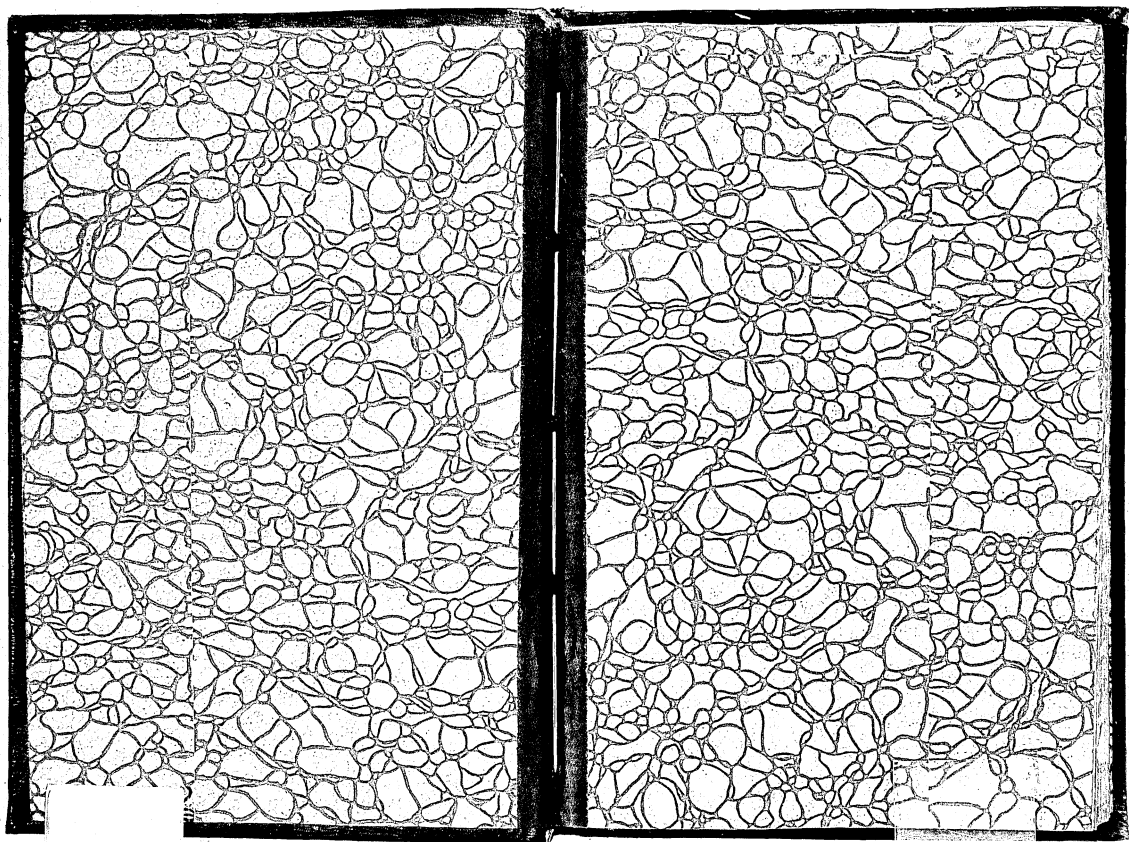
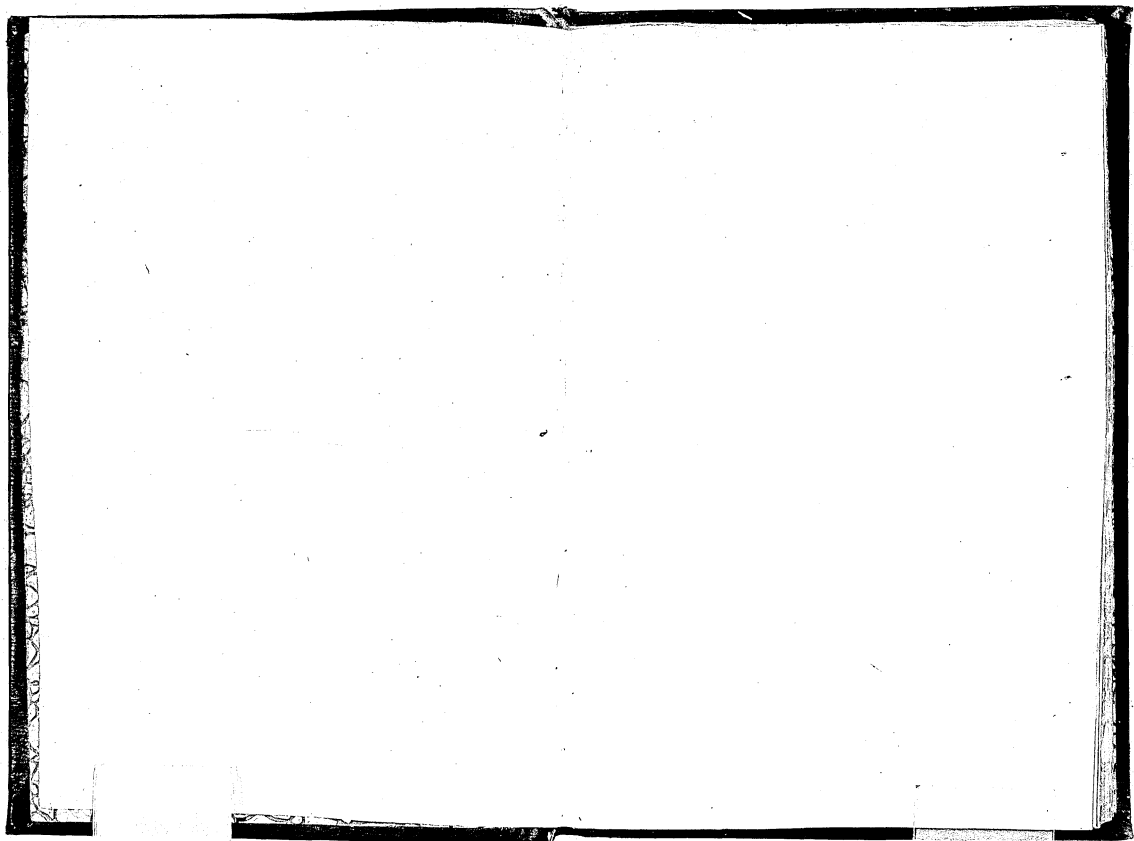


REPORT
OF
THE COMMITTEE
OF THE
BENGAL CHAMBER OF COMMERCE
FOR THE YEAR 1944.





PROCEEDINGS

OF THE

ANNUAL GENERAL MEETING

OF THE

BENGAL CHAMBER OF COMMERCE

HELD ON 23rd FEBRUARY 1945.

CALCUTTA :
PRINTED AT THE BHARAT PRINTING WORKS
25A, SWALLOW LANE.

1945.

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 23rd February, 1945, at 3 o'clock p.m. The Hon'ble Mr. K. W. Mealing occupied the chair.

The following were present—

MR. A. WRIGHT	...	<i>Messrs. Anderson, Wright & Co.</i>
" M. C. METCALFE	...	" <i>Babcock & Wilcox Ltd.</i>
" B. MATHEWS	...	" <i>Ballardie, Thompson & Mathews.</i>
" A. J. THOMPSON	...	"
" A. H. FORSTER	...	" <i>Barry & Co.</i>
" H. G. G. MACKAY	...	" <i>Begg, Dunlop & Co., Ltd.</i>
" W. R. FITZGERALD	...	" <i>Bengal Napper Railway.</i>
SIR GEORGE MORTON, O.B.E.,	M.C.	" <i>Bird & Co. and F. W. Heijgers & Co.</i>
MR. D. TEASDALE	...	"
" J. P. COMBE	...	"
" D. J. MCINTOSH	...	" <i>The British Insulated Cables, Ltd.</i>
SIR HAROLD ROPER	...	" <i>The Burmah Oil Co.</i>
MR. P. D. M. LINGEMAN	...	"
" G. D. FORRESTER	...	" <i>Burmah Shell Oil Storage & Distributing Co. of India Ltd.</i>
" G. L. ORCHARD	...	"
" D. GLADDING, C.I.E., M.L.A.	...	" <i>The Calcutta Electric Supply Corporation Ltd.</i>
" R. S. PURSELL, C.I.E., M.L.C.	...	" <i>The Calcutta Tramways Co., Ltd.</i>
" L. O. TASKER	...	" <i>The Chartered Bank of India, Australia & China.</i>
" H. F. STACKARD	...	" <i>Commercial Union Assurance Co.</i>

MR. J. DAWSON	...	Messrs. Cox & Kinys (Agents), Ltd.
" G. M. GARRIE	...}	" Thomas Duff & Co., Ltd.
" F. H. KIDD	...}	" "
" A. MCLAREN	...	" Duncan Brothers & Co., Ltd.
" F. F. M. FERGUSON, M.L.A.	...	" The Dunlop Rubber Co. (India) Ltd.
" L. SQUIRE	...	" A. W. Figgis & Co.
" F. C. GUTHRIE	...}	" James Finlay & Co., Ltd.
" R. L. MANNERS	...}	" "
" J. JONES, C.I.E.	...}	" "
" A. W. TAYLOR	...	" Garden Reach Workshops Ltd.
" W. H. HUNT	...	" Gas Accumulator Co. (India) Ltd.
" T. S. GLADSTONE	...	" Gillanders, Arbuthnot & Co.
" NEIL BRODIE	...}	" Gladstone, Wylie & Co. and Lyall, Marshall & Co.
" H. F. WHITHOUSE	...}	" "
" J. LEISK	...	" Guest, Keen, Williams Ltd.
" F. C. ROBINSON	...	" A. & S. Henry & Co., Ltd.
" H. E. MURIEL	...	" Hongkong & Shanghai Banking Corporation Ltd.
SIR HARRY BURN	...	" Imperial Chemical Industries (India) Ltd.
MR. J. B. HARPER	...	" Ivan Jones, Ltd.
SIR JOHN BURDER	...	" Jardine, Skinner & Co.
MR. P. F. S. WARREN	...	" Jessop & Co., Ltd.
" G. J. GARDNER	...}	" Kettlewell, Bullen & Co., Ltd.
" E. H. GROVE	...}	" "
" G. C. H. KENT	...	" Kilburn & Co.
" J. N. SMART	...}	" Landale & Clark Ltd.
" D. W. LONGAIR	...}	" "
" J. L. RUTHVEN	...	" Landale & Morgan.
" L. H. MERRY	...	" Lionel Edwards Ltd.

MR. W. T. C. PARKER	...	Messrs. Lloyds Bank Ltd.
" H. L. JACKSON	...	" London & Lancashire Insurance Co., Ltd.
SIR RENWICK HADDOX	...}	" Mackinnon Mackenzie & Co.
MR. A. B. MALLETT	...}	" "
" A. L. HERD	...	" Mackintosh Burn & Co., Ltd.
" H. SHEDDEN	...}	" Macneill & Co.
" H. C. BANNERMAN, M.L.A.	...}	" "
" C. S. TAYLOR	...	" A. M. Mair & Co.
" J. R. WALKER, M.L.A.	...	" McLeod & Co., Ltd.
" A. P. POWLES	...}	" The Mercantile Bank of India Ltd.
" K. A. ROBERTSON	...}	" "
" R. C. COOPER	...	" Morgan, Walker & Co.
" J. H. JAMIESON	...	" National Bank of India Ltd.
" C. F. MARSDEN	...	" Northern Assurance Co., Ltd.
" H. ROWAN HODGE, M.L.A.	...	" Orr, Dignam & Co.
" R. HAYWOOD	...	" Pigott, Chapman & Co.
" E. H. GUY	...}	" Planters' Stores & Agency Co., Ltd.
" H. LYNES	...}	" "
" W. J. YOUNIE	...	" Price, Waterhouse, Peat & Co.
" G. EUTHYMOPULO	...	" Ralli Bros., Ltd.
" K. P. GOENKA	...	" Ramulall, Ramkissendass.
" H. D. TOWNEND	...}	" "
" A. P. CLARABUT	...}	" Shaw Wallace & Co.
" D. R. GROWCOOT	...}	" "
" B. C. OWENS	...	" Sinclair Murray & Co., Ltd.
" C. L. BOND	...}	" Standard Vacuum Oil Co.
" C. P. LEONARD	...}	" "
" B. V. KIRCHNER	...}	" The Statesman, Ltd.
" W. J. B. WALKER	...}	" "

By invitation.

THE HON'BLE NAWAB MUSHARRUF HOSSAIN	<i>Minister, Govt. of Bengal.</i>
MR. M. S. MYERS	<i>American Consul General, Calcutta.</i>
" C. P. CHEN	<i>Consul General for China.</i>
" R. H. OWEN	<i>H. M. Senior Trade Commissioner.</i>
" A. de C. WILLIAMS	<i>Commissioner of Civil Supplies.</i>
BRIG J. M. HUNT	<i>Area Commander.</i>
MR. G. T. DOW SMITH	<i>Acting British Trade Commissioner, Calcutta.</i>
" J. S. B. GENTRY	<i>Regional Port Director.</i>
" J. N. GHOSH	<i>Director of Commercial Intelligence & Statistics.</i>
" K. D. JALAN	<i>Vice-President, Indian Chamber of Commerce.</i>
" MOHAMMED RAFIQUE	<i>President, Muslim Chamber of Commerce.</i>

The President addressed the meeting as follows:—
Gentlemen,

I propose with your permission to take the notice convening this meeting as read.

It is my pleasant duty to extend on behalf of the Chamber, our most cordial welcome to, and our thanks for the presence here today of all those guests who have found the time to honour us with their attendance. Pressure of other duties and the shortage of staff from which we are all suffering makes it difficult to afford time for the attendances of meetings and I propose therefore to confine my remarks to a few of the more important matters now before us and to detain you no longer than is necessary for the business we are here to transact.

I must first refer to the tragic death of our late Vice-President, Mr. R. B. Lagden, O.B.E., M.C., which took place as the result of an air accident at Karachi last October. This disaster, which cut off in his prime one of the most able, keen, and popular of our associates, inflicted a severe loss upon the Chamber and upon us all. On behalf of the

Chamber your Committee conveyed their profound sorrow and condolences to Messrs. McLeod & Co., Ltd. and to Mrs. Lagden and her family to whom our sympathy goes out in their irreplaceable loss.

The vacancy caused in the office of Vice-President necessitated an election as a result of which Mr. H. D. Townend was elected Vice-President for the remainder of the Chamber year.

Gentlemen, I now present to you the Report and Accounts of the Chamber for 1944. As regards the accounts, you will see that, notwithstanding the steps taken a year ago to supplement the income of the Secretarial Department, there has again been a small deficit on the income and expenditure account of that Department. It stands in the books at Rs. 15,018/- after charging Rs. 22,988/- to depreciation. Taking into account the deficit of Rs. 997/- on the Royal Exchange account which the Secretarial Department finances carry, the actual excess of expenditure over income is in the region of Rs. 2000/-. Viewed in that light, we have substantially achieved our objective of meeting from income our unavoidable expenditure, still swelled by the increased costs we are all experiencing as a result of the war. I think therefore that the position can be regarded as not unsatisfactory.

The Licensed Measurers Department of the Chamber, with the assistance of the current surcharge of 7½% on basic rates, has emerged with a small surplus of Rs. 37,300/- on the year's working. The Committee of Management, to whom our thanks are again due for their careful handling of the affairs of that important Department of the Chamber, have come to the conclusion that there are no grounds at present for any change in the current rates or surcharge—a conclusion with which I am sure you will all agree.

Gentlemen, among the many matters which have engaged the Chamber's attention during the past year I propose today to refer only to a few of the more important of them as they affect our interests in this particular area—cost of living; the labour situation; leave passages and the release of men from the Forces; accommodation, transport and lighting restrictions in Calcutta; and the Chamber Foodstuffs Scheme.

As regards the cost of living, with its many repercussions, this may be considered under three headings—foodgrains and other rationed articles which principally affect the masses; fish, eggs, vegetables and other non-rationed foodstuffs which affect all classes; and clothing,

light, fuel, transport and luxuries which also affect all classes but the

middle classes the most severely. I think it is true to say that our first year's experience of

rationing has—perhaps with some exceptions—reflected great credit on those who devised it, brought it into being have kept it functioning without any serious mishap or breakdown. It was, without doubt, a colossal task, carried out under the most difficult of circumstances with commendable zeal and purpose. It is not for me to apportion credit but I cannot refrain from commenting on the very helpful, cordial and close relations which have throughout existed between ourselves

on the one hand and the Food Commissioner and the Controller, now the Director, of Rationing on the other hand. Nor would they, I am sure, grudge us the credit we take to ourselves in the contribution we have made towards the success of the rationing scheme as a whole. As I shall have occasion to mention later, employers participating in the Chamber Foodstuffs Scheme have undertaken free of all cost almost the entire administration and executive work of rationing some 860,000 people in their employ and dependent on their employees. Moreover, in most important matters of administration and detail, Government have asked for and received in full the advice and co-operation of the Chamber organisation. This has enabled theory to be tempered by practice and in the main the result, as I have said, has been satisfactory. On some matters the Chamber has felt justifiably aggrieved, notably over the delivery to us of rice definitely inferior to that sold by Government in their own shops, thereby putting employers in a most invidious position with their labour. I am glad to say that these matters have now been rectified—or almost so.

Much distress has been occasioned by the high prices prevailing for fresh foodstuffs, particularly fish and vegetables. Several factors have contributed to this, but I have reason to believe that special steps have been taken by the Military and by Government which, when they come to fruition, will greatly ease the position. Other articles in short supply the prices of which became excessive, such as cotton piece-goods, woollen goods, fuel, toilet articles etc. are also being gradually

brought under control; and although initially this frequently results in disappearance of the goods from public sale, I believe it is true to say that the upward price trend has been checked and that the summary proceedings now being instituted against offenders and black marketeers and the new departments of control and enforcement are gradually, and at a rising tempo,

improving matters for the public. Nothing discourages public spirit so much as the feeling that the authorities are not prepared to act; conversely, however, vigorous action by the authorities will draw public support and encourage public spirit. Government must be constantly urged to redouble their efforts in this direction.

I have referred to the share which the Chamber organisation and members of the Chamber are taking in the rationing of greater Calcutta. I think you will be interested to have some details of what that work has involved during 1944.

The volume of foodstuffs handled has amounted to just under 40 lakhs of maunds or approximately 146,000 tons. The number of employees and their dependants catered for by the Chamber Scheme—a variable figure—stands at present at over 865,000 representing something like one-fifth of the entire population of greater Calcutta. This

Chamber Foodstuffs Scheme, vast quantity of foodstuffs is handed over to the Chamber by Government; railed, boated or lorried into the eight depots we have up and down the river; and thereafter the entire work of distribution of the food, the collection and payment to Government of the value of the food is carried out by the staffs of participants and co-ordinated by the Chamber Foodstuffs Section comprising a special staff of only two executives and a clerical force of 23. I doubt if any rationing system is administered so cheaply and efficiently as this and our thanks are due to Mr. Guthrie and his Committee, as also to the staffs at the mills and factories, at the Chamber depots and at the Chamber office, for their valuable work throughout the year.

Gentlemen, the labour situation during the year has had its usual ups and downs, mitigated by the fact that there is plenty of work for all and unemployment is practically non-existent.

The jute mills which are our largest employers of labour have, through no fault of their own, been heavily restricted as to working hours from lack of coal, and have paid subsistence allowances to their labour throughout closed periods, whilst practically all large employers are giving their labour rationed foodgrains at concession prices. With some notable exceptions, labour has remained loyal and grievances have been met; those which could not be met such as the provision of inferior foodstuffs, the labour have accepted albeit unhappily, in the hope of early improvement. We have been

somewhat concerned at what appeared to be rather anomalous awards in certain adjudication cases, but I do not propose to enlarge on what is, at best, a very difficult and contentious matter on which conversations are still taking place with the Government of Bengal.

This, however, brings me to the coal situation which has given us all concern throughout the year by reason of the severe rationing of many industries which the shortage necessitated. One of the results of Government's intervention was to increase the tonnage of inferior coal despatched to factories. Much of this inferior coal contained from over 30% of ash so that the loss in transporting this high percentage of non-inflammable waste over hundreds of miles by rail when railway transport capacity is already over-burdened has been, to say the least, unfortunate. As you know, the coal trade in peace-time received little or no governmental interest and it was not until 1943 that the approaching coal famine attracted Government's attention. It was however nobody's baby and has since had two nurses. The Hon'ble Member in charge of the Supply Department has taken a close interest of recent months and, under his guidance, I have little doubt that matters will improve, but in the meantime our anxiety in respect of loss of essential war output continues.

The acute shortage of housing accommodation and the increasing traffic upon the already over-burdened road system of Calcutta, coupled with the continuance of fighting restrictions, have been matters which have come before us during the past year and are still with us. Accommodation and transport. These discomforts, moreover, have detracted from the amenities of Calcutta as a leave centre for the fighting forces, amenities which they so badly need and which we are so anxious to provide. The establishment of new Government departments; the provision of living accommodation for their employees and large numbers of other Service personnel; the continued closure of one of the main north-to-south arterial roads across the Maidan and the consequent concentration of traffic on Chowringhee; these along with the continued obscuration of lights are matters from which alleviation is urgently hoped for. As more accommodation is built, the living conditions for troops will improve; as the black-out can be lifted—and we ourselves think it can and should be lifted—not only will a good psychological effect result on all concerned, but Calcutta

will become a brighter and happier leave centre for troops; and if some alleviation can be effected both in the provision of transport and in road-space to carry it, much hardship at present endured by middle class users of trams and buses can be overcome. Nor can I leave this question without giving expression to our view that the time is rapidly approaching, if it has not already been reached, when consideration must be devoted to the absorption into other spheres of employment of the large A. R. P. staff which is now—apparently unnecessarily—using up much of Calcutta's limited accommodation, valuable transport and exiguous fuel supplies.

Whilst on this matter of amenities for troops, although it may not be regarded as strictly a Chamber subject, Amenities.

I would like to put on record the fact that uninformed criticism has caused much distress among that very large percentage of voluntary workers, both men and women, many of the former of whom are carrying double and, in some cases, treble burdens through shortage of executive staff and devoting long hours in addition to providing amenities for the Services. I think it proper also to take this opportunity of expressing our thanks to the industrial concerns up and down the river who, notwithstanding difficulties of transport and food supply, have manfully continued the scheme inaugurated by the Chamber in 1942 whereby substantial numbers of men on leave are given a chance of seeing something of Calcutta's industries and of sharing in the proverbial hospitality of these kind folk at the mills and factories. Schemes of this nature, which work quietly and with little publicity, are apt to be overlooked when our contribution to amenities for the Forces is being criticised and decried in uninformed quarters.

This brings me to a question which is causing our members no little anxiety. Since 1940/41, when something over 50% of our male executives joined the armed forces, we have lost and must continue to lose by death, breakdown in health and retirement due to age, a considerable percentage of those who remained. As the losses increase, the burden upon the remainder increases in proportion and relief is for many reasons becoming of urgent importance. Indeed, our situation is reminiscent of the ten little nigger boys, and I estimate that we have now reached, or will very shortly reach, the worse which ends "and then there were three." Indeed, we calculate that on the average we have little more than one-third of normal peace-time executive staffs

now left to carry the greatly increased volume of work which the war has entailed. Much though it goes against the grain to ask for the release of our men now serving in the Forces, the situation is becoming so serious that we are compelled to do so.

Here in the Chamber—which is an instance in point—our Secretariat is now understaffed to a serious degree. Out of a required executive staff of fourteen we are left with only five to carry a burden of work which has increased at least 60% above the 1939 Chamber staff position. I regret to inform you that Mr. Mathieson, the Senior Assistant Secretary, who has been with us for nearly 23 years and was a valued and experienced member of our staff, had to be sent home on medical grounds last July and has now been advised not to return to the East. We have applied for the return of two members of the staff now with the Forces but without result so far. In these circumstances our particular thanks are due to the small staff, heavily overworked, who are carrying on under these trying conditions. We shall endeavour to get them relief as soon we possibly can.

This brings me to the other vexed question that of passages between India and the United Kingdom. The present monthly allotment of 25 key passages for civilian non-officials, with a guaranteed return after four months at home, is recognised to be utterly inadequate. Most of our affected staffs have now been without home leave for anything up to eight years—in many individual cases considerably longer. As a result, we are getting stale and out of touch with home opinions and with the great changes that have taken place there, not to mention the enervating effects of such continuous residence in the tropics under the conditions of strain which I have already mentioned. A short furlough would make a tremendous difference; and continued depreciation in these two vital matters, namely staff losses and such prolonged lack of home contacts and furlough which are closely interlinked, is a matter which is giving us all the greatest concern. I am glad to be able to tell you that there are definite prospects of a substantial and early increase in the non-official quota of passages under the Key Leave Scheme and that active consideration is being given to a shorter leave arrangement for those whose essential work here will not permit of their being away for long enough to allow of their participating in the Key Scheme. Everything that can be done is being done to obtain alleviation in these matters. The closest attention is also being given, in consultation with

Passages.

the Government of India, to the working out of an adequate priority and marking scheme, based primarily on age and length of residence since last leave, for those—mainly women and children—whose return to this country can await happier times but whose accommodation homewards is now a matter of comparative urgency on various grounds. In aggregate, these passage requirements, for so small a non-official community of which only a very limited percentage can be away at any one time, are negligible in relation to the whole.

Gentlemen, I fear that my remarks have had a distinctly domestic flavour inasmuch as I have made no attempt to discuss questions of high policy, the broader aspects of the war, the political situation, or kindred matters. It seemed to me, however, that these domestic problems which give us anxiety here in Bengal should on this occasion take first place.

Before closing I must refer to the excellent work done by the various Committees and Sub-Committees of the Chamber which have functioned during the year. I have already mentioned the Foodstuffs and Licensed Measurers Department Committees; their work has been of great value to us all. A special Sub-Committee was set up last year as a result of whose work a syndicate of firms represented on your Committee acquired the Rirdan's Nursing Home which was about to come on the market; and plans are under consideration to set up a permanent organisation for the acquisition and continued efficient management of this Nursing Home. An *ad hoc* Committee was also set up which considered the question of air and sea passages. Our other Standing Committees and Sub-Committees, such as the Industrial Affairs Sub-Committee and the Income Tax Sub-Committee, continued to render valuable service. Our gratitude is due to them all in no small degree, as also to those who, under increasing strain, have maintained our representation on such bodies as the Legislatures, the Calcutta Corporation and others too numerous to mention. On your behalf I have now pleasure in conveying to them, collectively, our great appreciation of their efforts. *(Loud Applause).*

THE President then invited comments on the report, enquiries regarding the accounts, or views on subjects of interest to the meeting. As none were forthcoming, he moved and Mr. R. S. Purssell, C.I.E., M.L.A., seconded the following resolution which was put to the meeting and declared carried unanimously:—

That the report be accepted and the accounts passed.

THE PRESIDENT :—Gentlemen, I now move :—

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

CHAMBER MEMBERS

Messrs. British Distributors (India), Ltd.
" George Miller & Co., Ltd.
" Group Laboratories (India) Ltd.
The Prudential Assurance Co., Ltd.
Messrs. Tractors (India), Ltd.

ASSOCIATE MEMBERS

Messrs. Gelz Bros. & Co.
" J. Walter Thomson Co., (Eastern), Ltd.

Mr. J. R. Walker, M.L.A., seconded this resolution which was put to the meeting and carried unanimously.

THE PRESIDENT :—Gentlemen, once again we have to thank Messrs. Younie and Mitchell for carrying out their annual task of scrutinising the Committee voting papers—a process which grows more laborious as our membership increases. In terms of their report, I now confirm the result of the election to be as follows :—

President.

Sir Renwick Haddow.

Vice-President.

Mr. H. D. Townend.

Committee members.

Sir Harry Burn.	Mr. H. D. Cumberbatch.
Mr. A. J. Elkins.	Mr. F. C. Guthrie.
Sir George Morton, O.B.E., M.C.	Mr. L. O. Tasker.
	Mr. P. F. S. Warren.

SIR RENWICK HADDOW :—Mr. President and Gentlemen,—Before proposing the next resolution which stands in my name, I take this opportunity to thank you for reposing your confidence in me by electing me your President for the ensuing year. As most of you are aware, I have already occupied that position and I therefore enter upon my task with my eyes open. At the same time, I fear the coming year is going to be a somewhat difficult one. There are going to be questions of

post-war reconstruction and other matters ; and possibly we may even be able to get the black-out at least partially lifted in Calcutta ! I do not intend to detain you but I can assure you, and feel certain I have the backing of my new Committee when I say, that all matters will be carefully looked into and that we shall do our very best to see that no discriminatory legislation is brought in under the cloak of post-war reconstruction. I now move :—

That Messrs. Lovelock & Lewes be and are hereby reappointed Auditors to the Chamber at the same remuneration as before.

Mr. Neil Brodie seconded the resolution which was carried unanimously.

MR. D. GLADDING, C.I.E., M.L.A. :—MR. PRESIDENT AND GENTLEMEN, —I propose a vote of thanks to the President and the gentlemen of the retiring Committee. Deprived of all leisure, like the rest of us, by the war's impact upon their own business houses, they have nevertheless found time to serve the Chamber. Their year of office was made heavy by further growth of war-time controls on which they had to keep an eye, and by the appearance of post-war problems on the immediate horizon ; and their report, now in our hands, is a record of admirable achievement. We are fortunate to have had men of their willingness, and of their calibre, at the helm of our affairs, and we must now call upon them to accept our thanks. I therefore propose 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.

The proposal was carried with cordial acclamation.

MR. F. F. M. FERGUSON, M.L.A.—Gentlemen,—It is now my duty, or as I would prefer to put it, my very pleasant and special privilege, to propose a hearty vote of thanks to our outgoing President, Mr. Mealing.

Almost exactly a year ago to the day, on a very cold February morning, I was having breakfast in the Coffee Room of the Oriental Club in London. At the next table to me was seated one of the older and more venerable club members, and, as the meal progressed and the hot coffee did its work, we thawed out somewhat and got into conversation. He asked me various questions about Calcutta, from which city I gathered he had retired some considerable time ago, and eventually he asked me who was now the President of the Bengal Chamber of Commerce. I told him that Mr. Mealing had just been elected to that

position for the coming year. He looked at me in surprise for a moment and then said—"Mealing? Mealing? you don't mean young Ken Mealing of Yules, do you? Why, he is only a boy!" Well, Gentlemen, I know you will agree that, should I meet my elderly London acquaintance again, I can tell him that, boy or no boy, Mr. Mealing has done a real mansize job in the last twelve months.

As you are all aware, the Presidentship of the Chamber carries with it also the leadership of the Associated Chambers of Commerce and the representation of the Chamber on the Council of State. We have always, therefore, looked to our Presidents not only for a very high degree of personal ability and self-sacrificing hard work, but also for that width of vision, that tactful persuasiveness, and that gift of leadership that are by no means easily to be found combined in any one individual. As you know, and as Mr. Mealing's speech this afternoon has inevitably shown, the war has brought to the business community problems far more difficult and complex even than those of peace-time. In spite of that, or perhaps I should say because of that, I know that all of you here to-day, and particularly those of us who have come into personal contact with Mr. Mealing in our daily round, will agree that in him the Chamber has once again found a President who has fully maintained the high standard that has been set by those who have preceded him in the office from which he is just retiring.

One does not have to discuss any problem with Mr. Mealing for long to realise his quick grasp of essentials, his ability to see all sides of a problem, and the sound fund of experience on which he can draw for his decisions. But he has one characteristic of special appeal to me, and that is his willingness to help and advise, whenever asked, on problems that are not really his direct concern and to give a most courteous and patient hearing at any time to any of us who want his advice. To my way of thinking, Gentlemen, that willingness of Mr. Mealing's to give a helping hand to those lower down on the ladder, and not only the fact that as President of this Chamber he has successfully shouldered the biggest responsibility the business community can give him, stamps him as being not only a successful leader of the business community but also a really big man in the best sense of the word.

Gentlemen, this is one of the few occasions on which we as members of the Chamber have an opportunity of showing our apprecia-

tion of the work put in on our behalf by the retiring President. I would ask you, therefore, by the support you accord to the formal vote of thanks which I now propose, to leave no shadow of doubt in the mind of "young Ken Mealing of Yules" that he has our sincere and lasting gratitude for a fine job of work that has been well and faithfully carried out. *(Loud Applause)*

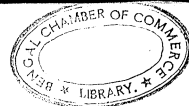
THE PRESIDENT:—I am indeed grateful for the extremely kind things Mr. Ferguson has said and the cordial manner in which you gentlemen have endorsed them. I cannot deny that the very great honour which the Presidency of the Bengal Chamber confers, also involves some work and at times anxiety. This however has been greatly mitigated by the close support and co-operation of the Committee and the unfailing efficiency and tact of our Secretary and his staff, and I know that the well-merited honour of the C. I. E. conferred on Mr. Fairbairn in the New Year's Honours has given us all great pleasure.

