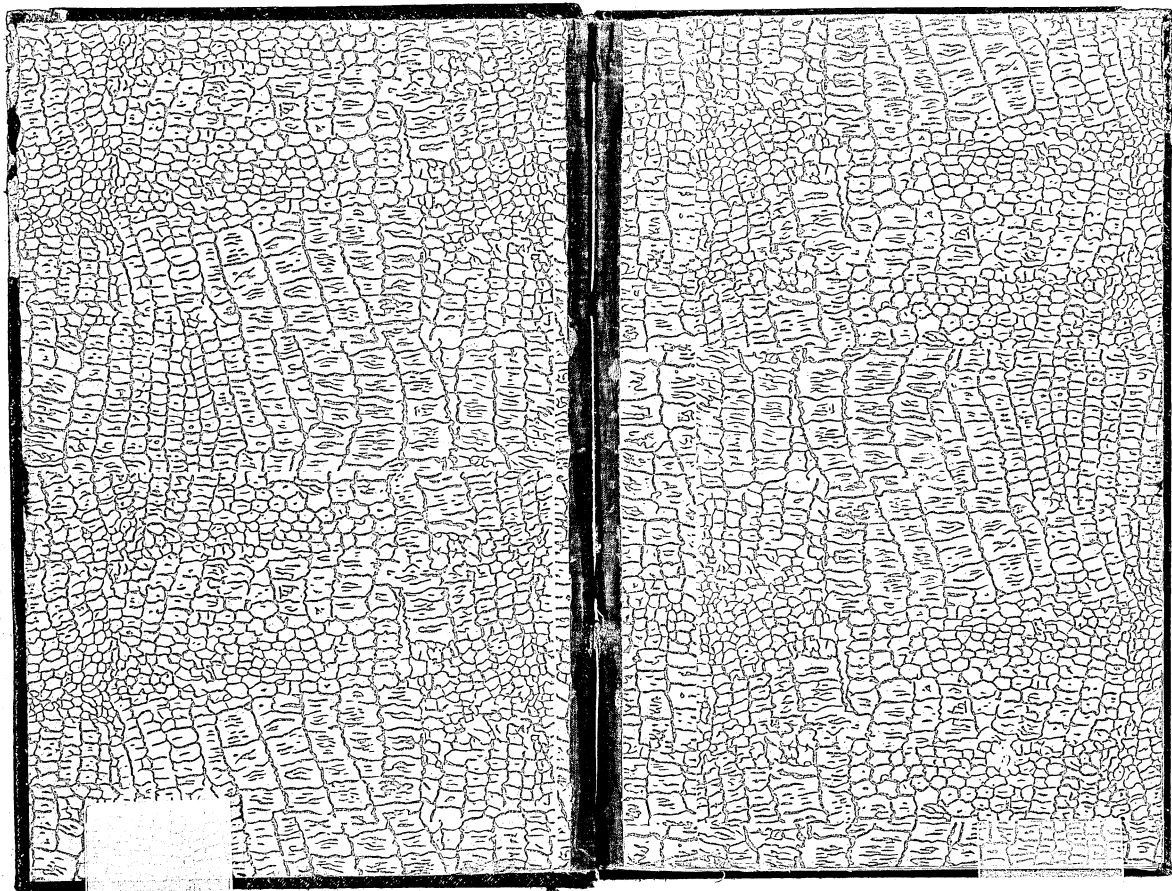
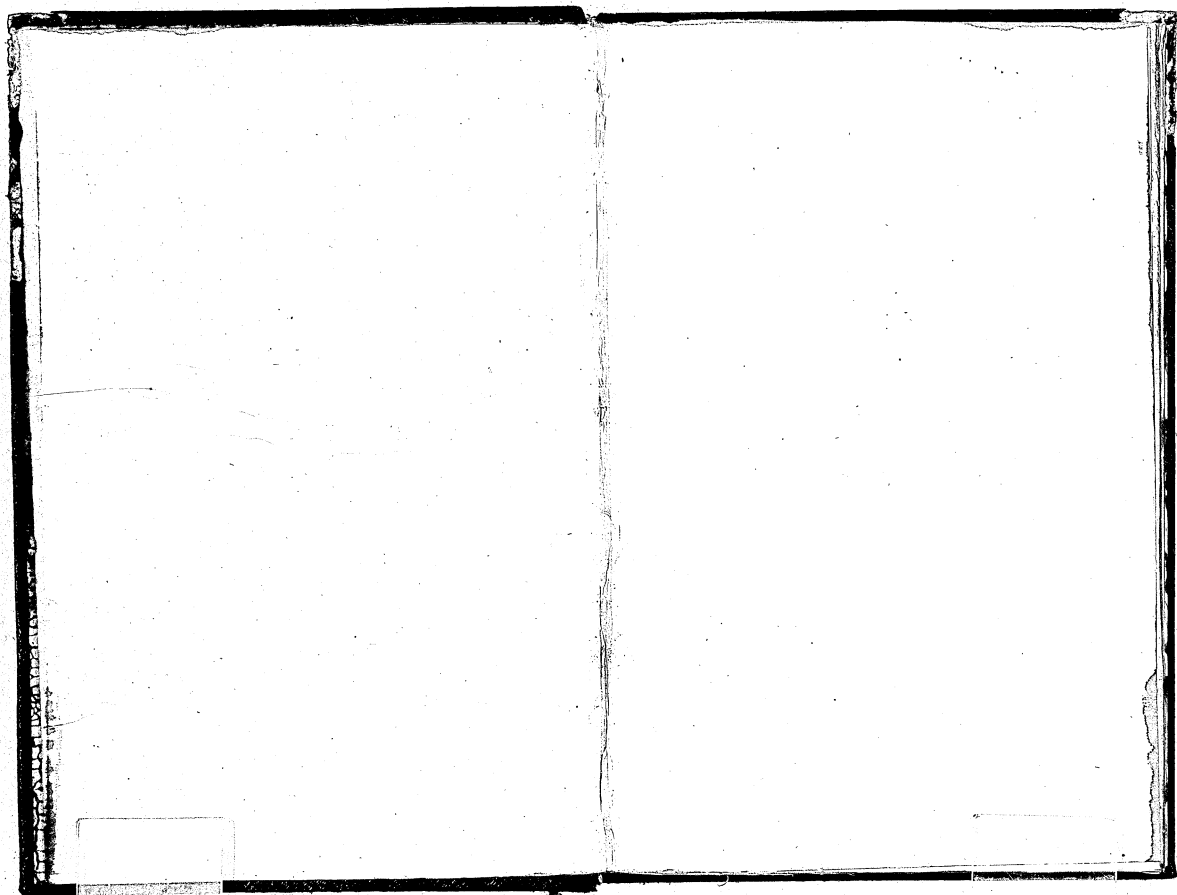


REPORT
OF
THE COMMITTEE
OF THE
BENGAL CHAMBER OF COMMERCE
FOR THE YEAR 1943





PROCEEDINGS

OF THE

ANNUAL GENERAL MEETING

OF THE

BENGAL CHAMBER OF COMMERCE

HELD ON 25th FEBRUARY 1944.

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1944.

BENGAL CHAMBER OF COMMERCE

ANNUAL GENERAL MEETING

The Annual General Meeting of the Bengal Chamber of Commerce was held at the Royal Exchange, 2, Clive Street, Calcutta, on Friday, the 25th February, 1944, at 3 o'clock p.m. The Hon'ble Mr. J. H. Burder occupied the chair.

The following were present—

MR. E. A. LANGHAM	...	<i>The Aluminium Manf. Co., Ld.</i>
„ I. A. CLARK	...	} <i>Messrs. Anderson, Wright & Co.</i>
„ A. WRIGHT	...	
„ B. MATHEWS	...	„ <i>Ballardie, Thompson & Mathews.</i>
„ W. A. M. WALKER, O.B.E., M.L.A.	...	„ <i>Barry & Co.</i>
„ H. G. G. MACKAY	...	„ <i>Begg, Dunlop & Co., Ld.</i>
SIR GEORGE MORTON, O.B.E., M.C.	...	„ <i>Bird & Co. and F. W. Heilgers & Co.</i>
MR. A. S. OFFICER	...	„ <i>Bird & Co. and F. W. Heilgers & Co.</i>
„ D. TEASDALE	...	„ <i>Heilgers & Co.</i>
„ J. P. COMBE	...	„ <i>Heilgers & Co.</i>
„ D. J. MCINTOSH	...	<i>The British Insulated Cables, Ld.</i>
„ T. GODLEY	...	<i>The Calcutta Tramways Co., Ld.</i>
„ A. C. WATKINS	...	} <i>The Chartered Bank of India, Australia & China.</i>
„ W. TASKER	...	
„ J. DAWSON	...	„ <i>Messrs. Cox & Kings (Agents), Ld.</i>
„ G. M. GARRIE	...	} „ <i>Thomas Duff & Co., Ld.</i>
„ W. M. WHYTE	...	
„ A. McLAREN	...	„ <i>Duncan Brothers & Co., Ld.</i>

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MR. L. SQUIRE	...	Messrs. A. W. Figgis & Co.
" F. C. GUTHRIE	... }	" James Finlay & Co., Ld.
" R. L. MANNERS	... }	" "
" T. S. GLADSTONE	...	Gillanders, Arbuthnot & Co.
" NEIL BRODIE	...	Gladstone, Wyllie & Co. & Lyall, Marshall & Co.
" J. LEISK	...	Guest, Keen, Williams Ld.
" H. A. LUKE	...	W. Haworth & Co.
" F. C. ROBINSON	...	A. & S. Henry & Co., Ld.
" F. H. BRADSHAW	... }	" Hoare, Miller & Co., Ld.
" J. A. E. EVANS	... }	" "
" H. E. MURIEL	...	Hongkong & Shanghai Banking Corp., Ld.
SIR HARRY BURN	...	Imperial Chemical Industries (India), Ld.
MR. J. B. HARPER	...	Ivan Jones, Ld.
" E. E. CORSTORPHINE	...	Jardine, Skinner & Co.
" J. W. ROUSTON	...	Jessop & Co., Ld.
" G. J. GARDNER	... }	" Kettlewell, Bullen & Co., Ld.
" E. H. GROVE	... }	" "
" M. H. BROOM	...	D. J. Keymer Co., Ld.
" G. C. H. KENT	...	Kilburn & Co.
" R. B. STEWART	...	Landale & Clark, Ld.
" R. E. BIRTWISTLE	...	Messrs. Landale & Morgan.
" A. H. C. ROSTRON	...	The Latex Treatments, Ld.
" R. SPENCE	...	Liverpool & London & Globe Ins. Co., Ld.
" W. T. C. PARKER	...	Messrs. Lloyds Bank, Ld.

(3)

MR. D. MITCHELL	... }	Messrs. Lovelock & Lewes.
" J. ORR	... }	" "
SIR RENWICK HADDOW	...	Mackinnon Mackenzie & Co.
MR. A. ORR DEAS	...	" "
" W. L. GORDON	... }	" Macneill & Co.
" H. SHEDDEN	... }	" "
" A. H. SYME	...	A. M. Mair & Co.
" R. B. LAGDEN, O.B.E., M.C.	... }	" McLeod & Co., Ld.
" J. R. WALKER	... }	" "
" A. POWLES	...	The Mercantile Bank of India Ld.
" H. N. BETTS	... }	Messrs. Morgan, Walker & Co.
" R. C. COOPER	... }	" "
" H. ROWAN HODGE, M.L.A.	...	Orr, Dignam & Co.
" R. HAYWOOD	...	Pigott, Chapman & Co.
" W. J. YOUNIE	...	Price, Waterhouse, Pent & Co.
" G. EUTHYMOPULO	...	Ralli Bros., Ld.
RAI SIR BUDRIDAS GOENKA BAHADUR	...	Ramdutt Ramkissen- dass.
MR. J. HORNBLOWER	...	Saxby & Farmer (India) Ld.
" C. R. HATFIELD	...	Shaw, Wallace & Co.
" W. J. B. WALKER	...	The Statesman, Ld.
SIR JOHN TAIT	...	Messrs. Steel Brothers & Co., Ld.
MR. G. W. TYSON, C.I.E.	...	W. H. Targett & Co., (Capital)
" M. FLEMING	...	W. J. Walker & Co.

By invitation

THE HON'BLE NAWAB MUSHARRUF HOSSAIN	Minister, Govt. of Bengal,
MR. A. DE C. WILLIAMS ...	Chief Secretary, Govt. of Bengal.
MR. R. L. WALKER, C.I.E., I.C.S.	Secy., Govt. of Bengal, Finance Dept.
THE HON'BLE MR. JUSTICE BRAUND	Regional Food Commissioner, Eastern Region.
MR. W. C. G. BRODIE ...	Dy. Rep. Ministry of War Transport.
„ A. J. ELKINS ...	Controller of Supplies (Bengal Circle).
SIR THOMAS AINSCOUGH, C.B.E.	H. M. Senior Trade Commissioner.
MR. K. S. PATTON	American Consul General, Calcutta.
„ J. K. MITTER	Bengal National Chamber of Commerce
„ M. L. SHAH	Indian Chamber of Commerce ...
„ M. L. KHEMKA	Marwari Chamber of Commerce
KHAN BAHADUR G.A. DOSSANI,	President, Muslim Chamber of Commerce
MR. A. JALIL	Secretary, Muslim Chamber of Commerce.

The notice convening the meeting having been taken as read, the President addressed those present as follows :—

Gentlemen,

In the first place I extend on behalf of the Chamber a very cordial welcome to the guests who have given up some of their valuable time by accepting the invitation to be present at our meeting to-day. It is fitting also that I should take this opportunity of expressing the satisfaction felt by this Chamber at the appointment, as Governor of Bengal, of so eminent a statesman as the Right

Hon'ble Richard Casey. To him we extend a warm welcome to the Province and an assurance of our loyal support in the onerous tasks which lie ahead of him.

Gentlemen, the accounts of the Chamber of 1943 were issued to you a fortnight ago. They reveal a satisfactory position, on the whole, so far as the Licensed Measurers Department of the Chamber is concerned—a small surplus of Rs. 27,700 odd which has been transferred to the Department's Reserve Account. The results in the case of the Secretarial Department have been a deficit of Rs. 35,200 plus the loss of Rs. 9,500 on the Royal Exchange which the Chamber has had to make good. The total deficit therefore amounts to nearly Rs. 45,000 reduced to Rs. 24,000 if depreciation is deducted.

You will recollect that when we imposed a surcharge of 33½% on Chamber membership subscriptions and Association contributions last year, we thought that the increased income would cover the expenditure. But for a substantially increased liability to income-tax—which, though legally due, seems to me unjustified in the case of a non-profit making organisation—and the large expenditure which the Chamber in common with other employers has had to face on the subsidised sale of foodstuffs to employees, this deficit would have become the small surplus which we anticipated a year ago.

Your Committee have considered the position and do not propose to make any change in the rate of membership subscriptions—which in any case form only a small part of our income, nor in the general level of contributions for secretarial work payable by the recognised Associations. There are, however, one or two of the special projects for which the Chamber is responsible which have been undercharged in the past and which we propose to ask to pay more. One of these is the Foodstuffs Scheme. In this way, though it is difficult to estimate with any accuracy, your Committee hope to balance the Secretarial Department budget for 1944.

The Report of the Committee for the past year, which is in your hands, will give you a comprehensive picture of the wide range

of the subjects which have come before your Committee during the past year. Some of these subjects are of far-reaching importance and have necessitated considerable correspondence, negotiations and discussions both here and in Delhi. I do not propose to take up your time with a general review of these questions. But I feel that the time has come to put on record a number of special activities of the Chamber and its affiliated Associations for which the Chamber provides the executive staff. The activities to which I refer may reasonably be described as "War Work" and are in addition to the normal activities of the Departments, which have also increased out of all recognition as a result of the War.

[During the first ^{two} years of the war the Chamber was, in addition to its normal work, largely concerned with the mobilisation and organisation of resources for war. Through direct membership and through our associated interests, this Chamber covers the majority of European non-official subjects employed in Eastern India and we therefore became immediately concerned with the arrangements for the recruitment of European man-power both for the services and for the organisation of industry for war production.]

Our first task, the preliminary overhaul of personnel by the Industrial Associations, enormously lightened the work of the National Service Advisory Committee, and the recommendations made by industry on the question of the retention or release of technical personnel were of the greatest assistance in the administration of their difficult work.

This was the beginning; but before the end of 1940 we soon found ourselves involved in arrangements for the control and purchase of tea for the British Government, the mobilisation of the vital engineering works and the jute industry for the purposes of war orders, and finally the undertaking of munitions production in civil workshops. Under the guidance of the respective Industrial leaders, the foundations of all these operations were planned and laid

within the Chamber offices and here they have been administered ever since. That these unusual difficulties and problems were solved is due not only to the machinery for collective action which already existed, or was devised here, but also to the personal efforts of the Chamber staff, by that time already seriously depleted..

With 1941 and the entry of Japan into the war a new set of problems was created. A.R.P. became of vital importance and in the almost entire absence of qualified personnel in this country, a great part of the initial work connected with the distribution of information and advice on questions of A.R.P. precautions, A.R.P. structural work and A.R.P. training had to be undertaken from here and continued to be so administered until the development of the Government machinery and the release of skilled personnel in 1943 enabled this work to be handed over.

Then came the general tightening up of controls over production, and the necessity for rigid control over imports caused fresh burdens to fall on the Chamber. It proved to be convenient and useful from the Government point of view for many of those controls to be administered on an industrial basis. The allocation of licences under the Iron & Steel Control Order for the jute, tea, paint and the press house industries was carried out by the Chamber and, at a later date, the importation and distribution of machinery, spare parts, tools, stores and vital raw materials for Industry were entrusted to this organisation. In due course, as many of you know, the work grew to such proportions that special branches had to be set up under our supervision for the purpose.

In 1942 also, partly as a result of the developments of the war in Malaya and Burma, partly as a result of the increase in the cost of living which then began to assume serious proportions, there developed difficulties in maintaining labour morale. 1942 was a year of frequent strikes centering around questions of dearness allowance which threatened to develop into a frenzied pursuit of prices by increasing allowances. For the solution, worked out late in 1942

and now generally adopted in many other parts of India, of freezing dearness allowances and supplying foodstuffs at fixed rates, the Chamber's Industrial Affairs Sub-Committee was responsible, as also in the development of the labour propaganda which the circumstances of 1942 and 1943 urgently required.

To that period also belong the beginning of two of the most interesting developments of civilian organisation which have occurred during this war. The first is that amazing feat of organisation, carried out by the Indian Tea Association and the Tea Planters of Northern India whose estates have, under their own organisation, recruited, despatched and continuously supervised the work of some 70/80,000 Tea Garden labourers on various War projects on our Eastern Frontier. Not only this, but the magnificent work of Planters during the dark days of the evacuation from Burma make an inspiring story which will undoubtedly find a place in the official records of the War. The second development to which I refer, is the housing of the unorganised stevedoring labour of the Port of Calcutta in special camps on the outskirts of the city and latterly the creation out of that labour force of a stevedoring Defence of India Battalion. The initial credit for that effort, which is still largely financed and administered through the Chamber organisation, must go to the President of the Master Stevedores Association and the Secretariat, supported by the Shipping Lines.

1943 was the year of shortages and in no case was the difficulty greater than in maintaining food supplies to industrial labour. I will shortly give you particulars illustrating the magnitude of the Chamber Foodstuffs Scheme, probably the greatest single task the Chamber has ever undertaken: that Scheme alone covers over one million of Calcutta's population. In addition your Indian Tea Association and your Indian Mining Association found it necessary to organise the collection and distribution of food to the employees of those Industries, probably aggregating close on a further one million souls. When it is appreciated that these undertakings were

begun in the midst of an already existing scarcity, with little Government assistance and with an organisation which had to be built up from scratch, surely nothing but credit is reflected on all concerned.

Food was not however the only anxiety. The shortage of coal gave rise to similar difficulties and the collective distribution arrangement made by the Indian Jute Mills Association and the Indian Tea Association have proved of the utmost value to their industries and to the War effort.

In all these enterprises of great importance and magnitude, voluntary and additional paid assistance has been forthcoming in generous measure and to all who have contributed to their success a sincere tribute is due, not least to the senior Secretarial Staff of the Chamber, reduced by fifty-eight per cent of its normal strength. The burden has at times become well-nigh insupportable.

Gentlemen, I have had occasion to press for a greater realisation of our ability to help the Authorities in solving some of the difficult problems of the day. With the background I have given you, it must be conceded that my plea for closer collaboration is based on solid achievement and not on vague optimism.

It was therefore a matter of some satisfaction when the Bengal Chamber was asked to nominate a representative to serve on the Town Planning Committee set up by the G.O.C., Eastern Command. I hope that this Committee will obviate much of the misunderstanding which had almost, and unnecessarily, become synonymous with requisitioning. I have attended the deliberations of this Committee, and its Standing Quartering Board, on behalf of the Chamber and I am in a position to say that there is in this Board a very real appreciation of our difficulties and a sincere desire to cause as little disturbance to the civil population as possible. The initial tasks which this Committee has set itself are, firstly, the removal of unnecessary personnel and offices from this area—some of them may not come within the jurisdiction of Eastern Command and to that extent the subject is more complicated; secondly,

reviewing existing accommodation to ensure its use to the fullest advantage; and thirdly, exploring every possibility of building.

At the same time the Chairman of the Quarters Committee has addressed exploratory letters (some of which you will have seen) to a number of civil Associations, Chambers and Committees, couched in language to which it will be our wish to respond with all the co-operation we can muster. In fact, if this is not forthcoming, we shall only have ourselves to blame for any unnecessary inconvenience which we suffer. I say "unnecessary" because the demands upon this Area render inconvenience a certainty, which we must make up our minds to get used to in greater proportion than we have hitherto experienced. Gentlemen, I think I am interpreting your thoughts correctly when I say that we are fully prepared to meet *any* inconvenience and *any* difficulty provided we know that it is necessary.

We have also been asked to collaborate in the settlement of labour rates, a subject which has caused increasing anxiety to Industrialists who have seen some of their best workers attracted from their normal avocations by extravagant and apparently unco-ordinated rates offered for various military projects. A Committee upon which this Chamber is represented, has been set up by the Military Authorities in respect of casual daily labour in the Calcutta industrial area. Another such Committee has begun to function in the coalfields and I hope we shall soon see the establishment of a satisfactory working basis which will assure a sound distribution of such labour without competitive bidding to inflationary standards. An extension of this process of co-ordination is to be seen in the recent move on the part of the Government of India to arrange for Provincial Labour Supply Committees and Labour Pools to be established throughout the country.

Under the heading of Labour my predecessors of the last two years have had to record unrest, desertion and that lack of stability which emanates from political agitation and economic considerations.

In the past year we have been comparatively free from the disruptive element of agitation, but economic anxieties have been only too much in evidence. That these anxieties have not resulted in disaffection, the credit must go to the essential stability of the labour force and in part to the employer who has in large measure anticipated and shouldered the burden at an early stage before it was clearly felt by the employee.

A year ago the manual worker had recently experienced his first air raids. During the past year, A.R.P. arrangements have been further improved and the worker has gained greater confidence. This was evidenced by the high morale which he displayed under the more serious daylight attack of last December. But the foresight of employers in assuring to their labour adequate dearness allowances and food supplies has been, indisputably, the greatest influence in maintaining the general contentment which has been manifest during the twelve months under review.

The establishment of suitable dearness allowances has proved a subject of extreme complexity and our thanks are due to the patience and ingenuity of your Industrial Affairs Sub-Committee for the agreement which was maintained. All Industries have shown a sense of co-operation with each other, and within their own ranks, without which agreement would have been impossible. I feel that the closer co-operation which we have learnt to exercise in these years of war will stand Industry in good stead in the years to come.

But of all our many functions I think that the credit for the most outstanding service to the whole Industrial Area of Greater Calcutta must go to the Food Section of your Chamber. I confess that when I first undertook the Chairmanship of the Foodstuff Section, some eighteen months ago, I knew we were launching out upon a difficult, complicated and uphill task. I also confess that when I asked Mr. Lagden to take it over from me last March, I by then knew that I had under-estimated the difficulties and scope of the undertaking by about 100%. Finally, I confess that I did not

make this entirely clear to Mr. Lagden, though I know he would not have shrunk from the task if he had realised what he was in for.

There can be no doubt that one of the most powerful factors in maintaining the state of comparative labour content and stability to which I have just referred has been the provision made by employers for the supply of essential foodstuffs to their workers. In the great majority of cases, these supplies have been drawn from the Bengal Chamber Foodstuffs Scheme which was inaugurated in August 1942 and received the immediate encouragement of the Bengal Government. It is unnecessary for me at this stage to go into the circumstances in which the Scheme was started beyond reminding you that it was through no desire on the part of employers to enter the field of the produce merchant, but solely and simply to protect their labour against the exploitation which was undoubtedly taking place and against the interruptions in supply which were such a feature of that critical year 1942, when India was threatened by invasion from without and anarchy from within. I claim for the Scheme, whatever its defects, the credit of a timely measure which was in part responsible for obviating what might easily have developed into a serious situation in the Calcutta industrial areas.

As regards the Scheme itself, few outside that hard-working Committee responsible for its administration, can have appreciated the magnitude of the undertaking and the difficulties which have been encountered in working it smoothly. Let me give you a few revealing particulars. Starting from comparatively small beginnings in August 1942, the Scheme sprang into significance in December of that year when Calcutta had its first enemy air raids. The turnover that month was to the value of Rs. 20½ lakhs worth of food, bringing the turnover for the last four months of 1942 up to a total of Rs. 45½ lakhs. 1943 saw the Scheme in full swing. During that year the value of the foodstuffs handled by the Scheme, and distributed through the Chamber depots to labour and dependants, has amounted in value to nearly 7 crores of rupees or

5¼ million pound sterling. Throughout that period the Scheme catered for the essential food requirements of an average of just under 600,000 workers, to which must be added dependants. A reasonably accurate estimate of the number of souls regularly catered for by the Scheme in 1943 is therefore one million. This estimate is borne out by the results of the census recently undertaken by participating employers in connection with the Government Rationing Scheme of which the Chamber Scheme has now become an integral and, if I may say so, a very important part. From now on employers shops through the Chamber Scheme will be catering on the rationed scale for approximately 1¼ million heads.

Gentlemen, you will agree that this is an enormous undertaking for a private organisation. And you will appreciate the almost nightmare conditions under which, during the past year, the Scheme has had to be worked—conditions under which supplies have been most difficult to obtain and even more difficult to move: conditions under which those responsible for the administration of the Scheme have been, on occasions, unable to foresee supplies for more than a few days ahead; under which they have frequently had to face the disappointment of bulk supplies, whether their own purchases or Government allotments, failing at the last moment to materialise: and all this under chaotic market conditions and the changing circumstances of Government control. Gentlemen, I think it is not only *we* that owe a deep debt of gratitude to Mr. Lagden, his Food Committee, and our Secretary Mr. Fairbairn and his staff, for their services on our behalf.

(Applause).

As a result of our perseverance, the Government of Bengal now have in the Bengal Chamber a Rationing Agent which relieves the Government of administrative responsibility for more than a quarter of the population of the second City of the Empire—the most important section of India's industrial prosecution of the War.

In this position, we can no longer rely upon our own resources and we look to Government to see that we are regularly supplied

with the supplies we are organised to distribute. Government will require all the support that the Province can muster, including that of their political opponents, in the administration of their food policy. We now have a plan : it may not be perfect and we all know that, however good a scheme may be, there is always room for improvement. But this is no excuse for non-co-operation with the plan we have, and no excuse for the persistent attempts to sabotage Government's efforts. Such activities, which take the form of exaggerated aspersions and destructive criticism, encouragement to withhold stocks and evade controls and injudicious articles in the press, amount to fifth column activities and the instigators know that they are guilty of playing with the lives of their countrymen. Surely better instincts can prevail. At the same time Government themselves must be careful to see that all their actions are such as to ensure the confidence they so urgently need. The administration must be adequate in numbers, adequately trained, adequately disciplined and adequately paid. Integrity is of the first importance and there can be few activities which offer more temptations, to underpaid temporary officers, than those of the Food Department. I can think of no Department in which low wages will prove a more false and more dangerous economy.

Similarly if Government are to counter obstruction they must lighten their task by giving the holder an inducement to part with his produce. I would again stress the great, the imperative, urgency of ensuring a more adequate supply of consumer goods.

There is still an acute shortage of the necessities of life—kerosene, cloth, building material, agricultural implements, etc. So long as conditions of scarcity and exorbitant prices prevail in consumer goods, attempts to bring down the price level of essential foodstuffs will be frustrated.

We would also welcome greater evidence that Government is making a determined effort to realise, within reason, the considerable sums which are reported to be outstanding in loans to the

cultivators : so long as these are uncollected Government is financing its own downfall.

Finally, if confidence is to be maintained, enforcement machinery is a fundamental necessity. There is nothing so damaging to public confidence in the administration than the issue of Government orders which are not strictly enforced.

Gentlemen, I will not keep you much longer : in my speech to the Associated Chambers two months ago I made a particular reference to European British interests. As this Chamber is, by its membership, predominantly European I make no apologies for touching on the subject again. I do so for two particular reasons which, if I may put it in this way, are for our own consumption. Firstly, I think it necessary that we should be clearer in our own minds as to what we look forward to in the country to which we have devoted the best years of our lives ; and secondly, we should have a better appreciation of the part we have played in the past. Our claims for the future are based upon, and will be judged by, our services in the past and our potentialities for the future.

There is a regrettable ignorance among our own community of our Indian history, both commercial and administrative. We should all be in a better position to correct some of the misunderstandings which are too frequently deliberately fostered, if we were to take the trouble to study an unprejudiced record of our long connection with this country. I have said that we should study an *unprejudiced* record : I say this with emphasis, for we shall gain nothing by donning a pair of rosy spectacles and reading an account which fails to record our mistakes and shortcomings as well as our successes. Without a study of both sides of the account we shall not be able to appreciate the background of these misunderstandings.

I recently saw the criticism that the majority of Europeans come to this country to make a living, and having made it, return to their own land and forget all about India. Substantially I think

this is correct in respect to many of the town-dwellers, and there is no doubt that we lose much sympathy by reason of our insular character—as a community we are not good mixers, and I admit that I personally am no exception to the rule.

I think that it behoves all employers to select their young recruits to this country with the greatest care; and when they have arrived out here, we should make it our business to see not only that they acquire a deeper knowledge of the language but also that they identify themselves with the life of the country in far greater degree than heretofore. Let us not lay ourselves open to the accusation that we only take out of the country and put nothing in. By this I do not mean the 20 or 30 years of work for which we are paid, but voluntary services for which we are not paid: services which are the evidences of goodwill and understanding.

But what do we look for, and what is the backing for that expectation? We look for equality of treatment for all who trade or manufacture in India: the same equality as is given in the United Kingdom. We base that upon our past services and upon the credit balance of our record which has been built up over two centuries of the community's residence in this country.

In public affairs our community has taken a pride in serving India, side by side with Indians, in the Provincial and Central Legislatures—service which has frequently meant heavy sacrifices and has not carried with it the usual compensation of a political career leading to office. We have taken our part, and given a lead in the promotion of schemes for social welfare, a lead which has all too frequently cost us dearly and left us to compete with a large section of employers of labour who have not been prepared to meet the same cost of social schemes for the advancement of their own people.

In the world of Commerce and Industry there is no gain-saying that British, and Parsee, capital has been the pioneer in

developing Indian industries and paved the way for Indian investors. This capital has, of course, reaped profits from these enterprises, otherwise we should not still be here, but it has also borne the loss of unsuccessful ventures.

Not sufficiently is credit given for the early enterprises financed by British capital. Not sufficiently is it appreciated or admitted that others have since succeeded because the field had been cleared for them long ago, and the losses of pioneer industrialism borne for them by British capitalists. These losses are inevitable in the development of a country, as developed it has been with its communications and its markets, and those who came after are now benefiting without being called upon to pay the price of pioneering risks.

Gentlemen, I have said that misunderstandings have been deliberately fostered and unfortunately this is still a daily feature of public utterances and articles in certain sections of the Press: our community is not the only sufferer but in the more responsible elements of the Press, I readily admit that I have recently seen a welcome tendency to dispense with exaggeration to give consideration to more than one side of a case. I hope that others will follow this high example, for I feel that in the hands of a responsible Press lies one of the greatest powers for good in this country. In their hands lie the seeds of toleration without which this country, its races and its creeds, can never flourish. A paramount power can perhaps prevent the weeds of intoleration from assuming serious growth but this is a very different thing from cultivating toleration which must come from within, and will be one of the first problems of a National Government.

Likewise there is much to support the view that a National Government is desirable to carry out an ambitious programme of construction or reconstruction, but I hope that economic development will not, like the Nation's Food, be made the sport of politics.

We have recently seen the outline of a plan for the economic development of India, which will surely receive the careful study it deserves. It makes no claims to finality or exactitude. It is certainly ambitious both in its requirements of funds and in its estimate of time for attaining its first objective. But if we aim high we shall get somewhere even though we may not reach our goal.

Raising of the standard of living above the line of bare necessity is the first objective and it is satisfactory to see the prominent place given to agriculture in this Indian plan. As I have said before, industrialisation cannot go forward by itself: in fact I would say that agricultural rehabilitation must be in the lead with industrialisation close on its heels.

If by uncontrolled expansion of industrial development we produce goods which the people cannot afford to purchase, we shall witness industrial failures that will frighten capital, discourage the pioneering instinct and put us back for years.

The authors of the scheme stress the necessity for a National Government and Federal Unity in matters concerning economic development. Far-reaching reforms and programmes require something equally important. They require a stable Government with a guaranteed tenure of office.

In a Province such as this I can see little hope of sustained effort so long as parties are ranged against each other on a communal basis, where the communal ratio has taken precedence over efficiency and the attention of the Government has been, perforce, devoted to countering the political moves of its opponents rather than promoting the interests of the Province.

If opposing parties cannot agree sufficiently to form a National Government, it is nevertheless to be hoped that the advice and collaboration of such men of vision as have produced this scheme will be forthcoming to assist the administration of the day, whatever it may be.

The plan, carefully and wisely, avoids any discussion on the exact part that Government must play in all this economic development.

Government assistance, encouragement and guidance will certainly be required but I hope the good sense of industrialists will show that a minimum of control will be necessary. State control is costly and inevitably slows up the wheels. As the President of the Federation of British Industries recently put it, "State control does not have to pass efficiency tests: it survives in spite of itself and at the expense of the community."

Gentlemen, I have drifted into the realms of the future which seems so much closer, but not much clearer. We, here, must not let ourselves imagine that the end of hostilities in the West will afford us any opportunity for relaxing in the East. On the contrary, the call upon us will be greater as the tempo of the War in this part of the world increases.

It is this Chamber and its affiliated Associations that must continue to give the lead in keeping up, and increasing, the industrial support to the Fighting Forces. Give the lead we will!

(Loud Applause)

The PRESIDENT:—Is there any member present who would like to comment on the report or accounts or to raise any subject of interest to the Chamber?

As there was no response to this invitation, the President then moved and Mr. W. A. M. Walker, C.B.E., M.L.A., seconded the following resolution which was declared carried unanimously—

That the report be accepted and the accounts passed.

The PRESIDENT:—I move:

That the election by the Committee of the following firms and Companies be, and is hereby, confirmed:—

CHAMBER MEMBERS.

- Messrs. Associated Instrument Manufacturers (Workshops) Ltd.
- „ Atlantis (East) Ltd.
- „ Bengal Chemical & Pharmaceutical Works, Ltd.
- „ Bitumen Emulsions (India), Ltd.
- „ Henry S. Clark & Co.
- „ Albert David, Ltd.
- „ F. Harley & Co.
- Messrs. D. J. Keymer & Co., Ltd.
- „ Machine Tools (India), Ltd.
- „ Manton & Co.
- „ Mollers (India), Ltd.

ASSOCIATE MEMBERS

- Messrs. Caltex (India), Ltd.
- „ French Motor Car Co., Ltd.

The PRESIDENT :—Gentlemen, the results of the voting for the election of the Chamber Committee for the coming year have already been published but, in accordance with the provisions of article 42 of the Chamber's Articles, I now formally report the results of the scrutiny of the voting papers carried out by Messrs W. J. Younie and D. Mitchell, to whom our thanks are due for their services as scrutineers. The results were :—

President.

Mr. K. W. Mealing.

Vice-President.

Mr. R. B. Lagden, O.B.E., M.C.

Members.

- | | |
|-------------------------------|---------------------------------|
| The Hon'ble Mr. J. H. Burder. | Mr. F. C. Guthrie. |
| Sir Harry Burn. | Sir George Morion, O.B.E., M.C. |
| Mr. T. S. Gladstone. | Sir Renwick Haddow. |
| | Mr. W. T. C. Parker. |

MR. K. W. MEALING :—Before proposing the next resolution which stands in my name, I would like to take this opportunity of

expressing to you my deep appreciation of the great honour you have conferred upon me in appointing me your President for the coming year. I am under no illusion as to the difficulties that lie ahead of us and I can only say that, supported as I shall be by a strong and experienced Committee, I shall devote my best endeavours to maintaining the prestige of the Chamber and the interests of its members during the ensuing year.

Turning now to the resolution, I would like to explain that your acceptance of it will involve an increase of Rs. 100/- per month in the amount payable to Messrs Lovelock & Lewes as Auditors to the Chamber. The former fee of Rs. 300/- was fixed some twenty years ago and since then, as you have heard from the President, the work of the Chamber secretarial department, including the finance and accounts side of it, has increased considerably. Your Committee accordingly recommend acceptance by this meeting of the enhanced fee of Rs. 400/- per month. I should also explain that this fee does not of course include provision for the increase—where any increase has occurred—in the work of auditing the books of the various Associations connected with the Chamber. I move :—

That Messrs. Lovelock & Lewes be and are hereby re-appointed Auditors to the Chamber at a remuneration of Rs. 400 per month.

Mr. L. O. Tasker seconded the resolution which was then put to the meeting and carried unanimously.

Sir John Tait : Mr. President & Gentlemen,—It is my special privilege and pleasure to propose a vote of thanks to the Vice-President and Members of the retiring Committee.

Bengal has always been well served by its Chamber Committee, and speaking as one who has watched the Chamber's activities over many years from a distance and recently at close quarters, I can assure you that this fact has been, and still is, well recognized, in places far distant from Calcutta.

But in these recent years of War and changing conditions, the problems with which the Chamber has been con-

fronted have increased enormously both in volume and in complexity, and I can well appreciate the great sacrifice of time and leisure which individual members of the Committee have had to make in the performance of the work of the Chamber. It is not the meetings that take up their time so much as the ever mounting stack of files which, if not dealt with promptly, soon assume terrifying proportions. It is, indeed, asking a great deal of a busy man, and perhaps a tired man in the circumstances of today with shortage of staff and other difficulties, to add this further burden to that which he has to carry in the conduct of the affairs of his own business.

But it is to the outstanding credit of the European commercial community in all parts of India, that there have always been willing workers in the services of the Chambers of Commerce, eager to further not only the interests of their commercial affairs, but also of those of the people and of the country in which they live.

And now, at the end of an exacting year of office, we should wish to offer to you, Gentlemen of the outgoing Chamber Committee, some expression of our grateful appreciation of your work on our behalf and our recognition of the high standard of efficiency with which you have dealt with the variety of subjects as recorded in the Report for the year 1943.

I have great pleasure in moving—

That a cordial vote of thanks be accorded to the Gentlemen forming the outgoing Committee for their successful management of the affairs of the Chamber during the past year.

