	36	7	39	89	356	
Flannels	5,214	2,824	2,550	2,862	6,160	4,139	6,282	4,824	4,284	4,384	2,891	2,272	1,497	1,574	542	36	9	18	256	656	
Jaconets, etc.	591	323	500	331	560	445	512	88	76	50	175	47	12	46	91				22	20	
Laws	31,884	25,344	18,889	12,352	28,093	21,074	20,785	15,746	19,954	20,127	18,119	17,279	13,622	17,229	1,354	22	25	26	174	440	
Longcloth and Shirting	48,203	39,407	20,120	14,205	22,734	22,309	18,849	16,302	19,954	6,220	15,486	7,366	7,851	6,625	159			114	32	200	
Mulls	20,149	12,056	8,629	3,742	6,617	5,246	1,401	1,365	720	379	271	38	37	105						3	
Nainsooks	106	46	31	33	9	6	7	4	211	26	10	9	24	33	20				15	74	
Sheetings	28	5	14	1	1	2	35	3	18												
T-cloth and Domestics	5,059	4,267	2,416	735	1,576	2,842	2,467	2,742	2,618	2,016	1,430	1,236	633	716	178	6	19	6	67	43	
Twills	4,432	2,043	862	238	444	170	193	290	372	133	96	184	235	204	91	7	11	22	106	1,058	
TOTAL	136,163	106,938	59,876	35,702	68,951	61,345	53,274	48,929	42,100	44,510	43,167	33,415	26,674	29,072	2,741	138	78	230	910	3,278	
COLOURED, PRINTED OR DYED:—																					
Cambrics	26,284	20,506	11,601	4,469	10,727	11,588	14,560	13,129	12,429	9,126	5,374	4,384	2,551	1,200	837	332	142	47	305	1,080	
Chadars	2	11																			
Checks, Spots and Stripes	11,594	10,788	8,071	916	3,953	4,701	3,913	4,005	9,108	6,369	2,407	3,696	530	547	156	42	12	24	111	182	
Dhutus, Lungis and Sarongs	510	680	249	33	153	117	39	10	6												
Drills and Jeans	20,725	34,935	15,060	7,795	28,091	32,277	26,763	34,362	45,049	35,296	31,843	32,684	57,176	31,242	565				107	92	
Embroidered All-Overs																					
Flannels	4,990	3,788	1,079	1,731	4,021	1,086	1,817	2,672	2,221	3,983	1,248	1,912	3,708	1,452	373	3			3	9	
Prints and Chintz	55,917	40,767	20,831	9,855	26,447	14,998	13,792	10,296	5,294	3,602	4,851	2,278	1,207	725	163						
Sars and Scarves	16,183	16,725	7,621	953	5,352	7,987	9,843	8,151	9,704	5,402	7,519	4,994	2,513	553	188						
Sheetings	23,566	27,729	15,602	12,853	32,068	20,901	29,680	32,096	15,053	21,134	16,496	13,826	15,874	14,458	1,582	60	107	97	270	629	
Twills	20,648	15,983	7,583	3,751	7,408	7,180	7,304	3,906	15,171	5,247	4,596	3,521	2,742	897	380	94	29	36	47	177	
Sateens	1,418	981	27	491	268	346	350	107	93	339	192	810	87	18							
Coatings and Trouserings	6,348	2,666	1,101	339	747	582	1,141	797	525	474	638	1,015	584	1,025	103				31	50	36
Italian Cloth and Sateens	15,743	8,235	5,069	2,930	7,326	4,389	4,519	2,742	3,381	2,833	3,019	1,093	1,625	222					5	95	151
Velvet and Velvetens	1,209	547	456	416	1,102	1,363	3,273	2,388	1,772	3,699	1,899	2,363	3,415	5					5	20	228
Unspecified Sorts	6,666	5,802	2,892	1,614	3,099	3,143	5,420	8,086	5,930	3,895	3,985	3,309	6,675	867	439	155	82	411	2,938		
TOTAL	211,890	190,679	98,296	47,811	130,982	110,487	130,902	129,619	117,495	105,583	85,351	78,373	95,181	62,143	5,513	984	565	447	1,499	5,597	
Fents of all Descriptions	34,156	33,126	12,820	12,828	24,551	21,985	30,296	44,981	*63,204	*37,272	*17,891	*18,765	*19,275	*21,944	3,267	3,392	1,132	1,358	5,117	13,176	

* (See footnote to Table 18 regarding figures of Fents.)

TABLE No. 20.
SUMMARY OF IMPORTS OF COTTON YARN INTO INDIA.
(In thousands of pounds.)
(Calendar Year.)

Description of Yarn.	United Kingdom			Japan.			China (including Hongkong.)			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany and Austria			Other Countries.			Total.			
	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947*	
Grey Singles	58	94	85	..	..	..	..	..	..	1	15	198	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	59	109	263
Coloured Singles	2	15	14	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	15	14
White Bleached	1	46	25	..	..	..	..	..	..	..	10	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	56	26
Grey Folded .. ..	..	..	..	..	..	..	..	..	..	..	..	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	9
Coloured Folded .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mercerised .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Artificial Silk	571	1,587	856	..	..	..	..	..	20	9	396	2,226	..	2,019	3,065	..	717	1,376	..	113	33	..	..	..	..	..	11	239	1,580	4,845	7,815
Unspecified Descriptions.	1	7	..	..	..	..	..	..	..	..	..	104	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	7	104
Rope	378	491	225	..	..	..	..	..	..	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	384	491	225
Sewing Thread	1,068	1,946	714	..	..	..	..	..	..	123	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	12	1,189	1,957	726
TOTAL..	3,077	4,186	*1,899	..	..	..	..	..	*20	139	432	*2,538	..	2,019	*3,065	..	717	*1,376	..	113	*33	..	..	..	..	..	13	*251	3,216	7,480	*9,182

* 1947 figures are for 6 months (January to June 1947.)

TABLE No. 21.

DETAILED IMPORTS OF COTTON YARN INTO INDIA

(In thousands of pounds.)

(Calendar Year.)

Description of Yarn.	United Kingdom.			Japan.			China (Including Hongkong).			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany and Austria.			Other Countries			TOTAL.		
	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947*			
SINGLE GREY:—																														
1 to 10 ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
11 to 20 ..	3	..	3	..	..	..	..	..	..	..	..	7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	3	..
21 to 30 ..	..	1	..	..	..	..	..	..	..	..	..	118	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1
31 to 40 ..	34	8	5	..	..	..	..	..	..	..	..	73	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	34	78
41 to 50 ..	4	15	9	..	..	..	..	..	..	1	15	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5	30
51 to 60 ..	13	44	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	13	44
Above 60 ..	4	26	42	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	26
SINGLE COLOURED:—																														
1 to 20 ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
21 to 30 ..	2	4	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	4
31 to 40 ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
41 to 50 ..	..	3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	3
Above 50 ..	..	8	12	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	8
White Bleached ..	1	48	24	..	..	..	..	..	..	..	10	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	56
Grey Folded ..	..	..	..	..	..	..	..	..	..	..	..	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	9
Coloured Folded ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mercerised ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Artificial Silk ..	1,571	1,587	854	..	..	..	..	..	20	9	898	2,226	..	2,019	3,065	..	717	1,376	..	113	33	..	..	..	..	11	239	1,680	4,845
Unspecified Sorts ..	1	7	..	..	..	..	..	..	..	..	..	104	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	7
Rope ..	378	491	225	..	..	..	..	..	..	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	384	491
Sewing Thread ..	1,066	1,946	714	..	..	..	..	..	..	133	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	12	1,189	1,957
TOTAL ..	3,077	4,140	1,899	*20	139	432	*2,538	..	2,019	*3,065	..	717	*1,376	..	113	*33	13	*231	3,216	7,480	*9,162

* 1947 figures are for 6 months (January to June 1947.)

TABLE No. 22.
SUMMARY OF IMPORTS OF COTTON YARN INTO BOMBAY.
(In thousands of pounds.)
(Calendar Year.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hongkong).			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany and Austria.			Other Countries.			Total.				
	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947		
Grey Singles ..	..	29	330	..	..	25	..	..	..	..	15	685	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	38	1,020
Coloured Singles ..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..
White Bleached ..	..	14	59	..	..	..	..	..	..	..	10	66	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	24	125
Grey Folded ..	..	..	..	..	..	..	..	..	..	..	..	87	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	87
Coloured Folded ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mercerised ..	..	..	2	..	..	..	..	..	..	..	..	42	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	44
Artificial Silk ..	945	943	873	..	..	..	..	..	176	9	391	3,959	..	1,971	4,308	..	699	1,961	..	113	48	..	..	..	..	..	11	266	984	4,126	11,591
Unspecified ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Rope ..	344	470	481	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	344	47	481
Sewing Thread ..	691	1,239	780	..	..	..	..	..	..	..	..	51	..	..	4	..	..	..	..	..	..	..	..	..	..	..	1	6	691	1,240	847
TOTAL ..	1,980	2,690	2,525	25	176	9	416	4,870	..	1,971	4,312	..	699	1,961	..	113	54	12	272	1,989	5,901	14,195

TABLE No. 23.
DETAILED IMPORTS OF COTTON YARN INTO BOMBAY.
(In thousands of pounds.)
(Calendar Year.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hong-kong).			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany and Austria.			Other Countries.			Total.		
	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947
SINGLE GREY:—																														
1 to 10 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
11 to 20 .. ..	..	..	3	..	..	25	..	..	..	..	..	70	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	98
21 to 30 .. ..	..	..	..	..	..	..	..	..	..	..	..	461	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	461
31 to 40 .. ..	..	8	36	..	..	..	..	..	..	..	..	108	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	8	..	144
41 to 50 .. ..	..	1	27	..	..	..	..	..	..	..	15	26	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	16	..	53
51 to 60 .. ..	..	12	187	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	12	..	187
Above 60 .. ..	..	2	77	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	77
SINGLE COLOURED:—																														
1 to 20 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
21 to 30 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
31 to 40 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
41 to 50 .. ..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..
Above 50 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
White, Bleached .. ..	..	14	59	..	..	..	..	..	..	..	10	66	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	24	..	125
Grey, Folded .. ..	..	..	..	..	..	..	..	..	..	..	..	87	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	87
Coloured, Folded .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mercerised .. ..	..	..	2	..	..	..	..	..	..	..	..	42	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	44
Artificial Silk	945	943	873	..	..	..	..	..	176	9	391	3,959	..	1,971	4,308	..	699	1,981	..	113	48	..	..	..	..	11	266	954	4,128	11,591
Unspecified sorts .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Rope	344	470	481	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	344	470	481
Sewing Thread	691	1,235	780	..	..	..	..	..	..	..	..	51	..	..	4	..	..	..	..	..	6	..	..	..	..	1	6	691	1,240	847
TOTAL	1,980	2,690	2,525	..	..	25	..	..	176	9	416	4,870	..	1,971	4,312	..	699	1,981	..	113	54	..	..	..	..	12	272	1,989	5,901	14,195

TABLE No. 24.
DETAILED EXPORTS FROM INDIA OF INDIAN-MADE YARN BY SEA.
(In thousands of pounds.)
(Calendar Year.)

Description.	Burma.			European Countries.			China including Hongkong.			Egypt and North Africa.			Red Sea Ports.			East Africa.			Levant and Black Sea Ports.			Ceylon and Straits.			Persian Gulf.			South Africa.			Total. (All Countries.)								
	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.*									
YARN:—																																							
1 to 10	320	156	..	..	..	..	..	..	..	708	109	..	..	..	..	723	116	..	94	48	..	171	7	..	2,258	198	..	4,640	814	..			
11 to 20	1,330	1,295	..	..	..	..	..	..	..	2,977	1,245	..	220	158	..	1,849	433	..	271	320	28	652	375	43	34	5	..	7,886	4,925	175			
21 to 30	38	..	..	..	..	..	..	..	..	13	1	..	..	..	..	196	25	..	61	..	..	6	..	..	..	..	..	405	26	..			
31 to 40	28	..	..	..	..	..	..	..	..	21	6	..	..	..	..	18	..	..	..	..	..	..	..	..	..	..	..	67	6	..			
Above 40	120	1	87	35	..	207	51	..				
TOTAL GREY	1,836	1,451	..	..	1	..	..	..	..	3,719	1,361	..	220	158	..	2,783	574	..	420	368	28	829	382	43	2,470	238	..	13,205	5,622	175			
COLOURED YARN:—																																							
1 to 20	19	8	648	196	..	748	434	..		
21 to 40	5	44	9	..			
Above 40			
Total Coloured	24	8	818	514	..	962	763	..
White Bleached	9	14	1	140	139	..	
Grey Doubles		
Coloured Doubles		
Unspecified Descriptions		
Sewing Thread	1	1	6	1	40	38	78	26	24	3	70	24	5	139	91	88	
GRAND TOTAL	1	..	1,836	1,451	..	..	1	..	1	6	* 1	3,783	1,405	* 79	246	182	* 3	2,789	574	..	464	370	* 28	899	407	* 48	3,948	752	..	14,563	6,811	* 263				

* 1947 figures are for 6 months (January to June 1947.)

NOTE :—“ Egypt and North Africa ” include Tripoli and Tunis.

“ Red Sea Ports ” include Anglo-Egyptian Sudan, Abyssinia, British Somaliland, French Somaliland, Somaliland Protectorate and Aden and Dependencies.

“ East Africa ” includes Italian East Africa, Somaliland and Eritrea, Kenya, Uganda, Tanganyika Territory, Portuguese East Africa, Zanzibar and Pemba and Seychelles.

“ Levant and Black Sea Ports ” include Palestine, Syria, Smyrna and Asiatic Turkey.