(Applause)

The proceedings then terminated.

D. C. FAIRBAIRN
Secretary.

K. W. MEALING
President.



REPORT

OF

THE COMMITTEE

OF THE

BENGAL CHAMBER OF COMMERCE

FOR THE YEAR 1944.

CALCUTTA :
PRINTED AT THE CATHOLIC ORPHAN PRESS,
3, Portuguese Church Street,

1945.

NOTE

It was customary, prior to the year 1942, for the Chamber to issue a preliminary Report in this form, for adoption at the Annual General Meeting in accordance with the provisions of the Chamber's Articles of Association; and subsequently to republish and circulate the report as a bound volume (Vol. I) inclusive of the following additional papers and appendices:—

- (1) Proceedings of the Annual General Meeting of the Chamber.
- (2) Bengal Chamber of Commerce:
 - (a) List of members of the Chamber.
 - (b) List of representatives of the Chamber on various bodies.
 - (c) Committees and Sub-Committees of the Chamber and of recognised Associations.
- (3) (a) Memorandum and Articles of Association of the Chamber.
(b) Rules and Regulations of the Chamber Provident Fund.
- (4) Tribunal of Arbitration and Survey Department:
 - (a) Rules.
 - (b) Scale of Fees.
 - (c) List of Arbitrators and Surveyors for Piece-goods, Jute and Jute manufactures, Miscellaneous Goods.
- (5) Comparative statement of prices of Silver: rates of exchange: remittances to Home Treasury and gold held in European Banks.
- (6) Index to Chamber rulings.
- (7) Chamber Rulings Nos. 1 to 25.
- (8) Chamber forms of Boat Note.
- (9) Conversion of sterling freight into Indian currency.
- (10) Conference Bill of Lading.
 - (11) Schedule of commission charges.
 - (12) Tonnage Schedule and measurement rules for the Port of Calcutta.
 - (13) Notes on the above Schedule.
 - (14) Tonnage Schedule for the Port of Raungon.
 - (15) Money, weights and measures of Ceylon, China, India, etc.

The Chamber has already discontinued publication of Volumes II (correspondence) and III (statistics) of its Annual Report and, as a further measure of paper economy, the Chamber Committee have decided that this edition, the contents of which have been even more rigidly restricted than last year, will again constitute the sole report to be issued for 1944. There will, therefore, be no re-publication of the volume, including appendices, as hitherto. As regards the additional papers and appendices enumerated above:—

- (a) Items (1) and (2) will be issued in separate pamphlet form.
- (b) Items (3) and (4) will be made available to any member requiring and applying for copies.
- (c) The information contained in item (5) will be supplied to any interested member on application.
- (d) Items (6) to (15), which remain unchanged, are to be found in Volume I of the Chamber's Report for 1943.

D. C. FAIRBAIRN,
Secretary.

BENGAL CHAMBER OF COMMERCE

REPORT OF THE COMMITTEE FOR THE YEAR 1944

The Committee of the Bengal Chamber of Commerce have now the honour to submit their report for the year 1944 to the members of the Chamber.

Committee:—The following gentlemen were elected to the Committee at the Annual General Meeting of the Chamber held on the 25th February, 1944. President—The Hon'ble Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.); Vice-President—Mr. R. B. Lagden, O.B.E., M.C. (since deceased) (Messrs. McLeod & Co., Ltd.); Sir John Burder (Messrs. Jardine Skinner & Co.); Sir Harry Burn (Imperial Chemical Industries (India) Ltd.); Sir Renwick Haddow (Messrs. Mackinnon Mackenzie & Co.); Mr. T. S. Gladstone (Messrs. Gillanders Arbuthnot & Co.); Mr. F. C. Guthrie (Messrs. James Finlay & Co. Ltd.); Sir George Morton, O.B.E., M.C. (Messrs. Bird & Co.); Mr. W. T. C. Parker (Lloyds Bank, Ltd.).

The only change which took place during the year was caused by the tragic death of the Vice-President, Mr. R. B. Lagden, O.B.E., M.C., in October, 1944. The subsequent by-election, carried out in accordance with the Articles of Association, resulted in the appointment of Mr. H. D. Townsend (Messrs. Shaw Wallace & Co.) as Vice-President of the Chamber.

In August, 1944, the Hon'ble Mr. J. H. Burder (now Sir John) resigned his seat as the representative of the Chamber on the Council of State and Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.) was elected in his place.

The representatives of the Chamber on the Bengal Legislative Assembly are: Mr. D. Gladding, C.I.E., (Calcutta Electric Supply Corporation, Ltd.); Mr. R. Haywood (Messrs. Pigott Chapman & Co.); Mr. F. P. M. Ferguson (Dunlop Rubber Co. (India), Ltd.); Mr. A. F. Hirtzel, O.B.E., (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.).

In November, 1944, Mr. F. P. M. Ferguson was elected to the Bengal Legislative Assembly in place of Mr. D. Hendry resigned.

The representatives of the Indian Jute Mills Association on the Bengal Legislative Assembly are: Mr. W. A. M. Walker, C.B.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 and 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. W. L. Gordon (Messrs. Macneill & Co.), Mr. J. Morshhead (Messrs. Turner Morrison & Co., Ltd.), Mr. F. C. Guthrie (Messrs. James Finlay & Co., Ltd.).

On the expiry of the terms of office of Sir Renwick Haddow and Mr. T. S. Gladstone in March and February respectively they were re-elected as representatives of the Chamber on the Calcutta Port Commission.

On the expiry of the terms of office of Mr. G. C. H. Kent (Messrs. Kilburn & Co.); and the Hon'ble Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.) in April, 1944, Mr. W. L. Gordon (Messrs. Macneill & Co.) and Mr. F. C. Guthrie (Messrs. James Finlay & Co., Ltd.) were elected to fill the respective vacancies. Mr. H. D. Cumberbatch (Messrs. Andrew Yule & Co., Ltd.), has been elected to succeed Mr. J. Morshhead on the expiry of the latter's term of office on the 20th March, 1945.

In February, 1944, the Government of Bengal called upon the Bengal Calcutta Municipal Corporation, Chamber of Commerce Consistency to elect six Councillors to the Corporation at the Seventh Municipal General Election. The following were duly elected:—Mr. J. B. Elias (Messrs. B. N. Elias & Co., Ltd.); Mr. H. S. Gill (Messrs. Liptons, Ltd.); Mr. W. H. Humphrey (India General Navigation & Ry. Co., Ltd.); Mr. L. E. Hunt (Messrs. Turner Morrison & Co., Ltd.); Mr. J. H. Methold (Messrs. J. Thomas & Co.); Mr. J. H. H. Ross (Messrs. James Finlay & Co., Ltd.).

At the time of going to Press intimation has been received that Mr. W. R. Humphrey has had to resign his seat due to his leaving Calcutta at short notice. The filling of this vacancy will be taken in hand in due course.

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.

Owing to his continued absence from Calcutta Mr. R. S. Purssell resigned his seat on the Calcutta Improvement Trust in February 1944. In accordance with the provisions of Sec. 16 of the Calcutta Improvement Act 1911, Mr. T. Godley of the Calcutta Tramways & Co., Ltd. was elected to represent the Chamber on the Improvement Trust.

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.). They served throughout the year.

Mr. J. M. Grant (Clive Jute Mills) and Mr. R. J. Oliver (Messrs. Bengal Smoke Nuisance Commission, Martiu & Co.) represent the Chamber on this Commission.

Mr. A. B. Mallett (Messrs. Mackinnon Mackenzie & Co.) is the representative of the Chamber on this Board. During his absence on leave early in 1944, Mr. A. Orr Dens of the same firm represented the Chamber. Mr. Mallett resumed his membership of the Coal Grading Board as the representative of the Chamber in August, 1944.

Mr. R. L. Manners (Messrs. James Finlay & Co., Ltd.) was elected to serve as the representative of the Calcutta Electric Supply Corporation Chamber on the Consultative Committee of the Calcutta Electric Supply Corporation in succession to Mr. J. A. Murray whose term of office had expired on the 14th July, 1944.

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

Indian Electricity Rules 1922:
Licensing Board.

Mr. F. F. M. Ferguson, M.L.A., (Dunlop Rubber Co. (India), Ltd.), served throughout the year as the representative of the Chamber on this Board
Bengal 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.
Calcutta Traffic Control Advisory Committee.

Mr. C. E. J. Crawford (Imperial Chemical Industries (India) Ltd.) represents the Chamber on the Board of Industries on which he served throughout the year.
Bengal State Aid to Industries Act 1931: Board of Industries.

Mr. A. P. Benthall (Messrs. Bird & Co.) represented the Chamber on this Board which has recently been superseded and is now in abeyance.
Bengal Board of Economic Enquiry.

Mr. A. H. Syme (Messrs. A. M. Mair & Co.) is the representative of the Chamber on this Committee. Mr. Syme succeeded Mr. J. E. Ordish (Messrs. George Henderson & Co. Ltd.) who resigned in October, 1944.
Indian Central Jute Committee.

The representatives of the Chamber on the Managing Committee of the Bengal Textile Institute, Serampore are: Mr. W. Morrison (Angus Jute Mills) and Mr. A. L. Lyell (Messrs. Shaw Wallace & Co.). In view of the existing shortage of petrol and other transport difficulties Mr. Lyell could not see his way to continue as the Chamber's representative and it was temporarily decided not to nominate a member to fill this vacancy. The Chamber's other representative, Mr. Morrison, continued to serve on the Committee throughout the year.
Bengal Textile Institute, Serampore.

The Hon'ble Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.) is the representative of the Chamber on this Committee.
Bengal Industrial Survey Committee.

The Hon'ble Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.) and Sir Bernard Pratt (Imperial Chemical Industries (India), Ltd.) continued as the Chamber representatives on the Auxiliary Force Advisory Committee, which is shortly to be re-constituted.
The Auxiliary Force Act 1926—Advisory Committee.

The President, the Hon'ble Mr. K. W. Mealing, is the representative (ex-officio) of the Chamber on this Committee.
Calcutta Examination Committee for Technical Recruits.

On the expiry of the term of office of the Hon'ble Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.) on the 2nd March and Mr. T. S. Gladstone (Messrs. Gillanders Arbuthnot & Co.) on the 4th March, 1944, the Committee nominated Mr. H. D. Cumberbatch (Messrs. Andrew Yule & Co., Ltd.) and re-nominated Mr. T. S. Gladstone as the representatives of the Chamber on the Local Advisory Committee (E. B. Zone) of the Bengal and Assam Railway.
Bengal & Assam Railway Local Advisory Committee.

On the expiry of their term of office, Mr. T. S. Gladstone (Messrs. Gillanders Arbuthnot & Co.) and Mr. C. D. Forrester (Burma-Shell Oil Storage & Distributing Co. of India, Ltd.) were re-nominated as the representatives of the Chamber on the Local Advisory Committee of the East Indian Railway.
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. H. C. Bannerman (Messrs. Macneil & Co.), representing the tea trade; and Mr. P. A. Crottopolo (Messrs. Ralli Bros., Ltd.), representing general trade.
Railway Rates Advisory Committee.

The representatives of the Chamber are: Sir John Burder (Messrs. Jardine Skinner & Co.) and Mr. A. B. Jamieson (National Bank of India, Ltd.) Mr. N. T. Brain (Messrs. Brooke Bond, India, Ltd.) is the representative of the Associated Chambers of Commerce of India. They continued to serve on the Board throughout the year.
The Indian Tea Market Expansion Board.

On the expiry of the term of his office in September, 1944, Mr. W. F. Dines (Messrs. Angelo Bros., Ltd.) was re-appointed to represent the shellac manufacturing industry on the Governing Body of the Indian Lac Cess Committee, for a further term from 12th October, 1944. The other representative of the Chamber is Mr. D. G. Sevastopolu (Messrs. Ralli Bros., Ltd.).
Indian Lac Cess Committee.

Mr. J. Findlay (Messrs. Bird & Co.), was re-nominated to represent the Chamber on the Campbell Hospital Visiting Committee for the year 1944-45.
Campbell Hospital Visiting Committee.

Mr. R. J. R. Davidson (Messrs. Andrew Yule & Co., Ltd.) is the representative of the Chamber on the visiting Committee of the Medical College Hospital.

Mr. F. Monk (Messrs. Mackinnon Mackenzie & Co.) was nominated by the Chamber to fill the vacancy caused by the resignation of Mr. A. T. Orr Deas, the representative of the Chamber on the Governing Body of the Mayo Hospital. The other representative is Mr. E. A. Paterson (Messrs. Jardine Skinner & Co.).

Mr. G. J. Cutler (Tea Districts Labour Association) continued to serve as the representative of the Chamber on this Board during the year.

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.) continued to serve as the representative of the Chamber on the General Committee of the Calcutta Hospital Nurses Institution.

The Hon'ble Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.), the President, is the representative of the Chamber on the Managing Body of the Indian Red Cross Society.

The President, the Hon'ble Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.) is also the representative (*ex-officio*) of the Chamber on the Committee of Management of this fund.

Mr. J. Morshad (Messrs. Turner Morrison & Co., Ltd.), is the representative of the Chamber on the Board of Trustees of the Indian Museum.

The Chamber nominated Mr. F. Monk (Messrs. Mackinnon Mackenzie & Co.), to fill the vacancy on this Board caused by the resignation of Mr. N. Macleod of the same firm.

President, the Hon'ble Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.), is (*ex-officio*) Trustee and a member of the Executive Committee of the Victoria Memorial.

Mr. W. J. Younie (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 Governing Body of the Calcutta Technical School.

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

On the expiry of the term of his office in April 1944 Mr. W. S. C. Tully, M.B.E. (Messrs. Gillanders Arbuthnot & Co.), was re-nominated by the Chamber on the Board of Governors of St. Thomas School for a further term of three years.

The President, the Hon'ble Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.) is an *ex-officio* Member of the Board of Governors on this Institution.

Mr. W. S. C. Tully, M.B.E., A.C.A., R.A., (Messrs. Gillanders Arbuthnot & Co.) the nominee of this Chamber, was re-nominated by the Associated Chambers of Commerce of India on the Indian Accountancy Board on its reconstitution on the 1st July 1944.

Mr. H. M. Molesworth (Imperial Chemical Industries (India) Ltd.) is the representative of the Chamber on the Council of this Institute.

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

Mr. W. McIntyre (Messrs. Macneill & Co.) continued to serve as the Chamber's representative on the Committee of Management of this Institute throughout the year.

Mr. J. Morshead (Messrs. Turner Morrison & Co., Ltd.) is the representative of the Chamber on this European Unemployment Relief Committee.

The President, the Hon'ble Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.) 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.

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

Mr. A. B. Mallett (Messrs. Mackinnon Mackenzie & Co.) is the representative of European Commerce in Calcutta on the Advisory Pilot Committee.

Mr. A. B. Mallett (Messrs. Mackinnon Mackenzie & Co.) succeeded Mr. A. T. Orr Deas 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.

Mr. S. D. Gladstone (Messrs. Ogilvy, Gillanders & Co., London), is the representative of the Chamber on the Federation of Chambers of Commerce of the British Empire.

The representatives of the Chamber on the Committee of Management of this Association are: Sir Renwick Haddow (Messrs. Mackinnon Mackenzie & Co.) and Mr. J. Morshead (Messrs. Turner Morrison & Co., Ltd.).

Sir Henry Horsman is the joint representative of the Upper India and International Federation of Master Cotton Spinners & Manufacturers Association, 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 Board, 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.), (Messrs. Jessop & Co., Ltd.) is the representative of the Chamber on the Board of Scientific and Industrial Research.

Mr. S. J. Vlasto (Messrs. Ralli Brothers, Ltd.) is the representative of the Chamber on this Sub-Committee, Board of Agriculture: Cotton Sub-Committee.

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

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. R. O. Davidson (Messrs. McLeod & Co., Ltd.), is the representative of the Chamber on the War Risks Claims Committee, Calcutta, set up by the Commerce Department of the Government of India, to advise on the settlement of claims under the War Risks (Goods) and War Risks (Factories) Insurance Schemes.

The representative of the Chamber on this Board is the Hon'ble Mr. K. W. Mealing (Messrs. Andrew Yule & Co., Ltd.). He has recently resigned and the question of appointing a successor is now receiving attention.

Mr. W. Corsic (Messrs. Lyall Marshall & Co.) is the nominee of the Chamber on this Board, Bengal Provincial Sugar Board.

Mr. D. Gladding, C.I.E., M.L.A. (Calcutta Electric Supply Corporation, Ltd.) continued to serve as the Chamber's representative on the Provincial Transport Authority, Bengal, as provided for under the Bengal Motor Vehicles Act 1939.

Mr. J. B. 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 1944 has been issued separately to members of the Exchange and as a further measure of paper economy is not included in this Report as has been customary in the past. The business of the Exchange has proceeded as usual during the year.

Arbitrations under the auspices of the Tribunal of the Chamber are classed under three headings, General, Jute and Piece-goods. The heading "general arbitrations" embraces jute manufactured goods, coal, 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 1944 was 605 and there were 44 cases pending at the close of the year 1943. Of these cases, 256 proceeded to award, 49 were withdrawn; and 51 cases were pending at the close of the year 1944. In 1 case 3 awards 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 531; Hessians and Bags 15; Piecegoods 1; Coal 2; Groundnut Oil 1; Rice 1; Paper 2; Linsced 2; and Miscellaneous 1. 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. 33,284/- as compared with Rs. 35,242/- in the preceding year.

During the year under review 50 survey applications were received and 7 applications were pending at the close of 1943. These were dealt with under the Rules for surveys which were introduced in 1938. Arising out of these applications 49 certified reports were issued, and 8 cases were pending at the end of 1943. In one case 3 reports were issued as separate parcels were involved. The various classes of goods were represented in this total to the following extent: Linsced 38; Hessian Cloth and Bags 7; and Jute 4.

The report of the Managing Committee of the Licensed Measurers Licensed Measurers Department. Department of the Chamber for the year ended the 31st December, 1944, will be issued separately.

GENERAL

... The Associated Chambers of Commerce of India: 26th Annual General Meeting, December, 1944.—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.F., C.M.G., M.C., accompanied by His Excellency The Rt. Hon'ble Mr. R. G. Casey, C.H., D.S.O., M.C., P.C., Governor of Bengal, graciously opened the proceedings of the 26th Annual General Meeting of the Associated Chambers of Commerce of India on Thursday, the 14th December, 1944. 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. War Risks Insurance.—The Northern India Chamber—

Having regard to the continual improvement in the war situation and in view of the substantial amounts standing to the credit of the Funds under the Schemes, this Association recommends that, for the present, no further premia be collected in respect of the War Risks (Goods) Insurance Scheme and that the payment of premia towards the War Risks (Factories) Insurance Scheme cease after 31st March, 1945, but that Government continue to provide cover against War Risks under the Schemes and that the position of the two Funds be reviewed before the end of the year 1945.

2. Injury or damage caused by Army Drivers when on duty.—Bombay Chamber—

In view of the fact that accidents are still being caused by negligent and improper driving by Service drivers in the course of their duty and the failure of the Military Authorities to ensure that adequate compensation is granted, this Association again urges upon the Government of India the necessity for the immediate introduction of measures which will enable the public to obtain adequate compensation for injuries or damage suffered.

This Association is of the opinion that Government should forthwith declare that they will provide the Funds required to satisfy any judgment of a civil court obtained against the driver of a Government vehicle, if on duty at the time of the accident.

The Association is further of the opinion that Courts of Enquiry, set up to investigate accidents in which Service and Civilian vehicles and or persons are concerned, should invariably include one civilian, preferably non-official, either as a member thereof, or if this is not possible under military law, then as an observer and further, that an injured person, in any case, be entitled to be represented at such Courts of Enquiry.

3. Post-War Trade Policy.—Punjab Chamber—

This Association reaffirms the resolutions adopted last year on the subject of Post-war Trade Policy and Post-war Reconstruction; with the end of the War in sight, and with long-term plans under preparation for raising the general standard of living by an intensification of agricultural and industrial expansion and development, the Association is further strengthened in its conviction that for the successful pursuit of the reconstruction policy a better balanced and more scientific tax structure based on what agriculture and industry can bear is an essential pre-requisite; it therefore urges that at the earliest possible opportunity an enquiry be undertaken with a view to evolving a tax system

which will be conducive to, and which will promote, the objective of the reconstruction policies.

4. *Controls in relation to Post-War Trade.*—*Karachi Chamber.*—

That whilst appreciating the necessity for exercising controls in time of war over various commodities in order to ensure their most equitable distribution having regard to the amount of these at the nation's disposal, this Association places on record its opinion that where there is frequent overlapping and duplication by different Ordinances and/or any other war-time emergency legislation steps should be taken by Government to ensure that these do not result to the detriment of the normal longstanding legitimate channels of trade.

Further, that this Association urges on Government the necessity for an assurance that, as circumstances permit, prompt action will be taken to free trade from unnecessarily irksome control, thus avoiding the danger of unduly prejudicing a smooth return to, and the future of, normal trade in this country.

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

This Association re-iterates the request unanimously made by resolution a year ago that the early attention of the Government of India be given to the following matters connected with the practice and procedure before the Income Tax Appellate Tribunal:—

(a) That the demand for the establishment of local Registrars for filing of applications and for facilitating communications with the local Benches be reconsidered;

(b) That the decisions of all Benches of the Tribunal be made available to the public.

6. *Income tax: Allowance of professional taxes and royalties.*—*Bengal Chamber.*—

Being convinced that all taxes and royalties however calculated, payable to provincial governments or local authorities, are in fact "expended wholly for the purpose of the business," this Association once again urges that these should be allowable as business expenditure and therefore again recommends that section 10(a) of the Indian Income Tax Act should be suitably amended.

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

While this Association welcomes the appointment of a commission to investigate the causes of the food shortage in India last year, it considers that a wider and more comprehensive survey of the long term problem of the food supply position in the country is essential and urgent. The Association would accordingly urge that steps be taken so to mobilise, expand and develop the food resources of the country with a view to make her self-sufficient and to ensure the availability of adequate reserves that the shortage of last year may never recur, that at no future time has she to be dependent on outside supplies and that the scarcity of the monsoon in particular areas never cause a material deficiency of food for the population.

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.

Coal Control Board: (a) *General.*—On the proposal of the Bengal Chamber, Mr. F. C. Guthrie of Messrs. James Finlay & Co., Ltd., Calcutta, was nominated by the Associated Chambers of Commerce of India to serve as a member of the Coal Control Board representing consumers. The establishment of this Board forms part of the Government of India scheme for the control of distribution, fixation of prices and

encouragement of the output of coal. The Board is concerned primarily with the question of fixation of prices.

(b) *Fuel Economy.*—The Coal Control Scheme came into operation on the 1st of June. In August the Representative of the Associated Chambers of Commerce put before the Coal Commissioner, views on the question of fuel economy submitted by this Chamber. The subject of coal economy, it was pointed out, had received the thought and attention of some industries, but it was felt that the existing position required the services of fuel economy experts—if necessary recruited from the U.K.—to assist the Commissioner in an extensive economy drive. It has since been learned that the Commissioner expressed appreciation of the efforts already made by industry and thought it advisable that each major industry should organise its own campaign and employ its own staff for fuel economy purposes, with a view to practical experience and commonsense rather than high qualifications. Industry was advised to engage the right type of men in India and Government, it was stated, were willing to assist in certain specific directions, such as obtaining the release of combustion engineers from the services and in the preparation of designs and the obtaining of material for the manufacture of the requisite plant in India. The Coal Commissioner thought that the permanent benefit accruing from the following up of his suggestions would offset the initial cost, which must rest with individual firms.

The Venereal Diseases Prevention Committee.—Through the medium of the Chamber, particulars relating to a refresher course on venereal diseases arranged by the Government of Bengal for the benefit of Medical Officers were given wide publicity among connected industrial interests in February. Following upon this the Chamber, in August, circulated to all associated industrial interests the recommendations of the Government Director of V. D. Clinics in regard to the measures to be adopted for the control of venereal diseases among workers.

THE WAR

WAR RISKS INSURANCE

A. WAR RISKS (FACTORIES) INSURANCE ORDINANCE 1942:
(1) *Extension and rates of premium.*—The terms of the resolution relating to War Risks Insurance, adopted by the Associated Chambers at the Annual General Meeting in December, 1943, and later communicated to the Government of India, were published in the Chamber Report for last year.

Government met a part of these recommendations by the issue of two notifications in March which extended the "Factories" Scheme for

another year and reduced the premium to one per cent; (the rates of premium applicable to the War Risks (Goods) Insurance Scheme are indicated in another paragraph).

At the 1944 Annual General Meeting of the Associated Chambers of Commerce a further Resolution worded as follows was passed unanimously :—

"Having regard to the continued improvement in the war situation and in view of the substantial amounts standing to the credit of the Funds under the Schemes, this Association recommends that, for the present, no further premia be collected in respect of the War Risks (Goods) Insurance Scheme and that the payment of premia towards the War Risks (Factories) Insurance Scheme cease after 31st March, 1945, but that Government continue to provide cover against War Risks under the Schemes and that the position of the two funds be reviewed before the end of the year 1945."

(2) *Requisitioned and Hired Property* :—Among the various points arising from War Risks Insurance taken up by the Chamber with the Government of India in 1943, the question of extending cover under the War Risks (Factories) Insurance Scheme, to requisitioned factory property, was made the subject of a letter addressed to Government in September of that year. The text of the Chamber's representations in favour of an amendment of the Ordinance to provide owners of such property with the necessary indemnity, or in the alternative, the assumption by Government of liability for war risk damage to property during the period of requisition or hire, was outlined in the 1943 Report and appended with a copy of Government's reply to circular No. 37/1944, issued on the 24th of March 1944. It is therefore known to members that the Chamber's first proposal was rejected, but that in effect, Government assumed the liability referred to above, emphasising that the concession was made purely as an *ex gratia* measure and subject to two conditions, *viz.* (1) the owner of the requisitioned or hired property shall reduce the rate of hire by the amount of the premium that would have been payable under the Scheme, and (2) that as this decision was taken only in respect to properties leased or requisitioned by or on behalf of the Central Government, the question of compensation with regard to property taken over by Provincial Governments should be negotiated with the authorities concerned. When providing members with this information, the Chamber advised that pending a more decisive issue, owners of industrial premises wholly or partly requisitioned should take steps to ensure that the buildings in question were not incorporated in any cover under the Scheme from the 1st of April and Insurance Companies should be informed accordingly.

Particulars of the Chamber Committee's urgent representation to the Commerce Department of the Government of India and their references

to the War Risks Advisory Sub-Committee in Calcutta with a view to clarify certain points and facilitate the equitable working of the War Risks (Factories) Insurance Ordinance, *viz.* Government's letter to the Chamber and the Extending Ordinance promulgated in March, were circulated for the information of members on the 3rd and 20th of April.

The matter was not finally settled until early in the current year. In a letter dated 4th January, Government stated that :—

- (1) Factories including machinery and materials appertaining thereto which had been requisitioned by Government for non-factory purposes would continue to be covered by the relevant policies by which they were insured under the "Factories" Scheme.
- (2) In all such cases the insured will have the option to discontinue insurance; the option to be exercised before 31st March 1945.
- (3) Where this option is exercised the policy will remain cancelled from the date of cancellation.
- (4) Where policies in respect to property requisitioned after insurance had already been cancelled before 1st July, 1944, and the above option is not exercised, the policies are revived as from the above date.
- (5) Policies already rectified will remain so if the option to discontinue insurance is exercised.
- (6) Policies rectified prior to the 1st July 1944 are restored from that date to the original sum insured, if it is decided to continue insurance.
- (7) When exercising the option referred to above any previous applications made for rectification or cancellation of policies should be mentioned by the applicant and in such cases cancellation or rectification will take effect from the date when the properties ceased to be used for the purposes of the factory.

The full text of the above conditions and those under which premium is to be paid by the insurer or refunded by Government was reproduced in a circular issued to all members on the 11th January 1945.

In April, 1944, the Government of Bengal stated in a letter to the Chamber dealing with the Central Government's proviso relating to arrangements with Provincial Governments for compensation, that the matter was under their consideration, but because such cases were few in number it was not thought to be of much practical importance. From the point of

view of the owners of requisitioned property the Committee of the Chamber held, on the contrary, that the question was an urgent one which called for an early and definite decision. They accordingly submitted this opinion to the Bengal Government in May, adding that it would be appreciated if the Chamber could be informed of the main types of factory property which had been requisitioned on the provincial Government's behalf, in order that the position might be brought to the notice of the owners of such property without delay.

B. WAR RISKS (GOODS) INSURANCE SCHEME. (i) *Rates of Premium.*—With reference to the War Risks (Goods) Insurance Scheme the premium was reduced to one anna per Rs. 100 per month for the quarter ending June, 1944. On the extension of the Scheme to cover the risk of explosion, etc. referred to below, the rate of premium was increased to one anna three pies as from 1st July 1944, but recently it has again been reduced to one anna for the first quarter of 1945.

The Associated Chambers of Commerce were advised by two constituent members earlier in the year to press Government to reduce the premium even further. The Chamber considered this to be both inadvisable and inopportune in view of the uncertainty of the war position on the Eastern Frontier at that time and the assumption by Government of responsibility for compensation for the losses incurred in the Bombay disaster on the 14th April. As the majority opinion of the Chambers upheld this objection the matter was allowed to drop.

(ii) *Consequential loss.*—A suggestion that the Government of India should be urged to amend the War Risks (Goods) Insurance Ordinance to cover consequential loss was laid before the constituent Chambers by the Associated Chambers of Commerce in February. The point was raised by the Madras Chamber in consequence of the experience of a member whose claim against the Government of India for charges incurred in the removal of goods from a godown damaged in an enemy air raid, had been rejected as inadmissible under the provisions of the Ordinance.

Though enquiries made by the Chamber had not brought to light any experiences in this area similar to that cited by the Madras Chamber, it was recommended to the Associated Chambers in April that the Government of India should be pressed to meet future demands of this kind in the manner that the Madras Chamber had suggested.

The Associated Chambers in due course took the question up with the Government of India from whom a reply was received regretting that they could not amend the Goods Insurance Scheme to provide cover for this kind of indirect risk. The position is under consideration.

A. R. P.—Owing to freedom from aerial attack in this district during 1944, the number of questions before the Chamber coming within the scope of A.R.P. tended to lessen as the year progressed.

Soon after the air raid on December 5th, 1943, the Chamber was asked by the Defence Department to co-operate in rectifying two defects in the local A.R.P. arrangements, experienced during the raid. These were:—

(a) *Air Raid Alarms.*—It had been shown that more uniformity was required in the efficiency of the alarm systems respectively operated by Government and non-official concerns. In the course of a meeting of the Civil Defence Advisory Committee in January, representatives of the Chamber and Industrial Associations agreed to a periodical Government inspection of primary sirens under their control in order to conform with that already in practice by Government. Accordingly, by request of the Chamber, information relating to the number and location of primary and secondary sirens in the industrial area was promptly sent in to the Government of Bengal by Industrial Associations and members with industrial interests.

(b) *Identity Discs.*—A number of persons killed during the raid on December the 5th, 1943, did not wear identity discs and could not be identified. Such incidents made it difficult for the dependants of casualties to obtain benefits under the War Injuries Scheme and created problems connected with other civil matters in which evidence of death was necessary. On behalf of the Civil Defence Department, the Chamber circulated a letter to industrial employers again urging that the question of making arrangements to secure identification discs for their labour force be considered immediately. Government of course preferred the general adoption of official discs, but left it to industrial interests to decide whether they would use wage or employment or other private tokens; the point emphasised by the Chamber was that any token used must give a sufficient guide to identity and members were referred to the particulars given in Circular 189 of the 22nd July, 1942, regarding the procedure to be adopted for obtaining the requisite identity discs from Government.

Industrial mutual aid scheme for the maintenance of essential services in the event of damage due to enemy attack.—During the year one of the matters which received consideration from the Chamber and its affiliated industrial interests was the scheme referred to above. The subject had first been mooted in 1943 by the Factory A.R.P. Department of the Government of India which proposed that industry in the Calcutta area should consider the introduction of a scheme which would provide for their equipment and technical labour being made mutually available to repair any

factory or public utility which was damaged in an air raid. To consider this suggestion the Chief Commissioner for Civil Defence, Bengal, convened a meeting of his Industrial Advisory A.R.P. Committee, at which the principle of the scheme was approved and the Essential Services Officer of the Factory A.R.P. Department was asked to work out a detailed scheme in consultation with the Chamber. Further progress at that time was prevented by the difficulty as to who was to undertake the administration of the scheme. Government's view on the matter was that industrial interests themselves should do this, as the scheme was one primarily in their interests, and it was therefore suggested that the scheme should be administered through the Chamber because of its many industrial contacts and the familiarity of its staff with the industrial organisation of the Calcutta area. The Chamber, however, while appreciating the value of the scheme, felt itself unable to undertake, because of its reduced staff and the increased volume of work with which they were faced, the additional work which would be involved in the administration of the scheme unless one of their secretarial staff was released from the army for this purpose.