MR. D. MITCHELL :—Gentlemen, I have great pleasure in associating myself with the remarks made by Sir John Tait and in seconding the resolution.

The resolution was carried with acclamation.

MR. H. ROWAN HODGE, M.L.A. :—Gentlemen, I rise for the very pleasant purpose of proposing a vote of thanks to

our retiring President. I see here several ex-Presidents and there must be others were also who know, far better than I, what an onerous task is involved when office is accepted as President of the Bengal Chamber of Commerce. One often hears it said, and rightly said, that to be elected President of the Bengal Chamber of Commerce is the greatest honour which Clive Street can confer, but it is not so often remembered that it is also the most onerous and responsible task which can be undertaken.

The President of the Bengal Chamber, as you all know, is also the President of the Associated Chambers of Commerce and he is our representative in the Upper House of the Central Legislature, namely, the Council of State. In addition, he has to undertake work on numerous Committees. This year these duties have been added to by the Town Planning Committee and the Quartering Board. We here today have listened enthralled to his report on the enormous task undertaken over the Chamber Food Stuffs scheme. His generous appreciation of the services of others in that respect is, I feel, partly due to his own modesty, for I am sure he had a great share in that work.

We have seen evidence in Mr. Burder's speeches of his great ability for clear thinking and straight talking, particularly in his speech to the Associated Chambers of Commerce, when His Excellency, the Viceroy, was our principal guest, and also in his speech today, in which there is much food for thought.

In short, Gentlemen, Mr. Burder has done us proud and I am sure you will all signify in the usual manner your warm support to a most cordial vote of thanks to him. *(Applause)*.

The President :—Gentlemen, I greatly appreciate the generous remarks of Mr. Rowan-Hodge and thank you for the way in which you have so kindly endorsed them.

But I cannot let the occasion pass without expressing my gratitude to Mr. Mealing and the retiring Committee for their

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continuous support and advice throughout the year. Coupled with them in my gratitude is our Secretary, Mr. Fairbairn, who has been a tower of strength to us all. Finally, there are the many Standing Committees, Sub-Committees and our representatives in the Legislatures and other public bodies to all of whom like to take this opportunity of conveying our very sincere thanks for their hard work throughout the year. *(Applause).*

The proceedings then terminated.

D. C. FAIRBAIRN
Secretary.

J. H. BURDER
President.

REPORT

OF

THE COMMITTEE

OF THE

BENGAL CHAMBER OF COMMERCE

FOR THE YEAR 1943.

CALCUTTA :
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BENGAL CHAMBER OF COMMERCE

REPORT OF THE COMMITTEE FOR THE YEAR 1943.

The Committee of the Bengal Chamber of Commerce have now the honour to submit their report for the year 1943 to the members of the Chamber.

The following gentlemen were elected to the Committee at the Annual General Meeting of the Chamber held on the 26th February 1943. *President*: The Hon'ble Mr. J. H. Burder (Messrs. Jardine, Skinner & Co.); *Vice-President*: Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.); Sir Harry Barn (Imperial Chemical Industries (India), Ltd.); Mr. T. S. Gladstone (Messrs. Gillanders, Arbuthnot & Co.); Mr. F. C. Guthrie (Messrs. James Finlay & Co., Ltd.); Sir Renwick Haddow (Messrs. Mackinnon, Mackenzie & Co.); Mr. R. B. Lagden, c.n.e., m.c. (Messrs. McLeod & Co., Ltd.); Mr. R. Macfarlane (Chartered Bank of India, Australia & China); Sir George Morton, o.s.e., m.c. (Messrs. Bird & Co.).

The only change which took place during the year was due to the death of Mr. R. Macfarlane whose place was subsequently filled by Mr. W. T. C. Parker (Lloyds Bank, Ltd.).

The Hon'ble Mr. R. R. Haddow (now Sir Renwick Haddow) resigned his seat as the representative of the Chamber, on the Council of State in May 1943. Mr. J. H. Burder (Messrs. Jardine Skinner & Co.) was elected in his place.

The representatives of the Chamber on the Bengal Legislative Assembly are:—Mr. D. Gladding, c.i.e., i.c.s. (Calcutta Electric Supply Corporation, Ltd.); Mr. R. Haywood (Messrs. Pigott, Chapman & Co.); Mr. D. Hendry (Imperial Chemical Industries (India), Ltd.); Mr. M. A. F. Hirtzel (Messrs. Macneill & Co.); Mr. H. Rowan Hodge (Messrs. Orr, Dignam & Co.); Mr. J. R. Walker, F.T.I. (Messrs. McLeod & Co., Ltd.); Mr. W. C. Wordsworth (*The Statesman Ltd.*).

The representatives of the Indian Jute Mills Association on the Bengal Legislative Assembly are:—Mr. W. A. M. Walker, c.n.e. (Messrs. Barry & Co.); and Mr. I. G. Kennedy (Messrs. Jardine, Skinner & Co.).

The Indian Mining Association is represented on the Bengal Legislative Assembly by Mr. R. B. Whitehead (Messrs. Turner, Morrison & Co., Ltd.).

The representatives of the Indian Tea Association are:—Mr. G. G. MacGregor (Messrs. Davenport & Co.); and Mr. C. W. Miles (Messrs. Shaw, Wallace & Co.).

The European Party in the Bengal Legislature have continued the practice of issuing, during the Sessions, periodical reports surveying the proceedings of the Legislative Assembly & Council.

The representatives of the Chamber on the Calcutta Port Commission are:—Mr. Neil Brodie (Messrs. Gladstone, Wyllie & Co.); Mr. T. S. Gladstone (Messrs. Gillanders, Arbuthnot & Co.) Sir Renwick Haddow (Messrs. Mackinnon, Mackenzie & Co.); Mr. G. C. H. Kent (Messrs. Kilburn & Co.); Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.); Mr. J. Morshend (Messrs. Turner, Morrison & Co., Ltd.).

On the expiry of the term of office of Mr. Neil Brodie in January 1944, he was re-elected for a further period as a representative of the Chamber on the Calcutta Port Commission.

The Chamber representatives in the Calcutta Corporation Calcutta Municipal Corporation are:—Mr. L. W. Balcombe (Messrs. Turner, Morrison & Co., Ltd.); Mr. W. R. Humphrey (India General Navigation & Ry. Co., Ltd.); Mr. J. H. Method (Messrs. J. Thomas & Co.); Mr. H. N. Nicholls (Messrs. Smith, Stanistreet & Co., Ltd.); Mr. R. W. Plummer (Messrs. Plummer Bros. & Co.); and Mr. J. N. Smart (Messrs. Landale & Clark, Ltd.).

On the death of Mr. E. S. W. Haward (Calcutta Electric Supply Corporation, Ltd.) in January 1943, Mr. R. W. Plummer was elected to fill the vacancy.

Periodical reports on civic affairs have been prepared as usual by the European Group in the Corporation during the year and issued to interested members.

Mr. R. S. Puresell, C.I.E., O.B.E. (The Calcutta Tramways Co., Ltd.) continued to represent the Chamber on the Board of Trustees for the Improvement of Calcutta, during the year.

The representatives of the Chamber on the Bengal Boiler Commission are:—Mr. J. M. Grant (Clive Jute Mills); Mr. W. Gow (Messrs. Burn & Co., Ltd.); Mr. W. H. W. Urquhart, A.M.I.MECH.E. (Messrs. Andrew Yule & Co., Ltd.).

Mr. J. M. Grant (Clive Jute Mills) and Mr. R. J. Oliver (Bengal Smoke Nuisances Commission) represent the Chamber on this Commission.

Mr. A. B. Mallett (Messrs. Mackinnon, Mackenzie & Co.) has been recently re-nominated for a further term of office as the representative of the Chamber on this Board.

Mr. J. A. Murray (Messrs. Jardine Skinner & Co.) continued to serve as the representative of the Chamber on this Committee throughout the year.

Mr. J. W. Church (The Calcutta Electric Supply Corporation, Ltd.) continued to act as the representative of the Chamber on this Board.

Mr. F. F. M. Ferguson (Dunlop Rubber Co. (India), Ltd.) served throughout the year as the representative of the Chamber on the Board of Communications.

Mr. J. F. Elton (Messrs. Kilburn & Co.) is the representative of the Chamber on the Traffic Advisory Board, on which he served throughout the year.

Mr. C. E. J. Crawford (Imperial Chemical Industries (India), Ltd.) represents the Chamber on the Board of Industries.

Mr. A. P. Benthall (Messrs. Bird & Co.) represents the Chamber on this Board, whose term of office has been extended for a further year.

Mr. J. E. Ordish (Messrs. George Henderson & Co., Ltd.) represented the Chamber on this Committee throughout the year.

The representatives of the Chamber on the Managing Committee of the Bengal Textile Institute, Serampore, are:—Mr. W. Morrison (Angus Jute Mill); and Mr. A. L. Lyell (Messrs. Shaw, Wallace & Co.).

Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.) is the representative of the Chamber on this Committee.

The representatives of the Chamber on the Auxiliary Force Advisory Committee are:—Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.); and Sir Bernard Pratt (Imperial Chemical Industries (India), Ltd.).

The President, The Hon'ble Mr. J. H. Burder, is the representative (*ex-officio*) of the Chamber on this Committee.

Mr. T. S. Gladstone (Messrs. Gillanders, Arbuthnot & Co.) and Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.) are the representatives of the Chamber on the Local Advisory Committee of the Bengal & Assam Railway.

Mr. T. S. Gladstone (Messrs. Gillanders, Arbuthnot & Co.) and Mr. G. D. Forrester (The Burmah Shell Oil Storage & Distributing Co. of India, Ltd.) represent the Chamber on the East Indian Railway, Local Advisory Committee.

The representatives of the Chamber on the Commercial Panel of the Railway Rates Advisory Committee are the following:—Mr. W. A. M. Walker, C.B.E., M.L.A. (Messrs. Barry & Co.) representing the jute trade; Mr. H. D. Townend (Messrs. Shaw, Wallace & Co.) representing the grain, seed and petroleum trade; Sir Henry Richardson (Messrs. Andrew Yule & Co., Ltd.) representing the coal trade; Mr. R. B. Laiden, O.B.E., M.C. (Messrs. McLeod & Co., Ltd.) representing the tea trade, and Mr. P. A. Cronopulo (Messrs. Ralli Bros., Ltd.) representing general trade.

The representatives of the Chamber on this Board are:—The Hon'ble Mr. J. H. Burder (Messrs. Jardine, Skinner & Co.) and Mr. A. B. Jamieson, (National Bank of India, Ltd.). Mr. Jamieson succeeded Mr. D. D. Storrar who resigned

in April 1942. Mr. N. T. Brain (Messrs. Brooke Bond India, Ltd.) continued to serve on the Board, as the representative of the Associated Chambers of Commerce of India.

Mr. W. F. Dines (Messrs. Angelo Bros., Ltd.) and Mr. D. G. Sevastopulo (Messrs. Ralli Bros., Ltd.) are the representatives of the Chamber on this Committee.

Mr. J. Findlay (Messrs. Bird & Co.) was recently re-nominated as the representative of the Chamber on the re-constituted Visiting Committee of the Campbell Hospital.

Mr. R. J. R. Davidson (Messrs. Andrew Yule & Co., Ltd.) is the representative of the Chamber on the re-constituted Visiting Committee of the Medical College Hospitals.

Mr. A. T. Orr Dens (Messrs. Mackinnon, Mackenzie & Co.) succeeded Mr. A. K. G. Hogg, of the same firm, who resigned in July 1943, as the representative of the Chamber on the Governing Body of the Mayo Hospital. The other representative of the Chamber is Mr. E. A. Paterson (Messrs. Jardine, Skinner & Co.).

Mr. G. J. Cutler (Tea Districts Labour Association) is the representative of the Chamber on this Board.

Mr. C. Stewart (Messrs. Jardine, Skinner & Co.) is the Chamber's representative on the Committee of the Bengal Branch of the Lady Minto's Indian Nursing Association.

Mr. W. A. M. Walker, C.B.E., M.L.A. (Messrs. Barry & Co.) represents the Chamber on the General Committee of the Calcutta Hospital Nurses' Institution.

The Hon'ble Mr. J. H. Burder (Messrs. Jardine, Skinner & Co.), the President, is the representative of the Chamber on the Managing Body of the Bengal Branch of the Indian Red Cross Society.

The President, the Hon'ble Mr. J. H. Burder (Messrs. Jardine, Skinner & Co.) is also the representative (*ex-officio*) of the Chamber on the Committee of Management of this Fund.

Mr. J. Morshead (Messrs. Turner, Morrison & Co., Ltd.) succeeded Mr. G. V. Lloyd of the same firm as the representative of the Chamber on the Board of Trustees of the Indian Museum in April 1943.

The Chamber's representative on this Board is Mr. N. MacLeod (Messrs. Mackinnon, Bengal Board of Film Censors. Mackenzie & Co.).

The President, the Hon'ble Mr. J. H. Burder (Messrs. Jardine, Skinner & Co.) is *ex-officio* Trustee and a member of the Executive Committee of the Victoria Memorial representing the Chamber.

Mr. W. J. Youmie (Messrs. Price, Waterhouse, Pent & Co.) and Mr. J. Blair (Messrs. James Finlay & Co., Ltd.) are the representatives of the Chamber on the Board of Management of the Institute.

Mr. F. W. A. Carpenter (Messrs. Bird & Co.) is the representative of the Chamber on the Calcutta Technical School. The Governing Body of this School.

The Chamber's representative on this Board is Mr. F. W. A. Carpenter of Messrs. Bird & Co. Board of Apprenticeship Training.

Mr. W. S. C. Tully, M.B.E., A.C.A., R.A. (Messrs. Gillanders, Arbuthnot & Co.) is the representative of the Chamber on the Board of Governors of St. Thomas' School.

The President of the Chamber, the Hon'ble Mr. J. H. Burder (Messrs. Jardine Skinner & Co.) is an *ex-officio* member of the Board of Governors of this Institution. La Marineire : Board of Governors.

Mr. W. S. C. Tully, M.B.E., A.C.A., R.A. (Messrs. Gillanders, Arbuthnot & Co.) the nominee of this Chamber, is the representative of the Associated Chambers of Commerce of India on the Indian Accountancy Board.

Mr. H. M. Molesworth (Imperial Chemical Industries (India), Indian Statistical Institute. Ltd.) succeeded, Mr. J. M. Lall, A.C.A. of the same firm, as the representative of the Chamber on the Council of the Institute, on the latter's transfer to Delhi in March 1943.

The representatives of the Chamber on the Executive District Charitable Society. Committee of the Society are:—Mr. T. S. Gladstone (Messrs. Gillanders, Arbuthnot & Co.); and Mr. W. McIntyre (Messrs. Maeneill & Co.).

Mr. W. McIntyre (Messrs. Maeneill & Co.) also represents the Chamber on the Committee of Management of this Institution. The Government Workhouse.

Mr. J. Morshead (Messrs. Turner, Morrison & Co., Ltd.) succeeded Mr. G. V. Lloyd of the same firm in April 1943 as the representative of the Chamber on this Committee. European Unemployed Relief Committee.

The President, the Hon'ble Mr. J. H. Burder (Messrs. Jardine, Skinner & Co.) is the representative of the Chamber *ex-officio* on the Central Council of the Ex-Services Association.

Mr. W. J. B. Walker, C.A. (*The Statesman Ltd.*) is the representative of the Chamber on the Crichton Trust. The Crichton Trust.

Mr. E. Lyne (Messrs. Hoare, Miller & Co., Ltd.) represents the Chamber on the General Committee of Cruelty to Animals. The Calcutta Society for the Prevention of Cruelty to Animals.

Mr. A. B. Mallett (Messrs. Mackinnon, Mackenzie & Co.) has recently been re-nominated as the representative of European Commerce in Calcutta on the Advisory Pilot Committee for the year 1944. Advisory Pilot Committee, Bengal.

Mr. A. T. Orr Dens (Messrs. Mackinnon, Mackenzie & Co.) succeeded Mr. A. K. G. Hogg of the same firm as one of the representatives of the Associated Chambers of Commerce of India on the Central Advisory Committee for Lighthouses, representing European Commerce in Bengal. Central Advisory Committee for Lighthouses.

Mr. S. D. Gladstone (Messrs. Ogilvy, Gillanders & Co., London) is the representative of the Chamber on the Executive Council of the Federation.

The representatives of the Chamber on the Committee of Seamen's Welfare Association. Management of this Association are :—
 Sir Renwick Haddow (Messrs. Mackinnon, Mackenzie & Co.) and Mr. J. Morshend (Messrs. Truner, Morrison & Co., Ltd.).

Sir Henry Horsman is the joint representative of the Upper India and Bengal Chambers of Commerce on the Committee of the Federation.

Sir George Morton, O.B.E., M.C. (Messrs. Bird & Co.) is the representative of the Chamber on this Provincial Advisory Committee for War Supplies in Bengal.

Mr. P. F. S. Warren, B.A. (Cantab.), A.M.I.C.E., M.I.E. (Ind.), The Board of Scientific and Industrial Research. (Messrs. Jessop & Co., Ltd.) is the representative of the Chamber on this Board.

Mr. S. J. Vlasto (Messrs. Ralli Bros., Ltd.) is the representative of the Chamber on this Sub-Committee.

Dr. W. G. Macmillan, B.Sc., Ph.D. (Aberd & Cantab.), F.I.C. Bengal Board of Scientific Research. is the representative of the Chamber on this Board.

Mr. C. D. Ferrier, M.A., B.Sc. (Messrs. Gillanders, Arbuthnot & Co.) is the nominee of the Chamber on this Provincial Advisory Board on Forest Utilization.

Mr. H. D. Townsend represents the Chamber on the Advisory Bengal Price Control Committee.

The representative of the Chamber on this Board is Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.).

Mr. W. Corsie (Messrs. Lyall, Marshall & Co.) is the nominee of the Chamber on this Board.

Mr. D. Gladding, C.I.R., I.C.S. (Calcutta Electric Supply Corporation, Ltd.) has been re-nominated as the Chamber's representative on the Provincial Transport Authority, Bengal, as provided for under the Bengal Motor Vehicles Act, 1939.

Mr. J. P. Baggs (Messrs. Gillanders, Arbuthnot & Co.) is the representative of the Chamber on the Regional Transport Authority.

The report of the Royal Exchange for the year 1943 is appended to this Report. The business of the Exchange has proceeded as usual during the year.

Arbitrations under the auspices of the Tribunal of Arbitration of the Chamber are classed under three headings, jute, piece-goods and general. The heading "general arbitrations" embraces jute manufactured goods, coal, etc., disputes in which mostly questions of law and custom are involved, and all cases in which goods other than jute and piece-goods are concerned.

The total number of arbitration cases instituted during the year 1943 was 499 and there were 55 cases pending at the close of the year 1942. Of these cases, 461 proceeded to award; 49 were withdrawn; and 44 cases were pending at the close of the year 1943. In 1 case 7 awards and in 2 cases 2 awards each were issued as the dispute arose from more than one contract. The various classes of goods in cases in which awards were issued were represented as follows :—Jute 420; Hessians and Bags 27; Piece-Goods 1; Coal 1; Rice 1; Yarn 1; and Miscellaneous 10. The revenue derived by the Chamber from institution fees paid by members and non-members, including applications for the issue of certified survey reports referred to in the following paragraph, amounted to Rs. 35,242 as compared with Rs. 36,988 in the preceding year.

During the year under review 85 survey applications were received and 15 applications were pending at the close of 1942. These were dealt with under the Rules for surveys. Arising out of these applications 88 certified reports were issued, 5 cases were withdrawn and 7 cases were pending at the end of 1943. In 3 cases 2 reports each were issued as separate parcels were involved. The various classes of goods were represented in this total to the following extent :—Linned 27; Hessian Cloth and Bags 9; Castor-Seed 2; Yarn 1; Piece-Goods 1; and Fodstuffs 48.

The report of the Managing Committees of the Licensed Measurers Department. Measurers Department of the Chamber for the year ended the 31st December 1943 is attached to this report as usual.

GENERAL.

The Associated Chambers of Commerce of India: 25th Annual General Meeting, December, 1943.—His Excellency, the Viceroy, Field Marshal The Right Hon'ble The Viscount Wavell, P.C., G.C.B., G.C.S.I., G.C.I.E., G.M.G., M.C., accompanied by His Excellency, Sir Thomas Rutherford, K.C.S.I., C.I.B., I.C.S., Acting Governor of Bengal, graciously opened the proceedings of the 25th Annual General Meeting of the Associated Chambers of Commerce of India on Monday, the 20th December 1943. Other distinguished guests also favoured the Chambers on this occasion with their presence at the opening ceremony which was attended by a more than usually large gathering of members of the Bengal Chamber of Commerce. The following resolutions—which were generally brought forward at the instance of the Chambers specified—were unanimously adopted at the meeting:—

1. *Income Tax : Property—Allowance for repairs under section 9(B)(i)—Upper India Chamber—*

In view of the increased cost of materials and labour and the fact that rents have remained practically unchanged owing to rent restriction orders framed under the Defence of India Act, 1939 and other causes, this Association invites the attention of the Central Board of Revenue to the inadequacy of the allowance of one-sixth of the *bona fide* annual value of property consisting of buildings and lands appurtenant thereto permissible under Section 9 sub-section (1) Clause (i) of the Income Tax Act (Act XI of 1922) and recommends that it should be made more liberal by suitable amendment of the Act.

2. *Income Tax Appellate Tribunal—Bengal Chamber—*

This Association requests the early attention of the Government of India to the following matters connected with the practice and procedure before the Income Tax Appellate Tribunal:—

- (1) That the request for the establishment of local Registrars for filing of applications and for facilitating communications with the local Benches, be reconsidered.
- (2) That the decisions of all Benches of the Tribunal be made available to the public, if necessary by the amendment of Section 84 of the Indian Income Tax Act, and
- (3) That the Government of India take an early opportunity, in consultation with commercial interests, of revising where necessary various provisions of the Income Tax Appellate Tribunal's Rules and Forms and the practice obtaining thereunder.

3. *Excess Profits Tax : Post-War taxation on profits of industry—Bengal Chamber—*

This Association urges the Government of India to give an assurance to industry that, on the termination of excess profits tax, all revenue expenses incurred or accrued in earning these excess profits but not already included in computing the final liability to excess profits tax; and that refunds of such tax in adjustment thereof will be made should the tax have been removed.

4. *Post-War Re-construction—Madras Chamber—*

This Association believes that a programme of post-war reconstruction should cover the whole social and economic field, including measures necessary to raise agricultural production and a determined drive against ill-health, poverty and disease, aiming at a substantial rise in the standard of living of the peoples of India and that such plans should include industrial expansion at a socially desirable level. To further this programme, it is resolved to recommend to the Government of India the immediate appointment of a Committee composed of those qualified to plan such measures as are necessary and to remain in session until their work is concluded.

5. *Post-War Trade Policy—(as amended)—Panjab Chamber—*

While this meeting welcomes arrangements for international co-operation in regard to currency and trade matters if it desires to draw special attention to the comparative backwardness of India's economy and its low standard of living, and trusts, therefore, that such arrangements as may be entered into on India's behalf will not interfere with the orderly development of India's resources, both in men and materials, and in the consequential improvement in the standard of living.

This meeting is further of opinion that, in the meantime, a comprehensive review, particularly of taxation, excise and tariffs in India, in all their aspects, should be undertaken in the interests of ensuring a balanced development of India's economy on sound and secure foundations.

6. *War Risks Insurance—Northern India Chamber—*

In view of the substantial amounts standing to the credit of the War Risks (Factories) Insurance Fund and the War Risks (Goods) Insurance Fund and having regard to the all-round improvement in the war situation as a whole, the Associated Chambers recommend that the War Risks (Factories) Insurance Scheme be continued for a period of one year from the 1st April 1944 at a rate of premium not exceeding one-half of one per cent. per annum and that with effect from the commencement of the next ensuing quarter, the rate of premium under the War Risks (Goods) Insurance Scheme be reduced to one-half anna per complete hundred rupees per month or part of a month.

7. *Inflation—Panjab Chamber—*

While recognising the efficacy of the steps already taken by Government to control inflation of currency, this meeting is of opinion that early steps should be taken to facilitate the import of capital goods and bullion and a short-term policy to restrict the import of consumption goods to meet the present deficiency.

8. *Claims in respect of lost or damaged goods against Railway Administrations—Bengal Chamber—*

While appreciating the greatly increased difficulties of Railway Administration brought about by the war, this Association urges upon the Railway Board the necessity for improving the supervision and methods of handling of cargo in transit by rail in order to reduce the heavy damage and losses at present being incurred and recommends that the procedure of the Claims Section of the various Railways be reviewed by a competent Committee with the object of enabling them efficiently and promptly to dispose of claims filed against them by the public.

9. *Trunk Telephone Services—Northern India Chamber—*

This Association draws attention to the present almost total exclusion of business interests from the use of the trunk telephone service as an instrument for the transaction of business, and recommends that a period of two hours be reserved daily for commercial trunk calls during which period only the highest priority calls will be accepted from selected departments and officials of Government, and of the Forces.

10. *The Trade Marks' Act, 1940: Reciprocal arrangements with Indian States—Madras Chamber—*

This Association invites the attention of the Department of Commerce to the need for an early settlement of the difficulties arising out of the necessity to satisfy the requirements of more than one registration authority in India and urges the Government of India to secure the acceptance of a common policy on trade mark registration as between British India and the various Indian States.

The following resolution was carried *non con.* :—

11. *India's Food Policy—Punjab Chamber—*

This meeting urges upon the Government the imperative necessity of making India self-supporting in the matter of food and recommends that all necessary steps for this purpose should be taken with the least possible delay and, in particular, steps be taken to prevent the export of manures (including all commodities of material value) and also to arrange for the expeditious import, both of fertilisers and of plant for the manufacture of fertilisers, on as large a scale as possible.

At the ordinary meeting, which followed the formal part of the agenda, the Bengal Chamber of Commerce was again appointed to nominate the President and Secretary for the ensuing year.

THE WAR

WAR RISKS INSURANCE

A. *GENERAL: (1) Continuance of War Risks Insurance Schemes.—*

The question of the attitude which the Associated Chambers should adopt towards the renewal, continuance or otherwise (in their present or in amended form) of the above War Risks Insurance Schemes when their current term expires next year, engaged the attention of the Chamber Committee in consultation with the Industrial Affairs Sub-Committee. The question of the continuance of the "Factories" scheme after the 31st March 1944, however, was the subject of an official reference made to the Associated Chambers by the Government of India. As a reply was requested by the 18th December, arrangements were made for the subject to be discussed at the Annual General Meeting of the Associated Chambers of Commerce on the 20th December when the following resolution—which has since been communicated to the Government of India—was unanimously adopted :—

In view of the substantial amounts standing to the credit of the War Risks (Factories) Insurance Fund and the War Risks (Goods) Insurance Fund and having regard to the all-round improvement in the war situation as a whole, the Associated Chambers recommend that the War Risks (Factories) Insurance Scheme be continued for a period of one year from the 1st April 1944 at a rate of premium not exceeding one-half of one per cent, per annum and that, with effect from the

commencement of the next ensuing quarter, the rate of premium under the War Risks (Goods) Insurance Scheme be reduced to one-half anna per complete hundred rupees per month or part of a month.

(2) *War Risks Insurance: Rates of Premium.*—In March the Chamber had under consideration a letter received from the Associated Chambers in which it was stated that a recommendation had been received from two constituent Chambers that action should be taken to obtain a reduction in the rates of premium payable under the War Risks Insurance Schemes. The reduced threat of air raids in North-Western and Central India—accepted by the Government of India as a reason for reducing A. R. P. expenditure in these areas—was the ground on which one Chamber recommended that such a claim for reduced rates should be made. The other recommended that a case should be submitted to the Government of India for a reduction in the War Risks (Goods) Insurance Scheme rate only.

The Associated Chambers, in considering the question separately with reference to (i) the War Risks (Goods) Insurance Scheme, and (ii) the War Risks (Factories) Insurance Scheme, pointed out that the latter scheme had not then been in operation for a full year and no official figures were available to show how the "Factories" Insurance Fund stood. Moreover, the current rate of premium, namely 4%, covered a period of two years to the end of March 1944. This latter consideration, it was thought, precluded any prospect of a reduction in the present rate and, before considering the submission of any official representations to the Government of India, the Associated Chambers considered it desirable to await the financial results of the first full year's working of the scheme.

The Chamber was in complete agreement, and considered that there were no good grounds at the present time on which to base representations to the Government of India for a reduction in the rate of premium under the War Risk (Factories) Insurance Scheme.

As regards the War Risks (Goods) Insurance Scheme, this matter—it was explained—had already been taken up informally by the Associated Chambers with the Department of Commerce, Government of India, which action had elicited the statement that so long as the Japanese were still in occupation of Burma, Government could not entertain any proposal for a reduction in the existing rate of premium. The Associated Chambers also drew attention to the fact that it had already been officially notified that the premium payable under any policy of insurance under the "Goods" Insurance Scheme in respect of the quarter ending 30th June 1943 should be 3 annas per month or part of a month for each complete sum of one hundred rupees, being the same rate as for the previous quarter.

The Chamber's opinion was that the Associated Chambers should press the Government of India for a reduction in the rate of premium so far as the War Risks (Goods) Insurance Scheme was concerned. Action on these lines was in due course taken and has resulted in a reduction in the rate from 3 to 2½ annas for the July/September quarter.

In Government of India Notification No. 43-W.R.I.(G)/43 published in September the rate of premium was fixed at 2 annas per month or part of a month for the quarter ending 31st December 1943.

B. WAR RISKS (GOODS) INSURANCE SCHEME :—
Iron and steel goods.—In the report for 1942 reference was made to the notifications issued by Government on the 14th November, the effect of which was to create a new category of goods voluntarily insurable under the Ordinance, to which a large number of commodities including various categories of iron and steel (previously in the schedule of non-insurable articles) were transferred. The premium chargeable in respect of the insurance of goods in this category was double the normal rate, and was regarded by the Chamber as excessive and unjustified, especially as it had been understood that the main reason for the exclusion of the goods in question from the operation of the Ordinance was that their nature did not make them easily liable to extensive damage. Government therefore were strongly pressed by the Chamber to reconsider the double rate imposed in respect of the classes of goods referred to.

Information was subsequently received that the Chamber's request has been fully considered, but Government were unable to revise the rate.

Government were also asked to clarify the following points in relation to the voluntary insurance of the goods referred to above, particularly as regards fabricated or semi-fabricated iron and steel goods :—

- (a) Is the insurable value unlimited?
- (b) Does the scheme cover only material or materials plus labour and overheads?
- (c) If the latter, how is the value to be computed, and at what intervals is it to be reappraised?
- (d) Does the value include any element of profit?
- (e) Does the scheme cover only work in progress, or does it include finished goods in transit?
- (f) Does the scheme cover any and every kind of engineering work, or are omissions from the schedule to be regarded as exclusions.

The following explanation was received from Government :—

- (a) The insurable value is unlimited.
- (b) In case of finished and part finished articles, labour and overheads are included.
- (c) Value is to be computed on the basis of the value of materials plus labour and overhead charges up to the time of insurance and may be reappraised from time to time when substantial appreciation in value takes place.
- (d) The value reckoned for insurance does not include any element of profit.
- (e) & (f) The scheme covers all finished goods for sale and also materials from which the goods for sale are manufactured. Goods mentioned in the Schedule to the Notification No. 70-W.R.I./42 dated 14th November 1942 are not insurable at all. Those mentioned in Notification No. 71-W.R.I./42 dated 14th November 1942 are voluntarily insurable and those outside these notifications are compulsorily insurable if the total value of all insurable goods owned by the trader exceeds Rs. 20,000/- in any one Presidency town or district.

C. WAR RISKS (FACTORIES) INSURANCE SCHEME :
(1) Requisitioned Factory Property.—The Chamber's attention was drawn by the Indian Jute Mills Association to the anomalous position which had arisen as a result of a ruling of the War Risks Insurance Advisory Committee, Bombay, that where a factory had insured the buildings of certain godowns in their compound and had then had them requisitioned for military use, Government had held that these godowns ceased to be insurable under the War Risks (Factories) Insurance Ordinance, 1942. In view of the obvious effects this would have on industrial establishments, the Chamber was asked to take the question up with the Government of India. Accordingly the Chamber addressed a summary of views on the subject to the Government in September. The Committee stressed the seriousness of the position and maintained that immediate action by the Government of India was necessary in one of two directions namely :—

- (a) an amendment of the Ordinance on the lines of a provision to the effect that, notwithstanding anything contained in the Ordinance, property appertaining to a factory does not cease to be insurable under the Ordinance merely by reason of its being requisitioned or hired by Government and thereby no longer appertaining to or being used for the purposes of the factory; or
 - (b) the assumption, by the Government departments responsible for the requisitioning of the property, of liability for war risks damage sustained by the property during the period of requisition or hire.
- It was considered essential that the Government departments concerned should forthwith arrange that the owners of requisitioned property should be fully indemnified against war risks or other damage. But to avoid the delay which would be caused by the number and diversity of the channels through which such an

arrangement would have to pass, it was strongly urged that the Ordinance be amended on the lines indicated in paragraph (a) above, in order to afford cover of at least the 80% allowed by the War Risks Insurance Scheme to requisitioned properties, with the acceptance by the Government departments concerned of liability for the reimbursement to the owners of the insurance premium involved. The Chamber emphasised the necessity for immediate action by the Commerce Department in consultation with the War and Supply Departments to which a copy of the proposals had been sent, as also to the War Risks Insurance Advisory Committee in Bombay.

In November the War Risks Insurance Advisory Committee informed the Chamber that the question had been discussed in conference with Government in Bombay, when it was decided that too many complications would arise following an amendment of the Ordinance, as numerous policies had been rectified and refunds granted in respect of premises taken over by various authorities, and that industry in many parts of India would not want war risks cover to continue. The possibility of adopting the alternative course (b) suggested by the Chamber was under the consideration of the Government. The Commerce Department in a later letter reiterated the assurance that the matter was being considered and every effort was being made to expedite a decision.

(2) *Transfer of property from one factory to another.*—In March the Associated Chambers of Commerce of India made a representation to the Government of India in connection with the double payment of war risk insurance premium in the case of machinery and plant which had been transferred from one factory to another.

In reply, the Government of India stated that they had decided that where, as a result of some *bona fide* transaction or by operation of law, any property forming part of an insured factory ceased to be used for the purposes of that factory and thereby ceased to be insurable in relation to that factory, rectification of the policy would be allowed with effect from the beginning of the quarter next following that in which the property ceased to be insurable so as to exclude its value with consequent adjustment in subsequent instalments of premium.

Government's letter added that if any plant and machinery appertaining to an insured factory were transferred to another such factory, they would form additions to the latter factory and a supplementary policy should be taken out in respect of the transferred plant and machinery in relation to that factory before the end of the quarter in which the transfer took place. The premium payable

under such supplementary policy would not be the full 4% of the insurable value of the property, but would be governed by Commerce Department Notification No. 15-W.R.I.(P)/42 dated the 29th May 1942 as subsequently amended. As regards the factory from which the transfer took place the policy would, as explained in the preceding paragraph, be rectified from the beginning of the quarter next following that in which the transfer was effected.

(3) *Tramways.*—Tramway concerns come within the Factories Insurance Scheme, only to the extent to which they are "factories" for the purposes of the Factories Act, 1934. In May 1942 the Associated Chambers recommended to Government that provision should be made to extend cover to tramway systems including rolling stock; but the Government of India took no action on these lines and in the absence of any further expressed desire on the part of the various tramway undertakings in India for the re-igation of this issue, the matter was not actively pursued. It was, however, re-opened by the Karachi Chamber who suggested to the Associated Chambers that in the event of tramway undertakings becoming insurable, tramway track in that vicinity should be excluded from compulsory insurance under the Scheme, as in their view the risk of serious damage by enemy action was negligible. The Associated Chambers were of the opinion that the Government of India might not accept this view; indeed the contrary might prove to be the case, as railway lines, overhead cables, etc., within the precincts of a factory were at present compulsorily insurable under the scheme.

Constituent Chambers concerned were asked to express their views on the further action, if any, the Associated Chambers should take. This Chamber accordingly asked the Calcutta Tramways Co., Ltd. whether they desired the question of war risks cover for tramway installations as a whole to be re-opened with the Government of India, and, if so, whether tramway track should be excluded.

The Calcutta Tramways Co., Ltd. informed the Chamber that they did not consider any useful purpose would be served in re-opening the question, as no uniformity of opinion existed among the various transport systems and that in view of past experience of enemy raids and present conditions when the possibility of further raids appeared to be diminishing, it was considered that any risk to rolling stock and sub-stations could be reasonably borne by themselves. If, however, it was decided to re-open the question at a later date they would be prepared to consider the matter in the light of conditions obtaining at the time.

The Associated Chambers of Commerce of India, to whom this view was communicated, have since informed the Chamber that the

majority opinion of the Chambers concerned is against any action being taken and that the question has therefore been allowed to drop.

(4) *Extension of Factories Scheme to Inland Craft*.—It was stated in the 1942 Report that the Government of India had convened a meeting to consider the proposed amendment of the War Risks (Factories) Insurance Ordinance to include inland craft. This Conference with members of the Commerce and Finance Departments at which inland shipping interests were represented by Sir Renwick Haddow, Mr. M. A. F. Hirtzel, M.B.E., M.L.A., and Mr. J. H. Anderson, was held at New Delhi on the 7th of March. At the outset of the meeting it was pointed out to Government by the deputation that the suggested rate of premium of 8% was prohibitive as the risk of heavy claims being made in respect of mobile inland craft was considerably less than in the case of factories and other immovable property. After further discussion the Government's representatives conceded a rate of 4%, but the deputation maintained that this was still considered excessive. The question was postponed, however, until inland craft owners could be consulted. Government eventually proposed a rate of 3% for the period ending 31st March 1944 and thereafter the same as for factories.

The consensus of opinion amongst the affected interests was that the proposed rate of premium was still unduly high for a very mobile and widely dispersed risk, when compared with the rate for factories. These concerned, however, decided to accept the rate, subject to satisfactory assurances being given by the Government regarding certain points of detail which were raised by the Steamer Companies in April.

An official notification, Ordinance No. XXV of 1943, giving effect to the amendment was issued by the Government of India in July entitled "War Risks (Inland Vessels) Insurance Ordinance 1943".

In order to clarify certain questions relating to the Ordinance the Chamber, supported by the opinions of the Calcutta River Transport Association, the European Mofussil Tute Boats Association and the Inland Steamer Companies, took up the following points with the Commerce Department of the Government of India :—

(1) The Chamber pointed out the anomalous position which existed as a result of the Government rule that inland vessels requisitioned by Government had to be insured, while owners of requisitioned godowns could not insure. Government's attitude on

this point was that the godown when requisitioned ceased to be used for the purposes of the factory, whereas the inland vessel continued to be used for the same purpose of transportation and therefore had to be insured. Further reference is made to this subject in another section of the Report.

(2) The Chamber also sought confirmation that—

Insurance of requisitioned vessels by the owner does not affect the liability already assumed by Government for the entire risk (i.e. that it is not limited to 80%).

(3) The liability for insurance by the owner of a requisitioned vessel does not include a vessel requisitioned for use overseas.

The Commerce Department replied that :—

(a) The matter should be taken up with the Departments concerned by interested parties.

(b) The liability for insurance ends when the vessel leaves Indian waters.

Further discussion elicited the following information—

(1) The date for insurance under Section 3(b) of the Ordinance had been fixed as the 30th September 1943.

