

SPECIAL TARIFF BOARD

Written Evidence

recorded during enquiry regarding the level of duties necessary to afford adequate protection to the Indian Cotton Textile Industry against Imports from the United Kingdom of cotton piecegoods and yarn, artificial silk fabrics and mixture fabrics of cotton and artificial silk

Volume I

Containing evidence of—

- (1) Millowners' Association, Bombay.**
- (2) Ahmedabad Millowners' Association.**
- (3) Southern India Millowners' Association.**
- (4) Bengal Millowners' Association.**
- (5) Individual Mills.**
- (6) United Kingdom Cotton Textile Delegation.**



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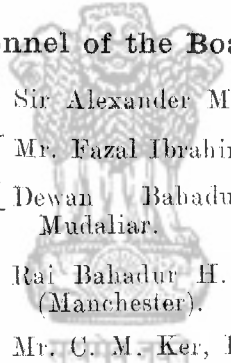
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GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

RESOLUTION.

TARIFFS.

Simla, the 10th September 1935.

No. 341-T. (12)/35.—As a result of the visit of the British Textile Mission to India in the autumn of 1933, an Agreement was concluded between the Millowners' Association, Bombay, and the Mission which was expressed in the following terms:—

2. "The parties wish to record their conviction that great benefit has been derived by all concerned from the full and frank exchange of views, the personal contacts which have been established and the greater understanding which both sides have secured of each other's position.

The parties are agreed that it would be in the best interests of the industries they represent to maintain and develop in the future the contacts which have been established and it is hoped that it will become the practice for views to be exchanged whenever circumstances render it desirable.

The following headings of agreement have been adopted on the assumption that the cotton duty is not increased above the present level of half an anna per pound.

- (1) It was agreed that the Indian Cotton Textile Industry is entitled, for its progressive development, to a reasonable measure of protection against the imports of United Kingdom yarns and piecegoods. It was also agreed that under present conditions, owing to lower costs and other factors operating in foreign countries, the Industry required a higher level of protection against them than against the United Kingdom.
- (2) As regards cotton piecegoods, it was agreed that if and when the revenue position of the Country made it possible for the Government of India to remove the general surcharge on all imports imposed in October, 1931, the Indian side would not make fresh proposals with regard to the duties applicable to the United Kingdom.
- (3) In the matter of cotton yarns, the present duties are $6\frac{1}{4}$ per cent. *ad valorem* or $1\frac{1}{8}$ annas per pound. The Indian side has agreed that so far as imports from the United Kingdom are concerned, the duty may be 5 per cent. *ad valorem* with a minimum specific duty of $1\frac{1}{4}$ annas per pound.

- (4) So far as artificial silk piecegoods are concerned, the Indian side agreed that in the case of the United Kingdom, the duties may be as follows:—

30 per cent. *ad valorem* or $2\frac{1}{2}$ annas per square yard for hundred per cent. artificial silk fabrics; and

30 per cent. or 2 annas per square yard for mixture fabrics of cotton and artificial silk.

The present duties on these classes of goods are:—

50 per cent. *ad valorem* or 4 annas per square yard on hundred per cent. artificial silk fabrics; and

35 per cent. or 2 annas 3 pies per square yard for mixture fabrics of cotton and artificial silk.

- (5) In so far as the Empire and other overseas markets for piecegoods and yarns are concerned, it is agreed that any advantages which might be arranged for British goods should be extended to Indian goods, and that India, in markets in which she has no independent quota, should participate in any quota which might be allocated to the United Kingdom. In respect of overseas markets in which Indian mills lack established connections, it is agreed that the Manchester Chamber of Commerce should use its good offices to bring about contacts between Indian manufacturers and British houses which are already established in those markets.

- (6) In regard to raw cotton, the Indian side strongly emphasised the urgent necessity of further efforts being made in the United Kingdom to popularise and promote the use of the Indian raw material. They welcomed the undertaking that the British Textile Mission would be prepared to recommend effective action being taken and keep the Indian side regularly in touch with developments. It was further agreed that other avenues of co-operation in this field should be explored in the interests of the Indian cotton grower.

This understanding is limited in its duration to the period ending on 31st December 1935."

3. At the time when this Agreement was reached, the Government of India had under their consideration the question of the import duties necessary to afford adequate protection to the Indian cotton textile industry, and in their view the scale of duties which had been accepted by an important and representative section of the Indian textile industry constituted a fair basis for the protective scheme in so far as it had application to imports from the United Kingdom. The duties set out in the Agreement were, therefore, with one slight modification in respect of cotton yarn of counts over 50's, given statutory force by the Indian Tariff (Textile Protection) Amendment Act which became law on the 1st May 1934.

4. In the course of the debate on the Bill the then Commerce Member, Sir Joseph Bhore, in moving that the Bill be referred to

a Select Committee, stated on behalf of the Government that, though it was intended to afford the textile industry protection for a period of five years, the tariff rates on British goods would remain in force for two years in accordance with the terms of the Agreement between the Lancashire Delegation and the Millowners' Association, Bombay. On the expiry of the two years covered by the Agreement, the duties on British goods for the remaining period of protection would have to be decided on a review of the conditions then existing and in the light of such experience as may have been gained. The period of the Agreement will expire on the 31st December 1935, and it will be necessary to introduce, in the course of the next Budget Session, legislation to give effect to any changes in the duties which may be found necessary. The Government of India have, therefore, decided that the enquiry foreshadowed in Sir Joseph Bhore's speech should take place at an early date and that it should be entrusted to a Special Tariff Board constituted as follows:—

President.

Sir Alexander Murray, Kt., C.B.E.

Members.

Mr. Fazal Ibrahim Rahimtoola.

Dewan Bahadur A. Ramaswamy Mudaliar.

5. The following are the terms of reference to the Board:—

To recommend on a review of present conditions and in the light of the experience of the effectiveness of the existing duties, the level of the duties necessary to afford adequate protection to the Indian cotton textile industry against imports from the United Kingdom of (a) cotton piecegoods, (b) cotton yarn, (c) fabrics of artificial silk and (d) mixture fabrics of cotton and artificial silk. By adequate protection is meant duties which will equate the prices of imported goods to the fair selling prices for similar goods produced in India.

6. In the course of this enquiry, the Board will give a full opportunity to the cotton textile industry, whether in India or the United Kingdom, to present its case and, if necessary, to answer the cases presented by other interested parties.

7. The Board will not be required to make any recommendations in respect of revenue duties.

8. Firms or persons, who desire that their views should be considered by the Special Tariff Board, should address their representations to the Secretary to the Board.

ORDER.—Ordered that a copy of the above Resolution be communicated to all Local Governments and Administrations; all Departments of the Government of India; the Director General of Commercial Intelligence and Statistics; the Central Board of

Revenue; the Indian Trade Commissioners, London, Hamburg and Milan; the Secretary, Tariff Board; the High Commissioner for India, London; His Majesty's Trade Commissioner in India; the Canadian Trade Commissioner in India; all the Chambers of Commerce and Associations; the French Trade Commissioner in India, Burma and Ceylon; the Secretary, Imperial Council of Agricultural Research and the Chief Controller of Stores.

Ordered also, that it be published in the *Gazette of India*.



**Press Communiqué issued by the Special Tariff Board on the
16th October, 1935.**

The Government of India in their Resolution No. 341-T. (12)/35, dated the 10th September, 1935, have entrusted a special Tariff Board with an enquiry regarding the level of duties necessary to afford adequate protection to the Indian Cotton Textile Industry against imports from the United Kingdom of (a) cotton piecegoods, (b) cotton yarn, (c) fabrics of artificial silk and (d) mixture fabrics of cotton and artificial silk.

2. The following are the terms of reference to the Board:—

“ To recommend on a review of present conditions and in the light of the experience of the effectiveness of the existing duties, the level of the duties necessary to afford adequate protection to the Indian cotton textile industry against imports from the United Kingdom of (a) Cotton piecegoods, (b) cotton yarn, (c) fabrics of artificial silk and (d) mixture fabrics of cotton and artificial silk. By adequate protection is meant duties which will equate the prices of imported goods to the fair selling prices for similar goods produced in India.”

3. The Board will give full opportunity to the Cotton Textile Industry whether in India or the United Kingdom, to present its case and, if necessary, to answer the cases presented by other interested parties. In order to facilitate the preparation and consideration of such cases, the Board has prepared a questionnaire setting out points on which detailed information is required. Copies may be obtained from the Secretary, Special Tariff Board.

4. Firms or persons who desire that their views should be considered by the Board should address their representations (with six spare copies) to the Secretary, Special Tariff Board, so as to reach the office of the Board in Calcutta before 9th November, 1935, or at latest the office of the Board in Bombay before 16th November, 1935. Dates for public examination of witnesses will be notified in due course.

Questionnaire issued by the Special Tariff Board.

NOTE 1.—Please confine your answers to matters with which you are directly acquainted and on which you are in a position to supply the Board with detailed evidence.

NOTE 2.—Replies to this questionnaire (with six spare copies) should reach the Secretary, Special Tariff Board, in Calcutta before 9th November, or at latest in Bombay before 18th November, 1935.

The existing Customs duties on the undernoted goods of British manufacture imported from the United Kingdom into British India are:—

<i>Class of goods.</i>	<i>Rate of duty.</i>
(i) Cotton twist and yarn, and cotton sewing or darning thread—	
(a) of counts above 50s	5 per cent. <i>ad valorem</i> .
(b) of counts 50s and below	5 per cent. <i>ad valorem</i> or 1½ annas per lb. whichever is higher.
(ii) Cotton fabrics not otherwise specified containing more than 90 per cent. of cotton—	
(a) grey piecegoods (excluding bordered grey chadars, dhotis, saris and scarves).	25 per cent. <i>ad valorem</i> or 4½ annas per lb. whichever is higher.
(b) cotton piecegoods and fabrics not otherwise specified.	25 per cent. <i>ad valorem</i> .
(iii) The following cotton fabrics, namely, sateens including italians of sateen weave, velvets and velveteens and embroidered all-overs.	25 per cent. <i>ad valorem</i> .
(iv) Fabrics not otherwise specified containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool, but containing more than 50 per cent. cotton and not more than 90 per cent. cotton.	25 per cent. <i>ad valorem</i> .
(v) Fabrics not otherwise specified containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk:—	
(a) containing 50 per cent. or more cotton.	30 per cent. <i>ad valorem</i> or 2 annas per square yard whichever is higher.
(b) containing no cotton or containing less than 50 per cent. cotton.	30 per cent. <i>ad valorem</i> or 2½ annas per square yard whichever is higher.
(vi) Fabrics not otherwise specified containing more than 90 per cent. artificial silk.	30 per cent. <i>ad valorem</i> or 2½ annas per square yard whichever is higher.

1. What has been your experience of the effectiveness of the above duties?

2. (a) Please state under appropriate heads, giving in every case correct trade descriptions, the principal classes of goods other than yarns imported from the United Kingdom, which enter into competition, directly or indirectly, with similar goods produced in India.

(b) Please state under appropriate heads, giving in every case correct trade descriptions, the principal classes of goods other than yarns produced in India, which enter into competition, directly or indirectly, with goods imported from the United Kingdom.

(c) Please give the following particulars regarding one or more kinds of cloth, included in each of the classes above referred to, which may be regarded as typical of that class:—

- (i) dimensions and weight;
- (ii) counts of warp and weft;
- (iii) reed and pick;
- (iv) number of square yards per lb. of cloth in the finished state.

(d) Please supply four sets of representative samples of each type of cloth in respect of which particulars are given.

N.B.—(1) In the case of cotton piecegoods please differentiate between classes (*e.g.*, grey, bleached, woven—coloured, dyed, printed) and styles (*e.g.*, grey shirtings, white shirtings, bordered dhotis, nainsooks, etc.).

(2) In the case of mixture fabrics of cotton and artificial silk, please show separately bordered dhotis and other varieties in style and in addition to the above noted particulars give the percentage of material contents.

3. Please prepare a statement in the form attached as Appendix A showing for each of the past five working years and also, if possible, for the current year or portion thereof the total works expenditure at your mill or factory. Please also state—

- (a) particulars of equipment, capacity and output;
- (b) dates at which the principal items of plant and machinery were originally installed, with dates of any substantial extensions and renewals, and the amounts of expenditure incurred thereon.

The Board will undertake, if so desired, not to disclose the identity of the mills of which costs are supplied or to publish any figures given in reply to questions 3, 4 and 7.

4. Please prepare a statement in the form attached as Appendix B (b) showing for each of the last five working years and also, if possible, for the current year or portion thereof costs data per unit of typical kinds of cloth mentioned in reply to question 2.

N.B.—In the case of those items of expenditure which are not directly charged to each kind of cloth, the method by which the total expenditure at the mill is allocated among the different kinds of cloth should be explained.

5. (a) Please prepare a statement showing for each of the last five years, that is, from 1930-31 and also for the current year landed prices of typical kinds of comparable cloth imported from the United Kingdom, mentioned in reply to question 2.

N.B.—Customs duties should be excluded from landed prices which however should include prices *c.i.f. plus* landing charges at port of entry and, in the case of goods for upcountry destinations, additional freight and forwarding charges.

(b) Wholesale prices, with the details of selling commissions or selling charges, at important distributing centres of imported goods mentioned in reply to question 5 (a) should also be given.

6. (a) Please state under appropriate heads the principal classes of yarns imported from the United Kingdom which enter into competition, directly or indirectly, with similar yarns produced in India.

(b) Please state under appropriate heads the principal classes of yarns produced in India which enter into competition, directly or indirectly, with yarns imported from the United Kingdom.

7. Please prepare a statement in the form attached as Appendix B (a) showing for each of the last five working years and also, if possible, for the

current year or portion thereof costs data per unit of typical classes of Indian yarn competing with similar classes of imported yarn.

N.B.—In the case of those items of expenditure which are not directly charged to each kind of yarn, the method by which the total expenditure at the mill is allocated among the different kinds of yarn should be explained.

8. (a) Please prepare a statement showing for each of the last five years, that is, from 1930-31, and also for the current year landed prices of typical classes of comparable yarns imported from the United Kingdom which enter into competition, directly or indirectly, with similar yarns produced in India.

N.B.—Customs duties should be excluded from landed prices which however should include prices c.i.f. *plus* landing charges at port of entry and, in the case of yarns for upcountry destinations, additional freight and forwarding charges.

(b) Wholesale prices, with the details of selling commissions or special charges, at ports of entry and at important distributing centres of imported yarns mentioned in reply to question 8 (a) should also be given.

9. Have you any reason to believe that yarns or cloth imported from the United Kingdom have been or are being landed in India at unremunerative or unduly inflated prices? If so, please state your reasons fully and quote evidence on which you rely.

10. Have you any reason to believe that yarns or cloth manufactured in the United Kingdom similar to typical kinds of imported yarns and cloth mentioned in reply to questions 8 and 5 have been or are being exported at relatively higher or lower prices to markets outside British India? If so, please state places, prices and reasons, so far as you are aware.

11. In your experience, have the existing duties had the effect of stimulating or retarding the development of the industries concerned, including the handloom industry?

12. Has the industry in which you are interested been affected by displacement of cotton goods by imports from the United Kingdom of fabrics of artificial silk or of mixture fabrics of cotton and artificial silk, and, if so, to what extent?

APPENDIX A.

To be prepared by mills engaged in both spinning and weaving and by those engaged in either spinning or weaving alone.

Works Expenditure.

	Amounts.	Percentage of total expenditure.
	Rs.	
I. Raw material cost—		
1. Cost		
II. Manufacturing costs—		
2. Fuel and power		
3. Water		
4. Stores		
5. Repairs and maintenance		
6. Wages to operatives, including bonus and allowances		
7. Supervising and technical staff		
Total of II		

APPENDIX A—contd.
Works Expenditure—contd.

	Amounts.	Percentage of total expenditure,
III. Overhead costs—	Rs.	
8. Rent (if any), rates, taxes (excluding income and super-tax), license fees		
9. Interest on working capital		
10. Insurance		
11. Depreciation		
12. Office expenses—		
(a) at mill		
(b) at registered offices, including Directors' fees, Managing Agents' commission, office allowances.		
13. Selling expenses, including brokerage, commissions, discounts.		
14. Packing		
15. Other expenses		
Total of III		
IV. Total expenditure		
V. Total output—		
(1) Yarn used in mill lbs.		
Yarn sold ex-mill „		
Total yarn „		
(2) Cloth „		
„ yards.		

N.B.—In above statement no specific provision is made for return on fixed capital or for income-tax or super-tax.

VI.—For the further information of the Board, please state:—

- (a) the percentage of wastage (1) of raw cotton in the manufacture of yarn, and (2) of yarn in the manufacture of cloth,
- (b) the amount realized, if any, from the sale of waste,
- (c) whether interest on debenture capital included under head 9;
- (d) on what basis depreciation allowances calculated and debited under head 11;
- (e) whether managing agents' commissions and other allowances fully provided for under head 12;
- (f) whether output curtailed and if so for what reason and to what extent;
- (g) whether mills worked single or double shifts;
- (h) whether any material changes in working conditions, e.g., installation of new and improved plant or machinery; definite change-over to finer counts or qualities; alterations in wages;
- (i) what has been or is likely to be the result of new factory legislation on profit earning capacity and on costs in particular.

APPENDIX B (a).

Costs data per 1 lb. weight of yarn.

	Pies per lb.	Percentage of total cost.
I. Raw material cost—		
1. Cost of cotton required to manufacture 1 lb. of yarn.		
II. Manufacturing costs—		
2. Fuel and power		
3. Water		
4. Stores		
5. Repairs and maintenance		
6. Wages to operatives including bonus and allowances.		
7. Supervision and technical staff		
Total of II		
III. Overhead costs—		
8. Rent (if any), rates, taxes (excluding income and super-tax), license-fees.		
9. Interest on working capital		
10. Insurance		
11. Depreciation		
12. Office expenses—		
(a) at mill		
(b) at registered offices including Directors' fees, managing agents' commission, office allowances.		
13. Selling expenses, including brokerage, commissions, discounts.		
14. Packing		
15. Other expenses		
Total of III		
IV. Total cost		
V. Total output of yarn—		
(1) used at mill lbs.		
(2) sold ex-mill "		
Total of V		

N.B.—In above cost data statement no specific provision is made for return on fixed capital or for income-tax or super-tax.

VI. For the information of the Board please give the further particulars required under head VI (a) to (i) of Appendix A.

APPENDIX B (b).

Costs data per 1 lb. weight of cloth.

	Pies per lb.	Percentage of total cost.
I. Raw material cost—		
1. Cost of yarn used for manufacturing 1 lb. of cloth.		
II. Manufacturing costs—		
2. Fuel and power		
3. Water		
4. Stores		
5. Repairs and maintenance		
6. Wages to operatives including bonus and allowances.		
7. Supervising and technical staff		
Total of II		
III. Overhead costs—		
8. Rent (if any), rates, taxes (excluding income and super-tax), license-fees.		
9. Interest on working capital		
10. Insurance		
11. Depreciation		
12. Office expenses—		
(a) at mill		
(b) at registered offices including Directors' fees, managing agents' commission, office allowances.		
13. Selling expenses, including brokerage, commissions, discounts.		
14. Packing		
15. Other expenses		
Total of III		
IV. Total cost		
V. Total output of cloth yds.		
Total output of cloth lbs		

N.B.—In above costs data statement no specific provision is made for return on fixed capital or for income-tax or super-tax.

VI. For the information of the Board, please give the further particulars required under head VI (a) to (i) of Appendix A, and also (j) the additional weight given to each kind of cloth by the sizing and other materials used in its manufacture.

No. 9.—Further notes on artificial silk fabrics and mixtures.—We should like to comment on the statement made in this memorandum in which it is indicated that United Kingdom manufacturers are not in a position to buy and use artificial silk yarn at prices at all comparable with those payable by Indian Mills.

This, of course, is due to the extraordinary protection given to the artificial silk manufacturing industry in the United Kingdom which makes it impossible for United Kingdom to import artificial silk yarn from other countries. The duties are said to be 15*d.* per lb. *plus* 25 per cent. *ad valorem* and are an example of the lengths to which the United Kingdom is prepared to go in order to preserve its home market for an indigenous industry. It is, however, pertinent to note that in respect of staple fibre which is of exactly the same chemical constitution as artificial silk yarn, prices have been recently reduced by 4½*d.* per lb. and the expectations are that further reductions will eventually be made. If these materialise, there is a prospect that in the near future goods made from this material will be exported in very large quantities to the Indian market and Indian mills would be unable to meet this competition owing to the duty of 3 annas a lb. which they have to pay on their imports of staple fibre.

The statement made in the memorandum regarding the relative prices of artificial silk yarn in India and the United Kingdom is most misleading. As far as we are aware, there are no imports of foreign artificial silk yarn into the United Kingdom. England uses only the very superior qualities of artificial silk yarn manufactured in the country.

We are not quite certain of what is intended to be conveyed in the last four lines of the paragraph regarding the importance of the trade in the artificial silk fabrics and mixtures in relation to the demand for fancy cotton fabrics. If, however, the United Kingdom Delegation mean to say that the future of the Indian cotton piecegoods trade cannot be assured unless provision is made to include Japanese exports of artificial silk piecegoods within a general piecegoods quota, we generally agree.

(5) *Memo. dated the 6th December, 1936, from the Millowners' Association, Bombay.*

NOTES ON THE MEMORANDUM SUBMITTED TO THE SPECIAL TARIFF BOARD BY THE
BENGAL CHAMBER OF COMMERCE.

Question 1.—We contend that the conclusions arrived at by the Bengal Chamber of Commerce are not justified. It is perfectly true that there has been a reduction in the importation of cotton piecegoods from United Kingdom during the last ten years, but that does not prove that the existing duties have been adequate to ensure fair selling prices for Indian goods which have to meet competition from United Kingdom goods. That fair selling prices are not realized for Indian lines is demonstrated from the costing and price data already furnished to the Board in the Association's answers to the questionnaire and in the supplementary representation which have been submitted. We would, however, point out that the fall in the volume of England's export trade with India has been due to a series of causes which have been dealt with in the Association's answers to the questionnaire and supplementary statement.

Reference is made to the inability of Lancashire to fill the gap caused by the Bombay Mill Strike of 1928. This issue has been dealt with in paragraph 113 of the 1932 Tariff Board Report to which, it is suggested, reference might be made.

There seems to be some misapprehension as to the method of remunerating managing agents in the cotton industry. It is almost the universal rule in the Bombay City and Island to remunerate managing agents according to the profits made.

As regards the stocks carried by the Indian Industry, the figures have already been supplied to the Board in respect of Bombay City and Island

For these reasons, my Association is submitting a separate representation, which, for a proper understanding of our case, requires to be considered along with our answers to the Questionnaire.

Replies to the questionnaire.

1. *Duties on Cotton Piecegoods.*—Subject to the consideration that the period during which the substantive protection which the Indian Industry enjoys has been too short to enable definite conclusions being drawn, the Association is of the opinion that the existing duties which were embodied in the Textile Protection Act of 1934 have assisted the Industry. In the case of Grey Goods made from yarns below 30s counts, the specific duty has enabled the Industry to consolidate its position, and even to expand its production in bulk lines to meet the requirements of India's growing population. In these particular lines, however, internal competition has been instrumental in keeping prices at levels which have often been below the bare cost of production.

In other classes of piecegoods, the duties at present in force have, to some extent, assisted the Industry to diversify its production in the directions considered desirable by the 1926 and 1932 Tariff Boards, but have not, speaking generally, been sufficient to enable Indian Mills to realise fair selling prices in lines where there is direct competition from the United Kingdom.

Dealing with each important class of cotton piecegoods, my Association desires to make the following comments regarding the influence of the duties on United Kingdom cotton piecegoods and yarns.