On this view being communicated to the Factory A.R.P. Department they agreed to approach the War Department and ask for the release of one of the Chamber staff. The release, however, was not finally effected until the beginning of 1944 and it was therefore thought desirable to make a fresh approach to all the interests who, it was considered, were concerned to ascertain whether they approved of the principle of the scheme or not. The interests to whom this approach were made were as follows:—

Official Interests:—

- Supply Department—Ordinance and Civil Factories.
Electric Commissioner.
- Labour Department—Factory A.R.P. (to act as liaison between Government and civil interests).
- Railways—E. I. R., B. & A., B. N. R.
- Port Commissioners.
- Post & Telegraphs Department (Telephones) Calcutta.
- Bengal Government (Chief Commissioner of Civil Defence).
- Calcutta Corporation (Water & Sewage Dept.).

*Industrial Interests:—**(1) Factories:—*

- Bengal Chamber of Commerce (to represent members of the Chamber with industrial interests who were not members of any industrial Association).
- Indian Jute Mills Association.

- Indian Engineering Association.
- Indian Paper Makers Association.
- Association of Paint, Colour & Varnish Manufacturers in India.
- Calcutta Flour Mills Association.
- Bengal Millowners Association (Cotton mills).
- Indian Chamber of Commerce (to represent interests not members of any of the above).

(2) Public Utilities:—

- Calcutta Electric Supply Corporation, Ltd.
- Gourepore Electric Supply Co., Ltd.
- Oriental Gas Co., Ltd.
- Calcutta Tramways Co., Ltd.

To assist those addressed in coming to a decision on the scheme and to furnish a basis for discussion they were provided with a short explanatory note which outlined its possible scope, organisation and operation. In this it was pointed out that the scheme as envisaged had a double application, first to such essential services as water, gas, electricity, communications, and sanitation and, secondly to industry including both Government Ordnance Factories and civil factories engaged in work vital to the war effort. It was suggested that the first step to be taken was to hold a general meeting of representatives of all the interests which had been approached to decide whether the scheme should be proceeded with, after which, if the decision were favourable, Committees could be appointed to work out the details of the scheme.

This meeting was accordingly held on the 14th June and a very full discussion of the subject took place. From the discussion it appeared that the opinion of the greater majority of the interests represented was that the scheme should not be proceeded with. The main reason for this decision was that conditions had altered considerably since the scheme was first mooted in the beginning of 1943, particularly in respect of the great improvement in the general war situation. It was felt in this connection that a scheme of such magnitude presupposed that there would be very heavy air raids on Calcutta and, as this was considered unlikely, it was agreed that the expenditure of time and work required to put the scheme into operation was not justifiable. An additional reason for the decision was the statement by the representatives of the public utility companies that the scheme would be of little or no use to them because they had specialised types of plant and equipment which they could not obtain from any ordinary factory and because their needs in the way of labour had already been catered for by an arrangement made by the military authorities. Finally the representatives of the larger industrial interests such as

the jute mills, who would be required to supply most of the plant, stated that they had already made arrangements of their own to meet the emergency the scheme envisaged, with which they were satisfied, a statement which was also true of the Ordnance factories.

In view of these considerations it was decided that there was no point in proceeding with the scheme unless and until the need for it became more apparent.

B.C.C. Foodstuffs Scheme: Distribution of Essential Foodstuffs under Rationing: (a) *General*.—Previous reports have described the conditions which brought about the formation of the Chamber Foodstuffs Scheme in 1942, its operations throughout the food crisis of 1942 until, with the introduction of rationing on the 31st January, 1944, the Chamber undertook by agreement with the Government of Bengal to continue the Scheme as wholesale purchasers and distributors of essential foodstuffs, while individual employers shops were to act as licensed retailers.

Though the fundamentals of the scheme were not affected by the adjustments which had to be made to bring it into line with the general rationing plan of Government, and the industrial interests connected with the Chamber continued to maintain the policy of pegging down cash dearness allowances by means of food concessions to industrial labour, the new arrangement, particularly in its initial stages, entailed much careful organisation and close collaboration between the Chamber's Foodstuffs Working Committee, the Industrial Affairs Sub-Committee, the Rationing Advisory Committee and the Bengal Government.

(b) *Employers Shops: Special Supply Register*.—Members are aware that in the period between the introduction of rationing in the "initial" rationing area of Calcutta, Howrah, Bally, Garden Reach, South Suburban and Tollygunge Municipalities and its extension on 1-5-44 to the whole of the Calcutta industrial area—known as the "eventual" rationing area—the Chamber arranged with Government to supply through participants foodstuffs on the ration basis to employees and their dependants both inside and outside the "initial" rationing area. The names of those living outside this area were entered by the employer in a Special Register. When on May 1st rationing came into operation throughout the "eventual area" the question of supplies to employees and dependants working inside but living outside the scope of rationing, came up for consideration and, though the measure was first opposed by Government, it was eventually agreed that employers shops should cater for such labour and their dependants (up to a maximum of three) maintaining an F-II Register for labour living outside the Rationed area and a Special Supply Register for dependants of these employees. This arrangement continued throughout the remainder of the year.

On 18th December representatives of the Chamber met the Director of Civil Supplies and the Controller of rationing to discuss a proposal of Government that the issue of rations to those on the Special Supply Register be discontinued. The Chamber confirmed the objections then put forward, backed by the opinion of a wide range of industrial interests, in a letter addressed to the Director of Civil Supplies on 21st December, in which the continuance of the existing arrangement was advised on the grounds that:—

- (1) to deprive workers' families—even in a limited number of cases—of the full benefit of the food subsidy would lead to demands for additional cash benefits and upset the system followed by a large number of concerns (including some Government organisations) which postulated the issue of food at subsidised rates exceeding for the family the quantities allowed to the individual under rationing;
- (2) the grant of additional dearness allowances to the limited number on the register would, in the Chamber's opinion, lead to demands for similar treatment from labour not so affected and an extension of the present tendency of labour as a whole to press for the abandonment of the system of food subsidy and for cash dearness allowances in its place.

Thus the withdrawal of supplies would endanger the whole present structure of compensation to labour and, would the Chamber felt, give rise to very serious labour discontent at a difficult time. The matter is still under discussion at the time of writing this report.

(c) *Procurement and distribution of Rice: Qualities*.—An unsatisfactory feature in the administration of the Foodstuffs Scheme under rationing has been the varying quality of the rice provided by Government to the Chamber for distribution. Against the background of Government's food policy in relation to anti-inflation, the question of the price and quality of rice, already taken up by the Chamber, was discussed by the European Group and the Ministry in November and more recently the Chamber's views on the matter were put before the Bengal Procurement and Distribution Board by the Chairman of the Foodstuffs Working Committee. In view of the suggestion of Government that different qualities of rice be placed on the market at varying rates, the Chamber has now under consideration the capacity of the scheme to handle these varieties and the possible repercussions of dissatisfied labour if the proposal is put into effect. So far as the requirements of the Chamber Scheme are concerned, one quality of good standard rice is to be preferred.

(d) *Famine Enquiry Commission.*—The Commission which sat under the direction of Sir John Woodhead to enquire into the causes and effects of the 1943 Bengal famine requested data in regard to quantities of rice purchased and distributed by the Chamber during that year. The required information was incorporated in a Memorandum submitted to the Famine Enquiry Commission shortly afterwards; it provided a detailed and factual statement of the Chamber's experience in relation to the Foodstuffs Scheme from the period preceding its inauguration in 1942, and afterwards, up to the stage of its embodiment into the Government of Bengal's Rationing Scheme, including the connected facts regarding the policy of industrial interests in the matter of dearness allowance. Part of this statement was borne out in a supplementary Memorandum put before the Commission by the Foodstuffs Scheme Buying Agents, which amplified the point, among others, that in so far as bulk purchases for the purposes of the scheme had influenced prices ruling in 1943, a more or less successful attempt had been made to keep the cost of supplies in parity with the known wishes of Government, wherever these could be applied during a period of extreme shortage and resulting fluctuations.

(e) *Suggested Control of Employers Shops by Joint Committees.*—

With the assistance of the representatives of industrial interests participating in the Foodstuffs Scheme, the Committee of the Chamber, at the instance of the Regional Food Commissioner, Eastern Region, considered a suggestion laid before the Government of India that Joint Committees consisting of employers' and workers' representatives should be set up to ensure the proper working of employers' shops. When making it known to the Food Commissioner that the proposal was deprecated by employers the Chamber pointed out that those responsible for complaints and inconveniences voiced by employees and it had been the particular concern of Mill, Factory and Works managers to keep in close touch with labour in this respect. On account of the type of workers employed here and the absence of responsible organisations among them, it had become apparent that control must rest with employers if corruption and malpractices were to be avoided. As a retailer under rationing and, the Chamber observed, where the responsibility rests so also must the control and management.

India's Food Position: Importation of tractors.—Support was given by the Chamber to a resolution passed at a meeting of Agricultural Machinery Importers held in November, which urged the Government of India to take immediate action to ensure that the number of tractors requisite for the preliminary stages of the "Grow More Food" Campaign be sent to India in 1945.

In addressing the Hon'ble Member for Education Health and Lands, the Chamber also called attention to the urgent requirements of agriculture in view of the present and potential food situation of this country and asked that the recommendations contained in the resolution cited above be given careful consideration.

Government of India Standing Committee on Foodgrain Prices.—Mr. C. T. Mason of Messrs. Owen Roberts & Co., Ltd., Lahore, was nominated to represent the Associated Chambers of Commerce of India on the above Committee, constituted to advise the Government of India on matters relating to foodgrain prices.

Mr. Mason is also the present representative of the Associated Chambers on the Standing Wheat Committee of the Imperial Council of Agricultural Research.

In March the Association's representative invited constituent Chambers to comment and make suggestions regarding the fixation of maximum all-India prices of foodgrains, as a basis for discussion by the Committee. The Chamber requested the views of the Calcutta Grain Oilseed & Rice Association and interested members and in June intimated their agreement with the principle of statutory price control of food grains throughout India. A medium level was suggested and it was emphasised that controlled prices should obtain in any foodgrain transaction with the Government of India.

When the Committee last met in October no definite agreement was reached on the level of prices that could be applied by statute in all the provinces of India.

The Central Consumers Council.—The above Council was appointed by the Government of India in the year under review with the following terms of reference:—

- (1) To advise Government regarding the types of consumer goods it is necessary to increase, or regulate supplies and distribution;
- (2) To keep Government informed of the efficiency of distribution and control;
- (3) To suggest measures to improve the civil supplies position and to keep prices at a reasonable level; and
- (4) Where supplies are short, to propose ways of economy and for drawing up schedules of priorities.

The Council—of which Sir F. B. James, M.I.A., is a member—held two meetings—one on the 17/18th July and the other on the 30/31st October.

Dearness Allowances: Pensioners.—At the instance of a member the Chamber enquired into the question of supplementary payments made to pensioners to meet the high cost of living. It was found that in the majority of cases within the Chamber membership no dearness allowance had been given to pensioners on the grounds that the rates of pension were sufficiently liberal. In some cases, assistance was given by allowing pensioners to draw rations from the employer's shop, and in others allowances were granted, subject to a maximum and minimum figure, on the scale in practice in the firm concerned.

Working class cost of living indices.—The Chamber has continued to circulate to members the Cost of Living Indices for the Working Classes of Calcutta and Jagadial, provided by the Labour Commissioner, Bengal.

These show that the fall in the cost of living which took place between August and December, 1943, when the figure stood at 273 (Calcutta) and 277 (Jagadial), was maintained only until the middle of this year, since when the figures have gradually increased, until in October they stood at 296 and 292 for these respective areas.

Consumer Goods (Control of Distribution) Order 1944.—The above Order was officially notified in the Gazette of India on July 15th and came into force at once. It provides inter alia for the handling of goods between importer or producer and dealer under the close supervision of Government and by virtue of the powers it gives to the Courts, any scheduled article in respect of which the Order has been contravened is confiscated and forfeited.

In August the Karachi Chamber in a letter to the Associated Chamber registered a protest against the further restrictions placed on trade by the new Order, and the disruption of existing channels of distribution likely to arise from its application. When bringing this letter to the notice of constituent Chambers, the President of this letter asked that consideration be given to the viewpoint of the Association to light in an interview he had had with the Hon'ble Member for Industries and Civil Supplies, namely, that it was the experience of the Department that substantial quantities of consumer goods had failed to reach the consumer except through the black market. It had become necessary, therefore, for Government to follow up such goods from importation, production to retail in order to ensure that they came on to the market through reputable channels and at prices consonant with the Hoarding and

Profiteering Prevention Ordinance. The Hon'ble Member gave an assurance that Government did not intend to harass dealers, importers or producers or to interfere with the ordinary channels of distribution, unless necessity arose, and that cases of unjustifiable interference submitted to him would be examined.

The majority opinion of the Chambers was reflected in that of the Bengal Chamber who recommended that, in view of the foregoing statement, criticism of the Ordinance be withheld until specific cases of hardship or harassment justified the assumption that the objects of the Ordinance were outweighed by resulting obstruction to trade.

When, however, seconding the resolution on "Controls in relation to Post-War Trade" sponsored by the Karachi Chamber at the 1944 Annual General Meeting of the Associated Chambers, the Bengal Chamber emphasised the need for the restoration of trade to its normal channels by the promptest possible relaxation and, ultimately, removal of war time controls in consultation with representative organisations such as Chambers of Commerce, whenever conditions of war, international trading and internal trading so permit.

Clearance of Import Cargo.—Members were advised by Circular No. SS-1944 that with the introduction of "common dates" for purposes of assessing rent on imported goods, it had been decided by the Port Commissioners that the concession of treating imported goods delivered by carts, lorries and boats from the Calcutta Jetties, Kidderpore Docks and Garden Reach Jetties, between 8 a.m. to 10 a.m., as having been delivered the previous day was to be withdrawn as from 28th June.

Import Trade Control.—The views of the Calcutta Import Trade Association were invited on a suggestion by a member that the existing import license system be simplified in order to overcome the difficulties with which importers are faced in dealing with the various categories of licences and the licensing authorities. Both the Association and the Chamber Committee felt that any attempt to secure a simplification of the system would meet with no better results than had been previously experienced as the outcome of correspondence with the Government of India on the subject. The member was advised that the only course open in the circumstances, was to establish direct contact with the authorities concerned by letter or in person; and to make a careful study of the Handbook on Import Trade Control, issued by the Commerce Department in 1943 to assist importers in the solution of difficulties encountered under the present system.

Post-war requirements of capital goods.—Details of the arrangements that have been made by the Government of India for registration of post-

war requirements of capital goods were recently circulated through the Chamber to members of connected Industrial Associations and industrial members of the Chamber not in the membership of such Associations. All applications for registration are to be addressed direct to the Chief Controller of Imports except in cases where goods already ordered from overseas are expected to be shipped before 1st July, 1945, or where orders placed for machine tools are estimated at an F.o.b. value of less than Rs. 10,000. Other capital goods estimated at a value of less than Rs. 25,000 already ordered from abroad are also excluded from the new arrangement.

Defence of India Rule 94A: Control of capital issues.—Following upon the question of the equitable administration of Defence of India Rule 94A raised by one of the constituent Chambers through the Associated Chambers of Commerce last year, of which mention was made in the Report for 1943, the divergent view then expressed by the Madras Chamber and reiterated in a later letter to the Association, that the Central Government should be urged to enforce the rule more strictly rather than appoint a non-official advisory body to expedite applications for the issue of new capital, was brought to the notice of the constituent Chambers in April, with a request that collateral views should be supported by particulars of specific instances of the ineffective administration of the Rule.

The Committee of the Chamber, in conjunction with the Finance Subcommittee, replied to the effect that they continued to be satisfied that no necessity had arisen to criticise the administration of the Rule. Enquiries made in connection with the Madras Chamber's suggestion had shown that the dealings of the Finance Department with industrial and commercial interests on this score were not only fair and reasonable, but also that there were no instances of laxity in the operation of Rule 94A in this part of India to put forward as evidence to uphold an address to Government.

From a circular issued by the Associated Chambers in July the Chamber learnt that as no evidence of lax administration of the Rule was forthcoming from the remaining constituent Chambers and no desire had been expressed by them to support representations to Government on this point, the Madras Chamber had been advised to take the matter up, should they so decide, directly with the Government with regard to plantation company flotations in South India on which they had based their protest against the operation of the Rule to the Associated Chambers.

Requisitioning: (a) *General*:—Again throughout the year under review the Chamber has acted as an intermediary between the interests it represents and the Civil and Military Administration in regard

to the problems of requisitioning. Details of the numerous cases giving rise to questions of principle which have been submitted to the Chamber cannot be included in the scope of this report; but taking the position as a whole, it can be said that the Chamber's representation on the Eastern Command "Town Planning Committee" and the Standing Quartering Board—the machinery set up by order of the C. in C., India, at the end of last year to settle questions arising from the requirements of the Armed Forces in respect to office and residential accommodation in Calcutta—has placed this aspect of the matter on a more satisfactory basis. Meantime the Chamber has kept in touch with developments in the negotiations initiated by the Indian Jute Mills Association and the Hydraulic Press Association—representing the industries most affected by requisitioning—in order to bring about arrangements with the Central Government that are acceptable equally to the Requisitioning Authority and the owners of industrial premises. In the case of the jute mills an adequate agreement had already been concluded when this report was written.

(b) *Office Accommodation*.—In his capacity as member of both the "Town Planning Committee" and the Standing Quartering Board the then President of the Chamber approached the heads of member firms in January, 1944, to assist in a survey of office accommodation with the object of listing all available space which could be placed at the disposal of the Armed Forces. By this means it was hoped that the requirements of the services might be met in consolidated blocks of office accommodation, without recourse to piecemeal requisitioning, and, in the event of Chamber members being so deprived of office space, suitable alternative accommodation might be offered to them in offices occupied by other Chamber members. The "Office Pool" thus formed has however only a fluctuating value in that the requirements of members in their own offices are subject to revision from time to time.

(c) *Cinders for Cinder Concrete*.—As part of the building programme of the Quartering Board, a request from the Chief Engineer, Eastern Command, for approximate statements of cinders available as an "aggregate" for concrete, was referred by the President to all Industrial Associations and members with industrial interests. By April a comprehensive list of supplies useful for this purpose had been forwarded by the Chamber to H. Q. Eastern Command.

Requisitioning of Inland Vessels: Compensation for loss of craft.—The 1943 Report referred to the temporary arrangements which had been accepted by the Inland Steamer Companies, pending a final settlement with the Government of India as to (1) rates of hire; (2) compensation in the event of loss and; (3) payment for repairs and alterations to requisitioned inland vessels, carried out under the instructions of the

Requisitioning Authority, which would be applicable to inland craft requisitioned for use overseas.

An enquiry made by the Chamber on behalf of the European Mofussil Jute Bales Association elicited a statement from the Inland Steamer Companies in August that these negotiations were still proceeding. A decision on the rates of hire was expected in the near future but no early final settlement regarding compensation for loss of vessels was anticipated, though provisional payments will be made without prejudice.

Passage accommodation for civilians between India and the United Kingdom.—Since mention was made in the 1943 Report of the joint negotiations of the Associated Chambers of Commerce and the European Association with the Government of India, regarding the equitable allotment to European British non-officials in India of sea passages to and from the United Kingdom on the termination of the war in the West, the only definite arrangement which has emerged is the participation of the European British non-official community in what is known as the Government "Key Passage Scheme". Particulars of the Scheme, which caters primarily for "Key" personnel requiring leave on the grounds of ill health, business reasons, or other exceptional circumstances, with a guarantee of return accommodation after six months, were issued through the National Service Advisory Committee and circulated to members in February and March. Later in the year the Associated Chambers took up with Government a number of relative points which had been raised by constituent Chambers. As a result, the "Key" Scheme was remodelled to permit—in limited numbers—wives and families travelling with their husbands to the United Kingdom but not in the reverse direction. Papers received from the National Service Committee setting out details of the Scheme revised as above, were attached to Circular No. 150-1944, issued on the 21st December. Meanwhile negotiations are still proceeding on the much more vital issues of a substantial increase in the quota of passages catered for by the Scheme and the non-official share of the quota.

The question of passage accommodation to the United Kingdom for purposes other than leave is the basis of a skeleton scheme recently circulated by the Government of India for opinion. These proposals have received the consideration of the Associated Chambers and the European Association and as they differ materially from the recommendations with regard to priorities, etc., jointly put forward by the two Associations a year ago, they are now the subject of further discussions with the Government of India.

Admission of Women into India.—Closely allied to the above was the question of increasing the number of passages made available for

wives in the U.K. wishing to rejoin their husbands in India, represented to the Chamber by the Indian Tea Association in July. It will be recalled that the primary reason given by Government for the exclusion of wives and families from the guarantee of return passages to India under the "Key" scheme was that prior consideration must be given to wives (and families) in the United Kingdom who have already been separated from their husbands for some time. The Committee of the Chamber, while sympathetic towards the case presented by the Indian Tea Association, felt that more information was necessary as to the position of allocation of passages for women obtaining in the U.K. and the possible effect of any extension of accommodation for women on the arrangements for return passages available for "Key" personnel. In consequence the President, as representing the Chamber and the Associated Chambers of Commerce, together with the European Group at the Centre, discussed the matter with the Defence Department in New Delhi towards the end of the year, when it was disclosed that half the women on the waiting list had already been allocated passages to India and the remainder would be arriving shortly afterwards. There are, however, still a number of anomalies which are being inquired into.

Air services to the United Kingdom, during the immediate post war period: Business communities' requirements.—In order to ensure as far as possible that adequate air services between India and the United Kingdom will be available to cope with the demand, a survey of the probable air passage requirements of the business and industrial community in Bengal, Assam, Bihar, Orissa and the Eastern States Agency after the war in the West, was jointly undertaken by the British Overseas Airways Corporation and the Chamber, with the co-operation of the European Associations and other commercial organisations, during the year under review.

B.O.A.C. also sought the assistance of the Associated Chambers of Commerce in carrying out a parallel survey throughout India, and in July the Chamber recommended to the Association the procedure already adopted by them for the purpose of obtaining the requisite data (as set out in Circular No. 90 of the 2nd July), so that in the main all India returns of air passages required would be submitted on the same statistical basis.

Comments made by members on the proposed rate of fares, etc., were from time to time passed on in the office of B.O.A.C. in Karachi. Later in the year the Chamber was able to inform members that the schedule of fares were likely to be reduced after the war to an approximate pre-war level and a return of the substantial total requirements of the Chamber and connected Associations, revised on this basis, has since been sent to the Corporation.

Petrol rationing: (a) *Issue of supplementary rations.*—A suggestion to facilitate the issue of supplementary petrol coupons, by adopting the system understood to be prevalent in Bombay, i.e., of a quarterly instead of a monthly distribution, was laid by the Chamber before the Provincial Transport Controller in January. In the Chamber's view, the possible misuse of a quarterly ration was offset by the saving in paper, time and trouble which the new arrangement would afford: moreover as experience had rigidly defined those entitled to supplementary rations, particularly in the case of Office Pools, misuse of quarterly rations, it was felt, would not be serious. The Chamber appreciated that the system might not be applicable to transport vehicles and also that it might be obstructed by the present difficulty in obtaining sufficient coupons to meet the demand. This last difficulty should not be insuperable and should, the Chamber suggested, be taken up by the Bengal Government with the Central Government Department concerned.

(b) *Gas Producer Units.*—In circulars No. 166-1943, No. 12-1944 and No. 40-1944, respectively, members were provided with the text of the press notes published by the Provincial Rationing Authority in connection with the rules under the Motor Vehicle Act, as applied to the fitting of producer gas plants to motor vehicles and with particulars of Government's arrangements for a course of training on gas plants through the medium of the Motor Drivers' Training Schools in Calcutta.

Gas rationing.—When by reason of the coal shortage in 1943 and early in 1944, the Oriental Gas Co., Ltd., found it necessary to ration gas consumption, the Chamber forwarded to the Commerce, Labour and Industries Department, through the European Group, a list of members and affiliated Associations who had grounds for inclusion among essential consumers of gas. As members are aware, it subsequently became possible to discontinue this unofficial rationing of gas consumption.

Military traffic on the Barrackpore Trunk Road and Grand Trunk Road.—A reference to the Chamber's protests against the increasing number of accidents caused by the reckless driving of some service vehicles, particularly on the Barrackpore and Grand Trunk Roads, was made in the 1941 and 1942 Reports. In 1944 the Chamber continued to bring to the notice of the Military Authorities evidence of the unwarranted risk to which the public are exposed by this disregard of traffic regulations and the rules and courtesies of the road, and to urge the need for a more vigorous control over service drivers, now enhanced by the continually increasing volume of traffic in the Calcutta area. Negotiations are still proceeding in which appreciation has been shown of the very real difficulties of both sides of the case, while the Chamber has been given assurances that action is being taken which should tend

to mitigate the danger occasioned by offending military drivers. The Chamber's views on the adverse effects on the motoring public of the headlights used by military vehicles, were, it will be recalled, also ventilated by the representative of the Chamber on the Traffic Advisory Board in December, 1943.

Lighting Restrictions: Motor Cars.—The public were notified in September that the use of two masked head lights was to be permitted by the Government of Bengal as an optional measure, though the question of compulsion was being considered.

In answer to a reference from Government, the Chamber expressed the opinion that it was not necessary to enforce the use of two head lights and that for various reasons it was desirable that the public should be allowed to continue to use the privilege as they chose, according to necessities which might arise in different circumstances and at different times of the year.

Government announced their decision to allow the use of a second masked headlight to remain optional in a press note issued in November.

Public Transport Facilities and Rates.—The Chamber in July furnished the Provincial Transport Controller with the evidence and views of interested members in connection with the facilities which at present exist for the cartage of goods by public carrier in Calcutta, elicited in answer to the enquiries contained in Circular No. 85-1944.

Members will recall that the question of the distribution of lease-lead vehicles to public carrier concerns was raised by the Home Department of the Government of Bengal in a letter addressed to the Chamber in June in which the Chamber was requested to assist Government to examine the public carrier position by obtaining factual evidence of the sufficiency or shortage of vehicles for this purpose and the parity of the rates of charges with the circumstances of the case.

From the comprehensive survey of the position afforded by members' views and statements of experience it would appear that a great shortage of vehicles does in fact exist and that some form of control over public carrier charges is needed, though the high cost of maintenance and fuel together with other difficulties now encountered by owners of carrier vehicles is generally appreciated.

Pay and allowance of drivers of motor vehicles.—To enable Government to fix a standard rate of wages for drivers of motor vehicles in the province and to overcome difficulties of recruitment caused by existing disproportion in wage rates, the Provincial Transport Controller requested

the Chamber in August to furnish detailed information regarding the standard of wages, allowances and other amenities of drivers within the Chamber membership and to state their views on the proper wage allowable for drivers of (a) heavy lorries, (b) buses, (c) cars.

A survey of the information at the Chamber's disposal was sent to Government in March. It showed a wide disparity between the maximum and minimum range of drivers' pay and allowances within which there were innumerable combinations and variations of pay, increments, bonuses, etc. The Chamber explained the reasons why this was considered unavoidable and in view of the numerous and varied circumstances to which the wages of drivers were subject, it was recommended to Government that, as with other classes of employment, drivers should be allowed to find their own market value and that it would be advisable to leave matters where they are, with perhaps a private indication to employers—including contractors, and the Services—that drivers' wages should not be allowed to exceed a certain maximum.

Procedure for obtaining lease/lend or controlled motor vehicles: Fitting with producer gas plants.—In August the Provincial Transport Controller, Bengal, addressed a memorandum to the Chamber dealing with the procedure for obtaining lease/lend or controlled motor vehicles, which opened up the following paragraphs:—

There has been a considerable amount of advertising in some of the leading newspapers to the effect that lease/lend or to be more accurate controlled motor vehicles (of 3 ton and 5 cwt. capacities) are available in limited numbers for distribution to industry.

Hitherto applications from commercial firms have not usually been entertained unless these were recommended by the Directorate-General of Munitions Production, the Civil Supplies Department or other Departments of Government. It is, however, possible that though some firms may not have business relations with any Government Department, their need for transport may be real and urgent. It has accordingly been decided that these firms which clearly require new transport in connection with their business and which satisfy the conditions detailed in the subsequent paragraphs may be informed of the situation and requested if they so desire, to send in their applications with full justification through you for release of the required number of vehicles.

Controlled motor vehicles are given solely for waging war and for maintaining the essential civil life of the community. This is the fundamental principle which must govern the release of controlled vehicles to the public.

The conditions on which vehicles will be supplied are obtainable on application to the Provincial Transport Controller, Home Department, Transport, Government of Bengal, Writers' Buildings, Calcutta.

One of these conditions lays down that a controlled vehicle shall be run on producer gas in view of the urgent need for economy in the use of petrol, but adds the proviso that exemption may be applied for if "the fitted vehicles impracticable".

The Chamber was given to understand that cases of an exceptional nature would certainly be considered by Government, but as a general rule all new controlled motor vehicles will have to be run on producer gas.

According to information subsequently received by the Chamber from the office of the Provincial Transport Controller, two forms of application for controlled motor vehicles have been prescribed, one for vehicles to be run on stage carriage and public carrier permits, and the other for vehicles to be run on private carrier's permits. By this means Government hope to be able to elicit the particulars necessary to judge the urgency or priority of the demand and the exact nature and extent of the applicant's business, transport resources, etc.

Clerical and other office staff: Enticement.—In circular No. 30—1944, issued in March, members were invited to submit to the Chamber evidence of the extent to which they had suffered as the result of the increasing tendency on the part of certain categories of staff to leave their employment, in order to take up more lucrative posts elsewhere, particularly with Government, Military or other "War" establishments. The Chamber had been asked to consider some course of action which would limit or prevent enticement of this nature, in so far as it affected business houses engaged directly or indirectly on war work.

The number of such cases reported by members, though substantial in itself, was not large in proportion to the total employment figures represented by the Chamber membership. In the bulk of the cases reported, the employees in question—mainly stenographers, typists, clerks of various types, store and godown keepers, car and lorry drivers and syces, durwans and accountants, in approximately that order of numbers involved—had gone to employment offered, on more lucrative terms, under U.S. Army auspices: some to Central, Provincial and Burma Government Departments; and some to miscellaneous employments in other business organisations. On the whole, the Chamber Committee came to the conclusion that the particulars available did not provide sufficient evidence to justify them in carrying the matter further at this stage. In making this conclusion known, the Committee requested members to continue to report further cases of enticement in order that any developments in the position might be carefully watched.

Paper Economy: (a). (i) *The Paper Control (Economy) Order 1944:* (ii) *The Paper Control (Distribution) Order 1944.*—In Circular No. 102-1944 dated the 1st August, the main provisions of the Paper Control Economy and Distribution Orders, which came into force on the 12th June, were published for the information of members.

In discussing the Orders and suggesting ways and means by which paper economy could be effected, the Chamber advised that members

should give immediate attention to the enforcement of the most rigid economy in the establishments under their control, as it was essential that commerce should be in an unassailable position in this respect before the use of paper in Government Departments could be criticised, or any pressure exercised upon Government to reconsider (1) the severe restrictions on the consumption of paper by the public as a whole and, (2) the special requirements of individual commercial and industrial undertakings.

The "General Steps Towards Economy" appended to the above circular were augmented by further suggestions for the practice of paper economy in Circular No. 122-1944, issued to members on the 9th October. At the same time the Chamber felt they were justified in pointing out to Government the comprehensive steps which had been taken by commercial and industrial interests to bring the consumption of paper into line with the severe restrictions imposed by the Economy Order and in claiming that reciprocal economies should be practised in the Departments for which Government is responsible. A letter to this effect was addressed to a number of the Departments of Government, in which suggestions for economies were put forward to illustrate the need for a similar drive in the various branches of the Administration. The European Group were also asked to draw the attention of the Calcutta Corporation to the scope that exists for the saving of paper in the Corporation offices.

The Chamber was assured recently that Government had taken steps to achieve economy in the consumption of paper and would always welcome suggestions to this end.

(b) *Government of Bengal Paper Control Advisory Committee.*—An Advisory Committee composed of ten members representing printers, publishers, educational institutions periodicals, commercial houses and paper dealers, to advise the Government of Bengal regarding the administration of the Paper Control Orders, has been formed. The Chamber is represented by Mr. I. H. Anderson, C.A., of Messrs. Mackinnon Mackenzie & Co., on this Advisory Committee.

Fire insurance rates for mills and factories.—In a paragraph published under this heading in last year's Report it was recorded that insurance interests had been approached by the Associated Chambers of Commerce, at the instance of the Upper India Chamber, on the question of further rebates in the matter of fire insurance premium payable by mills and factories, in view of the additional fire fighting appliances being maintained by these concerns under the orders of the Government of India. It will be remembered that on account of the refusal of the Calcutta Insurance Association to entertain this suggestion, the Bengal Chamber recommended it should be left to individual insurers to negotiate discounts with their respective insurance companies.