“ Ceylon and Straits Settlements and beyond ” include Labuan, Java, Siam, Indo-China, Federated Malay States, Maldives Islands, Fiji Islands, Sumatra, Dutch Borneo, Celebes, Philippines and Formosa.

“ Persian Gulf ” includes Iraq, Muskat Territory and Trucial Oman, other Native States in Arabia, Persia and Bahrain Islands.

“ South Africa ” includes Natal, Transvaal, Cape of Good Hope, Mauritius and Madagascar.

TABLE No. 25.

DETAILED EXPORTS OF INDIAN-MADE YARN BY SEA FROM BOMBAY.

(In thousands of pounds.)

(Calendar Year.)

	Burma.			European Countries.			China Including Hongkong.			Egypt and North Africa.			Red Sea Ports.			East Africa.			Levant and Black Sea Ports.			Ceylon and Straits.			Persian Gulf.			South Africa.			TOTAL. (All Countries.)						
	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.				
GREY YARN:—																																					
1 to 10				320	156	..	..	..	..	..	..	..	708	109	..	..	..	..	714	116	..	..	..	..	170	7	..	2,258	198	..	4,545	586	..		
11 to 20				1,330	1,295	..	..	..	..	..	..	..	2,977	1,245	..	220	158	..	1,736	425	..	..	10	..	652	375	43	34	5	..	7,057	3,526	43		
21 to 30				88	..	..	..	..	..	..	..	..	13	1	..	..	..	..	196	25	..	..	..	..	6	..	..	91	..	..	340	26	..		
31 to 40				28	..	..	..	..	..	..	..	..	21	6	..	..	..	..	16	..	..	..	..	..	..	..	..	..	..	66	6	..			
Above 40				120	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	87	35	..	207	51	..		
TOTAL GREY	1,836	1,451	..	..	..	..	..	..	..	3,719	1,361	..	220	158	..	2,662	566	..	..	10	..	828	382	43	2,470	238	..	12,217	4,195	43				
COLOURED YARN:—																																					
1 to 20	19	8	648	196	..	748	434	..			
21 to 40	5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	44	9	..				
Above 40	170	250	..	170	250	..				
TOTAL COLOURED	24	8	818	446	..	962	693	..			
White Bleached	1	1	..	..	..	120	133	1				
Grey Doubles			
Coloured Doubles		
Unspecified Descriptions		
Sewing Thread			1	4	..	..	..	..	..	..	6	2	28	36	79	14	24	14	..	..	..	..	..	..	..	29	24	10	..	..	71	91	109		
GRAND TOTAL	1	4	1,836	1,451	..	..	..	..	6	2	3,771	1,405	79	234	182	14	2,662	566	..	..	10	..	..	857	407	54	3,288	684	..	13,371	5,112	153			

CCO

See footnote to Table 24.

TABLE No. 2c.
SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO INDIA.

(In thousands of yards.)
 (Calendar Year.)

	United Kingdom.			Japan.			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany and Austria.			Other Countries.			Total.					
	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.			
Grey Plain	26	107	26	..	..	..	1	..	4	..	..	11	..	..	..	..	..	..	..	..	..	..	..	3	..	..	30	107	41
Grey Bordered .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	..	..	4	..	..
White Bleached	758	2,889	1,354	..	..	..	15	153	1,001	..	8	6	..	28	76	81	194	148	..	..	..	..	..	..	..	736	854	3,272	3,321
Printed	834	1,086	1,108	..	..	..	35	393	1,268	..	..	3	..	..	..	..	3	..	..	..	..	..	..	..	3,656	19	869	5,138	2,392
Dyed	977	1,643	1,306	..	..	..	51	418	1,703	..	204	320	..	20	1	..	27	32	..	..	..	..	..	4	671	4,400	1,032	2,983	7,762
Woven Coloured	171	419	370	..	..	..	3	210	89	..	80	15	..	..	..	..	3	5	..	..	..	..	..	1	1	5	175	723	484
Fents of all descriptions.	545	3,851	1,256	..	..	..	1,140	3,622	10,736	..	..	..	..	..	..	..	5	17	..	..	..	..	..	..	..	..	1,690	7,490	11,992
Towels in the piece .. ..	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..
Piecegoods of Cotton and Artificial Silk	1,098	4,250	2,342	..	..	..	1,154	2,816	12,488	..	6,135	4,269	..	32	71	30	618	499	..	..	..	..	..	..	..	..	..	..	..
Canvas	2	60	24	1	1	1	3	61	25
TOTAL	4,411	14,307	*7,786	..	..	..	2,400	7,613	*27,389	..	6,437	*4,824	..	80	*148	116	862	*684	..	..	..	12	4,867	*6,317	6,939	34,166	*46,848		

* (See footnote to Table 18 regarding figures of Fents.)

1947 figures are for 6 months (January to June 1947.)

TABLE No. 27.
DETAILED IMPORTS OF COTTON PIECEGOODS INTO INDIA.
(In thousands of yards.)
(Calendar Year.)

	United Kingdom.			Japan.			U.S.A.			Italy.			Netherlands.			Switzerland.			Germany and Austria.			All other Countries.			Total.			
	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	
GREY UNBLEACHED																												
PLAIN GREY.																												
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhutis, Saris & Scarves	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Drills & Jeans	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannel & Flannelettes	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets including Madapollams, etc.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Longcloth & Shirtings	..	41	14	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	1
Printers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	41	14
Sheetings	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T-cloth & Domestic	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Descriptions	26	65	11	..	..	..	..	..	4	..	..	11	..	..	..	..	..	..	..	..	..	..	..	..	1	..	26
Total Plain Grey	26	107	26	..	..	..	1	..	4	..	..	11	..	..	..	..	..	..	..	..	..	..	..	3	..	..	41
BORDERED GREY.																												
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhutis, Saris & Scarves	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Drills & Jeans	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannel & Flannelettes	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets, etc.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Longcloth & Shirtings	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Printers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T-cloths & Domestic	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Descriptions	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total Bordered Grey	4
Total Grey Unbleached	26	107	26	..	..	..	1	..	4	..	..	11	..	..	..	..	..	..	..	..	..	..	..	7	..	..	41
WHITE BLEACHED.																												
Checks, Spots & Stripes	37	202	63	..	..	..	..	2	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhutis, Saris & Scarves	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Drills & Jeans	9	190	120	..	..	..	..	2	109	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	9	229
Embroidered All-overs	4	9	5	..	..	..	..	..	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannel & Flannelettes	14	2	2	..	..	..	..	..	2	..	8	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets, Madapollams, etc.	197	687	414	..	..	..	..	15	35	98	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lawns	..	11	5	..	..	..	..	..	11	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Longcloth & Shirtings	150	392	196	..	..	..	..	..	12	55	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mulls	136	709	248	..	..	..	..	..	..	..	..	..	..	28	76	..	..	..	..	..	..	..	..	..	..	..	..
Nainsooks	2	..	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	5	14	1	..	..	..	..	..	36	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T-cloths & Domestic	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Twills	24	168	57	..	..	..	..	..	9	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Descriptions	180	505	235	..	..	..	..	2	46	714	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total White Bleached	758	2,889	1,354	..	..	..	15	153	1,001	..	8	6	..	28	77	81	194	148	..	..	..	..	..	735	854	3,272	3,321

TABLE No. 28.
DETAILED IMPORTS OF COTTON PIECEGOODS INTO BOMBAY.
(In Thousands of Yards.)
(Calendar Year.)

	United Kingdom			Japan			U.S.A.			Italy.			Netherlands			Switzerland.			Germany and Austria.			Other countries.			Total						
	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947	1945	1946	1947				
GREY (Unbleached):—																															
Plain Grey:—																															
Chadars																															
Dhutis, Saries, etc.																															
Drills and Jeans																															
Flannel and Flannelettes																															
Jaconets																															
Longcloth		41	14																												
Printers																															
Sheetings																															
T-cloth and Domestic																															
Unspecified Sorts		6	11																												
TOTAL PLAIN GREY		47	26						8			11												3			3	47	45		
BORDERED GREY:—																															
Chadars																															
Dhutis, etc.																															
Drills and Jeans																															
Flannels, etc.																															
Jaconets, etc.																															
Longcloth, etc.																															
Printers																															
Sheetings																															
T-cloth, etc.																															
Unspecified Sorts																															
TOTAL BORDERED GREY																															
TOTAL GREY		47	26						8			11													3			3	47	45	
WHITE BLEACHED:—																															
Checks, etc.	3	8	54					2	27																	8	10	81			
Dhutis, etc.																															
Drills and Jeans		144	229					2	112																			146	347		
Embroidered All-Overs	4	3	13																									89	80	356	
Flannels, etc.	2	2																										8	2		
Jaconets, etc.	6	219	413				12	35	214																			16	255	656	
Lawns		11	20																										24	22	20
Longcloth		26	148					4	65																			11	174	440	
Mulls	114	33	200																											83	200
Nainsooks			3																											3	
Sheetings			15																											15	74
T-cloth, etc.																															
Twill	6	62	31						5																				6	67	43
Unspecified Sorts	20	84	123				2	22	931																			22	106	1,058	
TOTAL WHITE BLEACHED	181	729	1,267				14	81	1,435		1	7		22	201	35	77	368									230	910	3,278		

TABLE No. 29.
SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO BOMBAY.
(In thousands of yards.)
(Calendar Year.)

	United Kingdom.			Japan.			U.S. of America.			Italy.			Netherlands.			Switzerland.			Germany and Austria.			Other Countries.			Total.		
	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.
Grey Plain .. ..	..	47	26	..	..	..	..	..	8	..	..	..	..	..	..	..	..	..	..	..	3	..	11	3	47	45	
Grey Bordered ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
White Bleached ..	181	720	1,267	..	..	..	14	81	1,435	..	1	7	..	22	201	35	77	368	..	..	..	..	..	..	230	910	3,278
Printed	56	299	823	..	..	..	29	82	620	..	..	..	..	..	..	..	2	..	..	..	..	..	16	85	383	1,459	
Dyed	240	692	1,161	..	..	..	44	163	2,316	..	78	104	..	15	10	..	20	47	..	..	..	3	..	16	287	368	3,654
Woven Coloured ..	75	142	335	..	..	..	..	2	133	..	3	14	..	..	..	..	..	1	..	..	..	..	..	1	75	147	484
Facts of all descriptions ..	494	2,064	640	..	..	..	859	3,086	12,520	..	..	..	..	..	..	5	17	16	..	..	..	..	..	..	1,358	5,117	13,176
Towels in the piece ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Piecegoods of Cotton and Artificial Silk ..	788	8,025	2,413	..	..	..	780	1,907	17,238	..	4,479	3,939	..	30	44	31	523	477	..	..	..	..	334	857	1,599	10,298	24,968
Canvas.. ..	2	27	37	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	2	27	38
Total ..	1,896	7,025	6,702	..	..	..	1,728	5,271	34,270	..	4,661	4,064	..	67	255	71	639	909	..	..	..	6	334	902	3,639	17,897	47,102

*(See footnote to Table 18 regarding figures of Facts.)

TABLE No. 32.
RE-EXPORTS OF FOREIGN MANUFACTURED PIECEGOODS AND YARN FROM BRITISH INDIA.

	YARN (In thousand pounds).												PIECEGOODS (In thousand yards).														
	Twist & Yarn.			Rope.			Sewing Thread.			Total.			Grey.			White.			Coloured, etc.			Fents.			Total.		
	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.
Burma
European Countries ..	341	..	..	..	..	..	..	..	..	341	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China & Hongkong
Egypt & North Africa
Red Sea Ports
East Africa
Levant & Black Sea Ports
Ceylon & Straits	220	..	..	..	..	..	..	..	..	220	..	..	..	..	..	..	..	13	..	..	..	..	..	13	..	..
Persian Gulf	19	..	..	329	..	..	..	..	..	348	..	..
South Africa	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL (All Countries) ..	341	220	..	..	..	..	..	..	..	341	220	..	1	..	..	19	..	..	344	..	..	..	..	..	364	..	..

TABLE No. 33.
RE-EXPORTS OF FOREIGN MANUFACTURED PIECEGOODS AND YARN FROM BOMBAY.

Countries	YARN (In thousand pounds).												PIECEGOODS (In thousand yards).														
	Twist & Yarn.			Rope.			Sewing Thread.			TOTAL.			Grey.			White.			Coloured, etc.			Fents.			TOTAL.		
	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.	1945.	1946.	1947.
Burma
European Countries	13	..	..	..	..	..	15	..	..
China and Hongkong
Egypt and North Africa
Red Sea Ports
East Africa
Levant and Black Sea Ports
Ceylon and Straits
Persian Gulf	1	..	..	..	..	..	1	..	..	..	..	..	1	..	..	10	..	..	..	..	..	11	..	..
South Africa
TOTAL (All Countries)	1	..	..	..	..	..	1	..	..	..	..	..	1	..	..	23	..	..	..	..	..	26	..	..

TABLE No. 34.
TABLE SHOWING THE APPROXIMATE YARDAGE OF PIECEGOODS AVAILABLE FOR CONSUMPTION IN INDIA.
(In millions of yards.)