Grey Plain Cloths.—For many years, the United Kingdom has not supplied coarse count grey cloth in anything but small quantities to the Indian market, and her position in respect of coarse grey plain goods has not been adversely affected either by the *ad valorem* or specific duties now in operation.

Grey Jaconets and Mulls.—As regards the trade in Jaconets and Mulls, which are made from fine yarns, the position of the United Kingdom has not deteriorated since the existing duty of 4½ annas was imposed. Imports from the United Kingdom are still substantial, and the wholesale prices of United Kingdom lines still remain considerably below the fair selling prices of cloths made from similar specifications in Indian Mills. (Please see separate representation).

Bordered Grey Goods.—During the last six or seven years, the Indian Textile Industry has considerably increased its production of Dhoties. This expansion has been chiefly in Dhoties for consumption in the Bengal and Eastern India markets. In these cloths, which are now produced in very large quantities by Bombay Mills and are woven from yarns of medium counts, the expansion of the Bombay Mill Industry was the direct result of a determined effort to relieve the pressure of internal competition in the Grey Shirting and Longcloth trade. The imports of Grey Dhoties from the United Kingdom have suffered as a result of this competition, but the goods which have been displaced were of a different texture and construction, being made from finer yarns with a higher reed and pick than the Indian article. (Please see pages 47 and 48 of Mr. Hardy's Report.)

The trade in these medium count Dhoties is being retained with difficulty by selling at bare production costs, and often under cost, and any reduction in duty would put this essential trade in jeopardy. There are still substantial quantities of Grey Dhoties coming into the Indian market from the United Kingdom, made from fine count yarns. Serious efforts have been made by Indian Mills to market similar goods, but the success achieved has, up to the present, been comparatively small. With any improvement in the economic position of India, the demand for fine yarn Dhoties in preference to medium count Dhoties is likely to increase, and in these circumstances, the Industry will continue to attempt to expand and diversify its production

of Dhories so as to include a larger proportion of fine count goods of types similar to those now being supplied by the United Kingdom in the manufacture of which the Industry has not so far made much progress owing to its inability to compete either in price or finish or both with the United Kingdom.

Bleached Goods.—In Bleached Goods, Indian Mills have experienced great difficulty in meeting competition from the United Kingdom. In medium and fine count goods, particularly in White Mulls, Indian Mills have been unable to meet the prices at which imported goods have been marketed, and a number of mills which have attempted to market qualities similar to those imported from the United Kingdom have had to give up their efforts to compete or switch back to fabrics made from coarser yarns. In the separate representation will be found particulars of the cost of manufacturing goods to the specifications of English lines from which it will be seen that there is a wide difference in favour of the United Kingdom between the fair selling prices of Indian manufactures and the wholesale market prices of exactly corresponding English lines.

It is understood that, in order to meet Japanese competition in India and the East generally, the Bleaching Trade Advisory Board in England quotes special rates for bleaching and finishing goods for sale in the Eastern markets, but Japanese competition has up to the present not been overcome. As far as India is concerned, this policy has been detrimental to the Indian trade in Bleached Goods. England's trade in Bleached Longcloth and Shirtings is very substantial, and Indian Mills have not been able to compete successfully against the finer qualities and established marks of cloths which now come in.

In Bleached Twills, imports from the United Kingdom appear to be competing successfully against both Japanese and Indian lines.

Printed Goods.—India's production of Printed Goods is as yet in its infancy. In certain lines, however, such as, Printed Voiles, some progress has been made, but in the bulk lines, Indian Mills have up to now been unable to meet English competition successfully. In Prints, as a whole, it may be stated that the position of India *vis à vis* the United Kingdom is obscured owing to Japanese competition which has become very severe during the last five or six years. The field for expansion of India's production in Printed Goods is undoubtedly considerable, but, at the present time, India is handicapped in a variety of ways: for instance, the cost of printing is increased because, owing to the number of printing machines in the country being small, it is not an economic proposition to establish the subsidiary industry of engraving, and in these circumstances, the copper rollers used by Indian Mills have to be sent to England for re-engraving whenever a pattern is changed. Additional plant necessitating heavy capital expenditure is required to ensure India's success in competing against the United Kingdom as a supplier of Printed Goods to the Indian market, and this would not be forthcoming unless adequate protection for a reasonable period is assured.

Piece Dyed Goods.—In Piece Dyed Goods, the United Kingdom imports have remained unaffected by the existing scale of duties, and she has, as a matter of fact, been able to expand her trade considerably in finer goods and in Italian Cloths. Indian production in these lines is as yet in its infancy, and it is doubtful whether India's output has increased. The imports from Lancashire are often cloths of specialised finish, and it will take time for Indian Mills to equip themselves with the necessary machinery which might enable them to compete.

Woven Coloured Goods.—The bulk of the lines saleable in India in Woven Coloured Goods has always consisted of coarse and medium count cloths, and Indian Mills have, for this reason, been more successful in meeting competition from the United Kingdom in these styles than in most other lines. It should, however, be noted that, during the last four or five years, England has improved her position even in this line which tends to show that at

least the existing duties must be maintained. In the better class of Woven Coloured Goods, such as, Striped Poplins, etc., Indian Mills have had considerable difficulty in meeting United Kingdom competition, and the same position exists in respect of high class Coating Cloths where special finishes are required.

100 per cent. Artificial Silk Goods.—As regards 100 per cent. Artificial Silk Goods, the competitive position between the United Kingdom and the Indian Mills cannot be ascertained with any degree of accuracy. Both the United Kingdom and Indian Mills have found it impossible to meet Japanese competition in this line.

Artificial Silk Mixtures.—In Artificial Silk Mixtures, the United Kingdom has been more successful, and during the last few years, her imports have shown a tendency to increase. Since the last reduction in duty on such goods, which took place in May 1934, the position of the United Kingdom appears to have improved.

Cotton Yarns.—The general view of the Indian Industry is that the existing duties against the United Kingdom, China and Japan are inadequate, and have not provided an adequate incentive to the production of finer count yarns in India.

Grey Singles (Medium Count Yarns).—It is difficult to estimate whether the duty against medium count Grey Single Yarns imported from the United Kingdom is adequate. The position is that the export of United Kingdom Yarns has been detrimentally affected by the inadequacy of the duties on Chinese and Japanese Yarns. As far as Indian Mills are concerned, they have, for a number of years, been selling these Yarns to the Handloom Industry at bare manufacturing cost.

In Grey Single Yarns of fine counts, the existing duties have been insufficient to ensure adequate development by Indian Mills. Here again it may be stated that, in counts up to 60s, Japanese and Chinese competition has recently become more formidable than that of the United Kingdom, but higher duties are required against both the United Kingdom and foreign countries before Indian Mills can hope to become chief suppliers of these Yarns to the Handloom Industry.

In Grey Single Yarns of over 60s, the only outside supplier to the Handloom Industry is at present the United Kingdom. Indian Mills produce small quantities of Yarn from 80s to 100s, but such sales as have been made to the Handloom Industry have been at unremunerative rates, Indian Mills being unable to compete in price against imported Mule Yarns from the United Kingdom.

An aspect of this question which deserves consideration by the Board is that, with the existing duties, mills equipped to weave fine cloths can to-day purchase their Yarns from abroad more cheaply than they can spin them as will be seen from the facts placed before the Board in our General Representation.

Sewing Thread and Darning Thread.—Bearing in mind the suggestions made to the Bombay Mills, by the Tariff Board of 1926, and endorsed by the Tariff Board of 1932, to the effect that Bombay Mills, in particular, should so diversify their production as to make use of the natural advantages they possess for importing American and African cotton and thereby enabling them to spin finer counts, certain Mills, as soon as finances permitted, made considerable purchases of new machinery in order to commence the manufacture of new lines of yarn previously imported. With this object in view one mill alone bought no less than 50 new doublers with the necessary supplementary machines feeling that the capital expenditure thereby involved would be protected as recommended by the last Tariff Board, for a period of ten years to allow for full development and reorganization. It is pertinent to repeat at this stage that, very shortly after the recommendations of the Tariff Board, to the Bombay Mills, that they should spin finer counts which necessitates the use of cotton of longer staple than is at present grown in

India in merchantable quantities, a duty of no less than half an anna per lb., was imposed on all imported cotton. A ten per cent. import duty was also placed on new machinery thereby considerably handicapping mills, who were desirous of following the Tariff Boards' recommendations to modernise their plant as far as finances would permit.

The Sewing Thread trade in which the two most popular counts are 2/28s and 2/30s has only recently been started by local Mills and, bearing in mind the additional handicaps that have been placed on those Mills commencing this business by virtue of the import duties now placed on imported cotton and machinery, it is absolutely essential that the import duty of one and quarter annas per lb. on imported British sewing threads should remain.

The Government of India by a recent notification has removed the specific duty of one and a quarter annas per lb. on cotton Sewing and Darning Thread of British manufacture leaving an *ad valorem* duty of 5 per cent. only. The notification is somewhat ambiguously worded and does not clearly define the term "Cotton Sewing and Darning Thread" but, from enquiries made from the Custom Authorities in Bombay, we are led to believe that this change of duty refers only to the very fine sewing and darning threads which are of high value and are imported on reels, cheeses and in balls. No Bombay Mill is at present manufacturing this class of sewing threads, but as stated previously the duty of one and a quarter annas on 2/28s, 2/30s and such counts must be retained in order to give Indian Mills, an opportunity of working up and maintaining this new trade.

Coloured Yarns.—The import trade is small, the Handloom Industry's requirements being chiefly met by hand-dyers.

2. (a) The principal classes of United Kingdom goods which compete directly or indirectly with Indian goods are as under:—

Grey—

Grey Jaconets (fine qualities).

Grey Mulls (fine qualities).

Bleached—

Bleached Nainsooks,

Bleached Mulls, Muslins and Madapollams,

Bleached Cambrics, Lawns and Voiles,

Bleached Shirtings,

Bleached Twills.

Printed Goods—

Printed Jeans and Twills including Chocolate Jeans,

Printed Nainsooks,

Printed Voiles,

Printed Saries and Scarves,

Printed Longcloth and Shirtings (Manchester Prints).

Piece Dyed Goods—

Dyed Cambrics, Muslins and Mulls,

Dyed Voiles,

Dyed Italian Cloths and Twills,

Dyed Shirtings, Longcloth,

Nainsooks and Zephyrs,

Dyed Poplins and Coatings,

Umbrella Cloth.

Woven Coloured Goods—

Coatings and Trouserings,

Striped and Check Shirtings and Zephyrs.

Artificial Silk Mixture Cloths—

Saree Cloth,
Artificial Silk Brocades and
Artificial Silk Boski.

(b) The dimensional particulars of the Indian cloths for which costings have been supplied by individual mills will be found in Appendix A*.

(c) Below will be found particulars of representative lines of English imports in various classes, but it is not possible for the Association to specify what may be considered as typical of any particular class owing to the wide range of textures being imported:—

Classification, Imported from the United Kingdom.	Trade Number.	Dimensions.				
		Ins. Yds.	Warp.	Weft.	Reed.	Pick.
<i>Grey—</i>						
Grey Jaconets	18	44 × 22	44s	56s	56	56
Grey Jaconets	3260	44 × 20	40s	48s	72	64
Grey Jaconets	3270	44 × 20	40s	44s	72	70
Grey Jaconets	3280	44 × 20	40s	44s	72	72
Grey Mulls	Mongoose Brand					
	B.22 × 22	51 × 20	60s	66s	76	82
Grey Mulls	Two Hare Brand.					
	B.22 × 22	50 × 20	60s	66s	76	82
<i>Grey and Bleached Dhories and Series—</i>						
Grey Line Border Dhoty . .	778	36 × 5½	60s	90s	56	48
Grey Dhories	4476	50 × 9	44s	56s	68	64
Grey Jaconet Dhories . . .	5400	44 × 10	44s	54s	72	62
Grey Jaconet Dhories . . .	84	44 × 10	30s	56s	64	56
Grey Jaconet Dhories . . .	84	42 × 10	30s	56s	64	56
Grey Jaconet Dhories . . .	2301	44 × 10	40s	50s	56	56
White Yarn Dhories	CG5½	44 × 10	60s	80s	72	60
Grey Dhories	9682	44 × 9	44s	54s	68	64
Bleached Nainsooks	77777	36 × 18	40s	40s	60	64
White Nainsooks	88888	36 × 18	40s	40s	64	68
White Nainsooks	99999	36 × 18	40s	40s	68	72
White Nainsooks	77	45 × 18	40s	40s	52	56
White Nainsooks	177	52 × 18	40s	40s	50	56
White Nainsooks	136	38/39 × 18	50s	60s	32	20
White Mulls	53000	42 × 20	48s	56s	52	42
White Mulls	54000	42 × 20	48s	60s	44	42
White Mulls	56000	42 × 20	48s	56s	44	42
Glasgow Mulls	9000	52 × 20	80s	120s	72	80
White Mulls	66666	49 × 20	44s	50s	64	62
White Mulls	88	58 × 20	64s	90s	48	42
White Cambrics	4400	38/39 × 24	40s	50s	44	34
Lawns						
Voiles						
White Shirtings	98	35 × 40	32s	40s	72	72
White Shirtings	99	35 × 40	32s	40s	80	72
White Shirtings	C4000	36 × 40	64s	64s	96	108
White Shirtings	1500	32/33 × 42	32s	36s	72	84
White Twills	130	33 × 43	52s	36s	72	108
<i>Printed Goods—</i>						
Printed Jeans	27	52	20s	46s	3/52	44/45
Printed Nainsooks						
Printed Voiles						

* Not printed—Confidential.

Classification. Imported from the United Kingdom.	Trade Number.	Dimensions.				
		Ins. Yds.	Warp.	Weft.	Reed.	Pick.
<i>Printed Saries and Scarves—</i>						
Printed Saries	5000	40 × 7	40s	49s	50	45
Printed Saries		50 × 9	40s	40s	56	56
Manchester Prints						
<i>Piece Dyed Goods—Dyed Cambrics,</i>						
<i>Muslins and Mulls—</i>						
Dyed Mull	5000	43/44 × 36	68s	90s	64	52
Dyed Shirtings		38 × 40	42s	46s	40	28
Dyed Voiles						
Dyed Italians.	30823	53/54 × 30	34s	36s	64	80
Dyed Italians.	30826	53/54 × 30	40s	40s	68	112
Dyed Poplins and Coatings .						
<i>Woven Coloured Goods—</i>						
Coatings and Trouserings .						
Striped and Check Shirtings and						
Zephyrs.						
<i>Artificial Silk Mixture Cloths—</i>						
Boski (Swastic Design) . . .		42 × 30	50s	170s	64	58

NOTE.—The reed specified above is the reed which would be used in the loom. It may be noted that this will not correspond with the actual number of ends in the cloth in its finished state. The same remarks also apply to warp and weft.

3 and 4. The detailed figures of works expenditure and the detailed costings supplied by individual mills in answer to questions 3 and 4 and the necessary subsidiary information will be found in Appendix A.*

5. (a) The Association regrets that it is unable to submit a running record of landed prices of typical lines of goods imported from the United Kingdom, importers of English piecegoods having been reluctant to supply this information to the Association.

(b) We enclose herewith, as Appendix B,† a statement which shows the wholesale market prices of certain standard lines of United Kingdom cotton piecegoods in Bombay, Calcutta and Madras during the last four or five years. The figures have been extracted from the weekly quotations collected by the Customs Authorities at the above mentioned ports.

We understand that selling commission and expenses are usually allowed on the following scales:—

Bombay Market.	Discount. Per cent.	Brokerage.
Grey Mulls	4½ ½ per cent.	
Bleached Mulls and White Shirtings	3½ ½ per cent.	plus Sahi Re. 1 per package.
Grey Dhoties and Bleached Dhoties	4½ ½ per cent.	plus Sahi about Re. 1-2.
Chocolate Prints	3½	<div style="display: inline-block; vertical-align: middle;"> <div style="font-size: 3em; vertical-align: middle; margin-right: 5px;">{</div> <div style="display: inline-block; vertical-align: middle;"> ¾ per cent. for payment on credit after fifteen days; for payment in cash on the next day, ½ per cent. more discount given. </div> </div>

* Not printed—Confidential.

† Not printed.

Bombay Market.	Discount. Per cent.	Brokerage.
Printed Voiles	4½	{ ½ per cent. for payment on credit after fifteen days; for cash payment on the next day, Rs. 5-2 discount, includ- ing brokerage is given.
Dyed Voiles		
Striped Shirtings		
Coatings		
Artificial Silk Boski		
Artificial Silk Brocade		
Saree Cloths	}	<i>Karachi.</i> —On all English piecegoods in these lines, Re. ½ per cent. Dis- count and ½ per cent. Brokerage is allowed. No Sahi allowance is given.
Grey Mulls		
Bleached Mulls		
White Shirting		
Grey Dhoties		
Bleached Dhoties		
Printed Voiles		
Dyed Voiles		
Chocolate Prints		
Striped Shirting		
Coating		<i>Madras.</i> —On all piecegoods herein, discount is allowed at Rs. 2½ per cent. and Brokerage is allowed at As. 12 per package, with no Sahi.
Artificial Silk Boski		
Artificial Silk Brocade		
Artificial Saree Cloth		

Calcutta Market.—At Calcutta, 90 days credit is allowed on Grey Mulls, Bleached Mulls, White Shirtings, Grey Dhoties and Bleached Dhoties. In case payment is made earlier, a rebate of 6 per cent. per annum is allowed for the unexpired portion of the credit period. In the case of fancy goods, a credit of 46 or 60 days is allowed, and a discount of 1½ per cent. is allowed for payment before due date. If the goods are supplied in Bales instead of in Cases, then for each Bale, a sum of Rs. 3 is allowed as discount for Hook Damage.

6. (a) The counts of United Kingdom yarns which come into direct or indirect competition with Indian Mill-made yarns are as under:—

Grey Yarn Singles:—From 50s upwards.

Bleached Sewings:—2/28s and 2/30s.

(b) The counts of Indian Mill made yarns which come into direct or indirect competition with United Kingdom Yarns are as under:—

Grey Singles:—40s, 50s, 60s, 70s, 80s, and 100s.

Bleached Sewings:—2/28s and 2/30s.

7. The detailed yarn costings supplied by individual mills are given in Appendix A.*

8. (a) Please see our answer to Question 5 (a).

(b) We have set forth in Appendix C† a statement showing the wholesale prices of United Kingdom yarns mentioned in our answer to Question 6 (a) for the last four or five years.

We have no precise information regarding the scale of selling commission allowed on imported yarns.

* Not printed—confidential.

† Not printed.

9. and 10. We have no information as to whether cotton yarn imported from the United Kingdom is being imported at unremunerative rates or at unduly inflated prices, but we desire to draw the attention of the Board to the importation of what are known as "reject" yarns from the United Kingdom. These yarns appear to be considerably inferior in quality and strength to corresponding counts of Indian yarns and compete with some success against both Japanese and Indian yarns.

As regards cloth, we have already referred, in answer to Question 1, to the attempts made by the United Kingdom to maintain her position as a supplier of Bleached Goods to Eastern Markets. In addition, it is understood that special rates for printing are obtainable for goods destined for the Indian markets.

11. As far as the Mill Industry is concerned, the attention of the Board is invited to our answers to question No. 1.

As regards the Handloom Industry, we are, to some extent, handicapped by lack of any official or reliable statistical information. Judging, however, from the amount of yarn made available to it from year to year, it would appear that some expansion has taken place during the last five years as compared with the five years immediately preceding, but so far as we are aware, the prices which the Handloom Industry, has been able to obtain for its manufactures have, in common with the Mill Industry, been below fair selling prices. Higher duties would have to be imposed on finer classes of goods imported from the United Kingdom, to ensure any substantial development in that field.

The fine section of the Handloom Industry is chiefly located in South India, and we understand that the Spinning Mills in that part of the country have dealt fully with this question in a separate representation which has our general support.

12. The importation of artificial silk goods into British India has been one of the principal factors which is adversely affecting the trade in dyed and fancy goods of Indian Mills, but it is not possible to say exactly, in view of the comparatively small imports from the United Kingdom, *vis à vis* other countries, to what extent United Kingdom's artificial silk goods could displace Indian mill-made dyed and fancy cotton piecegoods.

It may be pointed out that, judging from the progress made by the United Kingdom as an importer of artificial silk mixtures into India subsequent to the reduction of the duty in May 1934, the competition which India will have to meet in the future will be much more severe than in the past.

(2) *Letter dated the 28th November, 1935, from the Millowners' Association Bombay.*

In submitting our answers to the Questionnaire, it was indicated that it would be necessary to supplement the information being furnished by further facts, which in our opinion must be taken into consideration by the Board when framing conclusions as to the levels of duty necessary to afford adequate protection to the Indian Industry against United Kingdom cotton yarns, cotton piecegoods, artificial silk piecegoods and artificial silk mixtures; and in the paragraphs which follow, we have endeavoured to set forth the essential data which the Board should examine.

2. At the very outset, it is essential to point out that a clear estimation of the effectiveness of the duties on United Kingdom goods is rendered infinitely more difficult owing to the factor of Japanese and Chinese competition, which comes into play when dealing with each and every class of cloth and yarn produced in India or imported from the United Kingdom. In many instances, it is mainly Japanese or Chinese competition which has been responsible for such loss of trade as the United Kingdom has sustained,

and had this competition been more adequately dealt with, England's trade in a large number of lines would probably have been much larger than it is at present, since she is in a position to compete effectively against Indian Mills.

3. In any study pertaining to the last five or six years, the effect of the changes in duties outlined below must be given due consideration, since the capacity of the United Kingdom to send goods to India is affected materially by any alteration in the conditions affecting the competitive ability of foreign countries.

There has been a duty of 25 per cent. on United Kingdom cotton piecegoods since October, 1931. With this was combined a specific duty of $4\frac{1}{2}$ annas per pound on plain grey goods. The only change of importance as far as the United Kingdom is concerned has been in the definition of the term "plain greys," which has now been narrowed down from that which existed between March, 1930 and May, 1934. In the interim, the duties applicable to cotton piecegoods imported from foreign countries have been changed from time to time, and finally, importations of Japanese piecegoods have been limited to a maximum of 400 million yards per annum. While the duties applicable to cotton piecegoods imported from foreign countries were imposed for the purpose of safeguarding the Indian Industry, they have at the same time materially affected the fortunes of United Kingdom shippers of cotton cloth since the cotton manufactures of foreign countries, notably those of Japan, compete not only against the products of Indian Mills and the Indian Handloom Industry, but also against those of the United Kingdom. From October, 1931 to August, 1932, a minimum specific duty of $4\frac{1}{2}$ annas per pound was applicable to plain grey goods imported from the United Kingdom and foreign countries. From September, 1932 to June, 1933, the duty on foreign plain grey goods was raised to $5\frac{1}{2}$ annas per pound, but the specific duty on United Kingdom greys was kept at $4\frac{1}{2}$ annas. In June, 1933, the duty on foreign greys was again raised to $6\frac{1}{2}$ annas, but the duty on United Kingdom plain grey goods was retained at $4\frac{1}{2}$ annas. On the introduction of the quota system in January, 1934, the duty on foreign plain greys was reduced to $5\frac{1}{2}$ annas, but against this, the United Kingdom benefited by the quantitative limitation of Japanese imports. As regards the *ad valorem* duties, the position is that from March, 1930 to March, 1931, the United Kingdom rates were 5 per cent. lower than the rates applicable to foreign countries. This difference was increased to $6\frac{1}{2}$ per cent. in October, 1931, and further increased to 25 per cent. in August, 1932, and 50 per cent. in June, 1933. The difference in favour of the United Kingdom was reduced to 25 per cent. on the introduction of the quota system in January, 1934.