It has since been learned that the opinion of this Chamber coincided with the majority view of the Associated Chambers, who decided—on the basis that fire fighting services either in individual establishments, or in particular areas is a matter for local representation—to take no further action. The question of reduced rates or enhanced discounts, therefore, must be one for negotiation between insurance companies on the one hand and insurers, or groups of insurers—such as industrial Associations—on the other.

Cargo in enemy vessels at Marmagao.—It will be remembered that the Joint Committee of Cargo Owners and Underwriters was set up by the London Chamber to conduct legal proceedings to secure the release, on reasonable terms, of cargoes from enemy ships which took refuge in neutral ports.

From the text of a communication issued by the London Chamber and forwarded to this Chamber by a member, it has been learned that the Joint Committee have stated regretfully that it is unlikely that anything further can be done to recover cargoes from the three German ships s.s. *Braunfels*, *Drachenfels* and *Ehrenfels* which were set on fire and scuttled after proceedings against the Captain of s.s. *Braunfels* had begun in Marmagao (1) to contest attempts which had been made to dispose of perishable cargo, and (2) to institute a test case for the recovery of the cargo.

In view of the difficulties and expense still to be encountered in carrying on this case, which has now gone on appeal to the supreme court at Lisbon, and the diminished value of the cargo landed at Marmagao, the Joint Committee's representatives in Bombay were instructed not to enter an appearance at Lisbon and to regard the whole matter as closed.

Shipping documents were therefore to be returned to the owners of the cargo in question who registered under the London Chamber Scheme.

Claims against enemy ships.—A notice was issued by the Commerce Department in August to the effect that claims against enemy ship owners in respect to debts due or cargo undelivered (with the exception of cargo on German vessels in neutral ports) were being registered by the Director of Commercial Intelligence in Calcutta. Documents already registered with Messrs. Mackinnon Mackenzie & Co. of Calcutta for this purpose were being returned to claimants.

Wartime arrangement for settlement of Cargo Claims made by Marine Underwriters against Shipowners where the Ministry of War Transport assumes liability for cargo claims.—By courtesy of the Calcutta Insurance Association, the latest instructions in respect to the Wartime Agreement

for dealing with cargo claims against shipowners entered into by the Ministry of War Transport and British Underwriters in 1943, together with a list of signatories to the Agreement, were circulated through the Chamber to all Shipping Lines represented in Calcutta. After explaining the procedure to be adopted in establishing claims, the letter of instructions added that it had been agreed to exclude claims arising from the Indian Coastal trade (which will not normally be insured by British Underwriters) from the terms of the Agreements, and as heretofore such claims are to be settled by local agents.

Injury or damage caused by Army drivers when on duty.—From time to time during the past three years the Chamber and the Associated Chambers of Commerce have represented to the appropriate authorities the necessity for improving the machinery dealing with claims against the services for compensation in cases of accidents to the public caused by the negligent or improper driving of military vehicles. In 1942, as no satisfaction had been obtained, the Chamber asked the Calcutta Insurance Association to keep them informed of individual cases of hardship which came to their notice, for use in the event of a decision to resubmit the matter to Government: this has been done; but in view of an apparent improvement in the accident rate in the Calcutta district the Chamber felt that it could be left to the Associated Chambers and the European Association to take the question up on an all-India basis.

The Associated Chambers presented the case again in 1943, with slightly better results. The Government of India stated that there could be no interference with the fundamental freedom of the Crown from legal liability for the torts of its servants. The Courts of Enquiry established to consider such cases were, in Government's opinion, adequate to deal with the situation. Ex gratia payments by way of compensation were invariably made—when the driver was proved to be at fault—without prejudice and with denial of legal liability; and the amount so paid was determined in consultation with the local civil authorities, with reference to the monthly earning capacity and social status of the claimant and the individual merits of each case. Government, however, invited the Associated Chambers to furnish details of any case which appeared to have been disposed of without due consideration of the evidence.

At the Annual General Meeting of the Associated Chambers, held in December, 1944, a Resolution, sponsored by the Bombay Chamber in the following terms, was carried unanimously:—

"In view of the fact that accidents are still being caused by negligent and improper driving by Service drivers in the course of their duty and the failure of the Military Authorities to ensure that adequate compensation is granted, this Association again urges upon the Government of India the necessity for adequate compensation for injury or damages suffered.

This Association is of the opinion that Government should forthwith declare that they will provide the funds required to satisfy any judgment of a civil court obtained against the driver of a Government vehicle, if on duty at the time of the accident.

The Association is further of the opinion that Courts of Enquiry, set up to investigate accidents in which Service and Civilian vehicles and/or persons are concerned should invariably include one civilian, preferably non-official, either as a member thereof, or if this is not possible under Military law, then as an observer and further, that an injured person, in any case, be entitled to be represented at such Courts of Enquiry."

The terms of this resolution are now before the Government of India.

Goods Imported by Government: Protection of Trade Marks Right.—

At the instance of this Chamber, the Associated Chambers of Commerce pressed the Government of India in July to regularise the position of manufacturing concerns in this country who find themselves open to infringement of their trade mark rights because of direct importation by Government, through Government channels—and frequently under Lease/Lend arrangements—of goods produced by associated factories abroad, in order to meet war requirements which the firm in India is not able to satisfy. Government was informed that in normal times the protection of trade mark rights was made possible under a common arrangement between firms in India and their foreign connections whereby the export of goods to this country could only take place by express agreement. Such control could not now be exercised with respect to goods directly consigned to or vested in Government and it was suggested by the Associated Chambers that the necessary protection could best be afforded by the introduction of emergency legislation on the lines of Statutory Rule No. 746 amending Regulation 7 of the Defence (Patents, Trade Marks and etc.) Regulations 1941, which was brought into force in the United Kingdom to cover similar circumstances.

Summarised, the Central Government's answer to this representation was that certain differences between trade mark legislation in the U.K. and India precluded the application of an enactment similar to the above Rule. Furthermore, Government said that they were unconvinced of the necessity for further legislation in the absence of evidence to show that the normal safeguards contained in the Trade and Merchandise Marks Acts had either proved insufficient or could not be invoked to protect existing trade mark rights.

The Government of India's reply is still under consideration but it is apparent that it will be necessary to produce strong evidence, backed by actual cases, if the matter is to be reopened successfully.

Bengal Post-War Reconstruction Committee.—Mr. A. S. Officer of Messrs. Bird & Co., has continued to represent the Chamber on the Bengal Post-War Reconstruction Committee, which held two meetings in the year under review. On the Sub-Committees dealing respectively with

Employment and Social Security and Labour, Mr. H. Chiswell Jones of the Metal Box Co. of India, Ltd., and Mr. T. S. Gladstone of Messrs. Gillanders Arbuthnot & Co., have consented to act for the Chamber.

In Circular No. 27-1944 of the 28th February members were requested to co-operate in submitting to the Committee an estimate of the labour and staff reductions which are likely to take place at the end of the war, for the purposes of a survey being undertaken by the Employment Sub-Committee.

It is interesting to note, from copies of members' returns submitted to the Chamber, that for the most part employers do not anticipate any immediate reduction of staff when the war is over.

Post Raid Information Service: Employment registers for clerical, skilled and unskilled personnel.—Copies of a press note issued by the Post Raid Information Service, on the subject of employment registers for skilled and unskilled clerical personnel, were furnished to members in March with Chamber circular No. 17-1944. The measure, it was stated, was being started as an experiment which, if successful, would be useful in solving the re-employment problem at the end of the war. In the meantime, details of the qualifications of persons registered for employment would be available to employers who wished to take on labour, at short notice, at all the Post Raid Information Offices in the Calcutta Industrial Area.

Government of India Small Savings Scheme.—Papers in connection with a scheme introduced by the Government of India to encourage thrift among the middle and lower classes of this country, mainly as an anti-inflationary measure and also as a means to ensure greater economic stability among persons in this category, were laid before the Chamber Committee in April for consideration of the extent to which the Chamber could co-operate in promoting the scheme through the medium of the principal commercial and industrial associations in this part of India.

After consultation with the Industrial Affairs Sub-Committee the Chamber invited the attention of members and connected Industrial Associations to the Scheme in a circular issued in July, and, as members suggestions set out in the accompanying copies of the circular published by the Bengal Defence Loans Committee. These were (a) an attitude of assistance in the selection for the prosecution of the Scheme, and (b) would canvas the Scheme among employees in offices, mills, factories, or

Immediately before the recent National Savings Fortnight, (January 28th to 22nd) took place in Bengal, the Chamber addressed members inviting their co-operation in the following directions:—

- (1) by influencing, wherever possible the purchase during the Fort-night of Victory Bonds, 3-year Interest Free Bonds or other War Loans on the part of business concerns and more well-to-do employees and;
- (2) by renewed personal interest in and encouragement of the Small Savings Scheme, in particular the selection of Authorised Agents.

Ice Supplies.—In connection with enquiries being made by Government in regard to ice supplies the Chamber was asked to obtain information from members on the undernoted lines:—

- (1). Number of ice plants in mills, factories and works.
- (2). The type of plant installed.
- (3). Its maximum daily output capacity.
- (4). Daily surplus which could be made available (after providing for members' requirements) if the ice plant were worked at full pressure.
- (5). To whom any present surplus is being disposed.

The replies received to this questionnaire (Circular No. 4520-1944 of the 20th October) were forwarded to the Office of the Ice Controller in November.

Diesel Oil: Rice Mills.—A proposal of the Calcutta Fuel Oils Advisory Committee that the existing quota of Diesel oil for Rice mills outside the Government Procurement Scheme be reduced from 75 to 50% of the 1941 consumption was referred to the Chamber for opinion. As the Chamber understood from information given by the Foodstuffs Working Committee that all Bengal Rice Mills subject to the Rice Mills Control Order (i.e. all those employing more than ten workers) come into the Procurement Scheme, it was felt that rice output would not be noticeably affected, and there appeared to be no reason to oppose the suggestion.

LAW AND LEGISLATION.

The Indian Companies (Amendment) Bill 1944.—By the addition of a sub-section to Section 86-F of the Indian Companies Act 1913, this Bill aims at imposing a penalty of Rs. 1,000 and suspension from office for five years on a director for an infringement of the section. It was introduced in the Central Assembly on March 21st by Dr. G. V. and Mr.

Govind V. Deshmukh and though the object of the Bill appears commendable in that it proposes to act as a further deterrent against contravention of the Act the Chamber visualised numerous instances, in which perfectly honest directors would be penalised if it was passed into law in its present form. In the first place the Chamber Committee recommended certain amendments to obviate this difficulty; but on closer scrutiny they formed the opinion that the whole purpose of the Bill would be served by an amendment of the Act in other directions, without the undesirable and harmful implications, now foreseen, and for this reason they intimated that they could not support the Bill in its present form.

Indian Companies Act, 1913: Regulation 113 of Table A of the First Schedule.—The doubtful usefulness under war conditions of the provision of the above regulation, which requires that an advertisement be inserted in the local newspapers to notify a general meeting of the company to its members residing outside and having no address in British India, was the subject of a letter from the Government of India to the Associated Chambers of Commerce in April. Government was in agreement with representations which had been made on the ineffectiveness of this provision of the regulation in wartime, and having regard to the pressure on the limited space now available in the press, invited the Association's opinion on an alternative that, for the duration of the war, it should be deemed to be sufficient prominently to display such a notice in the registered office of the company.

The attitude of this Chamber to Regulation 113 in general and to the change proposed by Government in particular, expressed in a letter to the Associated Chambers, was that the provisions of Regulation 113 could serve no useful purpose in the prevailing circumstances and should be repealed. In their view the replacement of the notice in the press by one displayed in the registered office of the company would be of even less value to non-resident shareholders. Substantially the same view was conveyed by the Associated Chambers to the Government of India.

The Insurance (Second Amendment) Bill 1944.—This Bill designed further to amend the Insurance Act 1938 was introduced in the Legislative Assembly during the November session and referred to a Select Committee. The clauses of the Bill are at present receiving the careful scrutiny of the Chamber in consultation with Insurance interests and the European Group in the Central Legislature.

(a) **The Transfer of Property Act, 1882.** (b) **The Insurance Act 1938.**—The two undernoted Bills introduced in the Central Legislature on February 14th were forwarded for the views of the Chamber by courtesy of the European Group in New Delhi.

The Transfer of Property (Amendment) Act 1944.—By this enactment the Transfer of Property Act of 1882 was amended to clarify the law of assignment and subrogation of marine policies. It was viewed by the Chamber with approval as it went a long way to meet the case put up on previous occasions by the Chamber and the Associated Chambers of Commerce, though, as stated in the preamble of the Bill, it was not possible to legislate to deal comprehensively with marine insurance policies until after the war.

The Insurance Amendment Act, 1944.—The Bill sought to remedy certain defects in the Insurance Act of 1938 and to make Form "F" of the third schedule applicable to marine insurance business. The Calcutta Insurance Association advised that they had no objections to put forward to either this or the above Bill and both were unconditionally supported by the Chamber.

Indian Patents and Designs (Temporary Amendment) Bill, 1944.—The above Bill provides for a temporary extension of the powers of the crown to sell patented articles under the Indian Patents and Designs Act, 1911 so as to bring the Indian Act into line with legislation in the United Kingdom.

The Bill has been referred to interested Chamber members for their views.

Calcutta Improvement (Howrah Amendment) Bill 1944.—Having in correspondence with the European Party elucidated certain points which appeared obscure, the Chamber accorded its support to the above Bill, which is now before a Select Committee of the Bengal Legislature.

In general terms, the Bill proposes to give power to the Provincial Government to extend the operation of the Calcutta Improvement Act of 1911, in whole or in part, to the Municipality of Howrah and provides for an addition to the Board administering the present Improvement Trust of five members, representing Howrah Municipality. Apart from the general application of the powers of the Trust to improvement schemes in Howrah, the Bill directs the reconstructed Board to frame a scheme for the sewerage and drainage of the Municipality on certain specific lines and finances these operations by the constitution of a separate Howrah Fund, amounting to approximately 5½ lakhs per annum.

The Cotton Cloth and Yarn (Control) Order, 1943.—The provisions and implications of this Order of the Central Government, and of the supplementary Order of the Provincial Government, continued to engage the attention of the Chamber's Cotton Cloth and Yarn Sub-Committee, whose Chairman represented the Chamber on the Provincial Textile Control Advisory Board throughout the year.

The textile interests represented by the Chamber—whether as manufacturers or dealers—have done their utmost to co-operate throughout in giving practical effect to the main objectives of what is, admittedly, a complicated controlling measure both in its actual provisions and in its administration. The original Orders have in turn been followed by numerous Notifications, Orders, Press Notes, Circulars, etc., giving effect to cancellations, amendments and re-amendments to such an extent that many in the trade became during the year extremely uncertain of their position and responsibility, however carefully they might have kept and amended their records. In July strong representations were made to the Central Government to take early steps to consolidate its original Order of 1943 and the various notifications and instructions that had been issued under it, into one simplified and comprehensive publication.

The Chamber also raised with the Government of India the propriety or otherwise of certain of the interpretations which the Textile Commissioner was placing on the provisions of the Cotton Cloth and Yarn (Control) Order and on which he was basing the practical administration of the Order. In this connection the Chamber had been advised that the Textile Commissioner's authority under the Order was limited to certain specific purposes and that there was no provision in it empowering him to enunciate legal principles or to interpret or modify the law on the subject so as to enable him—for instance—to define the expression "person" appearing in Clause 18A (1) (a) of the Order, or to determine his quota as he had attempted to do.

On its views being invited on a scheme for stamping piecegoods entering India, with the wholesale and retail prices, in the same manner as was done in the case of indigenous cotton goods, the Chamber put forward certain objections against the proposal and requested Government to re-consider its decision.

Representations were also made to Government regarding the landed cost of imported piece-goods, urging Government to allow importers of old goods a margin more in parity with the 100 percent which would have been officially sanctioned by stamping had the goods been indigenous. Government reiterated its earlier announcement to the effect that an importing wholesaler would be allowed 10 per cent on the landed cost and that the final retail price would be 20 per cent over this.

Towards the end of the year the Hon'ble Minister-in-Charge of the Civil Supplies Department of the Government of Bengal invited representatives of the trade to a meeting to consider a scheme for distribution of

cloth and yarn. The scheme, which was designed to check blackmarketing, envisaged:—

- (a) the elimination of a large number of retailers by cancelling licences of those—
 - (i) who had started business subsequent to 31st December 1942; and
 - (ii) whose turn-over during a period to be fixed had been below a certain figure;
- (b) the freezing by Government of all cloth arrivals and its release under permit for Calcutta and Mofussil to
- (c) those retailers who were permitted to retain their licences.

The details of the scheme were later discussed at subsequent meetings of the Provincial Textile Control Advisory Board and the original scheme was considerably modified.

Trade Marks: (a) *Trade Marks Rules, 1943.*—It will be recalled from the account given in the 1943 Report that the Chamber took up with the Government of India two points connected with the Trade Marks Amendment Act, 1943, and the draft amendments of the Trade Mark Rules published last year. The first related to the status of the Calcutta Branch Registry and the second to a proposed new Rule, 102 (a), for the registration of trade marks consisting of numerals and letters. By subsequent action of Government, the Calcutta Branch was placed on a more satisfactory basis under the direction of a Deputy Registrar of Trade Marks; but the objections of Trade Mark proprietors to the new rule were not satisfied until, as the outcome of a conference of the representatives of Chambers of Commerce in Calcutta, convened by the Deputy Registrar of Trade Marks on April 20th, it was agreed that a supplementary Rule 102(b) be enacted for the purpose of enabling registration of the same numeral or number by different proprietors in different items of the Fifth Schedule—revised and regrouped for this purpose. Rules 102 (a) and 102 (b) were circulated for opinion by the Commerce Department in August and, so far as the Chamber is aware, were found acceptable.

(b) *Rule 114(1) of the Trade Mark Rules 1942.*—Under Clause (a) of the above rule, registration of numerals up to four digits is permitted if numbers vary by one figure from the numerals registered by a different person. In answer to representations made by the Bombay and Bengal Chambers, (in consultation with the Madras and Karachi Chambers) point-

ing out that this was contrary to the accepted practice in the Textile Trade, which requires at least a two figure difference in the case of numerals exceeding two digits, the Government of India expressed the view that the provisions of the existing Trade Mark Rules gave ample protection to legitimate owners of trade marks. It is understood that the Madras Chamber expressed their dissatisfaction with this reply and pressed the point again in a letter addressed to Government in June, with what success is not known.

... (c) *Reciprocal arrangements with Indian States*.—One of the questions agitating the mind of the commercial community for some time past, namely the difficulties arising out of the necessity to satisfy the several requirements of Trade Mark Registration Authorities in British India and the Indian States, was taken up by the Associated Chambers of Commerce during 1943 and formed the subject of a resolution carried at the Annual Meeting in December of that year in which the Central Government's attention was called to the need for reciprocal trade mark arrangements throughout the country. A discussion between representatives of the principal commercial organisations of Calcutta and the Deputy Registrar of Trade Marks, which took place in February, served to elucidate the position and bring forward suggestions whereby an all-India arrangement could be devised. Information has been received that on December 25th Government replied to the resolution of the Associated Chambers by saying:—

"Proposals for reciprocal arrangements with Indian States in regard to the registration and protection of Trade Marks have been made to them, and the industrially advanced States have in particular been invited to join the scheme. The necessity for maintenance of uniformity of trade mark law and rules in British India and the Indian States participating in such a scheme and avoidance of duplication of registration in respect of the same trade mark by the same proprietor, within the territories to which the reciprocal arrangements will apply, and of payment of separate fees therefore, have also been kept in view."

Government finally stated that concrete proposals would be formulated on receipt of the observations of the Indian States and that the Associated Chambers of Commerce would be kept informed of the progress made.

(d) *Textile Trades Advisory Committee*.—In September Mr. G. J. Gardiner was re-appointed to represent the Chamber on the above Committee.

The Drugs Control Order, 1943.—Member firms dealing in chemical and pharmaceutical products as importers, manufacturers, buyers and purchasers who are affected by the provisions of the Drugs Control Order 1943, were asked by the Chamber in February for an expression of views

on the scale of the licence fees which came into force with the Order on the 15th of January. The Chamber had been requested to support protests made to Government by the Pharmaceutical and Allied Manufacturers and Distributors Association Ltd., Bombay, against the wide application and amount of the leviable fees, which were considered to be excessive and contrary to the previous understanding reached between representatives of the trade and the Department of Civil Supplies.

From the replies received, the Chamber Committee formed the opinion that while the fees imposed by the Order were in fact high and tended to fall heavily on members in the trade with multiple interests, the existing rates should be allowed to operate for one year subject to the understanding that Government would reconsider the schedule of fees before the year had elapsed. It was understood by the Chamber that the Drugs Control Advisory Committee held the same view and that Government was not willing to revise the rate of fees until experience of the costs of the administration of the Order had been gained.

In these circumstances the Chamber Committee decided to take no further action but expressed themselves willing to re-open the case after one year if so requested by the trade.

Hoarding and Profiteering Prevention Ordinance.—Reference was made in the 1943 Report to the Chamber's participation in the negotiations which took place last year between the Government of India and the representatives of commercial interests in conjunction with the Hoarding and Profiteering Prevention Ordinance, 1943.

In the ensuing year the Chamber has had occasion to deal with a number of questions arising mainly from the extended working of the Ordinance. These are briefly recorded under the following headings:—

(a) *Government of Bengal Advisory Committee*.—Mr. J. Leisk of Messrs. Guest Keen Williams, Ltd. (Chairman of the Calcutta Import Trade Association), Mr. C. A. Innes of Messrs. Andrew Yule & Co., Ltd. and Mr. A. P. Benthall of Messrs. Bird & Co. were nominated by the Chamber to represent (a) importers, and (b) manufacturing and general trading interests on the Advisory Committee set up by the Government of Bengal early in the year to advise on the administration of the Hoarding and Profiteering Prevention Ordinance within the province.

(b) *Margins on panel imports*.—As part of a joint enquiry being made by the Department of Supply and the Department of Industries and Civil Supplies into margins being obtained by importers on goods imported under the panel scheme, a number of firms were requested by the Director-General of Munitions Production in May to furnish detailed statements

of their sales and profits together with comparative figures of sales to Government and to civil consumers for the past five years. The principal object of the enquiry was stated to be the finding of a method to restrict net profits on panel margins and incidentally to consider whether the importer was making a reasonable profit on his entire business; in this connection it was added "that the panel position of the business would not be segregated from its context, but reviewed in relation to the returns as a whole".

Member importing firms who had been asked for this information protested vigorously against the nature of the enquiry indicated in the D. G. M. P.'s letter and in August the Chamber, acting on the suggestion of the Calcutta Import Trade Association, embodied the views and objections of panel importers on this side of India in a letter to the Associated Chambers of Commerce. Briefly, these were—

- (1) That the enquiry portended an attempt to base prices on the over-all profits of a business and/or on the capital employed.
- (2) That it cut across the existing method of enforcement of the Hoarding and Profiteering Prevention Ordinance and the application of the agreed system of fixed prices on margins in the case of individual commodities or contracts.
- (3) That it requested the divulgence of confidential information in opposition to the recognised principles of business; that much of this information was not available, and if it were, the preparation of the required statement would place an onerous task on over-worked and under-staffed importers.

Substantially the same view of the matter had been expressed by the Northern India Chamber in an earlier letter to the Associated Chambers. The constituent Chambers therefore unanimously voted that strong opposition to the enquiry should be entered by the Association on these grounds, whereupon, in August, the President in company with the Chairman of the Advisory Panel, took the matter up in a series of discussions with representatives of the Supply Department, stating the case of the Associated Chambers and laying stress on the assurances (regarding the procedure which would be adopted in applying the provisions of the Ordinance) given to commerce by the Controller-General in December 1943.

From these discussions emerged an alternative arrangement by which it was agreed, in short, that the enquiry should be carried out by the Supply Department and the requisite data supplied by Panel Importers,

subject to certain conditions and safeguards approved by the Advisory and Working Panels. On the recommendation of the President of the Associated Chambers, the Bengal Chamber advised members and connected Associations with importing interests to co-operate in giving effect to that revised arrangement.

(c) *Landed cost*.—In June the Deputy Controller-General of Civil Supplies, Eastern Region, invited the Chambers' views on a scheme to determine the landed cost of imported goods, evolved by the D. C. G., Lahore, under which importers would be required to furnish a statement of costs at Customs Houses before being allowed to take delivery of goods. In consultation with the Calcutta Import Trade Association, the Chamber deprecated the scheme as impracticable in view of the long delays and endless complications which would ensue from its adoption. It was submitted by the Chamber that such information could be readily obtained by the Department of Civil Supplies from the offices of importers, a procedure which would provide the Department with the final landed cost including all charges and not only the C. I. F. price and duty, as would be the case if the scheme in question were carried out.

(d) *Ordinance XII of 1944*.—Under clauses 14A, 14B and 14C of the Hoarding and Profiteering Prevention Ordinance, as amended by Ordinance XII of 1944, a Magistrate is given summary powers to deal with individual and corporate offences under the Ordinance and the onus of proof of non-culpability lies with the accused. In June the Associated Chambers invited constituent Chambers to comment on certain objections to this abnormal procedure which had been raised by the Bombay Chamber. The Bengal Chamber expressed the opinion that while departures from ordinary judicial procedure were undesirable in normal times, the measure was justified by the present emergency and was necessary to enforce the Ordinance and to avoid delay. At the same time the Chamber supported a contention of the Madras Chamber that clause 5(2)(b)(1) of the amending Ordinance, which deals with landed cost, should be altered to read "at the port of entry" instead of "at a port". Similarly, it was held that the next ensuing clause should make it clear that the basis should be the price charged by the producer plus freight and octroi to destinations, if manufacturers in this country who have not an adjacent market for their productions were not to be forced out of business.

(e) *Auction sales*.—Consideration was given by the Chamber in July to correspondence which had passed between the Deputy Controller of Civil Supplies, Eastern Region, and a member firm who had been warned that they would be liable to prosecution if as licensed auctioneers they failed to restrict prices to a reasonable margin over "landed cost" or "cost of production", in accordance with the terms of the Ordinance.

The Chamber, while fully alive to the dangers of unrestricted auction sales as a contributing factor to black-marketing, took the view that the rigid enforcement of the Ordinance in this direction would result in the suppression of *bona fide* sales by auction in the proper sense of the term and would render the position of licensed auctioneers entirely untenable. They communicated their opinion to the Deputy Controller of Civil Supplies on the 8th of July when it was pointed out that it was not possible for an auctioneer to ascertain, for each and every individual item in the miscellaneous range of articles put up for sale through him, the "landed cost" or "cost of production" of the article in order to determine a maximum sale price which does not involve "a consideration in terms of unreasonableness" or capable of being considered unreasonable in terms of the Ordinance. Moreover, for the auctioneer to do so by fixing a maximum price and knocking the article down to the first bidder of that price entirely vitiated the auction principle, would be contrary to the accepted conditions of auction sales and render the auctioneer liable to a charge of unfairness, impropriety and breach of these conditions by vendors or purchasers.

Alternative measures by which the Chamber considered the necessary control would be ensured were suggested and the Department of Civil Supplies was requested to reconsider the matter and if possible to exempt auction sales from the rigid rules of the Ordinance.

A copy of this letter was sent to the Controller-General of Civil Supplies and to the European Group in New Delhi. From a subsequent letter received from the Group it was learned that the Controller-General had asked for comments on the following suggested amendments to Ordinance XII—

- (1) No article other than used or second-hand household or personal property and effects shall be sold by auction.
- (2) No sale by auction shall be held under sub-section (1) above by a person not authorised in this behalf by the Controller-General.
- (3) The price charged at an auction shall not exceed 75 per cent. of the price fixed under Section 3 of the Ordinance.
- (4) The Controller-General may notify in the official gazette any article to which the provisions of this section shall not apply.

Though in general agreement with items 1, 2 and 4, the Chamber could not accept the third provision as being in complete opposition to

the views contained in their letter of the 8th July and it was suggested to the Group that sub-clause 3 of the draft amendment be deleted. The exemptions under sub-clause 4, the Chamber emphasised, should be extended to include property and commodities which have always been sold by auction such as tea and tea estates, land, buildings; houses and livestock, in addition to a range of other commodities on which the opinion of licensed auctioneers should be obtained. It was further suggested by the Chamber that the public be allowed to comment on the amendments before they were promulgated.

The firm on whose behalf the issue had been raised drew the Chamber's attention to the fact that a large part of the business of licensed auctioneers was in the sale of new goods and that the operation of clause (1) would have disastrous effects. But at a discussion which took place in September with the Controller-General of Civil Supplies and the Deputy Controller of Civil Supplies, Eastern Region, it was clearly evident that Government was not prepared to allow the control of auction sales under the Ordinance to be dropped. The Controller-General, however, undertook to re-consider the whole position in the light of the Chamber's representations, the points raised at this interview and the legislation affecting auction sales recently introduced in the United Kingdom.

Private Members Legislation in Bengal.—The Chamber was consulted from time to time by the Legislative Council Department of the Government of Bengal with regard to private members' Bills introduced in the Legislature in the course of the year. The Bills cited below were not supported by the Chamber, mainly on the grounds that legislation of the kind proposed in them should only be undertaken by the Government in power after full investigation and enquiry and not by private members' legislation which tends to be piece-meal in character.

(a) *Land Acquisition (Bengal Amendment) Bill, 1943.*—This Bill proposed to reduce the rate of interest on compensation for compulsory acquisition of land from 6 per cent. to 4 per cent. The Chamber considered that as the general rate of interest charged by Government in the case of loans to cultivators, etc., was 6 per cent., it appeared unfair to reduce the rate in this case unless there was to be a general reduction of such rates charged on Government loans.

(b) *The Bengal Famine Insurance Fund (Amendment) Bill.*—aimed at extending the scope of the Bengal Famine Insurance Fund Act, 1937 which established a Fund for expenditure upon relief of and insurance against famine and distress caused by serious drought, flood, earthquake or other natural calamities. The Chamber held the view that the fund

should continue to be utilised for the purposes for which it was originally intended, rather than to meet the proposals set out in the above Bill.

(c) *The Bengal Money-Lenders (Amendment) Bill 1942*.—The object of the above Bill was to bring the rates of interest on loans permitted under the Bengal Moneylenders Act, 1933, into line with rates permitted under the Bengal Moneylenders Act, 1940. The rates of interest suggested were in fact applicable to "any money lent by a moneylender after the commencement of the Usurious Loans Act, 1918" and the wording of the 1933 Act was altered so as to leave the Court no discretion in deciding what is excessive interest. The Chamber objected to the Bill on these grounds and because the application of this legislation would have damaging effects on trade and commerce.

(d) *Transfer of Property and Indian Registration (Bengal Amendment) Bill, 1943*, was designed to provide for the registration of pending suits relating to immovable property in urban areas under the Indian Registration Act, 1908, and to enable the persons interested in immovable property easily to ascertain if any suit or proceeding is pending against such property. While having no reason to disagree with the object of the Bill, the Chamber found the drafting defective; for instance, no attempt had been made to define the term "urban areas". Again, the Bill did not specify who is to register the notices of pending suits nor did it make it obligatory on any person to do so. The effect was apparently to make the operation of Section 52 of the Transfer of Property Act conditional upon registration of a notice of a pending suit by a person or persons unspecified.

(e) *The Indian Registration (Bengal Amendment) Bill 1943*.—The provisions which the above Bill proposed to add to the Indian Registration Act, 1908, by which the Inspector General is empowered to make rules providing for the safe custody of books, papers and documents, seemed to the Chamber unnecessary in the absence of any known demand for them and were not approved.

The Bengal Steamer Khalasis Bill 1943.—The views of the Inland Steamer Companies in the membership of the Chamber on the above Bill with a view to improving the relationship between the Khalasi and employers in charge of the management of steamers navigating in Bengal waters and to determine conditions of employment.

Bengal Motor Vehicles Rules 1940: Governors for Motor Transport Vehicles.—As the majority of members with transport interests upheld the view of the Motor Industries Association that Rule 165(b) of the Motor Vehicles Regulations was misinterpreted and improperly enforced by the

Police in respect to transport vehicles in Calcutta, the Chamber supported the case in a letter sent to the Home (Police) Department in July.

It appeared to the Chamber that the Rule was framed to restrict the speed of laden vehicles and that the intention behind clause (b) was the fitting of an automatic governor of scientific design that would not interfere with the full power of the engine, except beyond a certain point where full power was not required. In practice the Rule—the Chamber pointed out—was applied to unladen vehicles, and a disc fitted by the police between the carburettor and the manifold in lorries run on both petrol and producer gas reduced the power of the vehicle to a minimum, thereby wasting petrol in starting and chugging up the engine and causing much difficulty when hills and bridges had to be passed over.