(2) "Specification" under Section 3(f) of the Ordinance had been adopted to exclude the owners of miscellaneous craft who did not desire or need cover under the scheme. Government would, however, consider their inclusion should application be made by trading corporations who should give all details of the craft and consider their acceptance as irrevocable.

War Injuries (Compensation Insurance) Act, 1943.—It will be recalled from the 1942 Report of the Chamber that reference was made to the anticipation that Government would introduce a supplementary scheme of insurance whereby the relief afforded under the War Injuries Scheme, 1942, would be brought up to the scale of "Workmen's Compensation" relief.

The preliminary details of a Bill based on this scheme—specified as a "Bill to impose on employers a liability to pay compensation to workmen sustaining war injuries and to provide for the insurance of employers against such liability"—were circulated for opinion to the Industrial Associations in this part of India as a basis of discussion by the Chamber's Industrial Affairs Sub-Committee, in order that these views might be put before the Select Committee to which the Bill was referred in May. The opinion generally supported by the affected interests was that the measure tended to be discriminating and incompatible with the principle already accepted by Government in the promulgation of the War Injuries Scheme, 1942; and that an extension of this scheme to include a wider category of industrial workers—a point already stressed by the Chamber in 1942—would have been more acceptable. But the

amendment of certain clauses of the Bill by Government, before its final enactment, was held to be generally satisfactory, especially in relation to clause 7 which was amended to read "Provided that the rate of any periodic payment after the first shall not be higher than the rate estimated to raise the amount in the Fund, after the repayment of the advances, if any, paid into the Fund by the Central Government under sub-section (2) of Section II to a sum of rupees fifteen lakhs."

The Act makes an important provision that any balance remaining in the Fund after all payments have been made will be utilised for the benefit of workmen.

A. R. P. : (a) Propaganda for the maintenance of morale during and after air raids.—Early in the year the Chamber were informed by the Eastern India Committee of the Employer's Federation of India that, as a result of the air raids which had just taken place, they had given consideration to the problem of improving labour morale by means of propaganda. What was particularly felt to be necessary was propaganda which attempted to stiffen morale by reassuring workers regarding the effects of raids and stressing and emphasizing the difficulties and disadvantages suffered by those who left their work due to the fear of raids or their actual occurrence.

To this end the Committee had decided to issue to all factories and concerns who were interested—

- (a) a regular fortnightly propaganda news sheet printed in English, Bengali, Urdu and Hindi for distribution among the workers and despatch to their homes, special editions of which would be published after actual raids, and
- (b) a series of posters for display in factories dealing with various salient points in the campaign to improve morale.

The Chamber were asked if they would bring this matter to the attention of their members with industrial interests who were not members of Industrial Associations and ascertain if they wished copies of the proposed newspaper and posters. This was done and the response from members revealed that there was a general interest in the proposals and a desire to have copies of both newspaper and posters provided.

(b) *A. R. P. in the business area.*—To circular No. 9-1943 of the 19th January were appended various papers received from the Government of Bengal on the subject of fire-fighting arrange-

ments in commercial offices. In May 1942, the Chamber in addressing all heads of member firms and companies, laid particular emphasis on the need for ensuring adequate A. R. P. arrangements in the business area inasmuch as it was sparsely populated during the night and crowded during the day. Owing to the meagre response to the following two questions:—

- (i) Are the premises you occupy manned (a) by day and
- (b) by night, by fire-fighting squads?

- (ii) Are the premises you occupy equipped with the necessary A. R. P. equipment and fire-fighting appliances?

members were again urgently requested to give the matter their attention in order that a more complete picture of the fire-fighting arrangements in commercial buildings might be presented to the Government of Bengal. Those members wishing to revise particulars they had previously submitted were asked to do so.

The particulars thus collected were collated and forwarded to the Government of Bengal.

In connection with the above, the A. R. P. Staff Officer informed the Chamber that several offices, although manned by fire-fighting and general A. R. P. squads during the day, had no squads on duty during the night; the difficulty in some cases apparently being that the staff were reluctant to join the office A. R. P. organisation unless given an A. R. P. allowance. On the assumption that this was so, the Chamber investigated the arrangements being made by representative offices. It was found that the circumstances and practices varied inasmuch as some offices had a permanent or special A. R. P. staff employed solely for that purpose, whilst others recruited their A. R. P. squads from among their ordinary employees—in the case of night duty squads from their resident staff such as durwans and chaukidars, who were given a flat rate duty allowance varying between Rs. 5/- and Rs. 7/6 a month. Under this arrangement the full allowance was paid only if the individual members turned out promptly and efficiently immediately an alert (whether an office practice or an official alert) was sounded. Others, in the case of night duty staff, gave for actual night duty when an official air-raid warning was sounded, either a day's pay or from 12 annas to Re. 1/- for each night on which an official alert occurred.

(c) *Post Raid Information.*—Immediately following the enemy air raid which took place on December 5th members were reminded in Circular Letter No. 5407-1943 dated the 9th December 1943 that the Chamber assumed the responsibility of supplying

the Civil Defence Commissioner as soon as possible after an air raid with information of a general nature regarding the effects of the raid on production and on the morale of labour in the Calcutta industrial area.

Reports received from members revealed that on the whole the morale of the labour after the raid was commendable.

(d) *A. R. P. Roof Spotters*.—To avoid loss of time and production during air raid alerts, a member put forward a suggestion that some sort of official roof spotter system, as in force in the U. K., should be introduced to keep office and factory workers employed until danger from enemy planes was actually near.

This point, the Chamber replied, had been discussed with the A. R. P. and Civil Defence Authorities of the Local Committee and had also been considered by the Chamber Committee in conjunction with their Industrial Affairs Sub-Committee. Their views, professed by experience, were that a system of roof spotting was neither practicable nor desirable, and more recent enquiries indicated that Government could not arrange the necessary extensive training.

Individual establishments however were free to experiment with a roof spotting system, but it was generally held that such an attempt would be ill-advised from the morale viewpoint.

COST OF LIVING :—

(a) *Working Class Cost of Living Index*.—From the figures supplied by the Government of Bengal which the Chamber continued to circulate to members until their publication ceased in May, the cost of living index for the working class rose from 218 in December to 291 in March—there was a temporary fall in this cost in April but it again rose to 292 in May. The Chamber was supplied with the figures for the remaining months of the year in two indices provided by the office of the Labour Commissioner, Bengal, from which it was noted that the figure reached its peak in August at 325. Since that month it has slowly decreased to 273 in December.

(b) *Dearness Allowances to Labour*.—Due to the high cost of living referred to above, the question of subsidising labour by the provision of amenities rather than an increase in the prevailing cash dearness allowances was discussed from all points of view by employers' interests early in the year under review. The main viewpoints which emerged were :—

(i) The continued rise in the amounts of cash dearness allowances paid by employers to compensate labour for the increase in the cost of living was self-stultifying and in so far as it had inflationary effects, should be terminated. An

attempt should therefore be made to fix an absolute upper limit to the level of cash dearness allowances paid which should not be exceeded.

(ii) In order to safeguard labour from the effects of the rise in the cost of living food should be sold to them at rates which bear a given relation to the level of dearness allowances fixed, the difference in cost between the selling price so established and the purchase price to employers being met by the latter.

(iii) In order to minimise the extent of the increase in prices a system of co-operative purchase should be adopted and every endeavour made to ensure that the Local Government should supply industrial interests with priority supplies of food for the labour at reasonable prices.

It had been recommended that employers should sell certain commodities to their labour at the controlled rates ruling in August 1942 in which month began the marked rise in food prices and to maintain the rate of dearness allowances applicable at that time with certain modifications. Employers interests associated with the Chamber agreed to a level of cash dearness allowances as under :—

Indian Engineering Association ...	Rs. 9/-	per head p. m.
Calcutta Hydraulic Press Association ..	6/-	“ “ “
Indian Jute Mills Association ...	5/-	“ “ “

Arrangements for subsidised supplies of food-stuffs are referred to elsewhere in this Report.

(c) *Cost of living allowances to railway servants*.—On the 16th March Government issued a notification to the effect of which was to increase dearness allowances paid to railway servants other than those enrolled in the Railway Units (Defence of India), Indian Engineers.

The Chamber Committee, who considered the matter in consultation with their Industrial Affairs Sub-Committee sent the following telegram to the Government of India, Railway Board, on the 26th March :—

Overwhelming majority industrial interests Calcutta area including engineering jute mill paper mill presshouse and flour mill industries beating and storekeeping interests and public utility companies have adopted and for last three months successfully worked system of pegging cash dearness allowances and compensating workers by providing them with food at control rates, loss being borne by employer. Recently Railway Board decision enhancing cash dearness allowances and proposed extension this enhanced Railway Board scale to Ordnance factories in Bengal will seriously weaken system of compensation in kind which has been endorsed by Labour Commissioner and supported in principle by Finance Member in recent statements to Assembly and will inevitably encourage demands for increased cash allowances on part all other industrial labour which in view present serious food situation in Calcutta area can only lead increased prices and further demands dearness allowance with prospects serious labour trouble. Chamber and associated industrial interests protest against action taken by Railway Board without that prior notice or consultation which in present circumstances is so essential. Also strongly urge abandonment proposed extension railway scale to Ordnance factories and refuse

by them on system of providing food at controlled rates which is justified by experience in meeting real needs, labour without inflation of prices stabilising cost of living to labour and maintaining production.

The Railway Board, in acknowledging the Chamber's telegram, stated that Government were in full agreement with the principle stabilising the cost of living for industrial workers, and that efforts to that end, so far as the Railways were concerned, had resulted in the establishment of grain shops throughout the country. Difficulties in the supply of foodgrains in adequate quantities had, however, militated against the effectiveness of the organisation. Since June 1942, when the dearness allowance for railway servants was last revised, prices had risen considerably, especially since the beginning of the current year. The apprehension of labour trouble in certain parts of the country, detrimental to food distribution and war activities, made it necessary to increase cash benefits, unless the scale of the necessities of life at concessional rates could be achieved on such a scale as to render such action unnecessary. This had not proved possible, and it was therefore necessary to accord some relief in cash in the hope that the extended and more ample supply of food to the men would obviate any further increase beyond that now being given.

It was hoped, the Railway Board said, that the Chamber would appreciate the inevitability of the action which had been taken and emphasised that there was no difference of opinion as to the object which Government had in view.

In conclusion the Railway Board asked to be supplied with details of the dearness allowance and any other war allowance or bonus now being paid to workers by industries under the aegis of the Chamber, together with a note on the actual compensation in kind being given by the employers, indicating the price level to the workers at which they were endeavouring to stabilise each of the principal commodities, the quantity of each commodity made available per worker, and other relevant details.

The Railway Board's enquiries were answered in a comprehensive survey and figures were quoted in support of the Chamber's contention that it would be very necessary for the Railway Board to exercise the greatest possible care in developing their policy of the sale of subsidised foodstuffs so as to ensure, firstly, that the extent of the subsidy added to the cash allowances should not be allowed to run further out of parity with the corresponding industrial allowances in this area, and, secondly, that there should be no marked disparity between the weekly amounts of food given by the railways and those which industry is permitted to give.

The Railway Board thanked the Chamber for this comprehensive review of the position regarding dearness allowance, but pointed out that the necessity to base the allowance on an all-India scheme and the peculiar position of the Railway Companies *vis-à-vis* the war effort made it difficult to keep their methods in line with local interests. On railways, apart from workshop employees, overtime earnings are negligible, and basic wages have not been increased since war began. In these circumstances industrial wages plus allowances in cash and kind may be comparable to the same allowance in cash and kind enjoyed by Railway servants. The Chamber's views, however, would be borne in mind when matters of grain shops were under consideration.

This letter was referred to by the Indian Engineering Association in June who considered that despite the explanations given by the Railway Board the position continued unsatisfactory and suggested that the co-operation of representatives of the Railways and the Ordnance factories on the Industrial Affairs Sub-Committee during the consideration of dearness allowances might prove advantageous.

This viewpoint was upheld by the Industrial Affairs Sub-Committee which resulted in the nomination of Sir Robert Marriot and either Major T. F. Borwick (Addl. D. G. Armaments Production) or Brigadier M. A. Cox, D. D. G. (Armaments Production) to serve in this capacity.

REQUISITIONING :—

(a) *General.*—During the year the Chamber had again constantly under review the effects of the requisitioning of various forms of civilian moveable and immovable property by military authorities. In this matter the Committee were kept fully informed of unofficial discussions between the European Group in the Central Legislature and representatives of the Government Departments concerned, from which it was noted that assurances had been given that everything possible would be done to minimise the inevitable inconvenience caused to civilians.

As regards requisitioning in the Calcutta area, enquiries were made from the Government of Bengal as to whether it would be possible to have non-official representation on the Requisitioning Board set up by them. Government indicated in reply that it would be difficult to select any particular person to represent the non-official viewpoint in all cases but that it had been decided that the Chairman of the Board might at his discretion invite suitable non-official representatives to take part in the discussions of the Board. Since then it is understood that a non-official member has actually been appointed to the Board.

Reference is made below to various aspects of requisitioning.

(b) *Telephone switchboards*.—The Chamber has been informed by the Posts and Telegraphs Department, Telephones, Calcutta District, that there has so far been no question of having to "requisition" telephone switchboards, although the possibility is one which may have to be faced. The pressing needs of the Military, R. A. F., Supply Department, and the requirements for Civil Defence work have been met by the removal of redundant equipment from existing switchboards and in some cases by replacing a large board by a smaller one. This procedure has only been applied, so far as the Chamber is aware, when there has been evidence to show that the capacity of the replaced switchboard was in excess of normal requirements.

(c) *Air-Conditioning Units*.—In consequence of representations which had been made to the Chamber by several members, enquiries were made into the steps which were being taken to acquire air-conditioning units for military and R. A. F. purposes.

The Chamber were given to understand that generally speaking units of the ½ ton type were required and would be acquired on an All-India basis in proportion to the total number known to be installed in each district and city. Assurances were received that—

- (1) Government appreciate the importance which now attaches to the private ownership of air-conditioning plants.
- (2) Units acquired will be used solely for such objects as Operating Theatres and Heat stroke rooms in hospitals; Radio Location Stations many of which are in isolated or exposed places; photographic development rooms, and
- (3) That Government Offices and personnel will be treated on the same lines as business firms or the general population.

(d) *Properly*.—This matter was referred to in the 1942 Report closing with a reference to the Chamber's request to the Government of India for legislation to define the position and rights of landlord and tenant, respectively, of business or residential premises requisitioned under the Defence of India Rules.

After the lapse of ten months, and repeated reminders from the Chamber, a reply was received from the Government of India stating that "it has since been decided that the matter should be more appropriately dealt with by provincial legislation". The

Chamber accordingly re-stated the case to the Provincial Government asking for consideration to be given to the introduction of the necessary legislation without delay.

In July the Chamber was informed that the points raised were under discussion between the Provincial Government and the Government of India, and in December that provincial legislation on the subject was under consideration.

The difficult situation created in the Calcutta area by increasing demands from the Military Authorities for office and residential accommodation (of which several instances were brought to the notice of the Chamber) engendered proposals, which were furthered in New Delhi by the President of the Chamber, that a Committee should be formed which would represent comprehensively the leading military and civil interests to review the whole position in Calcutta at the end of the year. In consequence the "Town Planning" Committee was set up by order of the C. in C. of India under the direction of the G. O. C. in C. Eastern Command to "ascertain the present actual accommodation and to create permanent machinery to co-ordinate demands from the services in relation to available accommodation", and held its first meeting at the Royal Exchange, Calcutta in January. As a result of this meeting the Standard Quartering Board was instituted to review existing accommodation, the question of what military personnel were necessary in Calcutta and the possibility of additional building and of completing unfinished structures etc.

As representing the Chamber on the "Town Planning" Committee and the Quartering Board the President of the Chamber addressed the heads of all member firms in January by circular letter No. 327/1944 asking them to undertake a survey of their existing accommodation, on certain indicated lines, to assist the operations of the Board in order to avoid the necessity of arbitrary requisitioning. The data supplied by members in response to this letter is now being collected by the Chamber.

(e) *Inland vessels: Rates of hire, etc.*.—In July the Chamber was approached by the European Mofussil Jute Rates Association who stated that they had been in communication since 1941 with the appropriate authorities regarding the requisitioning of inland water craft belonging to their members, more particularly as regards (a) the rates of hire, (b) compensation in the event of loss and (c) payment for repairs and alterations to vessels carried out at the direction of those authorities, but that no satisfactory settlement had been reached. The Chamber was asked to take the matter up with the Commerce Department of the Government of India or the Quartermaster-

General's Department and press for an immediate decision to be come to regarding all outstanding matters in connection with the requisitioning of vessels.

As the Chamber Committee were aware that the Inland Steamer Companies were negotiating with the authorities on these points, they referred the matter to them with a request for information as to what stage had been reached in their negotiations. They were informed that the final settlement of the rates for hire to be paid by the Government of India for requisitioned vessels had been purposely delayed, with their tacit agreement, until such time as an acceptable agreement was reached as to the basis which would apply to deep-sea steamers and inland craft requisitioned for use overseas. The Inland Steamer Companies considered that this procedure would be likely to be advantageous in the long run and were in the meantime accepting provisional rates of hire as follows :—

- (a) *Vessels requisitioned for service overseas :*
Interest at 5% on original cost.
Depreciation at 5% on original cost.
Compensation for loss in earnings at 5% on original cost.
- (b) *Vessels requisitioned for local naval defence :* (i) *Requisitioned by Military*—
Interest at 5% per annum on original cost.
Provisional compensation for loss of earnings at 5% per annum on original cost.
Depreciation at 10% per annum on original cost, depreciated at 10% per annum as per Income Tax Rules.
- (c) *Requisitioned by Royal Indian Navy* :—
Provisional charter at ten shillings sterling per gross registered ton per calendar month.
- (d) *Barges :* (i) *Requisitioned by H. M. G. for Overseas* :—
Agreed rate of hire is four shillings sterling per registered ton per month.
(ii) *Requisitioned by Government of India* :—
Provisional :—
Interest at 5% per annum on original cost.
Compensation for loss in earnings at 5% per annum on original cost.
Depreciation at 10% per annum on original cost depreciated at 10% per annum as per Income Tax Rules.

With regard to payment for repairs and alterations to requisitioned vessels the Steamer Companies stated that for work done at their dock yards the generally agreed basis of cost plus on cost plus 7½% profit was being charged, and the bills were being met.

This information was passed on to the European Mofussil Jute Balers Association.

(f) *Jute press godowns*.—In August the attention of the Chamber was drawn by the Calcutta Hydraulic Press Association to the difficulties which their members were experiencing because of the requisitioning of their godowns by the military authorities. All the available surplus space had been

already requisitioned and the result of the continuation of the requisitioning was that there was no accommodation for many balers who had therefore practically been forced out of business. It was suggested that the Chamber might press Government to set up a Requisitioning Committee of business men to control this matter, or, failing that, a member of the Chamber appointed to the Board which was then controlling requisitioning so as to safeguard business interests and ensure that the requisitioning was done on an equitable basis and not in the arbitrary way it had been.

As the Chamber Committee felt that this was a matter of considerable importance affecting business interests generally they made strong representations on the subject to the Department of Supply. It was urged that, as previously suggested, demands should be particularised and that the work required the services of an experienced official who would have the full resources of the Chamber at his disposal. The Chamber had not yet been fully informed what space could be made available and most readily sacrificed; it appeared from the evidence before them that the jute presses and mills had borne the major burden of requisitioning. The Chamber stressed that in order to establish an equitable position the following points should be especially considered :—

- (i) That before acquiring industrial accommodation the authorities should be convinced that there was no alternative.
- (ii) That an organising central body should be established to discuss the question in all its implications with due regard to public policy and with particular reference to the interests of the jute industry.
- (iii) That G. H. Q. India should be represented by a senior officer fully conversant with the military view point.
- (iv) That building programmes should not be avoided on the grounds of convenience.

The Chamber, while wishing to uphold the many interests they represent, also considered that the needs of the Army would be most effectively dealt with and much waste avoided, if an effective use of space could be made by the Army with full regard to the part which industry has to play in the war. It would be preferable that the authority should function in Calcutta and that there should be wider representation of interests on the Requisitioning Board; the policy and procedure to be followed being finally determined by the Central Government.

The success with which these representations met can be judged from the institution of a Standard Quartering Board to which reference is made above.

Import Trade Control: Licences.—Reference was made in the 1942 Report to the discussion on the above subject at the meeting of the Associated Chambers of Commerce in December 1942. One of the main contentions made in the debate related to the need for responsible officers of Government at the ports, with authority to issue licences and decide questions raised by importers at these centres.

The Associated Chambers, in a letter addressed to the Government of India in September expressed their satisfaction with the appointment, by Government since the beginning of 1943, of Deputy Chief Controllers at Calcutta and Bombay and the beneficial results arising therefrom. It was pointed out that there was still a large measure of centralised control, however, which, though recognised as a necessity, was the subject of frequent complaints on two grounds, *etc.* :—

(1) Madras and Karachi interests represented that they were at a disadvantage because the difficulties of importers could not be dealt with finally and authoritatively for the reason that there were no Deputy Controllers in these ports, and

(2) The unnecessarily large number of commodities for which licences had to be obtained from New Delhi or Simla, with consequent delays, financial loss, unnecessary correspondence, loss of markets and the slowing down of the country's war effort.

In view of these factors the Associated Chambers, while realising the difficulties of Government in dealing with such a complicated question, recommended that—

(a) Further consideration be given to a reasonable extension of the authority of Port Controllers, particularly at Madras and Karachi.

(b) That a system should be adopted whereby Controllers at Ports would receive a percentage of the quota allotted to India before the expiry of any licence and each Controller be asked whether he would require the total quota so allotted to him or whether there was any balance which could be transferred to another port, and

(c) If (a) was not feasible efforts should be made to speed up the issue of licences by the Office of the Chief Controller of Imports.

In reply to these representations Government drew attention to the principle which had guided them in dealing with import trade control. These were, briefly, that imports could be divided into two main classes, those which must be dealt with by a single control licensing authority and those which could be dealt with under a decentralised system whereby licensing was carried out under quotas at each of the main ports. The appointment of Deputy Chief Controllers of Imports at Bombay and Calcutta was not a departure from this principle, but merely the transfer of the trade in such goods, but the actual licensing remained centralised, and in the Government's opinion had to remain so. As regards the

goods under the second category the Import Trade Controllers at each of the four main ports had identical powers. Unless, therefore, it could be proved to Government's satisfaction that there were trades or industries which were largely or exclusively centred round Karachi and Madras, it was felt that the difficulties complained of by importers at these ports were unavoidable.

As regards the second recommendation put forward by the Associated Chambers, Government pointed out that the goods contained in Part IV of the Import Trade Control Schedule are licensed by the Import Trade Controllers under quotas fixed on the basis of past imports. These quotas remain open until about half-way through the licensing period, when they are closed and the balances therein are transferred to the Chief Controller of Imports at New Delhi. Licenses are then issued by the latter Officer to the extent of those balances, and at this stage the criterion of past imports is discarded in favour of a system of licensing on the merits of each application received.

With reference to the suggestion that the issue of licenses from the Chief Controller of Imports might be speeded up Government pointed out that to prevent importers at one port being treated in a manner less advantageous than those at others it was necessary to exercise a very strict control over Import Trade Controllers; but that the licenses were being issued as expeditiously as possible.

Paper Shortage: (a) *General.*—The subject was again before the Chamber in connection with a request submitted by a member for support by the Chamber to a claim for special consideration in the issue of paper. The Chamber Committee, while sympathetic to the case put forward, felt that for them to support individual claims of this nature might weaken the general case which they had put forward on their own account and through the Associated Chambers for a more generous supply for industry and commerce generally. It was their opinion that against the background of this general case individual interests should make their own representations.

A fresh reminder to members of the need for the strictest economy in the use of paper and a suggestion how this might be helped by the publication of such things as company reports and accounts in folder rather than booklet form were issued in Circulars No. 15 of the 1st February and No. 26 of the 26th February respectively.

The Chamber noted with satisfaction that in April an Order in supersession of that of the 5th November 1942 was issued by the

Controller of Stationery & Printing which specified that the total quantity of paper allotted to persons other than Government would be increased to 30% of the total quantity manufactured.

(b) *Returns under Section 32(3) of the Indian Companies Act.*—The Chamber was approached in March by the Government of Bengal for their views on a suggestion that, in view of the shortage of paper, the annual list of members and summary required under Section 32(3) of the Indian Companies Act to be submitted to the Registrar should be discontinued or, alternatively, that only the additions and alterations made since the last return be submitted.

A reply was given to the effect that, while the Chamber would, because of the paper shortage and pressure of work, prefer the temporary discontinuance of the statements in question, it felt that in the interests of providing information for the investing public the alternative of having only particulars of the additions and amendments submitted should be adopted.

The suggestion was carried into effect by the Government of India by means of two notifications dated the 19th June.

Diverted Cargo: Guarantees.—In response to an enquiry from the Chamber regarding Government's requirements in the matter of granting compensation in cases of the requisitioning of diverted shipments, it was learned that, as in the majority of cases the original bills of lading, complete with endorsements, and the original C. I. F. invoice would not be forthcoming, it had been decided to accept certain other documents as proof of title to the goods. As such proof might not be conclusive in all cases, and in order to safeguard public interests, the Government of India had prescribed the execution of an indemnity bond before the payment of compensation. If, however, any firm was able to produce the necessary documents and on that account was averse to executing the prescribed indemnity bond, the Government of India were prepared to have the title of the firm to receive compensation examined by their solicitor and if satisfied on the point, pay the compensation without the execution of an indemnity bond. Such cases would be decided individually on their own merits.

Unless other security equal to the amount of compensation assessed was available to Government against the firm, either in the shape of services rendered or stores supplied, payment of compensation would be authorized only if the indemnity bond was guaranteed either by a Scheduled Bank or two sureties owning sufficient property in India to cover the amount of compensation. Those cases in which it is proposed to dispense with the guarantee

endorsement on the indemnity bond would be examined and decided on merits.

Provision of adequate light in factories engaged in War production.—The Essential Services Officer, Government of India, Factory A. R. P., in drawing the Chamber's attention to Rule 80A under the Defence of India Rules, which empowers the Central Government to order factories to provide suitable lighting, stated that the present intention was to confine action to engineering and civil supply industries working at night and that about 300 factories in first importance were involved whom it was intended to equip gradually at an anticipated rate of three a week. As the effectiveness of the measure (for improved artificial lighting) was wholly dependent upon the provision of suitable materials, the Chamber was asked to consider an assessment of the necessary materials prepared by the Essential Services Officer, and to answer the following questions:—

- (1) To what extent can the requirements be met from Indian resources?
- (2) To what extent is it necessary to import materials?
- (3) Are the manufacturers and merchants concerned prepared to acquire materials based upon the attached assessment without waiting for the maturation of individual orders from users?

With the assistance of the Electricity Sub-Committee the Chamber examined the question and it was decided that, since manufacturers and stockists were entirely in the hands of the Department of Supply, they alone could determine whether or not the scheme could be carried out. It was suggested that enquiries should be made to the Director of Electrical Engineering, D. G. M. P., who could give the information required. It was pointed out that, were the project approved by that authority and also the Electrical Commissioner, Government of India, supplies would be allocated against the Demand for Information Forms submitted by importers giving particulars of all imported materials which are under lien to Government for a fixed period after import. Otherwise, even if importers were prepared to acquire the materials and were able to cover them by their Panel quotas, it would still remain with the D. of E. E. to divert them on arrival to other approved projects.

Defence of India Rule 94A: Control of capital issues.—On the 18th May, the following Government of India press communique was issued:—

A new Defence of India Rule No. 94A has today been issued under section 2 of the Defence of India Act, 1939, prohibiting—

- (1) without the prior consent of the Central Government
- (a) an issue of capital in British India,

- (b) any public officer of securities for sale in British India,
 (c) the renewal or repayment of any security maturing for payment in British India.

Rule 94A as published, however, provides that :—

Subject to such exemptions as may be granted by order of the Central Government, no company, whether incorporated in British India or not, shall, except with the consent of the Central Government—

- (a) make an issue of capital in British India;
 (b) make in British India any public offer of securities for sale;
 (c) renew or postpone the date of maturity or repayment of any security maturing for payment in British India.

The question of the correctness of the communique in so far as it related to the repayment of securities, read in conjunction with the provision of rule 94A of the Defence of India Rules, was referred by the Chamber to the Office of the Examiner of Capital Issues and was discussed with the Finance Member during his visit to Calcutta. It was pointed out that the rule as published did not prohibit companies from repaying debentures, but only prohibited companies from renewing or postponing the date of repayment unless the consent of Government had first been obtained. It was considered desirable to bring the apparent discrepancy to the notice of Government in order that companies wishing to repay debentures or other securities could do so without making unnecessary references to the Finance Department.

The Chamber was notified that the press communique was misleading as a result of a clerical error which led to the omission of the words "postponement of" before the words "repayment of any security".

The formation of an Advisory Committee in connection with the Rule was suggested to Government in July but was rejected on the grounds that it would lead to a serious delay in dealing with the applications which were of great number and variety. The point was, however, again raised by the Associated Chambers in a circular letter to constituent Chambers as the result of two cases of unsatisfactory treatment received by an insurance and manufacturing company respectively, in connection with the issue of capital, cited by one of the constituent Chambers. It was held by the Committee of the Chamber in question that such instances illustrated the need for improving the machinery with regard to capital issue so as to—

- (a) give commercial interests a clear indication of what is required in making applications for issue of new capital,
 (b) expedite the procedure in considering such applications, and

- (c) where applications are refused, give an indication of the reasons for refusing such applications so as to enable the Company to put in a revised application for consideration of Government.

It was considered that the instances quoted above lent support to the suggestion which had already been made for the setting up of a Tribunal, on which commercial and industrial interests would be represented, and to which appeals could be preferred by applicants whose requests for sanction for public issue of capital for their concerns were rejected by the Departmental Committee.

In reply the Chamber stated that the experience of its members in dealing with the Finance Department under Rule 94(A) had been generally satisfactory and not such as to necessitate the establishment of an appellate authority or a non-official Advisory Committee.

C. I. F. Contracts: War Risks Insurance.—Particulars of the practice in representative industries were forwarded to the Government of India in response to an enquiry addressed to the Chamber regarding C. I. F. contracts entered into during the war. A doubt had arisen, Government stated, whether such contracts included war risk insurance as a normal course.

The question of responsibility for war risks insurance, the Chamber stated, was essentially one governed by the terms of the individual contract, but since the outbreak of war, there had been a very clear demarcation between marine insurance and war risks insurance. Under a C. I. F. contract the former was definitely for the account of the seller and was included in his contract price. Responsibility for war risks insurance was ordinarily specifically defined in a C. I. F. contract as an additional charge which is either included in the C. I. F. quotation and covered by the seller's profit or as a charge on the buyer additional to the C. I. F. price. If there were no specific arrangement in the contract, a buyer on C. I. F. terms would be justified in assuming that war risks insurance was included in the contract price and covered, arranged and paid for by the seller.

Fire Insurance Rates for Mills and Factories.—At the instance of the Upper India Chamber, the Associated Chambers of Commerce, circulated for the views of constituent Chambers in April a suggestion that insurance interests should be approached for further rebates in the matter of fire insurance premia in connection with reductions permissible for fire fighting appliances which are maintained by various classes of mills and factories, on the grounds that under orders from the Government of India, fire

fighting appliances had been considerably augmented for the purposes of A. R. P. during the past year or two and were on a higher level than in years preceding the war. This proposal was supported by the Chamber and the question was taken up in September by the Associated Chambers with the Calcutta Insurance Association in a letter which incorporated the contentions of the Upper India Chamber and other constituent Chambers that the fire fighting measures which had been taken on an organised basis in compliance with Government regulations were sufficient to warrant, firstly, special consideration of the fire premium rates applicable to mills and factories which had not hitherto qualified for the fire appliances discounts and, secondly, the upward revision of these discounts where they already apply, for example, on buildings and stocks outside the actual mill or factory.

On these points the Calcutta Insurance Association (Fire Section) replied that it was desired to emphasise the marked difference between fire fighting protection required for A. R. P. and that for ordinary fire wastage. One is designed for a definite eventuality (i.e. air raids) and the other for an eventuality which might never materialise and the respective equipment was only effective for its different uses. Having enlarged upon this question the Association went on to say that a revision of the existing rates, was unwarrantable because of this factor and because as an offset to the extra fire fighting apparatus under A. R. P., insurance companies were accepting additional risk in the working of the mills under war time conditions.

This reply was put up to the Industrial Affairs Sub-Committee for consideration, who came to the conclusion that, while the case made out by the Calcutta Insurance Association was not a convincing one, no further purpose was likely to be served by continuing the correspondence and it must now be left to individual insurers to negotiate discounts with their respective insurance Companies.

Censorship.—In the course of the year the Chamber has taken up with the Censor Office questions relating to

- (1) Censorship of shipping documents
- (2) Permission for the use of codes in Airgraphs.
- (3) Postal censorship in connection with post air-raid information.
- (4) The use being made in censorship of correspondence exchanged between business houses in India to their principals in the United Kingdom.

For reasons of national security the full context of the censor authorities' replies to the Chambers' representations cannot be published in this report, but in general alleged delays, abuse of censorship and other complaints made by members have been satisfactorily explained.

With regard to the use of codes in Airgraphs the Censorship authorities after carefully considering the matter reached the conclusion that the proposal must be rejected for the reason that

- (a) Increased staff would be required, as the present staff were only able to deal with the censorship of normal airgraphs.
- (b) Considerable delay would be involved in the transmission of these airgraphs.
- (c) Extra code books would be required which are now unprocureable in India.

It was also felt that the extensive use of coded airgraphs would be bound to result in the transmission of long coded messages instead of the brief messages now sent by telegram and the Censor Staff could not undertake the additional work.

Insurance claims for cargo lost through enemy action.—In the reference to this matter made in the 1942 Report it was recorded that the difficulties experienced by the Calcutta Exchange Banks in obtaining payment of claims under policies of insurance in connection with cargo lost through enemy action had been referred to the Calcutta Insurance Association by the Chamber's Shipping Sub-Committee for a statement of opinion.

The Calcutta Insurance Association referred the matter to the Institute of London Underwriters, who asked for further information on various points, particularly as regards the wording suggested for the standard form of endorsement on bills of lading.

In order that the whole matter might be further discussed and a line of action decided upon, a joint meeting of the Shipping Sub-Committee and the Marine Section Committee of the Calcutta Insurance Association was held on the 8th June. It then transpired, as a result of the views exchanged, that since the question was originally raised there had been a noticeable improvement in the shipping companies' arrangements and that these were now such as to obviate all but the delays inseparable from the telegraphic references which had to be made to London and the tracing of cargo where transhipment or diversion had taken place. The Calcutta Insurance Association agreed to report this position to the

Institute of London Underwriters with an explanatory note of the circumstances giving rise to the correspondence. The Chamber, in turn, advised the Exchange Banks Association of the action taken.

An arrangement subsequently was brought into operation resulting from the Institute of London Underwriters' reply to this report whereby reasonably prompt information will be obtainable from London by Underwriters on this market as to whether a loss is or is not a "war loss". Since the matter was discussed with the Chamber on the 8th June there has been, so far as is known, no evidence of undue difficulty on the part of Banks, Shipping Companies or Underwriters.

Liability for damage to ships' cargo and consequential damage.—Whether, under the War Risk Clause 23 of the Charter Party T-99A, and, in the case of foreign vessels under Clause 13 of the Baltimore Charter Party, shipowners could lay a claim for damage against the Ministry of War Transport instead of against the stevedores, was a point referred to the Chamber by the Master Stevedores Association. Stevedoring work, the Association stated, was in the present circumstances subject to many difficulties which considerably increased the risk of damage to ships, ships' gear, and cargo. The effect of present day conditions—inadequate lighting on deck due to A. R. P. orders, etc.—had stevedores open to risks of claims for damage which were far in excess of those met with in peace time and which, if admitted, would cause them considerable embarrassment.

On the advice of the Shipping Sub-Committee, the matter was referred to the Ministry of War Transport, who replied as follows:—

We have considered the views put forward in the letter of 11th May from the Bengal Chamber of Commerce a copy of which was forwarded with your letter of the 28th May, 1943.

Clause 23 of Charter Party T-99A incorporates Form T-773 which, save in respect of pre. 8th May 1940 loss or damage, does not impose any direct liability on the Department for any loss or damage which is caused by the War Risk Associations to whom the Department pay the premiums in accordance with the provisions of that form. We are advised that no War Risk Association would admit a claim for damage by stevedores, in the conditions referred to, as a loss by a consequence of a warlike operation.

As regards the position under Baltimore Charter our view is that Clause 13 does not place upon the Minister the responsibility for the negligence of men who are not his servants but who are the servants of independent contractors.

I may add that even if the Chamber were right in their contentions, we are advised that they would not operate to prevent the injured shipowner, British or foreign, from suing the stevedores in tort for their negligence nor would they

operate to prevent the Department or any underwriter in the exercise of their subrogation rights, from forcing the owner to exercise such rights in tort against the stevedores.

Standard Time.—Mention was made in the 1942 Report of the Chamber's correspondence with Government on the question of the revised Indian Standard Time. In March the Bombay Chamber asked for the Chamber's reactions to the matter in view of representations which they proposed to make to Government pointing out that standard time was of little advantage in that side of India and was a definite hardship to labour in winter months.

In reply the Chamber stated that the view of the commercial and industrial interests in Calcutta was that there should be no revision to the former Indian Standard Time even during the summer months.

Post-War Taxation on Profits of Industry.—Extracts from statements made in Parliament by the Chancellor of the Exchequer, early in the year under review, on the subject of taxation on profits of industry, with particular reference to losses that will arise when changing over from war time to peace time activities on the termination of the war, came under the consideration of the Chamber's Income Tax Sub-Committee in November. It was agreed that a request to the Government of India for a general assurance conforming with that given to industry in the United Kingdom should form the subject of a resolution at the then forthcoming annual meeting of the Associated Chambers of Commerce in December.

The resolution which was duly passed at the meeting was framed as follows:—

This Association urges the Government of India to give an assurance to industry that, on the termination of Excess Profits Tax all revenue expenses incurred or of their indeterminate nature, will be allowed as a deduction in computing the final liability to excess profits tax and that refunds of such tax in adjustment thereof will be made should the tax have been removed.

Post-War Passages to the United Kingdom.—The Committee of the Chamber have had under consideration in the year under review details of the negotiations between the Associated Chambers of Commerce, the European Association and the Government of India to promote a scheme for the equitable distribution of passages to the United Kingdom at the end of the War. In Circular No. 122/1943 members were informed that Government had called for an estimate of the number of sea passages likely to be required by non-officials during the six months immediately following the cessation of hostilities; these figures were being collated in conjunction with the Associated Chambers

and the European Association on an All-India basis. Members were asked to provide the necessary details on the assumption that

- (a) the term "during the six months immediately following the cessation of hostilities" means the six months immediately following the cessation of hostilities in the West;
- (b) during that period employers will not have at their disposal the services of any of their European British staff now on military, naval, etc. duty; and
- (c) return passages from the United Kingdom for those proceeding there on leave will be assured within six months.

It was considered, the Chamber pointed out, that the controversial questions raised in this connection (*i.e.* priority and the machinery necessary to deal with applications) might not arise when the figures called for had been collected.

The figures resulting from this circular, exclusive of a small number of interests in the membership of the Chamber, were amalgamated with those supplied by the Indian Tea Association and forwarded to the European Association in December.