As regards artificial silk piecegoods and artificial silk mixtures, the duties against the United Kingdom were the same as against Japan until 1934 when England was given a preference of 20 per cent. in the *ad valorem* duties applicable to all-artificial silk piecegoods and artificial silk mixtures. In addition, she was also given a preference of $1\frac{1}{2}$ annas per square yard on all-artificial silk piecegoods and $1\frac{1}{4}$ annas on artificial silk mixtures.

In cotton yarns, the duties applicable to United Kingdom yarns were the same as those applicable to Japanese yarns until May, 1934, since when the United Kingdom has had a preference in *ad valorem* duties of $1\frac{1}{2}$ per cent. and five-eighths of an anna per pound in the specific duty.

4. The present position in regard to duties on United Kingdom goods has in fact existed only since May, 1934, in the case of yarns, artificial silk piecegoods and artificial silk mixtures, and since January, 1934, in the case of cotton piecegoods, which, in the opinion of my Association, renders it difficult to arrive at definite conclusions regarding the effectiveness or otherwise of the present duties. For example, it is well known that previous to the institution of the quota against Japanese piecegoods, the importations of cotton piecegoods from that country were particularly heavy, and

these heavy importations have naturally prevented the United Kingdom from obtaining the full benefits she may eventually receive from that arrangement. In addition, there have been definite attempts to evade the quota, but such evasions will gradually become more and more difficult, and there is reason to believe that the United Kingdom will eventually obtain a portion of the trade which has been lost by Japan.

While dealing with the shortness of the period which is now being reviewed by the Board, it is pertinent to draw attention to the conclusions of the last Tariff Board regarding the minimum period for which protection should be given and the undesirability of disturbing the degree of protection given during that period. The Tariff Board said:—

"142. We propose that the period of protection should be fixed at ten years. In the case of a large industry like the cotton textile industry a longer period than we have ordinarily allowed will be required for full development and re-organization. The problems which face the industry as a whole are unusually difficult and many sided and unless sufficient time is given, it will be unreasonable to expect any tangible results from the policy of protection. Even if conditions are normal, the task of re-organization and of adjustment to new factors would involve a great deal of thinking and planning ahead. It was expected by the Government of India when the Act of 1930 was under consideration that the re-organization of the Bombay section of the industry would be accomplished in three years. No allowance was then made for the unusual factors which have since supervened. The renovation of a long established and old industry cannot be expected to take place in strict accordance with a pre-arranged time table. It is idle to blame the industry if the time table is not followed, for the process of development takes time and involves many uncertain factors. To take one aspect of the industry as an illustration, the important problem of re-organizing the conditions of labour with a view to reducing the cost of labour per unit of output involves not merely co-ordinated action on the part of employers but patient negotiation with labour and a concerted attack upon those social conditions which lower the efficiency of labour in India. Similarly, the task of reforming the system of management and control, though easily described by facile phrases such as 'rationalisation' and 'amalgamation,' involves stupendous difficulties as has been well illustrated by the experience of the Lancashire Cotton Corporation. We have frankly recognized in our discussion of the claim of the industry to protection that it is impossible to forecast with any precision on the existing data when the industry will be in a position to dispense with protection. We rather think, as we have already indicated, that the ultimate salvation of the industry will come as the result of a strenuous internal competition stimulated by protection under which the more efficient mills in the country will so develop their output and improve their methods as to replace completely a large number of the existing mills. Sufficient time must be given for this process to work itself out. In view of the difficulties which face the industry at present and equally of the important national interests which are involved in it, we do not think that ten years can be regarded as too long a period. Unless protection is assured for a period of at least ten years, the capital required by the better class of mills for further development will not be forthcoming. It is rather the stability than the rate of protection which encourages the investment of capital in a protected industry. The Indian cotton textile industry, especially in Bombay, has been recently the subject of many public enquiries. Such enquiries repeated at frequent intervals must militate against healthy development. We think that the industry should now be allowed a period of rest from these harassing enquiries."

5. Another fact which the Board must also take into consideration is that, while the rate of duty applicable to cotton yarns, cotton piecegoods, artificial silk piecegoods and artificial silk mixtures are as stated in the preamble to the Board's questionnaire, the real protection afforded by these

duties has been seriously affected by the cumulative effects of the under-mentioned duties imposed between 1931 and 1935:—

- (a) the duty of 6 pies per pound on raw cotton,
- (b) the duty of 10 per cent. applicable to dyestuffs, mill stores, mill machinery and spare parts and the duty of 15 per cent. imposed in 1934 on starch and farina,
- (c) the duty on artificial silk yarn which has been gradually raised from $7\frac{1}{2}$ per cent. *ad valorem* to 25 per cent. or 3 annas per pound.

6. In answering the Board's questionnaire, it was indicated that the data asked for by the Board will not, in our opinion, be sufficient to enable fair conclusions being arrived at regarding the measure of protection required against the United Kingdom or the effectiveness or otherwise of the existing duties. In the first place, it is necessary to emphasize that, except in a few isolated instances, the texture and finish of the Indian article is never quite the same as that of the competing United Kingdom article. In many instances, it will be found that the qualities of cloths manufactured by Indian mills are of coarser counts and of a lower reed and pick than the competing English cloths. One reason for this is that Indian cotton, which is the principal raw material used by the indigenous industry, cannot be utilized in the production of the finer classes of cloth and yarn. The limiting warp count of even the best Indian cotton is under 40s, and the supplies of cotton suitable for warp yarns in the 30s/40s range is extremely limited. When it is necessary to produce fine yarns, imported raw material must be used, and mills are at once faced with the problem of meeting competition in a line of manufacture in which experience is still somewhat limited, and with the fact that they have to pay a higher price for their raw materials than their competitors in the United Kingdom owing to the half anna import duty on raw cotton. A further handicap when using imported American or African cottons is that Indian Mills have to pay considerably higher freight charges than their competitors in Lancashire, and in addition, when using American cotton, have to incur additional charges for fumigation which have not to be borne by Lancashire mills.

Dissimilarities between United Kingdom and Indian goods are also due to the fact that many Indian mills are not as yet equipped to produce certain of the special finishes found in a number of lines imported from the United Kingdom with the result that alternative finishes of a simpler character have to be provided. The deficiencies of the Indian Industry in these respects are chiefly due to the financial difficulties it has had to face throughout a long period of trade depression during which it was inadequately protected. Had the Government of India appreciated at an earlier date the necessity of giving protection sufficient to enable the Industry to launch out into new lines of manufacture, the present position would have been more satisfactory. The protection granted to the Industry in 1930 was limited to the amount considered necessary to keep it alive, and the substantive protection accorded to the Industry in 1934 has existed for too short a period to produce substantial results. As it is, very many mills have had to utilize any financial benefits which have accrued to them during the last few years for renovations and renewals of existing plant, and have so far been unable to launch out into new lines.

An additional reason for differences in texture between Indian and United Kingdom goods is the existence of an intermediate class of competitive goods produced by other countries. In the process of developing and diversifying their production, Indian mills as a rule move gradually from coarse to medium count cloth and yarns. Thereafter, as experience is gained, mills move on to finer goods, more complicated patterns and finishing processes.

Another important reason for the existing differences between English and Indian goods is that in a number of lines direct competition has had

to be substituted by indirect competition owing to Indian mills' inability to produce goods to English specifications at competitive prices. (Vide Appendix F.)

7. In view of the considerations set forth in the preceding paragraphs, my Association respectfully submits that a more satisfactory test of the effectiveness of the existing duties would be to compare the wholesale market prices of United Kingdom goods in India with the fair selling prices of the same goods, if manufactured in Indian mills. The costings of a number of cotton cloths covering the full range of imports from the United Kingdom are set out in Appendix D.* We give below a summary of the results of the comparison of the wholesale market prices of standard lines of English goods and the fair selling prices of these cloths, when manufactured in India. It may be stated in regard to the cotton piecegoods included in the list that the price of cotton has been based on the price at the end of June, 1935, which would represent approximately the time when goods saleable in India at the end of August would have been manufactured:—

Sorts imported from the United Kingdom.	Trade Number.	Wholesale market price at end of August.	Average fair selling price according to costs furnished by mills.
		(In annas per piece.)	(In annas per piece.)
1. Grey Jaconets	18	70	80-83
2. Grey Jaconets	3260	83 (June 1935)	89-80
3. Grey Jaconets	3270		96-23
4. Grey Jaconets	3280		98-39
5. Grey Mull	B22×22	95	133-92
	(Mongoose)		
6. Grey Mull	B22×22	90 (March 1935)	132-59
	(2 Hares)		
7. Grey Dhoties	778	15	18-91
8. Grey Dhoties	4476	36	44-52
9. Grey Dhoties	5400	37-75	44-59
10. Grey Dhoties (44" wide)	84	34	43-51
11. Grey Dhoties (42" wide)	84		42-24
12. Grey Dhoties	2301	..	37-84
13. Grey Dhoties	CG51	32-5 (Feb. 1935)	48-50
14. Grey Dhoties	9682	32-5	40-65
		(c.i.f. for 50" width)	
15. Bleached Dhoties	1675	15-5	17-99
16. Bleached Nainsooks	77777	68	74-00
17. Bleached Nainsooks	88888		78-65
18. Bleached Nainsooks	99999		83-19
19. Bleached Nainsooks	77	69	77-84
20. Bleached Nainsooks	177	76	86-12
21. Bleached Nainsooks	136	27	29-76
22. Bleached Mull	53000	49 (July 1935)	64-79
23. Bleached Mull	54000		61-13
24. Bleached Mull	56000		60-28
25. Bleached Mull	66666	84	102-68
26. Bleached Mull	88	71	84-79
27. White Shirting	4400	54	59-79
28. White Shirting	C4000	274	290-78
29. White Shirting	1500	198	212-98
30. Dyed Mull	5000	120	160-44
31. Dyed Shirtings . . . . .	..	80	97-71
32. Printed Jeans . . . . .	..	195	255-20
33. Printed Saree	5000	50	59-89
34. Dyed Italian	30826	245	279-61
35. Artificial Silk Mixture Boski . . . . .	..	202-5	229-80

* Not printed—Confidential.

These costings represent the average bare cost in Bombay City and Island Mills *plus* additions for depreciation, interest on working capital and profit at the following scale:—

- (a) Depreciation at $4\frac{1}{2}$ per cent. on total block cost,
- (b) Interest on working capital at 5 per cent.,
- (c) Profit at 8 per cent. on block cost, *plus* an addition to cover income and super-tax.

These figures correspond to the allowances which have been authorized by previous Tariff Boards with the exception that, in the past, interest on working capital was allowed at 6 per cent. instead of 5 per cent., which has been taken in our calculations. An additional allowance for income-tax and super-tax has been made, as the Association holds that the 8 per cent. profit permissible in industrial undertakings should be subject to no deductions whatsoever, if it is to be sufficient to enable the payment of a reasonable dividend and to build up adequate reserves. No addition has been made in the case of Bombay Mills for managing agents' commission. Costings on a similar basis, of many of the cloths dealt with by Bombay Mills, have been taken out by representative mills in Ahmedabad and Bengal. The Ahmedabad Millowners' Association will probably submit their figures separately to the Board, and the costings of the Bengal Mills will, if necessary, be supplied.

The Bombay Mills whose costings have been included are mills of a reasonably high standard of efficiency in which the plant has been kept up to date and maintained in good working condition. For every mill for which costs have been taken in Bombay, works expenditure figures covering a period of years have been given in the Association's answers to the questionnaire, from which the Board will be in a position to ascertain whether they may be taken as representative of the Indian Industry as a whole.

In Appendix E* will be found a statement containing the instructions issued by the Association to its members in regard to the preparation of their costings.

While the comparison made in the preceding paragraph will give the Board a clear idea of the extent of the duties required when producing goods of particular descriptions, we desire to reiterate that the governing factor must be the necessity of ensuring the progressive development of the Industry along lines indicated by previous Tariff Boards.

8. Dealing with the general objects for which the existing protective duties against the United Kingdom have been imposed, which to some extent support the contention that the duty requirements cannot be based solely on a comparison of the prices of directly competitive lines, we should like to refer to the following quotation taken from the 1926 Tariff Board:—

"We consider that it is essential that Bombay should utilize to the full the natural advantages it possesses in the matter of climate and of its situation in respect of imports of American or African cotton for the production of goods of higher quality than it has done in the past, that it should devote much less attention than it has done to the production of grey goods, more especially of grey longcloth and shirtings, and that it should embark on a much larger production of bleached and coloured, printed and dyed goods. In making a recommendation that the Bombay Mills should produce a higher quality of goods, we do not overlook the disadvantage in regard to which those mills, in common with all Indian Mills, suffer from the lack of suitable raw material."

to put the exact recommendation made by the Tariff Board into operation, strenuous efforts have been made by individual mills to expand their production in every line of goods in which development was considered advisable, and many difficulties have been and are being overcome.

The 1932 Tariff Board, with its wider terms of reference, fully endorsed the conclusion of the 1926 Tariff Board that a wide expansion of India's production was necessary in lines hitherto largely supplied by the United Kingdom and held that protective duties should be applied to goods of finer counts, not only because they compete directly with goods manufactured from Indian cotton, but also to encourage the manufacture of goods from imported long staple cotton.

9. Coming now to the objects for which protection has been given and the effectiveness of the existing duties, it is submitted they have enabled the Industry to maintain its hold on the coarse grey trade in the home market, and to expand its production of such cloths to meet the needs of India's growing population. The protection on cloth has also enabled mills to expand their production of medium count goods and to attempt the manufacture of fine count cloth. The progress in the above direction has been particularly noticeable in Bombay and Ahmedabad. In Bombay, for example, the percentage of spindles employed in producing yarns of 30s and over has increased from 23 per cent. to 45 per cent. in the last five years.

The continuance of the specific duty on grey cloth is justified since it is fully serving the objects for which it was originally imposed, namely, the preservation of that section of India's piecegoods trade in which the raw material used is preponderantly Indian, and in which India has, for a number of years, been capable of supplying the whole of the country's requirements. In addition to preserving the coarse plain grey trade for the indigenous industry, the duty has also had the effect of encouraging the production of medium count grey goods which were previously not manufactured in any considerable quantities, but in this line the incidence of the duties is not oppressive as far as United Kingdom goods are concerned, as may be judged from a comparison of the wholesale prices of United Kingdom grey mulls and jaconets with the fair selling prices of exactly similar goods manufactured in Indian mills (*vide* paragraph 7 and Appendix D*). The interests of the consumer have been adequately safeguarded by the severe internal competition which the Government of India indicated would be sufficient to prevent an excessive rise in price. In actual fact, between 1930 and 1935, internal competition in the coarse and medium count plain grey trade has not only been sufficient to prevent any exploitation of the consumer, but has been instrumental in bringing down prices almost to pre-war levels, despite the fact that labour and certain other charges are much higher than in pre-war years.

The effects of the duties on efficiency of production have been considerable. During the last five years, the cost of manufacture has been brought down in every type of cloth. What has been achieved by the average Bombay Mills is reflected in the costings furnished by individual mills in answer to the questionnaire.

As far as printed, piece dyed, and specially finished cloths are concerned, very little progress has up to the present been possible. The difficulties which mills will have to overcome in these lines have been referred to in the Association's answers to the questionnaire, but the Industry recognizes the necessity for further expansion of its production of such goods, and provided the import duties on English goods are fixed at reasonable levels, further progress will be made, although it is fully realized that, for a number of years, considerable financial sacrifices will be necessary.

In answer to the questionnaire, India's progress, and particularly Bombay's progress, as a producer of medium count dhoties for the home market has

* Not printed—Confidential.

been referred to. Judged by actual figures of production, the existing duties have enabled the Industry to capture a considerable share of the market previously held by the United Kingdom. This trade is, however, being retained with the greatest difficulty in the face of severe but indirect competition from United Kingdom goods. For a considerable period mills have been specializing in the production of Dhories for the Calcutta market, and the preservation of what has become an essential trade to a large number of mills specially laid out for the efficient production of this type of goods makes it essential that nothing less than the existing rate of duty should be maintained to prevent the displacement of India's medium count qualities by the finer count goods of the types which were being imported from the United Kingdom previous to 1930. In respect of fine yarn dhories, where the competition between India and the United Kingdom is less indirect, India's production, though on the increase, is comparatively small. The competition from established United Kingdom lines has been extraordinarily difficult to meet, and in certain instances has been impossible to meet.

10. Another important fact which the Tariff Board will have to consider when framing their conclusions is the indirect competition which exists between bleached goods and grey goods on the one hand and between printed and woven coloured goods on the other. In general, the prices at which bleached lines are sold affect the prices which can be realized for grey goods and the prices at which printed goods are sold react on the prices obtainable for woven coloured goods and fancies generally.

In the production of bleached and printed goods, Lancashire manufacturers have certain advantages owing to their long experience in this line. As yet, the bleaching and printing trades in India are in their infancy, and it will take some years of effective protection, even in the most favourable circumstances, to encourage and afterwards ensure the building up of an effective competitive position. We maintain that the duties applied to these types of goods should be sufficient not only to offset the United Kingdom's present advantages, but also to safeguard India's present trade in grey and fancy goods from the indirect competition referred to in the previous paragraph.

11. It is admitted that there has been a considerable falling off in England's cloth exports to India in a large number of lines compared with the years previous to 1930, but this falling off has been due to the effects of the general world depression, effective Japanese competition and political troubles rather than to the duties in force in India. That this is so is borne out by the fact that the fall in the United Kingdom's export trade to India has been only slightly greater than the fall in her trade with the rest of the world. In a number of instances, the United Kingdom has lost proportionately more ground in her trade with other countries than with India. It is also significant to note that, since 1931, the ratio which the United Kingdom's cloth export trade to India bears to her total cloth export trade has been gradually increasing.

12. At the beginning of 1934, the United Kingdom's opportunities for expanding her trade in India were improved as a result of the quota limitations imposed on competitive Japanese lines. In bleached and coloured goods, Japan was rapidly becoming an increasingly dangerous competitor to Lancashire. In these two lines, Japan's quota has been fixed at figures considerably lower than the figure allowed to her in grey goods where her competition is mainly against Indian goods. This has given the United Kingdom an opportunity of re-establishing her position as the chief outside supplier of these styles to the Indian Market.

COTTON YARN.

The changes in the levels of duties on United Kingdom yarns during the last few years have been set forth in paragraph 3, but it is necessary to note that, while the justification for the adoption of the rates of duty imposed upon United Kingdom cloths in 1934 was said to be the Agreement

between the Millowners' Association, Bombay, and the British Textile Mission, the Government of India departed from that basis in the case of Yarn. The Agreement with the Lancashire Delegation provided that the specific duty of $1\frac{1}{4}$ annas should be retained on all counts of yarn. The Indian Industry is definitely of the opinion that, on the basis of costs, Indian Mills are very inadequately protected against the United Kingdom in counts of yarns over 40s. In counts below 40s for many years, she has not been a substantial supplier to the Indian Market. In counts over 40s but she has lost ground, not on account of effective Indian competition, but owing to Chinese and Japanese competition. In very fine counts, although Indian Mills are producing larger quantities than they have done in the past, this larger production is still being chiefly absorbed by the weaving section of the Indian Mill Industry, and such yarn as is available for sale has had to be sold at unremunerative rates.

The anomaly of Indian Mills being able to purchase certain counts of yarns cheaper than they could manufacture themselves has been referred to in our answers to the questionnaire. It is perhaps necessary to point out quite clearly that the removal of the specific duty on counts over 50s, which might have been expected to assist the United Kingdom, has not had that effect owing to the growth of Chinese and Japanese competition in the 50s-60s range. Previous to the removal of the specific duty, the imports of 50s and 60s yarn from China and Japan were practically *nil*.

Ostensibly, the rates of duties on yarns have been fixed at the existing levels for the benefit of the Handloom Industry. It is the contention of this Association and the Indian Spinning Industry as a whole that the inadequate protection which has been given to the Indian Spinning Mills, as far as medium and fine count yarns are concerned, both against the United Kingdom, and China and Japan, will eventually react to the Handloom Industry's disadvantage. This portion of the Industry's case is fully dealt with in the separate representation which has been submitted on behalf of the spinning section of the Industry.

13. To a certain extent, the considerations advanced in respect of cloth in paragraph 6 also apply to Yarn. There are considerable differences between yarns of the counts ordinarily imported from the United Kingdom and yarns of similar counts produced in India. One of the chief reasons for these differences is that the English yarns are chiefly mule yarns, and the Indian yarns against which they compete are mainly ring yarns. In attempting to make a comparison between English yarn costs and Indian fair selling prices in the same count, this fact must be borne in mind. We have taken out costings of a range of English yarns, but Indian costs are for ring yarns with normal turns per inch and normal strength test. The basis of costings adopted is the same as in the case of cloth, namely, bare cost *plus* allowance for depreciation, interest on working capital and profit on a uniform scale. A summary of the comparative costs are given below. The details will be found in Appendix G.*

Count of Yarn imported from United Kingdom.	Wholesale Selling Price at the end of August.	Fair Selling Price of Indian Yarn.
	(In annas per pound)	(In annas per pound)
1. 60 Grey Yarn "Woodeutter" brand . . .	17-02	20-38
2. 50s Grey Yarn "Bucket" brand . . .	14-8	16-36
3. 70s Grey Yarn "Bhut" brand . . .	19-25	26-23

* Not printed—Confidential.

The statement that in the past some Lancashire Mills have been selling goods at a loss conflicts with the statement in the United Kingdom Delegation Memoranda that United Kingdom has not been selling at unremunerative rates.

We certainly contest the statement that the existing duty has stimulated the Industry at the expense of the consumer. In this connection the attention of the Board is invited to the average current quotations for local mill-made piecegoods during the last few years. Reference is also directed to the information in regard to costs and price realizations submitted to the Board in the appendices to the Association's replies to the questionnaire and in the supplementary statement.

Question 11.—It is not correct to say that the Government of India imposed the duty on foreign cotton in 1931 in an endeavour to prevent its importation. The duty was imposed mainly for revenue purposes. We quote below for ready reference, an extract from the Budget Statement presented to the Assembly in September, 1931, by Sir George Schuster:—

"We propose to put duties of 10 per cent. on machinery and dyes, and of $\frac{1}{2}$ anna per lb. on raw cotton. I must expect criticism of these duties especially from the cotton mills, and I must acknowledge that their imposition may appear to be in some ways inconsistent with previous policy. The justification must be the need for revenue, while as regards the cotton mills we may claim that on balance their position will be improved by our surcharge proposals, for under these the import duties on cotton piecegoods will be increased by one quarter. This more than offsets the burden of $\frac{1}{2}$ anna per lb. on goods made from imported cotton, and affords an effective answer to possible criticisms on the grounds to which I have referred."

We do not propose to comment on the figures given except to say that India's total export to Tanganyika in the first six months of 1935 amounted to less than 400 bales and about 500 bales in the first six months of 1934.

While not in a position to contest the accuracy or inaccuracy of the statement made that in many cases current market values are far below prices paid to Lancashire by importers, we should like to point out that it is the wholesale bazaar rate less discount against which Indian Mills have to compete.

The question as to whether rates of wages in India are higher or lower than United Kingdom is hardly an issue before the Board. What the Board is endeavouring to ascertain is the difference between India's fair selling prices and the prices at which similar United Kingdom goods are being sold in India.

The reference to the Indian Fiscal Commission's Report appears to us entirely irrelevant to their enquiry and the argument based on it entirely fallacious. The issue is not whether protection should be given to the Industry, but whether the existing duties give the Indian Industry adequate protection.

We submit that it is totally inaccurate to contend that if Indian Mills use more imported cotton, they will use less Indian cotton. The facts certainly do not bear out the Bengal Chamber of Commerce. The quantity of Indian cotton used in the cotton year 1934-35 was 2.6 million bales against 2.3 million bales in 1933-34 and 1.8 million bales in 1923-24.