The Chamber's suggestion that the rule be applied only on the laden basis was not accepted by the Provincial Transport Controller, but he intimated that instructions had been issued to the registering authorities to ensure that the governor be fitted on the petrol and not the gas end of the intake of vehicles running on producer gas.

The Bengal Finance Act, 1943.—A bill to increase the Entertainments Tax, the Totalisator Tax, the Betting Tax and Electricity Duty imposed under the Bengal Finance Act, 1943, was introduced in the November 1944 Session of the Bengal Legislative Assembly. In view of the unsatisfactory position of the finances of the province, the Chamber felt that the increases were inevitable and they did not oppose the measure.

Calcutta Municipal Act 1923: Sections 175 and 176: Municipal Licences for Professions, Trades and Callings.—Under the above Act it is provided that every person carrying on business in Calcutta shall take out a licence and pay the fee specified in Schedule VI, the amount of the fee in the cases of Companies being calculated on their paid up capital. A member firm having several branches in Calcutta felt that they should pay the fee for one licence only, as the capital was invested in the business as a whole, not sub-divided among the branches and the Chamber was asked to give an opinion on the point. In the few cases from which the Chamber was able to gather information, the Head Office had paid the licence fee on the basis of paid up capital and the Branch Office was assessed and paid on the rental basis, under serial No. 6 of Class IV of the Schedule. To this extent the Chamber thought there was a precedent for the attitude of the Calcutta Corporation, who had contended that Head and Branch Offices are separately liable to fees under the Act; but the Chamber was not prepared to give an opinion on the legal aspect of the question which was obviously one for settlement in the courts at the discretion of individual or collective firms. Ultimately the firm paid Rs. 100 as licence fee

for their Branch Office on the basis of the fixed rate for firms not included in Class III of Schedule VI and whose office rent is valued at Rs. 350 per month or upwards.

Bengal Finance Act 1939 (a) Tax on professions, trades, callings and employment.—As a result of correspondence exchanged between the Chamber, the European Group in the Bengal Legislature and the Board of Revenue in Calcutta in 1941, it was established that the following conditions had to be satisfied before a valid assessment in respect of the annual tax on professions, trades, callings and employment could be made under Section 3 of the Bengal Finance Act, 1939. *viz.* :—

- (i) The persons must have been assessed to income tax in the preceding financial year in respect of earnings of any profession, trade, calling or employment;
- (ii) The profession, trade, calling or employment in respect of which he was assessed to income tax in the preceding financial year must have been one which had been pursued either wholly or in part within the Province of Bengal by himself or by an agent or representative;
- (iii) Such profession, trade, calling or employment must have been carried on wholly or in part within the province during the financial year for which the tax is payable. The place of residence of the person liable to the tax at the time of assessment is immaterial; and no matter for how short a period the 'employment' has been carried on wholly or partly within the province during the year of assessment (1st April to 31st March) under the Bengal Finance Act 1939, the liability exists under Section 3.

In March the Chamber was advised by a member firm that two of their employees had paid income tax for the assessment year 1941-42 in respect of earnings for 1940-41 from employment pursued wholly outside Bengal and that as these two persons were employed in Bengal in 1942-43, the Assessment Officer had demanded payment of the employment tax for that year. Since, in the Chamber's view, this action on the part of the Assessing Officer seemed to be at variance with condition (ii) mentioned above, the Chamber requested the Finance Department of the Government of Bengal to give a definite ruling as to whether or not a person who has been assessed to income tax in one year in respect of employment pursued outside Bengal is liable to Bengal employment tax during the following year if he becomes employed within the Province. It is understood that the question has been submitted to the Board of Revenue for opinion.

(b) *Assessment of Agents.*—A question with regard to the interpretation of the provisions of the Bengal Finance Act dealing with the assessment of agents, was referred to the Chamber in January as being an important issue likely to affect a number of firms who act as selling agents in India for concerns operating abroad. As will have been seen from the particulars given in Circular No. 57-1944 of the 24th April, the firm in question had been assessed to a tax of Rs. 30 under sub-section (1) of Section 3 of the Act in respect of a foreign firm for whom they act as selling agents in Calcutta, but which has no factory of its own in India. The firm had refused to pay the tax on the grounds that, in the first place, an agent under Section 43 of the Income Tax Act is an agent for a specific purpose and that purpose does not include making payment of tax under the Bengal Finance Act and secondly, the firm had not been authorised to act on behalf of their principal abroad in this matter. Enquiries made by the member had elicited the fact that the foreign firm with whom they are connected are paying income tax in India on a double income tax return basis.

The opinion of the Chamber's Solicitors on this point was that the words in Section 3 (1) of the Act "either by himself or by an agent or representative" only refer to the manner in which the profession or trade may be carried on. If a trade is carried on within the province by a non-resident through an agent the non-resident becomes liable to the tax. There is nothing in the Section or anywhere else in the Act to impose any liability on the agent to pay the principal's tax and the machinery set up under Section 43 of the Indian Income Tax Act has no bearing on the matter and is not available to the Assessing Officer.

Dealing with the position of the principal in the case, in the light of the available facts, the Chamber's legal advisers said—

It does not necessarily follow that because the principal is charged to Indian Income Tax by an assessment on an agent under Section 43 he is necessarily pursuing a trade within the province by an agent or representative. That is a question which turns upon the particular facts of each case. The agent contemplated by Section 43 is not an agent in the strict legal sense and is a fictitious form of so called agency purely for the purpose of that taxing statute. In other words, a person who is not really an agent may to the statutory provisions of the Income Tax Act be treated as an agent for the purposes of that Act only. If the so called agency is such that it merely resembles a business connection and the principal can show that he is not trading within the province through an agent the principal could resist liability under the Bengal Finance Act.

Bengal Finance (Sales Tax) Act, 1941.—Consideration was given by the Chamber and Industrial Affairs Sub-Committee to the circumstances surrounding an order brought into effect from September 10th 1944, by which the exemption to tax enumerated in the clauses of Section 5 of the Bengal Finance (Sales Tax Act) 1941 were said to be applicable to the sale of goods only and not to the sale of a contract, as calculated

in accordance with Rule 2. The Chamber in the first place was inclined to think that there was some justification for Government's ruling inasmuch as there appeared to be no reason why taxable material should be exempted from tax merely because it was supplied under contract. Nevertheless in the light of a strong protest made by the Indian Engineering Association and affected members, the inequity of the order was apparent and, despite the fact that the Commissioner of Commercial Taxes had expressly ruled in a letter to the Chamber that no tax under the Act is payable on a contract outside the Province, it was considered essential, by reason of the large sums involved, to take steps to ensure that the hardships represented be alleviated. It has not yet been decided, however, to what extent it will be possible to have the order limited or amended to this end and legal opinion has been sought.

Bengal Finance (Sales Tax) Amendment Bill, 1944.—The Chamber gave its support to the principles underlying the Bengal Finance (Sales Tax) Amendment Bill, 1944, which was published in the *Calcutta Gazette* on January 7th 1944. The Bill, which has since been passed, sought to increase the revenue of the Province by raising the rate of the tax leviable under the Bengal Sales Tax Act, 1941, from one quarter to one half of an anna in the rupee, at the same time making provision for the safeguarding of the interests of the poor by rendering tax-free those articles of clothing in their common use, i.e., dhooties, lungees and saries.

Tax on sales subject to controlled prices.—At the instance of a member, the Chamber brought to the notice of the Finance Department of the Government of Bengal in March the position arising under the Bengal Sales Tax Act of a seller of goods for which the Government of India had fixed maximum prices. Under the Cotton Cloth and Yarn (Control) Order, for example, the retail prices allowable are net and inclusive of all charges. From a debate in the Bengal Legislative Assembly on the increase in the tax, it appeared that Government took the view that the tax was payable by the consumer, a view which was supported by legal opinion given to the Chamber in 1941; but under the present circumstances, this might enhance the selling price beyond the maximum laid down by the Central Government. If therefore, sales were made at maximum prices, the Chamber presumed that the tax would have to be borne by the seller. The Chamber hoped that Government would give the question their attention in order to effect a means by which the difficulty could be avoided.

In accordance with the advice of the Bengal Government the question was put before the Textile Officer, Government of India, who in his reply of the 12th December furnished the Chamber with a statement showing

whether prices fixed under the various control measures of the Department were inclusive or exclusive of local taxes, such as Sales Tax, Octroi, etc.

(c) *Sales Tax Rules.*—In circular No. 25-1044 members were provided with a copy of the amendment to the Bengal Sales Tax Rules, 1941, officially notified in January. It will be remembered that a copy of the letter from the Commissioner of Commercial Taxes to the Chamber on the question of registered dealers, with details of the proposed amendment, was circulated for the information of members by circular No. 90, in June, 1943.

The Bengal Commercial Firms Bill, 1944.—The above Bill was introduced by Mr. K. C. Roy Chowdhury, M.L.C., in the Legislative Council during the August Session and is now in circulation for opinion. The Bill is designed to benefit mercantile employees by attempting to regulate the conditions governing termination of service, provident fund, gratuity or bonus and in general terms to extend to this category of employee the benefits already conferred on manual workers by labour legislation.

The Chamber Committee, who saw no reason to oppose the motion for circulation of the Bill when it was introduced in the Council, at present have its terms under consideration in consultation with the European Party in the Legislature.

Revision of the Indian Tea Control Rules 1936.—Modification of the Indian Tea Control Rules, proposed by the Government of India with a view to afford an additional crop basis to low producing tea estates whose productive capacity had increased since it was assessed under the Indian Tea Control Act Rules was referred to the Chamber early in the year through the Associated Chambers of Commerce.

In the opinion of the Chamber the question was primarily one for settlement in the light of the views expressed on it by the tea producing industry, as it did not affect consumers. Nevertheless the Chamber strongly supported the contentions of the industry who, as the Chamber was aware, considered the principle of increasing the crop basis of particular estates unsound in itself and held that if it were applied it should be applied to all estates. Comment on much the same lines was sent to Government later by the Associated Chambers of Commerce.

Indian Finance Act, 1944.—In two circulars issued to members during the year the following information was given in connection with the provisions of the Finance Act, 1944:—

Section 8(3) Computation of Deposits.—Circular No. 70-1044, dated the 12th June set out the instructions of the Board of Revenue with

regard to, the method to be adopted by E.P.T. Officers for computing E.P.T. deposits due in accordance with Section 8(3) of the Act.

Income Tax: Demands under Sections 18 A and Proviso to Part II of Second Schedule.—By Circular 116-1944 of the 18th September members were informed that when, in August, the Income Tax Sub-Committee of the Chamber discussed a number of outstanding points with Sir John Sheehy, C.S.I., I.C.S., one of the questions referred to was the difficulty which partners of certain firms might experience in raising the money necessary to meet two years tax in one year. Sir John Sheehy informed the Committee that Income Tax Officers had been directed that Section 18A assessments need not be made (a) if any assessee could not find the money without borrowing at excessive rates of interest; or (b) on a partner who found difficulty in meeting the demand because all his available income had to be paid to a retired partner for his share of the goodwill.

Another point brought up at the interview and referred again to the Board of Revenue in September, was the position of a director of a private company who may experience the same difficulties as the partner of a firm for the same reasons. The Chamber was given to understand that under the instructions already issued, such cases should be reported to the Board for consideration.

Income Tax Appellate Tribunal.—The 1943 Report referred to the two points (1) filing of appeals and (2) publication of the decisions of the Tribunal, which the Associated Chambers of Commerce took up in 1942 and 1943 at the instigation of this Chamber and which were made the subject of a resolution adopted at the 1943 Annual General Meeting of the Associated Chambers.

The resolution and a report of the discussion which preceded its adoption were forwarded to the Legislative Department of the Government of India. In their reply to the Associated Chambers in May, Government intimated that they were unable to reconsider their former decision either in the matter of the establishment of local registrars for the filing of appeals or the publication of the decisions of the Tribunal and, commenting on a point raised at the Annual Meeting, they observed that Government were not aware of any hardship caused by the absence of discretion vested in the Tribunal to extend the time-limit prescribed in Section 66 (1) of the Income Tax Act for making applications to the Tribunal to state a case to the High Court.

With regard to the third proposal in the resolution, namely, that the Tribunal's Rules and Forms should be revised in consultation with Com-

mercial interests, Government stated that though the Rules had been recently amended, any concrete proposals for further changes might be put forward by interested Chambers and the Tribunal would give close attention to such suggestions. Objections and recommendations regarding the forms in force would also be considered by Government and forwarded to the Central Board of Revenue, in whom the power to amend the forms is vested.

As no substantial reason had been given by Government for their refusal to reconsider the first two points of the 1943 Resolution, the Associated Chambers, at the instance of the Bengal Chamber, discussed them again at their last Annual General Meeting. At that Meeting, which was held on December 14th of the year under report, a resolution worded as follows was carried, and has been referred to the Government of India, viz:—

"This Association reiterates the request unanimously made by resolution a year ago that the early attention of the Government of India be given to the following matters connected with the practice and procedure before the Income Tax Appellate Tribunal:—

- (1) That the demand 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."

Income Tax Assessment: Depreciation: British Shipping Companies.

—This subject was discussed at some length in the Chamber Report for 1941. It was referred again to the Chamber at the end of 1943 by the Commissioner of Income Tax, Bengal, who on behalf of the Central Board of Revenue asked for the opinions of Shipping Companies on a proposal that the unabsorbed depreciation on assets (Ocean slips), which under the Income Tax Act as amended in 1939 could not be carried forward, be treated at the end of the Liner Requisition period as an asset on which depreciation at the current rate would be allowed year by year until completely wiped off. After consultation with their principles in the U.K., the Shipping interests within the Chamber finally agreed to the arrangement in December, 1944.

Income tax and E. P. T.: Compensation for vessels lost.—In the interests of the Inland Water Transport Companies within its membership, the Chamber laid before the Central Board of Revenue in February the question of the liability to assessment for the purposes of income tax and E. P. T. of sums paid by Government as compensation for the loss of requisitioned vessels. The Chamber had been given to understand that at least in some cases the Income Tax Department had called for statements of the claims of the Companies for compensation under this

head, with a view to assessment under the second proviso to Section 10(2) (vi) of the Indian Income Tax Act, in the assessment relating to the periods in which the vessels were lost. In effect, the Chamber pointed out, the arrangement under which the vessels had been requisitioned by Government did not constitute a sale. Government had undertaken to return the vessels in due course in the condition in which they were taken over, subject to fair wear and tear, or in the event of total destruction or loss, adequately to compensate the owners. Companies had no desire to sell; they were more interested in maintaining their fleets at full strength and in the replacement of lost vessels at the earliest date. Compensation, therefore, was not a means to afford a profit, but only a means of replacement. In the Chamber's opinion such compensation payments were of the same character as those received from Insurance Companies or from the War Risks (Factories) Insurance Fund, which as previously notified by the Board, were not subject to assessment. In view of these factors the Board was requested to give equal consideration to compensation payments on requisitioned vessels and to notify the exemption of these items.

Subsequently the Board informed the Chamber that instructions were being issued to the effect that compensation paid by Government for the loss or destruction of vessels requisitioned by them should be treated as capital and not subjected to income tax. This confirmed the view held on the matter by the Chamber's Income Tax Sub-Committee which, it will be remembered, was mentioned in the 1943 Report.

Income tax: Obsolescence allowance on buildings erected for business purpose on account of Government war contracts.—Consideration was given by the Chamber in September, at the request of the Associated Chambers of Commerce, to the position for the purposes of allowance as a charge against income tax of buildings erected entirely for use in carrying out war contracts. The case for an allowance had been presented by the Madras Chamber on the grounds that, while a claim for obsolescence in respect to plant and machinery is fully covered by Section 10(2) (vi) of the Income Tax Act, the position is very different in relation to buildings on which only a maximum depreciation of 15 per cent. can be claimed. Many of the buildings thus erected will be scrapped long before their cost has been absorbed by normal depreciation allowances and in the meantime the income which the buildings have earned during the war will have been charged to the present high rates of income tax and super-tax.

After consulting the Income Tax Sub-Committee, the Chamber suggested that the Madras Chamber might be asked to advise its members to address the Board of Revenue direct, as it was known that concessional relief in respect to buildings had already been granted by the Board, though they were reluctant to introduce legislation on this point. If

satisfaction was not obtained by individual representation the question could be reconsidered and taken up, if necessary, by the Associated Chambers or the Madras Chamber itself.

Indian income tax: Section 49: D.I.T. relief and Indian States.—The paragraph on this subject in the Chamber Report for 1940 gave an account of the Chamber's correspondence with the Central Board of Revenue regarding the unfortunate effects on sterling non-resident companies of Section 49(1) (b) of the Income Tax Act. The Chamber was then informed by the Board that "if and when Section 49(2) (b) is amended, it is intended to propose that a restriction be placed on the rate of aggregate relief allowable in British India on the same income taxed in the United Kingdom and in one or more of the Indian States to half the Indian rate of tax". In response to a member's enquiry the Chamber has lately ascertained that—though the matter was again pressed by the Chamber in 1941—the Act had not as yet been amended and so far was known no instructions on the point had been issued by the Central Board of Revenue to Income Tax Officers.

Double Excess Profits Tax Relief: Double Income-Tax Relief.—Arising out of the Chamber's correspondence with the Central Board of Revenue on the question of the procedure to expedite the settlement of double excess profits tax relief and double income-tax relief—referred to in the 1943 Report,—the Chamber was approached by a member to suggest a remedy for their difficulties in respect to double income-tax payments.

It appeared that the I. T. O. insisted on payment of the full amount of income-tax and corporation tax on dividends paid to allied companies in England, although these taxes had already been paid at source, and also collected supplementary assessments without regard to the double income-tax relief claim, which he refused to entertain in advance of production of the certificate of relief from the United Kingdom. In this case the Chamber advised that the member ask the Board of Revenue to instruct the assessing officer to deal with the assessment of dividends as early as possible in the fiscal year, so that the assessment orders could be forwarded to the United Kingdom in time to obtain the relief certificates before the tax assessment was due to be paid in India. A request for the postponement of the tax until the end of the fiscal year was also advised. It was known that in a similar case the Board had intimated that the Commissioner of Income-tax, Bombay, would consider the question of granting double income-tax relief on the production of a provisional certificate from the U. K. authorities, subject to the undertaking that the computations will be revised later.

Income tax relief in respect to Insurance premiums and Provident Fund contributions.—The question of pressing for an amendment of the

Income Tax Act with a view to a more equitable adjustment of the relief for Insurance premiums and the relief for Provident Funds was jointly considered by the Chamber Committee and Income Tax Sub-Committee in July, at the suggestion of a member. This and a further point raised by the member in respect to the narrow interpretation of the word "Salary" by I.T.O.'s for the purposes of Provident Fund Relief, had been taken up on previous occasions with the Board of Revenue without success, and the Chamber preferred to postpone the issue until suggestions were invited with regard to a more extensive revision of this part of the Act.

Income Tax and E. P. T.: Delay in completion of assessments.—In the minutes of the meeting at which the working of E. P. T. and Income Tax was discussed by the Income Tax Sub-Committee with Sir John Sheehy in July, 1943, published in the report for last year, reference was made to an assurance given by the Central Board of Revenue that strict instructions had been issued regarding the avoidance of delay in the completion of final assessments and also that cases of unduly delayed assessment submitted by the Chamber would be investigated. On the strength of this assurance the Chamber, in consultation with the Income Tax Sub-Committee, furnished the Commissioner of Income Tax in March with the details of two members' assessments which had been outstanding for several years despite repeated representations from the firms to the Income Tax authorities to have them completed.

The Commissioner of Income Tax, who dealt very fully with the matter, replied to the effect that the cases in question had been thoroughly examined and measures taken to expedite the assessments. Other members who may have cause for complaint on the score of delay should approach the Commissioner direct.

A Chamber circular issued in December, 1944, reproduced for members' information the instructions of the Board of Revenue to Income Tax and Excess Profits Tax Officers directing them to take special measures to clear off pending Sterling companies assessments with the utmost expedition even when the assessee was at fault. The Board had noted the inordinate delay that occurs in the completion of assessments and that in several cases the British Indian Assessments were as much as two years behind the corresponding U. K. assessments.

Excess Profits Tax: Furlough Expenditure.—In reply to the Chamber's letter to the Central Board of Revenue drawing attention to the fact that no allowances against excess profits had been given in respect to sums set aside for furlough expenditure—to which reference was made in the Report for the year 1943—a statement was made by the Board that it did not

consider that any general instructions should be issued and that each case would be examined on its merits.

Acting on the advice of the Income Tax Sub-Committee the Chamber pointed out to the Board in March, that, while appreciating the fact that each case of furlough expenditure being allowed for excess profits tax purposes would have to be considered on its merits E. P. T. O's would not be prepared to consider any case, whatever its merits, unless general instructions on the matter were issued. The Chamber urged the Board, therefore, to establish the general principle that such expenditure be allowed, subject to the merits of each case, by the issue of the requisite instructions to E. P. T. O's.

At the beginning of June the Chamber was apprised that the Board had agreed to allow as a deduction from profits for E. P. T. purposes, sums set aside to meet payments in respect to leave overseas with pay, provided:—

- (a) that the amount in question had been specifically calculated in respect of each employee and,
- (b) that the employer had bound himself to pay the sums in question when circumstances permit.

The instructions further laid down that it would however be necessary to apply Rule 11, Schedule 1, to the sum initially reserved in respect of each employee; but that it should be applied only to determine how much of the reserve related to the period up to 31st August, 1939, and how much to the period commencing 1st September, 1939, and ending with the date as at which the reserve is made, the proportion attributable to the latter period being allowed as a deduction from the profits of the C. A. Period in question, without being distributed over the various C. A. periods from 1st September, 1939, onwards. As regards subsequent additions to the reserve, they should, subject to the foregoing conditions, be wholly allowed as a deduction from the profits of the chargeable accounting periods to which they relate.

If the period up to 31st August, 1939, covered by any reserve, includes the standard period or any part of it, the standard profits will need modification by deduction under Rule 11, Schedule 1, of the appropriate portion of the reserve.

Before allowance is made on the lines indicated above an undertaking must be obtained from the assessee that if by reason of death or any other cause, the part of the reserve attributable to any employee ceases to be

payable, either wholly or in part, the E. P. T. assessments shall be so modified as to cancel such allowance.

Income Tax: Allowance of professional taxes and royalties.—In 1940 the Associated Chambers of Commerce carried a Resolution reading:—

“Being convinced that all taxes and royalties however calculated payable to Provincial Governments and Local Authorities are in fact expended wholly for the purpose of the business this Association urges that these should be allowable as a business expenditure and therefore urges that section 10(4) of the Indian Income Tax Act should be suitably amended.”

The Resolution was reiterated in 1941; but the Government of India declined to meet either of these recommendations and at that time the Association did not think it expedient to carry the point any further. In reviewing the position this year the Chamber, with the help of the Income Tax Sub-Committee, reached the decision that the disallowance of such provincial taxes in the Central assessments was an additional burden on heavily taxed companies and the point was laid before the Associated Chambers for further discussion at the Annual General Meeting in 1944.

A resolution in much the same terms as the above was unanimously carried at the meeting and soon after submitted to the Government of India.

Income Tax: Property: Allowance for repairs under Section 9(1) (f).—It will be remembered that in 1943 the Chamber agreed to support the recommendation of the Upper India Chamber that, in view of the increased cost of materials and labour, a case be submitted to the Government of India for an increase in the allowance under Section 9(1) (f) of the Income Tax Act. The question was made the subject of one of the resolutions adopted at the 1943 annual general meeting of the Associated Chambers of Commerce which were recorded in the 1943 Chamber Report.

During the year under review the constituent Chambers were informed that the Associated Chambers had received an answer from Government to the effect that the Central Board of Revenue was “unable to agree that an increase in the existing statutory allowances in respect of cost of repairs to property and collection charges is called for”.

The Committee of the Chamber and the Income Tax Sub-Committee were jointly of the opinion that the answer given by the Board was unsatisfactory, but that it remained for the Upper India Chamber as the

sponsors of the resolution to decide whether the question should be carried any further. This view has been communicated to the Associated Chambers of Commerce who have so far taken no further action in the matter.

Income Tax and E.P.T.: Delay in payment of Bills by Government Departments.—Members were informed in last year's Report that in August 1943, the Chamber was made aware of the anomalous position in which certain member firms engaged on Government contracts had been placed by demands for payment under the E.P.T. Ordinance (Provisional Assessment) under Section 14a (3) on the one hand, while other considerable sums were tied up in the necessary material required for such contracts and in accounts outstanding against Government. Instances of resulting financial embarrassment had been brought to the notice of the Chamber where loans had to be arranged to meet the demands of the Excess Profits Tax Officer and where unsuccessful appeals had been made to the Commissioner to defer requests for payment until at least a portion of the large amounts due from Government had been paid.

On the advice of the Income Tax Sub-Committee, this unsatisfactory position was taken up with the Central Board of Revenue in October 1943 when it was pointed out that while the object of Government in making provisional assessments had the full support of the Chamber, it was considered that the attainment of these objects should not be pursued to the detriment of assesses, particularly those engaged on war work. To remedy such hardships, which were undoubtedly not intended by Government, it was suggested that instructions be issued to Provincial Commissioners not to press for payment of tax under the Ordinance in cases where considerable sums were outstanding under the respective heads of stock and Government accounts, especially when the tax demands could be met only by recourse to borrowing.

In view of the negative reply received from the Central Board of Revenue to the Chamber's representation in November, it was decided after reference to the Income Tax Sub-Committee, to address the Finance Department in similar terms at the beginning of the year under report. In the reply received from Government early in February, 1944, it was stated that Income Tax Commissioners had been informed that they might in their discretion, allow reasonable extensions of time in specially hard cases.

Excess Profits Tax (Computation of Profits and Capital) Rules 1943.—The text of the Chamber's criticism of the draft Excess Profits Tax

(Computation of Profits and Capital) Rules, 1943, summarised in the 1943 Report, was also, it will be remembered, published in detail in circular letter No. 8-1944. The Chamber strongly advocated the issue of a directive to E. P. T. Officers based on the application of Section 10(5) (c) of the Income Tax Act, coupled with the existing provisions of rule 12(1) of the Excess Profits Tax Act, rather than the enforcement of rigid rules, which if allowed to stand in the form in which they were drafted, would inflict grave injustice on large sections of the community.

The discussion on the attitude which should be adopted and the action which should be taken by the Associated Chambers of Commerce with reference to the draft rules, which took place at the Annual General Meeting of the Association at the close of 1943, resulted in a decision that in view of the short time at their disposal—the Government of India had stipulated that opinions should be submitted by the 10th January—the constituent Chambers should separately communicate their views to Government within the time prescribed; and that later, if expedient, the Associated Chambers and other all-India bodies of employing interests should meet to discuss the formulation of an agreed case for presentation to the Central Government in New Delhi. The Chamber was later informed by the Associated Chambers that the majority opinion of the Chambers was in favour of a directive in preference to rigid rules, provided that the directive was issued on the lines indicated in this and the other Chambers' submissions to Government.

As members are aware from the report of the relative statements made in the Central Legislature on March 27th, given in Chamber Circular No. 49-1944, the Draft Rules were not proceeded with by Government for the present with the qualification that the question of applying them might be re-opened if in the future it were found necessary to take further drastic anti inflationary measures.

Voluntary and compulsory deposits.—The Chamber's correspondence with the Central Board of Revenue concerning the date on which Government will refund the 1/10 of the excess profits tax in respect of the periods to which compulsory deposits are related, was circulated to members in Circular No. 46-1944, dated 5th April. It will be recalled that the Board confirmed that as the rules issued with regard to voluntary deposits apply to compulsory deposits, the refund of 1/10th would be made not later than 3 years after the end of the war, or in special circumstances within one year of that date.

In July the Associated Chambers of Commerce brought to the notice of constituent members a letter from the Upper India Chamber which recommended that representations be made to Government with the object of obtaining a more satisfactory form of acknowledgment for payments of excess profits tax deposits than the "torn off stub of a Treasury challan" which, apart from sums appearing in the balance sheets of companies and firms, was all that depositors had to show as a guarantee of payment. This, the Upper India Chamber stated, was giving rise to uncertainty and anxiety among some sections of the community. To reassure assesses therefore and to establish the transaction on a more businesslike basis, the Upper India Chamber suggested that the Associated Chambers should press for the issue of a formal Government receipt endorsed by the Finance Minister and countersigned by the issuing Excess Profits Tax Authority, which, if necessary, should be marked "non negotiable".

The opinion communicated to the Associated Chambers by the Chamber Committee was that, while agreeing that a more specific form of acknowledgment of deposit payments was called for, a request to the Central Board of Revenue to instruct Excess Profits Tax Officers to issue a certificate once a year (possibly after the completion of the assessment for each C. A. P.) stating that the total sum paid as excess profits tax deposit by each assessee, would be more desirable for various reasons and would sufficiently meet the case. Such a certificate, the Chamber pointed out, would be particularly necessary after a deficiency period, when presumably deposits would be wholly or partly refunded.

The point was referred back to the Chambers in September for more specific guidance as to the form such a receipt should take; for though it was generally established that action should be taken by the Association towards placing the matter on a more businesslike footing, it was not clear whether the deposit receipt asked for should be negotiable, and if so on what terms. After further consultation with the Income-tax Sub-Committee, the Chamber concluded that it would be adequate if a certificate or letter were given to the assessee by the Excess Profits Tax Officer, stating the amount which the assessee had on deposit after the completion of each assessment. For all general purposes the receipt should be non-negotiable, but in so advising the Associated Chambers, the Chamber recommended that provision be made for the transfer of deposits to other parties by companies in liquidation, particularly in cases where assets in the form of E.P.T. deposits and refunds are the only obstacle in the way of completing the liquidation proceedings. It appeared to the Chamber to be a waste of time and paper to keep such moribund companies alive merely because of E.P.T. assets and that it

should be possible for the Central Board of Revenue to devise an arrangement whereby the deposits and funds adhering to it are negotiable, while preventing the abuse of negotiability in such special circumstances.

Income Tax and Excess Profits Tax: Proposed revision of the existing method of assessing individuals and companies.—Referring to a proposal made by the Upper India Chamber in the first half of the year, the Associated Chambers of Commerce recommended that careful consideration be given by constituent members to the far reaching and important issues involved in the suggestion that the Government of India should undertake an entire revision and simplification of the existing system of taxation of income. In the view of the Chamber Committee and the Income Tax Sub-Committee, an undertaking of such magnitude could not reasonably be expected of Government while the outlook was so unsettled; and however desirable an amendment and revision of the taxation code might be, it was neither possible nor advisable until conditions improved. After prolonged correspondence in which all aspects of the present taxation system and the surrounding circumstances were discussed, the majority of the Chambers came to the same conclusion. On the other hand it was generally agreed—on the grounds of delayed assessments and arrears of work in the I. T. & E. P. T. Departments—that there was a strong case to put up against further complication of the taxation codes by the introduction of amendments which involved the application of new principles affecting assessments. In October the Finance Department were informed of the Association's view on the matter and at the same time attention was drawn to the need for an early revision of the Income Tax Manual which—it was pointed out—now incorporates almost more amending slips than original matter and contributes in no small degree to the difficulties of assesses.

Burma income tax.—The position of concerns in the membership of the Chamber who formerly operated in Burma, with regard to income tax payable to the Government of Burma for the year 1941-42, received the Chamber's attention early in the year. The Chamber was apprised that the Income-tax Department of the Government of Burma, whose records were lost at the time of the evacuation, had invited concerns who had not already paid tax for that year to submit to an informal assessment by the Department, on the understanding that these assessments would be recognised by the U. K. Authorities and Indian Authorities for the purpose of relief from concurrent assessment in the U. K. and India. The view held by the Chamber's Income Tax Sub-Committee, to whom the question was referred for advice, was that definite assurances should be obtained from the Governments of India and Burma (1) that the British Indian and United Kingdom Income Tax Authorities would

recognise this Burma assessment for the purposes of D. I. T. relief and (2) that the Government of Burma, on resuming jurisdiction over that country, would recognise these assessments as discharging the liability of assesses.

From information given to the Chamber by the Burma Chamber, it was learnt that verbal assurances had been given by the Indian Income Tax Authorities, not only that an informal assessment by the Burma Authorities for 1941-42 would be accepted by the Indian Authorities, but also that the Government of India had come to an arrangement with the Government of Burma whereby, in respect of the year 1942-43, the Government of Burma would be credited with the amount of the tax which they would have received from incomes subject to tax in both countries.

To ensure, however, that the position would be met satisfactorily, the Chamber addressed a letter to the Government of Burma at the end of January, suggesting that it would save much time and trouble both to that Government and to assesses, if an official announcement could be made giving assurances in the form mentioned above. The Government of Burma's reply containing the necessary assurances was published in April.