As regards the question of what order of priority should be adopted for the granting of passages if the total number of persons requiring passages was greater than the total accommodation available, discussions were carried on unofficially between the Associated Chambers and the European Association on the one hand and the Government of India on the other. Nothing final has yet emerged but the Associated Chambers and the European Association have reached general agreement as to the principles to be followed.

The question of home leave for civilians before the end of hostilities in the West has also received the consideration of the Chamber and continues to engage attention.

Post-War requirements of capital goods.—In connection with the Post War Reconstruction Committee the Government of India in November issued an all-India questionnaire to industrial Associations for information on their present position and possible requirements in renewals, replacements and extensions of capital goods on the cessation of hostilities. Industrial concerns within the ambit of the Chamber, who were not included in Government's list, were provided with a copy of this form by the

Chamber, at the request of Government and advised to forward collected particulars direct to the Department of Industries and Civil Supplies.

Entertainment of Troops: Chamber Scheme.—The Scheme which was briefly outlined in the 1942 Report has continued to operate throughout the year. The Garrison Chaplain, Rev. C. J. Alchin, who has given much time to detailed arrangements for these parties of troops to visit mills and factories has recently handed his charge to Lt.-Col. Barrows, Administrative Commandant, Leave Centres and a number of establishments have been forced to withdraw their co-operation on account of shortage of staff. The Chamber is now making every effort to ensure supplies of foodstuffs to those mills and factories which find the providing of refreshments to troops during these visits a difficult problem under rationing, and it is hoped that some workable arrangement will be made in the near future.

War Telegrams.—The Federation of Chambers of Commerce of the British Empire has continued to telegraph each week interesting and authoritative information on the development of the war situation, both in the United Kingdom and abroad. Members of the Chamber have shown a keen interest in the subject matter of these cables which have been given wide publicity throughout the whole of India.

Provision and Distribution of Essential Foodstuffs: Rationing.—Reference was made in the Report for 1942 to the inauguration of a scheme whereby essential foodstuffs were purchased under Chamber auspices and then distributed to the many industrial and commercial concerns participating in the scheme and to the difficulties which had been met in the securing of sufficient stocks of foodstuffs to supply participants with even a portion of their requirements.

This shortage of foodstuffs continued to be a problem of the first magnitude until it culminated in the disastrous famine which afflicted Bengal towards the middle of the year. Into the causes of this shortage it is not within the scope of this report to go but, as far as the Chamber Scheme itself was concerned, its main effect was to raise the question of the relation between the Scheme and one of the main measures introduced by the Government of Bengal to combat the food shortage, namely, rationing. Very early in the year Government indicated their intention of rationing certain essential foodstuffs within the Calcutta industrial area and, as it was clear that the organisation set up by the Chamber could play an exceedingly important part in a general scheme of rationing, the Committee with the advice and assistance of the Industrial

Affairs Sub-Committee and the Foodstuffs Working Committee, were constantly engaged throughout the year in considering this question. Brief reference to the more salient aspects of the subject is made below.

(1) *Functioning of Employers' shops within a general rationing scheme.*—The first and most fundamental question to be considered concerned the conditions on which employers' shops should be allowed to function under a rationing scheme. Government gave it as their view that, if employers' shops were to be allowed to continue, they would have to be prepared to handle supplies for the dependents of their employees as well as for their actual employees and that it might also be desirable to have them distributing supplies to the whole population in certain areas where the population was predominantly industrial. As regards the first condition the Chamber gave it as its opinion that employers would be prepared to undertake this liability, subject to sufficient stocks being made available by Government and to the Government rationing scheme being appropriately framed and administered. Subsequently, the Chamber concurred in a proposal by Government that the maximum number of an employer's dependents which an employer should legally be compelled to take should be three, it being open to him to take as many more as he wished. With reference to the supply of foodstuffs to the entire population of that might be possible, but on a re-examination of the question in the light of the total number of workers and their dependents for whom they would have to cater it was decided that employers' shops could not handle the extra work entailed in rationing the entire population.

Another point which engaged the Chamber's attention was whether all employers should be compelled to register with their employers' shops for drawing rations or whether it would be open to them to register with an ordinary retail or Government shop. Government's original opinion was that this might be made optional but, on representations being made by the Chamber that this would have the undesirable effect of causing a worker who did not draw his rations from his employers' shop to lose the benefit of the subsidised foodstuffs provided by the employer and thus finally decided to make it compulsory for every worker whose employer ran a foodshop to register there and for the employer to accept him.

Agreement having been reached on these points, Government decided that the Chamber Foodstuffs Scheme should continue to function as an entity after the introduction of rationing, subject

to compliance with the general rationing plan but under conditions which would involve the minimum interference with the existing scope and administration of the Chamber Scheme. In accordance with this decision the Chamber was appointed a wholesaler under the rationing scheme and all employers' shops drawing their supplies from the Chamber as retailers.

(2) *Scale of rations.*—A consideration fundamental to any rationing scheme is, of course, what specific articles are to be rationed and the scale at which they are to be issued. At the beginning of the year the Chamber were issuing supplies to those participating in the Foodstuffs Scheme according to their intimated requirements and not on any uniform basis. In March, however, because of the deterioration in the food position and at the request of the then Foodgrains Purchasing Officer of the Government of Bengal, it was decided to standardise the issue of rice on a basis of 7 seers per head per week to those employed in engineering works and public utility companies, and 5 seers to those employed in other types of industrial establishment, the difference being due mainly to the fact that the former had entered into an agreement with the Labour Commissioner under which their cash dearness allowance to labour was fixed on a basis of 11 seers of rice/atta/dal being supplied weekly at controlled rates and to the fact that few women were employed in their works as compared with other industries. Atta was issued up to a maximum of two seers per head per week, sugar at 8 oz. and dal and salt according to participants' requirements.

These continued to be the rates until May when, under orders from the Government of Bengal, the rice ration was arbitrarily reduced by half, the deficiency being intended to be made up with atta. The Chamber represented strongly that this amount was not sufficient for industrial workers and therefore urged the carefully framed policy of employers of compensating the worker in kind for the rise in the cost of living, which would consequently lead to labour trouble. It became clear, however, as the negotiations with regard to the rationing scheme continued that Government would not—indecided could not—agree to an increase in the ration scale and, when the scheme was finally put into operation at the end of January 1944, the scale was finally fixed at a total of 4 seers per head per week of rice and wheat products, the maximum amount of rice allowed being 2½ seers.

In response to the Chamber's representations that a larger ration should be allowed to manual workers, Government indicated that they would be prepared to consider the issue of supplementary rations to this class on condition that these additional rations were used solely in cooked food canteens. For reasons indicated

elsewhere in this Report this suggestion was regarded as impracticable by industrialists but up to the time of writing Government have not altered the condition, and experiments are being conducted in certain factories to see if these canteens can be operated more successfully than they have been in the past.

(3) *Initial and Eventual Rationing Areas.*—The Chamber was informed that, while it was Government's intention eventually to apply their rationing scheme to the whole of the Calcutta industrial area i.e. from Bansheria to South of Howrah and from Kancherpana to Budge-Budge, they considered it advisable to begin the scheme within a more limited area and, after experience of its working, to extend it to the whole area. This "initial" rationing area was to consist of the Calcutta, Howrah, Ballv. Garden Reach, South Suburban and Tollygunge Municipalities. The Chamber was strongly of the opinion that it would be preferable for obvious reasons to introduce the scheme for both the initial and eventual areas at once, but, as Government could not see their way to do this, consideration had to be given to how the Chamber Scheme could be fitted into Government's plans. In this connection the main difficulties encountered related to the position of the Chamber Scheme during the period elapsing between the introduction of rationing in the initial rationing area and its extension to include the entire industrial area. It was pointed out to Government that this would temporarily involve the Chamber in running two schemes, viz. one on the rationed basis in respect of participants whose workshops lay within the initial area and the second in respect of participants outside that area. It was finally arranged with Government that during the interim period the scale of rations decided on for the initial area should apply equally to the employees and their dependants of all participants in the scheme whether they were inside that area or not and that the necessary supplies should be provided by Government. In order to ascertain the amount of foodstuffs required arrangements were made for an enumeration of all employees concerned and their dependants. Within the initial rationing area Government undertook this enumeration in respect of all employees living outside the factory compounds, employers being allowed to enumerate employees residing within the compound; elsewhere the enumeration was done by the employers.

The scope of this Report does not permit fuller reference to the many other questions under this head which have engaged the Chamber's attention. These have been the subject of circulars to participants in the Chamber Scheme, which undoubtedly has in large measure and notwithstanding its defects contributed to the conditions of comparative industrial contentment which have been a feature of the year under review.

LAW AND LEGISLATION.

Excess Profits Tax and General.—In July the Income Tax Sub-Committee of the Chamber had a meeting with Sir John Sheehy and Mr. C. W. Ayers of the Central Board of Revenue at which several points relating to the working of Excess Profits Tax were discussed. A summary of the discussion on the main questions raised is given below:—

(a) *E. P. T. and Sterling Companies' Compulsory Deposit.*—The Chamber representatives pointed out that the 1943 Ordinance was not clear on whether those who paid E. P. T. in the U. K. and had not on that account hitherto had to make the voluntary deposit in India would now be subject to the provisions relating to the compulsory deposit of one-fifth of the E. P. T. levied in India under a regular assessment. The assurance was given by the Central Board of Revenue representatives that in the circumstances visualised in the enquiry no deposit would be required.

(b) *E. P. T.; Section 23A of the Income Tax Act.*—The attention of the Board of Revenue representatives was drawn to the fact that, because of the compulsory deposit of 13½% of the excess profits as required by the 1943 Ordinance, it appeared that companies with small standard profits in which the public were not substantially interested, might, if they wished to avoid the provisions of Section 23A of the Income Tax Act, have to pay out in dividend sums larger than their assessable profits for income-tax purposes less income-tax and super-tax thereon and less the compulsory deposit, and in certain circumstances, even more than their total profits. The Chamber accordingly recommended that an equitable manner of making the calculation under Section 23A would be to deduct from the assessable profits for income-tax purposes, in addition to income-tax and super-tax thereon, the compulsory excess profits tax deposit.

The Central Board of Revenue representatives stated that they could not entertain this recommendation, in each case under Section 23A raised different circumstances which might require consideration, but, as a general principle and bearing in mind the type of company to which Section 23A applied, no undertaking on the lines suggested could be given. Section 23A did not require the company to distribute sixty per cent. of its profits but merely provided that tax should be collected on that basis. To make an exception in Section 23A cases would in fairness necessitate giving the same treatment to registered firms.

(c) *Provisional and Final E. P. T. Assessments.*—The Income-Tax Sub-Committee expressed the fear that with the authority which Excess Profits Tax Officers now had to make provisional assessments, there would be a tendency towards even greater delay in completion of the final assessments. On this point the Board of Revenue representatives gave an assurance that very strict instructions had been issued regarding the avoidance of delay in the completion of final assessments. A special officer had also been appointed by the Board of Revenue to ensure the most expeditious disposal of cases. An assurance was also given that, if Chambers of Commerce submitted lists of assessments for the selection of which had been unduly delayed, the individual cases would be looked into.

E. P. T.: Restriction to be imposed on members' views, etc.—In June, the Chamber published for members' views and recommendations the provisions of the rules to be promulgated by Government in connection with certain aspects of the Excess Profits Tax Ordinance 1943, with particular reference to the provision for making rules to determine the extent to which deductions shall be allowed in respect of bonuses or commissions paid and the principles to be followed in leaving out of account all trading stock and stocks of raw materials.

The Chamber fully supported Government's object in proposing to issue rules of this nature for the purpose of combating inflation, and the conclusion reached after the consideration of an extensive range of evidence and views was that the best and most practicable method would be the issue, not of rigid rules, but of a directive to E. P. T. Officers based on the application of Sections 10(2)(z) of the Income Tax Act, coupled with the existing provisions of rule 12(1) of the E. P. T. Act and certain additional conditions to which a later reference is made in this paragraph.

It also appeared necessary that a further proviso should be added to Rule I of Schedule I to the effect that any amount which was disallowed by reason of its non-compliance with the conditions laid down in the proviso to Section 10(2)(z) should not be allowed under Section 10(2)(xi). It was, however, considered essential to the recommendations made by the Chamber that (a) the suggested provisions should be applied by E. P. T. Officers in an atmosphere of real sympathy towards the legitimate claims of employees, particularly to industrial employees, and towards the *bona fide* endeavours of progressive employers to improve conditions of service; and that (b) an appeal against the decision of an E. P. T. Officer should lie to a panel of non-officials, of which at least one should, if possible, have expert knowledge of the industry or type of commercial undertaking in which the assessee was engaged. Attention was also drawn to the fact that the new sub-rule (3) of Rule 12 of Schedule I of the E. P. T. Act, introduced by Ordinance XVI of 1943, left an obvious loophole which should be closed, namely that it referred only to bonuses and commissions instead of to total remuneration, in whatever form; for example, remuneration in kind such as cloth and food. The amount of reasonable salaries, wages, bonuses, commissions and other allowances should necessarily be considered in relation to the cost of living over which industrial and commercial concerns had no great influence.

In the case of bonuses and commissions the following were the additional factors which the Chamber recommended should be specified in the proposed directive to E. P. T. Officers, to be taken into account in applying the provisions of Section 10(2)(z) of the Income Tax Act and Rule 12 of Schedule I of the E. P. T. Act:—

- (i) the total remuneration and emoluments in all forms received by the employee or class of employees from their employment including justifiable increases in salaries or wages;
- (ii) the present-day cost of living of the relative class of employee compared with the pre-war (1939) cost of living;
- (iii) the nature of the employment of the individual or class of individuals;

(i) the seniority and age of the employee;

(ii) the additional work and/or responsibility which the employee may be bearing as a result of war conditions or as the result of promotion in the service of his employer;

(iii) profit-sharing or other bonus arrangements (deferred or otherwise) justified by the increased prosperity of the industry concerned and the previous practice in that regard;

(iv) in the case of industries which have extended since the war, the increased number of employees or increased working hours;

(v) "Legally Enforceable Agreements" which should not be interfered with unless (a) executed after the 1st January 1940 and (b) considered by the Commissioner to have been influenced by the imposition E. P. T.

(vi) Any other factors which the assessee considers are relevant to the allowance of salaries, wages, bonuses or commissions.

It was pointed out that guiding principles on these lines rather than hard and fast rules would in practice be applied by the E. P. T. Officer to classes of commercial and industrial employees rather than to individual cases, except in the case of senior staff.

As regards trading stocks and stocks of raw materials, it was recommended that the proposed directive should enjoin upon E. P. T. Officers consideration of the following factors:—

(i) the ratio which such stocks bear to sales and orders;

(ii) the quantity, not the value, of the stocks;

(iii) all factors, affecting stocks, outwith the control of the assessee.

A copy of the letter which the Chamber addressed to the Central Board of Revenue on the above subject was published for members' information with circular No. 97-1943 of the 5th August.

On the publication of draft rules cited as the Excess Profits Tax (Computation of Profits and Capital) Rules 1943 in the *Gazette of India* on the 27th November an early expression of members views was invited in a further Chamber Circular No. 152-1943 of the 9th December. On the basis of the views submitted by members and by the Associations connected with the Chamber, a detailed reply was prepared in January and was published in Circular No. 8-1944. The reply strongly criticised the draft Rules and utilised the criticisms to re-inforce the Chamber's 1943 view that the matter could with equity only be dealt with by means of a directive on the above lines.

Excess Profits Tax: Furlough Expenditure.—The Chamber after representations by a member invited the Central Board of Revenue's attention to the fact that no allowances against profits in computing any excess was given in respect of sums necessarily set aside to meet the cost of passages and leave salaries after the war. It was submitted that where such sums were set aside regularly they should be considered as accrued liabilities and not as reserves and should accordingly be treated as expenses. In this connection the Board was asked to refer to the following statement issued by the Ceylon Income Tax Department:—

Furlough Expenditure.—A deduction on account of furlough can be allowed provided the accrued liability as shown in the accounts is the actual amount of the reserve up to that date (i.e. the date up to which the accounts have been made up), subject to the conditions stated below, viz.—

- (a) no such claim shall be entertained for income tax purposes;
- (b) no general or round figure reserve will be allowed, but only the correct amount of accrued liability worked out for the accounting period in respect of each employee;
- (c) where on a subsequent date it is found that any accrued liability for which deduction has been made will not materialise, e.g. by the conditions of the agreement for the grant of furlough not being fulfilled, or by the death, resignation or dismissal of an employee, the matter should be brought to the notice of the Assessor so that a revision of the past assessments may be made.

The Board was asked to give the matter their consideration and issue the requisite instructions for an allowance for furlough expenditure.

Double Excess Profits Tax Relief: Double Income Tax Relief.—The recommendations put forward by the Chamber to the Board of Revenue for the purpose of expediting the settlement of double excess profits tax relief and double income tax relief in the case of companies subject to excess profits tax in India and in the United Kingdom were referred to in the 1942 Report.

In February the Board informed the Chamber that they were equally anxious that double taxation claims should be settled as early as possible and that instructions had been issued to the Officers concerned to expedite settlement of outstanding claims.

Regarding the settlement of double excess profits tax claims, the Board stated that the necessary particulars were forwarded to their U. K. Representative by fast air mail as soon as an application for relief was received. In their opinion this method was the best possible and should continue. The Board did not consider that any hardship could result to the assessee since the estimated amount of the relief was left uncollected.

So far as double income tax relief was concerned, the Board stated that since a part of the Indian demand equal to the estimated amount of the relief was not collected, assesses would be well advised, as soon as the balance of the tax demanded had been paid, to forward by fast air mail to their U. K. principals particulars of the Indian income-tax assessment, who, after obtaining the U. K. counterpart of the relief and relief certificate, should, in their turn, forward the latter to their Indian office for agreeing the amount to relief due. The Board did not therefore consider it necessary to authorise their U. K. Representative in this behalf.

The Chamber regretted that the Board did not consider it expedient to alter the procedure regarding double excess profits tax claims and so far as double income-tax relief was concerned the suggestion that assesses should utilise the fast air mail service seemed to be negated by the fact that, so far as the Chamber was aware, this service was only available to Government. In the Chamber's view, if this assumption were correct, the position would in no way be improved.

Following upon this correspondence the Chamber's attention was drawn to the difficulties encountered by a member in connection with Double Income Tax relief due in India in respect of dividends paid to the shareholders of their parent holding company in the U. K. This relief was normally granted when the firm in India produced certificates from the U. K. Tax Authorities showing the relief granted there, but, as the U. K. authorities had not had time to calculate these reliefs they had allowed the home company to estimate the gross dividend receivable from their Indian subsidiary and to pay tax at half the standard rate on that estimate. It had been contended by the firm in India that approximate Double Income Tax relief had thus been granted by the U. K. authorities and that therefore all the information required by the authorities in India for calculating the relief due in India was available, but apparently the latter had refused to give the relief until the actual U. K. Certificates had been produced.

The Income Tax-Sub-Committee to whom the matter was referred, agreed that representations might be made to the Central Board of Revenue on this point but subsequently the Chamber was informed that the member concerned had written to the Board on the subject, as a result of which the Board had agreed that Double Income Tax might be granted if a provisional certificate from the U. K. authorities was produced subject to the undertaking that the computations would be revised later, if necessary, on receipt of the final certificate.

Income tax and E. P. T.: Delay in payment of bills by Government Departments.—The Chamber addressed the

Central Board of Revenue in October on the anomalous position in which some firms are placed when met, on the one hand by demands under the E. P. T. Ordinance (provisional assessments under Section 14A (3)) and faced on the other hand by either considerable commitments in the performance of Government contracts or a number of unpaid bills totalling very large sums of money.

It was pointed out that, whilst the objects of Government in provisional assessments had the Chamber's full support, it was considered that such objects should not be pursued so as to penalise certain assesses, particularly those engaged mainly or wholly on Government work. It was therefore suggested that instructions be issued to Provincial Commissioners not to press for payments under the Ordinance where large sums were tied up in stocks on Government account or were due in respect of bills outstanding for work done, especially when such demands could be met only by recourse to borrowing.

The Board in reply stated that they did not consider it desirable that the discretion of Commissioners in the matter of collections, should be "fettered" as suggested by the Chamber, and as regards the question of bills remaining unpaid by Departments of the Government of India, this was a matter which should be taken up with the Department concerned.

In view of this reply the Committee, on the advice of the Income Tax Sub-Committee, decided to approach the Finance Member of the Government of India direct on the subject. In reply they were informed that the Provincial Commissioners had been instructed that they might, at their discretion, allow reasonable extensions of time in specially hard cases.

Income-tax and E. P. T.: Employers' losses on subsidised foodstuffs.—Whether losses incurred as a result of selling foodstuffs to employees would be a legitimate charge for income tax and excess profits tax was a question asked by a member. The Committee, in consultation with the Income Tax Sub-Committee, were of the opinion that such losses were allowable and advised the member to proceed on that assumption in the absence of any case in which a contrary attitude had been adopted by the Income Tax Authorities.

Income-tax and E. P. T.: Compensation for vessels lost.—The question of the status for tax purposes of sums received from Government in compensation for property requisitioned engaged the attention of the Income-tax Sub-Committee. In their opinion, which was based on the Central Board of Revenue's ruling that recoveries of insurance money in respect of loss of machinery are not of the same character as money

recovered when machinery is sold within the meaning of the second proviso to Section 10(2)(vii), neither profits nor losses arising from payments of compensation for loss of vessels under requisition would be included in computing taxable profits.

Income-Tax: Allowances of losses under Section 10(2)(vii).—During the year the Chamber had under consideration the points raised by a circular issued by the Central Board of Revenue in October which read as follows:—

Cases have recently come to the notice of the Board in which claims have been made by assesses under section 10(2)(vii) for the allowance of losses arising out of the sale of a factory or the entire block of plant and machinery on the transfer of the business to another party or on the close of each business.

The Board consider that before an allowance is admissible under sub-section (2) of section 10 of the Act, the condition prescribed in section 10(i) must be satisfied, *viz.*, that the loss or expenditure as the case may be must have been incurred in the business, profession or vocation carried on by the assessee. Since in the case of such sales of machinery, etc. it cannot be maintained that the sale was in the course of carrying on the business, *viz.*, of course, the main operations of the business were the buying or selling of factories or plant and machinery as such, for example, for scrap purposes in which even the loss or gain would have to be taken into account for assessment purposes no notice should be taken in assessments of any loss or gain made on such sales.

The instructions on page 282 of the Manual are being amended accordingly.

The Chamber's attention was drawn to this matter by the Associated Chambers who asked for constituent Chambers' views on a letter from the Madras Chamber which maintained that the Board's reasons for the decision taken by it were illogical. The Madras Chamber also pointed out that, if a business was closed down or sold, it would be impossible to satisfy the essential provision of section 10(i) *i.e.* the business would not be carried on by the assessee. This point was referred to the Income-Tax Sub-Committee and their opinion, with which the Committee agreed, was that it would be inappropriate to take up the matter with the Board of Revenue at the present time in view of the fact that profits on the sale of plant and machinery on the closing down of business were not liable to income-tax and that any agitation of the issue raised by the Madras Chamber might result in such profits being made assessable.

Income Tax Allowance for repairs under Section 9(1)(i).—In October the Chamber issued a circular letter to all members asking for their opinion on the adequacy of the present allowance for repairs of one-sixth of the rental value of property for the purposes of income-tax. The point had been raised by the Upper India Chamber in September and brought before the Associated Chambers for future discussion. It was urged by the Upper India Chamber that while under the Defence of India Rules property owners were not allowed to increase their rents, the cost of building materials and labour had greatly increased.

As this contention was upheld by the majority of the members, the Chamber agreed to support the recommendation that a case be submitted to the Government of India for an increase in the allowance under Section 91(1) of the Income Tax Act. The question was taken the subject of a Resolution at the Annual Meeting of the Associated Chambers in December 1945 when the following resolution was unanimously carried:—

“In view of the increased cost of materials and labour and the fact that rents have remained practically unchanged owing to rent restriction orders framed under the Defence of India Act, 1939, and other causes, this Association invites the attention of the Central Board of Revenue to the inadequacy of the allowance of one-sixth of the *house fit* annual value of property consisting of buildings and lands appurtenant thereto permissible under Section 9 sub-section (1) Clause (1) of the Income Tax Act (Act XI of 1922) and recommends that it should be made more liberal by suitable amendment of the Act.”

Income Tax Appellate Tribunal.—Reference was made in the 1942 Report to the representations which, at the Chamber's instance, the Associated Chambers had submitted to the President of the Income Tax Appellate Tribunal in regard to the filing of appeals and the making public of the decisions of the Tribunal, and to the fact that the President of the Tribunal had rejected the first suggestion. Subsequently the President of the Tribunal informed the Associated Chambers that he was unable, in view of the provisions of Section 54 of the Indian Income Tax Act, to permit the publication of the decisions of the Tribunal or to allow reporters to attend the proceedings before the Tribunal.

In view of the unsatisfactory nature of these replies, the questions under discussion were again submitted by the Chamber for the consideration of the Government of India in May. In the light of further information and advice afforded by the Chamber's Legal Adviser and the Income Tax Sub-Committee the following points were put forward:—

(1) *Filing of appeals.*—In September 1942 a recommendation was made to the President of the Income-tax Appellate Tribunal that facilities should be granted for the filing of appeals with local Benches of the Tribunal. It was pointed out that difficult matter—particularly in the case of assessors at a distance from a Treasury and the delay and uncertainty of the result, combined substantially to reduce the period allowed to the assessee for the filing of his appeal. This plea was rejected by the Tribunal and the President referred to the provisions of new sub-section (2A) of Section 38 as inserted by the Indian Income-tax (Amendment) Act, 1941, under which the Tribunal may admit an appeal after the expiry of 60 days if it is satisfied that there was sufficient cause for not presenting it within that period.

The Chamber is aware the Tribunal has that power, but whether or not it will exercise the power is a point of contention, as experience has shown that the Tribunal does not always take a sympathetic view of the taxpayer's difficulties on the point of an application lodged within the limit of statutory period. This attitude of the Tribunal is exemplified in a High Court case reported at 10 Madras High Court, page 467, where the Tribunal was severely criticised by the High Court. If therefore the Tribunal is firmly resolved not to grant facilities for the filing of appeals locally, the Chamber submits that the date of

posting of an appeal, not the date of its receipt by the Tribunal, should determine its admissibility or otherwise and, or the time limit and that presentation of an application to the local Income Tax Officer within the time allowed, should be regarded as proper notice of appeal to the Tribunal.

(2) *Decisions of the Tribunal.*—In the opinion of the Chamber it is essential that means should be devised of making public the decisions of the Tribunal in the cases coming before it. At present these decisions are made available to the Income Tax Department, but not to assessors. Consequently when an appeal is argued, the Income Tax Department's representative is in a position to refer the Bench to a previous decision, but the assessee is unable to meet the arguments of the Tribunal that if it were to feel in any way bound by previous decisions of any of its Benches, to which the Income Tax Department had access, such decisions should also be available to the Public, by permitting law reporters to attend proceedings and public decided cases, if necessary with the omission of the relative figures.

The President of the Tribunal, in informing the Chamber that he was unable to accept this suggestion, referred to the provisions of Section 54 of the Indian Income Tax Act, inferring by doing so that to publish decisions would involve a breach of that Section with regard to secrecy.

The Chamber has reason to believe that, in point of fact, the Tribunal do not treat their proceedings as being within the scope of Section 54, as they purport to sit as an open Court, and when applications are being argued, other parties in other cases are present and listening. If it is contended that proceedings before the Tribunal should be secret, then all other parties should be excluded from the room, as is the practice when appearing before the Commissioner or the Appellate Assistant Commissioner. In these circumstances the Chamber maintains that the decisions of the Tribunal, which are always available to the Income Tax Department, should be made available also to the taxpayer. Until this is allowed, the inequity of the present procedure cannot but perplex the taxpayer, who is unable to understand the Tribunal's substance to make public its decisions, when the cases are not, so the Chamber is informed, heard *in camera*.

A reply was received in August to the effect that—

- (1) The Government of India saw no reason to interfere, being satisfied that the Tribunal was exercising its discretion with due regard to the interests of the assessee and the circumstances of each case under Section 38 of the Act.

The Chamber's proposal that appeals should be lodged with local benches of the Tribunal was not acceptable, as it was stated, it would involve Government in great administrative inconvenience and extra expenditure. The Chamber's first alternative suggestion that the date of the posting of an appeal should be treated as the date of its institution was not acceptable as it would give rise to undesirable complications, while the suggestion of submission to the local Income Tax Officer was rejected on the grounds that the Income Tax Officer was not subordinate to the Tribunal and the Tribunal could not divest itself of its own functions by vesting the Income Tax Officer with power to receive appeals on its behalf.

- (2) The proposal was still under the consideration of Government.

In November the position was reviewed by the Chamber as a result of a member's complaint against the proceedings of the Tribunal: it was agreed on the recommendation of the Income Tax Sub-Committee that it should be made the subject of a resolution to be included in the Agenda of the meeting of the Associated Chambers at the end of the year. At that meeting which was held in December the following resolution was unanimously adopted—

This Association requests the early attention of the Government of India to the following matters connected with the practice and procedure before the Income Tax Appellate Tribunal:—

- (1) That the request for the establishment of local Registrars for filing of applications and for facilitating communications with the local Bench, be reconsidered
- (2) That the decisions of all Benches of the Tribunal be made available to the public if necessary by the amendment of Section 54 of the Indian Income Tax Act, and
- (3) That the Government of India take an early opportunity, in consultation with commercial interests, of revising where necessary various provisions of the Income Tax Appellate Tribunal's Rules and Forms and the practice obtaining thereunder.

Indian income-tax: Sterling companies and non-resident shareholders.—Two cases of far-reaching importance to the sterling companies operating in India have engaged the attention of this Chamber and the Bombay Chamber during the past year. The issue involved in both cases, which came before the High Courts of Calcutta and Bombay respectively, was the legality of certain provisions of the Income Tax Act of 1939 in relation to the assessments on the income of sterling companies and non-resident shareholders which authorised the income-tax authorities to tax income arising out of dividends declared and paid outside British India by a non-resident company out of profits subjected to tax in British India. The findings of the Courts were entirely conflicting, the Calcutta High Court holding that the provisions of the Act were *ultra vires* the Central Indian Legislature, and therefore in September the Chamber in communication with the East India Section of the London Chamber urged that the interests of the sterling companies in India should be represented in legal discussions in London and the whole matter cleared up before the issue came before the Federal Court on appeal. In replying the Committee of the East India Section stated that while fully appreciating the implications of the situation created by the two conflicting judgments and the difference of legal opinion they considered that the interests of the sterling companies would ultimately benefit as an outcome of the appeals which were to be lodged before the Federal Court.

Income Tax: Rate of tax for Insurance Companies.—Relative to the Chambers recommendation to the Associated Chambers of Commerce in India in connection with their circular No. 83.A.C. recorded in the Report for 1942, a further circular was issued to the constituent Chambers in March informing them that, as the majority opinion was against action being taken by the Chambers and the view had been expressed that the matter was primarily one for Insurance interests themselves to take up should they consider the case to be sufficiently sound, the President did not propose to pursue the question at that stage.

Subsequently the Associated Chambers provided the constituent Chambers with a copy of a memorandum submitted to the Finance Department by the Association of Life Assurance Offices in India in which Government were asked to "peg" the amount of Income Tax applicable to life assurance companies at a rate not in excess of that considered as a safe maximum in the U. K. i.e. 7s. 6d. in the pound. The main support put forward for this contention was the fact that life insurance companies were assessed for income tax on their interest less expenses, and it was on this interest that they depended essentially to meet their obligations to their policyholders.

In July the Chamber was asked to support a further representation of the Association to the Finance Department that in addition to their previous petition it was considered that some increase should be made in the maximum amount allowable as management expenses to Life Assurance Offices for income-tax purposes on account of the increased expenses resulting from war time conditions. The Chamber informed the Association that, as it was known that the Associated Chamber had already addressed the Finance Department in support of the case submitted by the Association on both counts, the Chamber did not propose to take independent action.

Income tax: War dearness allowances.—The Chamber Committee, in consultation with the Income Tax Sub-Committee, have declined to support a recommendation made to the Associated Chambers that the Government of India be asked to consider the exemption from income tax of war dearness allowances paid to staffs.

In view of the provisions of Section 7 of the Income Tax Act, there were no grounds, in the opinion of the Chamber, on which to approach Government.

Information was subsequently received from the Associated Chambers that the opinion of the large majority of constituent

Chambers was against any representation being made to Government.

Income from Property assessed under Section 9 of the Act: A. R. P. Expenditure.—In July the Chamber addressed the following to the Commissioner of Income Tax, Bengal:—

"A case has been brought to the notice of the Chamber in which it has been indicated by the Income-Tax Officer concerned to a Company whose income is derived solely from property, that expenditure incurred on the erection of blast walls, removal of glass panes and A. R. P. measures of a similar nature to protect the property and its occupants from air-raid damage, would be disallowed in the Company's assessment under Section 9 of the Act.

2. I am directed to enquire for the guidance of the Chamber what instructions if any have been issued to Income-Tax Officers on this point."

In answer to this the Chamber was advised that Income-Tax Officers had been informed that in the case of property assessed under Section 9 of the Income-Tax Act there was no provision in the law under which expenditure incurred on the erection of blast walls etc. could be allowed. The point was later put forward by the I. T. S/C at an interview with the representative of the Central Board of Revenue who confirmed the statement of the Commissioner of Income-tax and enlarged his contention by saying that in many cases the landlord could recover such expenditure from the tenant in whole or in part; and, if the tenant was assessed as a business the amount so recovered would be allowed as a charge. No final decision was reached, an assurance being given that the matter would be examined if put up before the Central Board.

The case was presented to the Board by the Chamber in the terms of the Chamber's letter to the Income-Tax Commissioner in July. It was finally learnt that the Central Board of Revenue did not find sufficient justification for proposing an amendment of Section 9 of the Income-Tax Act so as to allow the expenditure in question.

Income Tax: Depreciation of Plant and Machinery.

The Chamber again had this matter under consideration as their attention was called by a member to an apparent inconsistency between two statements made by the Finance Secretary when speaking on the Finance Bill in the Council of State on the 26th March, one being to the effect that Government would resist all attempts to secure a higher depreciation allowance because they were convinced that depreciation of plant and machinery had no relation to working of shifts, and the second to the effect that mints were working 24 hours at considerable risk to plant and machinery.

This point was made the subject of unofficial conversations in New Delhi with representatives of the Finance Department, who denied the seeming incompatibility between the two statements. They pointed out that, while they did not admit that double or multiple shift working necessarily caused more depreciation to plant than the stopping and re-starting under the single shift system, they did accept—and it was to this factor that the Finance Secretary referred in speaking of the Mints—that continuous working increased the risk of breakdown and the necessity of repairs, the cost of which was allowed as a charge to revenue for taxation purposes. The question was fully discussed by the Committee in consultation with the Income Tax Sub-Committee and, in view of the provision which already existed for an increase in depreciation rates, up to 50% of the normal rates, in the event of double or multiple shifts being worked and in view of the deferred repairs provisions of Section 26(3) of the E. P. T. Act, they decided that no further action could profitably be taken at that stage.

The Hoarding and Profiteering Prevention Ordinance, 1943.—The Ordinance was published in the Gazette of India Extraordinary on the 16th October and came into effect immediately. It has a sweeping application, including all articles except foodgrains which have not been exempted by specific notification in the official Gazette of the Government of India. Broadly speaking the Ordinance may be divided into three parts, viz:—

A. *The Anti-Hoarding Provisions.*—In these the Central Government are empowered to fix in respect of articles (1) the maximum quantity which may at any one time be possessed by a dealer or producer and (2) the maximum quantity which may be sold at any one time to any person.

(1) Clause 5 provides that—

(a) no dealer shall have in his possession at any one time a quantity of an article exceeding one quarter of the total quantity of that article held by him in the course of the year 1939, or as the case may be, exceeding the quantity which the Controller-General of Civil Supplies or other officer empowered in this behalf by the Central or the Provincial Government may intimate to him as the maximum quantity of that article which he may have in his possession at any one time; and

(b) no producer have in his possession at any one time a quantity of any article exceeding one quarter of his total production of that article during one of the three years 1940, 1941 and 1942

in which his production was greatest, or the quantity which may be intimated to him in the manner referred to above.

(2) No specific provision was made for the maximum quantity to be sold.

B. *The Price Control provisions.*

Clause 6. (1) where no maximum has been fixed by notification under clause (c) of sub-section (1) of section 3, no dealer or producer shall sell or offer for sale or otherwise dispose of an article for a consideration which is unreasonable.

(2) For the purpose of this section a consideration is unreasonable if, whether it is exclusively in money or not, it exceeds the amount represented by the addition of 20% or the addition allowed by normal trade practice whichever is less to—

(a) the landed cost of the article in the case of an imported article.

(b) the cost of the production of an article which is not imported, or if as a condition of sale the purchaser is required to purchase any other article.

(3) The Controller-General may, by order published in the official Gazette, vary, in respect of any specified article or class of article the figure of 20% referred to in sub-section (2), and if he does so that sub-section shall have effect accordingly.

C. *The Regulation with regard to Sales.*

Clause 9. No dealer or producer shall, unless previously authorised to do so by the Controller-General or other officer empowered in this behalf by the Central or Provincial Governments, without sufficient cause, refuse to sell to any person any article within the limits as to quantity imposed by the Ordinance.

It was clear that the Ordinance as it stood contained some very objectionable provisions from the point of commercial and industrial interests and in November the Chamber received a copy of the representations made by the Associated Chambers of Commerce to the Government of India, Commerce Department, in which were set out the difficulties surrounding the operation and effect of the several clauses of the Ordinance, with special reference to clauses 5, 6 and 9. The Associated Chambers submitted that in its present form the Ordinance was unworkable and any serious attempt to enforce it would result not only in severe hardship to many classes

of merchants and traders, but in the closing down of many valuable business. With regard to clause 5 it was pointed out that in practice its provision must remain largely a dead letter for the prolonged period which must elapse before section 3 could, if at all, be brought into operation in respect of the almost unlimited number of articles of which stocks were held. Each and every article must either be exempted from the Ordinance as a whole under section 2(a) or be the subject of fixation by official notification under section 3 or come within the provisions of section 5. By reason of irregular supplies, interrupted production, difficulties of transport, import trade control and a variety of other factors, it was stated that almost all dealers must at one time or other be in possession of larger quantities than were permitted under section 5(a). They were then outside the law and subject to its heavy penalties without right of appeal. Under section 5(b) the position was even more untenable. Unless exempted under Section 2(a) or provided for under section 3 the term "article" which was not limited to an article for sale apparently covered the material which a manufacturer might have in his possession for the purposes of production and he had no 1940/42 "production" on which to base any justification for the holding of such stocks. In fact no manufacturer could avoid contravening the Ordinance, in this respect until all such raw materials were specially provided for under the various sections. Under the present conditions of failure or shortage of transport which delayed despatches from factories and therefore led to an accumulation of goods no manufacturer could keep within this provision even if section 5(b) related only to goods for sale.

Clause 6 was considered to be particularly unacceptable in that probably the majority of the sellers of goods are not the importers and such goods pass through several hands before they reach the retailer to be passed on to the consumer, in which case it was almost impossible to assess the landed cost of the article and to exact the approved maximum of 2%. A dealer in non-imported goods would be in a similar position in respect to goods which had passed through the hands of the manufacturer, the distributor and the retailer. This clause was therefore obscure and unrelated to ordinary business practice.