	'28-29.	'29-30.	'30-31.	'31-32.	'32-33.	'33-34.	'34-35.	'35-36.	'36-37.	'37-38.	'38-39.	'39-40.	'40-41.	'41-42.	'42-43.	'43-44.	'44-45.	'45-46.	'46-47.
Total Indian Mill Production	1,893	2,419	2,561	2,990	3,170	2,945	3,397	3,571	3,572	4,084	4,269	4,012	4,269	4,494	4,109	4,871	4,726	4,676	3,890
Less—Exports by Sea	149	133	98	105	66	56	58	71	102	147	90	111	268	772	818	461	423	441	318
Exports by Land	95*†	86*†	90	103	103	113	99	120	121	128	115	111	142	125	125	74	63	39	51
Balance	1,649	2,200	2,373	2,782	3,001	2,776	3,240	3,380	3,349	3,809	4,064	3,790	3,859	3,597	3,166	4,336	4,240	4,196	3,521
Imports	1,937	1,919	890	776	1,225	796	943	995	832	622	672	600	472	199	16	5	5	3	16
Total	3,586	4,119	3,263	3,558	4,226	3,572	4,183	4,375	4,181	4,431	4,736	4,390	4,331	3,796	3,182	4,341	4,245	4,199	3,537
Less—Exports by Sea	24	22	17	16	22	25	11	10	11	10	13	16	43	85	16	1	1	..	..
Exports by Land	121	89	64	75	70	74	76	86	109	88	103	99	83	80	80	..	..	..	..
Total quantity of mill-made Piecegoods available for consumption in India	3,441	4,008	3,182	3,467	4,134	3,473	4,096	4,279	4,061	4,333	4,620	4,275	4,205	3,631	3,086	4,340	4,244	4,199	3,537

NOTE.—With effect from 1st April 1925, the Government of India discontinued the publication of "Accounts relating to the trade by land of British India with other countries." Since then, the statistics in question are published in Special Supplements to the *Indian Trade Journal* in an abbreviated form. The revised form does not affect the above table materially but in Table 35 it has not been possible to separate the land export figures for Indian and foreign yarn. This, however, does not affect the approximate accuracy of the figure showing the balance of yarn available for consumption in India.

† Maunds converted into lbs. and lbs. converted into yds. : 1 Maund=82½ lbs. ; 1 lb.=4.27 yds.

TABLE No. 35.
TABLE SHOWING THE APPROXIMATE POUNDAGE OF YARN AVAILABLE FOR CONSUMPTION IN INDIA.
(In millions of Lbs.)

	'28-29.	'29-30.	'30-31.	'31-32.	'32-33.	'33-34.	'34-35.	'35-36.	'36-37.	'37-38.	'38-39.	'39-40.	'40-41.	'41-42.	'42-43.	'43-44.	'44-45.	'45-46.	'46-47.
Total Indian Mill Production	648	833	867	906	1,016	921	1,001	1,058	1,054	1,169	1,303	1,234	1,349	1,577	1,534	1,680	1,651	1,615	1,338
Less—Exports by Sea	24	25	23	22	15	16	13	10	12	31	26	22	33	91	34	19	17	14	4
Exports by Land	5*†	6*†	7*†	6*†	6*	8*	7*	8*	7*	5*	7*	5*	4	5	5	5	4	1	2
Balance	619	802	837	938	995	897	981	1,040	1,035	1,123	1,270	1,207	1,312	1,481	1,495	1,656	1,630	1,600	1,332
Imports	44	44	29	32	45	32	34	45	29	22	30	41	19	8	1	1	..	..	..
Total	663	846	866	970	1,040	929	1,015	1,085	1,064	1,145	1,306	1,248	1,331	1,489	1,496	1,657	1,630	1,600	1,332
Less—Exports by Sea .. .. .	..	..	..	..	..	..	..	..	..	..	1	..	1	..	..	..	..	..	..
Exports by Land .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Quantity of Yarn available for consumption in India.	663	846	866	970	1,040	929	1,015	1,085	1,064	1,145	1,305	1,248	1,330	1,489	1,496	1,657	1,630	1,600	1,332
Cloth produced in India in millions of pounds ..	446	562	590	672	695	646	736	761	782	864	920	878	981	1,093	1,062	1,193	1,200	1,175	†932
Approximate equivalent in Yarn (taking 100 lbs. of yarn=112 lbs. of piecegoods)	384	502	527	600	621	577	657	679	698	771	821	784	879	976	948	1,065	1,070	1,049	832
Real balance of Yarn available for extra factory consumption in India	279	344	339	370	419	352	358	406	366	374	484	464	451	513	548	592	560	551	500

* Includes re-exports also.

† Maunds converted into lbs. at the rate of 82½ lbs.=1 Maund.

‡ Estimate.

See footnote to Table 12 regarding strikes in Bombay mills.

TABLE No. 36.

PROGRESS OF JAPANESE COTTON MILLS DURING THE LAST 17 YEARS.

(The information is extracted from the half-yearly statistics published by the Japan Cotton Spinners' Association.)

Term.	No. of Companies.	Capital.		Reserve Funds.	No. of Mills.	Spindles.		Doubling Spindles.	Looms.
		Authorised.	Paid up.			Ring.	Mule.		
Half-year ending		Yen.	Yen.	Yen.					
December, 1926.. .. .	64*	539,237,500	391,305,247	231,149,181	247	5,644,772	35,080	789,688	77,043
June, 1927	64*	539,527,500	390,703,307	233,953,175	247	5,892,620	36,994	788,916	76,163
December, 1927	64*	535,077,500	391,550,707	238,367,331	257	6,079,272	36,994	787,490	78,352
June, 1928	68*	562,902,500	426,376,017	243,987,627	258	6,230,512	41,674	792,138	79,777
December, 1928	72*	552,196,250	419,792,127	249,978,831	259	6,425,500	41,674	809,452	81,209
June, 1929	72*	558,696,250	428,098,852	257,406,526	259	6,487,720	41,674	807,100	78,870
December, 1929	70*	560,846,250	429,415,222	259,756,504	258	6,795,502	41,014	808,324	77,898
June, 1930	73*	567,596,250	433,048,087	258,259,496	262	7,047,832	41,464	801,184	77,850
December, 1930	74*	561,989,750	425,346,487	252,094,974	263	7,171,527	42,474	803,094	79,466
June, 1931	74*	560,664,750	421,327,167	243,860,512	262	7,269,120	42,474	810,294	79,173
December, 1931	72*	537,964,750	398,855,292	240,828,488	263	7,498,152	36,994	801,594	77,782
June, 1932	71*	545,114,750	397,903,277	242,704,877	265	7,762,448	35,320	798,420	77,528
December, 1932	71*	540,561,100	397,674,627	245,939,643	265	7,929,530	35,320	810,492	79,277
June, 1933	71*	540,261,100	397,974,777	249,828,487	267	8,173,994	35,320	833,016	81,552
December, 1933	69*	543,761,100	403,898,752	255,398,338	268	8,608,608	35,320	842,808	86,343
June, 1934	70*	555,282,600	413,338,448	261,998,722	272	9,090,344	35,320	849,870	89,766
December, 1934	72*	567,228,600	438,573,910	273,315,614	275	9,495,254	35,320	868,440	91,146
June, 1935	74*	606,802,600	455,985,565	279,359,885	276	9,925,680	35,320	906,844	93,260
December, 1935	74*	609,202,600	458,955,945	282,588,696	281	10,613,728	35,320	912,912	95,982
June, 1936	75*	621,377,600	467,590,453	285,684,455	285	10,970,128	19,780	988,697	98,080
December, 1936	74*	678,677,600	483,967,095	292,389,043	282	12,131,488	7,920	1,170,304	100,543
June, 1937	74*	702,477,600	524,138,071	299,116,323	282	12,182,896	7,920	1,283,286	104,666
December, 1937	82*	782,277,600	595,886,485	309,827,724	291	12,559,376	7,920	1,371,288	108,074
June, 1938	84*	799,657,600	617,934,150	316,465,524	296	12,766,980	9,240	1,435,052	114,332
December, 1938	82*	872,282,600	642,802,863	327,318,824	294	11,710,017	5,940	1,484,582	114,090
June, 1939	79*	885,332,600	656,264,150	333,903,290	246	11,596,973	5,940	1,554,752	104,152
December, 1939	79*	885,882,600	659,914,150	343,033,590	248	11,601,810	5,940	1,620,238	104,051
June, 1940	79*	900,732,600	674,720,563	401,964,394	254	11,621,488	5,280	1,625,072	104,270
December, 1940									
June, 1941									
December, 1941									
December, 1942									
December, 1943									
December, 1944									
December, 1945									
December, 1946									
December, 1947									
				Figures not available.				Figures not available.	

* Including non-members of the Japan Cotton Spinners' Association.

TABLE No. 37.

JAPAN'S COTTON CONSUMPTION.

(Figures extracted from the half-yearly publication of the Japan Cotton Spinners' Association.)

Years.	Indian.	American.	Chinese.	Egyptian and African.	Annam and Saigon.	Korean.	Sundries.	Total.
	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.
1918	453,072,641	280,374,975	83,091,375	14,769,342	3,187,334	11,790,775	6,941,733	853,228,175
1919	376,648,588	355,589,221	130,970,193	15,588,908	2,265,292	11,454,470	5,037,182	897,553,824
1920	482,881,416	310,370,393	30,684,616	11,558,208	2,041,258	9,412,820	5,367,604	852,316,315
1921	521,998,441	304,763,617	3,037,340	14,600,500	3,923,158	8,744,408	3,479,358	860,546,824
1922	615,242,183	389,759,225	3,626,017	19,652,842	5,563,967	8,354,600	5,680,941	1,047,879,775
1923	652,798,508	296,423,592	25,836,858	22,140,542	2,519,492	12,054,233	7,929,408	1,019,702,633
1924	563,969,233	282,197,025	58,888,450	36,176,192	1,461,775	20,443,692	5,877,333	969,013,700
1925	637,749,440	378,526,322	47,050,425	34,567,864	2,712,025	18,994,691	9,742,440	1,129,343,210
1926	664,655,716	486,464,350	19,956,425	43,557,383	1,011,383	12,512,942	8,763,400	1,236,921,599
1927	551,571,275	562,091,700	15,841,558	39,414,575	2,958,633	9,768,591	7,474,050	1,189,120,382
1928	510,871,795	511,694,394	60,928,568	36,900,193	1,663,337	11,052,982	7,069,534	1,140,180,803
1929	643,388,869	565,561,191	29,004,654	42,942,636	572,363	14,876,498	7,260,005	1,303,606,216
1930	627,594,598	468,778,932	11,443,473	34,718,189	1,931,984	20,269,592	6,330,650	1,171,067,418
1931	580,912,185	562,947,021	2,600,976	34,950,377	1,218,158	14,086,629	4,837,025	1,201,552,371
1932	331,599,316	908,859,160	2,029,745	37,576,519	482,167	5,054,240	7,185,856	1,292,787,003
1933	461,207,207	870,256,491	7,857,146	51,725,839	575,257	16,659,397	10,823,516	1,419,104,853
1934	608,343,495	856,692,099	11,402,307	71,522,108	1,286,479	16,101,950	31,506,901	1,596,855,339
1935	672,895,959	838,550,421	4,362,554	76,672,190	286,537	22,164,430	40,612,537	1,655,544,628
1936	728,982,817	694,618,808	21,289,342	101,600,534	337,233	30,890,117	111,657,816	1,689,376,667
1937	810,996,633	698,501,983	33,305,867	122,630,267	94,800	15,066,308	165,469,992	1,846,065,850
1938	472,815,698	480,429,326	144,104,727	72,441,137	Nil.	7,973,909	140,796,600	1,318,561,397
1939	429,431,335	370,468,143	88,588,971	111,635,162	Nil.	11,560,281	205,543,581	1,217,227,473
1940								
1941								
1942								
1943								
1944								
1945								
1946								
1947								

Figures not available.

NOTE.—Korean cotton before 1916 is totalled under "Sundries."

TABLE No. 38.
JAPAN'S COTTON YARN PRODUCTION AND EXPORTS.

YEAR.	Average Working Spindles.	Production. (Bales of 400 lbs.)				Exports. (Bales of 400 lbs.)							
		16s. warp.	20s. weft.	Others.	Total.	China.	Hongkong.	British India.	Philippine Islands.	Korea.	Other countries.	Total.	
		Under 20.	20s.	Medium Counts.	Fine Counts.	Total.							
1916	2,757,299	409,053	497,291	1,019,235	1,925,579	440,158	50,381	11,744	1,889	26,137	16,839	547,148	
1917	2,850,637	359,623	528,603	1,035,615	1,923,841	356,576	58,405	9,313	3,260	27,597	15,702	470,853	
1918	2,936,495	228,818	511,539	1,063,509	1,803,866	231,689	62,598	79,426	5,685	13,053	29,062	421,513	
1919	3,179,568	204,486	539,748	1,176,548	1,920,782	156,261	35,638	4,753	693	16,047	16,945	230,337	
1920	3,191,753	196,928	191,141	1,128,907	1,816,976	166,711	58,349	47,615	2,548	5,535	24,167	304,925	
1921	3,162,353	215,682	436,629	1,159,039	1,811,350	174,584	56,211	37,164	1,418	.....	22,884	292,261	
1922	3,967,265	205,489	746,731	1,276,026	2,228,246	212,862	83,394	68,319	2,896	.....	26,591	394,062	
1923	4,079,855	170,357	680,708	1,320,088	2,171,153	121,568	40,108	58,937	2,267	.....	28,778	248,325	
1924	4,115,692	135,844	631,476	1,305,497	2,072,817	96,536	61,493	30,840	1,799	.....	29,692	270,361	
1925	4,669,753	142,796	779,203	1,514,784	2,436,783	132,778	58,788	87,172	3,176	.....	28,888	310,801	
1926	5,002,932	146,983	795,170	1,665,593	2,607,746	72,640	29,286	72,283	3,201	.....	28,140	205,550	
1927	4,831,429	140,924	784,673	1,605,095	2,530,692	28,762	12,887	54,508	1,921	.....	19,577	117,654	
1928	4,983,089	721,557	736,767	906,924	2,451,862	22,626	15,921	17,260	1,217	.....	14,632	71,656	
1929	6,149,365	827,363	878,405	984,992	2,792,586	17,637	6,988	27,514	1,826	.....	13,436	67,401	
1930	5,698,030	780,498	808,560	834,426	2,524,699	13,493	13,272	20,390	1,255	.....	10,976	59,386	
1931	5,804,342	809,822	803,442	814,398	139,471	2,567,133	3,839	2,349	16,094	1,367	.....	7,793	31,442
1932	6,307,884	797,180	896,921	957,915	158,421	2,810,437	9,190	8,103	50,591	962	.....	20,049	88,895
1933	6,771,692	877,043	941,139	1,145,009	136,665	3,099,856	428	1,133	18,286	638	(a) 13,260	14,178	47,923
1934	7,502,504	962,110	1,100,937	1,305,406	103,989	3,472,442	324	353	24,318	1,085	(a) 13,803	24,961	64,844
1935	8,197,422	990,282	1,026,007	1,412,900.5	122,643	3,560,832.5	419	3,518	44,880	2,509	(a) 18,979	26,277	96,582
1936	8,392,024	1,015,599	1,027,276	1,425,635	138,948	3,607,458	565	6,783	42,176	4,646	(a) 24,954	31,399	110,524
1937	8,072,671	1,101,887	1,166,956	1,549,246	148,111	3,966,201	1,989	10,419	36,885	5,975	(a) 27,575	46,885	129,728
1938	8,243,413	697,835	764,451	974,411	115,049	2,551,747	2,001	2,579	47,067	4,382	10,856	38,380	105,265
1939	7,991,108	693,598	794,335	964,101	153,749	2,605,783	2	24,664	71,678	5,216	25,562	81,883	209,005
1940													
1941													
1942													
1943													
1944													
1945													
1946													
1947													

(a) Manchuria.