Income Tax and E. P. T.: Inequalities.—In April the constituent Chambers were asked by the Associated Chambers of Commerce to consider certain instances of injustice, occasioned by the application of the Income Tax and Excess Profits Tax Rules and regulations under increased taxation, which had been submitted by the Northern India Chamber in support of their proposal that a suitable amendment of the rules, and if necessary the Act, should be pressed upon the Central Government by the Association. The Northern India Chamber contended that if the incidence of taxation was to be kept within equitable limits, certain unavoidable expenses should be allowed for the purposes of computation of tax, for example:—

- (i) Increments and commission to an employee, employed under contract with a company which allows of annual increments of salary and/or remuneration on a commission basis, who became a Director between the year taken as the standard period of the Company and the introduction of excess profits tax.
- (ii) Reasonable increase in the remuneration of an employee who is not under contract, but who was made a Director subsequent to the standard period and prior to the 1st September 1939.

(iii) Reasonable expenditure incurred because of the death of an employee, i.e., funeral expenses, relief to the widow, etc.

(iv) Legal expenses in connection with income tax and excess profits tax appeals.

Replying to the Associated Chambers, the Committee of the Chamber said that having examined the points at issue in collaboration with the Income Tax Sub-Committee, they were not in favour of a submission to Government to amend the Indian Income Tax and Excess Profits Tax Acts and Rules as suggested by the Northern India Chamber, for the reason that existing evasion and other factors precluded the possibility that Government would consider questions under this head at the present time unless they were of vital importance. The Chamber pointed out that with regard to:—

(i) circumstances of a similar nature had been discussed previously when it was agreed that no action was necessary;

(ii) director's remuneration unless it is quite unreasonable is allowed for the purposes of income tax;

(iii) the Court has already confirmed the disallowance of funeral expenses. In the opinion of the Chamber there were not sufficient grounds to ask that the Act should be amended in this direction at present;

(iv) though the Chamber was inclined to favour the allowance of appeal expenses, it was felt that such a concession should not be sought during the life of excess profits tax.

There was considerable diversity of opinion among the Chambers as to the necessity and advisability of a submission to Government on these lines; but as the allowance of legal expenses referred to in Item (4) was favourably viewed, it is likely that the point may be pressed at a later date.

Post War Taxation on Profits of Industry.—In June, the Government of India responded to the Resolution in the above connection, carried at the Annual General Meeting of the Associated Chambers of Commerce in 1943, by giving an assurance to industry that steps will be taken to see that all expenses of a revenue nature which have been incurred in earning the excess profits tax will be allowed as a deduction in computing the liability to excess profits tax. Government stated however, that

they were not prepared at this stage to commit themselves to any detailed proposals for giving effect to the assurance.

... The position of Companies in India who may run out of the E.P.T. period with stocks either in quantity or value, above the figures at the entrance to the E.P.T. period, was queried by a member towards the end of the year. The Chamber held the view that this point was covered by Government's assurance, in that specific mention had been made by the Associated Chambers, in moving the Resolution, to losses which might arise out of stocks owned or ordered on the termination of E.P.T. Reference had also been made to such probable losses when a statement was made by H.M. Government early in 1942 in the exact terms of that given to industry in India, and as details of the method by which this assurance would be implemented in the U.K. had similarly been postponed until after the war, it appeared to the Chamber that the position in this country was reasonably safeguarded.

CUSTOMS.

Annual Revision of the Import Tariff Schedule.—Representatives of the Chamber and allied interests attended a meeting held at the Royal Exchange on the 4th December to discuss the provisional Import Tariff Values for 1945 with the Director of Commercial Intelligence and Statistics.

After a *seriatim* examination of the list, points were raised in connection with the following items:—(1) lubricating grease, petroleum jelly, (2) menial colza oil and transformer oil, (3) soda ash and boric acid. As regards (3) the meeting was informed that a reduction in the proposed tariff values was under consideration. The figures questioned under (1) and (2), covered Government purchases of these commodities. The Director of Commercial Intelligence stated that the introduction of Government contract rates into the determination of tariff values involved a departure from accepted practise and he had already referred this matter, which was one of principle affecting many commodities, to the Government of India for decision.

Annual Revision of Tariff values fixed under the Agricultural Produce Cess Act.—The provisional tariff values under the Agricultural Produce Cess Act for the year 1944-45 were also the subject of discussion between a Special Sub-Committee of the Chamber and the Director of Commercial Intelligence and Statistics on the 2nd May, 1944.

The only specific item to which exception was taken was the increase in the tariff value for goat skins from Rs. 1-4 to Rs. 1-8 per piece. It was intimated that Government had already decided to reduce the provisional rate to Rs. 1-6 and it was agreed that the item should stand at that figure.

Sea Customs Act: Section 30 Invoice Value of Imports for duty purposes.—A matter of interest to importers came before the Chamber in December.

It arose from a reference to the Customs in regard to declared invoice value for duty purposes and the statement of the Collector of Customs that prices in respect of shipments made by a connected firm in the U.K. should include a percentage item to cover the Home Establishment expenses and even a portion of the profit on the transaction.

Having obtained the advice of the Calcutta Import Trade Association on the point, the Chamber could see no reason why, in the case of goods in the above category, the wholesale cash price could not be fixed as required by Section 30(a) of the Act; but if, for unavoidable reasons, it were necessary to proceed under Section 30(b), it appeared that the Customs had no right under the sub-Section to add United Kingdom establishment charges. The Chamber held that should the cash price be increased in this manner and the importer then adds to the maximum percentage allowed under the Hoarding and Profiteering Ordinance, he would be offending against the Ordinance to that extent.

Further correspondence between the member who had brought up the point and the Collector of Customs elicited that the goods in question were subject to duty under Section 30(b) and in this connection the Customs took the view that the inclusion of the U.K. branch's portion of profit and establishment charges was a fixed principle of the calculation of invoice cost for firms co-related to their suppliers in the U.K.; and this principle, the Customs alleged, was supported by rulings from the Central Board of Revenue. The matter has been referred back to the Import Trade Association for their views on the proper course to be followed with a view to bringing about a more satisfactory interpretation of the application of the Section.

Exports to Middle East Territories.—The Chamber addressed the Export Trade Controller, Calcutta, in support of a point raised by the Calcutta Hides and Skins Shippers Association early in May.

By the issue of an Export War Notice the Export Trade Controller had indicated that partly in order to facilitate matters for the Middle East importer it had been decided that there was no objection to Indian exporters accepting orders from the Middle East "subject to receipt of import and export licences". The Association had then pointed out to the Export Trade Controller that the practice of asking for a number of M.E.S.C. import licence numbers before accepting business, hitherto adopted by Indian Shippers, was solely due to the fact that exporters from this country were not always in a position to contract for goods without having at least some assurance that contracts were executable. While exporters had a fairly accurate idea as to what extent export licences and shipping space were obtainable in this country, they could not risk entering into contracts in India without an assurance that an import licence would be obtainable by the Middle East buyer. The Association suggested, as an alternative to the above, that the Government of India should ask the M.E.S.C. to issue the import licences as quickly as possible and to place certain import quotas at the disposal of the Middle East importers, in order to enable them to calculate to what extent they can place orders in India.

The Chamber understands that the matter was put before the Chief Controller of Exports, New Delhi, for consideration and so far as is known no decision on this point has been made.

MARINE.

Hospital Port Dues Fund.—The Hospital Port Dues levied on sea-going vessels entering the Port of Calcutta were cancelled by a Government of India notification in the year under report, with effect from August 5th. From that date the Hospital Port Dues Fund was closed and Steamship Companies were left to meet the cost of the treatment of sick seamen and officers of the Mercantile Marine from their own resources. In point of fact the shipping interest when consulted by the Commerce Department in 1941 had agreed to the abolition of the hospital port dues and the transfer of the balance standing to the credit of the Hospital Port Dues Fund—then somewhere in the region of Rs. 2,30,000—to assist toward the capital cost of the establishment of the Calcutta Indian Seamen's Home, a proposition extensively discussed at the instance of Government in 1940 and 1941. With the closing down of the fund in 1944, the Chamber asked Government on behalf of member shipping interests for confirmation of the intention of Government in this respect and for information regarding the balance of credit of the fund on the 5th August after providing for all liabilities. No reply has yet been received.

Coastal traffic in commercial cargo.—Reference was made in the 1943 Report to the Chamber's correspondence with the War Transport Department of the Government of India, on the need firstly for an increased volume of coastal shipping space being made available for essential commercial cargo, and secondly, for the institution of an improved system of priority allocation of such space, for the transport of commercial cargo. In view of the statement made by Government on the steps which were being taken to ensure a more satisfactory system of priorities in the allocation of shipping space, in their reply to the Chamber's representation, the matter was allowed to rest until early in March, when it was again brought forward in a letter from the Association of Paint, Colour and Varnish Manufacturers in India. The Association complained that, through lack of co-ordination in the various departments concerned, the requirements of the Armed Forces in respect of shipping space were not accurately stated and commercial shippers found at the last moment that their materials were shut out of steamers, because high priority requirements were found to exceed the original estimate. This river craft which carry commercial cargo to the steamer were either left unloaded for varying lengths of time, or, where storage space was available in Calcutta, were brought back and unloaded there. Furthermore, the office of the M. O. W. T.—the Association stated—declined to recognise the fact that probably the greater part of the material, which commercial concerns wish to ship by sea, was either directly or indirectly intended for the war effort, and it was submitted by the Association that the adopted method of giving priority to the less urgent requirements of the Armed Forces over urgently needed materials shipped by commercial concerns, indicated the need for an improved system of priorities.

A copy of the Association's letter was forwarded to the Deputy Representative of the Ministry of War Transport at Calcutta, with a covering letter from the Chamber, in which the points raised in the previous correspondence with Government were outlined, and a consideration of the salient facts, contained in the representations of the Paint, Colour & Varnish Association, was recommended. The difficulties referred to, the Chamber said, were real ones common to all coastal shippers and it was hoped that something could be done to alleviate them. The view of the Chamber was that essential commercial cargo should be given priority and that Government cargo should only be carried when either transport by rail is impossible or there is spare space in ships.

Particulars of extensive enquiries made by the Deputy Representative of the M. O. W. T. into the instances given by the Association to substantiate their protests, were sent to the Chamber in May and forwarded

to the Association. For the most part the cause of the delays and inconvenience to commercial shippers specified by the Association were satisfactorily explained, though one or two points with regard to the arrival and departure of ships remained unclarified.

With reference to the Chamber's opinion that essential commercial cargo should be given priority over Government cargo in the allotment of shipping space, the Deputy Representative stated that a definite ruling on these lines could not be entertained.

Findings of enquiries into marine accidents.—Under instructions from the Government of India the Commissioners for the Port of Calcutta are at present precluded from furnishing owners and agents of vessels involved in accidents with copies of the findings of official enquiries. Shipping concerns are thus unable to obtain vital information in the light of which they could take necessary measures to avoid similar accidents in future, or consider and settle any question of liability for damage, without having recourse to legal procedure.

The foregoing points were the basis of a request for an amendment of these restrictions, made by the Chamber last June to the War Transport Department of the Government of India, in order to make the findings of a Court of Enquiry available to Shipping Owners or Agents as soon as possible after the enquiry had been completed.

Government in due course informed the Chamber that in all cases of casualties to vessels occurring on or near the coast of India, preliminary enquiries are held to determine whether formal investigations are necessary and for eliciting other useful information regarding dangers to navigation, etc. The findings of such enquiries are strictly confidential; these and the depositions recorded in the course of the enquiry are not communicated to private bodies, though applications for copies of depositions are considered on their merits.

It was added by Government that intimation of the loss of a vessel is sent to owners or agents at the earliest opportunity.

The Shipping Sub-Committee of the Chamber are not satisfied with this reply and steps are being taken by the Chamber, on their advice, to have the matter represented by direct contact with the authorities concerned in New Delhi.

Discharge of Cargo: Supply of Stevedore Labour in Lighters.—At the instance of the Shipping Sub-Committee, the Chamber laid before the

Regional Port Director in August correspondence exchanged between a member firm and the Calcutta River Transport Association concerning the provision of extra stevedoring labour on lighters to handle heavy and awkward cargo. In the case of vessels under the auspices of the British Ministry of War Transport, all lighterage charges, including the cost of stevedore labour put into lighters, were debited to the ship: bills of lading did not provide for the recovery of these charges from the consignees. The position in regard to American owned vessels on the U.S.—India berth was different, inasmuch as bills of lading bore a clause to the effect that lighterage costs are to the account of consignees. The Shipping Sub-Committee asked for a ruling on this issue on the grounds that two different systems operating in the port was undesirable and should be avoided if possible. In October the Regional Port Director circulated a memorandum to all concerned detailing arrangements for the supply by stevedores of additional labour for the loading and discharging of lighters. It was ruled, *inter alia*, that (a) the maximum number of stevedoring labour to be supplied in addition to the normal lighter crew would be four men; (b) the rates to be charged would be Re. 1/- per man per shift of 9 hours; and (c) the stevedoring company would debit the Boating Company at the above rates for the men supplied. In a letter addressed to the Port Director, the Master Stevedores Association questioned the ruling on the grounds that one of the conditions of the existing Agreement between the Association and the Calcutta Dockers' Union laid down that gangs cannot be split and that it would become necessary, therefore, for stevedores to supply full gangs on each occasion and to charge at the full gang rate as laid down in the Agreement. The proposal that stevedoring companies should bill the Boating Pool in respect of the charges for labour supplied was not acceptable to the Association who preferred that such bills be first submitted to the Shipping Agents, who in turn would bill the Boating Pool. In presenting these facts the Association requested that ample notice be given to stevedores when lighter labour was required for night work or for work on the following day, and where gangs were ordered, but not finally required, the customary waiting charges would be billed for. While not inclined to agree with the Association's objections relative to the splitting of work gangs or with the triangular form of billing suggested, the Shipping Sub-Committee were of the opinion that the rates of pay for cargo gangs provided in the Agreement should apply to stevedoring labour employed on lighters and these should be paid for by the Lighterage Pool. Eventually the Port Director disposed of the question of wage rates by amending clause 4 of the October memorandum to read that the wages of lighter stevedores (four) be Rs. 6/- per day of 9 hours and Rs. 7/- for night work. The other points raised were dealt with at a meeting of Stevedores with the Directorate in November when it was resolved that any question of

splitting gangs was to be decided by the Association and the Boating Companies were to be debited for labour supplied.

Handling of damaged goods ex-ships at night.—To expedite movement of cargo and turn round of vessels the Port Directorate indicated at the close of the year that the Port Commissioners should discontinue the existing procedure of refusing storage to damaged or repaired packages landed at night, in order that packages of this description need not be returned on board. The Port Commissioner's proposal that steamer agents should assist in the scrutiny of such cargo by an agreement to (1) accept supplementary receipts for broken or damaged packages landed at night and stored by the Port Commissioner and; (2) bear the cost of restacking in or near the lockfast on the following day, was forwarded to the Chamber for reference to the Shipping Sub-Committee. In the majority the Committee saw no reason why the suggestion should not be accepted as a wartime measure, since a similar arrangement between the Port Commissioners and a Steamship Company was known to have been successfully operated in a small way for some time past without any resulting increase in claims.

Brokerage on shipment on behalf of the United States Government Agencies.—The Calcutta Freight Brokers Association had endeavoured for two years to obtain brokerage in respect of goods consigned to American Governmental agencies from Calcutta. The Chamber has been advised that the Port Representative of the United States War Shipping Administration notified all Shipping Agencies in Calcutta on April 8th that brokerage was payable without retrospective effect from the beginning of 1944.

Agency Fees.—A letter from the Ministry of War Transport to the Conference Lines was placed before the Shipping Sub-Committee of the Chamber in September for an opinion on the scale of fees which could be drawn up to cover agency services, such as repairs, crew matters and etc. in respect to tonnage owned by the Ministry.

Having discussed the matter from every angle the Committee were not able to reach a definite decision as to the scale of fees that would be equitable in all circumstances: the Ministry of War Transport was therefore advised to make direct contact, as required, with the Shipping Agencies concerned.

POSTS & TELEGRAPHS

Telephone traffic.—During 1942 and again in 1943 the Chamber had occasion to refer the Posts and Telegraphs Department to the dissatisfaction expressed by the commercial community in regard to the telephone system in this area. Members may also recollect that the problems of business interests in the matter of trunk telephone communication were taken up by the Associated Chambers of Commerce last year, culminating in a resolution, adopted at the annual general meeting in December, 1943, which proposed to the Government of India a certain period should be reserved for commercial trunk call during which only the highest priority calls of Government or the Armed Forces should be accepted.

According to information recently received, Government refused to accept the recommendation of the Associated Chambers on the grounds that it was unworkable, but advised that the Association seek the guidance of the Calcutta Post & Telegraph Authorities as to a means of getting the best results out of the existing system. The question was followed up in this way and in November the Postmaster General, Bengal and Assam Circle, wrote to the Associated Chambers giving a clear picture of the situation as it is and as it is expected to be when the two years development programme is carried out. The gist of it was that though the Fighting Services and the Defence Department have a prior claim on the Trunk system, which means that its use by commercial interests is unduly restricted, every effort is made to keep such priority calls within equitable limits. The programme of development had been carried far enough to promise greater facilities for private and commercial trunk calls in the near future and in the meantime the best method was to put through business calls during the less busy periods—usually at night. When calls booked during the day do not mature the Trunk Exchange should be given an alternative residential number, so that the calls can be accepted later from this resident telephone. The Postmaster General realised the difficulty involved from the businessman's point of view, but said that the above method was one by which civil subscribers can and do get trunk calls through.

A more direct concern of the Chamber, however, has been the further deterioration of the Calcutta telephone system, evidenced this year by numerous complaints of bad service, pointing to the need for an all-round investigation into the causes of the difficulties both of subscribers and officials responsible for the efficiency of the system.

An examination of all the facts on these lines and with a mind to the adverse effect of this position on the war effort as a whole, led the Chamber to address the Director-General of Posts & Telegraphs in August.

The terms of this letter were reproduced for members' information in Circular No. 111 of the 25th August. It surveyed the present and future necessities of the Calcutta telephone system in detail and classed the causes—and incidentally the redress—of the present inefficiency of the service as being, in order of importance:—

- (1) The insufficient capacity of an out-moded manual system—which cannot be changed until after the war—rendered more ineffective than need be by an inadequate supply of equipment essential for
 - (a) the extension of the service to cope with the traffic, and
 - (b) the maintenance of the system in a reasonable state of efficiency.
- (2) The status and standard of the staff of operators.
- (3) Remedial classes of the service, which without interference with the rights of individual subscribers could be controlled to the general advantage.

Government, in brief, were strongly urged to give immediate attention to the deficiencies of equipment needed to extend and improve the system; to consider the question from the view of Calcutta as an indispensable line of communications, now and in the future; to afford the staff of operators the status of a recognised organisation such as the W.A.C.(I) and to organise a drive against flagrant misuse of the telephone, especially during rush hours.

A reply from Government is still awaited.

Public Telephones at Howrah Station.—As stated in the 1943 Report this question was taken up by the Chamber during that year at the instance of its representative on the East Indian Railway Advisory Committee; but nothing definite transpired beyond general agreement that if the facility of public telephones at Howrah Station were to be re-installed by the Bengal Telephone Corporation, the East Indian Railway Authorities must ensure that the telephones would not be abused by the public and it was then suggested that the Railway Authorities might consider the installation of Attendant Call Offices. When the matter was re-opened in July, 1944, on account of a request for the Chamber's support to representations made by the Marwari Chamber, it was learned that arrangements were in hand for the installation of telephone booths adjacent to the Enquiry Office at Howrah Station and these were expected to be ready for use in the near future.

Calcutta Telephone Directory.—The Chamber drew the attention of the Posts and Telegraph Department, Telephones, to the anomaly of restriction of the size of the Calcutta Telephone Directory for reasons of paper economy on the one hand and the insertion of advertisements on the other and requested that when the new Directory was issued the

former facilities, such as the insertion of the residential addresses and telephone numbers of senior business staff, be resumed.

In reply the Department explained that advertisements had been inserted under contracts made before the instructions regarding paper economy had been received from the Government of India and that the next Directory would be compiled to include the additional entries which are necessary for convenience. It was also mentioned that Government intended in due course to standardise the form of Telephone Directories for use throughout India. In this connection the Chamber expressed the hope that commercial interests would be consulted before any radical revision of the Calcutta Directory was carried out.

Late submission of telephone bills.—The Chamber asked the Indian Posts and Telegraphs Department, Telephones, in June to look into the matter of the non-submission or late submission of monthly telephone bills.

The ruling of the Department in this regard is that bills are ordinarily issued to subscribers before the 5th of the month; but where a number of lines are to be covered in one bill the date of issue is extended to about the 10th of the month, with a corresponding extension of the payment date. Members had complained that the rule was not strictly carried out by the Department and unnecessary and distasteful correspondence ensued, relating particularly to the admissibility of the rebate. In addition, the Department looks to subscribers to report the non-receipt of bills by the 5th or 10th of the month and to apply for a duplicate. The Chamber considered this to be unreasonable in many instances and it was urged that discretion should be exercised by the Department in allowing the rebate in cases where there is bona fide evidence of the late or non-receipt of bills.

The Department stated in reply that it was possible for subscribers to receive bills after the due date when duplicates are applied for so late that the date has expired before they are received. The Chamber was asked to notify the Department of any known cases where the rule of delivery of original bills was not adhered to; but though allowances were usually made for irregularities in the bills of subscribers with a number of lines, the Department was not prepared to relax the rule for the payment of rebate in individual cases.

As a counter-complaint the Department pointed out that in a number of instances subscribers had broken the telephone hiring contract by the sub-letting of flats on the understanding that telephone bills should be paid by incoming tenants, with the result that bills were misdirected to

the previous tenant. Again, the majority of subscribers delay the payment of bills until the due date, thus causing congestion in the cash department and delay in the issuing of receipts.

The points raised in this correspondence were brought to the notice of members in Circular No. 83 of the 17th June.

Telephone: Bhatpara Exchange.—About the middle of October the Chamber was advised that the opening of a second telephone exchange at Bhatpara—which as members are aware was effected to relieve the heavy traffic on the Barrackpore Exchange—had proved to be less satisfactory than the original arrangement. Having consulted interested members it was evident to the Chamber that the report was not borne out by the experience of other subscribers who in the majority considered that the change over had been of benefit both from the point of view of the reception and the time taken in obtaining connections. In the circumstances there appeared to be no justification for further action.

Delays in the delivery of telegrams: Airgraph covers.—In unofficial correspondence with the Postmaster General, Bengal and Assam Circle, the Chamber invited attention to complaints made by members on two counts—delay in the delivery of telegrams (as distinct from time taken in transit) and the need for ensuring the privacy of airgraphs by the gumming down of covers. A satisfactory assurance was given that both points were being checked up: in the matter of telegrams, the Postmaster General thought it advisable to have a statement prepared showing the average time taken in delivery, rather than to investigate the individual cases that the Chamber had cited, and should this not be satisfactory he was prepared to take steps to effect the required improvement.

Airgraphs to the U.K.—In March the Chamber made enquiries into delays in the transit of airgraphs to the U.K. reported by a member firm, particularly in regard to the circumstances under which air mail copies were said to have arrived before the airgraphs themselves.

The Director General of Posts and Telegraphs explained to the Chamber that the previous arrival of air mails in the early part of the year was due mainly to the improved plane service available for air mails to the U.K. and such mail had an advantage over airgraphs to the extent of the time occupied in the processing, etc., of the latter. The Chamber was informed at the same time that in the months of January and February the transit of airgraphs from India to the U.K., exclusive of the time

occupied in processing and delivery, had taken between six to fifteen days. Unfortunately, owing to restricted accommodation in the reverse direction, the same standard of service from the U.K. to India could not be attained though it has since improved considerably in both directions.

The Indian Post Office Act, 1898, Sections 4 and 5: Conveyance and collection of letters.—In 1938 the Postmaster General, Bengal and Assam Circle, called upon certain members of the Chamber to discontinue the practice of conveying letters and business documents by special messengers between their Calcutta offices and their establishments outside the city, on the grounds that the practice was in contravention of Sections 4 and 5 of the Indian Post Office Act, 1898. The question was represented by the Chamber and in a letter received from the Postmaster-General it was made clear that the attitude of Government in consultation with officers of the Crown was that the conveyance of letters was a monopoly of the State and continuance of the practice would "invite Government's interference". But it was added that "Government would ordinarily be reluctant to intervene if the conveyance of letters by special messengers is confined to specific and exceptional circumstances and is not made a matter of general and regular practice".

Correspondence between member firms and the Postmaster-General, Bengal and Assam Circle, relating to a similar warning issued in May of this year, was again laid before the Chamber. On this occasion, the attitude of the Chamber was that conditions created by the war were "specific and exceptional circumstances" in which legal objections to the methods employed by firms to expedite communications regarding products vital to the war effort, might be set aside at least until conditions returned to normal. The Chamber drew the attention of the Postmaster-General to the change in the position since the question of the private conveyance of letters and business documents was discussed in 1938, and the serious results of delay in the communication of important advices and information between offices in Calcutta and outlying industrial undertakings, particularly the coalfields. The Chamber suggested in these circumstances that the question might well be left open until after the war and, in the meantime, it was hoped that the Postmaster-General would revise his order to discontinue the practice as from July 1st. The Chamber has not so far been informed as to the decision reached on this issue.

Post Air Raid Information Censorship: Postal Censorship.—The text of rulings issued by the Office of the Chief Censor, India, with respect to the communication of post raid information in external and internal

business letters, was published by the Chamber for the information of members in Circular No. 61-1944 dated 1st May.

With regard to the introduction of internal censorship, officially announced in the Press on April 15th, the Chamber asked the Senior Censor, Calcutta, for an assurance that the bulk of the mail would not be unduly held up in censorship, though it was agreed that the measure was a necessary precaution in the circumstances now obtaining in India. In reply it was stated by the Senior Censor that it was not the intention of the Government of India to interfere in any way with communications between commercial offices regarding legitimate business matters, or to cause any avoidable delay.

Postal Delays.—In July the Associated Chambers of Commerce enquired into the extent to which postal delays, represented by the Punjab Chamber, could be said to be experienced generally throughout India. Apart from isolated instances of the late arrival of business letters, the Bengal Chamber had no strong grounds for complaint and as it appeared that the Postal service had improved in Bombay and inconvenience reported by other constituent Chambers could for the most part be traced to specific and local causes, such as censorship and lack of experienced staff, the Associated Chambers made no formal representation to the Department.

Delay in the transit of business mail to and from Ceylon.—The Committee of the Chamber had occasion to bring to the notice of the Director General of Posts and Telegraphs cases of delays in the carriage of business communications to and from Ceylon, occurring about the middle of the year. The investigations of the Postal Authorities showed that the hold-up—which in some instances extended to a period of seven days—was mainly due to censorship; factual evidence provided by members was therefore forwarded to the Presidency Postmaster, Calcutta, as a basis on which the matter could be taken up with the Censor Offices here and in Ceylon.

G. P. O. Staff at V. P. Parcels counter.—A member complained that the staff at the V.P. Parcel counter of the G. P. O., was not sufficient to cope with the volume of business and that sircars were forced to queue up from 10 a.m. in order to get parcels despatched. The Chamber enquired into the matter and ascertained in August that the position had been remedied by the opening of an additional window with another window in reserve for V. P. parcels.

RAILWAYS.

Delays in settlement of claims against railways in respect of lost or damaged goods: (a) *General*.—The answer given by the Government of India to the resolution in connection with claims against the Railway Administration for lost or damaged goods, the wording of which was given in the paragraph dealing with the proceedings of the last Annual General Meeting of the Associated Chambers of Commerce in the 1943 Report, was reproduced for the information of members on April 20 in Circular No. 53-1944. The Railway Board assured the Associated Chambers that they were fully conscious of the difficulties caused to the community, particularly the commercial community, by the circumstances to which their attention had been drawn in the resolution of the Associated Chambers mentioned above, and stated that all possible steps were being taken to improve the claims handling organisations of the major railways, and to prevent loss of and damage to packages, as well as to better methods of handling. It was pointed out by the Board that losses by theft were also being suffered by the railways and though greater efforts to eradicate such malpractices were being exerted by the Railway Police, it was feared that this process would be only gradual. With regard to damage to packages through handling, the Board suggested that the Associated Chambers should take up with constituent members the question of such improvement in packing as circumstances permitted, as this would be a substantial contribution to the problem.

Reports submitted by the Indian Tea Association, the Calcutta Insurance Association and others of unsatisfactory dealings with the Railway Claims Department, together with a large volume of complaints received from members, convinced the Chamber in the latter half of the year under review that not only had the assurances given by the Board failed to materialise, but the position had deteriorated too far to be remedied by the ordinary course of taking up individual cases with the Railway concerned or through the "Quarterly Meetings". The whole matter was discussed therefore in a letter addressed to the Railway Board in October 1944. The Chamber commented on the apparent failure of the re-organisation of the Claims Department as a means of improvement and strongly criticised the obstructive and indifferent attitude of the Claims Section towards the liabilities of the Railways, disclosed by the numerous cases of long and unnecessary delay to which the Chamber's attention had been drawn. The Board was again urged to investigate the whole system of the disposal of claims and to take immediate measures to ensure prompt and equitable settlement, in the interests of the general public.

The Railway Board were concerned to receive this report and assured the Chamber that the matter was constantly under survey and would be further examined. A more detailed communication regarding the result of these enquiries is now awaited.

(b) *Time-bar under Section 77 of the Indian Railways Act*.—One of the outstanding difficulties of which members complained in the course of the year was the tendency of the Railway Claim Sections to repudiate claims under the 6 months time-bar of Section 77 of the Indian Railway Act, even when the question of loss or damage to goods had been the subject of enquiries and prolonged correspondence between consignors and the railways, and/or endeavours to obtain a short certificate in support of the claim. As the outcome of a case of this nature which the Chamber had occasion to investigate, it has been made clear firstly, that it is not necessary to wait for a short certificate before submitting a claim and secondly, that the time-bar is not removed by the subsequent issue of such a certificate. In so informing members by a circular issued in October, the Chamber advised that a formal claim against the Railway should be preferred well within the prescribed six months from the date of delivery of the goods for carriage—irrespective of the amount or nature of the claim, or whether short certificates had or had not been obtained.

As a further safeguard members were recommended to register a formal claim at an early stage in any enquiries that might have to be made regarding delayed, lost or damaged consignments by rail.

Measures to combat corruption on the Railways.—To circular No. 119-1944, dated the 21st September was appended a copy of a letter from the Bengal Nagpur Railway Co., Ltd. inviting the co-operation of Chamber interests in a drive against the growing evil of bribery and corruption on the Railways.

The view of the Chamber in regard to the participation of the public in measures to detect corrupt practices has been for some time past that the giving of such information should be made as easy as possible and that members of the public should be protected from any resulting victimisation or unsavoury proceedings. Such assurances were again sought and obtained by the Chamber before this request for public co-operation was issued to members with the Chamber's endorsement. A list of the officials to whom complaints and reports—which must be specific and based on facts—should be made was supplied to members in the circular under report.

Post-war reconstruction on Railways: Classes of coaches on passenger trains.—Suggestions for the improvement of the Railways after the war, with particular reference to the number of classes of passenger coaches to

be retained, were submitted to the Railway Board in August. The Chamber proposed, (1) a reduction of the four classes of coaches now in operation to three, namely 1st, 2nd and 3rd, equivalent in standard to the present 1st, 2nd and inter classes; and (2) the additional provision of air-conditioned coaches on all the main line and important trains. This last point was substantiated by the suggestion that efforts should be made ultimately to extend air-conditioning to all first class travel, in order to meet potential demand and competition likely to arise from the development of air lines in the post war period. The comments made by the Chamber on past war improvements in general, laid stress on those necessary to eliminate the over-crowded and unhealthy conditions now suffered by lower class passengers and directed the attention of the Board to the requirements of this category of traveller, particularly on long distance and night journeys and on Railway Stations. Referring to the importance of better organisation of the restaurant service as a whole, the Chamber observed that food sold on stations must also be put under the supervision of the Railway staff if contamination were to be avoided.

Finally the Board was asked, in the event of a decision to retain three classes of passenger coaches, to consider a revised scale of fares on the lines given below:—

New 1st class—between the present 1st and 2nd class fares.

New 2nd class—the same as the present inter class fares or slightly higher.

New 3rd class—the same as at present.

It was pointed out that losses incurred by these reductions would be offset by the surcharge on air-conditioned coaches.

Coal shortage: Pilferage of coal from coal wagons.—The extent and number of thefts of coal from wagons occurring in the vicinity of the Shalimar Station yard, reported by a member, made it evident that the steps taken by the Chamber in 1943 to bring pilferage of coal to the notice of the Police Authorities had not succeeded in lessening the activities of organised gangs of thieves operating apparently to supply the demand for coal in the "black market". In a letter to the Home Department of the Government of Bengal, the Chamber urged Government to take immediate and effective steps to prevent this pilferage of coal and again emphasised that only co-ordinated action and constant surveillance on the part of the Departments concerned would bring about a satisfactory result.