As regards the contention that the specific duties have proved a burden on the consumer, we cannot, I think, do better than invite the Board's attention to a speech made by Sir Joseph Bhore in the Assembly on 20th March, 1933, an extract from which is reproduced below:—

"I think, Sir, a very natural question which arises in the mind of the ordinary person in the street is this. *Have these continuous increases in import duties not really put up prices to the consumer?* That, I think,

We are forwarding a range of samples of cloth and yarn made from or containing an admixture of staple fibre in order that the Board may draw their own conclusions as to the future potentialities, and would strongly urge, in the interests of the Industry, that the Tariff Board should recommend the removal of the existing duty or its reduction to the level of the import duty on cotton.

16. We have been at pains in the preceding paragraphs to supply, as far as lies in our power, the facts which we consider will need to be taken into consideration by the Board in order to enable it to estimate the Industry's requirements in the shape of protective duties against United Kingdom goods. We should, however, like to make it perfectly clear that the Industry demands duties sufficiently high on all classes of goods to establish a fair competitive position, bearing in mind the objects for which substantive protection has been granted to the Industry. We ask to be allowed to consolidate the gains already made at substantial sacrifices, being of the opinion that our Industry will eventually be able, under the shelter of protective duties, to make satisfactory progress in the remaining lines in which there is scope for expansion by increased efficiency and a consequential lowering of costs of manufacture.

17. On the basis of the facts submitted in this representation and in our answers to the Board's questionnaire, we submit that the existing rates of duty should be maintained on cotton cloths manufactured from coarse and medium counts, and on artificial silk cloths and artificial silk mixtures. In the case of yarns over 40s; printed goods and cloths made from fine count yarns; the facts submitted to the Board, in our opinion, prove the inadequacy of the existing duties.



Enclosure.

APPENDIX F.

(STATEMENT 1.)

COMPETING ENGLISH CLOTHS.																
BOMBAY MILL CLOTHS.																
Cloth.	Trade Number.	Dimensions.	Warp.	Weft.	Reed.	Pick.	Realization.	Cloth.	Trade Number.	Dimensions.	Warp.	Weft.	Reed.	Pick.	Wholesale price.	
		Ins.	Yds.				RS. A. P.			Ins.	Yds.				RS. A. P.	
<i>Khadan Makasji Mill.</i>								Bleached Dhoby	115	50 x 8	80s	120s	76	72	2 14 0	
Bleached Silk Border- ed Dhoby.	8014	53 x 8	80s	100s	72	72	2 12 0	Bld. Longcloth	6 Pea- cocks,	35 x 40½	36s	40s	80	76	11 8 0	
Bleached Longcloth.	58000	38 x 39½	40s	40s	80	80	11 8 0	{	{	53000	42 x 20	48s	56s	52	Average 49 as. in July 1935.	
<i>Saadshi Mill.</i>							as.			39 00	54000	42 x 20	48s	60s		44
Bleached Mull.	6421	35 x 20	50s	46s	56	48	as.			28 00	56000	42 x 20	48s	56s		44
Grey Dhoby	52054	44 x 10	46s	46s	56	52		Indirect competition from United Kingdom Dhobies similar to those specified against the New City Mills.								
<i>Kohinoor Mills.</i>								{	{	34 x 40	42s	36s	68	72	Without Duty. Rs. A. P. Rs. A. P. 7 7 3 9 8 0	
Bleached Shirting	4000000	35 x 40	36s	40s	72	68	as.									15s
Ditto	2000000 (VVV)	34 x 40	36s	30s	68	66	as.	14s								
<i>Tata Mills.</i>								{	{	40	44s	36s	64	84	12sh. 4d. c.i.f.c.	
Bleached Longcloth.	4352	35 x 40	36s	40s	68	84	as.									152 00
Ditto	4354	35 x 40	36s	44s	80	80	No sale.									
Bleached Nainsooks.	3951	25 x 18 (split).	36s	44s	36	30	as.	21 25								
Ditto	31218	22 x 18	30s	40s	40	34	as.	21 50								
Dyed Shirting.	3960	30 x 40	36s	44s	36	30	as.	60 00	..	38 x 40	42s	46s	40	28	80 as. (end of August) (Mad- ras).	

(STATEMENT 1)—contd.

COMPETING ENGLISH CLOTHS.													
BOMBAY MILL CLOTHS.													
Cloth.	Trade Number.	Dimensions.	Warp.	Width.	Pick.	Realization.	Cloth.	Trade Number.	Dimensions.	Warp.	Width.	Pick.	Wholesale price.
		Ins. Yds.				Rs. A. P.			Ins. Yds.				
<i>New Great Eastern Mill.</i>													
Bleached Mull . . .	826	36 × 18	30s	40s	60	3 10 0	Bleached Mull	6666	36 × 18	44s	44s	64	Rs. 3-14-0 less 3 per cent. cash discount.
Satin Patti Boski . .	1589	36 × 30	30s	40s	76	0 3 8½ per yard.	Boski . . .	D98M	26 × 43	30s	50s	88	Rs. 0-3-10½ per yard ex-godown Amritsar, less 3 per cent. cash discount.
Grey Mull . . .	A50	39 × 37/37½	24s	28s	36	3 6 0	Grey Mull . . .	50	39 × 37/37½	24s	36s	32	Rs. 3-10-6 approximate.
Khaki Shirting . . .	1673	36 × 40	30s	24s	60	30" width sold at Rs. 9-4-0 = Rs. 10-14-0 approximate for 36" L.O.R. Bombay.	Khaki . . .	350	36 × 40	30s	26s	64	Rs. 11-2-0 ex-godown, Rangoon.
Dyed Poplin . . .	1468	38 × 40	40s	50s	96	0 4 3 per yard.	Dyed Poplin . .	1359	38 × 35/40	36s	36s	80	Rs. 0-4-5 per yard ex-godown Rangoon.
<i>Finlay Mills.</i>													
Bleached Dhoty . . .	..	50 × 8	70s	90s	72	2 9 0	Bld. Dhoty . . .	Napoleon	50 × 8	70s	80s	72	3s. 1½ d. c.i.f.c.
<i>New City of Bombay Mill.</i>													
Grey Dhoty . . .	..	44 × 10	30s	40s	44	24-22 as.	Indirect Competition from Dhories similar to Grey Dhoty.	3773 14½ × 24½	44 × 10	60s	80s	56	Rs. 1-11-0 (Nov.) Calcutta.
									44 × 10	60s	80s	56	Rs. 1-11-0 (Nov.) Calcutta.
									44 × 10	70s	90s	68	Rs. 1-13-0 retail Calcutta (October).

Indirect Competition from Dhories similar to those for which specifications are given against New City Mill.									
	31as.*	24as.*							
<i>Sir Shapurji Broomfield Mill.</i>									
Grey Dhoty . . .	68	72	80s	60s	48x8	..	..	..	..
Ditto . . .	40	44	40s	32s	44x10	..	..	..	..
<i>Jacob Sassoon Mill.</i>									
Grey Mull . . .	69	60	70s	50s	50x20	22x22	..	..	..
Bleached Mull . .	42	52	60s	60s	44x20	A236/R	..	..	..
Paramatta Twill . .	64	56	22s	38s	52x36	LJ400	..	..	..
Chocolate Printed Jean.	48	34s	44s	38s	27x120	E2761D	..	..	..
Lustre Striped Jean .	48	3/4s	44s	38s	54x30	L8854	..	..	..
Bleached Longcloth .	72	72	44s	38s	34x40	FFFFF	..	..	..
Bleached Mull . . .	64	64	44s	38s	42x20	QQQQ	..	..	..
Bleached Jaconet . .	60	60	44s	38s	36x18	M22/47A	..	..	..
Grey Mull . . .	64	64	44s	38s	44x20	616	..	..	..
Printed Voile . . .	52	50	50s	50s	44x120	MJ356R	..	..	..
Dyed Voile . . .	52	50	50s	50s	44x120	KJ3356J	..	..	..
Bleached Voile . . .	52	50	50s	50s	44x120	H850 (Urvashi).	..	..	..
<i>Mill "A" Begad.</i>									
Grey Dhoty . . .	56	56	55s	40s	44x10	804x804	..	..	..
Bleached Longcloth .	80	80	40s	40s	34x20	..	..	..	..

* Owing to recapitalization of Mill, the costings of this mill include a credit item for interest on working capital. Depreciation has been calculated on written-down value of block.

(STATEMENT 2.)

COMPETING ENGLISH CLOTHS.															
BOMBAY MILL CLOTHS.															
Sorts.	Number.	Dimensions.	Warp.	Wett.	Reed.	Pick.	Realization.	Sorts.	Number.	Dimensions.	Warp.	Wett.	Reed.	Pick.	Wholesale selling price.
Finlay. Bleached Mull .	47/33	Ins. Yds. 44 x 20	100	120	56	52	..	Bleached Mull	376	44 x 20	100	120	56	52	About Rs. 3-15-0.
	49/33	40 x 20	100	120	80	76	..	Ditto	9000	44 x 20	100	120	80	76	About 1-03 as.
Khatan Mahanji. Dyed Voile .	674	42/43 x 30	60	55	56	54	3-25 AS.	Dyed Voile	788	42 x 42	72	64	52	52	3 as. per yard.
	546	42 x 30	50	50	60	56	Not sold	Ditto	6666	45 x 36	70	56	100	52	4 as. per yard.

NOTE.—The qualities produced by the Finlay Mill have not yet been sold.

(STATEMENT 3.)

Cloth imported from United Kingdom.	Trade Number.	Dimensions.	Warp.	Weft.	Reed.	Pick.	Wholesale selling prices of U. K. article per piece.
<i>Finlay Mills.</i>		Ins. Yds.					Annas.
Grey Dhoty	Shivalaya	45 × 2/10	70s	80s	68	66	36-00
Ditto	5563	45 × 2/10	70s	80s	68	62	34-00
Ditto	121	39 × 2/9	70s	90s	68	62	26-00
Ditto	5½	45 × 2/10	100s	120s	72	76	52-00
Bleached Mull	500	44 × 10	100s	120s	100	96	64-00
Grey Dhoty	CG4½	44 × 2/10	70s	90s	68	56	32-00
Bleached Mull	1742	40 × 20	100s	100s	68	72	86-00
Grey Dhoty	C5½ × 15½	44 × 2/10	70s	90s	68	64	38-50
Ditto	R. B. 21	45 × 2/10	100s	120s	80	84	54-00
Bleached Mull	310	44 × 20	90s	120s	84	92	112-00
Bleached Doria	5½	31 × 10	80s	90s	84	60	50-00
Bleached Mull	1703	52 × 20	70s	80s	76	88	137-00
Ditto	854	54 × 20	80s	100s	68	64	80-00
Ditto	3737	50 × 20	100s	120	64	64	80-00
<i>Khatav Makunji Mill.</i>							
Bleached Twill	130	36 × 42½	52s	40s	72	104	233-75
<i>Kohinoor Mills.</i>							
Bleached Mull	66666	49 × 20	44s	50s	64	62	84-00

(3) Letter No. 3184/168 of 1935, dated the 3rd December, 1935, from the Millowners' Association, Bombay.

The attention of my Association has been drawn to certain price comparisons made between imported and Indian mill-made goods in Appendix B of the statement furnished to your Board by the Bombay Chamber of Commerce. The accuracy of the prices quoted for Indian mill-made cloth has been investigated by me under instructions from my Committee and, I set forth below for the information of your Board the results thereof:

The Hirjee Mills White Shirting No. 800 (Exhibit No. M. 2) has, I understand, never been sold at less than Rs. 8-4 per piece, *ex-mill*. The price mentioned against this cloth in the Appendix is Rs. 7.

The Swadeshi Mill White Shirting No. 6600 (Exhibit No. M. 3) was last sold at Rs. 9-3-6 *ex-mill* and not at Rs. 9-2.

The Century Mill White Nainsook No. 5418 (Exhibit No. M. 5) was last sold (in the month of June) at Rs. 1-7-6 per piece *ex-mill* and not at Rs. 1-5.

The E. D. Sassoon United White Mull No. 3630 was sold in July at Rs. 2-10 per piece *ex-mill*, and was also very recently sold at Rs. 2-7. The price of Rs. 2-1 mentioned in the Chamber's representation is, therefore, incorrect.

As regards the Finlay Mill White Mull No. 2148 (Exhibit No. M. 12), it would appear that the cloth is 48" × 20 yds. and not 40" × 20 yds. The cloth is 70s/90s and not 70s/100s and the price per piece is Rs. 5-12 and not Rs. 4-13.

The Kohinoor Mills White Tape Bordered Dhooties No. W.W.W.W. (Exhibit No. M. 23) was last sold (in the month of July) at Rs. 2-6-6 per pair *ex-mill* and not at Rs. 2.

As regards the Morarjee Goculdas Mills Bleached Dhoty (Exhibit No. M. 25) it is difficult to check the accuracy of the quotation mentioned by the Chamber as three different qualities of dhooties are sold under this trade mark, and unless more definite particulars regarding warp and weft and reed and pick of the dhooties are given, the price data cannot be checked.

As regards the Swan Mills Bleached Dhoty (Exhibit No. M. 28), I am to point out that the cloth is really made from 70/80s yarn with 68/72 reed and pick. The cloth was sold at Rs. 3-7 per piece *ex-mill* and the bazar price should, therefore, be much higher than the figure mentioned by the Chamber.

It is again impossible to check the price data mentioned against the Finlay's White Dhoty (Exhibit No. M. 29) as different qualities of dhooties are sold under their Sovereign trade mark.

I find it difficult to trace Printed Jean No. V. 1300-C. (Exhibit No. M. 31) as the Standard Mills whose name appears against the cloth, inform me that it is not theirs.

As regards Exhibit Nos. M. 32, 33 and 34, I understand, Messrs. Nowrosjee Wadia & Sons, Agents, the Bombay Dyeing and Manufacturing Company, Limited, have already addressed the Board.

As regards Exhibit No. M. 37—Khaki Twill No. 5001 of the Kohinoor Mills, I understand that the cloth has not been made during the last two years.

I understand from the Morarjee Goculdas Spinning and Weaving Company, Limited that Khaki Shirting No. BPS778B (Exhibit No. M. 38) is really 31" x 40 yds. and was last sold at As. 3-8 per yard *ex-mill*.

As regards Bleached Sewings 2/28s, Sadhoo and Coek brands (Exhibit Nos. M. 42 and 43), I understand that the latest sales made in November were at As. 14 and As. 15 per pound respectively, *ex-mill*.

My Committee would greatly appreciate it if you could kindly bring these facts to the notice of the Board.

(4) *Memorandum dated the 6th December, 1935, from the Millowners' Association, Bombay.*

NOTES ON THE UNITED KINGDOM DELEGATION'S ORIGINAL CASE AND SUPPLEMENTARY MEMORANDA.

The notes which we are making are not intended to be comprehensive, or to include all that the Association is in a position to criticise in the various statements submitted to the Board. They are merely intended as an indication of the general views held on the various points dealt with. They can, of course, be expanded and supplemented if the Board so desire when the representatives of the Industry are examined orally.

Lancashire Memoranda.

We recognise the difficulties which the United Kingdom Delegates had to face when framing their original printed case which, it must be assumed, was written before they had an opportunity of studying the Board's questionnaire. Much of the printed case which has been presented by them deals with matters outside the Board's terms of reference, but we assume that anything in the case which is outside the scope of the present enquiry will be ruled out of consideration on this assumption that we have in our notes made no comments on a large portion of the printed case which has been submitted.

In the introductory note, the growth of the imports of Indian raw cotton into the United Kingdom during the last two or three years has

been referred to. We appreciate the efforts being made to popularise the use of Indian cotton in Lancashire, but wish to point out that the greater exports of the last two years have been largely due to the greater quantities of Indian staple cotton which have been made available as a result of the work of the Provincial Agricultural Departments and the Indian Central Cotton Committee and the opening up of the Sind Barrage area.

The facts set out in the introductory note in regard to United Kingdom cotton industry's production and export, etc., are, in our opinion, irrelevant to the present enquiry and outside the scope of the Board's terms of reference, but it is pertinent to note that the drop in England's export trade is the natural corollary to the strenuous efforts which many agricultural countries have been making for a number of years to increase their industrial output. In this connection, we would refer the Board to a paper read by Mr. Otto Bankwitz at the XVI Session of the International Cotton Congress which met in Prague in June, 1933, which is fully reported in the International Cotton Bulletin, Volume XI, 4—No. 44—July-August, 1933, page 524.

The opening paragraph of this statement appears to us to show that the Board's terms of reference have been misunderstood. The purpose for which the Board has been appointed is "to recommend on a review of present conditions and in the light of the experience of the effectiveness of the existing duties, the level of the duties necessary to afford adequate protection to the Indian cotton textile industry against imports from the United Kingdom of (a) cotton piecegoods, (b) cotton yarn, (c) fabrics of artificial silk and (d) mixture fabrics of cotton and artificial silk. By adequate protection is meant duties which will equate the prices of imported goods to the fair selling prices for similar goods produced in India".

Apparently, Lancashire has interpreted the terms of reference to mean something entirely different since the bulk of their case is devoted to estimating the extent of reduction in the duties which would be required to enable Lancashire Mills to capture the established trade of the Indian Industry. In no part of the case has any effort been made to determine what would be the fair selling prices for the Indian lines for which quotations have been given, many of which, on examination, will be found to be bare cost price quotations. On the other hand, Lancashire has inserted in her printed note on comparative prices a large number of theoretical fair selling prices for goods which might be produced in the United Kingdom to compete directly against established Indian lines apparently under the impression that the purpose of the enquiry is to determine at what levels of duties Lancashire could capture the established Indian trade in bulk lines most of which are at present being sold at prices well below fair selling prices.

A large portion of printed Statement II is of an academic character and calls for no comment with the exception that it is perhaps necessary to indicate that it was hardly the purpose of the quota to ensure that the United Kingdom should obtain the whole of the trade lost to Japan by its imposition.

We should also like to contest the conclusion regarding the competitive efficiency of the Indian Cotton Industry *vis-à-vis* the United Kingdom from the figures of imports into Ceylon since the quota was imposed on Japanese imports into that country. We have ascertained from the United Kingdom export statistics and from the Indian export statistics, the actual sendings to Ceylon from both countries over a period of years from which it will be seen that in 1935 which is the first year in which the quota arrangement could have had any substantial effects, the imports from India were only slightly higher than the previous year, whereas those from the United Kingdom were roughly double of the previous year, which certainly does not prove that India is able to compete against Lancashire in the Ceylon market despite the fact that she is geographically better placed than the United Kingdom.

III.—*Representations regarding the Indian Tariff on United Kingdom cotton piecegoods.*

Statement III is largely devoted to a discussion as to the relative merits of specific and *ad valorem* duties, an issue regarding which the Tariff Board has not been called upon to give a decision according to our interpretation of the terms of reference. The scheme of substantive protection which became law in 1934 made provision for levying specific duties on certain classes of yarn and piecegoods, and we do not propose to comment on that issue.

The table given in Statement III of the United Kingdom printed case is misleading, at any rate, so far as the years 1930-31 to 1933-34 are concerned. The revenue figures which have been given for these years represent the duty receipts from every class of goods to which the specific duty was applicable in those years. The revenue figures therefore include the duty receipts on a wide range of fabrics containing even coloured and bleached yarns since plain greys were originally defined as goods not bleached or dyed in the piece. The value figures given in the table represent the values of grey goods only excluding bordered grey goods.

As to the specific duty having suddenly swept out of existence certain Lancashire interests, the only trade which has been seriously affected has been the Grey Jaconet trade, imports of which have fallen by 30 milyards since the duty was first imposed. There has been some fall in the output of Grey Shirtings and Longcloth, but even before the specific duty was imposed, United Kingdom was losing this trade rapidly to Japan and India.

IV.—*Cotton Yarns.*

We certainly cannot agree with the contention of United Kingdom that a reduction in the duties on United Kingdom yarn would be advantageous rather than detrimental to the Indian Cotton Industry as a whole, since the Indian Cotton Textile Industry does not propose to substitute Indian yarn by United Kingdom yarn for weaving purposes if it can possibly be avoided. We fully realize that, compared with India's total production of yarn, the weight of yarn imported from United Kingdom is relatively small, but we would call attention to the fact that owing to the fineness of yarns coming in, a large number of Indian spindles could be employed if Indian Mills were in a position to compete. This will be clear to the Board when it is pointed out that the production per spindle per day on 16s is about 6 times as great as the production per spindle per day on 80s.

We quite agree with the contention advanced in Statement IV that both England and India have suffered owing to the inadequate duties imposed on Chinese and Japanese yarns, and note that as far as Japan and China are concerned, the United Kingdom advocates the imposition of specific duties as a means of protection, in preference to *ad valorem* duties.

V.—*Artificial silk fabrics and mixtures.*

Here we would point out an inconsistency in the attitude of the United Kingdom Delegation in regard to the most appropriate means of protecting India inasmuch as specific duties against Japanese cloths have been advocated by the Delegation.

We also agree that there has been little appreciable increase in United Kingdom exports since the duties were lowered in 1934, but we cannot agree that this has been due to effective competition from mills. The real reason why United Kingdom's imports of artificial silk fabrics have not increased is that she has not been able to meet Japanese competition. It is perfectly true that artificial silk yarn imports into India have increased but we understand that about 85 per cent. of these imports is being consumed by the Handloom Industry.

We entirely disagree with the contention that a reduction in the duties on United Kingdom Artificial Silk goods would not affect Indian industrial interests, and, in this connection, would refer the Board to that portion of the Association's supplementary statement dealing with staple fibre.

Comparative prices.

We consider that the statistics attached to the note on comparative prices are entirely irrelevant in this enquiry owing to the Board's specific terms of reference. We have not yet had time to examine the Indian cloths and price data in the statement, but will do so at the earliest opportunity if the Board so requires. We do, however, wish to point out that on the meagre information supplied, it would not be possible for the Association to express an opinion as to whether the United Kingdom prices in the Statement represent the lowest prices at which United Kingdom manufacturers would be prepared to sell these lines. They are supposed to represent Lancashire's fair selling prices, but we would again like to stress that the terms of reference must have been misunderstood in Lancashire since they do not specify "the equation of fair selling prices as the basis of the enquiry", but the equation of the prices of goods *actually* being imported to the fair selling prices of similar goods produced in India.

Supplementary Memoranda.

No. 1.—We agree with the Delegation as to the difficulty of providing the Board with examples of identical Indian and United Kingdom goods, but cannot agree that the assessment of price margin should proceed on the basis suggested by the United Kingdom for reasons already given, and maintain that the duty requirements of the Indian Industry should be measured on the bases suggested in the Association's supplementary representation.

We should like the Board to note the statement made in this memorandum which indicates that the qualities of United Kingdom cloths have been considerably modified during the last few years.

No. 2.—We have little to say in regard to this memorandum except that we disagree with the contention that the present duties on United Kingdom yarns under 50s are unnecessary. In our answers to the Questionnaire, we have shown that on counts over 40s the existing duties are inadequate. We should also like to make it clear to the Board that it is incorrect to say that "Indian Spinners are using better cotton than is possible for Lancashire Spinners if they are to make quotations which will bring them business under the ruling rates of customs duty". The main difference between Indian and United Kingdom yarns of the same count is that United Kingdom yarns are usually mule yarns and the Indian yarns are ring yarns.