TABLE No. 39.
JAPAN'S CLOTH PRODUCTION.

Year.					Average Working looms.*	Production of cotton piece- goods.*	Yarn consumed.*
						Yards.	lbs.
1916	..	..	..	..	30,110	560,181,108	136,413,408
1917	..	..	..	..	31,920	594,649,419	142,770,758
1918	..	..	..	..	36,365	656,935,420	160,301,569
1919	..	..	..	..	40,969	739,390,012	179,788,560
1920	..	..	..	..	44,635	792,037,360	189,651,320
1921	..	..	..	..	44,109	700,697,985	179,427,501
1922	..	..	..	..	51,033	869,327,652	214,327,505
1923	..	..	..	..	52,972	1,000,708,890	240,979,975
1924	..	..	..	..	56,351	1,030,905,658	241,319,095
1925	..	..	..	..	62,976	1,179,524,733	274,472,668
1926	..	..	..	..	65,899	1,277,726,954	294,334,545
1927	..	..	..	..	66,733	1,294,668,822	293,166,913
1928	..	..	..	..	70,606	1,382,034,413	303,008,225
1929	..	..	..	..	67,070	1,538,249,015	336,276,152
1930	..	..	..	..	62,767	1,388,423,325	296,592,495
1931	..	..	..	..	64,392	1,404,668,382	301,231,848
1932	..	..	..	..	68,028	1,532,850,514	325,907,959
1933	..	..	..	..	73,966	1,673,880,702	362,300,980
1934	..	..	..	..	79,606	1,793,845,440	384,958,215
1935	..	..	..	..	82,397	1,843,470,714	392,640,350
1936	..	..	..	..	85,974	1,802,400,624	384,296,367
1937	..	..	..	..	90,197	1,890,554,335	406,988,842
1938	..	..	..	..	73,277	1,461,649,275	317,181,564
1939	..	..	..	..	80,235	1,585,317,392	342,361,331
1940	..	..	..	..
1941	..	..	..	..
1942	..	..	..	..
1943	..	..	..	..
1944	..	..	..	..
1945	..	..	..	..
1946	..	..	..	..
1947	..	..	..	..

Figures not available.

*Sub-work by spinners only.

Sub-work by spinners means that the table in question was prepared from the reports of the weaving companies which are affiliated to the Japan Cotton Spinners' Association.

TABLE No. 40.
STATISTICS.

STATEMENT of Imports of Piecegoods of British Manufacture (Grey, Bleached, Coloured and Printed) and of Yarns (Grey and Dyed) from Great Britain into Bombay, Calcutta and Madras, from the years 1874 to 1947, both inclusive.

YEAR.	PIECEGOODS.			YARNS.		
	Bombay.	Calcutta.	Madras.	Bombay.	Calcutta.	Madras.
	Sq. Yards.	Sq. Yards.	Sq. Yards.	Lbs.	Lbs.	Lbs.
1875.....	305,917,934	744,439,224	44,683,288	6,863,763	12,945,100	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	82,461,852	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	93,767,204	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	142,836,200	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	4,280,600	5,613,800
1925.....	524,457,900	767,338,700	72,441,200	6,244,300	4,184,500	4,465,500
1926.....	504,044,100	902,411,700	93,138,100	8,809,600	4,286,100	6,244,000
1927.....	576,045,900	924,941,700	84,499,100	8,681,600	5,262,900	6,660,400
1928.....	687,653,200	710,112,300	92,249,700	9,089,800	4,960,500	6,791,500
1929.....	511,977,900	687,826,200	108,049,200	8,318,800	4,031,000	8,447,700
1930.....	317,988,200	345,331,500	75,803,600	4,734,900	1,959,400	4,620,200
1931.....	231,407,000	77,021,300	59,272,200	3,407,400	2,608,000	4,785,400
1932.....	339,930,400	129,501,100	78,127,500	3,792,200	2,964,900	7,036,100
1933.....	258,655,100	131,375,900	66,094,000	2,416,400	3,088,000	4,740,800
1934.....	326,065,000	161,206,000	59,385,000	2,106,300	2,968,600	3,687,300
1935.....	306,200,000	138,804,000	56,439,000	2,569,000	3,744,600	3,896,000
1936.....	258,847,000	96,010,000	36,014,000	2,173,200	3,018,500	2,996,300
1937.....	224,494,000	67,800,000	30,900,000	1,477,700	2,095,800	3,497,400
1938.....	183,935,000	69,100,000	20,285,000	817,500	2,764,400	1,555,500
1939.....						
1940.....						
1941.....						
1942.....						
1943.....						
1944.....						
1945.....						
1946.....						
1947.....						

Figures not available.

Report for the Year 1947.

Section VI.

RULES AND REGULATIONS.

Rules for Arbitration on Piecegoods, Standard Contract Form, Rules for the Election of Representatives of the Association on the Board of the Victoria Jubilee Technical Institute, on the Board of Trustees of the Port of Bombay, on the Bombay Municipal Corporation and on the Senate of the University of Bombay.

RULES AND REGULATIONS.

(Revised and adopted down to the Special General Meeting held on 7th August, 1939.)

1. The Association shall be called the Bombay Millowners' Association. Name
2. The Office of the Association will be situate in Bombay.
3. The objects of the Association are :— Objects of the Association.
 - (a) To encourage friendly feeling and unanimity amongst Millowners and users of steam, water and/or electric power on all subjects connected with their common good.
 - (b) To secure good relations between members of the Association.
 - (c) To promote and protect the trade, commerce and manufactures of India in general and of the cotton trade in particular.
 - (d) To consider questions connected with the trade, commerce and manufactures of its members.
 - (e) To collect and circulate statistics and to collect, classify and circulate information relating to the trade, commerce and manufactures of its members.
 - (f) To take all steps which may be necessary for promoting, supporting or opposing legislative and other measures affecting the trade, commerce or manufactures of its members.
 - (g) To make representations to Local, Central and Imperial authorities on any matter connected with the trade, commerce and manufactures of its members.
 - (h) To arbitrate in the settlement of disputes arising out of transactions in piecegoods and yarn between parties willing or agreeing to submit to arbitration in accordance with the arbitration rules of the Association.
 - (i) To advance and promote commercial and technical education connected with the trade and commerce of its members.
 - (j) To undertake special inquiries and initiate or support any action for securing the redress of legitimate grievances connected with the trade or commerce of its members.
 - (k) To take any action which may be conducive to the extension of the trade and commerce of its members or incidental to the attainment of this object.
 - (l) To subscribe, to become a member of and co-operate with any other Association whether incorporated or not whose objects are altogether or in part similar to those of this Association and to procure from or communicate to any such Association such information as may be likely to forward the objects of this Association.
 - (m) To establish or aid in the establishment of funds to benefit employees of the Association or the dependents of such persons and to subscribe, donate or guarantee money for charitable or benevolent purposes at the discretion of the Association.
 - (n) To regulate conditions of employment in the industry conducted or carried on by its members.
 - (o) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Association directly or indirectly.
4. Any individual, firm or Company owning one or more mill or mills or one or more press or presses or one or more spinning or other factory or factories actuated by steam, water, electric and/or other power shall be eligible for membership of the Association. Persons eligible for membership
5. The expression " Member " in these rules shall ordinarily mean the person, firm or Company, as the case may be, by whom or by which any such mill or mills, press or presses, or factory or factories as last aforesaid is or are actually owned, but shall where the context so requires or permits also mean and include the person or persons for the time being entitled or empowered in accordance with these rules to act and vote on behalf of any member of the Association. Definition of the term "member."
6. At any General Meeting of members of the Association every member shall be entitled to one vote for every complete sum of Rs. 50 paid by him as annual subscription under Rule 35 hereof. Voting power members.
7. Each individual, who, as an individual, shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled either to act and vote on his own behalf or to empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign his name per procuration, 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 procuration, 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 procuration, 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 procuration 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 procuration the notification shall be accompanied by the document authorizing such person to sign per procuration, in order that the same may be registered by the Secretary, and the Secretary shall, after registering the document, return it to the person who sent it.
13. The Association shall provide a Register, to be called " Register of members and of persons entitled to act and vote for members " (hereinafter in these rules referred to as " the said Register "), and the names of all members of

the Association shall be entered in the said Register together with the name of each person entitled or empowered, in accordance with these rules, to act and vote for such members, so soon as the name of such persons and all particulars regarding him and all formalities shall have been duly notified and observed in accordance with these rules, and when the name of more than one person shall have been notified as entitled to act and vote for any one member of the Association, the names of such persons shall be numbered in the order of precedence in which such persons are entitled to act and vote for such member.

14. No person shall be entitled to act or vote on behalf of any member of the Association unless and until his name shall have been entered in the said Register as a person entitled to act and vote for such member.

15. If two or more persons, who shall be entitled to act and vote on behalf of one and the same member of the Association, shall be present at any meeting of the Association, that one, who takes priority in the order of precedence in the said Register, shall alone be entitled to vote at such meeting.

16. If any one person shall, according to these rules, be entitled to act and vote for more than one member of the Association, such person shall be entitled to act and to exercise the right of voting, according to these rules, for each member, on whose behalf he is entitled to act and vote.

Mode of elec
members.

17. Members of the Association shall be elected by ballot in the manner hereinafter mentioned.

18. Every candidate for election as a member of the Association must be proposed by one member of the Association and seconded by another, and a letter of proposal signed by the proposer and seconder must be sent to the Managing Committee of the Association (hereinafter called "the Committee").

19. After the receipt by them of a proposal duly made and seconded according to these rules of a candidate for election as member of the Association, the Committee shall fix a day for the commencement of the ballot for the election of such candidate.

20. Not less than seven days before the day so fixed as aforesaid for the commencement of the ballot for the election of any candidate, notice in writing shall be given by the Committee to all members of the Association of the name of the candidate and of his proposer and seconder and of the date so fixed as aforesaid for the commencement of the ballot for the election of such candidate.

21. The Committee shall, before the day appointed for the commencement of the ballot for the election of a candidate for membership of the Association, appoint a scrutineer for such election.

22. The Association shall, for the purposes of all elections by ballot, provide a ballot-box with a lock and key and with an aperture sufficiently large to admit of the deposit therein of voting papers.

23. Before the time appointed under these rules for the commencement of the ballot for the election of any candidate for membership of the Association, the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same, and the same shall not be opened until after the expiration of the full time appointed for such ballot.

24. The Committee shall provide voting papers for the election of a member of the Association in such form as they shall, from time to time, think fit and shall send one of such voting papers to each member of the Association, not less than seven days before the day fixed according to these rules for the commencement of the ballot for the election of any candidate for membership of the Association.

25. If any person entitled or empowered to vote concerning the election of a candidate for membership of the Association shall desire to exercise his right of voting he shall fill up a voting paper in accordance with the directions contained therein stating whether he votes for or against the election of such candidate and shall sign the paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

26. Voting papers may be deposited in the ballot-box in accordance with these rules at any time between the hours of 10-30 a.m. and 4 p.m. on the day appointed for the commencement of the ballot or on any one of the six succeeding days, exclusive of Sundays or Gazetted Holidays.

27. The ballot-box shall, at 4 p.m. on the seventh of the days appointed for the election of any candidate for membership, be opened by the Secretary in the presence of the scrutineer, and the votes shall be counted and scrutinized by the scrutineer, and the scrutineer shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

28. No candidate for election as a member shall be deemed to have been elected unless the number of votes recorded is greater than one-fourth of the total number of the votes which would have been recorded if all members had voted. One adverse vote in every six votes recorded shall exclude. The result of every election shall be recorded in the Minutes of the Proceedings of the Committee.

29. If any candidate for election as a member of the Association shall not be elected, his proposer shall be informed of his non-election by the Secretary.

30. Particulars of the voting for the election of any candidate for election as a member of the Association shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

31. A candidate, who shall have been proposed for election as a member of the Association and shall not have been elected, shall not be again eligible for election as a member of the Association until after the expiration of six months from the date of the election at which he shall not have been elected.

32. If a candidate for election as a member of the Association be elected, his election shall be notified in writing by the Secretary to his proposer and likewise to the candidate himself, and a copy of the last annual report of the Association and also a copy of the Rules of the Association, together with a bill for the entrance fee payable by such member on election and the amount of the annual subscription payable in accordance with these rules shall be sent to him by the Secretary.