In the case of the sale of goods by the importer or manufacturer, the term "cost of production" had been undefined in the Ordinance and Governments attention was drawn to the numerous incidental costs—advertising, storage, maintenance of staff and etc.—which must be added to the ex-factory cost, and to cases where only small profits were made on goods kept in stock for long periods against occasional demands, e.g. X-ray and other electrical equipment. In view of these and other factors it was considered that the permitted 20% would result in substantial losses being incurred

in businesses that had only moderate net profits and the position would result in either the suspension of business or the open disregard of the Ordinance.

The objection put forward in connection with Section 9 was that to sell out stocks to first applicants without taking into account business obligations to regular and reputable customers was a procedure to be deprecated. To avoid this, it was suggested that the expression 'sufficient cause' in the section should be interpreted with sympathy towards traders, merchants and importers enabling them to distribute their goods through the most reputable channels and to their established clients.

As regards the administration of the Ordinance generally it was pointed out that there was no practicable means of dealing individually with all the types and stages of business covering transactions in the post of articles which called for special treatment. Even were a large enough staff available to the Controller-General to deal with the work entailed they would not, it was pointed out, possess the knowledge of business methods and conditions necessary to enable them to handle the applications promptly and efficiently. In the time-lag thus involved the Ordinance would presumably be a dead letter, which would further undermine the public's confidence in the Government's ability to handle the situation.

In acknowledging receipt of this letter Government stated that the points raised had been fully discussed by the President (the Hon'ble Mr. Burden) and the Secretary of the Department of Industries and Civil Supplies. A summary of these conversations were communicated to the Chamber from which it appeared that Governments were aware of the difficulties of administering the Ordinance, but claimed that the main purpose of its publication, which was to curb the gross profiteering which had been going on, had already been achieved. Great stress was laid by Government on the fact that it was only such anti-social activities that were aimed at and those who were conducting their business in honesty and good faith need not fear being penalised at Government's hands. In this connection a Press Note was issued by Government on the 27th October which pointed out that the figure of 20% profit over landed cost or cost of production was not inflexible and that it was open to any dealer or producer to satisfy the Controller-General that this limit was inapplicable or unworkable.

Despite the assurances of Government that the intention of the Ordinance was not to penalise the honest dealer, it was felt that a meeting should be held with the Controller-General of Civil Supplies to ascertain in what general terms dealers and producers who required special treatment under the Ordinance should proceed

so as to place their cases formally *sub judice* while at the same time carrying on their business in the normal way. This meeting, which was attended by representatives of the Associated Chambers, the Calcutta Import Trade Association and the Calcutta Traders Association in addition to those of the Chamber, was held on the 22nd December. An exhaustive discussion of the Ordinance took place and it will have been noted from the minutes of the meeting which were issued to all members of the Chamber that reasonably satisfactory assurances as regards the operation of the Ordinance were obtained from Mr. Desai, the Controller-General.

Continuance of the International Rubber Regulation Scheme.—At the end of 1942 the Chamber was approached by the Commerce Department of the Government of India through the Government of Bengal for its views on the continuance of the International Rubber Agreement. The scheme in question provided that not less than twelve months before the 31st December 1943 the International Rubber Regulation Committee should make a recommendation to the contracting Governments as to whether the scheme should be continued or not after that date, and before doing this officially the Committee wished to ascertain the reactions of participants.

The Government of India's views were that, while it was desirable to retain the general framework of the agreement particularly with a view to conditions after the war, it was impossible to implement the actual provisions of the agreement under the existing conditions of an acute shortage of rubber caused by the loss of the principal rubber producing countries. The Government had therefore decided—

- (a) to suspend such of the provisions of the Indian Rubber Control Act, 1934, as were not administratively necessary in the present circumstances;
- (b) to authorise fresh rubber plantation in India to the furthest extent necessary to meet India's needs, as in case very extensive tapping became essential fresh areas now planted would be able to replace existing areas which might run into disuse;
- (c) to control strictly all exports of rubber and rubber manufactures; and
- (d) to appoint an Indian Rubber Production Board consisting of representatives of all interests with a view to encouraging and ensuring increased production of rubber.

The Chamber Committee considered this question in consultation with the Association of Rubber Manufacturers in India and expressed the following views to Government :—

- (a) That, as the International Rubber Regulation Scheme had been of benefit to the Producers and had not borne too heavily on the Manufacturers, its continuance should be agreed to after the 31st December 1943 subject to the proviso that, as long as the war continued, all provisions of the Scheme which interfered with the war effort should be suspended.
- (b) That it was in the best interests of India and the war effort to plant fresh rubber to the furthest extent possible and necessary, provided always that the modern type of high yielding tree was planted.
- (c) That undoubtedly the strictest control of all exports of rubber and rubber manufactures was essential at present.
- (d) That the appointment of an Indian Rubber Production Board representing all interests involved appeared very desirable.

Proposal to amend Section 277-I of the Indian Companies Act, 1913.—The Chamber was asked by the Government of India for an opinion on certain amendments which the Reserve Bank of India recommended that Government should make to section 277-I of the Indian Companies Act, 1913 relating to Banks—

- (1) to add a further proviso that the subscribed capital should not be less than one half the authorised capital, and the paid up capital not less than half the subscribed capital, and
- (2) that no banking company should have other than ordinary shares.

In their reply, the Committee of the Chamber emphasised that the suggested relationship of paid up capital to subscribed and authorised capital was not by any means universal; in the case of some of the largest British joint stock banks, the ratio was considerably less than the proposals sought to make necessary. The Committee, however, gave the proposals their full support, particularly in so far as they related to new banking companies established since the outbreak of war.

Indian Merchandise Marks (Amendment) Act, 1941.—In regard to the draft rules giving effect to the 1941 amendment of the Indian Merchandise Marks Act published in the *Gazette of India* in July, the Chamber addressed the Government of India in September in support of the recommendation made by the Bombay Chamber earlier in the year, that a further amendment of the Act should be made in order to bring it into line with the standard and long standing practice of the trade. The suggestions in brief were :—

- (1) The Act should provide for the marking of cotton thread either by length or weight;
- (2) The term 'grist' should be amended to read 'ticket';
- (3) The reference made in the Act to 'cotton sewing or darning thread' should be extended to include crochet or handicraft thread;
- (4) The scope of the Act should be extended so as to include not only thread etc. manufactured in factories as defined under the Factories Act but also thread wound and/or packed in any premises whether factories or not.

Referring to a letter received from the Government of India in November in which proposals (3) and (4) above were put forward for opinion, the Chamber after consulting the Cloth and Yarn Sub-Committees replied that they considered it unnecessary to make any comment on these proposals; but the attention of Government was drawn to the remaining points raised by the Chamber of Commerce in Bombay and this Chamber's supporting letter to which no reply had yet been received.

The Indian Merchant Shipping Act, 1923: Amendment Bill 1943.—The views of the Chamber on the proposed amendments to the Indian Merchant Shipping Act, the effect of which were to make it necessary for the Steamer Companies carrying Hedjaz pilgrims to pay Cabin class pilgrims the sum of Rs. 3/- per day for every day lower than 25 days they were detained in Jeddah, instead of as formerly Rs. 1/- were requested by the Government of Bengal in September. After consulting the Steamship interests concerned, the Chamber informed Government that it was unable to support the Bill which was considered unnecessary and inopportune and, among other contentions, likely to add to the burdens and responsibilities of shipowners already imposed by war time conditions.

Payment of Wages Act: Deduction from Wages.
The definition of wages under the Act leaves room for uncertainty

with regard to its application to bonus and other forms of special payments and has been the subject of much controversy since the Act was passed. In a circular letter No. 2052-1943 dated the 5th May, the Chamber issued for the information of members a copy of a communication from the Government of India, received by various organisations, which stated that certain practices had been brought to the notice of Government which were not in accordance with the Act. As Dearness Allowance formed part of "wages" as defined in Section 2(n) of the Act, a reduction in the payment of this allowance in excess of that allowed by Section 7(2)(b) read with Section 9(2), paid to a worker in default, was illegal; and further, advance deductions from wages for amenities and services to be supplied by employers were similarly not in accordance with the provisions of the Act. (Members will recall that reference was made in the 1942 Report to the Chamber's correspondence with the Government of Bengal on this subject of "amenities" and that in Government Notification No. 3860-Com. of the 15th June 1942, employers were authorized to make deduction from wages up to a maximum of 50% for the supply of foodstuffs etc.).

In connection with this communication it was brought to the notice of the Chamber by a member that if Dearness Allowance was legally recognised to be part of wages, the position of employers with regard to provident funds and wages paid in lieu of notice would be entirely unsatisfactory. In view of an announcement made in the Press in July that an amendment of the Act was contemplated by Government it was feared that, unless the matter was immediately taken up, the definition of wages to include dearness allowance would become law, and in this event it was hoped that the effect of legislation would at least exclude an employer's obligation to pay contributions to Provident Funds and wages in lieu of notice on the basis of the additional Dearness Allowances.

The Committee in view of these contentions decided to obtain particulars of the Government of India's intended amendment of the definition of Wages under the Act. In reply it was stated that the amending Bill would not touch upon the questions of payments made in lieu of notice, and to Provident Funds as these matters were not within the scope of the proposed amendments. The proposal for the amendment of the definition of wages was still under inter-departmental consideration and therefore no particulars of the proposals could be given. It was also stated that there was no connection between the proposed amendment of the Payment of Wages Act and the recent withdrawal by the Government of Bengal of special exemptions previously allowed to the Indian Jute Mills Association.

The Industrial Affairs Sub-Committee of the Chamber considered that in the light of this information no further action was necessary.

The War Donations and Investments (Companies) Act, 1940.—Section 5 of the above Act states that—

If any question arises whether for the purposes of this Act a loan is a Government loan floated for the purpose of assisting the prosecution of the present war or whether a fund is a public fund formed for the purpose of assisting the prosecution of the present war, the question shall be decided by the Central Government whose decision shall be final.

From correspondence which was placed before the Chamber it appeared that some doubt existed as to whether donations by companies to the Red Cross Fund were to be regarded as donations to a "public fund" within the meaning of the Act.

To clarify the position the Chamber asked the Government of India for a ruling and was eventually advised that there was no objection to donations being made in pursuance of the War Donations and Investments (Companies) Act, 1940, to the funds collected by the Joint War Organization of the Indian Red Cross Society and the St. John's Ambulance Association (Indian Council), which is a public fund formed for the purpose of assisting the prosecution of the present war.

Agricultural Produce (Grading and Marking) Act, 1937.—At the end of 1942 a submission of views was requested from interests in the membership of the Chamber who were likely to be affected by the proposed amendments by Government of the Agricultural Produce (Grading and Marking) Act 1937. In the first place an amendment of section 3(f) of the Act was suggested to enable Government to recover from the trade certain incidental costs incurred in the inspection and grading of various commodities, graded under the Act. The second proposal was that some provision be made in the Act for a levy to cover expenses incurred in connection with publicity given to popularise "Agmark" products.

In communicating the collective opinion of interested concerns in a letter to the Agriculture and Industries Department of the Government of Bengal in March, the Chamber stated that, with regard to the proposed amendment of Section 3(f), it was considered that such costs should only be recoverable from persons who have their produce graded or marked under the provisions of the Act. The second proposal, the Chamber said, met with general approval and these costs also should be recoverable from the trades concerned although a suggestion was made that whenever possible trades should be left free to use this publicity as they thought best. It

was also suggested by the Chamber that trades concerned should be informed of the experience and credentials of inspectors undertaking the work of supervising, grading and testing.

The Bill was passed in August and the Chamber was informed that the Government spokesman had given an assurance that the proposed recoveries were to be made only from those who voluntarily entered the scheme. It also appeared that there would be no reason to complain of the qualifications of the staff employed by Government.

The Central Excise Bill, 1943.—The comments of interested members were invited by the Chamber in December on the Central Excise Bill 1943, referred for examination and report to a Select Committee. According to the Statement of Objects and Reasons the Bill was primarily a consolidating measure, containing clauses reproducing or based on the existing provisions of current enactments which the Bill was intended to consolidate and repeal.

No objections were raised or comments made by interested concerns who gave the Bill their full support. The Bill is now before the Central Legislature.

The Indian Boilers (Amendment) Act, 1943.—In July the Chamber had under consideration the Indian Boilers (Amendment) Act which was introduced by the Government of India to meet the omission from the Indian Boilers Act 1923 of a provision for the inspection and general regulation of the boiler feed water system, as serious accidents had happened because of the failure of, for example, economiser tubes due to deterioration.

The amendment was referred to the Chamber representatives on the Bengal Boiler Commission who informed the Chamber that the Commission were unanimously of the opinion that, while it was realised that some system of economiser inspection should be instituted, it was quite impossible to bring in legislation to this effect during war time. It was pointed out in support of this contention that an economiser could not be inspected unless it were taken out of service in which case most types of boilers by themselves would not be capable of evaporating the entire quantity of water required to drive the power plant which they were installed to serve. It was further pointed out that, if the tubes of an economiser were inspected internally and then suspected of weakness, the only method of determining the extent of such weakness was to destroy some of the tubes, which, in view of the lack of skilled labour and spare tubes, might render a whole section of an economiser inoperative for a long time. The Bengal

Boiler Commission were of the opinion that, if Government insisted on proceeding with the amendment, it was absolutely essential to lay down rules governing the methods by which inspection would be carried out and defining the condemning limit.

The Chamber decided to refer these views to Government but the amending Bill was passed by both Houses of the Central Legislature before this could be done. They were subsequently put before the Member in charge of the Act in unofficial conversations and an assurance obtained that the points raised would be fully considered when the time came to amend the Boiler Regulations in accordance with the new Act, when an opportunity would also be given to all concerned to express their opinion.

Registration of Trade Marks Act, 1940.—It will be remembered that a resumé of the detailed comments made by the Chamber on the Trade Marks Rules 1942 was included in the 1942 Report. The Trade Marks Amendment Act 1943 based on these rules was published on the 15th March and passed in the Central Assembly on the 31st idem. This controversial matter, besides being given a considerable amount of publicity in the press, engaged the attention of the Chamber from the original introduction of the Bill. The Chamber informed Government that the Bill had been introduced without adequate consultation and without time for the consideration of all its implications. During the short interim between the publication of the Bill and its passing in the Central Assembly negotiations took place with a view to placing some limitation on the amendments which were regarded by commercial interests in Calcutta as a summary injustice. Eventually Government accepted two amendments—(1) The Deputy Registrar whose appointment by Government is permissive should have full powers to discharge any function under the Act under the superintendence and direction of the Registrar and (2) a mandatory provision that "there shall be established in Calcutta for the purpose of facilitating the Registration of Trade Marks a branch of the Trade Marks Registry".

The whole intention of these amendments and the understanding underlying their acceptance was that the Calcutta Branch Registry would be self-contained, though necessarily under the superintendence and direction of the Registrar, and would be so constituted and staffed as to be able to deal with all stages of the process of registration of a trade mark, from the original application through the stages of hearing and interlocution and up to the stage of registration. Such an arrangement postulates that the Calcutta Branch Registry should be in the charge of a responsible officer. While the Chamber had no wish to exercise undue pressure in the

matter of the appointment by Government of a Deputy Registrar, it was very strongly urged that the Calcutta Branch Registry should be under the control of an officer of that status if practical effect were to be given to the intention of the amendments accepted by Government in the amending Act. The draft revision of the Trade Marks Rules published with Notification No. 405-Ind.(I)/43 of the 6th May, however, contained no reference whatever to the Calcutta Branch Registry which the Act enjoined. They concentrated all responsibility in the hands of the Bombay Registry; they made no provision *inter alia* for applications to the Calcutta Branch Registry, for the issue of receipts for applications submitted to the Calcutta Branch Registry, for copies of the representations of Trade Marks applied for to be maintained in Calcutta to facilitate searches. Even the forms appended to the rules contained no recognition of the Calcutta Branch Registry. It was not, the Chamber therefore submitted, sufficient that the Calcutta Branch Registry be treated and organised on the basis of its acting as a mere "post office" for the transfer of applications to Bombay, though recognition even to that extent was not given to it in the original draft rules.

Government were informed that commercial interests in Calcutta could not accept anything less than the fullest and most meticulous fulfilment in the Rules of the intention of and the understanding attached to the amendments of the 1943 Act accepted by Government, namely the continuance in their entirety of the facilities which the commercial community had always enjoyed in Calcutta.

The Government of India subsequently published for criticism the draft of Special Provisions for the Calcutta Branch. Government have also decided that the Deputy Registrar of Trade Marks shall be stationed at Calcutta and pending such appointment, gazetted status. In this and certain other respects—notably a proposed rule 102A which would have far-reaching and adverse effects on proprietors in India and abroad of trade marks consisting of numerals and letters—the amended draft rules were still unsatisfactory and were made the subject of further correspondence with Government.

Government met the objections to the draft Special Provisions for the Calcutta Branch by publishing a notification dated the 24th July 1943 containing new Draft Rules for the Calcutta Branch which were considered satisfactory except that they did not make specific provision for a Deputy Registrar of Trade Marks to be in charge of the Branch. Government, however, explained that this omission was due to the fact that it might be some time before such

an officer was actually appointed and, if specific mention was made of a Deputy Registrar, it might hold up the work of the Branch till the actual appointment was made. As regards the objection to the draft Rule 102A it was stated that Government were giving its provisions further consideration.

Public Debt (Central Government) Bill, 1943.—The Chamber Committee in consultation with the Calcutta Exchange Banks Association examined the provisions of the above Bill for the consolidation and amendment of the law relating to Government securities issued by the Central Government and to the management by the Reserve Bank of India of the public debt of the Central Government.

It was agreed that these suggested alterations to the existing law were desirable and no comments were offered.

Drugs Control Order, 1943.—A question of interpretation of the price schedules and other matters in the Drugs Control Order 1943 was referred to the Chamber by a member firm who is a manufacturer of certain drugs within the schedules of the Order. In reply to the queries raised it was pointed out:—

- (1) that the prices shown in col. 4 of the schedules are the maximum retail prices which can legally be charged anywhere in India.
- (2) that where these prices do not permit of a reasonable margin of profit to the manufacturer representations may be addressed to the Department of Industries and Civil Supplies, New Delhi.
- (3) that (it is only Parts I and III of the Schedule to the Order which refer to the products of any manufacturer and) in respect to any drug manufactured and marketed in India which is not included in Schedule II, of the Order, a representation for its inclusion at the next revision may also be addressed to the Department.

The Cotton Cloth and Yarn Control Order, 1943.—The development and implications of the Cotton Cloth and Yarn (Control) Order published in Government of India Notification No. 34-Tex.(I)-43 in June have engaged the attention of the Chamber's Cloth and Yarn Sub-Committees during the period under review.

Arising from this enactment the Government of Bengal with a view to preventing hoarding and black market operations notified

a supplementary Order—the Bengal Cotton Cloth and Yarn Control Order—in October, having previously invited the representatives of commercial interests in the Province to discuss the administration of the Order with the Textile Control Adviser, with respect to the licensing of dealers, the fixation of maximum quantity etc. On this last point, which comes under clause 6 of the Order, the Chamber was asked by the Government of Bengal to consider the question of "Maximum quantity which a dealer in cloth and yarn should be permitted to sell in a single transaction". In reply, the Chamber in accordance with the opinion of the Cloth and Yarns Sub-Committees, expressed the view that it was impossible to enforce such a rule owing to the difficulty in assessing the maximum permissible quantity which would be reasonable for all types of households and stated that as the clause stood, it would be possible for a purchaser to enter into a "transaction" when and as frequently as he chose.

To clarify a number of outstanding questions which had been queried by the Commercial community in connection with both the Central and Provincial Orders, the Controller of Textiles convened a meeting in December, including two representatives of this Chamber, at which the constitution of the Advisory Committee to be set up by Government to deal with questions arising from this legislation, was among the subjects under discussion.

The Chairman of the Indigenous Cloth and Yarns Sub-Committee has since been nominated to represent the Chamber on this Advisory Committee.

Indian Electricity Rules: Further Amendments.—

An account was given in the 1942 Report of a number of points taken up by the Chamber on the advice of the Electricity Sub-Committee with the Government of Bengal and the Indian Electricity Board in connection with proposed amendments to the Indian Electricity Rules.

In the year under report further amendments to these Rules have been the subject of consideration by the Electricity Sub-Committee and correspondence addressed by the Chamber to the Central Electricity Board.

The Notifications issued by the Board and the Chamber's comments thereon were:—

- (a) Rules 25, 26 and 54: Proposed amendments.

In the said Rules—

1. In rule 25—

- (a) for sub-rule (1), the following sub-rule shall be substituted namely:—

Precautions against leakage—(1) A licensee shall commence or continue the supply to any installation or apparatus pertaining thereto on the premises of any applicant for a supply or a consumer, should he had reason to believe that such action may cause a leakage from the installation or apparatus pertaining thereto, exceeding one five-thousandth part of the maximum demand on such premises.

- (b) in sub-rule (2), for the words "make a connection" the words "commence or continue the supply" shall be substituted.

2. For rule 26, the following rule shall be substituted, namely:—

26. Leakage on consumer's premises.—

(1) If a licensee has reason to believe that there is in the system of a consumer leakage which is likely to affect injuriously its use of energy by the licensee or by other persons or which is likely to cause danger, he shall under the powers vested in him under section 20, inspect and test the installation and all apparatus connected thereto.

(2) If, after such inspection or notice of inspection—

- (a) the consumer does not give all reasonable facilities for inspection and testing, or
(b) a leakage from the consumer's system exceeding one five thousandth part of the maximum supply required by the consumer is shown to exist,

the licensee shall forthwith report the matter to the Inspector and, under the order of such Inspector, discontinue the supply and give immediate notice of discontinuance to the consumer. The supply shall not be recommenced except with the approval in writing of the Inspector.

3. The proviso to rule 54 shall be omitted.

The Chamber pointed out that Rule 25 appeared to contradict Rule 26 in that under the former the licensee was given authority to act immediately whereas Rule 26 required a reference to the Electric Inspector. Furthermore a motu licensee under the suggested Rule 26 had to allow a leakage to continue while awaiting a postal reply to his application to disconnect and again would have to forfeit revenue for at least 3 days until permission was obtained by post from the Inspector to re-connect. This contradicted Clause VI(f) second proviso (b), (c) and (d) of the Schedule which gave the licensee power to disconnect and re-connect on removal of the leakage.

In view of the foregoing, the Chamber suggested that Rules 25 and 26 were more acceptable in their existing form.

The omission of the proviso to Rule 54 (which would result in all types of electrical casings or coverings having to be earthed), it was contended, would have far reaching effects and required prior consideration. Without the proviso the Rule was one with which few existing installations could comply: in a country where 3 pin plugs were the exception, portable apparatus would present a problem and any progress of the "earth or insulate" ideal in our time was doubtful. Every fan regulator and ceiling fan in an installation wired with capping and casing or T. R. S. wire would have to be earthed—a task of impossible magnitude in war time.

(b) *Rule 40.*—Rule 40 of the said Rules shall be renumbered as sub-rule (1) of that rule, and after sub-rule (1) as so renumbered, the following sub-rules shall be inserted, namely:—

(2) A licensee shall provide and maintain on the consumer's premises for the consumer's use a suitable earthed terminal in an accessible position at or near the point of commencement of supply.

(3) The cost of providing earthed terminal under sub-rule (2) may be included in the service charges on the basis as laid down in sub-rule (2) of rule 70.

The Chamber was opposed to the amendment on the grounds that compliance with the rule would involve a vast number of connections and would use a correspondingly large amount of materials. In view of the present difficulty in obtaining such materials, it was suggested that the amendment be held in abeyance until more normal conditions prevailed.

(c) *Rule 48.*—Draft amendment to this Rule included the following proviso—

(3) After sub-rule (1) the following sub-rule shall be inserted namely:—

(1A) No electrical installation work which has been carried out in contravention of sub-rule (1) shall be connected with the works of any licensee or other supplier of energy.

With regard to this amendment the following representation was submitted by the Chamber:—

The proposed amendment to Sub-rule (1A) is considered objectionable in that it throws on the licensee the responsibility for establishing the proof that every installation the licensee is requested to connect has been wired by a Government licensed contractor or wireman.

The Board will agree that rule 48 has been evaded wherever possible by unscrupulous contractors and the wording of sub-rule (1A) "No electrical installation shall be connected with the works of any licensee makes it incumbent on the licensee to investigate each case so that he does not commit the offence of connecting up, even unwillingly, an installation carried out by an unlicensed wireman or contractor.

In the circumstances it is suggested that if the sub-rule (1A) is to be accepted, it should be accompanied by a proviso reading as follows:—

"Provided that a wiring completion certificate signed by Government licensed contractor may be accepted by a licensee as proof that the provisions of sub-rule (1) have been complied with".

Bengal Finance (Sales Tax) Act, 1941: (a) *Method of assessment of sales tax.*—The Commissioner of Commercial Taxes was asked by the Chamber for a ruling on a point raised by a member regarding the method adopted by the Assistant Commissioner of Commercial Taxes, Calcutta (South), in assessing sales tax. The Assistant Commissioner claimed that the gross turnover included the sales tax charged to customers by dealers, and in arriving at the taxable turnover, added such sales tax to the value of the goods sold before deduction of the 1% allowed under Section 5(2)(b) of the Act. The result was that dealers paid more sales tax than they received. It appeared to the member concerned that this method of assessing taxable turnover was not in accordance with the reading of Section 5(2)(b) of the Act.

The Commissioner, in his reply, upholding the procedure followed by the Assistant Commissioner, which he stated was in accordance with the law as it now stood, pointed out that it was clear from the definition of "sale price" in Section 2 of the Act, that it must be taken to mean the total amount paid by the purchaser to the dealer including the sales tax if realised by the dealer as a separate sum. The gross turnover of the dealer must, in consequence, be taken as the aggregate of the amounts of sale prices received by the dealer inclusive of the sales tax realised. The deduction of 1% provided in Section 5(2)(b) was intended to secure that a dealer had not to pay tax on the sales tax element in his turnover.

The Commissioner, whilst agreeing that the deduction of 1% did not provide full relief, stated that unless the law prescribed that sales tax must in every case be charged separately to the purchaser, a provision for deduction of the sales tax separately received, in calculating the taxable turnover, in place of the existing 1% deduction, could not be of general application.

The Chamber forwarded the papers in connection with this point to the European Group in the Bengal Legislature for their comments. In reply they were informed that this question had been raised in the form of an amendment by the Group at the time of the passing of the Act but had been withdrawn on the Finance Minister introducing the amendment providing for the deduction of 1 per cent. from the taxable turnover. On receipt of the reference from the Chamber the Group's Finance Sub-Committee had approached the Finance Department to ascertain

whether a further amendment of the Act to correct the anomaly would be considered. They had been informed that such an amendment would only be considered if the Act was being altered to provide for an increase in the tax, a point which the Group stated that they would keep in view if and when the Act was brought before the Legislature for revision.

(b) *List of registered dealers.*—Notification was received from the office of the Commissioner, Commercial Taxes, Bengal, that a list of registered dealers under Section 9 of the above Act, up to the 31st March 1943, had been published as a supplement to the *Calcutta Gazette* of the 17th June 1943.

(c) *Amendment of Rule 28(2).*—Reference was made in the 1942 Report to the representations submitted by the Chamber to the Bengal Government for the amendment of Rule No. 28(2) of the above Act which provided that:—

If any registered dealer shows to the satisfaction of the Commissioner that his average taxable turnover forms only a small proportion of his average gross turnover, such Commissioner may direct that it shall be sufficient for the dealer to show in his return in a single entry the total amount deducted from his gross turnover under clause (a) of sub-section (2) of section 2.

In response to the Chamber's request, it was learned that the Commissioner of Commercial Taxes proposed to revise the sub-rule as follows:—

If any registered dealer shows to the satisfaction of the Commissioner that his average taxable turnover forms only a small proportion of his average gross turnover, the Commissioner may direct that it shall be sufficient for the dealer to submit a return showing only his gross turnover and his taxable turnover during the return period.

From the foregoing it will be seen that all the returns in question will be annual returns and the obligation to furnish gross turnover figures will not therefore entail the maintenance of any records or accounts that would not be maintained in the usual course of business. The Commissioner also assumed, the Chamber was informed, that the concession will, like the exemption granted under rule 28(1), be renewable annually and the dealer will be required to state his gross turnover at the time he applies for renewal of the concession. No extra labour will therefore be involved in furnishing the same information in the annual return. Incidentally, it is understood that the term "average gross turnover" also presupposes that the dealer will be in a position to supply information regarding his annual gross turnover for a number of years.

The Chamber accepted the rule as re-drafted.

The Bengal Agricultural Income Tax Bill, 1943.—The above Bill, introduced by the Finance Minister in the Bengal Assembly on the 16th September 1943 was then referred to a Select Committee. The purpose of the Bill is to levy a tax on agricultural income from lands and the Chamber's views on it have been communicated to the European Group in the Bengal Legislature who had two representatives on the Select Committee. The Bill as amended in Select Committee is at present before the Bengal Legislature.

The Bengal Housing Bill, 1943.—The Chamber was asked for its views both by the European Group and the Government of Bengal on this Bill, which was a private member's Bill introduced by Mr. J. N. Gupta with the object of providing better housing for the working class. Industrial Associations connected with the Chamber were asked for their comments on the measure and, while general sympathy was expressed towards the intention of the Bill, it was felt that it could not be supported as it stood because of the faulty and incomplete way it was drafted, and that such legislation should be undertaken by Government itself after proper enquiry and consideration.

Hand-cart Traffic: Draft Rules.—Certain Associations connected with the Chamber commented on a notification dated the 4th February, issued by the Commissioner of Police, Calcutta, which published the draft of proposed rules for regulating the traffic of hand-carts in the streets and public places of Calcutta and its suburbs.

In the main the draft rules were approved, with the exception of Clauses 5 and 9. The former stipulated that the weight of the load on a hand-cart, inclusive of the weight of the cart, should not exceed 9 maunds. The general opinion was that this was unnecessarily low, as two men have to be employed in handling 15 maunds, plus the weight of a cart. As any reduction in the carrying capacity of hand-carts would increase transport difficulties and costs, it was suggested that 14-15 maunds would be a fair load, excluding the weight of the cart.

Clause 9 made it obligatory for all hand-carts, whether loaded or unloaded, to be pulled and not pushed. As a safety measure, it was suggested that when carts were ascending or descending the inclines of bridges and other slopes, the rule should provide for their being both pushed and pulled.

Other suggestions which were not included within the scope of the proposed rules were (a) that the fare of the cart should be shown on its registration label, so that when the cart was put on a

weighbridge, there would be no necessity for unloading in order that the weight of the load could be checked, and (b) that when a cart was arrested for any infringement, the load should be released at once and allowed to be transferred to another vehicle.

In connection with (a) the Commissioner of Police, to whom these views had been communicated, supplied the Chamber with a copy of a letter from the Chief Executive Officer, Calcutta Corporation, who condemned the proposal as unworkable. The other points raised by the Chamber, it was learned, were under consideration.

CUSTOMS.

Valuation of goods for Customs purposes.—A member drew the Chamber's attention to an order involving confiscation of goods and extra duty which had been passed against them by the Collector of Customs, Calcutta, on the grounds that they had underdeclared the value of goods imported by their parent firm in the U. K. The grounds put forward by the Collector for his order were that the invoices from the head office to the Calcutta Branch, on which the declaration of value had been based, did not represent the real value of the goods under Section 30(b) of the Sea Customs Act, an allegation based on the comparison of the prices shown in these invoices with those in invoices from the head office to independent purchasers and those in invoices from other firms exporting similar articles to their branches in India. The Collector maintained that the basic prices shown in the head office price list were f.o.b. prices and not c.i.f. prices as shown in their invoices to their Calcutta Branch and that the discount allowed was unreasonably large as compared with that allowed by other firms to their depots in Calcutta.

The member concerned, in asking if the Chamber would be prepared to make representations on their behalf, pointed out that they were not a mere selling depot for their parent firm but a trading concern which paid all their expenses and also Indian income tax out of the profits they made in India and were therefore entitled to the discount allowed them by their principals as compared with that allowed to an independent consumer. They also produced evidence to show that their competitors did in fact import good at exactly the same rates as they did, such differences as existed being due to fundamental differences in the method of manufacture which entitled the other firms to charge a higher price.

The Committee referred this question to the Calcutta Import Trade Association and agreed with their opinion that, while the

case was primarily one for legal opinion, it was unfair of the Customs Authorities to compare the price of one import with another and endeavour to charge duty at the higher rate.

Subsequently the Committee were interested to note that the Central Board of Revenue had, on appeal by the firm concerned, reversed the Customs order and refunded the fine and extra duty levied. In their award on the subject they pointed out that the price list to which reference had been made by the Customs Authorities was not a true price list at all, but merely a trade schedule by reference to which quotations could be made and prices calculated. Failure to appreciate the essential difference between this system and that of a price list giving the actual prices charged by a manufacturer had vitiated the whole proceedings of the Customs authorities. In addition it was pointed out that it had not been shown that the appellants had secured a price less than that for goods of a similar kind and quality imported by other firms.

Sea Customs Act: Assessment of import duty.

—In August the Chamber was asked to support a protest by a member against the demand of the Customs that first cost invoices should be produced by importers for the use of Customs Appraisers, as a result of which difficulty had arisen in obtaining the refund of excess Customs duty. It was pointed out that the demand was objectionable mainly on the ground that when supplier and importer worked on the basis of principal to principal it was unreasonable and *ultra vires* to insist that suppliers should produce first cost invoices and details of other incidental expenses. The Chamber put the matter before the Calcutta Import Trade Association with a request for an expression of opinion. The Association expressed the view, with which the Chamber concurred, that it was not within the jurisdiction of the Customs to enquire into the make up of the seller's costs when a transaction was between principal and principal. The Chamber was eventually informed that the Collector of Customs had agreed to a satisfactory adjustment of this matter.

Annual Revision of Tariff Values.—A meeting of a Special Sub-Committee appointed by the Chamber was held at the Royal Exchange on the 19th November to discuss with the Director of Commercial Intelligence of the Government of India, the Provisional Import Tariff values for 1944.

The list was examined section by section and was found entirely satisfactory by the representatives of interests in the membership of the Chamber with the exception of section XV item 63, "Iron or Steel old" which, it was maintained, should be

brought into line with the rates for such material fixed by the Iron & Steel Control Order. The Director of Commercial Intelligence examined this suggestion and reduced the tariff value from the provisional rate of Rs. 10 per cwt. to Rs. 1-8-0 per cwt.

MARINE.

Calcutta Port Commissioners: Missing Cargo.—A case was brought to the notice of the Chamber in June, in which a member had been unsuccessful in obtaining from the Calcutta Port Commissioners compensation for a case of goods lost from a shed in the Calcutta Jetty. Owing to the late arrival of documents it had not been possible to clear the case within three days from the time of landing, after which period the Commissioners, according to the Calcutta Port Act, accept no liability.

The Chamber Committee, in consultation with the Calcutta Import Trade Association, were agreed that in the circumstances the only course open was for a claim to be made against the member's underwriters. The joint opinion was that no effort to have the Port Act amended, so as to bring the provisions of Section 113(2) into conformity with the abnormal conditions under which the case had arisen, would meet with success. It was understood that Government themselves accepted the position under the Act, and that no discrimination was made.

It was, however, recommended that as a safeguard against any recurrence of the difficulties resulting from the arrival of documents, importers would be well advised to adopt the practice of having copies of invoices forwarded to them by airmail letter so that the necessary information would be available before arrival of the goods.

Port Commissioners' charges: Increase with effect from 1st May 1943.—Strong protests against the inadequate notice given of the recent all-round increase in the Commissioners' schedule of charges were received by the Chamber from members and affiliated Associations. The enhancement of the charges was notified by the Port Commissioners on the 26th April; the relative Government of India notification was dated the 24th, but did not reach Calcutta until the 26th, with the result that those affected by the changes in the schedule were not generally aware of the increased rates until 27th April—three days before the date on which they became effective.

The Chamber took up the matter with the Chairman of the Port Commissioners in June pointing out that the inadequate notice

given had prevented shippers from taking any steps to protect themselves against the losses that were now being incurred under forward contracts entered into prior to the 26th/27th April. The Chamber recognised that the state of the Port finances did not permit a postponement of the increased charges for six months as had been suggested by some shippers, but asked for an assurance that more adequate notice would be given in future of any contemplated increase in the Commissioners' Schedule of Charges in view of the magnitude of the losses involved in forward contracts.

It was subsequently learned from the Port Commissioners that the lack of notice was due to the delay on the part of the Government of India in replying to the Commissioners' request for financial assistance. It was further explained that, if this request had been granted, the charges would not have been increased and that there was a possibility of Government giving a small measure of assistance, in which case the increases would have been less. Under normal conditions longer notice would be given about three months' as in the past.

On behalf of the interests concerned, the Chamber addressed Government stressing the need for an assurance that any further increases in rates would not be introduced without adequate notice, and that six months' notice should be aimed at. Government replied that it would be impracticable to give such long notice and expressed the hope that the Chamber would be satisfied with the reply given them by the Calcutta Port Commissioners.

Hire of Stevedoring gear, slings etc.—A proposal by the Master Stevedores Association to incorporate in their Schedule of cargo rates a charge of one anna per ton of 50 cubic ft. or 2,240 lbs. whichever was the greater, up to a maximum of 6,720 lbs. in respect of the hire of stevedoring gear, slings, etc. was submitted to the Chamber's Shipping Sub-Committee in August. The increase was proposed in view of the excessive cost of wire etc. and it was suggested that for higher weights steamers should make their own arrangements.

The Association was informed that the Chamber could not commit individual steamship interests on this question, which was one for each stevedore to take up with his lines.

Loading of part cargo in Calcutta.—The Shipping Sub-Committee of the Chamber were consulted in February with regard to a telegraphic communication received by the Calcutta Insurance Association (Marine Section) from the Institute of London Underwriters enquiring into the truth of a report that cargo was

being part loaded in Calcutta and the balance shipped by another vessel for loading at the mouth of the Hooghly. The Shipping Sub-Committee informed the Association that no ships had completed loading at the mouth of the river and to the best of their knowledge no such arrangement was contemplated.

Remission of storage charges on cargo landed ex ships diverted to Karachi.—This matter was referred to in Circular No. 255-1942 of the 22nd October 1942 in which was published information from the Karachi Port Trust regarding Government's sanction to a remission of 50% of the storage charges due on all goods imported by certain ships, calculated at the rates laid down in Table III of the Port Trust Schedule of Charges.

It was learned from the Karachi Port Trust early in the year that delays in the clearance of cargo originally destined for Karachi are covered by Table VIA, which prescribes a concessional rate of storage charges for cases of this kind. Any special cases, where reasons for delay in clearance are not covered by Table VIA, should be brought to the notice of the Karachi Port Trust who will consider the matter further.

Disposal of diverted cargoes.—At a conference held at New Delhi on December 1942 the main activities and functions of the Anglo-Dutch Committee, formed in 1942 for the purpose of supervising the disposal of cargoes diverted to Calcutta, were discussed. It has now been learnt from the Committee that—

(a) Under Rule 75A of the Defence of India Rules the Government of India have requisitioned all frustrated cargo landed at ports in British India and still lying unclaimed. Such cargo as is required by Government will be paid for on an agreed basis, details of which may be obtained from the Controllers of Supply.

(b) Goods not required by the Government of India have been released to the Committee, under whose instructions they will be disposed of.

(c) All delivery and/or release orders already issued by shipping agents in respect of goods referred to in (a) and (b) will consequently be cancelled.

(d) Payment for goods disposed of by the Committee to purchasers in India will have to be made in cash before delivery.