No. 3.—We are glad to learn that the yarns and cloths being sent to India by the United Kingdom are not being sold at unremunerative prices. We cannot, however, agree with the contention advanced in the last paragraph of memorandum that the prices at which Indian Mills have been selling their production constitute fair selling prices. What constitutes a fair selling price for an Indian commodity has been laid down by previous Tariff Boards. In brief, a fair selling price is one which will give a reasonably efficient unit a margin over and above its bare cost of production, sufficient to enable the concern to meet the interest charges on its working capital, provide adequate depreciation, cover sales expenditure and commission including Managing Agents' commission and in addition provide a return of 8 per cent. on the capital sunk in the concern.

No. 4.—We desire to make no comments on this memorandum as we consider it irrelevant for the purposes of this enquiry.

No. 5.—We desire to make no comments on this memorandum as we consider it irrelevant for the purposes of this enquiry.

No. 6.—We disagree with the contention again advanced regarding what constitutes a fair selling price and submit the estimation of a fair selling price for Indian goods must be estimated in accordance with the procedure adopted by previous Tariff Boards. We certainly cannot agree that the market price records of Indian Mills should be evidence and that mill costings should be treated as supplementary evidence.

One of the difficulties of endeavouring to estimate whether fair selling prices have been realised by a mill by examining its Profit and Loss Account is that in India it is a general rule for mills to manufacture a very wide variety of goods some of which may be produced at a loss in order to keep looms and spindles engaged while the mill may make a profit on other lines. The Profit and Loss figures of the industry as a whole do, however, constitute a rough guide as to whether bare costs have on the whole been covered, but could hardly be used to prove that particular cloths competing against United Kingdom cloths are or are not adequately protected. (We have already submitted the consolidated Balance Sheet of the Bombay Mill Industry for 1933 and 1934).

In submitting costings to the Board, we have taken into consideration the point made in the memorandum that individual mill costings for the same cloth are bound to vary. The estimate of fair selling prices which the Association has submitted is the average of a number of mills with a reasonably high standard of efficiency.

No. 7.—In our opinion, the major portion of this memorandum deals with matters outside the scope of the terms of reference. We realize that there has been a shrinkage in United Kingdom's export trade with India in the last ten years as compared with the pre-war position, but this state of affairs, as has already been pointed out by us, is a logical outcome of the post-war industrial development in countries which were previously mainly agricultural. The Delegation has pointed out, in the memorandum, the decline in the United Kingdom export trade with India has been greater than the decline in her export trade with the rest of the world, but as stated in our supplementary representation, the United Kingdom's position has been improving during the last five years and in a number of markets the fall in the United Kingdom's trade has been proportionately greater than in India.

The admission that United Kingdom's trade with India would have fallen even more severely but for the decision of the Government of India to deal with Japanese competition makes it very clear that the Indian Industry and the duties imposed in 1930-31 were by no means wholly responsible for the falling off in Lancashire's exports to India during the period dealt with in this memorandum.

No. 8.—We note that the Lancashire Delegation have been informed that the terms of reference require the production of price comparisons involving United Kingdom products actually selling in India at the present time. To our mind, information relating to the prices which Lancashire would be willing to accept for classes of goods which have not been exported to India during the last few years must be ruled out of consideration.

We also note that the Delegation have assembled a number of United Kingdom goods which have been sold in the Indian markets and in some instances in reduced quantities. We submit that this information should be supplemented by examples of United Kingdom lines which are still selling freely.

We should like to reserve our final observations on this aspect of Lancashire case until we have had an opportunity of studying the English lines and the Indian cloths against which they have been matched.

No. 9.—Further notes on artificial silk fabrics and mixtures.—We should like to comment on the statement made in this memorandum in which it is indicated that United Kingdom manufacturers are not in a position to buy and use artificial silk yarn at prices at all comparable with those payable by Indian Mills.

This, of course, is due to the extraordinary protection given to the artificial silk manufacturing industry in the United Kingdom which makes it impossible for United Kingdom to import artificial silk yarn from other countries. The duties are said to be 15*d.* per lb. *plus* 25 per cent. *ad valorem* and are an example of the lengths to which the United Kingdom is prepared to go in order to preserve its home market for an indigenous industry. It is, however, pertinent to note that in respect of staple fibre which is of exactly the same chemical constitution as artificial silk yarn, prices have been recently reduced by 4½*d.* per lb. and the expectations are that further reductions will eventually be made. If these materialise, there is a prospect that in the near future goods made from this material will be exported in very large quantities to the Indian market and Indian mills would be unable to meet this competition owing to the duty of 3 annas a lb. which they have to pay on their imports of staple fibre.

The statement made in the memorandum regarding the relative prices of artificial silk yarn in India and the United Kingdom is most misleading. As far as we are aware, there are no imports of foreign artificial silk yarn into the United Kingdom. England uses only the very superior qualities of artificial silk yarn manufactured in the country.

We are not quite certain of what is intended to be conveyed in the last four lines of the paragraph regarding the importance of the trade in the artificial silk fabrics and mixtures in relation to the demand for fancy cotton fabrics. If, however, the United Kingdom Delegation mean to say that the future of the Indian cotton piecegoods trade cannot be assured unless provision is made to include Japanese exports of artificial silk piecegoods within a general piecegoods quota, we generally agree.

(5) *Memo. dated the 6th December, 1936, from the Millowners' Association, Bombay.*

NOTES ON THE MEMORANDUM SUBMITTED TO THE SPECIAL TARIFF BOARD BY THE
BENGAL CHAMBER OF COMMERCE.

Question 1.—We contend that the conclusions arrived at by the Bengal Chamber of Commerce are not justified. It is perfectly true that there has been a reduction in the importation of cotton piecegoods from United Kingdom during the last ten years, but that does not prove that the existing duties have been adequate to ensure fair selling prices for Indian goods which have to meet competition from United Kingdom goods. That fair selling prices are not realized for Indian lines is demonstrated from the costing and price data already furnished to the Board in the Association's answers to the questionnaire and in the supplementary representation which have been submitted. We would, however, point out that the fall in the volume of England's export trade with India has been due to a series of causes which have been dealt with in the Association's answers to the questionnaire and supplementary statement.

Reference is made to the inability of Lancashire to fill the gap caused by the Bombay Mill Strike of 1928. This issue has been dealt with in paragraph 113 of the 1932 Tariff Board Report to which, it is suggested, reference might be made.

There seems to be some misapprehension as to the method of remunerating managing agents in the cotton industry. It is almost the universal rule in the Bombay City and Island to remunerate managing agents according to the profits made.

As regards the stocks carried by the Indian Industry, the figures have already been supplied to the Board in respect of Bombay City and Island

Mills. An examination of these figures will demonstrate that excessive stocks are not carried by the Industry and the figures of spindles and looms kept idle demonstrate that curtailment of production is resorted to when occasion demands.

While it may be true that mills making for the export market do not themselves carry stocks in the United Kingdom, stocks are in fact carried by grey cloth agents and in the case of mills making cloth for the home market in the United Kingdom, certain quantities of goods are made to stock just as they are in India.

We disagree with the contention made that, unless the duties on United Kingdom goods are immediately reduced, imports from that source will rapidly decrease until their trade is extinct and would direct the attention of the Board that during the last few years, United Kingdom has been maintaining her position.

While it may be true to say that no Indian Mills have attempted to sell exactly similar Jaconets as were previously being imported from the United Kingdom, India has undoubtedly produced fair quantities of Jaconets which can be substituted for United Kingdom lines. We would in this connection refer the Board to Bengal Chamber's own representation where it is stated that E. D. Sassoon's Grey Jaconet No. 353 competes against Rally Bros. Grey Jaconets 3260/80.

We contest the statement that Indian Mull Dhoties "have been found unsatisfactory, they are badly spun and do not wear well".

The tabular statement of the number of packages imported into Calcutta from United Kingdom and Japan submitted by the Chamber shows that with the possible exception of Bleached Nainsooks, the imports of bleached goods into the Calcutta market from the United Kingdom have tended to increase during the last few years.

In the face of the estimate for Nainsook imports for the year 1935 and the actual arrivals up to the end of September, the statement that for some months no single transaction has been possible in English Nainsooks cannot be substantiated.

The increase in the imports of Dyed goods into Calcutta since 1931 is certainly not an indication that the existing duties are excessive. In 1934, the imports of Dyed and Fancy goods according to this statement were double of what they were in 1931.

The import trade in "reject" yarns referred to does not, in our opinion, prove that the Handloom Weavers cannot afford to pay the price of perfect yarns. As far as we are aware, the Handloom Industry has always bought a fair proportion of reject yarns. We submit, the drop in the importation in yarn from United Kingdom referred to in the memorandum has been chiefly due to severe Japanese competition. Indian mills have been unable to compete effectively in price against both the United Kingdom and Japan in all fine count yarns.

The making particulars, etc., of the cloths referred to in the tabular statements are being checked and a further note will be submitted to the Board at a later date. It will not be possible for the Association to submit information regarding c.i.f. prices of imported goods, and we suggest that the accuracy of imported prices should be checked by reference to Calcutta Customs authorities.

Questions 6 (a) and (b).—We contest the statement that yarns above 40s count are not made in Indian Mills. It is, in fact, refuted in Bengal Chamber of Commerce's own memorandum, where it is stated that "it is true that Indian Mills are finding it difficult to sell yarns of 60s count but this is due to competition from Japan—and not from Great Britain. They are, however, selling 70s count and higher in this market".

We disagree with the contention that yarns of 40s and over should be admitted at the minimum rate of duty compatible with considerations of revenue.

The statement that in the past some Lancashire Mills have been selling goods at a loss conflicts with the statement in the United Kingdom Delegation Memoranda that United Kingdom has not been selling at unremunerative rates.

We certainly contest the statement that the existing duty has stimulated the Industry at the expense of the consumer. In this connection the attention of the Board is invited to the average current quotations for local mill-made piecegoods during the last few years. Reference is also directed to the information in regard to costs and price realizations submitted to the Board in the appendices to the Association's replies to the questionnaire and in the supplementary statement.

Question 11.—It is not correct to say that the Government of India imposed the duty on foreign cotton in 1931 in an endeavour to prevent its importation. The duty was imposed mainly for revenue purposes. We quote below for ready reference, an extract from the Budget Statement presented to the Assembly in September, 1931, by Sir George Schuster:—

“We propose to put duties of 10 per cent. on machinery and dyes, and of $\frac{1}{2}$ anna per lb. on raw cotton. I must expect criticism of these duties especially from the cotton mills, and I must acknowledge that their imposition may appear to be in some ways inconsistent with previous policy. The justification must be the need for revenue, while as regards the cotton mills we may claim that on balance their position will be improved by our surcharge proposals, for under these the import duties on cotton piecegoods will be increased by one quarter. This more than offsets the burden of $\frac{1}{2}$ anna per lb. on goods made from imported cotton, and affords an effective answer to possible criticisms on the grounds to which I have referred.”

We do not propose to comment on the figures given except to say that India's total export to Tanganyika in the first six months of 1935 amounted to less than 400 bales and about 500 bales in the first six months of 1934.

While not in a position to contest the accuracy or inaccuracy of the statement made that in many cases current market values are far below prices paid to Lancashire by importers, we should like to point out that it is the wholesale bazaar rate less discount against which Indian Mills have to compete.

The question as to whether rates of wages in India are higher or lower than United Kingdom is hardly an issue before the Board. What the Board is endeavouring to ascertain is the difference between India's fair selling prices and the prices at which similar United Kingdom goods are being sold in India.

The reference to the Indian Fiscal Commission's Report appears to us entirely irrelevant to their enquiry and the argument based on it entirely fallacious. The issue is not whether protection should be given to the Industry, but whether the existing duties give the Indian Industry adequate protection.

We submit that it is totally inaccurate to contend that if Indian Mills use more imported cotton, they will use less Indian cotton. The facts certainly do not bear out the Bengal Chamber of Commerce. The quantity of Indian cotton used in the cotton year 1934-35 was 2.6 million bales against 2.3 million bales in 1933-34 and 1.8 million bales in 1923-24.

As regards the contention that the specific duties have proved a burden on the consumer, we cannot, I think, do better than invite the Board's attention to a speech made by Sir Joseph Bhore in the Assembly on 20th March, 1933, an extract from which is reproduced below:—

“I think, Sir, a very natural question which arises in the mind of the ordinary person in the street is this. *Have these continuous increases in import duties not really put up prices to the consumer?* That, I think,

is a perfectly legitimate apprehension, and I confess that it was an apprehension that exercised me and made me ask for certain figures. Now, Sir, I do not wish to go at great length into statistics, but I will only take the case of grey unbleached goods which are, speaking generally, the cheapest classes of goods, and I will give the House the quotations of Bombay mill-made goods in respect of these over some period of time. Take the case of shirtings. In January, 1930, the quotations for grey shirtings unbleached were 13 as. 9 pies per lb. In March, 1932, the quotations had fallen to 11 as. 3 pies, and in January, 1933, they had still further fallen to 10 as. Take drills. In January, 1930, the price was 12 as. 3 pies per lb., in March it had fallen to 9 as. 3 pies; and in January, 1933, to 8 as. 6 pies per lb. Take the articles known as "domestics". In January, 1930, this was 14 as. 3 pies per lb., in March, 1932, it had fallen to 12 as., and in January, 1933, to 10 as. Now, Sir, I quite admit that we must take the fullest account of the general fall in prices, but the figures that I have given are, I think, of some significance."

(6) *Memo. dated the 7th December, 1935, from the Millowners' Association, Bombay.*

NOTES ON THE MEMORANDUM SENT TO THE SPECIAL TARIFF BOARD BY THE
BOMBAY CHAMBER OF COMMERCE.

We do not propose, unless the Board specifically desire, to comment on the preparatory remarks made by the Chamber as the matters dealt with are, in our opinion, outside the scope of the Board's terms of reference.

Question 1.—In the notes we have made on the United Kingdom and Bengal Chamber of Commerce memoranda, we have already stated that the fact that the volume of imports from the United Kingdom have fallen considerably during the last decade, by no means prove that the existing rates of duty are adequate to ensure the realization of fair selling prices for Indian cloths and yarns against which United Kingdom cloths and yarns compete.

The extent of the fall in revenue from import duties on British piece-goods is a question which, in our view, is quite outside the Board's terms of reference, but it is perhaps necessary to state that the existing duties on United Kingdom piecegoods are protective duties and not revenue duties. While we consider that the fundamental basis of the protective scheme introduced in the 1934 Act, which is a combination of specific and *ad valorem* duties is not an issue on which the Board has been asked to express a decision, we should like to point out that we disagree with the conclusion arrived at in the Chamber's memorandum and that the last Tariff Board definitely recommended the introduction of a system of specific duties for all classes of goods after a full consideration of all the arguments now raised in the representations submitted by the Bombay and Bengal Chamber of Commerce. In addition, we should like to bring to the notice of the Board the fact that a number of trades and industries in England appear to be protected by systems which involve a combination of specific and *ad valorem* duties.

The statement that Indian Mills' prices are often cheaper than c.i.f. rates for British goods and in no case are they more than 15 per cent. dearer is entirely misleading. It is our case that when the fair selling prices for Indian goods of constitution identical with those of United Kingdom goods are compared with the prices of those goods, there is a case of the retention of at least the existing rates of import duty. The fact that there was a substantial reduction in the imports from United Kingdom when the duties were 15 per cent., does not prove that a 15 per cent. duty was then or would now be an appropriate duty to levy on United Kingdom goods bearing in mind the fact that the Indian Industry is intended to be adequately protected.

Cotton yarns.—It is incorrect to say that the specific duties on yarns below 50s have killed the trade in these yarns. The loss of the United Kingdom's trade in counts below and over 50s has been due not to effective competition from India but to severe competition from China and Japan. The statement that in fine yarns above 60s, no mill production is sold in the market is incorrect, we would refer the Board to the statement made the Bengal Chamber's memorandum on this subject. It is, however, true to say that the trade is at present small owing to the inadequacy of the import duties both against the United Kingdom and China and Japan.

Raw cotton.—We take exception to the misleading character of the Chamber's statement regarding raw cotton. The Indian Mill Industry, according to the Indian Central Cotton Committee's figures used no less than 2.6 million bales of Indian cotton in the cotton year 1934-35. During that period the total imports of raw cotton for all purposes amounted to less than half a million bales. As compared with the previous year the increase in the consumption of Indian cotton by Indian Mills amounted to 300,000 bales, a figure which is comparable with the consumption of Indian cotton by the United Kingdom Cotton Textile Industry. Over a period of 10 years, the consumption of Indian cotton by Indian Mills has increased by 800,000 bales per annum.

As regards the number of operatives employed by the Industry, the number of persons directly employed by mills in 1934-35 excluding those employed in night shift was 415,000 which constitutes a very large proportion of the total number employed in organized industries. We think it hardly necessary to point out that an enormous number of persons employed in the growing of cotton and in subsidiary trades are also entirely or almost entirely dependent on the indigenous industry for their livelihood.

Question 11.—We cannot agree that the Handloom Industry is unaffected by the United Kingdom cloth imports and maintain there is considerable direct and indirect competition between the products of the Handloom Industry and those of United Kingdom Industry particularly in respect of the finer types of goods produced on handlooms in Madras and other parts of the country.

Question 12.—We note that the Bombay Chamber of Commerce consider that an *ad valorem* duty of 20 per cent. would be sufficient to protect the Indian Mill Industry against United Kingdom imports. It is our contention that the existing rates of duty must be retained and would point out that in these particular styles of cloth, the Indian Industry is very heavily penalized by the existing duty of 3 annas per lb. imposed on artificial silk yarn. It is also significant that in England the artificial silk weaving industry is protected by very much higher scales of duties than exist in India. The duty on artificial silk tissues on United Kingdom exceeding 12" in width and containing more than 75 per cent. artificial silk are 1s. 5d. per lb. *plus* either 5d. per square yard of the area of the tissue or 25 per cent. of the value of the tissue whichever is greater. When the artificial silk weaving industry in the United Kingdom is protected to this extent, it seems unreasonable to consider the Indian artificial silk weaving industry to be adequately protected by the low rate of duty suggested by the Bombay Chamber of Commerce.

(7) *Memo. dated the 8th December, 1935, from the Millowners' Association, Bombay.*

NOTES ON THE MEMORANDUM SUBMITTED TO THE SPECIAL TARIFF BOARD BY THE
MADRAS CHAMBER OF COMMERCE.

Piecegoods.—We do not propose to comment at length on the Madras Chamber's answers to the Questionnaire, as very few points have been made which have not been made by the United Kingdom Delegation or the Bengal or Bombay Chamber of Commerce. We do, however, contest the

statement that the Indian cloths which are being marketed "though cheaper, are poor value for the price exacted".

As regards the samples submitted by the Madras Chamber, particulars are being checked so far as Indian lines are concerned and a further note on this portion of the representation will be forwarded to the Board at an early date.

(8) *Letter No. 3217/168 of 1935, dated the 7th December, 1935, from the Millowners' Association, Bombay.*

As desired, I am sending herewith seven copies each of the undermentioned statements:—

- (1) A note explaining the method by which the percentage of spindles working on coarse and medium counts has been estimated.*
- (2) A note explaining the method by which the capital values per spindle and per loom have been estimated.*
- (3) Statement showing stocks of yarn and cloth held in Bombay Mills at the end of each month from January to October, 1935.
- (4) Statement showing the average wholesale prices of yarns and piecegoods produced by Bombay Mills. Quotations included in the statement are *ex-mill* quotations.
- (5) Statement showing the progress of the Cotton Mill Industry in India (working and not working), between 1931-32 and 1934-35. Please see Appendix III of the 1932 Tariff Board Report.

Enclosures.

(3) *Table showing the stocks of yarn and cloth held by Bombay Mills compiled from returns received by the Association.*

Date of Return.	YARN STOCKS IN BALES.			CLOTH STOCK IN BALES.		
	APPROXIMATION OF STOCKS FOR ALL BOMBAY MILLS.					
	Sold but delivery not taken.	Unsold.	Total un-cleared.	Sold but delivery not taken.	Unsold.	Total un-cleared.
31st January, 1935 . . .	6,000	5,000	11,000	46,000	22,000	68,000
28th February, 1935 . . .	8,000	6,000	14,000	53,000	23,000	76,000
31st March, 1935 . . .	10,000	8,000	18,000	56,000	24,000	80,000
30th April, 1935 . . .	12,000	5,000	17,000	54,000	24,000	78,000
31st May, 1935 . . .	11,000	6,000	17,000	58,000	23,000	81,000
30th June, 1935 . . .	11,000	8,000	19,000	72,000	26,000	98,000
31st July, 1935 . . .	11,000	7,000	18,000	79,000	27,000	106,000
31st August, 1935 . . .	12,000	8,000	20,000	86,000	26,000	112,000
30th September, 1935 . . .	12,000	7,000	19,000	73,000	24,000	97,000
31st October, 1935 . . .	11,000	5,000	16,000	61,000	23,000	84,000

* Not printed.

(4) (i) Average wholesale prices of piecegoods produced by Bombay Mills.

GRAY, UNBLEACHED.								
Longcloth, Standard Quality, 37 × 37½ × 9, per lb.	Longcloth, Fine Quality, 44 × 38 × 7½, per lb.	Shirtings, 35 × 38 × 9, per lb.	Shirtings, Vegetable Quality, 37 × 37½ × 9, per lb.	Leopard Cloth, 43 × 38 × 11½, per lb.	Dhories up to 3" Border, 32 × 9 × 1½, per lb.	Dhories, Calcutta, ¾ P. B., 44 × 10 × 1½, per lb.		
A. P.	A. P.	A. P.	A. P.	A. P.	A. P.	A. P.		
Fortnight ending :—								
11th January, 1935	.	10 6	15 8	9 10	9 4	9 11	14 6	
25th January	.	10 6	15 9	9 11	9 6	10 2	14 6	
8th February	.	10 5	15 8	9 8	9 7	10 3	14 6	
22nd February	.	10 5	15 10	10 0	9 7	10 0	14 7	
8th March	.	10 4	15 8	9 11	9 4	10 3	14 8	
22nd March	.	10 1	15 8	9 10	9 3	10 2	14 6	
5th April	.	10 2	15 6	9 10	9 2	10 2	14 5	
18th April	.	10 2	15 3	9 10	9 2	10 2	14 5	
3rd May	.	10 2	15 3	9 10	9 2	10 2	14 6	
17th May	.	10 2	15 2	9 10	9 2	10 2	14 6	
31st May	.	10 0	15 1	9 8	9 1	10 3	14 7	
13th June	.	10 0	15 1	9 8	9 1	9 11	14 6	
28th June	.	9 11	15 1	9 7	9 1	9 6	14 6	
12th July	.	9 11	15 1	9 7	9 1	9 6	16 6	
26th July	.	9 10	15 1	9 7	9 1	9 5	16 6	
9th August	.	9 9	14 11	9 7	9 1	9 5	14 6	
23rd August	.	9 9	14 11	9 7	9 0	9 5	14 5	
5th September	.	9 9	14 11	9 6	9 0	9 4	14 5	
20th September	.	9 9	14 11	9 6	9 1	9 4	14 6	
4th October	.	9 9	15 1	9 8	9 1	9 4	14 6	
18th October	.	9 10	15 0	9 8	9 2	9 5	14 6	
1st November	.	9 10	15 0	9 7	9 2	9 6	14 7	
15th November	.	9 10	15 0	9 8	9 3	9 6	14 7	
29th November	.	9 10	15 0	9 8	9 3	9 6	14 7	

Average wholesale prices of piecegoods produced by Bombay Mills—contd.