Eventually information was received from Government that in consequence of increased vigilance on the part of the Railway Police seventy one cases had been sent up for prosecution between January and July and further measures for checking pilferage were under discussion. These were:—

- (1) Employment of a well paid supervisor to supervise and control the durwans engaged at different depots;
- (2) The introduction of a better system of issuing "challans" to drivers of lorries when they take away loads from depots;
- (3) The removal of certain small holders on the Port Commissioners' land who are suspected of being involved in misappropriation.

Subsequent enquiries made by the Chamber disclosed that in the latter months of 1944 there had been definite indications of improvement

Transport of raw materials for industries.—The Government of India, Department of Industrial & Civil Supplies advised that cases had been brought to notice in which, taking advantage of the high standing priority of transport in respect of raw materials enjoyed by certain important industrial concerns, goods not intended for such concerns have been consigned in their names with the obvious motive of obtaining transport. Government issued a warning against such abuses of priority.

Calcutta Port Commissioners' Despatches: "Said to contain railway receipts"—The question of the issue of "said to contain" railway receipts for goods loaded at a private siding by private labour (to which the Chamber has been referred on several occasions this year in connection with claims against railways), was first brought to the notice of the Chamber Committee in 1943, when as stated in the July-August Abstract for that year, it was found that report of the refusal of the Port Commissioners to accept liability for goods loaded in this manner was not borne out by the experience of others.

The subject was revived in August at the instance of a member who laid before the Chamber correspondence relative to a circular which intimated that in future the Port Commissioners would issue only a "said to contain" certificate for goods loaded at the firm's private siding. The objections of the firm to this procedure were eventually met by the Port Commissioners in a letter stipulating that if the matter were to be re-considered, loading must be done under the supervision of their staff and the wages of a markman and shed clerk must be paid by the firm concerned for this purpose.

No action on the part of the Chamber seems to be indicated if these arrangements prove to be successful and in conformity with those of other railways.

B. & A. Railway: Revision of Time Table.—A number of suggestions received from members in reply to Circular No. 83-1944, dated the 1st October were forwarded to the B. & A. Railway for consideration prior to the revision of the Time Table as from October 1st. These suggestions were concerned for the most part with alterations considered desirable in the suburban train timings.

FINANCE.

International Monetary Fund.—In the Report for last year it was stated that the Chamber Committee and Finance Sub-Committee had jointly agreed to withhold an opinion on the several proposals framed by the Governments of the United Nations for an international monetary policy until a plan as a basis for discussion between the Governments concerned had been formulated. Prior to the holding of the Monetary Conference at Bretton Woods in July, 1944, the Government of India invited comments on a pamphlet entitled "Statement by Experts on the Establishment of an International Monetary Fund". The interest of the public in India in matters relating to the participation of this country in an international financial scheme has been evinced throughout the year in numerous opinions which have appeared in the press, and in view of the various International Conferences which have taken place, the Chamber did not feel it to be necessary to take action at that stage.

Office of the Registrar of Joint Stock Companies, Bengal.—As members know, the Office of the Registrar of Joint Stock Companies was removed to Suri early in 1942. In May 1944, the Chamber replied to an enquiry from the Chairman of the Requisitioning Board by saying that there was no known demand on the part of Chamber interests for the return of the Registrar's Office to Calcutta and with the increasing pressure on accommodation in Calcutta, it was considered expedient that the Office should remain at Suri.

Calcutta Treasury: Frequent closure on account of holidays.—In December, 1943, the Chamber had reason to address the Finance Department of the Bengal Government, on the subject of the inconvenience caused to the commercial community under present conditions by

the frequent, and sometimes prolonged, closure of the Calcutta Treasury on account of holidays. For instance, the Chamber was aware that during the last Pujah holidays the Treasury was closed from the 6th to the 15th October, inclusive and on the 6th of the month refused payments which they stated could not be accepted until the 15th, although two of the intervening days were not holidays under the Negotiable Instruments Act. The Chamber submitted that where these payments were in discharge of statutory obligations, such as income-tax and excess profits tax, the assessee in such circumstances was put to an unnecessary amount of trouble. Dates coinciding with Treasury holidays might be fixed by the Taxing Authorities as the last dates for payment under assessment orders, and when these payments could not be made on account of holidays, application had to be made to the E. P. T. or Income-tax Officer for chalan to be altered. It was therefore suggested by the Chamber that a strict rule should be enforced to prevent closure of the Treasury on any day not a holiday under the Negotiable Instrument Act.

Government responded to this letter by saying that they were unable to accept the Chamber's suggestion; but with a view to minimising the inconvenience caused to the assessee in the payment of excess profits tax and income-tax, the Commissioner of Income Tax had, by request of Government, issued instructions to the Income-tax Officers directing them to fix the last date of payment a day or two in advance of the holidays, except in cases where the assessee has a statutory right of making a payment within a certain time.

The Committee of the Chamber considered that Government's reply did not meet the main point at issue and a reference was again made to Government on the necessity to restrict the number of days on which the Calcutta Treasury closed for holidays. The Chamber pointed out that though the instructions issued to Income-tax Officers might lessen the inconvenience caused to assessee, it was undesirable on general grounds that the Treasury should be permitted to remain closed on days on which all Banks, including the Reserve Bank of India are open, as in this case the possibility of inconvenience to the commercial community must always be present. Government were requested to reconsider the question, or at least to give the Chamber reasons why the Treasury should be favoured in the matter of closed days.

In July Government answered the Chamber's second letter by saying that they considered commercial interests were not sufficiently accommodated to warrant "the withdrawal from the staff of the Calcutta Treasury of the long standing privilege of enjoying the same holidays as their

brother reply officers". The Chamber then said that they could not regard Government's reply as satisfactory or as closing a matter of considerable importance to the commercial community, and while not wishing to revive the controversial issue of Government holidays, the remedy for the objection quoted above—the Chamber remarked—was surely to reduce the number of holidays of all Government officers to a level more comparable with those enjoyed by other sections of the community and in keeping with present day war conditions. No further communication has been received from Government.

INDUSTRIAL.

Relations between Employers and Labour: Machinery for the Settlement of Disputes.—Rationing was introduced in the Calcutta Industrial area early in January 1944 and resulted in a considerable improvement in the regularity of the supply of food for the industrial population and a considerable improvement in the price situation, both in respect of rationed commodities and foodstuffs such as were not included in the rationing system. There was reason, therefore, to anticipate that relations with labour would improve but in fact the reverse was the case and in several important industries the experience of employers was that labour relations were more disturbed and disputes more frequent than during the previous year in which the food shortage had been most acute. It soon became evident that a sustained labour agitation was being carried out, particularly in the engineering industry, and that attempts were being made to utilize the provisions of the Defence of India Rules to obtain substantial concessions from employers. The introduction of rationing was the cause of a good deal of labour unrest, most of it artificially fomented, and a certain number of strikes occurred. In most cases such strikes took place without the notice required under the Defence of India Rules and early in the year the Chamber received representations from industrial interests, urging that the Government should take action in such cases and should enforce the requirements of the Rules which make strikes without 14 days' notice illegal. No improvement in this position occurred and sporadic labour unrest continued throughout the year, but in places in which labour was better organised instances occurred in which the appropriate notice of strike was given, entailed under a request that the points at issue should be sent for adjudication under the provisions of the Rules. As a result of this procedure, a certain number of cases went to adjudication by the Government of Bengal.

It soon became apparent that the awards made by the Adjudicator and the general machinery for adjudication were unsatisfactory and that,

instead of preventing labour trouble, it was being encouraged. The tendency was for awards made by the Adjudicator to improve conditions of service without adequate consideration being given to the general terms of employment enjoyed in similar industrial undertakings and for the terms of the award to be regarded as standards which labour in other concerns made a subject of agitation in their turn. It was also found that the Labour Commissioner's department adopted a similar procedure and the result was that during the year employers were constantly receiving exaggerated demands for improvements not only in dearness allowance but in other aspects of conditions of service such as basic pay, bonuses, Provident Funds, etc.

So unsatisfactory did the situation become that it was necessary to make direct contacts with the Government of Bengal and Government were pressed to define their policy on questions of terms of service of labour, dearness allowance, etc., to improve the standard of adjudications by associating Panels of Advisers, drawn from the industrial community, with the Adjudicator; and to improve the administration and subordinate personnel of the Labour Commissioner's department. At the time of writing this report Government had agreed to make the question of dearness allowance and the principles to be followed by the Adjudicator in making awards on it the subject of study by a special official Committee. They had also accepted the proposal that the Adjudicator should be assisted by unofficial Panels and the question of the re-organisation of the Labour Commissioner's department was understood to be engaging their attention.

Joint Adjudication of Trade Disputes.—This question, which had previously been mooted by the Government of India in a letter dated 31st January, 1943, to the Employers Federation of India and then fully discussed at the Second Meeting of the Standing Labour Committee held on 25th January, 1943, was revived by the Government of India with modifications and set out in a letter dated 25th February, 1944. The proposal provided "that where a trade dispute referred for adjudication under clause (c) of sub-rule (1) of Rule 81A of the Defence of India Rules has arisen only in a particular undertaking or group of undertakings, there may be included in the adjudication proceedings any other undertakings in the same or a neighbouring locality, notwithstanding that no trade dispute exists at the time in this undertaking". The power of so including particular undertakings in adjudication proceedings should, it was suggested, be vested in Government and the application for joint adjudication was to be made by an employer or by or on behalf of, "a representative section of the workers of the undertaking" provided that certain stipulations were observed. This proposal, circulated by the

Chamber, was not considered altogether acceptable by Industrial Interests on the score:—

- (1) that the anticipation of a dispute before it actually arose would militate against the principle of internal settlement between the employer and the employed; and
- (2) that the proposal, if given effect to, would cause a dangerous extension of the scope and area of industrial disputes.

The draft amendment appeared in particular to equip the Central Government with the power of including undertakings where there was a possibility, however remote, of a similar dispute arising in the near future, and this also was considered undesirable by the interests addressed, who preferred the alternative that such discretionary powers should be vested in Government only where the issues involved in a trade dispute referred for adjudication had already given rise to or were such as in the circumstances might reasonably be expected to give rise to a similar dispute in the undertaking to be so included.

In reply to these criticisms, forwarded to Government through the Federation, Government informed the Federation of general acceptance by most interests outside the Federation of their proposal and suggested that all members of the latter should be urged to accept the principle of the draft Amendment which could then be altered in points of detail to suit the requirements of industry. A joint application from both parties, mooted by the Federation, would in any case, be a most remote proceeding it was averred. Interests in Eastern India, asked by the Chamber to reconsider the question, expressed compliance with Government's latest suggestion and the Federation accordingly once more addressed the Department of Labour at Delhi (stating dissent on the part of Madras members only) and stressing that since members of the Federation had originally expressed opposition to the principle of the extension of adjudication proceedings, except on the joint application of both parties concerned, the revised proposals were being accepted as an emergency measure only, by them.

Labour Investigation (Rege) Committee.—The Chamber was informed by the Labour Commissioner, Bengal, on the 8th February, 1944, of the appointment by the Government of India of a Labour Investigation Committee as the result of a resolution passed at the Second Tripartite Labour Conference held in September, 1943. They were also asked to arrange for representatives of employers to meet the Committee which it was announced consisted of (1) Mr. D. V. Rege, I.C.S. (Chairman), (2) Mr. S. R. Deshpande, (3) Dr. Ahmed Muktar and (4) Prof.

B. P. Adarkar. It had been set up to collect information bearing upon various aspects of social security, so as to enable a Mixed Committee, which it was also intended later to bring into being, to draw up a programme of social security for Labour in India. The specific terms of reference were as follows:—

- (a) To collect data relating inter alia to wages and earnings, employment, housing and social conditions of labour and in particular of industrial labour in India, and
- (b) to investigate and report inter alia on the following matters:—
 - (1) the risks which bring about insecurity,
 - (2) the needs of labour, by various classes, to meet such risks,
 - (3) the methods most suitable for meeting such risks, and
 - (4) housing and factory conditions.

The Committee arrived in Calcutta and had a preliminary meeting with representatives of the Industrial Affairs Sub-Committee of the Chamber on 24th February, 1944. They then proceeded with the collection of data with ad hoc inquiries into specified industries, such as, jute, engineering and paper-making and subsequently issued a General Questionnaire consisting of 11 sections comprising a total of 717 questions. This was forwarded to the Chamber by the Government of Bengal in a letter dated 20th June, 1944, for the purpose, it was stated, of the collection of factual and statistical data and of views from Governments, employers' and workers' associations and other institutions and persons. The final date originally fixed for submission of replies was the 31st July, 1944, but it would now appear that a considerable extension of this time limit has been permitted since the majority of replies from industries in Eastern India are still in course of preparation and have not yet been submitted. Supplementary questionnaires relating to Mines and Plantations followed the General Questionnaire. In a memo dated 13th July, 1944, the Chamber indicated to its affiliated Industrial Associations that while they should, so far as possible, prepare their own preliminary replies to the Questionnaires, it would be desirable for them ultimately to work in consultation with the Chamber in the issue of a co-ordinated statement on policy on which the Employers' Federation of India would also be consulted. This view-point the Chamber has adhered to in spite of a suggestion subsequently received from the Federation and raised at the instance of one of its members, that the final replies to the Labour Investigation Committee should exclude views on policy and be confined merely to the submission of factual information. Quite apart from the

fact that questions of policy are already far from touching on them now may result in the loss of any opportunity to do so at all. Thus it has been considered advisable to tackle the task as originally arranged.

Tripartite Labour Conferences.—During the year 1944, there were two meetings of the Standing Labour Committee (the Fourth and the Fifth) and one meeting of the Plenary Conference (the Third) and a wide range of subjects was discussed at them.

The Fourth Meeting of the Standing Labour Committee.—This was held at Lucknow, on 25th and 26th January, 1944, the Hon'ble Dr. B. R. Ambedkar, Member for Labour, presiding. Mr. K. W. Mealing, the then Chairman of the Eastern India Committee was selected as one of the two delegates representing the Employers Federation, the other being Sir Robert Menzies.

After explanations regarding future points of procedure at meetings and the number of meetings of the Standing Labour Committee to be held each year—fixed by Government at three—the following items were discussed:—

Two issues were placed before the delegates for consideration namely, (a) if statutory wage regulation was found necessary should it take the form of a national or provincial statutory minimum wage covering all industries based on the advice of the General Wage Board, or should the matter be considered, industry by industry, as occasion arose; and (b) if it was found in any industry that steps should be taken to regulate wages by statute, was it advisable that such statutory regulation should take a form on the lines of the Trade Board Organisation in the United Kingdom? It was the general opinion that only after bodies like the Regge Committee had collected the requisite data and statistics with reference to particular industries could these questions be answered. Any scheme for the regulation of wages to industrial workers would have to be on an all-India basis, but since there could not be uniformity of wages rates in all centres, wages-fixing machinery on a regional basis was advocated but one also that covered each industry in each region after a preliminary enquiry had taken place. Otherwise, the likelihood of wage boards conflicting with the development of collective bargaining in India was feared.

This was mooted chiefly for the technical trades and not as much for the textiles and it was Govt's intention to establish them around the National Service Labour Tribunals of the Provinces. They were meant

also to cope with the registration and voluntary placement of the large number of skilled and semi-skilled workers who would be flung out of employment at the end of the war.

These had been prepared by Government and several suggestions for amending them were made by employers who were willing, in some cases, to institute funds but who were opposed to being compelled to do so.

The general desirability of these had been stated in the Government memorandum and several had been inaugurated but certain difficulties, especially in providing cooked food, did not make them practicable in many concerns who preferred the policy of additional rations of grain to manual workers.

The Gregory Committee Report on this matter not having been available before the meeting, the subject was only inadequately discussed; but Government, it was proclaimed, would lay down the general principles relating to dearness allowance in the light of the Report. Government's statement on this is still awaited. The Committee put forth two alternatives:—

- (1) The first, that the absolute amount of dearness allowance should be equated to full compensation for the weighted average of the earnings of all wage-groups below the ceiling wage of Rs. 200 per month; or
- (2) The second, that the weighted average arrived at as above should be reduced by 25 per cent and the amount of dearness allowance should be equated to this figure.

Government's memorandum on this provided a draft for a sample survey into the question of absenteeism among industrial workers so as to reduce its incidence and ascertain the cause. Simplification of the forms was urged by employing opinion who also stressed the discrepancies which would occur between collection of data in abnormal times and in normal. Government are however proceeding with the attempt.

These were considered acceptable by employers and were in many cases already in use.

This was suggested as a purely formal amendment arising out of the alteration of Indian Standard Time from 5½ hours to 6½ hours ahead of Greenwich Mean Time with effect from 1st September 1942.

The Fifth Meeting of the Standing Labour Committee.—This meeting was held at New Delhi on 27th June, 1944, and the Hon'ble Dr. B. R. Ambedkar presided. The Federation's two delegates were Mr. C. C. Miller (from Eastern India) and Mr. H. S. Town (from S. India). The following items were discussed.

Government's suggested forms to be issued under the Industrial Statistics Act, 1942, in the interests of uniformity, were considered. The comments made on the forms in question by various Bengal industries were handed to the Labour Department for consideration.

Employers' representatives were not generally in favour of the grant of a special cash bonus for this since it would, it was felt, largely tend itself to exploitation by the worker seeking leave on false pretences.

The Third Plenary Session of the Tripartite Labour Conference.—This was held at New Delhi on 27th and 28th October, 1944, with Dr. B. R. Ambedkar, Member for Labour, Government of India in the Chair. Mr. A. W. Taylor attended as the delegate from Eastern India.

The following constituted the items of the Agenda:—

1. Compulsory Insurance of Liability under the Workmen's Compensation Act, 1923;
2. Revision of the Trade Disputes Act, 1929;
3. Participation of the State in Sickness Insurance Schemes for Industrial Labour in India;
4. Organisation of Employment in the transition from war to peace;
5. Statutory machinery for the fixation of minimum wages;
6. Resolution proposed by the All-India Trade Union Congress on the procedure for amendment of the Defence of India Rules affecting labour;
7. Special ration to workers doing heavy work.

The Labour Member opened the Conference with an address on some aspects of the organisation and procedure of the Conference at which criticisms had been levelled. Unlike the International Labour Organisation it was, in actual fact, he explained, only an advisory body to the Government of India on such matters as were referred to it and could not be expected to reach decisions which were properly within the functions and powers of the Legislature. The proposal that it should have a separate Secretariat was not practicable in view of the existence of, and possible clash with, the existing Labour Department of the Government of India. There was however room for improvement in its collection of information on labour problems of a general and specific nature and in the procedure followed for drawing up the Agenda. The latter would, in future, both for the Plenary Conference and Standing Labour Committee meetings be open to suggestions from Government, Employees' and Workers' Associations and would in each case be previously discussed at the meeting immediately preceding the meeting for which it was scheduled. While changes in the composition of the Conference should, he felt, be postponed for later discussion he was, in his personal capacity as member of the Conference, placing certain proposals before the meeting which he considered essential for reform of the constitution of the Conference. These proposals which have subsequently been examined departmentally by the Government of India now constitute an item on the Agenda for the forthcoming meeting of the Sixth Standing Labour Committee to be held on 16th March, 1945. Suffice it to say here that the Labour Member envisaged a division of subjects into two categories: List I, consisting of all general subjects such as (a) terms and conditions of employment; (b) labour legislation; and (c) questions relating to social security; and List II—consisting of all concrete questions relating to (a) labour welfare; and (b) administration of labour. The latter, he suggested, should fall within the province of a new body, namely, the Labour Committee composed of members elected by the Standing Labour Committee and representatives of employees, workers and Government. This Committee would make recommendations to Government. The Standing Labour Committee would remain an agent of the Plenary Conference—and would discuss such subjects as were referred to it from the general list by Government.

(1) *Compulsory Insurance of liability under the Workmen's Compensation Act.*—The Government of India, at the instance of the Sind Government had raised this question so as to cover the smaller class of employer, although it was questioned at the Conference whether sufficient proof existed for the evasion of the liability to pay under the Act. In the event of Government considering it necessary to make insurance of this risk compulsory, employers, it was indicated, would not oppose it.

Insurance, it was considered, should be effected with existing commercial concerns with provision to add new Companies, and for larger employers to form mutual insurance societies of their own when they did not insure with an outside company. Employees' representatives favoured compulsory insurance but with a Government Agency instead of with commercial firms. Provincial Government representatives varied in views, but were generally in favour of some such scheme of risk being carried—initially at any rate—by commercial concerns.

(2) *Revision of Trade Disputes Act, 1926*.—The Eastern India delegate opposed the discussion on the score of the late receipt in Calcutta of the Government Memorandum on this subject. This was attributed to the original letter from Delhi to Bombay having been lost in the post—so that it was ruled that Calcutta interests might express their views on this item at a later stage. Labour representatives voiced opposition to: (a) compulsory arbitration, and (b) the imposition of any restrictions on the right to strike. Some discussion of the term "public utility" ensued with an attempt to restrict it to projects directly affecting the welfare of the people. Employees generally were in favour of bringing the all-India legislation into line with the Bombay Industrial Disputes Act—a useful, if still somewhat inadequate measure. It was announced that draft proposals on the subject would be framed by Government and circulated for opinion.

(3) *Organisation of Employment in the transition from war to peace*.—This centred around the setting up of Employment Exchanges to deal with the problem of post-war employment. The success of the scheme depended on the co-operation, it was pointed out, of employees and labour organisation from whom an insurance of co-operation to the extent possible in post-war conditions was given. It was suggested, however, that the exchanges should be confined to the technical and engineering occupations only.

(4) *The Participation of the State in Sickness Insurance Schemes for Industrial Labour in India*.—This arose from the presentation of Prof. Adarkar's Report on Health Insurance for Industrial Workers to the meeting. Employees considered a Government contribution imperative and indisputable but the views of Provincial Governments varied, a number of them being non-committal in the subject, while the Central Government also made no definite pronouncement on it, beyond the promise of further consideration. Employees expressed their appreciation of the need for, and a willingness to contribute to, sickness insurance schemes on the point, although they felt that the exact ratio of contribution would need to be further considered. Copies of the Adarkar Report are

now in the possession of all Industrial interests, who are considering the whole question.

(5) *Statutory machinery for fixation of minimum wages*.—This proceeded on the basis of the composition, function and scope of application of minimum wage-fixing machinery. Both employees' and employers' delegates considered that Boards should be set up comprising a Chairman only, and an equal number of representatives of employers and employees. Employers were in favour of their application, as originally in Great Britain, to "sweated" industries only with their duties confined to the fixation of a "minimum wage" (the meaning of which was lengthily discussed) for (a) man (b) woman (c) child. It was requested that the coal industry should not be scheduled for such without previous reference to the Industry and that the Tea Industry should be totally exempted from it.

(6) *All-India T.U.C. Resolution on Defence of India Rules affecting Labour*.—Proposed by Mr. N. M. Joshi but declared beyond the scope of the Conference.

(7) *Special Rations to workers doing heavy work*.—General support was given to this suggestion. Government again laid much stress on the establishment of cooked food canteens in addition to the tea and light refreshment variety only.

(8) *Standing Orders for large industrial concerns*.—This question was first officially broached at the Second Tripartite Conference held at New Delhi on 6th and 7th September, 1943, on the basis of the prevailing provision for Standing Orders on the Bombay Industrial Disputes Act, but without the latter's additional provision for an Industrial Court. The absence of regulated terms and conditions of employment had time and again been felt, for instance, in the interpretation of cases of breach of contract and in relation to the penalty imposed for striking without notice under Section 9 of the Payment of Wages Act, as well as for other obvious reasons arising from the complex relationship subsisting between employers and employees in industry.

Consequent upon this conference the Chamber and its affiliated industrial interests were informed by the Government of India in a letter, dated 22nd January, 1944, received through the Employers' Federation, Bombay, of Government's intention of proceeding with a Draft Order (which they enclosed and upon which they invited views) under the Defence of India Rules by which it would be made obligatory on all industrial concerns employing 250 or more workers to have a set of Standing Orders.

The Chamber, after an analysis of the Draft Order and a collection of views from all industrial Associations and concerns which stood to be affected, replied to the Government of India on the subject on 22nd April, 1944, sending copies of its letter also to the Government of Bengal and the Employers' Federation of India. While this letter assured Government of the appreciation of the need and the desirability of Standing Orders by all concerned, Government's utilisation of a temporary war-time ordinance for their introduction, in preference to a permanent statute which had been well thrashed out in the Legislature beforehand, was deprecated. The considerable efforts made by individual industries, such as Jute Mills and Engineering, in the direction of evolving and standardising conditions of service over a period of years pointed to the need, it was stated, for further protracted discussions, experiment, compromise and care, especially where conditions obtaining between one concern and another tended to differ, even in the same region. The Draft Order was also considered objectionable on the grounds of its probable provoking of controversy at a time as critical as the present, and its vesting in the hands of a specified Officer of summary powers of "settlement" of the Orders in question. A strong plea was therefore made for the withdrawal of Government's proposal for the promulgation of an Order and the adoption by them of a "laissez faire" policy so as to enable industrial concerns to evolve, within a period of about a year, their own suitable terms and conditions of employment, covering an even wider range of relations (both existing and potential) between employer and employed than were envisaged in Government's annexure. Periodic references to the Provincial or Regional Labour Commissioner were also advocated.

It is gratifying to report that the Government of India, in appreciation of the force of these arguments, announced in a letter dated 8th September, 1944, received through the Federation, their abandonment of ployees industry by industry and/or on a regional basis. The desirability the idea of an Order under the Defence of India Rules; but since the need for Standing Orders was as urgent as ever, they announced their intention of proceeding with permanent legislation on the subject at an early date. All industrial concerns, small no less than large, were therefore enjoined by them to frame such Standing Orders without delay for which a set of model principles drawn up by Government was enclosed.

This letter of Government's was forwarded to all affiliated industrial interests by the Chamber in a Circular letter dated 12th October, 1944, in which the former were requested to proceed with the preparation of Standing Orders on the lines of the Government Memorandum, defining the conditions of service subsisting between themselves and their em-

of the closest practicable approach to complete uniformity in the principles to be incorporated were also stressed subject, of course, to variation on points of detail, and the need for co-ordinated action on the method and timing of the introduction of Standing Orders, once agreement had been reached—a state of affairs, it was suggested, which could be achieved through the Chamber's Industrial Affairs Sub-Committee. Progress is now being made by industrial Associations and concerns in the framing of Standing Orders and it is hoped that the results of their efforts will soon be forthcoming.

Compensation to Labour for Involuntary Unemployment.—The Government of Bengal forwarded to the Chamber in October a copy of a letter from the Government of India dealing with the subject of compensation to labour for involuntary unemployment due to shortage of coal raw materials or changes in lines of production. It stated, in effect, that arising from a discussion on the subject which took place at the Tripartite Labour Conference in September, 1943, Government had concluded that while it was not possible to propound a fully co-ordinated scheme that could be statutorily imposed, it was desirable that uniformity in the measures taken by employers to compensate labour under such conditions be achieved throughout India. To this end Government recommended certain principles—to be followed when the occasion arose—said to relate only to short term unemployment brought about by the cause mentioned above and not by closures of factories or departments due to special Government orders and etc. One of these suggestions was payment of compensation at the rate of 75 per cent of the ordinary rates of pay for the first fortnight of unemployment and 50 per cent. for the second, with possibly a flat rate or benefit for persons drawing lower levels of income; or a flat rate which would be about 75 per cent. of the lower range of wage rates in the undertaking.

The Chamber understands that the cost of benefits granted according to the above proposals—which were brought to the notice of affected members—will be admitted as revenue expenditure for the purposes of income tax and excess profits tax.

Conditions of employment of casual (daily) labour.—As the result of a Labour Committee meeting under the auspices of No. 303 L. of C. Area, which a representative of the Chamber attended on the 15th December, 1943, it was decided *inter alia* to appoint a Labour Sub-Committee to examine the varying rates of pay then existing and by down basic rates of pay and other employment conditions, after taking into account the provision of benefits such as dearness allowance, concessional food rates, etc.

The Chamber, after an analysis of the Draft Order and a collection of views from all industrial Associations and concerns which stood to be affected, replied to the Government of India on the subject on 22nd April, 1944, sending copies of its letter also to the Government of Bengal and the Employers' Federation of India. While this letter assured Government of the appreciation of the need and the desirability of Standing Orders by all concerned, Government's utilisation of a temporary wartime ordinance for their introduction, in preference to a permanent statute which had been well thrashed out in the Legislature beforehand, was deprecated. The considerable efforts made by individual industries, such as Jute Mills and Engineering, in the direction of evolving and standardising conditions of service over a period of years pointed to the need, it was stated, for further protracted discussions, experiment, compromise and care, especially where conditions obtaining between one concern and another tended to differ, even in the same region. The Draft Order was also considered objectionable on the grounds of its probable provoking of controversy at a time as critical as the present, and its vesting in the hands of a specified Officer of summary powers of "settlement" of the Orders in question. A strong plea was therefore made for the withdrawal of Government's proposal for the promulgation of an Order and the adoption by them of a "laissez faire" policy so as to enable industrial concerns to evolve, within a period of about a year, their own suitable terms and conditions of employment, covering an even wider range of relations (both existing and potential) between employer and employed than were envisaged in Government's annexure. Periodic references to the Provincial or Regional Labour Commissioner were also advocated.

It is gratifying to report that the Government of India, in appreciation of the force of these arguments, announced in a letter dated 8th September, 1944, received through the Federation, their abandonment of ployees industry by industry and/or on a regional basis. The desirability of the idea of an Order under the Defence of India Rules; but since the need for Standing Orders was as urgent as ever, they announced their intention of proceeding with permanent legislation on the subject at an early date. All industrial concerns, small no less than large, were therefore enjoined by them to frame such Standing Orders without delay for which a set of model principles drawn up by Government was enclosed.

This letter of Government's was forwarded to all affiliated industrial interests by the Chamber in a Circular letter dated 12th October, 1944, in which the former were requested to proceed with the preparation of Standing Orders on the lines of the Government Memorandum, defining the conditions of service subsisting between themselves and their em-

of the closest practicable approach to complete uniformity in the principles to be incorporated were also stressed subject, of course, to variation on points of detail, and the need for co-ordinated action on the method and timing of the introduction of Standing Orders, once agreement had been reached—a state of affairs, it was suggested, which could be achieved through the Chamber's Industrial Affairs Sub-Committee. Progress is now being made by industrial Associations and concerns in the framing of Standing Orders and it is hoped that the results of their efforts will soon be forthcoming.

Compensation to Labour for Involuntary Unemployment.—The Government of Bengal forwarded to the Chamber in October a copy of a letter from the Government of India dealing with the subject of compensation to labour for involuntary unemployment due to shortage of coal raw materials or changes in lines of production. It stated, in effect, that arising from a discussion on the subject which took place at the Tripartite Labour Conference in September, 1943, Government had concluded that while it was not possible to propound a fully co-ordinated scheme that could be statutorily imposed, it was desirable that uniformity in the measures taken by employers to compensate labour under such conditions be achieved throughout India. To this end Government recommended certain principles—to be followed when the occasion arose—said to relate only to short term unemployment brought about by the cause mentioned above and not by closures of factories or departments due to special Government orders and etc. One of these suggestions was payment of compensation at the rate of 75 per cent of the ordinary rates of pay for the first fortnight of unemployment add 50 per cent for the second, with possibly a flat rate or benefit for persons drawing lower levels of income; or a flat rate which would be about 75 per cent. of the lower range of wage rates in the undertaking.

The Chamber understands that the cost of benefits granted according to the above proposals—which were brought to the notice of affected members—will be admitted as revenue expenditure for the purposes of income tax and excess profits tax.

Conditions of employment of casual (daily) labour.—As the result of a Labour Committee meeting under the auspices of No. 303 L. of C. Area, which a representative of the Chamber attended on the 12th December, 1943, it was decided inter alia to appoint a Labour Sub-Committee to examine the varying rates of pay then existing and lay down basic rates of pay and other employment conditions, after taking into account the provision of benefits such as dearness allowance, concessional food rates, etc.

At a meeting held on January, 7th, the Sub-Committee agreed to certain terms of employment and drew up a schedule of wage rates for daily labour, exclusive of factory or workshop labour or cooly labour employed in industrial establishments on a permanent basis.

In referring all associated industrialists to the decisions of the meeting the Chamber strongly recommended that employers should not exceed the scales of pay and where labour was employed on a casual daily basis, other considerations specified in the copy of the minutes appended to Circular letter No. 462-1944 of the 7th February.