(e) Generally the disposal of frustrated cargo originally shipped for all British territories, irrespective of the country of origin, will be dealt with by the British Section of the Committee, while cargo intended for destinations in Netherlands territories will be dealt with by the Dutch Section of the Committee.

(f) Sale proceeds of any cargo sold by the Committee in India will be remitted to the Diverted Cargoes Section of the Board of Trade, London.

(g) No claims can be entertained from parties who may be in possession of documents of title as ownership of all frustrated cargo released by the Government in the case of British interests and on behalf of H. M. Government in the case of Dutch interests.

All claims should be lodged as follows :—

(a) For goods originally consigned to British territories :—

The Diverted Cargoes Section, Board of Trade, 70, King William Street, London E. C. 4.

(b) For goods originally consigned to Netherlands territories :—

Netherlands Shipping & Trading Committee Ltd., St. Helen's Court, Great St. Helen's, Bishopsgate, London, E. C. 3.

Coastal Traffic in Commercial Cargo.—At the instance of members the Chamber addressed the Government of India on the subject of Coastal Traffic in commercial cargo in November in the following terms :—

I am directed to address you on the need for the increased provision of coastal shipping space for essential commercial cargo between Calcutta on the one hand and Madras, Bombay and Karachi on the other. The general restrictions on rail transport, and in particular the limitations in that direction imposed by the recent breach in the railway line at Burdwan, have made it all the more necessary for merchants to seek alternative means of transport between the above points. The amount of coastal shipping space which has been granted for commercial cargo, however, is extremely small with the result that essential goods are accumulating in the hope that additional transport facilities will eventually be made available— an anticipation against which a warning has already been issued by the Regional Controller of Railway Priorities in respect of rail transport. In this category (at this position is bound to become more acute as the sea transport of coal develops.

There is also, in the experience of the Chamber, an absence of any co-ordinated system of priorities to govern the despatch of commercial cargo by coastal steamer. Such accommodation as is available appears to be allocated without sufficient regard to the importance of commercial cargo from the war or civilian points of view, or indeed in some cases the need for its being transported at all; and there is a distinct divergence between the system of railway priority control and such control as does at present operate in respect of the allotment of coastal shipping space.

I am accordingly instructed to urge on the War Transport Board the need, firstly, for an increased volume of coastal shipping space being made available for essential commercial as distinct from Government cargo in American as well as British and Indian ships; and, secondly, for the institution of an improved system of priority allocation of such space for the transport of commercial cargo.

In reply Government agreed with the Chamber's view on the need for the provision of adequate shipping for the carriage of essential commercial cargo between Calcutta and other Indian ports and stated that such cargo would rank for priority in the scheme referred to in a press communique issued by Government on the 1st October, to ensure that all cargo belonging to or sponsored by Government moves by sea in priority and that essential foods are carried wherever required.

For Calcutta arrangements had been made for shipping agents to submit provisional booking lists to the Principal Officer, Mercantile Marine Department, which were to be scrutinised by

the railway priority authorities in Calcutta the agents being then informed of any necessary alterations. This procedure, Government stated, should ensure that space was provided for essential commercial cargoes.

In the communique referred to above it was stated that to handle the new system a Committee would be constituted by the Ministry of War Transport and the Controller of Indian Shipping at Bombay to be specified as the Coastal Shipping Committee with powers to co-opt such officers as might be necessary, which would function to allocate priority cargoes between ships under their control, using country craft wherever possible.

At other ports local committees would be formed consisting of the Ministry of War Transport representation and the Principal Officer of the Mercantile Marine Department, in the case of Karachi, Madras and Calcutta and the Administration Officer in Cochin and Vizagapatam with power to co-opt such other officers as may be necessary.

Forward estimates of the tonnage likely to be available each month will be given to Government by the Coastal Shipping Committee and Government Cargo will first be allocated and the Committee will have full discretion regarding the allocation of general cargo.

River transport of gummies and dock storage.—The Chamber was advised of arrangements made by the interests concerned for reducing as far as possible the detention of lighters in the docks, and for goods destined for America to be hoisted into the Port Commissioners' Sheds in cases where outgoing steamers were not ready for loading.

Recently it was stated as the opinion of the Chamber in consultation with the Shipping Sub-Committee that in view of the excessively congested state of the docks and sheds shipping interests were not in favour of continuing the scheme and the Chamber recommended that it should be suspended in the meantime.

Calcutta Hospital Port Dues Fund.—Under the rules of the above Fund seamen and officers who seek admission into hospitals must actually be on the articles of ships and their ships must be in port at the time they are sent to hospital.

The case of a seaman, whose charges in the Howrah General Hospital were not allowed by the Port Health Officer to be drawn from the Fund on the grounds that his ship was not in port when he was admitted, was brought before the Chamber by a member who contended that the seaman was on the articles of the steamer

when she was in port and therefore was entitled to benefit under the Fund. The question was submitted to the Shipping Sub-Committee on whose instructions the member was advised that no useful purpose would be served by pressing the case as the rule was very definite and, in their opinion, quite equitable.

Ships Documents for Peru.—The question of the endorsement of shipping documents relating to cargoes loaded in Calcutta for Peru was laid before the Chamber in March by a member on the grounds that their Peruvian agents had requested that all such documents should be legalised by this Chamber issuing a certificate to the effect that there was no Peruvian Consul in Calcutta.

The Chamber answered that such certification of the numerous documents that would be involved could not be undertaken by the Chamber and it appeared pointless to certify a fact of which the Peruvian Government was already cognisant and of which they should advise their respective Port authorities. It was suggested that agents in Peru should be notified to this effect; but should any difficulty arise the Chamber was prepared to take the matter up with the Peruvian Government through the Government of India.

Dock Labour: Maintenance of morale.—The successful organisation of camps for stevedoring labour in Calcutta outside the city area by the Master Stevedores Association was recorded in the 1942 Report. In February the Calcutta Boiled Jute Shippers Association and the Calcutta Jute Fabrics Shippers Association in a joint letter to the Chamber referred to the inefficiency of general dock labour and stated that it was considered that the morale of such labour would be improved if it was provided with quarters outside the dock area on the lines adopted by the Master Stevedores Association, whose labour it was pointed out, had been working more efficiently. The poor quality and inadequacy of labour employed by the Port Commissioners for work on the wharves and jetties was the subject of a further letter to the Chamber in the same month from the Master Stevedores Association, supported by the Calcutta Tiners Conference. From explanations given by the Port Commissioners, the Chamber was able to reply that as a result of the contacts which had been established between the Chamber and the Chairman of the Port Trust and of the enquiries made by the Chamber's representatives on the Port Commission, adequate assurances had been received to justify two conclusions—firstly that there had already been a marked improvement in the position and, secondly, that no practicable step likely to lead to further improvement was being overlooked. The Chamber's representatives on the Port Commission will continue to keep the matter prominently before the authorities concerned.

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Constitution of the Master Stevedores Association.

—In June the Chamber was approached by the Master Stevedores Association who pointed out that it had just concluded a new agreement with the Calcutta Dockers Union under which its members had accepted certain definite obligations towards their workers. To ensure that members met these obligations it was necessary to provide that effective disciplinary action could be taken against any member violating the agreement, no provision for which existed in the Association's constitution. The obvious method was to fine or expel from membership any stevedore who acted contrary to the Association's interests, but it was pointed out that in existing conditions this by itself would have no useful effect and that the only real effective deterrent would be for shipping agents to agree not to employ any stevedore outside the Association, in which case the threat of expulsion would be a serious one. To prevent any possible abuse of this it was suggested that any disciplinary action proposed to be taken by the Association should be subject to approval by the Shipping Sub-Committee of the Chamber or a representative Committee of all Lines.

As the Shipping Sub-Committee, to whom this was referred, felt that it would be impossible for steamer agents at the present time to give a guarantee that they would not employ non-members of the Association, a meeting was held between them and the Master Stevedores Association to discuss the whole question. At this meeting the Association was assured of the strong support and co-operation of the Shipping Sub-Committee, but it was agreed that they should concentrate in the meantime on inducing outside stevedores to become members of the Association and revising their rules so as to secure greater control over their members.

Stevedoring labour in Calcutta: Formation of military unit.—In the reference to the establishment of stevedoring camps made in the 1942 Report it was mentioned that the formation of a military unit for stevedoring labour was under consideration. This proposal was put before the Master Stevedores Association by Lt.-Col. G. C. Stowell, the Assistant Director of Transportation, and in view of the importance of the scheme a joint meeting of all those interested, namely, representatives of all Shipping Lines, the Master Stevedores Association, the Calcutta Representative of the Ministry of War Transport and the Port Representative of the U. S. A. War Shipping Administration, was held on the 19th February to meet Lt.-Col. Stowell and discuss his proposals. At this meeting Lt.-Col. Stowell pointed out that the intention was to introduce a modified form of military discipline among stevedoring labour with the object of improving morale and stated that G. H. O. were insistent that this be done. The intention of the military authorities was that the scheme should

be essentially a civilian one run entirely by the stevedores and shipping interests themselves, that recruitment would be completely voluntary, that the men would not have to serve outside the Calcutta Dock area or do any work other than stevedoring and that the Army would provide equipment and uniforms, and give either rations or a ration allowance so as to attract men to join and meet part of the general costs.

After a full discussion on all aspects of the subject the meeting agreed that the militarisation scheme should be proceeded with, the Master Stevedores Association being asked to work out the details, but recorded the general opinion that the position in the port would not be safeguarded until similar steps were taken in regard to shore labour as a whole as well as stevedores. Assurances were given by Col. Stowell that this matter was under consideration.

Subsequently the Chamber received a copy of the detailed scheme worked out by the Stevedores Association, under which expenditure was divided on the basis that shipping interests would remain responsible for the existing expenditure on the stevedoring camps organisation, while any additional cost under this head and the costs of ration allowance and extra pay where necessary plus any liabilities would be met by the military authorities. This scheme was accepted by G. H. O. without important modification.

It is understood that after initial difficulties the scheme has progressed favourably and its beneficial effect on morale was shown by the way stevedoring labour stuck to their posts during the air-raid on the docks in December.

POSTS & TELEGRAPHS.

Airgraphs.—The Chamber has been in constant touch during the year with the Posts & Telegraphs Department of the Government of India with regard to several matters connected with the despatch of airgraphs to the U. K.

The most important of these concerned the difficulties in which business firms were placed as a result of the failure of any airgraphs to reach their destinations in the U. K., due, it was thought, to the theft of the stamps from the airgraph forms and their subsequent destruction. The Chamber suggested several methods by which this thieving might be stopped, preferably by the issue of forms with a specially embossed stamp. In June, the Chamber was informed that this suggestion was to be adopted by Government, though a certain proportion of forms would have to continue to have stamps affixed to them. Several factors, in particular the

difficulties of securing supplies of the right type of paper, delayed the issue of those embossed forms until the beginning of December. The Posts & Telegraphs Department also advised the Chamber that, in a case where forms with affixed stamps had to be used, the senders should exercise their right of having them defaced in their presence at the time of posting.

Another point raised by the Chamber concerned what refund, if any, could be secured for stamped forms which were spoiled, for example, in typing. Information was received from the Posts & Telegraphs Department that they proposed to refund the cost of the form in such cases less one anna for the cost of the paper and the service. So far no official notification appears to have been issued on this point.

The establishment towards the end of the year of a section of the Calcutta Post Office to process airgraphs was noted with satisfaction by the Chamber as it was considered it would relieve the congestion in Bombay. It is interesting to note in this connection that approximately 13 million airgraphs were despatched from India in the course of the year.

Airgraph Service to Australia.—Members of the Chamber were advised in Circular No. 80-1943 of the 8th July that an Airgraph Service between Australia and India was to commence in July at the same rates and under the same conditions as for the United Kingdom.

Air Mails: India-Australia-New Zealand.—Mails superscribed in the above manner are sent by the Transoceanic Air Service; the surcharge levied for the air carriage between Australia and New Zealand being 15 annas per ½ oz. which is additional to the ordinary rate of -/3/6. The surcharge levied on mails from New Zealand to India, and coming by the same service from New Zealand to India is three pence, in addition to the ordinary rate of two pence.

As it was difficult to reconcile the difference in the surcharges levied at either end, the Chamber asked the Director-General of Posts and Telegraphs for an explanation of the disparity, and learned that the fixation of air-mail rates between the two countries was not reciprocal. In India, several factors are taken into consideration in the fixation of the rates, such as payments to air mail carriers, loaded capacity of planes etc. and the air-mail surcharge to New Zealand by the service in question had been fixed accordingly.

Air Mail Letter Cards: Communications with the U. K.—At the instance of the Chamber, the Director-General of Posts & Telegraphs examined the possibilities of an extension of the air mail letter-card service to the public in India. This service, from India to the U. K., is at present confined to the troops, and the ration is one letter-card per man per week; the limitation being necessitated by lack of capacity in aircraft.

The Chamber was advised in August by the Director-General of Posts and Telegraphs that it was hoped to arrange a letter-card system for the general public to go by an "All Up" service if such correspondence could be kept within manageable limits, and that as soon as satisfactory arrangements had been made the general public would be informed.

Telegraphic Delays from India to England.—In September enquiries were made by the Chamber into telegraphic delays between India and the United Kingdom at the instance of member firms who complained that it had been found necessary to send telegrams from Calcutta to England at ordinary rates owing to the inordinate delay to which those at deferred or D. L. T. rate were subject and that this delay appeared to occur between Calcutta and Bombay. Information was received in reply from the Director-General of Posts and Telegraphs to the effect that from reports received there had been a marked improvement on the Calcutta-Bombay circuit since the beginning of September. The delays referred to related to the period when telegraphic lines in the Burdwan area were down owing to floods. A member's suggestion that these cheaper classes of foreign telegrams should be treated as Express did not appear justifiable and the payment of higher rates would not ensure quicker transmission during periods of interruption. This suggestion could not be adopted without involving various other difficulties and would not improve the position.

Delays to Inland Telegraphs.—The Chamber pointed out to a member who had submitted a case of delay in the transmission of an important commercial telegram that representations on this question were periodically submitted to the Department of Posts and Telegraphs but that the Department had explained that owing to heavy priority demands on the telegraph lines, there could be no guarantee of prompt transmission and that circumstances frequently arose which were outside the Department's control.

Telephone traffic.—To Circular No. 118-1943 of the 17th September was appended a copy of a letter received from the Indian Posts and Telegraphs Department; it referred to the rising calling rate on the Telephone Exchanges of this District and the need for subscribers to co-operate by reducing the number of calls, especially between the hours of 11-45 A.M. to 1 P.M. and 3-45 P.M. to 5 P.M.

In this connection the Chamber informed the Department that members appreciated the difficulties experienced by the Telephone Department and desired to co-operate in the manner suggested, but pointed out that the South Exchange was in comparison with the other exchanges unnecessarily slow and inattentive outside the rush periods and here there was room for improvement.

Reference to the comments on the South Exchange was made by the Department in their reply, stating that steps had been taken to improve the service but drawing the Chamber's attention to the extensive traffic on this Exchange due to its location and to the number of calls made by subscribers which greatly increased the difficulty of supplying efficient service.

Public Telephones at Howrah Station.—At the instance of their representative on the East Indian Railway, Advisory Committee, the Chamber Committee took up with the Bengal Telephone Corporation the question of the re-installation of public telephones at Howrah Station. It was learned from the Bengal Telephone Corporation that the reason for their removal was the misuse to which they were subjected by the public. The insertion of bad coins, pieces of wood and cardboard, combined with the regular breakage of instruments, the stealing of parts, and attempts to open coin boxes, made the difficulties of operation insuperable. Visits from an Inspector were necessitated several times a day, as the instruments were more often out of order than in order.

It appears that public telephones are the exception rather than the rule in Calcutta, and that the only places where they are operated satisfactorily is where there is adequate supervision. In these circumstances, the Committee of the Chamber could not but agree with the view of the Telephone Corporation that in order to overcome the inconvenience caused by the lack of Telephone Call Offices at Howrah Station, the Railway Authorities might consider the installation of Attendant Call Offices, which would ensure the supervision necessary and at the same time extend to the public an essential facility.

Grouping of telephone numbers.—Before issuing the January 1944 Telephone Directory, the Indian Posts and Telegraphs Department enquired whether the Chamber would consider it an advantage, in view of the fact that in many offices, staff attended earlier, to alter the hours of grouping of telephone numbers from :

- (a) 10 A.M. to 6 P.M. on ordinary weekdays.
 - (b) 10 A.M. to 3 P.M. on Saturdays.
- to :
- (a) 9 or 9-30 A.M. to 6 P.M. on ordinary weekdays.
 - (b) 9 or 9-30 A.M. to 3 P.M. on Saturdays.

The Department was advised that in view of the requirements of the majority of business houses, it would be preferable to start from 9-30 A.M. instead of 10 A.M.

Telephone Communication with Barrackpore.—The Chamber had again under consideration the vexed question of the condition of the Calcutta/Barrackpore telephone system which was referred to in the 1942 Report. Assurances were received from the Indian Posts & Telegraphs Department that the system was being improved, mainly by the introduction of an On Demand Toll Service instead of a Record Service. It was also hoped that a second exchange would be opened at Bhatpara shortly which would have the effect of relieving Barrackpore of a certain amount of its traffic and thus increase its efficiency.

Trunk Telephone Service.—Two points on which the Associated Chambers addressed the Director-General of Posts and Telegraphs were :—

- (a) The need for periodical reminders to the Defence, Supply and other "Priority" Government Departments firstly of the need for the most sparing use of priority privileges, especially where equal effectiveness could be achieved by correspondence or telegraph; and, secondly, that the duration of priority trunk calls should be reduced to a minimum; and
- (b) the present position of the telephone development scheme which was referred to in the 1942 Report.

The Director-General of Posts & Telegraphs in reply stated that with regard to

- (a), instructions had been issued to all Departments that the most sparing use should be made of the trunk telephone service, and in regard to
- (b), the telephone development scheme was based on a two-year programme, and its progress depended largely on the availability of the necessary stores. It was not therefore possible at present to give any indication of how long it would take to become fully operative.

No substantial improvement was secured by these representations and therefore the following resolution was brought forward by the Northern India Chamber and was unanimously adopted at the Associated Chambers of Commerce Annual Meeting in December viz. :—

This Association draws attention to the present almost total exclusion of business interests from the use of the trunk telephone service as an instrument for

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the transaction of business and recommends that a period of two hours be reserved daily for commercial trunk calls during which period only the highest priority calls will be accepted from selected departments and officials of Government and the Forces.

Restriction on the weight of postal parcels.—In September the Postmaster-General, Bengal & Assam Circle, issued a Press Note announcing that all post parcels despatched from any post-office in Bengal and Assam would in future be confined to a weight of 4 lbs. Subsequently complaints were received from several manufacturing chemists in the membership of the Chamber that this new regulation was bearing especially hardly on them. They pointed out that medical supplies were invariably urgently required by doctors and hospitals and had therefore to be sent by post as being the quickest method. The limitation of parcels to 4 lbs. meant a great increase not only in the amount of packing material used but in the space taken up in railway vans and therefore defeated its own object, which presumably was to conserve space on the railways. The alternative of sending parcels by passenger train was considered impracticable as the railways refused to accept more than ten parcels a day. It was suggested that perhaps the Postmaster-General could arrange a system of priorities whereby parcels of drugs and medicines of an essential nature were accepted without limit.

The Chamber approached the Postmaster-General on the lines indicated above and were informed in reply that the whole question of parcels was being reviewed by the Indian Posts and Telegraphs Department in the light of experience gained and that the points raised by the Chamber were being taken into consideration.

Unpaid letters to labour in the tea estates and the industrial areas of Bengal.—Industrial Associations attached to the Chamber were sent, for information and necessary action, a copy of the following letter which the Postmaster-General, Bengal and Assam Circle, had addressed to the Chamber on the 10th November :—

It is believed that among the labour in the tea estates and the industrial areas of Bengal, there is an impression that paid letters do not reach the addressee; this may account for a very large percentage of unpaid letters received by them.

This is an entirely wrong impression and my object in writing to you is to request that steps kindly taken to have it removed from the minds of the people in the tea estates and the industrial areas in Bengal.

RAILWAYS.

Liability for the payment of terminal tax under F.O.R. Contracts.—In April the Chamber had under

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consideration a reference from the Associated Chambers of Commerce on the question of whether a seller fulfilling a f.o.r. destination contract was liable for the payment of terminal tax at the destination station unless he had specifically agreed beforehand to bear this charge. The question was raised at the instance of the Bombay Chamber who pointed out that several of their members had complained that the authorities in Ambala Cantonment had claimed payment of such a tax from them on goods supplied f.o.r. Ambala Cantonment Railway Station.

The Chamber referred this point to the Calcutta Import Trade Association and was informed in reply that the tax referred to was authorised under a notification of the Punjab Government, Home Department, No. 1937 dated 18th July 1933. The Association gave it as their opinion, however, that provided the Ambala Cantonment Railway station was not within the jurisdiction of the Cantonment Authority, the seller should not pay the tax. They further suggested that the difficulties experienced by members of the Bombay Chamber of Commerce would not arise if they adopted the practice now prevailing in Calcutta of making all quotations on the f.o.r. point of despatch basis.

Claims on railways: Submission procedure.—A point brought to the notice of the Chamber has been taken up with the Railway Board. It concerned the procedure to be followed in the submission of claims against individual railways and arose out of a particular case in which, although advantage had so far not been taken of the technicality, it was pointed out by a Railway Claims Officer that the claim in question could be contested and "non-suited" on the ground that it was not addressed to the General Manager of the Railway. Under section 140 of the Railways Act, notice of claims must be served on the Railway Administration by delivering or addressing such claim to the Manager of the Railway in the case of State Railways or to the Agent in India of a company-managed railway. This, in the Chamber's view, confused the position for more than one reason. In the various railways there are various officials whose designations include the word "Manager"—General Manager, Agent and General Manager, Chief Commercial Manager, Commercial Traffic Manager and the like. Secondly one Railway Company advertises that "claims and refunds" are the concern of the Commercial Traffic Manager to whom correspondence should be addressed.

In view of the fact therefore that the position was confused for various reasons, and in order to save time and trouble, it was suggested that the matter be examined by the Railway Board. It appeared to the Chamber that the best course in the circumstances might be for the Board to instruct Agents and General Managers

to delegate powers to the heads of the departments dealing with claims of their respective railways to receive such claims on their behalf. It was hoped that in the meantime railways would not take refuge behind the technicality referred to.

In due course the Chamber was advised that this proposal had been accepted by the Railway Board and it was added that Agents and General Managers should not raise technical objections to the insufficiency of a notice given to such authorised officers. The question of amending the law is to be taken up when a suitable opportunity offers.

Calcutta Port Commissioners: Despatches: "Said to contain" railway receipts.—The refusal of the Port Commissioners to accept liability for goods loaded at private sidings by private labour and for which "said to contain" railway receipts were issued was brought to the notice of the Chamber with the request that the views of other firms similarly placed be ascertained.

None of the members of the Chamber Committee was able to cite a similar experience; in one case it was stated that for goods loaded at a private siding for despatch by foreign rail, a clean railway receipt was issued, that is to say, the phrase "said to contain" was omitted.

Railway facilities for Officers of the Merchant Navy.—Apart from certain reciprocal pen-time arrangements between some individual Railways and some Shipping Lines which regularly trade with India, there are no special concessions for members of the Merchant Navy, their wives or families, in the matter of railway travel in India. In consequence of the control of all steamer movements by the Ministry of War Transport and the U. S. War Shipping Administration, vessels not part of the fleets of any of the regular Shipping Lines in India are now touching ports in this country, and the Merchant Navy personnel on board such vessels are frequently under the necessity, for health and other reasons, of having to travel by rail in India.

The Indian Railway Conference Association was asked by the Chamber to consider, as a special war measure, the granting of the same concessions to the Merchant Navy as apply to members of the Army, Navy and Air Force.

A reply was received to the effect that the concession *viz.* first class tickets on payment of second class fares, detailed in serial

No. 16 of Annexure A to Rule III of I. R. C. A. Coaching Tariff No. 14 had been extended to seagoing staff *only* of all Steamship Companies not covered by items (1) to (9) and their families, and would come into effect when notified by railways.

Pilferage of coal at Shalimar.—In August, on receiving a complaint from a member, the Chamber drew the attention of the Inspector-General of Police to the pilferage by organised gangs of thieves of large quantities of coal from wagons and stocks within the vicinity of the Shalimar Station yard. In order that the Railways might be assisted in checking the pilferages the Chamber recommended that the Police Department co-operate with the Railway Authorities to the fullest possible extent, as it was considered that only by such concerted action could the difficulties be overcome. Subsequently the Chamber received a reply to the effect that the matter had been referred to the Superintendent, Government Railway Police, Howrah, for necessary action. No further complaints have since been received by the Chamber.

Foodstuffs: Losses in transit on the railways.—On the 17th September the Chamber invited the attention of the Government of India (Railway Board) to the anxiety being expressed by certain interests represented by the Chamber, including the Chamber Foodstuffs Scheme, the Indian Mining Association and the Indian Tea Association, regarding the extent of the shortages which occur in consignments of foodstuffs, particularly rice, in transit by rail. According to the Chamber's information, which the railways confirmed, the thefts frequently took the form of "bleeding a wagon" by the insertion of thin instruments between the doors and body of a wagon or through interstices in the wagon floor. As the losses sustained in this manner had become so serious the Chamber suggested that all railways might be instructed to devise fittings of their own or of a standardised pattern which would make it more difficult, if not impossible, to "bleed" bags of foodstuffs in this way.

The Railway Board is taking the matter up with individual railways with a view to ascertaining by what methods the pilferages can best be overcome.

B. & A. Railway Revision of Time Table from 1st October 1943.—Suggestions from members were invited in Circular No. 53/1943 in connection with the New Time Table to be issued by the B. & A. Railway, it being pointed out that the restoration of cancelled trains or the introduction of additional trains would not be entertained by the Railway Company because of military orders.

The following changes were proposed :—

	Departure.	Arrival.
(1) Barisal Express	... 15-30 P.M.	9-30 A.M.
(2) Khulna Passenger	... 21-30 P.M.	(as at present).
(3) Chittagong Express	(as at present)	7-30 A.M.
(4) 101 Up	... 17-35 P.M.	
(5) 100 Down		9-00 A.M.
		(Not to stop at Barrackpore).
(6) 194 (Budge-Budge Section)		7-46
		(at Brace Bridge Station).

Owing to factors arising from the war the B. & A. Railway in September asked the Chamber to co-operate in giving wider publicity among member firms to the need to curtail railway travel at the present time. To discourage travel among the public during the Purn holidays concessions in fares and other facilities usually afforded at that time, were stopped and reservations of accommodation for first and second class passengers were restricted.

Delays on Railway claims in respect of lost or damaged goods against Railway Administration.—

Following upon complaints from members of the Chamber, that no satisfaction could be obtained from repeated requests to the Railway Administration for investigation into the non-delivery of goods consigned to them for transport, and claims made against such losses of goods in transit, the Calcutta Insurance Association in November submitted for the Chamber's consideration a request to sponsor a resolution on this subject at the forthcoming Annual General Meeting of the Associated Chambers of Commerce. It was argued in support of this suggestion that, though the difficulties of the Railways under present conditions were appreciated, there appeared to have been such a serious deterioration in the conditions of transport of goods by rail in recent months that the Association were concerned at the heavy increase in claims for damages and loss. It was felt that if the Railway Claims Departments were properly organised, claims could be disposed of with greater expedition, instead of being held up for long periods and in many cases entirely ignored. After referring this matter to the Railway Sub-Committee, the Committee decided that such a resolution should be sponsored by the Chamber at the Associated Chambers

of Commerce Meeting; the resolution, which was unanimously adopted, was worded as follows :—

While appreciating the greatly increased difficulties of Railway Administration brought about by the war, this Association urges upon the Railway Board the necessity for improving the supervision and methods of handling cargo in transit by rail, in order to reduce the heavy damage and losses at present being incurred and recommends that the procedure of the Claims Section of the various Railways and committees, with the object of enabling them more efficiently and promptly to dispose of claims filed against them by the public.

Loss of railed goods due to riots in Bihar.—On behalf of firms who had sustained losses of goods in transit on the railways during the political disturbances of August/September, 1942 the Chamber broached the question of possible recompense by the railways. The railways however declined all liabilities, and the Chamber considered an approach to the Central or Provincial Governments with a view to compensation being paid. In order to ascertain whether such a claim could be made on legal grounds, or in the absence of legal grounds, whether the claim would have to be made for the *ex gratia* payment of compensation advice was requested from the Chamber's solicitors.

The position is that no claim can be established on legal grounds : that the attitude of the railways in disclaiming any liability is unassailable; and that any claims submitted to Government can be made only on an *ex-gratia* basis.

Members who had suffered losses were advised to approach the Provincial Government to see if they would make an *ex gratia* payment out of the proceeds of the collective fines imposed by them.

FINANCE.

Shortage of small coins.—In response to a request from the Government of Bengal, Finance Department, for accurate and up to date information regarding the excess or otherwise of the measures taken to deal with the problem of the shortage of small coins, the Chamber stated that as a result of Government action in making hoarding a penal offence and more particularly because of the very large increase in the output of the Mints from December 1942 onwards, the position had somewhat improved in Calcutta. Full requirements however were not by any means available, whilst reports from upcountry showed that there was little or no diminution of the difficulty and that the shortage there was still acute. A recent general survey of the conditions in Calcutta and the surrounding industrial areas revealed, in so far as it was possible to make any general statements that—

- (a) there was not much trouble in obtaining four and eight anna coins;

- (b) the supply of two and one anna pieces was still subnormal but not so acute;
- (c) half anna pieces were acutely short in some areas, less so in others;
- (d) quarter anna pieces were almost unobtainable.

The Chamber did not feel qualified to say where the coins were going and whether they were still being hoarded to any appreciable extent, but the latter seemed the most likely reason for the shortage.

Post-War International Exchange Plans.—The Chamber Committee, in consultation with their Finance Sub-Committee, considered the following pamphlets which the Finance Department of the Government of India had issued :

- (1) The British Government "Proposals for an International Clearing Union";
- (2) The United States "Proposal for a United and Associated Nations Stabilisation Fund";
- (3) "The Tentative Draft Proposals of Canadian Experts for an International Exchange Union".

Their joint opinion was that until the experts had framed and agreed on one plan as a basis for discussion, no useful purpose would be served by attempting to offer any comments, from the practical point of view, on so complicated a subject.

INDUSTRIAL.

Bill for Compulsory Recognition of Trade Unions.—Reference was made in the 1942 report to the joint views of the Chamber and the Employers Federation of India on views of the Chamber and the Eastern India Committee of Employers Federation of India on Government's proposal to amend the Indian Trade Union Act of 1926 to include recognition" in addition to registration.

In November of the year under review a fresh Draft Bill known as the Indian Trade Union Amendment Bill, 1943, which was fundamentally on the lines of the proposed legislation in 1942, was introduced in the Central Assembly and circulated for opinion. It has since been under the consideration of the Industrial Affairs Sub-Committee of the Chamber in consultation with employing interests generally and it seems clear that the Bill is unacceptable. The first and main objection is to the whole theory of compulsory

recognition to which the greater part of the clauses of the Bill refer, in view of the far reaching and adverse effect which, it is felt, such a measure will have on the healthy natural growth of reliable trade unions and the development of a spirit of understanding between employer and employed—an opinion, which it will be remembered, was advanced by the Chamber in the previous year. In the second place it is found inexplicable that Government employees should be exempted from the measure for the duration of the war, if the measure is considered by Government to be a fair and just one. Lastly the term "representative Union" used in the Bill and on which the whole question of recognition depends, has not been defined; the definition was to await the framing of the Rules—a position which is considered to be unsatisfactory.

The form of the co-ordinated reply of all interested concerns to Government on the Bill is now under consideration.

Sickness Insurance for industrial workers.—The question of a compulsory and comprehensive scheme of Sickness Insurance for industrial workers, which, it will be recalled, remained in abeyance in India from the time of the Government of India's non-ratification of the two Draft Conventions adopted on the subject by the International Labour Conference in 1927, till it was revived at the Three Conferences of Labour Ministers held in 1940, 1941 and 1942 respectively, was again brought before the attention of the Chamber in the course of the year 1943. In two references, one dated 12th March 1943 received by the Eastern India Committee from the Employers' Federation in Bombay, the other, dated 3rd April 1943 received direct from the Chief Inspector of Factories, Bengal, the Chamber was advised of the appointment by the Central Government of Professor Adarkar as Special Officer for the purpose of preparing a rough scheme of sickness insurance to be compulsorily applied, in the first instance, to the three organised industries of cotton and jute textiles and heavy engineering. This decision, it was stated, Government had reached on the strength of the discussions at the meeting between the Hon'ble Member and employers' representatives at Calcutta in January 1942 and at the Three Conferences of Labour Ministers held in 1940, 1941 and 1942 respectively, though an assurance was given that before any such scheme was finalised it would be submitted to Provincial Governments and associations of employers for opinion. Government also suggested the nomination by employing interests of Advisers whom the Special Officer might consult, and availing themselves of Government's suggestion, the Chamber learned that, the Bombay Millowners Association, the Indian Jute Mills Association and the Indian Engineering Association had chosen one adviser each for the cotton textiles, jute

textiles and engineering industries respectively. The Special Officer, shortly after the issue of a questionnaire by him on different features of sickness insurance, arrived in Calcutta and met the Industrial Affairs Sub-Committee of the Chamber in discussion on 21st April 1943. His terms of reference, as he explained to them at the meeting, were :—(a) to prepare a scheme the advisability of which was an accepted fact and one on which, so far as he was concerned, there could be no question; (b) that neither Provincial Governments nor the Central Government would be a contributory to the scheme although the Provinces had agreed to give a guarantee to reimburse a sickness insurance fund to avoid uncertainties in its working or embarrasments in payments through, for instance, epidemics; (c) the endeavour to have Central Legislation affecting interests in all the Provinces and States, though no guarantee as far as States were concerned could be given and (d) the scheme would be prepared for the cotton and jute textiles and heavy engineering industries in the first instance. Industrialists having any points to make against these should make them not to him but to the Central Government.

A report of this meeting and a summary of previous views expressed by employing interests on the subject were issued by the Chamber on 24th April 1943 to all industrial associations and concerns connected with it for opinion, as was also the Joint Report of the Advisers for Jute and Engineering (prepared after close consultation with Sub-Committees) which the Industrial Affairs Sub-Committee received in August 1943 and which they accepted in principle. The Joint Report showed that agreement had been reached between the two industries on the principle of the introduction of an experimental scheme of sickness insurance for industrial workers in them but subject to the following conditions viz: (a) that during the initial period the scheme shall make provisions of cash benefits only to workers participating in it though it shall be obligatory upon concerns taking part that they provide facilities for medical treatment of a standard to be defined and open to all workers in the concern; (b) that the Central Government shall accept in principle the liability to contribute towards the scheme and shall in particular accept liability for the repayment of the expenses of administration. The replies received by the Chamber from industrial associations and interests addressed by the Industrial Affairs Sub-Committee's letter of 24th April 1943 evinced a general acceptance, on the whole, of the principle involved in a sickness insurance scheme except for the Master Stevedores Association who considered that such a scheme was unworkable in respect of colliery labour, the Master Stevedores Association who considered it impracticable in view of the present casual organisation of stevedoring labour and the Indian Tea Association who qualified acceptance of it in principle by a demand for a preliminary statisti-

cal investigation. The work of the Special Officer continues and his proposals and views are awaited by the Chamber. The Chamber has, in the meanwhile, issued to the industrial interests connected with it an analytical and historical study of Sickness Insurance which gives details of previous discussions and views in India on the subject, and some of the actuarial data and facts of universal application gleaned from the statistical and specialised survey given to the question by the International Labour Organisation.

Broadcasts for factory labour.—The question of adjusting broadcasts of vernacular news to suit factory conditions was raised with the Chamber by the Government of India in September. A number of complaints had been received from factories. Government said, that the times of the broadcast programme intended for factory labour did not suit the factory hours. There was likely to be considerable difficulty in putting out a special programme for factories; on the other hand if these programmes were to be of real value they should be broadcast when the whole of the factory labour could hear them. The Chamber was therefore asked to furnish a suggestion as to a suitable time, bearing in mind that the part of the main programme broadcast between 1 and 2 p.m. could not be superseded.

After consulting industrial interests concerned the Chamber pointed out that the question was complicated by the fact that there are two types of labour to be catered for—those who are accommodated in labour lines where wireless facilities may be provided and those who, when working hours are over, proceed to their homes in villages where no such facilities are available. It was suggested that for the first type the best time would be the evening and in this connection it was stated that the existing Hindi broadcast at 6.30 p.m. was suitable but that it should be followed by a broadcast in Bengali. As regards workers who did not live in lines, it was suggested that the most suitable time would be the lunch hour recess, particularly between 12.30 and 1.

Canteens for Works: Exemptions under Section 8 of the Factories Act, 1934.—The Government of Bengal informed the Chamber early in the year that it would be advantageous, if, when the publications of the exemptions allowed under Section 8 of the Factories Act were issued, an announcement was made of the amenities which the employers had agreed to introduce to mitigate the longer hours required from labour. As a contribution to such amenities, it was suggested that canteens should be organised to provide meals and other refreshments in the intervals of working hours. Later in the year the subject was taken up by the Central Government with Employers Associations who were advised on the grounds of possible emergency and the

food situation, to establish canteens for workers, which in Government's opinion would be of advantage in that

- (1) Provision of food at cheap rates would help workers separated from their families
- (2) Communal feeding was economical and could be ensured to be nutritive
- (3) Canteens help to identify the workman more closely with his place of work and employer
- (4) Canteens are useful when normal arrangements for food supply are dislocated.

On the advice of the Industrial Affairs Sub-Committee a copy of this letter was circulated to all Industrial Associations and members of the Chamber with industrial interests not members of any such Association. From replies received it was evident that the establishments of compulsory canteens by the action of Government was not approved by the majority of those consulted. Government was not approved by the majority of those consulted on the grounds that it was a measure lacking in reality and not applicable to Indian industrial conditions in view of the Indian workers' habits and the religious and caste difficulties involved. It was also pointed out that, where such canteens had been tried, they had not been a success and that no economy in food had resulted. At a recent meeting of the Standing Labour Sub-Committee of the Employers Federation the views of the Employing Associations and concerns on the question of canteens was discussed but the result has not yet been communicated to the Chamber.

In this connection members were informed through the Chamber that the Central Board of Revenue had issued instructions to the Income-tax Authorities that any loss incurred by employers on the running of canteens for workers should be allowed as a revenue loss in their income-tax and excess profits tax assessments. It was stated, however, that the cost of building and equipping such canteens was capital expenditure on which depreciation only would be allowable.

Settlement of industrial labour dispute: Administration of Rule 81A of the Defence of India Rules.—The Chamber has throughout the year had under discussion with the Government of Bengal the question of the enforcement of Rule 81A of the Defence of India Rules which relate to strikes and the settlement of labour disputes. In this connection Government drew the Chamber's attention to the Order made by the Central Government under this rule requiring persons employed in any undertaking to give 14 days previous notice of their intention to go on strike in connection with any

trade dispute and stated that this Order was not being generally complied with. The letter from Government went on to say :

In the earlier stages of the operation of the Order this Government considered that some latitude might be allowed to participants in a strike although the necessary formal notice had not yet been given. But the provisions of the Order have now become widely known and Government consider that the time has come to take action against those leaders who advise labour to go on strike without giving legal notice. Such leaders whether Trade Unionists or others, who voice the grievances of labour and seek their redress are in the opinion of the Government under a clear obligation, where adequate provision is made by Government for the settlement of disputes, to see that labour observes the Order regarding the legality of strikes.