	GREY, UNBLEACHED.					WHITE, BLEACHED.	
	Drills, 29½ × 40 × 13½ per lb.	Domestics, 35 × 40 × 13½ per lb.	Domestics, 35 × 40 × 12, per lb.	Salita, 40 × 66 × 25, per lb.	Chadars, 50 × 6 × 2½, per lb.	Longcloth, 34 × 40 yds., per piece.	Drill, 27 × 42 yds., per piece.
	A. P.	A. P.	A. P.	A. P.	A. P.	Rs. A. P.	Rs. A. P.
Fortnight ending :—							
11th January, 1935	8 4	8 5	8 8	9 9	10 2	9 1 0	8 8 3
25th January	8 5	8 8	8 7	9 9	10 3	9 1 4	8 9 3
8th February	8 5	8 7	8 6	10 0	10 3	9 1 4	8 10 9
22nd February	8 5	8 6	8 9	10 0	10 3	9 3 4	8 10 3
8th March	8 5	8 5	8 7	10 0	10 2	9 3 4	8 10 3
22nd March	8 4	8 4	8 7	10 0	10 2	9 3 4	8 9 9
5th April	8 4	8 4	8 7	10 0	10 1	9 3 4	8 8 4
18th April	8 4	8 4	8 7	10 0	10 1	9 3 4	8 8 4
3rd May	8 5	8 4	8 6	10 0	10 1	9 3 0	8 8 4
17th May	8 6	8 4	8 6	10 0	9 11	9 3 8	8 9 3
31st May	8 6	8 4	8 5	10 0	9 11	9 3 8	8 8 9
13th June	8 6	8 4	8 6	Not quoted	9 11	Not quoted	8 6 9
28th June	8 6	8 3	8 6	"	9 11	"	8 6 9
12th July	8 8	8 2	8 7	"	9 11	"	8 9 3
26th July	8 8	8 2	8 7	"	10 0	"	8 7 6
9th August	8 6	8 5	8 8	"	10 0	"	8 7 0
23rd August	8 3	8 5	8 7	"	10 0	"	8 7 0
5th September	8 3	8 5	8 7	"	10 0	"	8 7 2
20th September	8 6	8 5	8 7	"	10 0	"	8 7 2
4th October	8 7	8 5	8 7	"	10 0	"	8 7 2
18th October	8 7	8 5	8 7	"	10 0	10 6 6	8 4 3
1st November	8 7	8 5	8 6	"	10 0	10 6 6	8 5 0
15th November	8 8	8 5	8 6	"	10 0	10 6 6	8 5 0
29th November	8 7	8 6	8 6	"	10 0	10 6 6	8 5 0

(ii) Average wholesale prices of yarns produced by Bombay Mills.

	4s. (All Waste), per lb.	6s. (All Waste), per lb.	8s. per lb.	10s. per lb.	12s. per lb.	16s. per lb.	20s. per lb.	24s. per lb.	32s. per lb.	40s. per lb.	60s. per lb.	80s. per lb.
	A. P.	A. P.	A. P.	A. P.	A. P.	A. P.	A. P.	A. P.	A. P.	A. P.	Rs. A. P.	Rs. A. P.
Fortnight ending :—												
11th January, 1935	3 9	4 3	5 7	6 0	6 3	7 8	8 2	8 10	10 4	12 7	1 1 0	1 6 2
25th January	4 0	4 5	5 10	6 1	6 5	8 0	8 4	9 2	10 9	12 7	1 1 0	1 6 2
8th February	4 2	4 5	5 10	6 1	6 4	7 11	8 5	9 3	11 1	12 7	1 1 0	1 6 2
22nd February	Not quoted.	4 5	5 10	6 1	6 4	7 10	8 4	9 2	10 7	12 7	1 1 3	1 6 5
8th March	3 6	Not quoted.	5 8	5 10	6 3	7 11	8 2	9 1	10 6	12 4	1 1 1	1 6 5
22nd March	3 6	3 9	5 2	5 7	5 10	7 6	7 9	8 4	10 4	12 1	1 1 2	1 6 9
5th April	3 4	3 6	5 2	5 5	5 8	7 1	7 7	8 3	10 2	11 10	1 1 1	1 6 9
18th April	Not quoted.	Not quoted.	5 2	5 6	5 10	7 5	7 8	8 3	10 2	11 10	1 1 0	1 6 9
3rd May	3 4	4 0	5 3	5 6	5 10	7 6	8 0	8 11	10 4	11 11	1 1 0	1 6 9
17th May	Not quoted.	4 0	5 5	5 10	6 1	7 3	8 0	8 10	10 4	11 9	1 1 1	1 6 10
31st May	Not quoted.	Not quoted.	5 6	5 11	6 2	7 5	8 1	8 10	10 6	11 9	1 1 1	1 6 10
13th June	Not quoted.	3 11	5 5	5 10	6 3	7 5	8 1	8 10	10 6	12 1	1 1 2	1 6 9
28th June	Not quoted.	3 11	5 4	5 10	6 1	7 6	8 1	8 9	10 4	11 9	1 1 2	1 6 10
12th July	3 3	4 1	5 5	5 10	6 1	7 5	8 1	8 9	10 4	11 9	1 1 1	1 6 9
26th July	3 3	4 0	5 4	5 9	6 1	7 5	8 1	8 9	10 4	11 9	1 0 9	1 6 9
9th August	3 3	3 9	5 3	5 8	6 0	7 6	8 2	8 9	10 3	11 9	1 0 9	1 7 2
23rd August	3 5	3 9	5 2	5 7	5 11	7 4	8 0	8 9	10 2	11 8	1 0 9	1 7 2
5th September	3 3	3 9	5 1	5 7	5 10	7 2	7 10	8 7	10 0	11 8	1 0 9	1 6 7
20th September	3 3	3 9	5 1	5 7	5 11	7 2	7 8	8 5	10 0	11 5	1 0 9	1 6 4
4th October	3 4	Not quoted.	5 3	5 7	6 1	7 6	7 10	8 7	10 2	11 5	1 0 9	1 6 5
18th October	3 7	4 2	5 8	6 1	6 5	7 8	8 3	8 11	10 6	11 8	1 0 11	1 6 5
1st November	3 7	4 1	5 6	6 0	6 4	7 7	8 2	9 0	10 6	11 7	1 0 10	1 6 5
15th November	Not quoted.	Not quoted.	5 7	6 2	6 5	7 8	8 3	9 0	10 7	11 9	1 1 1	1 6 5
29th November	Not quoted.	Not quoted.	5 7	6 2	6 5	7 7	8 3	9 1	10 6	11 9	1 1 1	Not quoted.

(5) Statement showing the progress of the Cotton Mill Industry in India (working and not working).

Year ending 31st August.	Number of Mills working.	Number of Spindles.	Number of Looms.	Number of Mills not working.	Number of Spindles.	Number of Looms.	Number of Mills in course of erection.	Number of Spindles.	Number of Looms.	Total Number of Mills.	Number of Spindles.	Number of Looms.	Average Number of hands employed daily.	Approximate quantity of cotton consumed in bales of 892 lbs.
1931-32 . . .	314	9,078,135	175,157	25	427,958	11,164	37	30,788	835	376	9,536,871	187,176	403,226	2,911,264
1932-33 . . .	311	8,854,240	173,325	33	726,418	15,715	31	19,944	466	375	9,800,802	189,506	400,005	2,837,153
1933-34 . . .	320	8,846,981	177,346	32	706,193	17,042	28	41,400	929	380	9,654,574	195,317	384,938	2,703,980
1934-35 . . .	336	9,093,919	187,234	29	591,256	11,633	42	93,888	654	407	9,779,663	199,521	414,884	3,123,414

(9) *Letter No. 3301/168 of 1935, dated the 16th December, 1935, from the Millowners' Association, Bombay.*

I have the honour to forward herewith one copy of our notes on the samples submitted by the Bombay, Madras and Bengal Chambers of Commerce and by the United Kingdom Delegation. I also send herewith cuttings of the two cloths referred to in the notes and the latest issue (15th November) of "the Textile Weekly" which has been referred to in the yarn section of the notes.

Enclosure.

GENERAL OBSERVATIONS ON SAMPLES SUBMITTED BY THE BOMBAY, BENGAL AND MADRAS CHAMBERS OF COMMERCE AND THE UNITED KINGDOM DELEGATION.

The specifications of imported cloths given in respect of the samples submitted by the Bombay and Bengal Chambers of Commerce are nominal only. The reed and pick given are usually considerably higher than the actuals. The counts of warp and weft also differ materially from the actuals. In the case of the Madras Chamber, the specifications given for United Kingdom cloths approximate closely to the results obtained from our test analyses. As far as the Indian cloths submitted by the various Chambers are concerned, the particulars given are often widely different from the actual making particulars submitted by the Mills as far as Member Mills' goods are concerned. We have not asked non-member Mills to submit their making particulars, but have, in most cases, made a test analysis of their samples.

The information in regard to the price data for Indian Mill-made goods furnished by various Chambers has been found, in many instances, to vary from the actuals, and in certain cases, prices have been given for cloths which differ from the actual samples submitted. The sale prices given in the representation submitted by the Bengal Chamber of Commerce appear to include duty, landing charges and selling commission. The price data given for United Kingdom cloths cannot be checked by us except in a few instances, but in the case of the Bengal Chamber of Commerce, some of the c.i.f.c.i. quotations for 1935 appear to be inaccurate judged by the wholesale prices given in the Chamber's representation. As far as the United Kingdom samples are concerned, a separate report will be forwarded as soon as possible on the 16 packets of comparable cloths when making particulars, costs and realizations have been obtained from the mills concerned.

As regards the original set of samples submitted by the United Kingdom Delegation, we have checked the making particulars and prices of the cloths manufactured by members, but we consider, at any rate, so far as cloth samples are concerned that the particulars supplied are irrelevant. Only one of the cloths submitted by the United Kingdom Delegation closely resembles the cloth actually being imported from the United Kingdom at the present time, but this example (please see United Kingdom sample No. B231, Grey Dhoty—New China Mill Dhoty, 2523), in our opinion, definitely proves that the landed price, ex-duty estimates submitted to the Board are considerably higher than the prices at which business could actually be placed with United Kingdom shippers.

On the sheets enclosed herewith, we have set out the information given by the various Chambers and by the United Kingdom Delegation in regard to the construction and price, and immediately below, have inserted the facts as ascertained by us. In the case of Member Mill cloths, the making particulars and price data have been supplied by the mills concerned. In the case of imported cloth, the specifications given by us show the result of expert analyses. We have commented on each separate sheet as to the comparability, etc., of the cloth or cloths being dealt with. The information now tendered should, we submit, be of considerable assistance to the Board in dealing with the mass of technical data which have been put in as evidence in the present enquiry. We hope to be in a position to supplement still further the information submitted in respect of Indian cloths and yarns when the results of an enquiry which we have recently sent out regarding the cost of manufacture come to hand.

Enclosure No. 1.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE.

No. 1

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 1.

Description of Sample : White Shirting, Ralli, 7770.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
36 × 40

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
36 × 40	3.04 ozs.	30	30	72	64

Price data as given by Chamber.

1935 . Rs. 10.4-0 Bazaar price.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
32 × 42

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
32 × 42	..	24	18	64	52

*Price data.**As given by Chamber.*1935 . Rs. 8-14-0 Mill price,
9-1-0 Bazaar price.*Actuals.*

1935 . Rs. 8-12-0 ex-Mill.

Remarks by Millowners' Association, Bombay.—The cloths are hardly comparable owing to the great difference in counts of yarn used. The price for the Indian quality has been corrected.

No. 2.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 2.

Description of Sample : White Shirting, Graham, Lampost.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
32 × 42	..	30	40	64	64

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 2. Name of Mill : Hirjee Mills.

Description of Sample : White Shirting, 800.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
33 × 42

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Ends.	Pick.
32 × 42	2.8 ozs.	36	60	58

Price data as given by Chamber.

Landed price ex-duty Rs. 6-4-6.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wt.	Ends.	Pick.
33 × 42	11½	20½	19½	64	56

Price data.

As given by Chamber.

1935 . Rs. 7-0-0 ex-Mill.

Actuals.

1935 . Rs. 8-4-0 ex-Mill.

Remarks.—Never sold below Rs. 8-4-0.

Remarks by Millowners' Association, Bombay.—The cloths are not comparable owing to the great difference in yarns used. The Indian cloth has never been sold below Rs. 8-4-0 per piece ex-Mill.

No. 3.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 3.

Description of Sample : White Shirting, Ralli, Shield.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wt.	Ends.	Pick.
33 × 40/41

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Ends.	Pick.
33 × 40/41	2.82 ozs.	48	38	72

Price data as given by Chamber.

No recent c.i.f. price. Rs. 9-6-0 Bazaar price. Imports stopped as cloth cannot be imported under Rs. 10-4-0.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 3. Name of Mill : Svadeshi.

Description of Sample : White Shirting, 6600.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wt.	Ends.	Pick.
34½ × 40

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Wt.	Ends.	Pick.
34 × 40	3.68 ozs.	35½	29½	82	72

Price data.

As given by Chamber.

1935 . Rs. 9-2-0 ex-Mill.

Actuals.

1935 . Rs. 9-3-6 ex-Mill.

Remarks by Millowners' Association, Bombay.—Although not a close comparison, the Indian cloth appears to be of better value at the prices stated.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

No. 4.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 4.
Description of Sample : White Nainsook (1850) (Ralli Bros.).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
26 × 18

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
26 × 18	1.20 ozs.	48	47	42	44

Price data as given by Chamber.

No stock.

Remarks by Millowners' Association, Bombay.—The cloths are comparable, but the English cloth though lighter in weight is of a slightly dearer construction. No comparison of prices can be made in the absence of quotations for U. K. cloth and past realizations.

54

Price data.

Actuals.

As given by Chamber.

Substantially correct.

Rs. 1.8.0 *ex-Mill.*

No. 5.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 5.
Description of Sample : White Nainsook, Grahams, 4518.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25 × 18

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 5. Name of Mill : Century.
Description of Sample : White Nainsook, 5418.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25 × 18	1½	..	..	..	..

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25 × 18	1½	37.25	43.75	48	36

<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>					<i>Actual particulars as ascertained by M. O. A., Bombay.</i>				
Ins.	Yds.	Wt. per sq. yd.	Warp.	West.	Ins.	Lbs.	Warp.	West.	Pick.
25	18	1.43 ozs.	50	44	26	18	30	40	33
				56		11		45	45

Price data as given by Chamber.

	<i>s.</i>	<i>d.</i>	<i>cif.</i>
1931	2	5	6
1932	2	7	7
1933	2	4	4
1934	2	7	7
1935	2	7	7

Remarks by Millowners' Association, Bombay.—The cloths are too widely different in construction to admit of any comparison. The United Kingdom cloth should have been matched against a better quality Indian cloth.

No. 6.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. 6.

Description of Sample: Bleached Mull (Graham), 4834.

Dimensions, etc., as given by Chamber.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
36	× 20	..	44	54	56	48
<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>						
Ins.	Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
36	× 20	1·30 ozs.	48	58	52	44

Price data as given by Chamber.

Landed ex-duty.

	<i>s.</i>	<i>d.</i>	R. S. A. P.
1931	.	.	2 2 0
1932	.	.	2 2 0
1933
1934	.	3 1 $\frac{1}{2}$	..
1935	.	3 2 $\frac{1}{2}$	..
1936	.	3 2	..

Remarks by Millowners' Association, Bombay.—The Indian cloth is of lighter texture and the United Kingdom cloth would command a higher price. The cloths are only roughly comparable.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

No. 7.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 7.
Description of Sample : White Mull, 6399, Grahams.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Warp.	Wt. per sq. yd.	Pick.
43 × 20	44	60	46

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Warp.	Wt. per sq. yd.	Pick.
43 × 20 × 1.44 ozs.	50	55	40

Price data as given by Chamber.

1935 . . . Landed price ex-duty . Rs. 2-9-9.

Remarks by Millowners' Association, Bombay.—We are not certain as to whether the United Kingdom price represents a quotation or actual business done. The price of the Indian cloth has not been checked—Non-member.

No. 8.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 8.
Description of Sample : White Mull, D 10 P, Grakam.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Warp.	Wt. per sq. yd.	Pick.
34 × 20	70	76	66

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 7. Name of Mill : Mafatlal Gagalbhai.
Description of Sample : Bleached Mull, 2500.

Particulars as given by Chamber.

Ins. Yds.	Warp.	Wt. per sq. yd.	Hnds.	Pick.
43 × 20

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Warp.	Wt. per sq. yd.	Hnds.	Pick.
43 × 20 × 1.60 ozs.	46	46	50	42 (analysis)

Price data as given by Chamber.

1935 . . . Rs. 2-12-0 ex-Mill.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 8. Name of Mill : Broach Fine Counts.
Description of Sample : White Mull, 512.

Particulars as given by Chamber.

Ins. Yds.	Warp.	Wt. per sq. yd.	Hnds.	Pick.
..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins.	Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
34	× 20	1.20 ozs.	72	88	72	60

Price data as given by Chamber.

	c.i.f.	Landed ex-duty.
1935	s. d.	Rs. A. P.
	• • •	• 4 6
		3 1 0

Remarks by Millowners' Association, Bombay.—We are not certain as to whether the English price represents *actual business done or whether it is merely a quotation*. The Indian price has not been checked—Non-member mill. The cloths are comparable, but the finishing and bleaching of the United Kingdom cloth is much superior.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 9.

Description of Sample : White Mull, 3720, Ralli.

Dimensions, etc., as given by Chamber.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
35	× 20	• • •	• • •	• • •	• • •	• • •

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins.	Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
35	× 20	1.44 ozs.	50	58	60	46

Price data as given by Chamber.

1935	• • •	Rs. 3-1-0 Bazaar price.
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Remarks by Millowners' Association, Bombay.—The cloths are comparable in texture, but the finish and bleaching of the United Kingdom cloth is superior. The United Kingdom cloth has a gold heading which would add an anna per piece to the cost. The prices of the Indian cloth have not been checked—Non-member. We consider the bazaar prices to be in correct relationship.

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
• • •	• • •	1.24 ozs.	70	88	76	54

(analysis).

Price data as given by Chamber.

1935	•	Rs. 2-10-0 ex-Mill.
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No. 9.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 9. Name of Mill : Mafatal Gagalbhai.

Description of Sample : White Mull, 8836.

Particulars as given by Chamber.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
34	× 20	• • •	• • •	• • •	• • •	• • •

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
34	× 20	1.48 ozs.	43	61	56	48

Price data as given by Chamber.

1935	•	Rs. 2-10-0 ex-Mill. 2-13-6 Bazaar.
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REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

No. 10.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 10.

Description of Sample : White Mull, 2 Angels, Rallis.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
48 × 20	..	..	..	..	..
Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
48 × 20	1.90 ozs.	41	48	66	56

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
47½ × 20	..	..	..	..	..
Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
47½ × 20	3½	42	40	62	50

Price data as given by Chamber.

1935 Rs. 4.12.0 Bazaar price.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
47½ × 20	3½	42	40	62	50

Price data.

As given by Chamber.

1935 . Rs. 4.4.0 *ex-Mill.*
4.6.0 Bazaar.

Actuals.

1935 . Rs. 4.4.0 *ex-Mill.*

Remarks by Millowners' Association, Bombay.—The cloths are fairly close match, the United Kingdom cloth being about 10 per cent. superior : the difference in quality justifies the difference in price.

No. 11.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 11.

Description of Sample : Bleached Mull, B-84, Ralli.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
38 × 20

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
33 × 20

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 11. Name of Mill : Victoria.

Description of Sample : Bleached Mull, 84.

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
38 × 20	2-12	42	46	74	62

Price data as given by Chamber.

Rs. 4-5-0 per piece, Bazaar.

Remarks by Millowners' Association, Bombay.—The cloths are in no way comparable. The United Kingdom quality should have been matched against a much better quality Indian cloth.

No. 12.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 12.

Description of Sample : White Mull, 1900, Bombay Co.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
40 × 20

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
40 × 20	1-06 ozs.	100	108	84	72

Price data as given by Chamber.

Landed price ex-duty Rs. 4-6-0.

Remarks by Millowners' Association, Bombay.—The price data for Indian cloth furnished by Chamber refer to 40" cloth. The actual price for 48" would, therefore, work out at Rs. 5-12-0.

The English quality despite its lesser width is of more costly construction and should always realise a better price than the Indian cloth.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
33 × 20	2	31	44	44	40

Price data.

As given by Chamber.

Rs. 2-0-0 per piece ex-Mill.
2-2-0 per piece Bazaar.

Actuals.

1935 Rs. 2-0-0 per piece ex-Mill.

Indirect competition.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 12. Name of Mill : Finlay.

Description of Sample : White Mull, 2148.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
40 × 20	..	70	100	..	..

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
48 × 20	1 $\frac{33}{8}$	70	90	80	64
(approx.)					

Price data.

As given by Chamber.

1935 . Rs. 4-13-0 ex-Mill.

Actuals.

1935 . Rs. 5-12-0 for 48" ex-Mill.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

No. 13.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 13.

Description of Sample : White Twill, Ralli, 636.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
33 × 40	3-36 ozs.	40	32	72	100

Price data as given by Chamber.

No importations owing to low mill prices. Sample shows Bathiwaks equivalent quality, 150.

Remarks by Millowners' Association, Bombay.—We are not informed whether the cloth imported by Rallis is of exactly the same construction as the sample submitted. The comparison made by the Chamber would be of no use to the Board in the absence of price data for the United Kingdom quality, which should always fetch a higher price than the Indian quality against which it has been matched.

60

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
32 × 40	7½	39	39	92	80

Price data.

As given by Chamber.

1935 . Re. 0-5-2 per yd., ex-Mill.
0-5-4 per yd., Bazar.

Actuals.

1935 . Re. 0-5-2 per yd., ex-Mill.

No. 14.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 14.

Description of Sample : White Twill, Patels, 130.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
32 × 40

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 14. Name of Mill : Calico.

Description of Sample : Bleached Twill, B. 21.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
32 × 40

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Wefl.	Ends.	Pick.
36 × 42½	3-16 ozs.	52	40	81	104

Grey.

Price data as given by Chamber.

1935 Re. 0-6-0 per yd., Bazaar.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Wefl.	Ends.	Pick.
.. ..	3-52 ozs.	40	32	86	80

(analysis).

Price data as given by Chamber.

1935 . Re. 0-5-7 per yd., ex-Mill.
0-5-9 per yd., Bazaar.

Remarks by Millowners' Association, Bombay.—The cloths are not a good match. The United Kingdom cloth is superior and would command a higher price. It is relatively cheaper compared to the Indian cloth on the basis of the bazaar prices given. Indian price not checked—Non-member.

No. 15.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 15.

Description of Sample : Grey Dhoty, 4476, Palli Bros.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wefl.	Ends.	Pick.
50 × 8
50 × 9

Dimensions, etc., as ascertained by M. O. A., Bombay.)

Ins. Yds.	Wt. per sq. yd.	Warp.	Wefl.	Ends.	Pick.
.. ..	2-16 ozs.	40	50	72	60

Price data as given by Chamber.

Bazaar price Rs. 2-4-0 for 8 yds.
2-10-0 for 9 yds.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 15. Name of Mill : New China Mills.

Description of Sample : Grey Dhoty, 2535.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wefl.	Ends.	Pick.
50 × 8
50 × 9

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Wefl.	Ends.	Pick.
50	8	36	46	64	56
.. ..	9	.. ..	.. ..	.. ..	.. ..
.. ..	10	.. ..	.. ..	.. ..	.. ..

Price data.

As given by Chamber.

Mill price Rs. 1-11-0 for 8 yds.
1-14-1½ for 9 yds.

Actuals.

Rs. 1-14-0 ex-Mill, 8 yds.
2-1-0 ex-Mill, 9 yds.

Remarks.—Cloth not manufactured prior to April, 1935.

Remarks by Millowners' Association, Bombay.—The prices for the Indian cloth submitted by the Chamber are incorrect. The United Kingdom cloth is much superior and would always command a higher price than the Indian cloth. The Indian cloth is newly introduced and is competing against an established mark.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

No. 16.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 16.
Description of Sample : Grey Dhoty, Graham, 2535.