Membership sub-
scription.

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 each year, and a member shall not be entitled to exercise any of the privileges of membership if his subscription be more than two calendar months in arrear.

37. The Committee of the Association shall, in the case of mills which remain entirely closed for one calendar year or more for causes not due to a strike or a lock-out, be empowered to remit the ordinary membership subscription, and to substitute therefor a subscription of Rs. 100 only for each calendar year during which the mills remain entirely closed.

38. A member who shall fail to pay his subscription for a period of three calendar months after it has become payable shall, *ipso facto*, cease to be a member of the Association and his name shall forthwith be removed from the said Register. Provided that the Committee may, for good cause shown for such non-payment of the subscription as to which the decision of the Committee shall be final and binding upon the member in default, and upon payment of the subscription in arrear, revoke the cancellation of membership and order the name of such member to be reinstated in the said Register. Subscriptions in arrear shall be treated as a debt due to and recoverable by the Association.

39. Each member shall, on election to the Association, sign a form of adherence to the rules of the Association in the form from time to time approved by the Committee and until such form shall have been signed a member shall not be entitled to exercise any of the privileges of membership. Form of adherence to be signed by members.

40. Every member of the Association shall have power to terminate his membership thereof by giving not less than three calendar months' previous notice in writing (expiring at any time) to the Secretary of the Association of his desire to terminate such membership and upon the expiration of any such notice such member shall cease to be a member of the Association and his name shall forthwith be removed from the said Register. Mode of resigning from membership.

41. The affairs and funds of the Association shall be managed by a Managing Committee hereinbefore and hereinafter called "the Committee" to be constituted as hereinafter mentioned. The Committee, its constitution and mode of election.

42. The members of the Association shall, in each year between the 1st and the 31st day of January, elect the Committee from amongst the list of persons whose names appear in the said Register as persons entitled to act and vote for members.

43. The Committee shall consist of a Chairman, a Deputy Chairman and not more than eighteen ordinary members, making a maximum of twenty members in all.

44. The Committee, holding office for the time being, shall appoint a day between the 1st and the 31st day of January in each year for the election of the Chairman, the Deputy Chairman and the eighteen ordinary members of the Committee for the ensuing year, and shall cause notice of the day so appointed for such election as aforesaid to be advertised in at least one English and one Vernacular newspaper published in Bombay.

45. The Secretary of the Association shall also give to each member of the Association not less than seven days' notice in writing of the day appointed for the said elections and of the names of all authorized representatives of members who are eligible for election as members of the Committee.

46. The members of the Committee shall be elected by ballot.

47. The Committee shall, before the day appointed for the said election, appoint a scrutineer for each of the said elections.

48. Before the time appointed under these rules for the commencement of the ballot upon the day appointed for the said elections the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same and the same shall not be opened until 4 p.m. upon that day.

49. The Committee shall provide separate voting paper for

- (a) the election of a Chairman of the Committee,
- (b) the election of a Deputy Chairman of the Committee,
- (c) the election of eighteen ordinary members of the Committee

in such form as they shall, from time to time, think fit and shall send to each member of the Association not less than seven days before the day fixed for the said elections, one voting paper in respect of the election of the Chairman, one voting paper in respect of the election of the Deputy Chairman and one voting paper in respect of the election of the ordinary members of the Committee.

50. On the day appointed for the said elections voting shall commence at 10-30 a.m. and terminate at 4 p.m.

51. If any person entitled or empowered to vote concerning the election of the members of the Committee shall desire to exercise his right of voting, he shall, in the case of the election of a Chairman, write on a voting paper relative to the election of a Chairman the name of the person representing a member of the Association who he desires should be appointed such Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of a Deputy Chairman, write on a voting paper relative to the election of a Deputy Chairman the name of the person representing a member of the Association who he desires should be appointed such Deputy Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of the eighteen ordinary members of the Committee, write on a voting paper relative to the election of the ordinary members of the Committee, the names of the eighteen persons representing members of the Association who he desires should be appointed as ordinary members of the Committee as aforesaid and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

52. Voting papers regarding the elections of a Chairman, Deputy Chairman and the ordinary members of the Committee may be deposited in the ballot-box in accordance with these rules between the hours of 10-30 a.m. and 4 p.m. on the day which shall have been appointed under these rules for such elections.

53. At 4 p.m. on the day appointed for the said elections the ballot-box shall be opened by the Secretary of the Association in the presence of the scrutineer and the votes shall be counted and scrutinized by the scrutineer, who shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

54. Particulars of the voting for the election of the members of the Committee shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

55. Those persons in whose favour the largest number of votes shall have been cast for the respective appointments of Chairman, Deputy Chairman and ordinary members of the Committee shall be deemed to have been appointed Chairman, Deputy Chairman and ordinary members of the Committee respectively.

56. Two representatives of any one member entitled under Rule 6 to ten votes or less shall not be on the Committee at the same time, and if two representatives of any one such member shall be elected to serve on the Committee at the same time, the election of that representative who obtains the lesser number of votes shall be void. In case of an equality of votes, the Chairman of the retiring Committee shall have a casting vote.

57. No member of the Association shall vote for more than one Chairman, one Deputy Chairman and eighteen ordinary members of the Committee.

58. If any person who shall have been elected according to these rules either as Chairman of the Committee or as Deputy Chairman of the Committee shall decline to accept the appointment there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be.

59. If any person who shall have been elected in accordance with these rules as an ordinary member of the Committee shall decline to accept the appointment the person who shall have received the next largest number of votes shall be considered to have been elected, and if there shall be no such person then the vacancy shall be filled by the retiring Committee.

60. If in any ballot for a Chairman or Deputy Chairman of the Committee there shall be an equality of votes for the appointment, there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be. If in any ballot for the election of the eighteen ordinary members of the Committee there shall be an equality of votes for the eighteenth appointment, the Chairman of the retiring Committee shall have a casting vote.

61. The new Committee shall take office upon the conclusion of the first Annual General Meeting of the members of the Association held after their election, and shall continue to hold office until the conclusion of the next Annual General Meeting of the members of the Association, when they shall retire but shall be eligible for re-election.

62. If any member of the Committee shall be absent from the regular meetings of the Committee for more than three consecutive months he shall, unless he shall have previously obtained leave of absence from the Committee, be deemed to have vacated his office.

63. When any vacancy other than a vacancy in the office of Chairman or Deputy Chairman shall occur in the Committee, the members of the Committee shall have power to appoint any duly qualified person to fill such vacancy who shall hold office until the conclusion of the next Annual General Meeting of the members of the Association when he shall retire but shall be eligible for re-election. Similarly if any member of the Committee shall have previously obtained leave of absence from the General Meetings of the Committee, the members of the Committee shall have power to appoint any duly qualified person to act as a member of the Committee during the absence of such member.

64. If any vacancy other than a temporary vacancy shall occur in the office of Chairman or Deputy Chairman of the Committee, such vacancy shall be filled by the election according to these rules by the members of the Association of any duly qualified person. A temporary vacancy may be filled by the members of the Committee from their own number.

The procedure to be adopted by the Committee in conducting business.

65. The Chairman of the Committee shall, if present, preside at all meetings of the Committee held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and failing both, the chair shall be taken by one of the members of the Committee who shall be appointed by the other members of the Committee present at such meeting.

66. In case of a tie in voting in Committee the Chairman for the time being shall have a casting vote in addition to his own vote.

67. Five members of the Committee shall constitute a quorum.

68. The Committee shall meet at least once in every month.

Power of the Committee.

69. The Committee shall have power to require from any member an explanation as to any act done or conduct pursued by such member which in the opinion of the Committee shall be in contravention of the rules of the Association or to the detriment or discredit of the Association or shall be injurious to the welfare and interests of the Association. If any such explanation shall be refused or having been given shall be deemed unsatisfactory, the Committee shall cause a Special General Meeting of the Association to be convened to consider the acts and conduct of such member, and the Association shall have power if a quorum be present at such Special General Meeting to resolve by a majority of not less than two-thirds of the votes cast at the meeting to declare that such member is expelled from the Association.

70. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association and shall not be entitled to claim any refund on account of subscription which may have already been paid.

71. Previous to each Annual General Meeting of the members of the Association, the Committee shall prepare a report of the proceedings of the Association during the year prior to such General Meeting and shall cause the same to be printed and shall send at least one printed copy thereof to each member of the Association not less than seven days prior to the date fixed for the said Annual General Meeting. The Committee may also, if they see fit to do so, send any one or more copies of the said report to any individual or Corporation or Association to whom or to which they may think it desirable in the interests of the Association to send the same.

72. The Committee shall have authority to appoint Solicitors to the Association and the Committee may consult them whenever they deem it expedient to do so.

73. The Committee shall have authority at any time and from time to time, if for any reason they shall consider it advisable to do so, to attach to the office of the Chairman of the Committee a remuneration or honorarium of such amount, and to operate from such date and for such period as the Committee may determine, and such remuneration or honorarium shall be met from the revenues of the Association.

74. At the first meeting of the Committee held after the holding of the Annual General Meeting of the members of the Association in each year, the Committee shall appoint three or more of their number to form a Sub-Committee for the purpose of deciding questions other than arbitrations, arising under the rules of the Association relating to the registration of trade marks, and the decision of such Sub-Committee on such question shall have the same effect as if given by the entire Committee. Any vacancy which may from time to time occur in any such Sub-Committee shall be filled by the Committee by the appointment thereto of another member of the Committee.

75. The Committee may from time to time appoint a Sub-Committee to investigate and to report upon any matter whatsoever and may invite any member of the Association not being a member of the Committee to serve on any such Sub-Committee, or may consult any outside authority if for any special reason such a course may seem to them advisable.

76. Sub-Committees other than a Sub-Committee appointed under Rule 74 shall have no executive or substantive power or authority, and the duty of every Sub-Committee shall be to report to the Committee the result of its investigations, deliberations or other proceedings.

Duties of Secretary and Assistant Secretary.

77. A Secretary of the Association shall be appointed and his remuneration shall be fixed by the Committee. The Secretary shall devote himself entirely to the business and affairs of the Association except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Association and of funds connected with or in any way controlled by the Association. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Association. He shall give notice as desired by the Chairman or Deputy Chairman of all meetings of the Association, of the Committee, of the Departmental Committees and Sub-Committees of the Association and of all Associations working in connection with the Association. He shall duly notify members of their election, collect all dues from members of the Association or from any Committee or any Association working in connection with the Association. He shall prepare the Annual Report of the Association and the reports of all Committees and of all Associations connected with the Association under the guidance of the Chairman and the Committee and generally shall perform all such duties as are incidental to his office and generally act under the orders of the Chairman or in his absence of the Deputy Chairman and the Committee. In all matters appertaining to the detailed duties of his office as above enumerated he shall follow the policy and instructions laid down by the Chairman or in the absence of the Chairman by the Deputy Chairman.

78. An Assistant Secretary of the Association may be appointed, and if so appointed, his remuneration shall be fixed by the Committee. The Assistant Secretary shall during any temporary absence of the Secretary owing to sickness

or any other cause or during the absence of the Secretary on leave perform all or any of the duties of the Secretary as may be assigned to him.

79. Minutes of all proceedings of the Committee shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time. Minute Book
of the Committee.

80. A general meeting of the Members of the Association to be called the Annual General Meeting shall be held in each year at such time as the Committee may appoint. General Meetings
of Members.

81. The Committee may also at any time call a General Meeting should it seem to them expedient to do so.

82. If any four members of the Association shall by a requisition in writing signed by the said four members respectively addressed to the Committee and containing a statement of their reasons for the requisition request the Committee to call a General Meeting of the members of the Association the Committee shall call such General Meeting to be held within fourteen days after the receipt by the Committee of the said requisition, and if the Committee shall refuse or neglect to call such General Meeting to be held within the time aforesaid, the said four members who shall have signed the said requisition, shall have power themselves to call such General Meeting to be held on such day as they themselves shall appoint.

83. Seven clear days' notice of every Annual General Meeting shall be given by advertisement in at least one English and one Vernacular newspaper published in Bombay and seven clear days' notice shall also be given to members of every Special General Meeting except Urgent General Meetings specially convened by the Chairman or the Committee.

84. No business shall be transacted at any General Meeting unless a quorum according to these rules shall be present at such meeting.

85. At any General Meeting a quorum shall be constituted if the number of votes of the members represented at the meeting shall exceed 25 per cent. of the total number of votes of all the members for the time being of the Association.

86. If on the day originally appointed for holding a General Meeting a quorum according to these rules shall not, within thirty minutes of the time appointed for the commencement of the meeting, be present, the meeting shall be adjourned to such time on such day not being less than 10 days thereafter as the Committee may determine and if a quorum shall not, within fifteen minutes after the time appointed for the commencement of such adjourned meeting, be present, the members then present shall constitute a quorum and may transact the business for which the meeting was convened.

87. Whenever any meeting shall be adjourned under Rule 86 on the ground that a quorum was not present within the prescribed time, seven clear days' notice shall be given by the Committee by advertisement in at least one English and one Vernacular newspaper published in Bombay of the day and time to which such meeting shall have been adjourned.

88. The Chairman of the Committee shall, if present, preside at all General Meetings of the members of the Association held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and, failing both of these, the chair shall be taken by one of the members of the Committee, who shall be appointed by the other members of the Committee, present at such meeting.

89. The voting at any General Meeting shall be in the first instance, by show of hands, but this shall not preclude any member present from demanding a poll. If a poll is demanded the number of votes to which each member shall be entitled shall be calculated in accordance with Rule 6. The result of a poll shall supersede a vote taken by show of hands. In the case of a tie in voting at any General Meeting the Chairman for the time being of the meeting shall have a casting vote.