An extract of the relevant portion of the Order is enclosed for your information. It will appear therefrom, that even as employees are prohibited from going on strike without notice, no employer may declare a lockout in connection with any trade dispute without having given to his employees not less than 14 days' previous notice. The object of the notice is to prevent interruption of production of war material, on account of strikes and lockouts, and to maintain supplies and services essential for the life of the community.

Provision has been made under rule 81A to refer a trade dispute for adjudication, when conciliation fails, and power has been taken by Government to enforce the decision given by the adjudicator on employers and employees alike. Government have also power under the rule to make *ad hoc* Orders, where deemed necessary, that strikes and lockouts in connection with trade disputes would be scrupulously avoided, and that for any dispute that may occur the machinery prescribed by Government for conciliation and adjudication will be fully utilized.

Coal situation.—Due to extensive damage caused to the East Indian Railway main lines by the breaching of the Damodar River Bund in the July floods, a critical situation arose in the supply of coal for the use of industries and essential services in and around Calcutta: the normal daily supply of 850-900 wagons of coal handled by the Railway was estimated in August to be reduced to 500 wagons. An emergency Committee was formed under the chairmanship of the General Manager of the E. I. Railway to consider recommendations to the Central Government for the equitable allotment of this supply and at a meeting between the President, Vice-President and Industrial Affairs Sub-Committee of the Chamber and the Member for War Transport of the Government of India in August it was learnt that 40 wagons per diem would have to serve industrial purposes for some time to come. To assist the emergency Committee in its representations to Government, the Industrial Affairs Sub-Committee were asked by the Minister to consider and recommend how this coal should be applied. It was agreed, however, by the Industrial Affairs Sub-Committee that the selection of industries in relation to their value to the war effort was a matter for Government and not for the Chamber to decide.

When the situation improved in October the emergency Committee was dissolved as the Controller of Coal Distribution had

reverted to the system of coal allotment prevailing before the breach except in a few cases of necessity; nevertheless the members of the Committee decided that the mutual assistance which had been obtained as the result of these meetings called for their continuance in an unofficial capacity to discuss certain questions relating to coal supply, a decision which was fully supported and approved by the Chamber.

Art in Industry.—The latest Art in Industry Exhibition was held in Calcutta in January. The aims of the Exhibition were—

- (1) to serve as a link between artists and industry, thus on the one hand acquainting artists with industry's requirements and on the other illustrating to industrialists the art talent which is available in this country;
- (2) to strive, by all practicable means, to raise the standard of commercial art throughout India.

The Chamber Committee displayed considerable interest in the movement from both its cultural and practical aspects, and regarded its development as worthy of the support of commercial and industrial interests, if only from the narrower point of view of creating a pool of commercial and industrial art to be drawn upon when necessary. The Committee, in replying to a request for financial support considered that this should be looked for primarily from among those individual industries and units of industry most likely to require the services of industrial artists. In token however of the Chamber's support of the movement, the Committee decided to make a nominal donation which was to be utilised as prize money.

Utilisation of Industrial Research.—The non-technical notes on different manufacturing and chemical processes, issued by the Scientific and Industrial Research Council to which reference was made in the 1942 Report, have this year been issued to interested members from time to time through the Chamber and included a number of informative extracts from the "Journal of Scientific and Industrial Research". Subjects of interest were the extraction of potash salts from molasses, the application of dyes to various commercial products and manufacture of mill apparatus.

Board of Industrial Research.—Reports or statements of researches carried out or now being made by various research departments or institutions, from which members of the Board of Industrial Research Commerce Department, could obtain an idea of work in this field of activity now in progress in the country, was requested by the Board in a letter to the Chamber in February.

Interesting information was furnished for this purpose by a member firm on the manufacture of drugs and medicines and by the Indian Tea Association on researches of an applied nature carried out at the Association's Experimental Station at Lucknai. Though unable to comply with this request immediately owing to the nature of their work, the Indian Jute Mills Association gave an assurance that details would be forwarded at the earliest opportunity.

Labour Legislation: Plenary Labour Conference and Standing Labour Committee.—These two bodies were

first brought into being by the Government of India towards the close of the year 1942 to cope with the increasing need for the co-ordination on an All-India basis of labour legislation and more particularly of war-time labour measures. Like the recent experiments, developing on a world wide scale they are tripartite in character, consisting of representatives of Government (Central and Provincial and State) of employers and of workers. The Plenary Conference, the larger body, consists of some forty to fifty members and is meant in fundamentals to conform to the ideal of an All-India Industrial Council outlined by the Royal Commission on Labour in India over a decade ago and to the model of the International Labour Organisation in its attempt to reconcile divergent labour standards and to establish uniformity on labour questions between province and province and state, and more especially in its promotion of harmonious and progressive relations between employers and employed, so necessary in India in the continued absence of healthy and representative trade unionism. Since the inaugural meeting of 7th August 1942 there has been a second meeting of the Plenary Labour Conference held on 6th and 7th September 1943. More frequent meetings have been held, as they are meant to be, of the smaller body, the Standing Labour Committee which has been telescoped and from the Plenary Labour Conference and the representation on which has closely followed that laid down in the constitution of the Governing Body of the International Labour Office. For the consideration of special topics, it has been provided that *ad hoc* committees consisting of technical experts and specialists may assist the Standing Labour Committee. The Standing Labour Committee first met late in November 1942 and three times since, in January and May 1943 and again in January 1944. Although some advance may be recorded in the direction of the ventilation of views and the interchange of opinions by representatives of all three parties concerned meeting face to face, in a way in which they normally would not, the results so far securing have been intangible and small, and employing interests generally have urged for some time the need for a longer period for consideration of what has usually been a very full agenda ranging over a wide field of topics which touch them very closely, and which they are being called upon to

translate in some cases quite hastily—into concrete programmes of action. Discussions in such matters as social security, dearness allowance, wages, standing orders and welfare schemes in general which have been raised have necessarily it has been pointed out, to be tackled in relation to a plan and not in a piece-meal fashion if rapid ill-considered legislation which will not stand the test of time is to be avoided.

The Chamber's liaison with both bodies has developed through its collection and co-ordination of the views of the industrial Associations and interests connected with it on the items of the Agendas through the medium of Eastern India Committee/Industrial Affairs Sub-Committee of the Chamber who in return receives notice of these matters from the Central Government who sends them down through the headquarters of the Employers' Federation in Bombay. The co-ordinated views are transmitted to the meetings through the delegate chosen for employing interests on this side representing the Eastern India Committee (he constitutes one of two assigned to the Employers' Federation of India) and in this way it is hoped that the experiment in tripartite collaboration at the Centre has at least been a useful means of achieving co-ordination on this side of India even if its wider aim of All-India co-ordination still seems far off of attainment.

MUNICIPAL.

Traffic Advisory Board.—The Chamber's representative on the Traffic Advisory Board took up at a meeting of the Board on the 25th August the following points, which in the opinion of the Chamber required further consideration :—

- (1) *Congestion at the North end of Chourringhee*.—
The position regarding the scheme to improve congestion at this point.
- (2) *Military traffic*.—
(a) Use of headlights by military vehicles.
(b) The absence of identification numbers on some military vehicles, particularly American, and the difficulty of identifying others by reason of the variety of numbers on them.

These points were dealt with as follows :—

- (1) *Congestion at the north end of Chourringhee*.—Government had asked for a revised estimate of cost for the building of a new road across Curzon Road.
- (2) *Military Traffic*.—(a) The use of headlights on Military Vehicles was restricted and cases were reported frequently to the Military Police, who take action against offenders.
(b) The difficulties arising from the absence of identification numbers were recalled and attempts were being made to remedy this in consultation with the British and American authorities.

In respect to item (2)(b), a considerable proportion of the American vehicles which are seen without identification numbers are vehicles which are merely en route from the point of erection to their, for the time-being, permanent parking place, and it is feared that it will never be possible to introduce a system by which these particular vehicles can subsequently be traced individually.

With regard to the question of the opening to public traffic during certain hours of each day, of that portion of Mayo Road which is at present occupied by the R. A. F., this proposal has already been mooted and turned down absolutely by the R. A. F. authorities.

A further meeting was held in December and the Board was of opinion that (1) the present traffic arrangements in the vicinity of the Great Eastern Hotel should continue as an experimental measure (2) the "One way traffic" scheme for Meredith Street was satisfactory and should be continued, (3) Lighting restrictions on motor vehicles should be relaxed to some extent to avoid the danger of accidents due to the further curtailment of street lighting and the blinding effect of strong headlights used by military vehicles. In this connection it was pointed out that the headlight masks used in England gave more light than those in Calcutta. The point was stressed on behalf of the Chamber, whose representative said that civilian vehicles should be permitted to use headlights as strong as those in use by the military.

It was agreed that these views should be brought to the notice of Government with a recommendation that the Lighting Restriction Order should be amended to permit of better driving lights on motor vehicles.

The Government of Bengal were also approached direct by the Chamber on the question of whether it would be possible for the question of opening Mayo Road and Red Road to the public to be reconsidered, in view of the apparently limited use which were being made of them by the R. A. F. In this connection it is satisfactory to note that a concession to the public has recently been made in a notification from the Commissioner of Police dated the 8th February 1944, which reads as follows :—

Lawrence Road and Mayo Road will be reopened to fast moving vehicular traffic from 9 A.M. to 10 A.M. and 4.30 P.M. to 6 P.M. daily beginning from 4.30 P.M. on Wednesday the 9th February 1944. No vehicle may stop on, and no pedestrian, pedal cyclist or slow moving vehicle may use, Lawrence Road or the portion of Mayo Road which lies to the west of the tram lines.

Obstruction to Traffic by Beggars and Vendors.—In July the Chamber drew the attention of the Commissioner of Police to the dirt and inconvenience caused by the recent increase of beggars and vendors in the Clive Street Area, and while appreciating the difficulties of the police in dealing with this problem the Chamber hoped that steps would be taken to keep the nuisance within reasonable limits especially during rush hours. The

Chamber was informed that these objections would receive attention.

Malaria in the Calcutta Area.—In November the increase in malarial infection among the staff and work people of a member firm had reached such high proportions that the Chamber was urged to approach the authorities concerned with the health of the city, and ask them to take every possible measure to combat the spread of the infection. Before taking this step, the Chamber asked members by Circular No. 142/1943 to furnish them with information on their experiences of increased malarial incidence among the people in their employ and with statistical data wherever possible. The facts and figures supplied by members in response to the Chambers request have since been collated and incorporated in an address to the Health Authorities on this matter.

In Circular No. 163/1943 members with factories employed on war work who were experiencing difficulty in obtaining quinine for their employees, were advised by the Chamber to place their requirements directly before the Department of Public Health, Government of Bengal, to obtain the necessary supplies.

MISCELLANEOUS.

Authority to sign receipts and take payments.—In July The Chamber took up with the Accountant-General a practice which had recently become more noticeable, presumably owing to the larger volume of business transacted under war conditions, between Government Departments on the one hand and commercial and industrial concerns on the other, namely of demands being made on the supplier of goods for the submission of registered Powers of Attorney authorising individual members or employees of the supplying firm to sign receipts and receive payment on behalf of the firm.

It was contended by the Chamber that demands of this nature were completely contrary to established commercial practice and would be discouraged. A receipt on the official form or letter paper of the supplying firm should be a sufficient discharge for Government Departments, as it was for commercial interests, particularly if the Government Departments concerned would adopt—as had frequently been urged—a rational method of payment by crossed cheque account payee sent by post or otherwise to the contractor's address. A similar attitude on the part of contractors would soon paralyse business relations with Government—for

instance, demands for the production of Powers of Attorney or other official documents authorising Government officials to sign orders for supplies.

In reply the Accountant-General explained that it was not necessary to furnish a registered Power of Attorney to the Executive Engineer, but as a precautionary measure the rules required that the firm should supply a list of persons who were empowered to sign receipts on their behalf. To avoid further misunderstanding this information was to be circulated to Government officers with whom such transactions were carried out.

Need for the restriction of public holidays.—In replying to a reference from the Associated Chambers of Commerce of India regarding the question of the restriction of the number of public holidays, the Committee stated that with regard to—

(a) *Special celebration holidays.*—It was unlikely that these would be observed with any undue or unjustifiable frequency and that the question of whether the 21st May should be observed as a paid holiday for labour generally had been considered at the time, but the balance of opinion, on psychological grounds, was in favour of its observance. Where essential war work was concerned, the holiday was not observed.

(b) *Public holidays.*—The practice in Bengal, so far as the members of the Chamber were concerned was to observe Negotiable Instruments Act holidays only to an extent which did not affect the war effort. They were not holidays for industrial labour, and production was not therefore affected by them. The observance of holidays under this Act by commercial concerns other than Banks, which had no option in the matter, was determined by the individual employer on the basis of his war commitments and with due regard to religious practice and custom.

(c) *Government holidays.*—In Bengal, these were of two types, namely (i) public holidays under the Negotiable Instruments Act and (ii) additional Government holidays. The Bengal Chamber had consistently recommended a reduction—during the war particularly—in the number of the latter type of holidays so as to bring Government Offices more into line with the holidays observed by commercial offices.

The conclusions reached by the Chamber were that no action was necessary with regard to Special Celebration holidays or Negotiable Instruments Act holidays as observed by labour and

by commercial concerns; that there was room for a reduction in the number of holidays observed in whole or part by certain Government establishments, and that this was essentially a matter for provincial action.

Corps of Commissionaires.—In circular No. 35-1943 of the 24th March, members were informed that the Director of Reconstruction, Defence Department of the Government of India, had set out a scheme for establishing in India, after the war, a Corps of Commissionaires for the employment of non-technical ex-soldiers. The object of the scheme is to eliminate the difficulties that have been experienced in the past in employing ex-soldiers; the main cause of which, so far as unskilled employment is concerned, being that inadequate wages have been offered, and in addition, there have been no proper methods of selection or recommendation.

It was represented to the Chamber that, if a Corps of Commissionaires, similar to the organisation of the same name in England, could be enrolled in India, it would be beneficial both to men and employers. The men would be of proved probity, and of intelligence and ability suited to the employment desired, whilst conditions would be laid down to protect both the employer and employee.

The circular proceeded to enumerate various conditions upon which the Director of Reconstruction's scheme might be suitably operated and asked for members' comments on the general idea of the scheme and on the particular proposals made.

In June, a detailed summary of members' views and suggestions on the original draft scheme for the formation of such a Corps in India after the war was forwarded to the Director of Reconstruction. The great majority of the replies received reflected a considerable degree of interest in the scheme and a desire to assist in its successful promotion.

The principal points on which doubt or difference of opinion had been expressed were dealt with in the Director of Reconstruction's reply and the Chamber expressed the hope that these and such other changes as may have been suggested and accepted would be incorporated in the final draft of the scheme. When this was received and circulated, it would then be possible, the Chamber stated, to obtain a more definite indication of the extent of support likely to be forthcoming from Calcutta commercial and industrial interests.

Chamber Finance: Increase of members' and attached Associations' Contributions.—At the beginning of the year the Committee of the Chamber had to give serious consideration to the Chamber's financial position following upon the deficits in the revenue account of Rs. 39,000 in 1941 and Rs. 87,200 in 1942 and an estimated deficit of almost one lakh of rupees for 1943. It was felt that the deficits were due almost entirely to the increased costs caused by the war and that the only course open was to increase (a) the subscriptions of members and (b) the secretarial and other fees paid by the Associations and other organisations connected with the Chamber to an extent sufficient to meet the estimated deficit for 1943.

This subject was raised by the President in his address to the Annual General Meeting held on the 26th February 1943 when it was announced that the Committee had decided to ask both members and the majority of attached Associations to accept a 33½% increase in their rate of subscription, the increase to be greater in the case of certain Association whose work had increased to an extent which warranted this. The proposed increases were accepted by all those concerned.

Forfeiture of employers' contributions to recognised provident funds.—The rules of most commercial provident funds, recognised under the Indian Income Tax Act, ordinarily include a provision which, though variously worded, is to the effect that "a member who is dismissed from the service of the company on the ground of misconduct" shall be entitled only to the amounts subscribed by him, with interest thereon, and shall forfeit all claims to the contributions of the employer and the interest thereon standing to the credit of such member in the books of the fund.

Consequent upon the staff desertions that took place following the Christmas 1942 and subsequent air-raids, the question arose of whether, for the purposes of the above rule, absenteeism without leave could properly be treated as misconduct.

In the opinion of the Chamber's Solicitors the question turned upon the word misconduct which they interpreted to mean the default of an employee without leave or adequate reason. In the case of air raids there appeared no obstacle to an employee continuing to work unless transport arrangements were upset. In the absence of that reason an employee should return to work and was guilty of "misconduct" and subject to dismissal if he failed to do so. In that event he was only entitled to his own contributions to the fund and interest thereon.

In the case of an employee not being dismissed for such default but subsequently resigning, it was the Solicitors' opinion that the employer might be said to have waived his right to dismiss the employee. Therefore dismissals for failure to return to work after air raids should not be delayed to prevent any case being made that the employer has waived his right to do so and has impliedly given leave of absence.

The correspondence on this subject was issued to members of the Chamber with circular No. 24-1943 of the 23rd February.

Recognised Provident Funds: Letters of nomination: payment of deceased members' claims.—The legal opinion obtained by the Chamber to clarify the position of Trustees of Provident Funds who make payments in accordance with letters of nomination, by the expressed wish of the deceased, was published in the 1942 Report.

The Chamber Committee informed the Associated Chambers—who also had the matter under consideration—that they favoured a case being submitted to the Central Board of Revenue on the lines indicated by their solicitors, but that if the majority of the constituent Chambers were opposed to taking any action, the existing position should be explained as clearly as possible to members. Those concerned might then take steps to delete from the Provident Fund Rules any reference to "nomination" unless the Trustees were prepared to carry the small risk involved.

Standardisation of Weights & Measures.—Mr. J. E. Ordish of Messrs. George Henderson & Co., Ltd., has been appointed to serve on a Special Committee set up by the Commerce Department of the Government of Bengal to advise on the question of the standardisation of weights and measures in the Province. The Committee is composed of expert economic members presided over by Professor S. N. Bose of the Dacca University.

Payment of Bills through Collecting Circuits.—In the reference made to this question in the 1942 Report mention was made of the adoption by the East Indian Railway, the Bengal Nagpur Railway Co., Ltd. and the Bengal and Assam Railway of the system of sending crossed cheques by post or messenger in payment of bills and that members were asked to co-operate by despatching receipts regularly and expeditiously.

The General Manager of the East Indian Railway and the Administration of the Bengal Nagpur Railway have given the Chamber satisfactory reports on the smooth working of this experimental system and are of the view that, if present conditions continue, it will become a standing practice.

Freon Gas for air conditioning plants.—In August some anxiety existed in connection with an order issued by the Controller of Chemicals prohibiting the use of any further supplies of Freon Gas for so-called "comfort cooling" in offices. As the result of enquiries made through the Munitions Production Advisory Committee, it was ascertained that the order in question laid down merely that supplies imported would not be increased above previous levels and that therefore civilian requirements would be catered for in 1944, unless some unforeseen demand would be for Military and Defence requirements. Supplies, it was stated, had been ordered which should meet both priority and civilian needs and should be received well in advance of the 1944 hot weather season.

Transport vehicles: Maintenance of Log Books.—A system for the maintenance of petrol log books introduced by the Local Government in the course of the year was brought to members' notice by the Chamber in Circular No. 85/1943. Its application included all owners of transport vehicles and those owners of other vehicles employed by Government or a public body and was to include entries of the destination and length of journeys, with the quantity of motor spirit issued in each case. The log books are open to inspection by Transport Inspectors and any Police Officer of or above the rank of inspector with a view to checking unauthorised journeys and unnecessary consumption of petrol.

Wooden cases used in packing goods.—Reports were received from Australia through the Department of Commercial Intelligence & Statistics that wooden cases used for packing goods exported from India were sometimes found to be infected with live borer. Their special treatment, in accordance with the Quarantine (Plants) Regulations of the Commonwealth Government, had involved delay in clearance and additional expenditure.

The Department of Commercial Intelligence and Statistics wished to emphasise the importance of making cases borer-free before packing goods for shipment to Australia. In one case reported to the Department it was known that goods were packed in borer-free cases, but on arrival in Australia they were found to be heavily infested. This might have been due either to ineffective treatment or to delay in the shipment of goods after treatment of the cases, which resulted in their re-infestation.

Members concerned with the export of goods to Australia were therefore asked to see that cases were effectively treated, and that shipments were made as soon as possible after such treatment.

Export of piecegoods to Mauritius: Certification of invoices.—The Chamber has agreed to certify invoices covering the exports of piecegoods to Mauritius in accordance with a proposal received by the Government of India, Department of Commerce, from the Government of Mauritius, which was circulated to all constituent Chambers by the Associated Chambers in August.

Dacca University Appointment Advisory Board.—

In circular No. 84-1943 of the 15th July, those members who had recruited employees through the Dacca University Appointment Advisory Board, or who otherwise had employed Dacca University graduates were asked to communicate to the Chamber their experience and comments on the standard of service. The views thus acquired were forwarded to the University Appointment Advisory Board for information.

MEMBERSHIP.

The following have been provisionally elected to membership, subject to confirmation at the next Annual General Meeting :—

CHAMBER MEMBERS :

Associated Instrument Manufacturers (Workshops), Ltd.
Messrs. Atlantis (East), Ltd.
Bengal Chemical & Pharmaceutical Works, Ltd.
Messrs. Bitumen Emulsions (India), Ltd.
,, Henry S. Clark & Co.
,, Albert David, Ltd.
,, F. Harley & Co.
,, D. J. Keymer & Co., Ltd.
,, Machine Tools (India), Ltd.
,, Manton & Co.
,, Mollers (India), Ltd.

ASSOCIATE MEMBERS :

Messrs. Caltex (India), Ltd.
,, French Motor Car Co., Ltd.

The number of members of the Chamber on the 31st December 1943 was : Chamber members, 251, Associate members 18.

FINANCE AND ACCOUNTS.

Chamber.—The reduction in the capital of the Chamber in 1943 amounts to Rs. 44,786-2-4.

Bengal Chamber of Commerce deficit ...	Rs. 35,277 6 7
Royal Exchange deficit ...	9,508 11 9
Deduction ...	<u>Rs. 44,786 2 4</u>

(114)

The corresponding figures for 1942 were :—

Bengal Chamber of Commerce deficit ...	Rs. 79,362	12	8
Royal Exchange deficit ...	7,820	1	5
Deduction ...	Rs. 87,191	14	1

The Income and Expenditure for 1942 and 1943 are as follows :—

Income :—	1942	1943
Members' subscriptions ...	Rs. 75,525	1,06,550
Monthly contributions ...	2,63,764	3,57,657
Arbitration fees ...	36,988	35,242
Certificates of Origin ...	6,320	4,250
Interest and rent received, less paid for taxes, repairs and electric charges ...	10,371	9,970
Strike Certificate fees ...	315	120
Profit on re-valuation of investments ...	3,870	3,524
	Rs. 3,97,062	5,17,313

Expenditure :—	1942	1943
Establishment—		
(a) Current ...	Rs. 3,10,669	3,43,529
(b) Pensions ...	34,498	31,446
Printing and Stationery ...	15,401	12,964
Depreciation ...	21,002	21,419
Sundries ...	30,631	35,423
Legal charges ...	6,256	1,193
Prices current ...	575	559
Contribution to Provident Fund	26,034	27,312
Reserve for Income-tax on Chamber Revenue ...	31,359	41,211
Loss on sale of foodstuffs ...		37,534
	Rs. 4,76,425	5,52,590
Deficit ...	79,363	35,277
	Rs. 3,97,062	5,17,313

(115)

Royal Exchange.—The deficit for 1943 is Rs. 9,508-11-0 against the deficit of Rs. 7,820-1-5 for 1942.

Income :—	1942	1943
Entrance fees ...	Rs. 72	63
Subscriptions ...	25,461	25,100
Sale of Telephone Ticket Books ...	525	545
	Rs. 26,058	25,708

Expenditure :—	1942	1943
Rent ...	Rs. 12,000	12,000
Contribution to Chamber ...	6,000	6,000
Establishment ...	3,576	10,294
Restaurant License ...	100	100
Books and Newspapers ...	1,403	1,394
Sundries ...	5,808	5,518
	Rs. 33,887	35,216
Deficit ...	7,820	9,508
	Rs. 26,058	25,708

D. C. FAIRBAIRN,

Secretary.

Calcutta, the 18th February 1944.

J. H. BURDER,

President.

SUNDRY REFERENCES.

- A. R. P. : Government Control over factories.
- A. R. P. : Identity Disc.
- A. R. P. : Propaganda Vans.
- A. R. P. : Trailer Pump Station.
- A. R. P. : First-aid training for women.
- A. R. P. : Instructional wall charts slit trenches.
- A. R. P. : Mutual Aid Scheme.
- Armoured Vehicles (Internal) Security Fund.
- All-India Red Cross Week.
- Allocation of coal wagons to small industries—Not on the priority list.
- Acquisitions of the telephone system by the Government of India.
- Bengal Central Relief Fund for the distressed and the destitute.
- Bengal Factories (Exemption) Rules, 1943.
- Bengal Boiler Attendants Rules, 1940—Draft Amendments.
- Bengal Sugar Licensing Order, 1943.
- Burma Finance Act, 1943.

Bengal Shops and Establishments Act, 1940—Amendment of
Bar of High Court Jurisdiction in Revenue Matters—Sec. 226 of
the Government of India Act, 1935.

Bengal Foodgrains Price Control Order, 1943.

Bengal Rationing Preparatory Inquiry Order, 1943.

Calcutta House Rent Control Order, 1943.

Civilians in Malaya.

Control of price and regulation of the rate of bricks.

Calcutta Water Supply.

Cotton (Forward contracts in current crops) Prohibition Order, 1943.

Discouragement of long-distance travel by rail.

E. I. Rly. : Restoration of main line.

Emergency Commissions in the Indian Navy, Army & Air Force.

Export restriction on raw hides.

Export Trade Control—Licenses.

E. I. R. : Removal of restriction in booking to Howrah.

Factories Control of Production Order, 1942.

Injury or damage caused by army drivers when on duty.

Indians in South Africa.

Iron and Steel (Scrap) Control Order, 1943.

Inspection of industrial establishments.

Import Trade Control—Advisory Panel on Drugs and Medicines.

Indian Companies Act : Amending Bill No. 39 of 1913.

Indian Railway Conference Association—Classification of different
commodities.

Mines Maternity Benefit Rules, 1943.

National service—Release of persons from military service.

Patrol Rationing.

Post-War Shipping Policy.

Posts and Telegraphs Service : Short-comings of

Payment of Wages to workmen in the event of suspension of work
due to air-raid precaution.

Report of the Committee on the amplification of inland hide
statistics.

Reorganisation of Railway priority control.

Registration of transferred Companies Rules, 1943.

Shipping lines running between Calcutta and South America.

Sugar Control Order, 1942.

Starch Control Order, 1943.

Unlustrous Loans (Bengal Amendment) Bill, 1940.

Weather working days.

BENGAL CHAMBER OF COMMERCE.

Secretarial Department—General.

- (1) Balance Sheet as at 31st December 1943.
- (2) Revenue Account for the year ended 31st December
1943.

**BENGAL CHAMBER OF
(SECRETARIAL
Incorporated as a Company under section 26
BALANCE SHEET as**

CAPITAL AND LIABILITIES.		Rs.	As.	P.	Rs.	As.	P.
CAPITAL ACCOUNTS—							
Balance at 1st January 1943	...	6,92,958	6	9			
<i>Less—</i> Deficit from Revenue Account	...	35,277	6	7			
	...	6,57,681	0	2			
<i>Less—</i> Royal Exchange deficit	...	9,508	11	9	9,48,172	4	5
LOAN—UNSECURED—							
Imperial Bank of India—Overdraft on Current Account	...				35,434	8	10
LIABILITIES—							
For expenses—							
Publications	...	243	15	0			
Stationery	...	1,247	5	0			
Electric Fans, Lights, Lifts etc	...	2,237	4	0			
Post Charges	...	2,968	9	0			
Audit Fee	...	699	0	0			
Law Charges	...	513	0	0			
Fees etc (recoverable)	...	4,259	5	0			
Printing	...	526	2	0			
Telephone	...	344	10	0			
Subscriptions to Associated Chambers of Commerce of India	...	800	0	0			
Charges General	...	1,503	14	0			
Establishment	...	341	0	0			
Sundries	...	1,616	7	3			
	...				17,182	8	3
PROVISION FOR TAXATION							
	...				37,251	11	0
OTHER FINANCE—							
Deposits for Arbitration cases	...	47,506	0	0			
Bengal Flood Relief Fund	...	836	0	0			
Bengal Central Relief Fund	...	15,625	4	0			
Carried over	...	63,959	4	0	7,38,041	0	6

**COMMERCE, CALCUTTA.
DEPARTMENT.
of the Indian Companies Act, 1882.
at 31st December 1943.**

PROPERTY AND ASSETS.		Rs.	As.	P.	Rs.	As.	P.
LAND No. 2, CLAY STREET, AT COST	...				3,11,912	8	0
ROYAL EXCHANGE BUILDING AT COST	...	6,02,166	12	9			
<i>Less—</i> Depreciation to date	...	3,89,215	15	7			
	...	2,12,950	13	2			
FURNITURE AND FITTINGS AT COST TO 31st DECEMBER 1942	...	1,23,555	8	2			
Additions during the year at cost	...	570	4	0			
	...	1,23,125	12	2			
Deduct Sale proceeds	...	50	0	0			
	...	1,23,075	12	2			
<i>Less—</i> Depreciation to date	...	1,22,975	12	2			
	...				100	0	0
LIBRARY AND PICTURES AT COST							
	...	42,820	1	5			
<i>Less—</i> Depreciation to date	...	42,720	1	5			
	...	4,577	5	0			
STANDARD WEIGHTS, MEASURES AND TEST APPLIANCES AT COST							
	...	4,029	11	11			
<i>Less—</i> Depreciation to date	...						
	...				547	9	1
INSTALLATION OF ELECTRIC AND SANITARY WORKS AT COST							
	...	1,20,997	8	9			
<i>Less—</i> Depreciation to date	...	1,20,857	8	9			
	...				100	0	0
AIR CONDITIONING PLANT AT COST TO 31st DECEMBER 1942							
	...	25,189	10	0			
Additions during the year at cost	...	265	14	0			
	...	25,485	8	0			
<i>Less—</i> Depreciation to date	...	5,801	8	1			
	...	19,684	0	0			
New Royal Exchange Restaurant at cost	...	9,461	1	0	15,593	15	11
<i>Less—</i> Sales etc. during the year	...	175	0	0			
	...	9,286	1	0			
<i>Less—</i> Depreciation to date	...	6,249	11	4			
	...				3,038	5	8
Carried over	...				5,44,343	3	10

**BENGAL CHAMBER OF
(SECRETARIAL
Incorporated as a Company under section 26
BALANCE SHEET as**

	Rs.	As.	P.	Rs.	As.	P.
Other FINANCE—contd.						
Brought forward ...	63,969	4	0	7,38,041	0	6
Tax Deduction A/c Staff—						
Income Tax 31,095 11 0						
Post Office Savings Deposit 447 9 0						
	31,514	4	0			
Calcutta Hydraulic Press Association Emer- gency Deposit ...	6,100	0	0			
Deposit for foodstuffs supply ...	7,510	0	0			
Royal Exchange Deficit ...	9,568	11	9			
				1,18,562	3	9
TOTAL Rs. ...				8,56,633	4	3

**COMMERCE, CALCUTTA.
DEPARTMENT.
of the Indian Companies Act 1882.
at 31st December 1943.**

	Rs.	As.	P.	Rs.	As.	P.
Brought forward ...				5,44,343	3	10
DEBTS DUE TO CHAMBER (UNSECURED)—						
Guaranteed good ...	48,760	9	0			
Due by Royal Exchange, Contribution, rent and expenses ...	8,867	10	0	57,574	3	0
ADVANCES ...				20,128	6	8
INVESTMENTS IN GOVERNMENT SECURITIES AT MARKET VALUATION—						
Rs. 63,600/- 3% Loan 1903/05 @ Rs. 98-14-0	62,884	8	0			
Rs. 55,100/- 3% Loan 1951/54 @ „ 100-3-0	55,203	5	0			
Rs. 80,600/- 4% Loan 1909/70 @ „ 112-5-0	80,850	0	0	2,07,937	13	0
Interest accrued on Investments ...				1,587	15	0
CASH AND OTHER BALANCES—						
Unused Stamps in hand ...		212	10	6		
Cash in hand ...	15,840	0	8	16,061	11	2
TOTAL Rs. ...				8,56,633	4	3

BENGAL CHAMBER OF
(SECRETARIAL
REVENUE ACCOUNT for the

EXPENDITURE.	Rs.			As. P.		
	Rs.	As.	P.	Rs.	As.	P.
To Establishment ... ..	...	...	...	3,74,974	12	0
" Municipal Taxes ... ..	...	...	...	11,751	6	0
" Current Repairs ... ..	...	...	...	3,047	4	0
" Electric Fans, Lights, Lifts and Pumps including cost of current and upkeep ...	16,408	2	0			
" Less—Received for the use of Lights and Fans	3,480	3	0			
" Depreciation on Building	16,054	2	8	12,927	15	0
" Do. on Standard Weights, Mea- sures and Test appliances	200	7	6			
" Do. on Air Conditioning Plant	2,548	8	9			
" Do. on Furniture and Fittings	620	4	0			
" Do. on New Royal Exchange Res- taurant	3,686	0	4	21,419	7	3
" Fire Insurance ... ..	...	...	...	1,250	0	0
" Contribution to Provident Fund ... ..	...	...	...	27,311	0	0
" Printing Reports ... ..	...	...	...	808	12	0
" Do. General	4,151	8	0			
" Less—Sundry Receipts	6	4	0	4,148	4	0
" Charges General ... ..	...	...	...	10,355	7	5
" Petty Charges ... ..	...	...	...	11,490	3	9
" Stamps ... ..	...	...	...	2,915	12	5
" Telegrams ... ..	...	...	...	498	11	6
" Book-Binding ... ..	...	...	...	267	4	0
" Government Gazettes, etc. ... ..	...	...	...	163	2	3
" Audit Fee	3,600	0	0			
" Do. re: Income Tax Assessment 1943-44	150	0	0	3,750	0	0
" Stationery ... ..	...	...	...	7,046	10	0
" Telephone Charges ... ..	...	...	...	1,382	12	0
" Publications ... ..	...	...	...	1,344	10	6
" Commercial Education Prizes ... ..	...	...	...	225	0	0
" Medical Attendance ... ..	...	...	...	700	0	0
" Subscription to Associated Chambers of Commerce of India ... ..	...	...	...	800	0	0
" Legal Charges ... ..	...	...	...	1,193	0	0
" Provision for Vacation ... ..	...	...	...	41,211	4	0
" Loss on Sale of Foodstuffs ... ..	...	...	...	37,534	13	6
" Prices Current ... ..	...	...	...	568	10	0
" Tax under Bengal Finance Act 1939, for 1943-44 ... ..	...	...	...	30	0	0
TOTAL Rs. ... ..	...	...	...	5,80,316	10	7

We beg to report that we have audited the foregoing Balance Sheet of the Bengal Chamber of Commerce, Secretarial Department as at 31st December, 1943, information and explanations we have required and subject to the remark that the assets & liabilities of the Fundraising Sections are not included in the Balance sheet, in our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Department's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Licensed Measurers' Department.

The Balance Sheet and Revenue Account do not include the Accounts of the Licensed Measurers' Department.

Calcutta, }
The 14th February 1944. }
LOVEMOCK & LEWIS, }
Chartered Accountants, } Auditors.
Registered Accountants, }

COMMERCE, CALCUTTA. (123)
(DEPARTMENT).
year ended 31st December 1943.

INCOME.	Rs.			As. P.		
	Rs.	As.	P.	Rs.	As.	P.
By Members' Subscriptions ... ..	...	...	...	1,06,560	0	0
" Monthly Contributions from the Associa- tions recognised by the Chamber	2,58,919	0	0			
" Do. do. Licensed Measurers' Department	24,000	0	0			
" Do. do. Royal Exchange	6,000	0	0			
" Do. do. Indian Tea Market Expansion Board	27,996	0	0			
" Do. do. Indian Tea Licen- sing Committee	27,966	0	0			
" Do. do. Calcutta Liners Conference	15,996	0	0			
" Less—Bad Debts written off	3,250	...	...	3,75,657	0	0
" Arbitration Fees ... ..	...	...	...	35,342	0	0
" Fees for Certificates of Origin ... ..	...	...	...	4,250	0	0
" Fees for strike Certificates ... ..	...	...	...	120	0	0
" Interest on Investments and other Sources ... ..	...	...	...	6,895	12	4
" Rent of No. 2, Clive Street— Royal Exchange	12,000	0	0			
" Licensed Measurers' Department	11,100	0	0			
" Messrs. Bucker & Co.	3,000	0	0			
" Bristol Hotel	1,200	0	0			
" Indian Tea Mtn' Associa- tion A/c Priority Assa- dances Advisory Panel ... Rs. 2,560 0-0	...	...	...	300 0-0		
" A/c Coal Dump ... ..	...	...	...	700 0-0		
" A/c A. R. P. Section	3,500	0	0	30,800	0	0
" Profit on realisation of Investments ... ..	...	...	...	3,524	7	8
" Deficit for the year Carried to Capital Account ... ..	...	...	...	35,277	6	7
TOTAL Rs. ... ..	...	...	...	5,80,316	10	7

J. H. BURDORF,
President.
R. W. MEALING,
Vice-President.
D. C. FAIRBAIRN,
Secretary.

R. K. HAYDOW,
H. H. BURN,
T. S. GLADSTONE,
R. B. LAGDEN,
F. C. GUTHRIE,
W. T. G. FAIRBRER,

Members of the
Committee.

BENGAL CHAMBER OF COMMERCE.

COMMITTEE FOR THE YEAR 1944-45

President :

Mr. K. W. MEALING,
Messrs. Andrew Yule & Co., Ltd.

Vice-President :

Mr. R. B. LADEN, O.B.E., M.C.,
Messrs. McLeod & Co., Ltd.

Members :

THE HON'BLE MR. J. H. BURDER,
Messrs. Jardine Skinner & Co.

SIR HARRY BURN,
Imperial Chemical Industries (India), Ltd.

Mr. T. S. GLADSTONE,
Messrs. Gillanders Arbuthnot & Co.

Mr. F. C. GUTHRIE,
Messrs. James Finlay & Co., Ltd.

SIR RENWICK HADDOX,
Messrs. Mackinnon Mackenzie & Co.

SIR GEORGE MORTON, O.B.E., M.C.,
Messrs. Bird & Co. and F. W. Heilgers & Co.

Mr. W. T. C. PARKER,
Lloyds Bank Ltd.

MEMBERS

OF THE

BENGAL CHAMBER OF COMMERCE

Chamber Members.

Air Conditioning Corporation, Ltd.
Allahabad Bank, Ltd. (*Calcutta Branch*).
Allen & Hanburys, Ltd.
Allen Berry & Co., Ltd.
Albert David, Ltd.
Aluminium Manufacturing Co., Ltd.
Anderson, Wright & Co.
Apear & Co.
T. S. Apcar & Co.
Asbestos Cement, Ltd.
Assam Oil Co., Ltd.
Assam Railways & Trading Co., Ltd.
Associated British Machine Tool Makers, Ltd.
Associated Cement Companies, Ltd.
Associated Electrical Industries (India), Ltd.
Associated Instrument Manufacturers (Workshops), Ltd.
Atlantis (East), Ltd.
G. Atherton & Co. (Eastern), Ltd.
Automatic Telephone & Electric Co., Ltd.
W. & T. Avery, Ltd.