Dimensions, etc., as given by Chamber.

Ins. Yds.
49/50 × 10

Lbs. Warp. Weft. Ends. Pick.

..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds. Wt. per sq. yd. Warp. Weft. Ends.

.. .. 2-24 ozs. 40 52 72

Ins. Yds. Wt. per sq. yd. Warp. Weft. Ends. Pick.

.. .. 2-56 ozs. 30 52 68 64

Price data as given by Chamber.

1935 3s. 0½d. c.i.f.
Rs. 2-9-1 landed ex-duty.

Price data as given by Chamber.

1935 . Rs. 2-2-0 ex-Mill.

Remarks by Millowners' Association, Bombay.—The Indian cloth is of a much inferior quality and texture. Price of Indian cloth has not been checked—Non-member Mill. We are not certain whether the United Kingdom price represents actual business or is merely a quotation. ? realisations for United Kingdom cloth in 1932, 1933, and 1934.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 16. Name of Mill : Navsari Mill.
Description of Sample : Grey Dhoty, 12115.

Particulars as given by Chamber.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick.

..

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds. Wt. per sq. yd. Warp. Weft. Ends. Pick.

.. .. 2-56 ozs. 30 52 68 56
(analysis).

No. 17.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 17.
Description of Sample : Grey Dhoty, Ralli Bros., 44/56.

Dimensions, etc., as given by Chamber.

Ins. Yds.
50 × 8
50 × 9

Lbs. Warp. Weft. Ends. Pick.

..

..

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 17. Name of Mill : Shri Niwas.
Description of Sample : Grey Dhoty, 1935.

Particulars as given by Chamber.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick.

49 × 8

50 × 9

..

..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	1-68 ozs.	44	50	60	52

Price data as given by Chamber.

No imports since 1933.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
49 × 8	1½ ozs.	39½	59½	76	58
50 × 9	1⅞ ozs.	..	..	..	..

Price data as given by Chamber.

Rs. 1-12-0 for 8 yds., *ex-Mill*
1-15-6 for 9 yds., *ex-Mill*.

Remarks.—The price mentioned by Chamber is about correct, but it would appear that the mill sold a very small lot of this quality to introduce it into the market at considerably less than cost price.

Remarks by Millowners' Association, Bombay.—Indian cloth not made until after United Kingdom cloth had disappeared from market. Sold below cost.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 18.

Description of Sample : Grey Scarves, Ralli, 249.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
41 × 5	..	..	..	..	..
<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>					
Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	2-24 ozs.	44	42	64	58

(analysis)

Price data as given by Chamber.

No imports since 1932.

No. 18.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 19. Name of Mill : New Rajpur.

Description of Sample : Grey Scarves, 6500.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
41 × 5

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	1-92 ozs.	36	52	56	40

(analysis)

Price data as given by Chamber.

1935 . Re. 6-12-0 *ex-Mill*.
0-12-9 Bazaar.

Remarks by Millowners' Association, Bombay.—The cloths are not closely comparable. The Indian cloth is of much cheaper construction and lighter in weight. No prices given for United Kingdom cloth. Indian prices not checked—Non-member.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

No. 19.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 19.

Description of Sample : White Dhoty, Graham, 0280.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
46/47 × 10	..	40	50	76	68

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	1.84 ozs.	45	44	71	64

Price data as given by Chamber.

1935	..	..	3s. 8½d. c.i.f.
			Rs. 2-9-0 landed ex-duty.

Remarks by Millowners' Association, Bombay.—We are not certain whether the United Kingdom price represents actual business done or is merely a quotation. Indian price not checked—Non-member.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 19. Name of Mill : Navsari Mill.

Description of Sample : White Dhoty.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	2.24 ozs.	39	58	80	60
					(analysis)

Price data as given by Chamber.

1935	Rs. 2-8-0 ex-Mill.
------	--------------------

No. 20.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 20.

Description of Sample : White Dhoty, Ralli, 1535.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
42 × 8½

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	1.68 ozs.	42	46	60	46

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 20. Name of Mill : New Jehangir Vakil.

Description of Sample : White Dhoty, 18051.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
45 × 8½

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	2.08 ozs.	34	44	60	44
					(analysis)

Price data as given by Chamber.
No imports since 1929.

Price data as given by Chamber.
1935 . Rs. 1-7-6 (8 yds.) ex-Mill.
1-13-6 (9 yds.) ex-Mill.

Remarks by Millowners' Association, Bombay.—The Indian cloth is heavier but of inferior quality yarn of much lower count. No price for United Kingdom cloth. Indian prices not checked—Non-member.

No. 21.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. 21.
Description of Sample: White Dioty, Ralli, 929.

INDIAN SAMPLE PARTICULARS.

No. of Sample: M. 21. Name of Mill: New Rajpur.
Description of Sample: White Dioty, 4908.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 8
44 × 9

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
48 × 8½

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
.. ..	1-76 ozs.	43	46	60	56

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
.. ..	1-92 ozs.	40	45	60	52

(analysis)

Price data as given by Chamber.
No imports since 1929.

Price data as given by Chamber.
1935 . Rs. 1-11-9 (8 yds.) ex-Mill.
1-14-3 (9 yds.) ex-Mill.

Remarks by Millowners' Association, Bombay.—The Indian cloth is inferior and the bleaching is inferior to that of the United Kingdom sample. No prices given for United Kingdom cloth. Indian prices not checked—Non-member.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

No. 22.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 22.

Description of Sample : Bleached Dhoty, Ralli Bros., 278 ; 279 ; 280.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
270	50 × 8	..	..	..	..
280	50 × 9	..	..	..	..
290	50 × 10	..	..	..	..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	1.32 ozs.	60	80	76	56

Price data as given by Chamber.

No importation since 1933.

Remarks by Millowners' Association, Bombay.—The Indian cloth is slightly superior, but the cloths are a fair match. No price data given for United Kingdom cloth.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 23.

Description of Sample : White Tape Bordered Dhoty (Bombay Co.),
MMMMM.*Dimensions, etc., as given by Chamber.*

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50 × 9

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 22. Name of Mill : Standard Mills.
Description of Sample : Bleached Dhoty (Sansar Sagar).*Particulars as given by Chamber.*

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
49/50 × 8
9
10

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	1.46 ozs.	60	68	76	60

(analysis)

Price data as given by Chamber.

1935 . Rs. 2-6-6 (8 yds.) *ex-Mill.*
 2-11-6 (9 yds.) *ex-Mill.*
 3-0-6 (10 yds.) *ex-Mill.*
 Sale price correct.

No. 23.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 23. Name of Mill : Kohinoor Mills Co., Ltd.
Description of Sample : White Dhoty, Tape Border, WWWWW.*Particulars as given by Chamber.*

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50 × 9

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Ends.	Pick.
50 × 9	1.08 ozs.	72	80	56

Price data as given by Chamber.

2s. 9d. c.i.f.
Rs. 1-14-0 landed ex-duty.

Remarks by Millowners' Association, Bombay.—The cloths are to some extent comparable, the Indian cloth being slightly superior. The price data given by the Chamber for the Indian cloth is incorrect. We are not in a position to say whether the United Kingdom price is a quotation or the rate at which business was done.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50 × 9	1½	60	70	70	60

Price data.

As given by Chamber.
1935 . Rs. 2-0-0 ex-Mill.
July, 1935, Rs. 2-6-6 ex-Mill.
2-2-0 Bazar.

No. 24.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. 24.

Description of Sample: Bleached Dhoty, Bombay Co., Mohini Chandra

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50 × 9	..	..	..	..	..
Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50 × 9	..	..	..	..	..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	1-16 ozs.	60	76	64	56

Price data as given by Chamber.

Landed price excluding duty Rs. 2-0-0.

Remarks by Millowners' Association, Bombay.—The Indian cloth is superior. We are not certain whether the United Kingdom price represents actual business or is merely a quotation.

INDIAN SAMPLE PARTICULARS.

No. of Sample: M. 24. Name of Mill: Standard Mills.

Description of Sample: Bleached Dhoty, Balidan.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50 × 9

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	1-38 ozs.	60	70	80	60

Price data as given by Chamber.

Rs. 2-2-0 ex-Mill.
Price data mentioned correct.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

No. 25.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 25.
Description of Sample : White Dhoty, Bombay Co., 9690.

Dimensions, etc., as given by Chambers.
Ins. Yds. Lbs. Warp. Weft. Ends. Pick.
47 × 9 38 68 52

Dimensions, etc., as ascertained by M. O. A., Bombay.
Ins. Yds. Wt. per sq. yd. Warp. Weft. Ends. Pick.
.. 2-12 ozs. 34 38 68 52

Price data as given by Chamber.

1935 . 3s. 0d. c.i.f.
Rs. 2-1-0 Landed ex-duty.
Sample 44" × 11 yds.

Remarks by Millowners' Association, Bombay.—We cannot check the mill cost for the reasons given, nor are we certain that the United Kingdom price represents actual business or is merely a quotation. The United Kingdom cloth is made from much finer yarns and the bleaching superior.

No. 26.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 26.
Description of Sample : White Dhoty (Bombay Co.), Mangal Maina.

Dimensions, etc., as given by Chamber.
Ins. Yds. Lbs. Warp. Weft. Ends. Pick.
50 × 9 .. 60 80 80 64

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 25. Name of Mill : Morajee Goculdas.
Description of Sample : White Dhoty, Peacock.

Particulars as given by Chamber.
Ins. Yds. Lbs. Warp. Weft. Ends. Pick.
48 × 9 26 76 52

Actual particulars as ascertained by M. O. A., Bombay.
Ins. Yds. Wt. per sq. yd. Warp. Weft. Ends. Pick.
.. 2-67 ozs. 28 26 76 52
(analysis)

Price data as given by Chamber.

1935 . Rs. 2-2-0 Bazaar price.
3 qualities sold under this mark and mills cannot verify statement of Chamber of Commerce.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 26. Name of Mill : New Textile Mills.
Description of Sample : White Dhoty, Rajratan.

Particulars as given by Chamber.
Ins. Yds. Lbs. Warp. Weft. Ends. Pick.
51 × 9 52

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	1.36 ozs.	66	82	77	58

Price data as given by Chamber.

1832	3s. 2d. c.i.f.
1933	3s. 3d. c.i.f.
1934	3s. 4d. c.i.f.
1935	3s. 4½d. c.i.f.

Remarks by Millowners' Association, Bombay.—The cloths are roughly comparable. The price data for the Indian cloth has not been checked—Non-member Mill.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 27.

Description of Sample : White Dhoty (Bombay Co.), 99999.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50 × 9

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
50 × 9	1.64 ozs.	60	60	84	72

Price data as given by Chamber.

Landed price ex-duty Rs. 2-9-0.

Remarks by Millowners' Association, Bombay.—The cloths are only roughly comparable. The difference in quality warrants the lower price for Indian quality. The border of the Indian quality is cheaper than the border of the United Kingdom Dhoty. Price data given for the Indian cloth by the Bombay Chamber of Commerce is incorrect. We have not been able to ascertain whether the price data for the United Kingdom sample represents actual business or is merely a quotation.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	1.52 ozs.	60	72	72	60

(analysis)

Price data as given by Chamber.

1935 . Rs. 2-5-6 Bazaar price.

No. 27.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 27. Name of Mill : Sholapur Spinning and Weaving Co., Ltd.

Description of Sample : White Dhoty, Navratan.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50 × 9

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50 × 9	1½	70	70	90	64

Price data.

Actuals.

As given by Chamber.

1935	Rs. 2-10-0 ex-Mill.	1935	Rs. 2-13-0 ex-Mill.
	2-12-0 Bazaar.		

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—contd.

No. 28.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 28.
Description of Sample : White Dhoty (Bombay Co.), 101.

Dimensions, etc., as given by Chamber.

Ins. Yds.	50 × 9	Warp.	90	Ends.	92	Pick.	88
Lbs.	..	..	..	..	..	..	..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	50 × 9	Wt. per sq. yd.	Warp.	120	Ends.	80	Pick.	88
Lbs.	1.09 ozs.	100	..	..	..	..	..	..

Price data as given by Chamber.

Landed price ex-duty Rs. 3-6-0 per pair.

Remarks by Millowners' Association, Bombay.—The cloths are not closely comparable. We cannot ascertain whether the United Kingdom price represents actual business done or is merely a quotation. Price data given by Chamber for Indian cloth is inaccurate.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 28. Name of Mill : Swan Mills.
Description of Sample : White Dhoty, Akrahan (Mercerised).

Particulars as given by Chamber.

Ins. Yds.	50 × 9	Lbs.	..	Warp.	..	Ends.	..	Pick.	..
..

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	50 × 9	Wt. per sq. yd.	Warp.	80	Ends.	74	Pick.	72
Lbs.	1 $\frac{1}{16}$ approx.	70	..	..	..	..	..	..

Price data.

As given by Chamber. *Actuals.*

1935. Rs. 3-2-0 *ex-Mill* (per pair.) 1935. Rs. 3-7-0 per pair, *ex-Mill*.

No. 29.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 29.
Description of Sample : Bleached Dhoty, 555 (Bombay Co.).

Dimensions, etc., as given by Chamber.

Ins. Yds.	50 × 9	Warp.	..	Ends.	..	Pick.	..
Lbs.	..	..	..	..	..	..	..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	50 × 9	Wt. per sq. yd.	Warp.	120	Ends.	84	Pick.	72
Lbs.	1.04 ozs.	90	..	..	..	..	..	..

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 29. Name of Mill : Finlay Mills.
Description of Sample : White Dhoty, Sovereign.

Particulars as given by Chamber.

Ins. Yds.	50 × 9	Lbs.	..	Warp.	..	Ends.	..	Pick.	..
..

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	50 × 9	Wt. per sq. yd.	Warp.	70	Ends.	68	Pick.	64
Lbs.	1.28 ozs.	70	..	..	..	..	..	(analysis)

Price data as given by Chamber.

1935 . c.i.f. price 4s. 3d.

Price data as given by Chamber.

1935 . Rs. 3-2-0 Bazaar price.

Remarks.—Mills point out quality cannot be traced as different qualities are sold under this mark.

Remarks by Millowners' Association, Bombay.—The Indian cloth though heavier is of much cheaper construction. We are endeavouring to check the Indian mill prices given.

No. 30.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 30.

Description of Sample : Printed Jean (Ralli Bros.), (51).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
28 × 30

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
28 × 30	3-31 ozs.	30	32	100	52

Price data as given by Chamber.

Bazaar price Rs. 6-12-0.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 30. Name of Mill : Standard Mills Co., Ltd.

Description of Sample : Printed Jean (786).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
27 × 30

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
..	2-56 ozs.	40	40	104	40

(analysis).

Price data as given by Chamber.

Ex-Mill Rs. 5-10-0.

Price data correct.

Remarks by Millowners' Association, Bombay.—The cloths are not comparable either in construction or finish. The Indian cloth is much cheaper construction and finish and is lighter in weight. The Indian cloth is a one colour print and the United Kingdom a 2 colour print. The Indian sample M. 30 is inferior even to U. K. M. 31.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

ENGLISH SAMPLE PARTICULARS.				INDIAN SAMPLE PARTICULARS.			
No. 31.				No. 31.			
No. of Sample : U. K. 31.				No. of Sample : M. 31. Name of Mill : Standard Mills Co., Ltd.			
Description of Sample : Printed Jean (599).				Description of Sample : Printed Jean (V1300C).			
<i>Dimensions, etc., as given by Chamber.</i>				<i>Particulars as given by Chamber.</i>			
Ins. Yds.	Lbs.	Warp.	Ends.	Ins. Yds.	Lbs.	Warp.	Ends.
25 × 30	..	..	..	27 × 30	..	..	..
(Split).	..	..	..	..	..	..	..
<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>				<i>Actual particulars as ascertained by M. O. A., Bombay.</i>			
Ins. Yds.	Wt. per sq. yd.	Warp.	Ends.	Ins. Yds.	Wt. per sq. yd.	Warp.	Ends.
25 × 30	3-15 ozs.	34	46	27 × 30	3-07 ozs.	30	92
			96				40
							(analysis)
<i>Price data as given by Chamber.</i>				<i>Price data as given by Chamber.</i>			
No importations.				Ex-Mill Rs. 5-10-0.			

Remarks by Millowners' Association, Bombay.—The cloth was not manufactured by the Standard Mills. The Indian cloth is very much inferior to the United Kingdom cloth. No prices given for United Kingdom cloth. Indian prices cannot be checked.

ENGLISH SAMPLE PARTICULARS.				INDIAN SAMPLE PARTICULARS.			
No. 32.				No. 32.			
No. of Sample : U. K. 32.				No. of Sample : M. 32. Name of Mill : Bombay Dyeing and Manufacturing Co., Ltd.			
Description of Sample : Ralli Bros., Peca Red Cambric, 4100.				Description of Sample : Red Dyed Mata, Charka 2.			
<i>Dimensions, etc., as given by Chamber.</i>				<i>Particulars as given by Chamber.</i>			
Ins. Yds.	Lbs.	Warp.	Ends.	Ins. Yds.	Lbs.	Warp.	Ends.
18 × 28	..	..	..	18 × 28	..	..	..
..
<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>				<i>Actual particulars as ascertained by M. O. A., Bombay.</i>			
Ins. Yds.	Wt. per sq. yd.	Warp.	Ends.	Ins. Yds.	Lbs.	Warp.	Ends.
18 × 28	2-34 ozs.	34	36	17 × 28	2½	24	52
			66				52
							44

Price data as given by Chamber.

1935 . Rs. 3-4-0 Bazaar price.

<i>As given by Chamber.</i>		<i>Price data.</i>	
1935	. Rs. 2-10-0 ex-Mill. 2-13-0 Bazaar.	1931	. Rs. 3-3-5 ex-Mill.
		1932	. Rs. 3-3-4 ex-Mill.
		1933	. Rs. 3-0-2½ ex-Mill.
		1934	. Rs. 3-0-5 ex-Mill.
		1935	. No sale.
		Last price Rs. 2-13-4½ (November, 1934.)	

Remarks by Millowners' Association, Bombay.—These cloths are hardly comparable owing to the wide differences in construction, but on the whole the Indian cloth is slightly better value. It is, however, being sold at bare cost or less owing to the fact that competition from jobbing dyers has to be met.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 33.

Description of Sample : Paca Red Shirting, Ralli, 3301.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
48 × 26

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
48 × 26	2-32 ozs.	44	44	76	64

Price data as given by Chamber.

1935 . Rs. 9-8-0 Bazaar price.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 33. Name of Mill : Bombay Dyeing and Manufacturing Co.

Description of Sample : Red Dyed Mata, Charka 8, W. P. 8.

Particulars, as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
43 × 26

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lb.	Warp.	Weft.	Ends.	Pick.
42/43 × 26	6½	20	28	56	52

Price data.

<i>As given by Chamber.</i>		<i>Actuals.</i>	
1935	. Rs. 7-12-0 ex-Mill. 8-1-0 Bazaar.	1931-33	. No sale.
		1934	. Rs. 7-4-4½ ex-Mill.
		1935	. Rs. 7-7-9 ex-Mill.
		Latest	. Rs. 7-7-9 ex-Mill. (25th November, 1935).

Remarks by Millowners' Association, Bombay.—There is a wide difference in construction and the cloths are hardly comparable. See remarks on M. 32.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

No. 34.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 34.
Description of Sample : Red Dyed Shirting (Ralli), King and Queen.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
39 × 40

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
39 × 40	1.96 ozs.	40	48	60	52

Price data as given by Chamber.

1935 . Rs. 10-8-0 Bazaar price.

Remarks by Millowners' Association, Bombay.—The cloths are hardly comparable. See note on M. 32.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 35.
Description of Sample : Dyed Shirting (Ralli), 47500.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
28 × 39

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 34. Name of Mill : Bombay Dyeing and Manufacturing Co.
Description of Sample : Red Dyed Shirting, Charka 6, L. R. 6.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
40 × 40

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
38/39 × 40	8½	20	28	52	48

Price data.

As given by Chamber.

1935 . Rs. 10-0-0 *ex-Mill*. 1931-34 . No sales.
10-6-0 Bazaar. 1935 . Rs. 10-2-6 *ex-Mill*.

Actuals.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 35. Name of Mill : The Khatau Makanji Mill.
Description of Sample : Dyed Shirting, 51000.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
27 × 39

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Ends.	Pick.
28 × 39	2.08 ozs.	36	42	52
			64	

Price data as given by Chamber.

Bazaar price Rs. 5.8-0 per piece.

Remarks by Millowners' Association, Bombay.—The cloths are not comparable. The Indian yarns are much coarser but are relatively better value.

No. 36.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 36.

Description of Sample : Dyed Shirting (Ralli), 453.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	West.	Ends.	Pick.
28 × 39

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Ends.	Pick.
28 × 39	2.00 ozs.	34	42	48
			60	

Price data as given by Chamber.

Rs. 5.8-0 Bazaar price, 1935.

Remarks by Millowners' Association, Bombay.—The cloths are roughly comparable in construction, but the United Kingdom cloth is dyed 'basic' green and the Indian 'direct' yellow which is very much cheaper to dye. The finish of the United Kingdom cloth is superior. The prices are in close relationship.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	West.	Ends.	Pick.
27 × 39	5¼-5½	20	28	46	40

Price data.

As given by Chamber.

1935 . Rs. 4-10-0 ex-Mill.
4-12-0 Bazaar.

Actuals.

1935 . Rs. 4-10-0 ex-Mill.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 36. Name of Mill : E. D. Sassoon United Mill.

Description of Sample : Dyed Shirting, 86000.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	West.	Ends.	Pick.
29 × 39

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	West.	Ends.	Pick.
29 × 39	2.32 ozs.	32	32	56	52

Price data as given by Chamber.

1935 . Rs. 4-12-0 ex-Mill.

Edau sell the cloth grey and cannot confirm price of cloth in the Dyed state.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

No. 37.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 37.

Description of Sample : Khaki Twill, Ralli, 99.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 37. Name of Mill : Koinoor Mills Co., Ltd.

Description of Sample : Khaki Twill, 5001 (Bleached sample given).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
28 × 40

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
32 × 40

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
28 × 40	2.56 ozs.	44	30	64	30

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
32 × 40	3.52 ozs.	28	20	64	56

Khaki Twill not made for last 2 years.

Price data as given by Chamber.

Bazaar price Rs. 9-8-0 (1935).

Price data.

As given by Chamber.

1935 . Rs. 8-0-0 *ex-Mill.*

Actuals.

1933 . Rs. 8-0-0 *ex-Mill.*

Remarks by Millowners' Association, Bombay.—The two cloths cannot be compared but apart from this it may be noted that the mill has been unable to sell Khaki Twill since 1933.

No. 38.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 38.

Description of Sample : Khaki Shirting, 1111, Ralli.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wft.	Ends.	Pick.
33 × 40

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Wft.	Ends.	Pick.
33 × 40

Price data as given by Chamber.

No importation for the last five years.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 38. Name of Mill : Morarjee Goculdas Mill.

Description of Sample : Khaki Shirting, B. P. S. 778 B.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wft.	Ends.	Pick.
33 × 39

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wft.	Ends.	Pick.
31 × 40	4½	48½	48½	78	60

Price data.

As given by Chamber.

1935 Re. 0-3-3 ex-Mill.
0-3-9 Bazaar.

Actuals.

1935. Re. 0-3-8 per yard, ex-Mill.

Remarks by Millowners' Association, Bombay.—No comments can be made in the absence of a sample of the United Kingdom line.

REPRESENTATION SUBMITTED BY THE BOMBAY CHAMBER OF COMMERCE—*contd.*

No. 39.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 39.