90. Minutes of all proceedings at every General Meeting of the members of the Association shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time.

91. Every resolution which shall have been duly passed according to these rules at any General Meeting of the members of the Association shall be binding upon all the members of the Association.

92. All proposals or recommendations for concerted general action respecting the mills which the Committee of the Association may consider to be concerned in respect to a strike, lockout, short-time working or organized lessening of production, payment of bonus, increases or reductions in wages, or any other matter whatsoever, shall only be adopted if passed by a majority of not less than 85 per cent. of the votes cast at a Special General Meeting duly called for the purpose of considering such proposals or recommendations. Special General
Meeting for concerted
general action.

93. Any member of the Association who shall contravene the terms of any proposal which has been approved and adopted by the members of the Association under Rule 92 hereof shall be liable to be summarily expelled from the Association by a resolution of the Committee declaring that such member is expelled; provided that such resolution shall be passed by a majority of not less than three-fourths of the members of the Committee present at a Special Meeting called for the purpose of considering such contravention. Expulsion
of
members for con-
travening resolu-
tions adopted at
the General Meet-
ing.

94. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association, and shall not be entitled to claim from the Association any refund on account of subscription which may have already been paid.

95. A firm or Joint Stock Company or other Corporation which shall be expelled under the last preceding rule shall be eligible for re-election after the expiry of six months from the date of expulsion provided not less than three members in addition to the proposer and seconder concur in the proposal for re-election.

96. The control of the funds of the Association shall be vested in the Committee, who in addition to the powers expressly conferred on them by these rules may exercise all such powers, and do all such acts and things as may be exercised or done by the Association and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting, and in particular may from time to time at their discretion raise or borrow or secure the repayment of any sum or sums of money in all respects as they think fit. Funds and prop-
erties of the Asso-
ciation.

97. If at any time during the year the funds at the disposal of the Committee are insufficient or are likely to be insufficient to defray the estimated expenditure for the remaining portion of the year, then the Committee shall, in such case, call a General Meeting of the members of the Association and lay the accounts of the Association before such meeting.

98. The Committee shall cause proper books of account to be kept of the transactions of the Association and of the assets, credits and liabilities thereof, which books of account shall be kept at the office of the Association or at such place or places, and in the charge of such person or persons as the Committee may from time to time direct.

99. At least seven days previous to each Annual General Meeting of members of the Association the Committee shall send to each member of the Association a duly audited income and expenditure account, and a balance sheet, containing a summary of the property and liabilities of the Association and made up to the 31st December of the year immediately preceding the meeting, and such account and balance sheet shall be laid before the members at the Annual General Meeting of the Association in each year.

100. The Committee for the time being shall have power to invest and deal with any of the moneys of the Association not immediately required for the purposes thereof in such securities and in such manner as they may think fit and from time to time to vary or realize such investments.

101. The Committee shall have the power to determine the manner in which bills, loans, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by and on behalf of the Association.

102. There shall be two Trustees of the Association and the first Trustees shall be Mr. H. P. (now Sir H. P.) Mody and Mr. Ratansi D. Morarji. Subsequent Trustees shall be appointed by resolution of the Committee. Any person for the time being entitled to act and vote for a member shall be eligible as a Trustee. Any Trustee who shall cease to be entitled to act and vote for a member shall *ipso facto* cease to be a Trustee. Any Trustee may be removed by a majority of three-fourths of the members of the Association present at a meeting duly convened for the purpose of considering such removal.

103. All the funds and properties of the Association shall be vested in the Trustees who shall have the custody of all securities and documents of title relating thereto and shall deal with and dispose of the same and the income thereof in accordance with the written directions from time to time given to them by the Committee for the time being.

Responsibility of
the Chairman,
Deputy Chairman,
Secretary and
members of the
Committee.

104. Neither the Chairman, Deputy Chairman, nor any ordinary member of the Committee nor the Secretary nor any Trustee shall be answerable for anything other than his own acts or defaults, nor shall he be answerable for any act done by him for the sake of conformity only, nor for any moneys of the Association other than such as shall come into his own hands, nor for any collector or receiver of moneys appointed by the Committee, nor for any misfortune, loss or damage, happening to the Association by reason of any deed done or executed by him as a Chairman, Deputy Chairman or ordinary member of the Committee or as Secretary or Trustee, nor by reason of any error in judgment or mere indiscretion on his part in the performance of his duties, nor otherwise on any account, except for wilful negligence or fraud. Every person being Chairman, Deputy Chairman, or an ordinary member of the Committee or Secretary or Trustee of the Association, his heirs, executors or administrators shall at all times be indemnified and saved harmless out of the funds of the Association from and against all costs, losses, damages and expenses whatsoever incurred or sustained by him in the execution of his power or duties, and every person having been or being a Chairman, Deputy Chairman, or ordinary member of Committee or Secretary or Trustee of the Association, his heirs, executors and administrators shall be indemnified and saved harmless out of the funds of the Association against all actions, suits, claims and demands whatsoever brought or made against him or them in respect of any engagement of the Association save such as may be incurred by his own personal wilful neglect or default.

The date when
the rules come into
force and the mode
of altering the
rules.

105. These rules shall come into force on the First day of March 1925 on which date the present rules shall stand cancelled. No alterations in these rules shall be made save and except by a majority of not less than three-fourths of the votes cast at a General Meeting of the members of the Association duly convened and held for the purpose of considering such alteration, the terms of which shall have been fully set forth in the notice convening the meeting.

RULES FOR ARBITRATIONS ON INDIAN PIECEGOODS AND YARN.

(Revised and adopted down to 24th November 1944.)

PREAMBLE.—Whereas it is desirable that disputes and questions arising out of contracts for the sale and purchase of Indian piecegoods and yarn which fall to be submitted to arbitration in accordance with the Rules of the Millowners' Association, Bombay, shall be speedily and economically decided by persons having expert knowledge, the following Rules have been framed for the conduct of such arbitrations:

1. In these Rules unless the context otherwise requires:—

“The Association” means The Millowners' Association, Bombay.

“The Committee” means the Committee for the time being of the Association.

“Member” means a member of the Association.

“The Secretary” means the Secretary or Acting Secretary for the time being of the Association.

Words importing the singular number only shall include the plural, and the converse shall also apply.

2. These Rules shall apply to any dispute or question arising out of any contract for the sale and purchase of Indian piecegoods or yarn entered into between a member and a non-member and between the selling agents of a member and a non-member and between any other parties which provides for arbitration in accordance with these Rules.

3. The Committee shall select triennially a panel of Arbitrators consisting of 30 persons, of whom fifteen shall be selected from representatives of members and fifteen shall be selected in consultation with the Bombay Country Fancy and Grey Piecegoods Merchants' Association, from dealers in Indian-made piecegoods or yarn. Panel of Arbitrators.

4. The Committee shall also select triennially from the panel of Arbitrators selected in accordance with Rule 3, a panel of ten persons to act as Umpires. Panel of Umpires.

5. If a member of the Arbitrators' or Umpires' panel shall resign or refuse to act without a reason satisfactory to the Committee or become incapable of acting or shall die a vacancy shall be deemed to have occurred and the Committee shall forthwith select in accordance with Rule 3 or Rule 4 as the case may be some other person to fill such vacancy.

6. The Secretary shall keep a record, in the form, from time to time prescribed by the Committee, of all arbitrations conducted by the Association and of the awards made therein, and shall collect all fees in connection therewith and do all such things as are prescribed by or are necessary under these Rules.

7. (a) The parties to a dispute or question may appoint an arbitrator selected from the panel of arbitrators to act as sole arbitrator or Appointment of Arbitrators.

(b) Either party to the dispute or question may appoint an arbitrator selected as aforesaid to act on his behalf and the Secretary shall immediately upon receipt of notice of such appointment give written notice thereof to the other party and shall call upon the other party to appoint within 10 days of the receipt of such notice an arbitrator selected as aforesaid to act on his behalf, and if such other party shall fail to make such appointment within the prescribed period the dispute shall stand referred to the arbitrator appointed by the first party as sole arbitrator. Reference to sole Arbitrator if second Arbitrator not appointed within 10 days.

(c) No person shall be appointed to act as arbitrator under these Rules whose consent to so act shall not previously have been obtained. Arbitrators not to be appointed without previous consent.

(d) The appointment of an arbitrator under these Rules shall be made on the form prescribed by the Association, which form shall be signed by the person making the appointment, and submitted to the Secretary for necessary action. Appointment of arbitrators to be made on the form prescribed by the Association.

(e) All applications for appointment of an arbitrator or arbitrators shall be accompanied by a deposit by each party of Rs. 100, or such other sum as the Committee may direct, as a deposit against the expenses of the arbitration.

Where the award is silent as to the expenses of the Arbitration the expenses shall be borne equally.

If the expenses of an arbitration whether not awarded or awarded or any part thereof remain unpaid by the party liable therefor for a period of 10 days after the award is made, the Secretary shall appropriate the deposit of the party in default or a portion thereof towards the amount recoverable from such party. On payment of all expenses of the arbitration the parties shall be entitled to a refund of such sums as they may be entitled to.

8. No party to a dispute or question shall appoint an arbitrator, and no person shall consent to act as arbitrator, who is or whose employers are interested directly or indirectly, in the subject-matter of the dispute or question. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect. Arbitrators to be disinterested.

9. When two arbitrators are appointed they shall, before proceeding with the reference, select from the Panel of Umpires an umpire, who is willing to act, and communicate his name to the Secretary. Appointment of Umpire by Arbitrators.

10. If the arbitrators are unable to agree as to the umpire they shall proceed with the reference and notify the Secretary of their disagreement, and the Committee shall thereupon select a person from the Panel of Umpires to act as umpire. No person shall be appointed to act as umpire either by the arbitrators or the Committee who is or whose employers are interested either directly or indirectly in the subject-matter of the dispute or question. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect.

11. The arbitrators shall fix a time and place for the hearing of the reference and notify the Secretary thereof. The date so fixed shall be not later than 10 days after their appointment. The Secretary shall forthwith notify the parties of the time and place appointed.

12. Parties to the reference shall attend at the time and place appointed for the hearing of the reference, either in person, or (subject to the provisions of Rule 13) by any person duly authorised by them acquainted with all matters in dispute or in question and they shall if so required by the arbitrators submit written statements of their respective cases to the arbitrators and answer all material questions relating to the dispute or question. Submission of statements.

13. Parties to the reference shall, if required, submit to be examined by the arbitrators on oath or solemn affirmation or otherwise in relation to the matters in dispute or question.

14. At the time appointed for the reference the parties shall have ready at the rooms of the Association or elsewhere as directed the sale samples duly attested, and if required sample packages or complete bales. Samples, packages or bales so sent will be at the sender's risk and must be accompanied by a peon in charge and by a cooper to open the packages. Samples for inspection.

15. The parties to the reference and all persons claiming through or under them respectively shall produce before the arbitrators all books, deeds, papers, accounts, writings and documents within their possession or power which may be required or called for and do all other things which during the proceedings on the reference the arbitrators may require.

16. The arbitrators shall have general authority to require from either or both of the parties to the reference such further statements, explanations, and other information, evidence and materials as they may consider necessary for the adjudication of the dispute or question.

16A. The arbitrators or umpire may, from time to time with the consent of all the parties, by endorsement on the reference paper, extend the time for making an award by a period not exceeding 28 days from the due date or extended due date of the award.

17. The arbitrators shall proceed with the reference and make an award *ex-parte* in the absence of any party who shall after due notice refuse or neglect to attend without having satisfied the arbitrators that good and sufficient reason exists for such neglect or refusal.

18. No party to a reference shall, without the express permission of the arbitrators be entitled to appear by counsel, attorney, advocate or pleader, or insist on or require the arbitrators to hear or examine witnesses or receive oral or documentary evidence other than what is deemed necessary by the arbitrators.

19. The arbitrators or umpire may, before making an award, and at the joint expense of the parties to the reference, consult counsel or solicitors to be selected by them, arbitrators or umpire as the case may be, on any question of law, evidence, practice or procedure arising in the course of the reference.

20. The arbitrators when called upon to do so by either party may, if they think fit to do so, make as interim award.

21. If the arbitrators fail to make an interim award or to agree upon an interim award within seven days after they shall have been called upon to do so, the Secretary shall forthwith call upon the umpire to enter upon the reference to the extent of the matters in respect of which the arbitrators were called upon to make an interim award and to make an interim award within seven days of the matter being referred to him and the umpire shall within such time make an interim award.

22. The arbitrators shall, notwithstanding that the umpire shall have made an interim award have power to make an award upon the matters in dispute still outstanding between the parties.

23. The arbitrators shall make an award in writing in the form prescribed by the Association or notify their disagreement to the Secretary as early as possible and in any case within 28 days from the date of the first hearing of the reference or within the period of any permitted extension of time.

24. If the arbitrators fail to make an award or to agree upon their award (not being an interim award under Rule 20 hereof) within the prescribed period or any permitted extension thereof, the Secretary shall forthwith call upon the umpire to enter upon the reference and the umpire shall thereupon proceed with the reference.

25. The arbitrators shall furnish the umpire with a brief statement of the facts of the case and their reasons for such failure to make an award or to agree upon their award or interim award as the case may be.

26. The foregoing rules as to the practice and procedure before the arbitrators shall apply *mutatis mutandis* to the proceedings before the umpire.

26A. The Arbitrators and Umpire respectively shall have power vested in them and him to make orders whether by way of interim award or otherwise for the preservation or interim custody or sale of any goods which are the subject matter of a reference or for securing the amount in difference in the reference.

27. If an arbitrator duly appointed neglects or refuses to act or is otherwise incapable of acting, or dies, a new arbitrator shall be appointed in accordance with the foregoing rules.