The Indian Trade Unions (Amendment) Bill.—This Bill, as was previously reported, was introduced into the Central Legislative Assembly by the Labour Minister in November, 1943, and then circulated by the Government of India for the purpose of eliciting public opinion upon it. A notification inviting views from those concerned was also inserted in Part VI of the Calcutta Gazette of 27th January, 1944, by the Bengal Government who communicated with the Chamber on the subject. The clauses of the draft Bill were, upon request, examined in detail by the Chamber and its affiliated industrial Associations and interests whose views expressing strong opposition were then reproduced in the form of a Memorandum which was handed to the Eastern India delegate who attended the Fifth Meeting of the Standing Labour Committee held at Delhi on 27th June 1944, at which the subject was next discussed. This opportunity for discussion at a tripartite meeting had been urged in the absence of any ventilation of opinion upon the question since the Second Labour Ministers' Conference held in 1941, at which the idea of statutory compulsion appears first to have taken shape, though the majority view expressed at the Conference and reported in the published Official Proceedings, as the Chamber pointed out, was against and not for the principle of compulsory recognition. The Standing Labour Committee were informed of the generally accepted policy of employing interests on this side of complete opposition to compulsion and of progress along lines of voluntary compromise, evolution and good-will in industrial relations and of the spirit which the Chamber and its industrial interests in Eastern India had tried to give to the development of healthy and stable trade unions by the drafting of certain conditions precedent to recognition by employers. Up to date, however, unions had failed to avail themselves of the opportunity to co-operate which testified to the existence of obstacles to their growth more fundamental than the opposition of employers. Outstanding among the latter were still the lack of education and the democratic ideal stressed by the Royal Commission on Labour in India in 1931 and their prevailing tendency to fall prey to political agitators.

A final representation of views on the Bill was submitted by the Chamber in a letter dated 21st October, 1944, to the Government of India, copies of which were sent to the Government of Bengal and the Labour Commissioner, Bengal, as well as to the European Group at the Centre. While the Bill was strongly opposed, both on grounds of principle and the practical interpretation into clauses of that principle there were once again reiterated the previous arguments against the utility of the prescription of mechanical criteria. As evidence of the co-operation of employers in this regard, Government were also sent a copy of the terms precedent to recognition mentioned above. In preference to the artificial and stultifying method of legislation also decreed by the Royal Commission, the Chamber advanced the following concrete suggestions for improvement of the existing deadlock:—

- (a) the fostering of trained and enlightened trade union leadership in special institutions set up for the purpose;
- (b) the reform of existing Registration under the Trade Unions Act;
- (c) the reform of existing Trade Disputes Legislation which constitutes anywhere the vital legislative background against which trade unionism has to develop.

It was then illustrated that the detailed provisions of the Bill, in almost every instance, defeated the general purpose of the measure. The fate of the Bill still remains unpredictable. Shortly after the re-opening of the November Session, word was received from the European Group at Delhi that although the Bill was due for reintroduction in the November Session of the Central Assembly, the Member in charge had signified his intention of not moving it then. It was and still is not known whether it would be reintroduced at the forthcoming Session.

The Factories (Second) Amendment Bill, 1944: Holidays with Pay.—The Factories (Second) Amendment Bill, 1944, which followed the Factories (First) Amendment Bill, 1944, (a non-controversial and minor measure) was introduced in the Central Legislative Assembly by the Labour Member, just before the close of the Budget Session in March, 1944. It was next sent, not to Select Committee as was originally intended, but into circulation for the purpose of eliciting public opinion upon it and re-introduced during the November Session, at which the motion to refer it to Select Committee was then passed. This Select Committee, it is now understood, is likely to meet in Delhi during the second week of February, 1945. In the meanwhile, the Chamber who received intimation of the measure and copies of it from the European Group at the Centre has, with its affiliated industrial associations and

interests, given close attention to it and submitted criticisms and views to the Government of India in a letter dated 28th October, 1944. They have also, at the suggestion of the Industrial Affairs Sub-Committee of the Chamber solicited the Government of Bengal's support for these criticisms and views.

The clauses of the Bill, though constituting a modification of the proposals set forth in the draft Bill of 1942 which preceded this, have been shown to be not altogether acceptable to industrial interests, in their attempt firstly, to provide compensatory holidays in all cases by the insertion of a new section 35A in Act XXV of 1934, which it is felt will cause hardship to those industries who have to work under special conditions, and who find it difficult to grant a compensatory holiday regularly without great inconvenience. In view of abuses, however, the provision of compensatory holidays has been accepted by the Chamber provided it is made clear in the Bill—in which it is not now clear—that these compensatory holidays are holidays without pay, since the Sunday holiday which they are intended to replace is one for which no payment is even made or expected to be made. Again, as regards the other object of the Bill, namely, the grant to workers in perennial factories of the benefit, after a year's service, of at least seven consecutive holidays, of which at least six will be paid for, the Chamber has pointed out, that although this stipulation is coupled with the phrase "that the Bill does not seek to affect the continuance of other local and customary holidays at present being given by an employer to his workers", and the further statement that Provincial Governments will be empowered to exempt any Factory in which the leave rules provide for benefits substantially similar to those conferred by the Bill, there is still much room for ambiguity and controversy and the provision militates against the desired all-India uniformity. It cannot be inferred, it has been shown, with any certainty from the Bill, that the grant of six staggered holidays with pay of so widespread and so much more common a system in industrial concerns in Eastern India than the block system of holidays with pay, and which synchronise with customary and religious festival days, will be interpreted by all Provincial Governments as conferring upon workers benefits equivalent to those conferred by the grant of six holidays with pay. It has, therefore, been strongly urged that the latter should be made the case by the re-wording of the present clauses in question of the Bill and that the proposed legislation should be so framed as to provide for both the staggered and consecutive holidays with pay, since the staggered have already been successfully experimented with and more nearly approximates to that ideal in holidays with pay legislation which has also been universally evolved.

Labour Technical Training Scheme: Census of skilled workers and trainees.—During the year the Chamber, by request of the Employers Federation of India, arranged through affiliated Industrial Associations for the collection of information required by the Central Government relative to plans for the adjustment of their Technical Training Scheme to meet the present day needs of civil industry. Members of the Chamber with industrial interests were also asked to submit direct to Government information in the prescribed form in respect to the number of workmen employed (other than trainees and unskilled workers), the numbers being trained in each factory under its own training scheme and the average period of training.

Canteens for Industrial Workers.—The Chamber Report for 1943 referred to Government's intervention in the matter of cooked food canteens for industrial workers. It will be remembered that the majority of industrial interests connected with the Chamber were not in favour of the establishment of canteens by Government action, on the grounds that such a measure could not be made generally applicable to Indian industrial conditions.

Though the running of canteens on lines suggested by the Central Government has since been recommended by the Employers Federation of India and, in fact, they are being operated in a limited number of industrial concerns, the evidence before the Chamber in the year under review has shown on the whole no general demand for cooked food canteens on the part of labour in this area. The experience of the majority of employers has been either that canteens are definitely not wanted, that they have been attempted and abandoned for lack of support, or that only a small fraction of the labour force employed takes advantage of the facility when it is provided. In addition to a lack of incentive to organise canteens employers are frequently faced with difficulties such as occur when labour works in scattered groups throughout the city area, or when the necessary space and staff are not available.

In August Government intimated that they were not satisfied that the maximum progress had been effected in the establishment of canteens and they proposed to delegate powers under the Defence of India Act to the Labour Commissioner Bengal, to ensure that workers in at least large industrial undertakings were not denied the benefit of canteens, where after enquiry they were found possible.

In accordance with the advice of the Industrial Affairs Sub-Committee, the attitude of employing interests to the running of canteens was clearly explained by the Chamber in their reply to Government. It was

pointed out, that, if the maximum progress desired had not been achieved it was not because of deliberate obstruction to Government's policy in this direction but was, for the most part, the unavoidable outcome of circumstances. The Chamber deprecated the measures proposed by Government and said that the establishment of canteens should be made compulsory only where by actual investigation it was shown beyond doubt that the demand and the need exist and conditions as a whole were favourable to the organisation of this amenity.

More recently the Director of Rationing, Bengal, requested the views of the Chamber on a proposition emanating from the Central Government, namely the possibility of utilising industrial cooked food canteens for practical demonstrations of the uses and cooking of substitute foodgrains, and for the purpose of remedying known deficiencies in the diet of industrial workers. Having sought the opinion of their Industrial Affairs Sub-Committee the Chamber intimated to the Director the willingness of connected industrial interests to co-operate in the direction proposed, to the extent to which industrial canteens are in operation in this area, assuming that the demonstrations were arranged in consultation with Factory management and would be carried out so as to avoid any interference likely to have repercussions on the relations between management and labour.

MUNICIPAL.

Malaria in the Calcutta area.—In the 1943 Report it was briefly stated that the Chamber had incorporated the facts and figures of increased malarial incidence, obtained from members, in an address to the Provincial Government Health Authorities.

The particulars appended to the Chamber's letter to the Public Health Department of the Government of Bengal were, it was explained, those obtained from a survey relating particularly to Calcutta and its surroundings, though in one or two cases they referred to some of the mofussil jute growing districts where malaria was raging in epidemic form. It was known to the Chamber that the urgent problem of malaria in the rural areas was receiving the attention of Government in collaboration with the military authorities and the Chamber's object in addressing Government was to recommend that similar steps should be taken without delay, to tackle the problem in the urban areas of Calcutta and the surrounding industrial zone. To maintain this point, Chamber went on to say:—

Many industrial employers have for some years been active in taking anti-malaria measures for the protection of their labour force. Some have applied such measures under the advice of the Calcutta School of Tropical Medicine and/or

of the Indian Branch of the Ross Institute of Tropical Hygiene. Recently, special arrangements have been made by the Indian Jute Mills Association for the School of Tropical Medicine (a) to give specialised advice and training in the diagnosis and treatment of malaria to jute mill medical officers and (b) to carry out a malaria survey in collaboration with the Director of Public Health, Bengal, in the jute mill areas. Unless, however, such measures and the institution of anti-malarial and anti-mosquito precautions cover the entire industrial area and its surroundings, much of the work—as experience has shown elsewhere—will be temporary in its effect and to that extent wasteful effort. It is accordingly recommended most strongly for the consideration of the Government of Bengal that a comprehensive and co-ordinated drive should be organised and that, in carrying out this drive, the full co-operation should be enlisted of the combined experience, advice and active help of all those in a position to participate, in particular the Departments of Public Health and Public Works of the Government of Bengal, the School of Tropical Medicine, the India Branch of the Ross Institute of Tropical Hygiene, the Medical Departments of the Combined Services and the Health Departments of all the Municipalities comprising greater Calcutta.

To this letter Government replied in July 1944 that the Chamber's suggestion would be carefully considered with a view to evolving a scheme to ensure combined anti-malarial measures being taken throughout the industrial area, but that the adoption of any such scheme would largely depend upon the financial support forthcoming from Municipal bodies and Industrial Concerns.

The Chamber thanked Government for this assurance and again stressed the urgency of the matter, stating that the first move in the formulation of such a scheme must and ought to come from Government. No effort should be spared, the Chamber said, to take advantage of the public interest which the scheme would evoke at the present time, of the advice and practical help made available by the presence of the Combined Services in this area and the expressed willingness of the Calcutta School of Tropical Medicine and the Ross Institute of Tropical Hygiene to co-operate in an anti-malarial drive. In the Chamber's view the financial cost which must be faced sooner or later, was primarily a matter for Government, the Calcutta Corporation and the Municipalities comprising the area concerned.

As members know, Government informed the Chamber at the close of the year that a preliminary malaria survey of the area along both banks of the Hooghly, from Budge Budge to Nalhati, constituting the first step in the preparation of a comprehensive anti-malaria scheme, was about to be undertaken and afterwards the Director of Public Health Bengal intended to draw up the scheme in consultation with the various interests, including industrial concerns and local bodies, to ascertain the financial assistance that would be required from them.

Proposed Campaign to improve the Standard of Civilian Driving in Calcutta.—Arising from the question of the ratio of responsibility of

military and civilian drivers of motor vehicles for accidents occurring in Calcutta, a campaign to improve civilian driving in the city was started—on the suggestion of the C. in C., India—at a meeting held on the 25th August under the auspices of the Commissioner of Police, Calcutta, at which their representative on the Traffic Advisory Board acted for the Chamber.

It has been noted with interest that according to the consensus of opinion of the wide representation of civilian Associations which attended the meeting, the standard of both civilian and military driving has on the whole improved in recent months, though a number of measures were proposed to ensure that the most prevalent civilian offences against the rules of the road, particularly those of drivers of food lorries and taxis, should be checked as far as possible.

The Traffic Advisory Board.—The Chamber has continued to concern itself with the traffic problems of the city and to advocate safety measures in the interests of the motoring public.

In April the Chamber was apprised by its representative on the Traffic Advisory Board that at a meeting held to discuss traffic arrangements in the Esplanade/Chowringhee area the Board had decided to postpone any action until experience had shown to what extent traffic congestion in this area was relieved by the opening of the new road across Curzon Gardens and from Oysterly Road to Dufferin Road. The question of the re-opening of Mayo Road and Red Road, which was taken up by the Chamber in 1943 was not pursued at that time but has again recently been the subject of representations to Government.

It will be remembered that, as stated in last year's report, The Board agreed last December to bring the Chamber's views on the danger occasioned by obscured driving lights on motor vehicles to the notice of Government and to recommend that civilian vehicles should be allowed to use headlights more in keeping with those in use by the military.

Government refused to entertain this suggestion on the grounds that as the lighting restrictions applicable to military and civilian motorists were similar in many respects, it was considered that if these regulations were complied with the motoring public would not be unduly inconvenienced or endangered by headlights on military vehicles. Whereupon in May the Chamber strongly put forward the case for relaxation of the motor lighting restrictions directly to Government, contending that in addition to the danger incurred by military traffic—which was still in evidence whatever the military regulations might be—the increased

volume of high speed traffic on the roads, the obscuration of street lighting, the state of the roads and badly marked kerbs were factors which necessitated a certain measure of relaxation on the lines of the methods of car lighting permitted in the U.K., in spite of that country's closer proximity to the enemy.

As the outcome of these and other submissions made to Government, the Chief Civil Defence Commissioner convened a meeting in August of the Civil and Military heads of Departments concerned with the matter, at which the Chamber was represented by the President. The discussion which ensued resulted in a virtual agreement that so far as motor vehicles are concerned a certain amount of relaxation should be allowed after suitable investigation into the manner in which, and the time when the step would be expedient.

Points relevant to the above were discussed at the meeting of the Traffic Advisory Board held on the 13th December at the instance of the Chamber's representative. It was recommended that white painted kerbs be put down on the New Road and existing white lines be kept in better condition. The obstructing factor—shortage of white paint—was realised, but the Committee promised to see what could be done.

Congestion on tram cars.—As a preliminary to the consideration of remedial measures, the Chamber, at the end of last year, instituted an enquiry among members into the question of the congestion on tramway routes serving the business area in Calcutta. Replies received from 217 commercial firms employing a total staff of 24,682 revealed firstly that the most popular morning opening and evening closing hours were 9.30 a.m. and 5 p.m. respectively, and that the commercial offices observing those hours were responsible for a large percentage of the commercial employees making use of the tram services to and from the business area; and, secondly that, on the figures available, the evening traffic was dispersed over a longer period than the morning traffic. Taking "travelling" figures of commercial concerns observing the 9.30 a.m. to 5.00 p.m. day, it did not follow that the entire staffs of these offices either arrived at or left their offices at precisely these hours, as the acute congestion extended in the morning from approximately 9.15 a.m. to 10.15 a.m. and in the evening, from 4.30 p.m. until after 5.30 p.m. These periods of congestion have since extended considerably.

This information was conveyed to the Bengal Government at their request, and the Chamber pointed out in doing so that it was difficult to see how any measure of relief would result—as had been suggested—from further "staggering" of office hours within the restricted limits which the

daily "spread-over" of working hours permitted. Before making any recommendations on this point the Committee of the Chamber considered it desirable to discuss the matter with the Calcutta Tramways Co., Ltd. and after the discussions had taken place to address Government again on the subject. The congestion, the Chamber considered, did not result only from the use of the tramway system but by employees in commercial houses, and Government were asked what the appointed hours of work were in Government Offices, and the approximate numbers of Government employees making use of the service in the business area. No further action has been taken by Government and so far as the Chamber and the Tramways Co. can see no measure within the competence alone of either the commercial community or the Company can overcome the morning and evening congestion. Many expedients for reducing the difficulties and discomforts of passengers have been examined but none of them can go any way towards meeting the circumstances of a problem the only adequate solution of which lies in more transport as a whole.

Octroi Duty, Allahabad.—A question with respect to the payment of Octroi Duty claimed by the Allahabad Octroi Superintendent, on a quantity of lubricating grease which had been stored in Allahabad as an emergency measure, early in 1942, was laid before the Chamber for advice, in January. It appeared that the payment of the duty had been contested by the member who submitted the case, primarily because arrangements had been made to rebook the grease to Calcutta at the time when the claim was made and also on the grounds that the grease, was not stored for sale in Allahabad.

Having referred the matter to the Calcutta Lubricants Committee, the Chamber was able to advise that the Octroi Duty should be paid and claim then made for the refund allowed by the Allahabad Municipality on goods which have paid Octroi and are subsequently despatched for consumption outside the Municipal area.

MISCELLANEOUS.

Standardisation of weights and measures in Bengal: Weights and Measures Enquiry Committee.—With a view to obtaining the information necessary to assist the Provincial Government in framing legislation for the introduction of standardised weights and measures in Bengal, the Weights and Measures Enquiry Committee, to which reference was made in the 1943 Report, issued a questionnaire to all interested concerns in February. Industrial and Commercial Associations and other affected interests in the membership of the Chamber were requested by the

Chamber Committee to co-operate by furnishing replies, wherever possible, either to the Chamber or to the Weights and Measures Enquiry Committee direct.

Recognised Provident Funds: Letters of Nomination.—Though it was inclined to favour the submission of a case to the Central Board of Revenue in order to secure the same statutory protection in the case of Provident Fund Letters of nomination, as is given to Life Assurance Policy Holders by Section 9 of the Insurance Act, no further developments have taken place for the reason that when the position was examined in 1943 by the Associated Chambers of Commerce, the majority of the constituent Chambers did not feel there were any sure grounds for an all India representation and it was decided that nothing useful would be gained by pressing this point on the Board at that stage.

Co-operative Scheme for the growing and marketing of vegetables.—In view of the rise in the price of fish meat and vegetables, the Calcutta Branch of the European Association asked for the Chamber's cooperation in a scheme for the cultivation and distribution of vegetables at reasonable rates by industrial concerns in the vicinity of the city, under a central administration. So far as the Chamber is concerned the only industrial interests with land available for the purpose are, in the main, jute mills, and these latter are not able to undertake further activities. Though the Chamber fully approved of the proposal they were not, in the circumstances, able to give the required assistance.

Calcutta University: Special Course on social work for Labour Welfare Officers.—The outlines of a scheme inaugurated by the Appointments Board of the Calcutta University in co-operation with the Indian Jute Mill Association, for giving suitable training to Labour Welfare Officers was issued for the information of members of the Chamber with industrial interests, not members of any Industrial Associations, under cover of Chamber Circular No. 4099-1044, of the 13th September.

Proposed re-opening of the Cotton Futures Market in Bengal.—A memorandum addressed to the Government of Bengal by the Bengal Cotton Association Limited, requesting that permission be given for the resumption of Cotton Futures trading in Calcutta, as in Bombay and Karachi, was referred to the Chamber for their views.

In consultation with the Cotton Piece-goods & Yarns Sub-Committee the Chamber put forward the opinion that a Cotton Futures Market in Bengal was not necessary for the well-being of cotton traders or cotton mills and would be purely speculative. The re-opening of the Bombay and Karachi Futures Markets had been agreed by the Government of

India, because they appreciated that these ports were terminal markets for the cotton growing areas and were necessary to facilitate the marketing of the cotton crops. Such conditions, the Chamber observed, could not be said to apply to Calcutta in respect of Bengal and the adjoining provinces.

MEMBERSHIP.

The number of members of the Chamber on the 31st December 1944 was:—Chamber members 284, Associate members 17.

FINANCE AND ACCOUNTS.

Chamber.—The reduction in the capital of the Chamber in 1944 amounts to Rs. 25,015-6-1.

Bengal Chamber of Commerce deficit	...	Rs.	13,017	15	6
Royal Exchange deficit	...	...	9,997	0	7
Deduction	...	Rs.	25,015	6	1

The corresponding figures for 1943 were:—

Bengal Chamber of Commerce deficit	...	Rs.	35,277	6	7
Royal Exchange deficit	...	...	9,508	11	9
Deduction	...	Rs.	44,786	2	4

The Income and Expenditure for 1943 and 1944 are as follows:—

	1943	1944
<i>Income:—</i>		
Members' subscriptions	Rs. 1,00,550	1,08,833
Monthly Contributions	3,57,657	4,28,252
Arbitration fees	35,242	33,284
Certificates of Origin	4,250	4,954
Interest and rent received less paid for taxes, repairs and electric charges	9,670	9,234
Strike Certificate fees	120	
Profit on re-valuation of Investments		
	<u>Rs. 5,17,313</u>	<u>5,85,445</u>

Expenditure

	1943	1944
<i>Establishment—</i>		
(a) Current	Rs. 3,43,539	4,06,744
(b) Pensions	31,449	25,991
Printing and Stationery	12,654	12,699
Depreciation	21,419	22,987
Sundries	35,423	43,847
Legal Charges	1,183	1,149
Prices Current	550	573
Contribution to Provident Fund	27,312	39,590
Reserve for Income-tax on Chamber Revenue	41,211	37,592
Loss on sale of food-stuffs	37,534	18,394
	<u>Rs. 5,52,590</u>	<u>6</u>
Deficit	35,277	15,018
	<u>Rs. 5,17,313</u>	<u>5,85,415</u>

Royal Exchange.—The deficit for 1944 is Rs. 9,997-0-7 against the deficit of Rs. 9,508-11-9 for 1943.

Income:—

Entrance fees	...	Rs.	1943	1944
Subscriptions	...		05	00
Sale of Telephone Ticket Books	...		25,100	25,040
	...		545	493
	...	Rs.	25,708	25,603
Expenditure				
Rent	...	Rs.	12,000	12,000
Contribution to Chamber	...		6,000	6,000
Establishment	...		19,294	19,187
Restaurant License	...		100	100
Books and Newspapers	...		1,394	1,407
Sundries	...		5,218	5,316
	...	Rs.	35,216	35,600
Deficit	...		9,508	9,997
	...		25,708	25,603

SUNDRY REFERENCES

Bengal Timber Prices Control Order.
 Brokerage on Shipments on behalf of the United States Govt. Agencies.
 Business Correspondence with liberated countries.
 Cost of Living for Europeans & Anglo-Indians.
 Cost of Living for Middle Class.
 Cost of Living for Working Class.
 Calcutta Port Commissioners: Schedule of Charges.
 Calcutta Corporation—Bengal Chamber of Commerce, Electoral Roll.
 Draft Jute Grading Scheme.
 Footwear Control Order, 1944.
 Government Competition with private enterprise.
 Indian Railway Conference Association—Classification of different commodities.
 Men available for post-war employment.
 Port of Calcutta Directorate.
 Port Commissioners Rent on Imports into Calcutta by Steamer.
 Post-war Shipping Policy.
 Pre-Cadet Training Course.
 Post-war International Air Transport.
 Red Cross Appeal.
 Railways New Priority List.
 Railway Booking of Goods: Issue of temporary receipts
 Security Stamp for Correspondence.
 The Used Motor Vehicles Control Order, 1944.
 Weather Working Days.
 The Tyre Rationing Order, 1944.
 Transport for building materials.
 The Bengal Housing Bill, 1943.
 United Kingdom Beer: Imports for Military Requirements.
 Pernacular Examinations.

BENGAL CHAMBER OF COMMERCE.

Secretarial Department—General.

(1) Balance Sheet as at 31st December 1944.

(2) Revenue Account for the year ended 31st December 1944.

BENGAL CHAMBER OF

(SECRETARIAL)

Incorporated as a Company under section 26

BALANCE SHEET as

CAPITAL AND LIABILITIES.

	Rs.	A. P.	Rs.	A. P.
Capital Account—				
Balance at 1st January, 1944.	6,48,172	4 5		
Less—Deficit from Income & Expenditure Account	15,017	15 6		
Less—Royal Exchange Deficit	6,33,154	4 11		
	9,997	6 7	6,23,156	14 4
Loan—Unsecured—				
Imperial Bank of India, Overdraft on Current Account			28,435	12 10
Liabilities—				
For Expenses				
Publication	391	3 0		
Stationery	1,077	3 0		
Commercial Education Prizes	225	0 0		
Electric Fans, Lights, Lifts, etc.	1,115	14 0		
Petty Charges	3,993	3 0		
Audit Fee	700	0 0		
Printing	338	15 0		
Telephone	342	1 0		
Subscription to Associated Chambers of Commerce of India	800	0 0		
Establishment	3,356	13 0		
Current Repairs	264	1 0		
Provident Fund Contribution	2,798	14 0		
Charges General	215	0 0		
Sundries	3,130	3 6		
			18,438	6 6
Provision for Taxation			34,686	6 0
Other Finance—				
Deposits for Arbitration cases	60,507	0 0		
Bengal Flood Relief Fund	0	0 929		
Income-tax deductions account staff	27,150	8 0		
Carried over	88,483	8 0	7,95,017	7 8

COMMERCE, CALCUTTA.

DEPARTMENT).

of the Indian Companies Act, 1882.

at 31st December 1944.

PROPERTY AND ASSETS.

	Rs.	A. P.	Rs.	A. P.
Land No. 2, Clive Street, at cost			3,11,912	8 0
Royal Exchange Building at Cost	6,03,166	12 9		
Less—Depreciation to date	4,01,270	2 3		
			1,97,896	10 6
Furniture & Fittings at cost to 31-12-43	1,43,075	12 2		
Additions during the year at cost	569	6 0		
	1,43,645	2 2		
Deduct Sale proceeds	55	0 0		
Less—Depreciation to date	1,43,590	2 2		
	1,23,499	2 2		
			100	0 0
Library and Pictures at cost	42,820	1 5		
Less—Depreciation to date	42,730	1 5		
			100	0 0
Standard Weights, Measures and Test Appliances at cost	4,577	5 0		
Less—Depreciation to date	4,239	3 5		
			347	1 7
Installation of Electric and Sanitary Works at cost	1,20,897	8 9		
Less—Depreciation to date	1,20,897	8 9		
			100	0 0
Air Conditioning Plant at cost to 31-12-43	25,485	8 0		
Additions during the year at cost	652	0 0		
	26,137	8 0		
Less—Depreciation to date	12,505	4 1		
			13,632	3 11
New Royal Exchange Restaurant at cost	9,288	1 0		
Less—Depreciation to date	9,183	1 0		
			100	0 0
Motor car at cost	5,000	0 0		
Less—Depreciation to date	1,666	10 8		
			3,333	5 4
Debts due to Chamber (unsecured)—				
Considered good				
Due by Royal Exchange, contribution, Rent and Expenses	51,796	15 6		
	12,485	8 0		
			64,282	7 6
Carried over			5,91,804	4 10

(118)

BENGAL CHAMBER OF

(SECRETARIAL

Incorporated as a Company under section 26

BALANCE SHEET as

	Brought forward ...	88,483 8 0	7,05,017 7 8
Other Finance—(Contd.)			
Deposits for foodstuffs supply	... ..	7,132 0 0	
Royal Exchange Deficit	... ..	9,997 6 7	
Central Telegraph office	... ..	29,934 4 6	
A/c. Shipping Telegram			1,35,547 3 1

Total

8,40,564 10 9

(119)

COMMERCE, CALCUTTA.

DEPARTMENT).

of the Indian Companies Act, 1882.

at 31st December 1944.

	Rs. A. P.	Rs. A. P.
Brought forward		5,91,801 4 10
Advances	... ..	26,250 14 3
Investments in Government Securities at Market valuation—		
Rs. 63,600/- 3% Loan 1963/65 @ Rs. 99-2	63,043 8 0	
Rs. 55,100/- 3% Loan 1951/54 @ Rs. 101-1	55,685 7 0	
Rs. 80,000/- 4% Loan 1960/70 @ Rs. 113-0	90,400 0 0	
		2,09,128 15 0
Interest accrued on investments	... ..	1,587 15 0
Cash and other balances—		
Unused Stamps in hand	... ..	184 13 6
Cash in hand	... ..	11,607 12 2
		11,792 9 8

Total

8,40,564 10 9

BENGAL CHAMBER OF

(SECRETARIAL

INCOME AND EXPENDITURE ACCOUNT for the

EXPENDITURE	Rs. A. P.	Rs. A. P.
To Establishment .....	...	4,32,735 4 6
„ Municipal Taxes .....	...	11,751 6 0
„ Current Repairs .....	...	6,370 14 0
„ Electric Fans, Lights, Lifts and Pumps including cost of current and up-keep Less—Received for the use of Lights and Fans	17,372 5 0 3,498 7 0	13,873 14 0
„ Depreciation on Building	15,054 2 8	
„ Do. on Standard Weights, Measures and Test appliances	200 7 6	
„ Do. on Air Conditioning Plant	2,613 12 0	
„ Furniture and Fitting	514 6 0	
„ Do. on New Royal Exchange Restaurant	2,938 5 8	
„ Do. Motor Car	1,656 10 8	
„ Fire Insurance	...	22,989 12 6
„ Contribution to Provident Fund	...	1,750 0 0
„ Printing Reports	...	800 1 0
„ Do. General	5,654 7 0	
„ Less—Sundry Receipts	108 8 0	
„ Charges General	5,638 15 0	
„ Petty Charges	10,899 19 0	
„ Stamps	10,502 7 6	
„ Telegrams	1,924 9 6	
„ Book-binding	714 14 0	
„ Govt. Gazettes, etc.	252 12 0	
„ Audit Fee	4,800 0 0	
„ Do. re: Income Tax Assessment 1944-45	150 0 0	
„ Stationery	4,950 0 0	
„ Telephone Charges	6,372 13 6	
„ Publications	2,962 8 0	
„ Commercial Education Prizes	2,438 2 6	
„ Medical attendance	225 0 0	
„ Subscription to Associated Chambers of Commerce of India	800 0 0	
„ Legal Charges	1,146 0 0	
„ Provision for Taxation	37,497 12 0	
„ Foodstuffs Subsidies	18,291 8 6	
„ Passage	4,574 12 0	
„ Prices current	572 12 0	
„ Motor Car expenses	2,993 3 0	
„ Motor Car Insurance	352 0 0	
„ Tax under Bengal Finance Act 1939 for 1944/45	30 0 0	
	Rs.	6,32,459 0 6

We beg to report that we have audited the foregoing Balance Sheet of the Bengal Chamber of Commerce, Secretarial Department as at 31st December, 1944, and Income and Expenditure Account for the year ended on that date. We have obtained all the information and explanations we have required and in our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Departments affairs according to the best of our information and the explanations given to us, and as shown by the books of the Department.

The Balance Sheet and Income and Expenditure Account do not include the Accounts of the Licensed Measures' Department, nor of the Foodstuffs Section.

CALCUTTA,
The 8th February 1945.

LOVELOCK & LEWIS,
Chartered Accountants, } Auditors.
Registered Accountants. }

COMMERCIAL, CALCUTTA.

DEPARTMENT).

year ended 31st December 1944.

INCOME	Rs. A. P.	Rs. A. P.
By Members' Subscriptions	...	1,08,833 5 0
„ Monthly Contributions from the Associations recognised by the Chamber	3,26,264 0 0	
„ Do. Licensed Measures Dept.	24,000 0 0	
„ Do. Royal Exchange	6,000 0 0	
„ Do. Indian Tea Market Expansion Board	27,996 0 0	
„ Do. Indian Tea Licensing Committee	27,996 0 0	
„ Do. Calcutta Liners Conference	15,996 0 0	
„ Arbitration Fees	...	4,28,252 0 0
„ Fees for Certificates of origin	...	33,284 0 0
„ Interest on Investments and other sources	...	4,654 0 0
„ Rent of No. 2 Clive Street— Royal Exchange	...	6,426 10 0
„ Licensed Measures Department	12,000 0 0	
„ Blucker & Co.	3,000 0 0	
„ Bristol Hotel	1,200 0 0	
„ Indian Jute Mills Association— A/c. Priority Assistance Advisory Fund	Rs. 3,000	
„ A/c. Cool Dump	Rs. 900	
„ A/c. A.R.P. Section	Rs. 2,100	
„ A/c. Requisition Department	Rs. 750	
„ A/c. Industrial Pool	Rs. 750	
	7,500 0 0	
„ Profit on revaluation of Investments	...	34,800 0 0
„ Deficit for the year carried to Capital A/c.	...	1,101 2 0
		15,017 15 6
	Rs.	6,32,459 0 6

K. W. MBALING,
President.
H. D. TOWNEND,
Vice-President.
D. C. FAIRBAIRN,
Secretary.

W. T. C. PARKER
J. H. BURDER
H. H. BURN
R. R. HADDOY
T. S. GLADSTONE
P. C. GUTHRIE
G. H. MORTON

Members of the
Committee.