Balcock & Wilcox, Ltd.
Ballardie, Thompson & Matthews.
Balmer, Lawrie & Co., Ltd.
Bank of India, Ltd.
Barry & Co.
Becker, Gray & Co. (1930), Ltd.
Begg, Dunlop & Co., Ltd.
Bengal Chemical and Pharmaceutical Works, Ltd.
Agent & General Manager, Bengal-Nagpur Railway Co., Ltd.
Bird & Co.
Birkmyre Brothers.
Bitumen Emulsions (India), Ltd.
Blacker & Co.
Blackwood, Bryson & Co., Ltd.
Bombay Co., Ltd.
Boots Pure Drug Co., Ltd.
W. H. Brady & Co., Ltd.
Braithwaite & Co. (India), Ltd.
Britannia Biscuit Co., Ltd.
British India Steam Navigation Co., Ltd.

British Insulated Cables, Ltd.
British Overseas Airways Corporation.
Brooke, Bond India, Ltd.
Burma Oil Co. (India Trading), Ltd.
Burmah-Shell Oil Storage & Distributing Co. of India, Ltd.
Barn & Co., Ltd.

Calcutta Electric Supply Corporation, Ltd.
Calcutta Port Commissioners.
Calcutta Tramways Co., Ltd.
Caledonian Insurance Co.
Caledonian Printing Co., Ltd.
Callender's Cable & Construction Co., Ltd.
Carritt, Moran & Co.
Central Agency, Ltd.
Chartered Bank of India, Australia & China.
Chloride Electrical Storage Co. (India), Ltd.
S. C. Chunder & Co.
Henry S. Clark & Co.
Commercial Union Assurance Co., Ltd.
Thomas Cook & Son.
Cox & Kings (Agents), Ltd.
W. S. Cresswell & Co.
S. Carlender & Co.
Cutler, Palmer & Co.

John Dickinson & Co., Ltd.
Don, Watson & Co., Ltd.
Dorman, Long & Co., Ltd.
Louis Dreyfus & Co., Ltd.
W. F. Ducat & Co.
Thomas Duff & Co., Ltd.
J. C. Durbus & Co., Ltd.
Duncan Brothers & Co., Ltd.
Dunlop Rubber Co. (India), Ltd.
The General Manager, East Indian Railway.
Eastern Bank, Ltd.
The General Manager, Bengal & Assam Railway.
Lionel Edwards, Ltd.
English Electric Co., Ltd.
B. N. Elias & Co., Ltd.
Sir David Ezra.

A. W. Figgis & Co.
James Finlay & Co., Ltd.
A. Forbes & Co., Ltd.
Ford, Rhodes, Thornton & Co.
H. J. Foster & Co., Ltd.

Ganges Rope Co., Ltd.
Garden Reach Workshops, Ltd.
The Gas Accumulator Co. (India), Ltd.
General Electric Co. (India), Ltd.
G. A. Georgiadi & Co.
D. Gestetner (India), Ltd.
Gillanders, Arbuthnot & Co.
Gladstone, Wylie & Co.
Glenfield & Kennedy, Ltd.
Godfrey, Phillips (India), Ltd.
Grahams Trading Co. (India), Ltd.
Gramophone Co., Ltd.
Grindlay & Co.
Guest, Keen, Williams, Ltd.

Harrisons & Crossfield, Ltd.
W. Haworth & Co.
Hazareemall, Heeralall.
Healy & Gresham, Ltd.
F. W. Heilgers & Co.
F. Harley & Co.
George Henderson & Co., Ltd.
W. T. Henley's Telegraph Works Co., Ltd.
A. & S. Henry & Co., Ltd.
Alfred Herbert (India), Ltd.
Hoare, Miller & Co., Ltd.
Holmes, Wilson & Co.
Hongkong & Shanghai Banking Corporation.
Hoyle, Robson, Barnett & Co. (India), Ltd.
Imperial Bank of India.
Imperial Chemical Industries (India), Ltd.
Imperial Tobacco Co. of India, Ltd.
India General Navigation & Ry. Co., Ltd.
India Rubber, Gutta Purcha & Telegraph Works Co., Ltd.
India Tyre & Rubber Co. (India), Ltd.
Indian Copper Corporation, Ltd.
Indium Malleable Castings, Ltd.
Indian Metals and Alloys Co., Ltd.
Indian Mollasses Co., Ltd.
Indian National Airways, Ltd.
Indian Oxygen & Acetylene Co., Ltd.
Indian Rubber Manufacturers, Ltd.
Innes Watson & Co.

William Jacks & Co., Ltd.
Jardine, Menzies & Co.
Jardine, Skinner & Co.
Jessop & Co., Ltd.

Jewell Filter Co., Ltd.
 Ivan Jones, Ltd.
 J. D. Jones & Co.
 Jost's Engineering Co., Ltd.

Kettlewell, Bullen & Co., Ltd.
 Keymer, Bagshaws & Co., Ltd.
 D. J. Keymer & Co., Ltd.
 Kilburn & Co.
 King Brothers.

Landale & Clark, Ltd.
 Landale & Morgan.
 Latex Treatments, Ltd.
 Frawn Kissen Luv & Co.
 Lever Brothers (India), Ltd.
 Lewis & Tylor, Ltd.
 Lipton, Ltd.
 Liverpool & London & Globe Insurance Co., Ltd.
 Lloyds Bank, Ltd.
 London & Lancashire Fire Insurance Co., Ltd.
 Longmans, Green & Co.
 Lovelock & Lewes.
 James Luke & Sons.
 Lyall Marshall & Co.
 Lyons (India), Ltd.

Macfarlane & Co., Ltd.
 Mackenzie Lyall & Co.
 Mackinnon, Mackenzie & Co.
 Mackintosh, Burn, Ltd.
 Macneill & Co.
 A. & J. Main & Co., Ltd.
 A. M. Main & Co.
 Manton & Co.
 Marshall Sons & Co. (India), Ltd.
 Martin & Co.
 Martin & Harris.
 Mather & Platt, Ltd.
 May & Baker (India), Ltd.
 McGregor & Balfour, Ltd.
 McLeod & Co.
 McLeod & Co., Ltd.
 Mercantile Bank of India, Ltd.
 Metal Box Co. of India, Ltd.
 D. J. Millar & Co., Ltd.
 Mollers (India), Ltd.
 Moran & Co., Ltd.

Morgan, Walker & Co.
 Mytton, Wallace & Co.

National Bank of India, Ltd.
 New Zealand Insurance Co., Ltd.
 Normans, Rees & Co.
 North British & Mercantile Insurance Co., Ltd.
 Northern Assurance Co., Ltd.
 J. B. Norton & Sons, Ltd.

Stanley Onkes & Co.
 Ocean Accident & Guarantee Corporation, Ltd.
 Oriental Gas Co., Ltd.
 Orr, Dignam & Co.
 F. & C. Osler, Ltd.
 Oudh & Tirhut Railway.
 Parry & Co., Ltd.
 John Paterson & Co. (India), Ltd.
 Peninsular & Oriental Steam Navigation Co.
 Pigott, Chapman & Co.
 Pinchin, Johnson & Co., Ltd.
 Place, Siddons & Gough.
 Planters' Stores & Agency Company, Ltd.
 Plummer Brothers & Co.
 Price, Waterhouse, Peat & Co.

Ralli Brothers, Ltd.
 Randutt, Ramkissendass.
 Reed, Ward & Co.
 Rivers Steam Navigation Co., Ltd.
 Roberts, McLean & Co., Ltd.
 Royal Exchange Assurance Corporation.
 Royal Insurance Co., Ltd.

Sandersons & Morgans.
 David Sassoon & Co., Ltd.
 M. A. Sassoon & Sons, Ltd.
 Saxby & Farmer (India), Ltd.
 Scott & Saxby, Ltd.
 Scottish Union & National Insurance Co.
 Ramchand Seal & Co.
 Sewaram, Kalamam.
 Shalimar Paint, Colour & Varnish Co., Ltd.
 Shriv. Wallace & Co.
 A. J. Shellim & Co.
 Shimwell & Brother (Calcutta), Ltd.
 R. Sim & Co., Ltd.
 Sinclair & Co.

Sinclair, Murray & Co., Ltd.
Smith, Stanistreet & Co., Ltd.
South British Insurance Co., Ltd.
Spencer & Co., Ltd.
Standard Brands, Ltd.
Standard Life Assurance Co., Ltd.
The Statesman, Ltd.
Steel Brothers & Co., Ltd.
Octavius Steel & Co., Ltd.
R. Steel & Co., Ltd.
Stewarts & Lloyds of India, Ltd.
J. Stone & Co., Ltd.

Talbot & Co.
W. H. Targett & Co., (*Capital*).
Tata Iron & Steel Co., Ltd.
J. Thomas & Co.
John Thomson Wolverhampton (India), Ltd.
T. E. Thomson & Co., Ltd.
Turner, Morrison & Co., Ltd.

Union Insurance Society of Canton, Ltd.

Valvoline Oil Co.
Villiers, Ltd.

C. C. Wakefield & Co., Ltd.
D. Waldie & Co.
Walford Transport, Ltd.
W. J. Walker & Co.
Wiggins Teape and Alex Pirie (Export), Ltd.
Williamson, Magor & Co.
Worthington-Simpson, Ltd.

Andrew Yule & Co.
Andrew Yule & Co., Ltd.

Associate Members.

Armco (India), Ltd.
Bata Shoes Co., Ltd.
Caltex (India), Ltd.
Clegg, Cruickshank & Co., Ltd.
East Asiatic Co., Ltd. (*Calcutta Agency*).
French Motor Car Co., Ltd.
G. & M. Fogt.
Goodyear Tyre & Rubber Co. (India), Ltd.
Ludlow Jute Co., Ltd.

National Carbon Co. (India), Ltd.
Nederland Steam Navigation Co.
Nederlandisch Indisch Handelsbank.
Nestle and Anglo-Swiss Condensed Milk (Export) Co., Ltd.
Netherlands Trading Society.
S. K. F. Ball Bearing Co., Ltd.
Standard Vacuum Oil Co.
Volkart Brothers.
Western India Match Co., Ltd.

Honorary Member.

Mr. George Morgan, C.I.E., M.L.A.

CHAMBER RULINGS.

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CHAMBER RULINGS.

1

When two-thirds of a ship's inward freight was payable at home and one-third in Calcutta, it was held that "inward freight" meant "the freight collected in Calcutta".

2

There being nothing to the contrary in the Charter-Party, lay-days will count while a vessel is in the stream, provided she is ready and able to work, and boats can lie alongside and deal with cargo in safety.

If a vessel enters at a Custom House before 12 noon on, say, the 1st of a month lay-days commence 24 hours after notice of readiness is given. If she enters after 12 noon then lay-days commence on the morning of the 3rd.

Notice of readiness before inward entry of a vessel at the Custom House is not a proper notice.

Note:—This ruling does not apply to coal charters.

3

An agent should return to his constituents any discounts allowed on insurance.

4

"Running days" means every day without exception or exclusion.

"Working days" exclude Sundays, Christmas Day, Good Friday and such gazetted public holidays as may be declared by the Bengal Chamber of Commerce as holidays recognised by the Chamber under Charter Parties and Shipping Orders.

"Weather working days": The Committee of the Chamber will, in consultation with the Collector of Customs, decide what may or may not be considered a weather working day.

After a vessel goes on demurrage, all time counts.

Note:—Holidays are now declared in December of each year by the Chamber, as under Shipping Orders and Charter Parties according to the custom of the port.

5

There is no custom of the port which would make warehousing at the jetties a shipment according to the custom of the port.

6

New rules of business.—The limits of the Port of Calcutta having been extended by a Notification of the Government of Bengal, dated 24th June 1886, which came into force on the 10th July 1886 so as to include within these limits the new petroleum depot at Budge-Budge, it has become necessary to frame a rule of

business which shall meet the special circumstances which have made this extension of the Port necessary.

The following rule, which has met with almost unanimous support, is recommended by the Committee of the Bengal Chamber of Commerce for general adoption:—

"Unless specified in the Charter-Party or Shipping Orders, steamers or sailing vessels cannot demand of the consignee to take delivery of, or fill up cargo, except within the limits of the Port, as set forth in the Notification of the 18th August 1879 of the Government of Bengal".

7

So long as a ship is ready to take in the stipulated quantity of cargo continuously, she is in position to give notice of being ready for outward cargo, no matter if a ship had still a portion of her inward cargo on board.

8

The Indian Maund only is used by the Customs authorities for salt weightments. It weighs 82½ lbs.

9

Shipments at Diamond Harbour.—In cases where, for mutual convenience arrangements are made to put cargo on board vessels at Diamond Harbour or between Calcutta and Diamond Harbour, shipments so made shall be deemed to be, and shall be accepted, as Calcutta Shipment.

[*Notes.*—This rule is not believed to be binding on the other side without express arrangement to that effect.]

10

Value of Jute Marks.—In a suit (No. 270 of 1892) tried by Mr. Justice Travelyan on 18th January 1893, for damages on account of the non-acceptance of 1,000 bales jute a question of the value of the jute mark was raised—on this point the Judge said:—

"It was suggested on behalf of the plaintiffs that, if the bales were marked (mark given) and contained jute cuttings of any class, they would be sufficient to satisfy the contract. This would be true if the expression—Jute cuttings marked (mark given) has no meaning in the market. If on the other hand, it has any such meaning then the plaintiffs must, under the terms of section 113 of the Indian Contract Act, be taken as guaranteeing that the goods supplied were what is commercially known by that description."

Section 113 of the Indian Contract Act, IX of 1872, is as under: 113—When goods are sold as being of a certain denomination, there is an implied warranty that they are such goods as are com-

mercially known by that denomination, although the buyer may have bought by sample, or after inspection of the bulk.

Explanation.—But if the contract specifically states that the goods, though sold as of a certain denomination, are not warranted to be of that denomination, there is no implied warranty.

The Committee understand, as the invariable custom of the jute trade, that a certain mark carries with it, unless specifically contracted for otherwise, a certain guarantee of quality with a reasonable divergence ruled by crop and period of delivery.

11

General liability of Brokers.—A reference having been made by the Indian Jute Manufacturers' Association "on the general question of the liability of Brokers," the Committee replied—"In their opinion a broker is liable to his principals for consequences if he does not deliver identical contracts".

12

Sundays and Charter-Party Holidays in relation to Mercantile Contracts.—Goods falling due for delivery on Sunday or on a Charter-Party and Shipping Holiday, must be delivered on the day previous to the Sunday or the Charter-Party and Shipping Holiday, as the case may be.

13

Steamers' Lay-days under Coal Charter.—

(1) A steamer's lay-days commence at 6 A.M. on the working day next following the day before 12 noon of which notice of readiness to load has been given. But notice cannot be given until the vessel is (a) entered outwards at the Custom House, and (b) until she is within the limits* of the Port as defined in the amended Notification No. 18-Marine of 22nd January 1921 of the Government of Bengal.

*On the North.—A line drawn due east across the river Hooghly from a pillar at the southern boundary of Messrs. D. Valdia and Company's Chemical Works and Distillery at Konnagar in the District of Hooghly on the right bank of the river to a pillar on the left bank of the river near Panhati in the District of the 24 Parganas.

On the South.—A line drawn from a masonry pillar placed at the mouth of the Budge-Budge khal to a pillar on the right bank (Horrab side) of the river Hooghly bearing north-west of the first named pillar.

The limits of the Port included to the east and west of the river Hooghly (a) so much of the river Hooghly and the shores thereof as are within 50 yards of high water mark at spring tides; (b) all lands comprised in the area occupied by the Kidderpore Docks and the adjoining works constructed for the purposes of such docks; (c) that portion of Tolly's Nala which lies between Hastings Bridge and the entrance to the Kidderpore Dock Canal; (d) so much of Tolly's Nala as lies to the west of a line drawn across the Nala 25 feet to the west of Hastings Bridge, and (e) the Petroleum Depot at Budge-Budge including all lands, sheds, railway sidings and other works appertaining to it.

- (2) Half a lay-day shall be counted, when loading is completed by mid-day. Should work be carried on after mid-day, a whole day shall be counted:

14

Rate of exchange for payment of ocean freights, steamers' hire and demurrage.—All ocean freight and all steamers' hire payable in Calcutta shall, unless otherwise arranged, be calculated at the rate of exchange for demand drafts as certified daily by the Associated Exchange Banks and posted at 11 A.M. in the Royal Exchange.

In the case of outward bills of lading the rate shall be that current on the date of shipment and ascertained by the date of the mate's receipts; and, when there is more than one mate's receipt for one consignment, the date of the last mate's receipt shall be considered as the date of shipment for the whole consignment.

In the case of inward bills of lading the rate shall be that current on the day on which payment of freight is made.

In the case of time chartered steamers the rate shall be that current on the day on which hire is payable according to the terms of the Charter-Party.

Demurrage which is paid in sterling shall be paid in rupees at the rate of the day for demand bills.

In the case of claims on impart cargo the rate shall be that current on the day on which the steamer, in respect of which the claim is made, enters the port of Calcutta.

In the event of any of the above dates falling on a day on which no rate is posted the rate shall be that current on the last previous date of posting.

15

Discharge of salt steamers at Calcutta: Usual discharging moorings.—The term "usual discharging moorings" when used in a Charter Party does not restrict the discharging berths to those moorings known as the "Calcutta Moorings".

CONVERSION OF STERLING FREIGHT INTO INDIAN CURRENCY.

The following Resolutions were adopted at a General Meeting of the Chamber, held on the 17th January 1882.

That the resolutions adopted, 31st May 1876, respecting conversion into Indian currency of sterling freight and commission thereon be hereby rescinded and that the following Resolution be substituted in their stead with immediate effect, viz. :—

1. "That in the absence of any stipulation to the contrary, sterling freight payable in Calcutta, including differences of freight adjusted in Calcutta, and all commission on sterling freight made payable at Calcutta or there brought into account, shall be reduced into Indian money at the rate of exchange for Bank Bills on London on demand which shall have been current on the mail day next preceding the day when the amount to be dealt with shall be ascertained.

2. "That, in the absence of anything to the contrary expressed, the words 'current rate of exchange' shall be held to mean the rate current for Bank Bills on London payable on demand."

3. "That, for the purposes of charging commission or adjusting differences, freight expressed in dollars (American) shall be converted into sterling at a uniform rate of fifty pence per dollar."

H. W. I. WOOD,
Secretary.

SCHEDULE OF COMMISSION CHARGES.

Revised and adopted by a Special General Meeting of the Bengal Chamber of Commerce held on the 26th February 1892, with effect from that date.

1. On the sale, purchase or shipment of Bullion, Gold Dust, or Coin 1 per cent.
2. On the purchase (when in funds) or sale of Raw Silk, Silk piece-goods, Opium, Pearls, Precious Stones or Jewellery ... 2½ "
3. On the purchasing ditto when funds are provided by the Agents 5 "
4. On the sale or purchase of all other goods, the Commission in all cases to be charged upon the gross amount of sales, and in regard to purchases upon both cost and charges ... 5 "
5. On returns of consignments if made in produce 2½ "
6. On returns of consignments if in Bills, Bullion, or Treasure ... 1 "
7. On accepting Bills against consignments 1 "
8. On the sale or purchase of ships, factories, houses, lands, and all property of like description 2½ "
9. On goods and treasure consigned and all other property of any description referred to agency for sale, whether advanced upon or otherwise, which shall afterwards be withdrawn; and on goods consigned for conditional delivery to others and so delivered on invoice amount at 2s. per rupee ½ com.
10. On making advances or procuring loans of money for commercial purchases, when the aggregate commission does not exceed 5 per cent 2½ per cent.
11. On ordering or receiving and delivering goods or superintending the fulfilment of contracts, or on the shipment of goods, where no other commission is desired 2½ "
12. On guaranteeing Bills, Bonds or other engagements and on becoming security for administration of Estates, or to Government for the disbursement of public money 2½ "
13. On *del credere*, or guaranteeing the due realisation of sales ... 2½ "
14. On the management of Estates for Executors or Administrators 2½ "
15. On chartering ships or engaging tonnage for constituents for coasts to proceed to outports for loading 2½ "
16. On advertising as the Agents for Owners or Commanders of ships for cabin passengers, on the amount of passage money, whether the same shall pass through the Agents hands or not 2½ "
17. On procuring freight for a ship by Shipping Order or Charter, or on procuring employment for a ship on monthly hire or acting as Agents for Owners, Captains or Charterers of vessel, upon the gross amount of freight brokerage inclusive 0 "

(139)

18. On engaging Asiatic Emigrants for a ship to the Mauritius, the West Indies or elsewhere, upon the gross amount of earnings 5 per cent.
19. On engaging troops for a ship to Great Britain or elsewhere, on the gross amount of passage money for rank and file 2½ "
20. On realising inward freight, inward troop, emigrant, or cabin passage money 2½ "
21. On landing and re-shipping goods from any vessel in distress, or on landing and selling by auction damaged goods from any such vessel, and acting as Agent for the Master on behalf of all concerned—on the declared value of all such goods as may be re-shipped, and on the net proceeds of all such goods as may be publicly sold ... 1½ to 5 "
- If Opium, Indigo, Raw Silk or Piece-goods ... 1½ to 2½ "
- If Treasure, Precious Stones or Jewellery ... ½ to 1 "
22. On effecting insurances whether on lives or property 2½ "
23. On settling insurance claims, losses and averages of all classes, and on procuring returns of premium 2½ "
24. On drawing, purchasing, selling or negotiating Bills of Exchange 1 "
25. On debts or other claims when a process at law or arbitration is incurred in claiming them 2½ "
- Or if recovered by such means 5 "
26. On Bills of Exchange returned dishonoured 1 "
27. On collecting house-rent 2½ "
28. On ships' disbursements 2½ "
29. On realising Bottomry Bonds or negotiating any loan on *responsalia* 2½ "
30. On granting letters of Credit 1 "
31. On sale or purchase of Government Securities and Bank or other Joint Stock Shares and on every exchange or transfer, not by purchase, from one class to another ½ "
32. On delivering up Government Securities and Bank or other Joint Stock Shares on the market value ½ "
33. On all amounts debited and credited within the year (less the Balance brought forward) upon which no commission amounting to 5 per cent. has been charged ½ "

☞ Brokerage when paid is to be separately charged.

S. F. J. CLARKE,
Secretary.

BENGAL CHAMBER OF COMMERCE.
LICENSED MEASURERS DEPARTMENT.

ROYAL EXCHANGE,

Calcutta, 9th February 1944.

To

THE PRESIDENT AND THE COMMITTEE,
BENGAL CHAMBER OF COMMERCE.

GENTLEMEN,

We have the honour to submit our report on the working of the Licensed Measurers Department for the year which ended on 31st December 1943, and to ask you to be so good as to appoint a new Committee of Management of the Department for the ensuing year.

Mr. L. W. Balcombe of Messrs. Turner Morrison & Co., Ltd., continued as our Chairman throughout the year, the other members being—

Mr. J. Aitken of Messrs. James Finlay & Co., Ltd.
,, L. H. Fleming of Messrs. Thomas Duff & Co., Ltd.
,, A. H. Ford of Messrs. Mackinnon, Mackenzie & Co.
,, G. A. Hogg of Messrs. George Henderson & Co., Ltd.
,, E. Lyne of Messrs. Hoare Miller & Co., Ltd.
and ,, T. L. Swales of Messrs. Ralli Brothers, Ltd.

The Revenue, Profit and Loss Accounts, and Balance Sheet for the year 1943 show the following results. Revenue earned on measurements shows an increase of Rs. 1,560-3-0, revenue earned on weightments an increase of Rs. 26,390-3-0. Fees show an increase of Rs. 9,728-10-0 and Sundry charges an increase of Rs. 9,180-2-0. The total increase therefore is Rs. 46,859-2-0.

Expenditure for the year was Rs. 7,70,200-13-9 which is an increase of Rs. 36,093-3-10 over the year 1942. Revenue for the year was Rs. 7,69,186-10-0, an increase of Rs. 46,859-2-0. The Revenue and Expenditure Account for the year therefore shows a loss of Rs. 1,014-3-9.

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Interest on Securities and refund of Income-tax due amounts to Rs. 29,027-3-0. After deducting Rs. 1,014-3-9 being loss on Revenue and Expenditure Account, Rs. 300/- for depreciation on Departmental Transport, there remains a balance of Rs. 21,712-15-3. This amount has been credited to Capital Account as being the net profit for the year 1943.

SECURITIES, GENERAL ACCOUNT.	Holding at 31st Dec. 1942.		Holding at 31st Dec. 1943.	
	Face Value.	Market Value.	Face Value.	Market Value.
	Rs. A.P.	Rs. A.P.	Rs. A.P.	Rs. A.P.
Twenty Shares in the Imperial Bank of India (Partly paid) ...	2,500 0 0	8,080 0 0	2,500 0 0	10,040 0 0
Five Shares in the Reserve Bank of India ...	500 0 0	517 8 0	500 0 0	630 0 0
31% Government of India Loan 1947-50	2,30,000 0 0	2,38,650 0 0	2,30,000 0 0	2,27,752 8 0
31% Bangson Municipal Loan 1950-76...	2,61,300 0 0	2,61,300 0 0	2,61,300 0 0	2,61,300 0 0
5% Income Tax Free Loan 1945-55	1,00,000 0 0	1,08,750 0 0	1,00,000 0 0	1,05,750 0 0
31% New Howrah Bridge Loan 1950-69	10,000 0 0	4,700 0 0	10,000 0 0	9,300 0 0

SECURITIES, PROVIDENT FUND ACCOUNT.	Holding at 30th June 1942.		Holding at 30th June 1943.	
	Face Value.	Market Value.	Face Value.	Market Value.
	Rs. A.P.	Rs. A.P.	Rs. A.P.	Rs. A.P.
4% Calcutta Municipal Debentures ...	9,000 0 0	9,632 0 0	.....	.....
4% Calcutta Port Trust Debentures ...	44,500 0 0	44,328 4 6	6,000 0 0	6,000 0 0
4% Bombay Municipal Debentures ...	7,000 0 0	7,420 0 0	7,000 0 0	7,000 0 0
4% Punjab Government Bonds 1948	80,100 0 0	81,401 0 0	80,100 0 0	82,804 0 0
4% Government of India Loan 1949-50	9,42,000 0 0	9,09,508 0 0	9,42,000 0 0	9,41,794 0 0
4 1/2% Government of India Loan 1955-60	20,000 0 0	32,062 8 0	20,000 0 0	34,350 0 0
3% Government of India Loan 1953-55	35,000 0 0	70,298 2 0	1,57,100 0 0	1,50,030 8 0
3 1/2% Government of India Loan 1947-50	93,200 0 0	96,747 0 0	95,200 0 0	98,770 0 0
3 1/2% Defense Bonds 1946	50,000 0 0	50,375 0 0	50,000 0 0	51,458 12 0
3 1/2% Government of India Loan 1949-52	45,000 0 0	42,677 8 0	45,000 0 0	43,288 12 0

The Accounts of the Provident Fund of the Department closed as on 31st December 1942 and 30th June 1943 showed a surplus of Rs. 76,894-8-1 and Rs. 30,562-2-4 equivalent to Rs. 5-4-3% and Rs. 1-15-2% respectively. The Assets amounted to Rs. 15,75,288-6-5

and Rs. 16,33,337-13-7 as on 31st December 1942 and 30th June 1943 respectively. The Trustees of the Fund were our Chairman Mr. L. W. Balcombe and Mr. J. Aitken.

After very careful consideration we decided to revise the basic rates charged by the Department since its inception in 1883, and at the same time to reduce very appreciably the Surtax on rates of 50% in force throughout the year 1943. The result of our deliberations was submitted to, and approved by, you.

The former schedule of charges, namely -/2/6 per ton with 50% Surtax has therefore been amended, as from the 1st of January 1944, to -/3/6 per ton and 7½% Surtax; the over-all result being the infinitesimal increase of 18 pies per ton. The Department is being administered on the most economical lines, and we have continued to give the financial position our careful and critical attention.

The number of packages measured during the year shows an increase of 3,71,582 over the previous year. The main increases have been in Tea and Bag Cargo. The decreases were in Jute, Gunnies, Hemp and Shellac.

		Total for calendar year 1941.	Total for calendar year 1942.	Total for Calendar year 1943.	Increase.	Decrease.
Jute	Pkgs.	15,86,035	13,72,246	9,82,717	.....	3,89,229
Hemp	..	1,61,276	1,02,581	75,374	.....	27,697
Tobacco	..	1,114	1,022	75,374	.....	27,697
Cotton	..	1,35,218	29,300	1,062	.....	270
Wool	..	29,300	4,066	11,214	.....	18,086
Gunnies	..	20,75,229	18,45,050	16,10,114	.....	3,879
Tea	..	17,89,934	19,84,037	29,29,004	9,44,967	2,26,455
Shellac	..	49,257	1,60,474	69,562	.....	33,923
Hides & Skins	..	11,630	11,017	10,265	.....	5,268
Perishables	..	3,098	.....	1,699	.....	3,769
Hardware	..	13,790	.....	.....	.....	825
Barbenware	..	3,142	.....	.....	.....	.....
Bag Cargo	..	5,65,355	84,764	1,73,096	1,08,242	.....
Sundries	..	.....	2,95,095	3,13,912	17,447	.....
TOTAL	..	64,02,661	58,19,734	61,91,316	.....	.....

Increase = 3,71,582.

The number of packages weighed shows an increase of 31,484 over the figure for the previous year. The principal increases occurred in Tea and Sundries, and the decreases in Jute, Gunnies and Shellac.

		Total for calendar year 1941.	Total for calendar year 1942.	Total for Calendar year 1943.	Increase.	Decrease.
Jute	Pkgs.	7,89,887	5,84,001	4,29,347	.....	1,56,554
Hemp	..	49,998	42,014	58,877	.....	16,833
Tobacco	..	1,579	.....	341	.....	.....
Cotton	..	1,851	396	2,806	2,502	.....
Wool	..	29,303	2,710	3,665	395	.....
Gunnies	..	14,11,243	14,06,713	12,77,319	.....	1,29,394
Tea	..	36,533	39,033	2,78,701	1,85,011	.....
Shellac	..	29,269	84,907	39,896	.....	34,909
Hides & Skins	..	21,651	18,748	33,743	.....	.....
Perishables	..	11,262	.....	7,262	.....	.....
Hardware	..	43,728	7,624	.....	.....	.....
Barbenware	..	35,173	10,000	1,930	.....	.....
Bag Cargo	..	17,37,389	10,35,625	16,25,281	.....	8,070
Sundries	..	1,72,285	81,069	2,21,074	1,39,977	341
TOTAL	..	44,74,071	33,38,238	33,69,723	.....	.....

Increase = 31,484.

The average measurements of Jute, Jute Cuttings and Rejections obtained by the Department from various Presshouses is shown hereunder, together with figures since 1936-37.

SEASON.	Total bales measured.	Average measur- ment.		Largest average of a Press.		Smallest average of a Press.	
		Pt.	In.	Pt.	In.	Pt.	In.
July-June.							
1936-1937	47,96,767	52	9-51	54	2-98	49	6-59
1937-1938	34,07,287	52	3-06	53	6-81	49	6-07
1938-1939	36,54,840	51	3-77	54	3-78	48	2-64
1939-1940	27,84,127	51	10-47	55	2-66	48	10-42
July to Dec. 1940	5,93,077	52	6-41	54	7-21	50	4-15
Calendar year 1941	17,37,311	52	11-54	55	7-71	50	10-43
" " 1942	14,75,227	54	2-82	59	1-17	51	5-57
" " 1943	10,58,091	53	8-47	55	11-44	50	11-25

The strength of the Staff as at 31st December 1943 is given here together with the strength during the past 6 years.

Staff.		Year		
	July-June.			
	1936-37	...	99.	
	1937-38	...	100.	
	1938-39	...	105.	
	1939-40	...	115.	
Calendar Year	1941	...	115.	
"	"	1942	...	85.
"	"	1943	...	83.

The Staff as on 31st December 1943 consisted of 1 Superintendent (Mr. G. C. Gee Smyth), 2 Assistant Superintendents (Mr. B. Perry and Mr. S. J. Warwick), 1 Head Office Manager (Mr. F. W. Kendall), 76 Inspectors and Measuring Officers, and 3 Scalewrights. Other members of the Staff absent on Active Service are 1 Assistant Superintendent (Commander J. B. F. Heufrey, R.N.R.) and 21 Officers.

Our thanks are due to Dr. W. E. Fetherstonhaugh and Lt.-Col. Shorten, I.M.S. (Retd.) for the care and attention which they extended to the Measuring Staff throughout the year. To Dr. S. N. Ghose and Dr. S. K. Ghose also, our thanks are due for their attention to the Indian Staff.

We are,
Gentlemen,
Your most obedient servants,

L. W. BALCOMB, *Chairman.*
J. AYKER,
L. H. FLEMING,
A. H. FORD,
G. A. HOGG,
E. LYNE,
T. L. SWALES, *Members.*



ROYAL EXCHANGE, CALCUTTA.

Report of the Committee for the year ended
31st. December 1943.

THE PRESIDENT AND COMMITTEE,
BENGAL CHAMBER OF COMMERCE.

GENTLEMEN,

We have the honour to submit, in accordance with the provisions of rule 7 of the Rules of the Royal Exchange, a report on the working of the Exchange for the past year.

As a measure of paper economy, we have again decided to issue the annual report of the Royal Exchange this year in its present form, with the omission of the following appendices copies of which however can be supplied to or inspected by any interested member at the Exchange on application to the Secretary :—

- (1) List of members as on 31st December 1943.
- (2) Royal Exchange : Rules and Bye-laws.

As already announced—in Circular No. 5-R.E.—the following gentlemen have been elected to form the Committee of Management for the year 1944-45 :—

The President of the Bengal Chamber of Commerce *ex-officio.*
The Vice-President of the Bengal Chamber of Commerce
ex-officio.

Mr. R. ARAKIE (Merchant) ...	Messrs. B. N. Elias & Co., Ltd.
" E. C. A. MILES (Exchange Broker) ..	Thos. Seth Apear & Co.
" C. H. HEAPE (Stock Broker) ..	Place Siddons & Gough.
" V. W. MURRAY (Freight Broker) ..	Blacker & Co.
" W. T. C. PARKER (Banker) Lloyds Bank Ltd.	
" R. W. PLUMMER (Merchant) Messrs. Plummer Bros. & Co.	
" J. L. RUTHVEN (Produce Broker) ..	Landale & Morgan.

During the year under review one firm member resigned. At the end of the year there were upon the Exchange Membership Register 109 firms and 8 individual members.

The Exchange Restaurant has been well patronised during the year by the staffs of member firms of the Exchange, the Bengal Chamber of Commerce and, of the organisations connected with the Chamber. It continues to provide a useful amenity to the business community under conditions of petrol and food rationing. Owing to the high cost of foodstuffs and service, we felt justified in sanctioning a further increase of four annas further in the luncheon charges, as from the 19th October 1943. The current charges are therefore Rs. 2/4/- for an "office lunch" (3 courses and coffee) and Rs. 2/12/- for the full menu.

We submit a balance sheet and revenue account for the year ended the 31st December 1943, audited by Messrs. Lovelock & Lewes, Auditors of the Bengal Chamber of Commerce. The revenue account again shows a deficit of Rs. 9,508 on the year's

working. This amount has been transferred to the Bengal Chamber of Commerce contribution account.

The comparative figures of income and expenditure in 1942 and 1943 are given below :—

	1942	1943
	Rs.	Rs.
Income—		
Subscriptions	25,461	25,100
Entrance Fees .. .. .	.. .. .	.. .. .
	25,461	25,100
Expenditure :—		
Rent	12,000	12,000
Contribution to Chamber	4,000	8,000
Books and Newspapers	8,575	10,204
Telephone subscription less sale of tickets	1,405	1,394
Prints for Members	118	132
Stationery	71	125
Printing	325	117
Stamps	177	52
Postage	30	27
Electric Fans, Lights and Lifts	3,401	3,000
Electric room	979	1,298
Depreciation on Furniture	109	169
Restaurant Licence and Excise Taxes	100	100
	33,290	34,608
Deficit transferred to Chamber	7,829	9,508
	25,461	25,100

We are, Gentlemen,
Your obedient servants,

J. H. BURDER, *President.*
K. W. MEALING, *Vice-President.*
K. ARAKIE
E. C. A. MILES
C. H. HEAPE
V. W. MURRAY
W. T. C. PARKER
R. W. PLUMMER
J. L. RUTHVEN

} Members.

D. C. FAIRBAIRN,
Secretary.

CALCUTTA, 16th February 1944.

ROYAL EXCHANGE, CALCUTTA.
BALANCE SHEET as at 31st December, 1943.

(148)

	RS. AS. P.	RS. AS. P.	RS. AS. P.	RS. AS. P.
LIABILITIES				
RESERVE CHARGES—				
Simples	1,419 11 0			
Contribution and Rent to Bengal Chamber of Commerce from August to December 1943	7,609 0 0			
Cash due to Bengal Chamber of Commerce	8,919 11 0	5,538 3 6		1,293 12 0
				292 13 1
				1,090 0 0
				199 0 0
				9,698 11 9
				343 9 8
TOTAL RS.	11,457 14 6	11,457 14 6	Total Rs.	11,457 14 6
<p><small>Examined and found correct. LOVRIENG WARDEN, Chartered Accountant, Registered Accountant, Calcutta, 29th February 1944.</small></p>				

J. H. HURLOCK
Auditor.

D. C. FAIRBAIRN
Secretary.

D. C. FAIRBAIRN
Secretary.

ROYAL EX-

REVENUE ACCOUNT for the

EXPENDITURE.	Rs.			As.			P.		
	Rs.	As.	P.	Rs.	As.	P.	Rs.	As.	P.
TO MONTHLY CONTRIBUTION TO THE BENGAL CHAMBER OF COMMERCE				6,000	0	0			
„ BOOKS AND NEWSPAPERS				1,353	10	9			
„ STATIONERY				117	1	0			
„ PRINTING				62	13	0			
„ ELECTRIC FANS, LIGHTS & LIFTS, ETC.				3,000	0	0			
„ ESTABLISHMENT				10,204	8	0			
„ RENT				12,000	0	0			
„ TELEPHONE CHARGES	727	2	0						
Less—Sale of Tickets	545	0	0				182	2	0
„ PETTY CHARGES				1,320	1	0			
„ RESTAURANT LICENSE				100	0	0			
„ DEPRECIATION ON FURNITURE				109	0	0			
„ TICKETS FOR MEMBERS				125	0	0			
„ STAMPS				27	8	0			
TOTAL Rs.				34,071	11	9			

Examined and found correct,
 CALCUTTA, LOVELOCK & LEWES,
 The 12th February 1944. } Chartered Accountants, Auditors.
 Registered Accountants.

CHANGE, CALCUTTA.

year ended 31st December, 1943.

INCOME.	Rs.			As.			P.		
	Rs.	As.	P.	Rs.	As.	P.	Rs.	As.	P.
By Subscriptions				25,100	0	0			
„ Admission Fees				63	0	0			
„ Bengal Chamber of Commerce, Contributions Account				9,508	11	9			
TOTAL Rs.				34,671	11	9			

J. H. BURDEK,
 President.

D. C. FAIRBAIN,
 Secretary.