If an umpire duly appointed neglects or refuses to act or is otherwise incapable of acting or dies, the Committee shall proceed to appoint a new umpire.

28. Parties to the reference shall do all acts necessary to enable the arbitrators or umpire to make a just and expeditious award, and shall not wilfully do or omit to do, or cause to be done or be omitted to be done, any act to delay or prevent the arbitrators or umpire in or from making an award. If either party shall be guilty of any such wilful doing or omitting or causing which as a result whereof the proceedings in any manner are delayed or the arbitrators or umpire are prevented as aforesaid the arbitrators or the umpire shall direct him to pay to the other party such costs as they or he may deem reasonable and may proceed with the hearing of the reference.

29. When a dispute or question stands referred to an umpire, he may proceed to adjudicate in the matter on the basis of the statement furnished to him by the arbitrators as provided by Rule 25 and shall make his award thereon within 14 days of his first entering on the reference or within the period of any permitted extension of time.

30. The arbitrators by their or the umpire by his award shall determine exactly what they or he shall think fit to be done by either of the said parties, respecting the matters referred and shall direct to and by whom and in what manner and in what proportion the total costs of the reference any interim award and the award, including the fees payable to the arbitrators and umpire and the Association shall be paid.

31. All references in these Rules to an award shall unless repugnant to the meaning or context include references to an interim award.

32. All awards under these Rules shall be made in the forms prescribed therefor bearing stamps for the value laid down under the Indian Stamp Act or any other law for the time being in force and shall be lodged with the Secretary who shall send copies thereof to the parties.

33. Every award made under or in pursuance of these Rules shall be final and binding on the parties to the reference and persons claiming through and under them notwithstanding death or legal disability occurring to any party, before or after the making of the award, and so that death or legal disability shall not operate as a revocation of the award.

34. Whenever an award directs that a certain act or thing shall be done by one party to the reference and such party fails to comply with the award, the party in whose favour the award was made may make an application for a further award determining the amount of damages or compensation payable by reason of such failure, and the Committee on receipt of such application shall proceed to appoint a sole arbitrator or two arbitrators and an umpire who may or may not be the same person or persons who made the first award. The arbitration on the said application shall then proceed in accordance with these Rules and the award thereon may be filed separately or together with the original award.

35. Neither party to a dispute or question which has been submitted to arbitration under these Rules shall bring or prosecute any suit or proceeding on any ground whatsoever against the arbitrators or the umpire, or the Secretary.

36. In respect of arbitrations conducted under these Rules the following fees shall be paid by the parties to the reference or by those claiming through or under them, namely:—

- (a) To a sole arbitrator a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.
- (b) To each of two arbitrators a fee at the rate of Rs. 15 per hour or part thereof, subject to a maximum of Rs. 60 for each arbitrator.
- (c) To an umpire a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.
- (d) To the Association in every case a fee of Rs. 10.

37. If the parties to a reference shall take the reference out of the cognizance of the arbitrators or umpire, after the commencement of proceedings and before the publication of the award, they shall nevertheless be liable to pay fees to the arbitrators, umpire and Association at the rates specified in Rule 36 hereof:

Provided that if the reference is so taken out of the cognizance of the arbitrators or umpire before the commencement of proceedings, the amount deposited under Rule 7 (e) shall, with the exception of the fees payable to the Association, be refunded to the party or parties as the case may be.

38. A bill showing the amount due in respect of fees, stamp duties, etc., to the arbitrators, umpire and Association by each party to the dispute shall accompany any copy of the award sent in accordance with Rule 32, and shall be paid within seven days of the receipt thereof.

39. In addition to the fees mentioned in Rule 36, the parties to the dispute or question shall pay as and when demanded by the Secretary and as set out in the award, all other fees or charges incurred during the arbitration in accordance with Rule 19.

40. All notices required by these rules to be given shall be given in writing in the form prescribed by the Association and shall be sufficiently given if left at the last known place of abode or business of the party to whom the notice is addressed, or if sent by post prepaid addressed to him by name at such place of abode or business and not returned through the post as undelivered before the completion of the award and shall if sent by post be considered to have been given at the time at which the letter would, in the ordinary course, be delivered.

41. The provisions of the Arbitration Act, 1940, or any modification or amendment thereof, or any other relevant Act for the time being in force, in so far as they are not inconsistent with these Rules, shall apply to all arbitrations conducted by the Association.

42. These Rules shall come into force on the 24th November 1944, on which date they shall supersede all previous rules relating to Arbitrations on Piecegoods and Yarn.

STANDARD CONTRACT.

No. _____ *Bombay,* _____

We, the undersigned (hereinafter called "the Buyers"), hereby agree to purchase from _____

(hereinafter called "the Company"), the undermentioned goods upon the following terms and conditions, that is to say:—

Quality No.	Description.	Seasonal or non-seasonal.	Dimensions.		No. of Bales.	Pieces in each Bale.	Total pieces.	Total lbs.	Rate ex-mills.			Per lb./piece/yard.	Quality as.	Discount.	Brokerage.	Sahi.	Border.	Headings.	Designs.	Assortment of designs in each Bale.	Tickets or Stamps.		
			In.	yds. lbs.					Rs.	a.	p.												

Delivery of the said goods shall be taken by the Buyers as follows:—

(Please turn over.)

THE TERMS AND CONDITIONS OF THE STANDARD CONTRACT FORM.

1. The quality of the goods shall, except in the case of a sale by sample, accord with the recognized standard quality cloth manufactured by the Company.

In the case of a sale by sample the buyers shall be deemed to have approved the sample furnished by the Company, unless the buyers shall within 4 days after the receipt of the sample intimate in writing to the contrary to the Company.

2. The Company does not guarantee, except where a particular assortment is specially stipulated, any fixed assortment in the deliveries of goods of various dimensions and patterns and bearing different numbers, and in such cases the buyers shall take delivery of and pay as herein agreed for all bales (not exceeding the contract quantity) from time to time ready for delivery regardless of the assortment.

3. Where the contract is for 100 bales or more, the buyers agree to accept at the price herein fixed an assortment of bales to the extent of 10 per cent. more or less than the contract quantity, and where the contract is for less than 100 bales the buyers agree to accept at the price herein fixed an assortment of bales to the extent of 5 per cent. more or less than the contract quantity, but as regards such limits the buyers shall not be obliged to take up more than 5 bales more or less of each sort, including any loose pieces of each sort.

4. In the case of goods sold at a fixed rate per pound the buyers shall not raise any objection or claim compensation for short weight so long as the average weight per bale in each lot delivered does not vary from the invoice weight by more than 2 per cent. per bale. The Company does not guarantee the weight of any goods sold by the piece.

5. The buyers shall not be entitled to any allowance or compensation for any deficiency in the width of dyed, bleached and/or calendered goods when such deficiency does not exceed one inch.

6. In the case of a sale of ready goods payment therefor shall be made and delivery thereof taken by the buyers within 8 days of sale.

7. In the case of a sale of goods for future delivery, when the period of delivery extends to two months or more and the quantity deliverable per month is not specified, the Company shall supply the goods in approximately equal lots per month, and the buyers shall on the last day of each English calendar month take delivery and pay for in cash against delivery of as many bales, approximating to the quantities specified in the contract, as shall have been made ready during that month, and either at the mill premises or at the godowns of the Company as the Company may direct: Provided that in the case of bales of which delivery is required in Bombay, the Company will ordinarily be willing to give delivery through the Selling Agents of the Company in the market, but giving delivery in the market shall not render the Company liable to a claim by the buyers for late delivery if the bales were ready for delivery at the mill premises or the godowns of the Company on the last day of the aforesaid calendar month.

8. The Company shall as far as possible, but without being under any obligation to do so, notify the buyers of the number and particulars of the bales ready for delivery at the end of each calendar month, and shall also furnish to the buyers if requested by the buyers in writing so to do the number and particulars of the bales ready for delivery from time to time during the month. Any such notification or furnishing of particulars by the Company as aforesaid shall not imply or be deemed to imply an obligation or undertaking on the part of the Company to give any further notification, or to furnish any further particulars, except upon the written request of the buyers, it being the duty of the buyers to ascertain the number and particulars of the bales ready for delivery from time to time and to pay for and take delivery thereof.

9. In the event of the buyers requesting the Company to despatch the goods either by rail, road or sea and the Company acceding to such request the goods shall be at the risk in all respects of the buyers from the time they leave the mill premises or the godowns of the Company as the case may be, including the risk of delay in delivery due to the non-booking of the goods by the Railway or Shipping Company for which the Company takes no responsibility.

10. Where the goods are to be delivered in lots or by instalments this contract shall be deemed and construed as a separate contract in respect of each lot or instalment, and the rights and liabilities of the Company and the buyers respectively shall be the same as though a separate contract had been made in respect of each lot or instalment.

11. All goods of which delivery shall not be taken by the buyers in accordance with the terms of this contract shall, as from the date on which delivery thereof ought to have been taken, be deemed to have been appropriated to this contract and the buyers shall be deemed to have assented to such appropriation without any further consent on their part than is evidenced by their being parties to and signing this contract. From the date of such appropriation the said goods shall be held by the Company for the account of the buyers and at their sole risk as regards loss, damage, deterioration or otherwise and the price of the goods plus all charges shall carry interest in favour of the Company from due date at the rate of 9 per cent. per annum and the Company shall be entitled at its sole discretion and after giving not less than seven days' written notice to the buyers, which shall be deemed to have been duly given if delivered at or sent by registered post to the last known place of business or residence of the buyers, to sell the said goods on account and at the risk of the buyers either by public auction and/or private sale and either together or in lots and at such time or times and on such terms and conditions as the Company may think fit. If the net sale proceeds of the goods shall be less than the amount due to the Company for the price of the goods plus interest and all charges, the buyers shall pay the difference to the Company on demand.

12. The Company shall have a general lien on all goods of the buyers for the time being in the possession of the Company (including goods already paid for but of which delivery may not have been taken by the buyers) for the total amount due to the Company for the time being under this contract and also for any amount due to the Company under any other contract with the buyers either alone or jointly with another or others.

13. In respect of all goods of which delivery shall not be taken by the buyers within 14 days after the due date the buyers agree to pay to the Company on demand annas eight per bale per month or any part of a month for godown rent and annas four per bale per month or any part of a month for insurance calculated from the expiry of such period of 14 days to the date on which actual delivery shall be taken by the buyers.

14. If any goods while in the possession of the Company shall be destroyed and/or damaged from any cause whatsoever after the due date for delivery thereof to the buyers, any sum recovered from the insurance of such goods against such destruction and/or damage may be applied by the Company in satisfaction in whole or in part as the case may be of the price of the said goods plus interest and all charges and if the sum so recovered shall be less than the price of the said goods plus interest at 9 per cent. and all charges the buyers shall pay the difference to the Company on demand, and on the other hand if the sum so recovered shall be greater than the price of the said goods plus interest at 9 per cent. and all charges the Company shall pay the excess to the buyers on demand.

15. If the Company shall be unable to deliver the whole or any part of any goods sold for future delivery by the time specified for delivery thereof by reason of the mills working short time or its being expedient to stop the mills temporarily or by reason of fire, war, stoppage or hindrance in the supply of raw materials or fuel, explosion, accident, strike, riot, lock-out or other disorganization of labour or transport breakdown of machinery, or any inevitable or unforeseen event beyond human control directly or indirectly interfering with the working or the full working of the mills, the buyers shall take delivery of such bales as the Company may be in a position to deliver (if any) and the time for completing the contract shall, as regards the bales not ready by the specified time, be extended for such time as the Company may reasonably require to make up for the delay caused by stoppage, hindrance to or interference with the working of the mills or any other events or circumstances before mentioned PROVIDED ALWAYS that should the inability to deliver in the

case of non-seasonal goods be continuous during the period of three consecutive English calendar months, and in the case of seasonal goods during the period of one English calendar month, then the buyers shall be entitled by notice in writing of their intention to do so, to cancel the contract in respect of any bales then remaining to be manufactured.

16. If for any reasons other than those mentioned in the last preceding clause any portion of the contract goods is not ready by the specified time it shall be lawful for the buyers at their option either to cancel the contract in so far as it relates to the balance of the goods not then ready for delivery, or to extend the time of delivery for such period as the Company may reasonably require, not exceeding one month, PROVIDED ALWAYS that if the buyers shall elect to cancel the contract it shall be incumbent upon them to give to the Company within 7 days after the due date for delivery of the goods not then ready notice in writing of their intention to cancel, and in default of such notice within the time aforesaid the buyers shall be precluded from cancelling the contract and the time for delivery shall be deemed to have been extended for such period as the Company may reasonably require, not exceeding one month, to make ready for delivery the balance of the goods then undelivered.

17. In any of the cases provided for in the last two preceding clauses the buyers shall not be entitled to make any claim for damages, allowance, compensation or otherwise in respect of such non-delivery or late delivery and shall pay for the goods delivered at contract rates, and in the event of the time for delivery being or being deemed to have been extended all the provisions of this contract shall apply equally to the extended time as the time originally specified including therein the remedies reserved to the Company for failure on the part of the buyers to pay for and take delivery of the goods when ready within the extended period and including the liability of the buyers for interest.

18. The buyers shall not be entitled to make any claim for an allowance or otherwise in regard to the condition of the goods when once the goods have left the mill premises or the godown, as the case may be of the Company, unless the buyers prove that the damage was done at the mills, and the claim is lodged within 14 days of the delivery of the goods.

19. The buyers shall not be entitled to make any claim for an allowance or otherwise on the ground that the goods delivered are not in accordance with the contract unless notice in writing of their intention to make such claim shall have been given to the Company within one calendar month after the date of actual delivery of the goods to the buyers or to a carrier or other agent on behalf of the buyers. In default of any such notice the goods delivered shall be deemed to be in all respects in accordance with the contract.

20. In the event of any goods the subject of this contract or any portion thereof being destroyed or so damaged by fire, water or other cause beyond the control of the Company as to render them unmerchantable while stored at the mills or godowns of the Company pending due date of delivery, the contract in respect of such goods shall be deemed to have been cancelled by mutual consent and the buyers shall have no claim whatsoever against the Company in respect of such goods, but if the price of such goods shall have been then paid the buyers shall be entitled to a refund thereof.

21. All disputes and questions whatsoever which shall arise between the parties hereto out of or in connection with this agreement or as to the construction or application thereof or the respective rights and obligations of the parties hereunder or as to any clause or thing herein contained or any account or valuation to be made hereunder or as to any other matter in any way relating to these presents shall be referred to arbitration in accordance with the rules of the Mill-owners' Association, Bombay, for the time being in force regulating arbitrations with respect to piecegoods.

22. Notwithstanding any such reference to arbitration as aforesaid the buyers shall take delivery of the goods the subject of the reference and pay for the same as herein agreed and unless the arbitration award is to the effect that the goods under dispute are "no tender" the buyers shall be bound to accept the said goods on payment by the Company of the allowance (if any) awarded to the buyers. If, however, the arbitration award is to the effect that the goods are "no tender" the buyers shall be entitled to invoice back the said goods with any penalty the arbitrators may award.

23. Nothing appearing in the contract in any vernacular language, save only the name or signature of the buyer or his agent, shall be binding upon the Company.

Notes :—

1. After the coming into force of the War Risks (Goods) Insurance Ordinance, 1940, it was suggested that a clause on the following lines be inserted in the cloth and yarn contracts of all member mills. This clause affirms the buyer's liability in respect of premia paid by the seller on goods held by him at the risk of the buyer :—

"It is hereby agreed that in case the buyers fail to pay for and take delivery of the goods on the due date, the Company shall be entitled to claim from the buyers, in addition to the cost of the goods and the charges specified in clause 13 any premium paid by the Company in insuring the goods in question under the War Risks (Goods) Insurance Ordinance, 1940. PROVIDED that the buyers' liability under this clause in respect of the War Risks (Goods) Insurance Ordinance shall be limited to the amount of premium paid by the Company in respect of the goods in question. If the Company has not taken a separate policy in regard to the particular goods held by it at the risk and on account of the buyers, then the amount of premium payable by the buyers shall bear the same proportion to the total premium paid by the Company as the value of the goods which the Company holds at the risk and on account of the buyers bears to the total value of the goods insured. Nothing in this clause contained shall affect the provisions of clause 11 hereof or cause the goods to be held from and after the due date of delivery otherwise than for the account of the buyers and at their sole risk."

Member mills were advised that all contracts entered into by them on and after 31st October 1940 should contain the above additional clause which should be initialled by the buyers and the Company.

2. In July 1942, member mills were recommended to insert the following "War Emergency Clause" in their cloth and yarn contracts. This clause seeks to protect the mills in the event of their having to cancel contracts or to ask for postponement of delivery in respect of contracts entered into by them with bazaar dealers if such cancellation or postponement of delivery was necessitated by requisitions placed on the mills by the Department of Supply, the Government of India.

"Notwithstanding anything hereinabove contained or implied if an Order for goods shall be placed with the Company by or on behalf of the Government of India subsequent in date to the contract date, and if, as a result, the Company shall decide that it is unable to perform the contract in whole or in part within the contract time or times, then the Company shall within seven days of the receipt of such order give written notice (the Company's notice) to the buyer of such decision, and shall in the Company's notice state the extent of its inability to perform and within what substituted time or times the Company will be able to perform the contract. Within seven days of the receipt of the Company's notice the Buyer shall give written notice (the Buyer's notice) to the Company whether the Buyer elects to affirm the contract as varied by such substituted time or times or whether the Buyer elects to cancel the contract to the extent of the inability. If the Buyer affirms the contract as varied then, the contract shall remain in force as varied. If the Buyer cancels the contract, to the extent of the inability, then the contract shall stand cancelled to that extent, and the Buyer shall have no claim for compensation. If the Buyer fails to give the Buyer's notice to the Company within the period aforesaid, the Buyer shall be deemed to have affirmed the contract. If an order for goods shall be placed by or on behalf of the Government of India subsequent in date to any such affirmation, and if, as a result, the Company shall decide that it is unable to perform the contract in whole or in part as so varied then the like procedure shall be adopted with the like consequences. The Buyer shall be entitled if he so requires to inspect any order giving rise to such decision as aforesaid but the Buyer shall not be entitled to raise any question in respect of such decision or in respect of the extent of the inability or in respect of the time or times so substituted."

RULES FOR THE ELECTION OF REPRESENTATIVES OF THE ASSOCIATION ON THE BOARD OF THE VICTORIA JUBILEE TECHNICAL INSTITUTE.

The Association is entitled to elect two members on the Board of the Victoria Jubilee Technical Institute so long as it continues to contribute not less than Rs. 2,000 per annum for the maintenance of the Institute.

1. Any member of the Association shall be eligible to act as Representative of the Association on the Board of the Victoria Jubilee Technical Institute.
 2. The period of office of any elected Representative of the Association on the Board of the said Institute shall be one of three years. At the end of such period he shall retire but may be re-elected.
 3. The appointment of the Association's Representatives shall be made at a general meeting of the Association and such Representatives shall *ex-officio* be members of the Committee of the Association.
 4. In the event of the disqualification of any of the Association's Representatives under Section 9 or 10 of the Rules and Regulations of the said Institute, or in the event of the decrease or resignation of such Representative, or in the event of his ceasing for any reason to be a member of the Association, the Committee shall appoint a successor, who shall hold office up to that date at which the Representative whom he succeeds would, under Rule 2, have retired.
 5. In the event of the absence of any of the Association's Representatives from three or more consecutive meetings of the Board, or in the event of any of the Association's Representatives applying for leave of absence, the Committee may, if they think fit and with the consent of the Board of the said Institute, appoint a substitute who shall hold office until the Representative whom he replaces resumes attendance or up to that date at which the Representative whom he replaces would, under Rule 2, have retired.
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RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE BOARD OF TRUSTEES OF THE PORT OF BOMBAY.

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.
 2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.
 3. The Committee shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot-box shall be open from 10-30 A.M. till 5 P.M. on that day.
 4. Votes may be given either in person or through any one duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.
 5. The Committee shall appoint two scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.
 6. The candidate who has the largest number of votes shall be declared duly elected.
 7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.
 8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.
 9. In the event of a casual vacancy the above course shall be followed in the appointment of a substitute.
 10. In the event of the temporary absence of a Representative of the Association on the Board of Trustees, necessitating the appointment of a substitute, such appointment shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.
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RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE BOMBAY MUNICIPAL CORPORATION.

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.
2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.
3. The Committee, in consultation with the Municipal Commissioner, shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot box shall be open from 11 A.M. till 5 P.M. on that day.
4. Votes may be given either in person or through anyone duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees Fifty paid by him as annual subscription to the Association.
5. The Committee shall appoint two Scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.
6. The candidate who has the largest number of votes shall be declared duly elected.
7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.
8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.
9. In the event of a casual vacancy, an appointment to fill such vacancy shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

Sections of the City of Bombay Municipal Act, III of 1888, as subsequently amended, pertaining to the Election of Councillors by the Bombay Millowners' Association.

Section 5.

- (1) The Corporation shall consist of one hundred and seventeen Councillors, as follows :—
 - (i) Elected Councillors—
 - (a) One hundred and six Councillors elected at ward elections ;
 - (b) Four Councillors elected as follows :—
 - One by the Bombay Chamber of Commerce,
 - One by the Indian Merchants' Chamber and Bureau,
 - One by the Bombay Millowners' Association,
 - One by Fellows ;
 - (c) Four Councillors elected by delegates.
 - (ii) Three *ex-officio* Councillors, namely :—
 - The Police Commissioner ;
 - The Executive Engineer, Presidency Division, Public Works Department, Bombay,
 - The Chairman of the Board of Trustees of the Port of Bombay.

Section 6.

- (1) [*Repealed by Act XVI of 1895.*]

(2) Councillors elected to succeed retiring Councillors shall come into office on the day for the retirement of the Councillors whom they are to succeed.

Section 7.

(1) All elected Councillors shall retire from office at noon on the first day of April, three years after they take office, which day is in this Act referred to as the day for retirement.

(2) The term of office of an *ex-officio* Councillor shall continue so long as he holds the office by virtue of which he is such Councillor.

Section 8.

Any person who ceases to be a Councillor shall, unless disqualified, be re-eligible.

Section 15.

A person shall not be qualified to be elected to be a Councillor at an election by a Chamber or Association mentioned in sub-section (1) of Section 5 or at a Fellows' election, unless he is at the time of the election a member of that Chamber or Association or a person entitled to exercise the rights and privileges of membership on behalf and in the name of any firm, company or corporation registered as a member of such Chamber or Association or a Fellow, as the case may be, and unless, in the case of a Fellow, he has resided in the city for six months immediately preceding the date of the election.

Section 22.

(1) General Elections of Councillors shall be fixed by the Commissioner, subject to the provisions of Section 23, to take place triennially on such days in the months of January and February as he shall think fit.

- (2) [*Repealed by Act XVI of 1895.*]

(3) Elections to fill casual vacancies shall be fixed by the Commissioner to take place on such days as he shall think fit, as soon as conveniently may be after the occurrence of the vacancies.

Section 23.

The dates for all General Elections shall be fixed in the following order, and with the following intervals, namely :—

Firstly.—The Ward elections shall be fixed to take place simultaneously for all the Wards.

Secondly.—The day for the election by the Chamber or Association mentioned in sub-section (1) of Section 5 shall be fixed at an interval not exceeding twenty-one days after the day fixed for the Ward elections.

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Section 31.

(1) An election of a Councillor by a Chamber or Association mentioned in sub-section (1) of Section 5 shall be made by the members for the time being of the said Chamber or Association, as the case may be, subject to the provisions of Section 15, in accordance with the rules made by the said Chamber or Association in this behalf.

(2) The Secretary to the said Chamber or Association shall make a return in duplicate to the Commissioner setting forth the name in full of every person so elected.

Section 32.

(1) The result of every election shall be declared by fixing, as soon as may be after the election, in some conspicuous place in the Chief Municipal Office, a notice certifying the names of the persons, if any, elected, and in the case of a contested election the number of votes recorded for each candidate.

(2) The said notice shall be signed in the case of a Ward election, and in the case of an election by Councillors, by the Commissioner, and in the case of an election by a Chamber or Association mentioned in sub-section (1) of Section 5, by the Secretary of such Chamber or Association, and in the case of a Fellows' election by the Registrar of the University of Bombay.

**RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE ASSOCIATION AS A FELLOW
ON THE SENATE OF THE UNIVERSITY OF BOMBAY.**

1. The Committee shall fix a day for a Meeting of all members of the Association for the purpose of electing a representative of the Association to serve as a Fellow on the Senate of the University of Bombay.
 2. The Secretary of the Association shall notify all members of the Association of the date fixed for such meeting.
 3. Candidates shall be nominated in writing duly proposed and seconded by members of the Association, and signed in each case by authorized representatives whose names have been duly entered in the List of Persons Eligible to Act and Vote maintained by the Association under Rule 13 of the Association's Rules and Regulations, and the nomination papers must be received by the Secretary at least ten clear days before the date of the meeting at which the election is to take place.
 4. Nominations shall be sent to the Secretary on the prescribed form.
 5. No nomination shall be valid unless the candidate proposed and seconded also signifies his assent to the nomination on the nomination paper.
 6. In the event of there being only one valid nomination such candidate shall be deemed to have been elected by the members of the Association and the Committee shall thereupon declare that he has been duly elected.
 7. The Chairman or in the event of his being a candidate or out of Bombay the Deputy Chairman shall determine whether nominations are valid or invalid. In the event of the Deputy Chairman also being a candidate or out of Bombay the Committee shall appoint a member of the Committee other than the Chairman or Deputy Chairman and not being himself a candidate to perform this duty and to preside at the meeting.
 8. The Secretary shall if more than one nomination shall have been received by him notify to all members of the Association the names of all candidates duly proposed and seconded at least 7 clear days before the date fixed for the meeting.
 9. The Chairman or in the event of his being a candidate or out of Bombay the Deputy Chairman or in the event of his also being a candidate or out of Bombay the member of the Committee appointed under Rule 7 shall take the chair at the meeting. He shall appoint two Scrutineers from among the members of the Committee present whose duty it will be to open the box at the end of the ballot, count the votes and declare the result.
 10. Ballot papers with the names of the candidates shall be handed to the representatives of members while the ballot is open.
 11. The ballot box shall be kept open in the room in which the meeting is held, for one hour from the time it is declared open by the Chairman of the meeting, for the reception of the ballot papers.
 12. Votes shall be cast on the ballot paper and deposited in the ballot box.
 13. In the event of a ballot paper being spoiled or torn, the member concerned may ask for a new ballot paper, surrendering the spoiled or damaged paper.
 14. Members shall record their votes through their authorized representatives whose names have been duly entered in the List of Persons Eligible to Act and Vote maintained by the Association under Rule 13 of the Association's Rules and Regulations.
 15. The quorum necessary at this meeting shall be two.
 16. Each subscribing member shall be entitled to one vote for every sum of Rs. 50 paid by him as the annual subscription to the Association.
 17. The candidate who has the largest number of votes shall be declared duly elected.
 18. In the event of there being a tie, the Committee shall decide by a ballot at a meeting specially convened for the purpose, which of the candidates shall be deemed to have been elected by the members and shall thereupon declare that he has been duly elected.
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MILL STATEMENT FOR 1947