Description of Sample : Dyed Voile, Regente.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
42 × 40/45

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
42 ..	1.48 ozs.	54	50	60	50

Price data as given by Chamber.

Bazaar price Re. 0-5-0 a yard.

Remarks by Millowners' Association, Bombay.—Cloth cannot be recognised by mill, but one of their qualities sent.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 39. Name of Mill : Khatau Makanji Mill.

Description of Sample : Dyed Voile, Piya Pyare.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 30

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 30	3½-3¾	60	55	64	54

*Price data.**As given by Chamber.*1935 . Re. 0-4-9 *ex-Mill*.
0-4-10 Bazaar.*Actuals.*1935 . Re. 0-4-6 per yd., *ex-Mill*.

No. 40.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 42.

Description of Sample : Milkania, Bleached Sewing, 2/28s (Forbes, Forbes).

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 42. Name of Mill : Kohinoor Mills Co., Ltd.

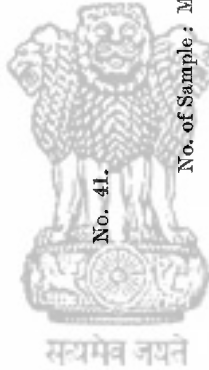
Description of Sample : 2/28s Bleached Sewing, Ladhoo.

Price data as given by Chamber.

No importations during last three years.

<i>As given by Chamber.</i>	<i>Price data.</i>	<i>Actuals.</i>
1935 . Re. 0-13-9 per lb. <i>ex-Mill.</i>	November, 1935, Re. 0-14-0 per lb., <i>ex-Mill.</i>	
0-14-0 per lb. Bazaar.		

Remarks by Millowners' Association, Bombay.—No useful comments can be made in the absence of samples and prices of United Kingdom yarns.

*ENGLISH SAMPLE PARTICULARS.*

No. of Sample : U. K. 43.

Description of Sample : Bleached Sewing, 2/28s (Rali), Rajput Chief.

INDIAN SAMPLE PARTICULARS.

No. of Sample : M. 43. Name of Mill : Kohinoor Mills Co., Ltd.

Description of Sample : Bleached Sewing, 2/28s 'Cock'.

Price data as given by Chamber.

No importation during last three years.

<i>As given by Chamber.</i>	<i>Price data.</i>	<i>Actuals.</i>
1935 . Re. 0-14-9 per lb. <i>ex-Mill.</i>	November, 1935, Re. 0-15-0 per lb. <i>ex-Mill.</i>	
0-15-0 per lb. Bazaar.		

Remarks by Millowners' Association Bombay.—No useful comments can be made in the absence of samples and prices of United Kingdom yarns.

Enclosure No. 2.

REPRESENTATION SUBMITTED BY THE MADRAS CHAMBER OF COMMERCE.

No. 1

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. I.

Description of Sample : Ralli Bros., White Mull.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Sq. yds. per lb.	Warp.	Weft.	Ends.	Pick.
48 × 20	3 $\frac{3}{8}$	8.06	40	46	72 $\frac{1}{2}$	62

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
48 × 20	..	44	45	71	63

Price data as given by Chamber.

	Landed price.	Wholesale price, Madras (actuals).
	Rs. A. P.	Rs. A. P.
1931	4 5 5	5 8 6
1932	4 1 10	5 5 6
1933	4 2 9	5 5 0
1934	4 1 7	5 4 0
1935	3 15 3	5 1 6

Remarks by Millowners' Association, Bombay.—The English cloth is a definitely superior cloth both as regards finish and construction and would command a higher price than the Indian cloth.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 4. Name of Mill : Marsden Mill, Ahmedabad.
Description of Sample : White Mull.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
49 × 20	3 $\frac{1}{8}$	44	60	74	56

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
		Non-member.			

Price data as given by Chamber.

Madras wholesale price (1935)
Rs. 4-8-0

No. 2.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 2.

Description of Sample : Ralli Bros., White Mull.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
48 × 20	3 $\frac{3}{8}$	40	46	67 $\frac{1}{2}$	63 $\frac{1}{2}$

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
49 $\frac{1}{2}$ × 20	3 $\frac{1}{8}$	44	42	65	54

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 2. Name of Mill : Textile Mill, Ahmedabad.
Description of Sample : Bleached Mull.

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
48 × 20	..	44	96	64

Price data as given by Chamber.

Landed price.
Wholesale price,
Madras (actuals).

Rs. A. P.

1931	.	.	4 2 2	5 4 3
1932	.	.	4 1 4	5 4 3
1933	.	.	3 15 1	5 0 0
1934	.	.	3 12 4	4 13 6
1935	.	.	3 13 2	4 14 9

Remarks by Millowners' Association, Bombay.—The cloths are not comparable; English cloth is considerably superior and would always fetch a higher price than the Indian cloth. The yarns are more regular and the finish is superior in the English cloth.

No. 3.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 3.

Description of Sample : White Mull (Ralli Bros.).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Sq. Yds. per lb.
48 × 20	3	40	63	55½	8.9

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
48 × 20	..	42	46	64

Price data as given by Chamber.

Landed cost
per piece.

Wholesale price
per piece,

Madras (actual).

Rs. A. P.

1931	.	.	3 12 3	4 12 9
1932	.	.	3 13 4	4 14 6
1933	.	.	3 7 6	4 6 9
1934	.	.	3 6 8	4 6 9
1935	.	.	3 7 6	4 7 0

Remarks by Millowners' Association, Bombay.—Indian cloth contains more weight of yarn, but the bleaching and finishing of the English sample is superior to that of the Indian sample which appears to be hand bleached. This and the gold heading accounts for the difference in price.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
..	60	50

Price data as given by Chamber.

Madras wholesale price (1935)

Rs. 4-3-0.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 2. Name of Mill : Textile Mill, Ahmedabad.

Description of Sample : White Mull.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Sq. yds. per lb.
49½ × 20	..	44	42	65	54

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
..

Price data as given by Chamber.

Wholesale price (1935) Rs. 4-3-0.

Price data as given by Chamber.

Wholesale market price.

Rs. A. P.

Not sold.

3 11 10

4 3 0

4 1 0

4 1 0

1930-32

1933

1934

1935

Remarks by Millowners' Association, Bombay.—The price data in regard to Indian cloth furnished by Chamber seem to be incorrect. The Indian cloth is slightly heavier, but the cloths are nearly comparable. The finish of the Indian cloth is slightly better than that of the English cloth. The Indian cloth is worth the higher price which has to be paid for it.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. 6.

Description of Sample: White Mull (Tetley Whitley).

Dimensions, etc., as given by Chamber.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick. Sq. yds. per lb.
49 × 20 3 lb. 1 $\frac{3}{4}$ ozs. 42 50 63 54 8-72

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick.
49 × 20 41 48 64 54

Price data as given by Chamber.

Landed cost.

Rs. A. P.

3 6 8

3 9 0

1934

1935

Remarks by Millowners' Association, Bombay.—The cloths are a fairly good match. The Indian cloth appears to be hand bleached and yarns and weaving somewhat irregular.

As given by Chamber.

Madras wholesale market price (1935)

Rs. 4-13-3.

1933

1934

1935

Remarks by Millowners' Association, Bombay.—The price data in regard to Indian cloth furnished by Chamber seem to be incorrect. The Indian cloth is slightly heavier, but the cloths are nearly comparable. The finish of the Indian cloth is slightly better than that of the English cloth. The Indian cloth is worth the higher price which has to be paid for it.

No. 6.

INDIAN SAMPLE PARTICULARS.

No. of Sample: Ind. 2. Name of Mill: Textile Mills, Ahmedabad.

Description of Sample: White Mull.

Particulars as given by Chamber.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick. Sq. yds. per lb.
49 $\frac{1}{2}$ × 20 44 42 65 54 7-72

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick.
49 × 20 41 48 64 54

Price data as given by Chamber.

Madras wholesale price (1935)

Rs. 4-3-0.

REPRESENTATION SUBMITTED BY THE MADRAS CHAMBER OF COMMERCE—*contd.*

No. 7.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 7.
Description of Sample : White Mulls.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Ozs.	Warp.	Weft.	Ends.	Pick.
48 × 20	2	2½	44	50	67	56

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
48 × 20	..	42	50	68	56

Price data as given by Chamber.

Landed price.	Actual wholesale price, Madras.
Rs. A. P.	Rs. A. P.
3 12 10	4 15 0
3 12 10	4 15 1

1934

1935

Remarks by Millowners' Association, Bombay.—The English cloth is slightly heavier than the Indian cloth and better finished. The price difference shown would be justified.

No. 8.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 8.

Description of Sample : White Mull (T. 73) (Tetley Whitley).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Sq. yds. per lb.
51 × 20	3½	46	54	86	74	7.2

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
51 × 20	..	43	56	86	76

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 4. Name of Mill : Marsden Mill.
Description of Sample : Bleached Mull.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Sq. yds. per lb.
49 × 20	..	44	60	74	56	9

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Price data as given by Chamber.

Madras wholesale price (1935)
Rs. 4-8-0.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 3. Name of Mill : Arvind Mill, Ahmedabad.
Description of Sample : Bleached Mull (T. 73).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Sq. yds. per lb.
51 × 20	..	46	38	87	64	6.50

Actual particulars as ascertained by M. O. A., Bombay.

Ins. yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Price data as given by Chamber.

	Landed cost.	Actual wholesale price.
--	--------------	-------------------------------

	Rs. A. P.	Rs. A. P.
1930-31	. . .	8 4 0
1931-32	. . .	8 1 0
1932-33	. . .	7 13 0
1933-34	. . .	7 8 0
1934-35	. . .	8 0 0

Remarks by Millowners' Association, Bombay.—The great difference in weft makes it very difficult to compare. The English cloth is definitely superior to the Indian cloth in finish and make-up. Note floral design and gold tambouring in British cloth.

It may be noted that the market has been apparently willing to pay a higher price in 1934-35 than in 1933-34 for the English article.

No. 9.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 9.

Description of Sample : White Mull (Bombay Co.), 3 Bowls.

<i>Dimensions, etc., as given by Chamber.</i>			
Ins. Yds. Lbs.	Ozs. Warp.	Ends. Pick.	Sq. yds. per lb.
48 × 20	2 12½ 36	42 60 50	9-6
<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>			
Ins. Yds. Lbs.	Warp.	Ends. Pick.	
48 × 20	.. 42 44	50 58	

Price data as given by Chamber.

Landed price.	Actual wholesale selling price.
---------------	---------------------------------------

	Rs. A. P.	Rs. A. P.
1932	. . .	3 5 6
1933	. . .	4 3 0
1934	. . .	4 0 6
1935	. . .	4 3 3
1935	. . .	4 3 0

Remarks by Millowners' Association, Bombay.—The cloths are comparable as far as weight is concerned, but the English cloth is rather better finished and of a more expensive construction. We cannot check prices as the Indian Mill is not a member of the Association.

Price data as given by Chamber.

Madras wholesale price (1935)
Rs. 6-0-0.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 5(a). Name of Mill : Mafatlal Fine Spinning Mill (Navsari).

Description of Sample : White Mulls.

<i>Particulars as given by Chamber.</i>			
Ins. Yds. Lbs.	Warp.	Ends. Pick.	Sq. yds. per lb.
48 × 20	.. 40 56 58	46 9-7	
<i>Actual particulars as ascertained by M. O. A., Bombay.</i>			
Ins. Yds. Lbs.	Warp.	Ends. Pick.	
..

Price data as given by Chamber.

Madras actual wholesale market
price (1935) Rs. 3-10-0.

REPRESENTATION SUBMITTED BY THE MADRAS CHAMBER OF COMMERCE—*contd.*

No. 10.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 10.

Description of Sample : Grey Dhoty (Ralli Bros.).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Sq. yds. per lb.
41 × 2-5 $\frac{3}{4}$..	62	74	52	11-64
($\frac{7}{8}$ " Dobby Border).					

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
41 × 2-5 $\frac{3}{4}$..	60	74	52 $\frac{1}{2}$

Price data as given by Chamber.

	Landed cost.	Actual wholesale price.
	Rs. A. P.	Rs. A. P.
1931	0 14 7	1 2 6
1932	0 14 10	1 3 0
1933-35 . . . . .	..	Not sold.

Remarks by Millowners' Association, Bombay.—The cloths are not comparable. The difference in construction is so wide that it is not possible to give any opinion on price difference. The United Kingdom article is grey and the Indian quality hand bleached.

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INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 7. Name of Mill : Textile Mill, Ahmedabad.

Description of Sample : Hand Bleached Dhoty.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Sq. yds. per lb.
48 × 2-7	..	40	62	78	60
					6-8

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
..
				Non-Member.

Price data as given by Chamber.

Wholesale price (1935) Rs. 2-1-6.

No. 11.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 11.

Description of Sample : Grey Dhoty (Ralli Bros.).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Sq. yds. per lb.
49 × 5-20	2 $\frac{3}{16}$	62	64	60	11-17
($\frac{1}{2}$ " Dobby Border).					

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
49 × 5-20	..	56	60	64
($\frac{1}{2}$ " Col. border and $\frac{1}{4}$ " Bl. Tape).				

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 7. Name of Mill : Textile Mill, Ahmedabad.

Description of Sample : Hand Bleached Dhoty.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Sq. yds. per lb.
48 × 2-7	..	40	62	78	60
					6-8

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
..
				Non-Member.

Price data as given by Chamber.

	Landed cost.	Wholesale market price, Madras.
	Rs. A. P.	Rs. A. P.
1931	4 0 10	5 2 9
1932	3 15 5	5 1 3
1933	3 11 6	4 13 0
1934	3 11 5	4 12 6
1935	Not sold.	

Remarks by Millowners' Association, Bombay.—The qualities are widely different. It may be noted that one is a grey cloth and the other bleached. The United Kingdom quality is grey while the Indian quality is hand bleached.

No. 12.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 12.

Description of Sample : Grey Dhoty (Ralli Bros.).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Sq. yds. per lb.
49 × 5/20	2 $\frac{1}{16}$	62	60	60	11.17
	(approx.).	64	60	60	
Border : $\frac{3}{8}$ " colour ; $\frac{7}{8}$ " with Bl. Tape Border.					
<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>					
Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	
49 × 5/20	60	60	60	56	
$\frac{1}{2}$ " coloured.	$\frac{3}{8}$ " Bl. Border.				

Price data as given by Chamber.

	Landed price.	Actual wholesale market price.
	Rs. A. P.	Rs. A. P.
1931	3 14 10	5 0 0
1932	3 14 1	4 15 3
1933	3 7 2	4 8 0
1934	3 7 10	4 8 0
1935	Not sold.	

Remarks by Millowners' Association, Bombay.—We can express no opinion in this case as the cloths are not comparable. The United Kingdom quality is grey and the Indian quality is hand bleached.

Price data as given by Chamber.

Madras wholesale market price (1935)
Rs. 2-1-6.

INDIAN SAMPLE PARTICULARS.
No. of Sample : Ind. 7. Name of Mill : Textile Mill, Ahmedabad.

Description of Sample : Hand Bleached Dhoty.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Sq. yds. per lb.
48 × 2/7	..	40	62	78	60
		40	62	78	6.8
<i>Actual particulars as ascertained by M. O. A., Bombay.</i>					
Ins.	Lbs.	Warp.	Ends.	Pick.	
..	
		Non-Member.			

Price data as given by Chamber.

Madras wholesale price (1935)
Rs. 2-1-6.

REPRESENTATION SUBMITTED BY THE MADRAS CHAMBER OF COMMERCE—*contd.*

No. 13.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. 13.

Description of Sample: Grey Series Ralli Bros.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Sq. yds. per lb.
44 × 7	9½ oz.	62	84	55	46
16" Bleached Tape Border.					14-41

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
44 × 7	9½ oz.	60	74	56
16" Bleached Border.				44

Not Matched.

Price data as given by Chamber.

	Landed cost.	Wholesale market price, Madras.
	Rs. A. P.	Rs. A. P.
1932	0 12 9	1 0 6
1933	0 12 7	1 0 0
1934	0 14 3	1 2 0
1935	0 14 2	1 2 0

Remarks by Millowners' Association, Bombay.—No comments.

No. 14.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. 14.

Description of Sample: Grey Series (Ralli Bros.).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Weight per piece.	Warp.	Ends.	Pick.	Sq. yds. per lb.
42 × 7 × 10½ ozs.	62	74	59	51	12-75
¾" col., 1" Bleached Tape Border.					

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
42 × 7	..	56	72	60
				54

Not Matched.

INDIAN SAMPLE PARTICULARS.

INDIAN SAMPLE PARTICULARS.

Price data as given by Chamber.

				Landed price.	Wholesale market price, Madras.
				Rs. A. P.	Rs. A. P.
1932 .	.	.	.	1 1 9	1 6 10
1933-34 .	.	.	.	Not sold.	
1935 .	.	.	.	0 14 10	1 3 0

Remarks by Millowners' Association, Bombay.—No comments—Probably competes against the Handloom dhoties of South India.

No. 15.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. 15.

Description of Sample: Grey Sarree (Beardsell & Co.).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Ozs.	Warp.	Weft.	Ends.	Pick.
42 × 7	10	60	70	60	51/52
Dobby Border.					

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
42 × 7	..	60	66	60	48
					Not-Matched.

Price data as given by Chamber.

				Landed price.	Wholesale market price, Madras.
				Rs. A. P.	Rs. A. P.
1931 .	.	.	.	1 1 9	1 6 6
1932 .	.	.	.	1 3 3	1 6 0
1933-35 .	.	.	.	Not sold.	

Remarks by Millowners' Association, Bombay.—Not matched—No comments.

INDIAN SAMPLE PARTICULARS.



REPRESENTATION SUBMITTED BY THE MADRAS CHAMBER OF COMMERCE—*contd.*

No. 16.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. 16.
Description of Sample: Bleached Dhoty (Tetley Whitley).

Dimensions, etc., as given by Chambers.
Ins. Yds. Wt. per sq. yd. Warp. Weft. Ends. Picks.
50 × 27 13½ ozs. 64 90 76 73
Line Border.

Dimensions, etc., as ascertained by M. O. A., Bombay.
Ins. Yds. Lbs. ..
50 × 7 84 78 72

Price data as given by Chamber.

	Landed.		Wholesale.	
	Rs.	A. P.	Rs.	A. P.
1930-31	.	.	2 10	6
1931-32	.	.	2 10	0
1932-33	.	.	2 11	6
1933-34	.	.	2 9	0
1934-35	.	.	2 8	0

S. U.

Remarks by Millowners' Association, Bombay.—The cloth sent by the Madras Chamber of Commerce is made by Finlay Mills and not by E.D.

The United Kingdom article is a slightly heavier quality and the price difference would appear to be justified.
The price given by the Madras Chamber of Commerce for the Indian article is incorrect.

No. 17.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. 17.
Description of Sample: Grey Mull, Golden Cow (Beardsett).

Dimensions, etc., as given by Chamber.
Ins. Yds. Lbs. ..
48 × 20 4 ⅙ 38 46 72 64
Dimensions, etc., as ascertained by M. O. A., Bombay.
Ins. Yds. Lbs. ..
48 × 20 36 46 72 64

INDIAN SAMPLE PARTICULARS.

No. of Sample: Ind. 6. Name of Mill: Finlay.
Description of Sample: Bleached Dhoty, GW 2407.

Particulars as given by Chamber.
Ins. Yds. Wt. per sq. yd. Warp. Weft. Ends. Picks.
50 × 7 11-7½ 74 80 70 75

Actual particulars as ascertained by M. O. A., Bombay.
Ins. Yds. Wt. Warp. Weft. Ends. Picks.
50 × 7 13½ ozs. 70 86 72 72
(approx.).

Price data.

As given by Chamber.
Ins. Yds. Wt. Warp. Weft. Ends. Picks.
50 × 7 13½ ozs. 70 86 72 72
(approx.).

Actuals.
Per pair ex-Mill.
Rs. A. P.
1935 . . . 2 4 7
Latest price . . . 2 4 9

Remarks.—Commenced manufacturing in 1935.

Price data as given by Chamber.

Wholesale market price,
Madras.

Rs. A. P.
3 12 2

1934 Rs. A. P.
4 9 0
(Specific duty applies).

1935 Not sold.

Remarks by Millowners' Association, Bombay.—The weight is higher and quality of the English cloth slightly better than the Indian quality, justifying the price difference.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 18.

Description of Sample : Grey Mull (Tetley Whitley).

Dimensions, etc., as given by Chamber.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick.

49 × 20 3 $\frac{1}{2}$ 38 40 64 56

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick.

.. 40 42 60 52

Price data as given by Chamber.

Wholesale market price.
Landed. Rs. A. P.

Rs. A. P.

Not sold.

3 8 8

3 7 5

4 8 0

Remarks by Millowners' Association, Bombay.—The quality of the cloth cannot be compared. The Indian cloth is heavily weighted and is of a cheaper construction than the English cloth against which it is matched. It will never fetch the same price.

Price data.

As given by Chamber.

Actuals.

Madras wholesale market price (1935) Rs. 4-6-0.

The cloth was manufactured by the mill only once (in 1933) and discontinued as the buyer did not take delivery of the bales.

The weight is higher and quality of the English cloth slightly better than the Indian quality, justifying the price difference.

No. 18.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 11. Name of Mill : E. D. S. U.

Description of Sample : Grey Mull. A. 292.

Particulars as given by Chamber.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick.

50 × 20 .. 38 60 66 60

8-54 sq. yds. per lb.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick.

50 × 20 3 $\frac{1}{2}$ 50 72 64 60

Price data.

As given by Chamber.

Actuals.

Madras wholesale market price (1935) Rs. 4-0-0.

1935 . Rs. 4-0-0 ex-Mill.

REPRESENTATION SUBMITTED BY THE MADRAS CHAMBER OF COMMERCE—*contd.*

No. 19.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 19.

Description of Sample : Grey Mull, Tetley Whitley.

Dimensions, etc., as given by Chamber.

Ins. Yds. 48½ × 24

Lbs. 2½

Warp. 54

Weft. 64

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

Pick. 54

Ends. 60

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 10. Name of Mill : E. D. S. U.

Description of Sample : Grey Mull (MM. 24 ?).

Particulars as given by Chamber.

Ins. Yds. 50 × 24

Lbs. ..

Warp. 28

Weft. 42

Ends. 49

Pick. 44

Ends. 49

Pick. 44

Ends. 49

Pick. 44

Ends. 49

Pick. 44

Ends. 49

Pick. 44

Ends. 49

Pick. 44

Ends. 49

Pick. 44

Ends. 49

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Pick. 44

Ends. 49

Pick. 44

Ends. 49

Pick. 44

Ends. 49

Pick. 44

Ends. 49

Pick. 44

Ends. 49

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 8. Name of Mill : Khatau Makanji.

Description of Sample : Artificial Silk Boski, 649.

Particulars as given by Chamber.

Ins. Yds. 44 × 30

Lbs. 4-15

Warp. ..

Weft. ..

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

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Ends. 70

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Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 20.

Description of Sample : Artificial Silk Boski, Tetley Whitley.

Dimensions, etc., as given by Chamber.

Ins. Yds. 42 × 30

Lbs. 4-53

Warp. ..

Weft. ..

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

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Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 20.

Description of Sample : Artificial Silk Boski, Tetley Whitley.

Dimensions, etc., as given by Chamber.

Ins. Yds. 42 × 30

Lbs. 4-53

Warp. ..

Weft. ..

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

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Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

Pick. 57

Ends. 69

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 8. Name of Mill : Khatau Makanji.

Description of Sample : Artificial Silk Boski, 649.

Particulars as given by Chamber.

Ins. Yds. 44 × 30

Lbs. 4-15

Warp. ..

Weft. ..

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

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Ends. 70

Pick. 56

Ends. 70

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Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 8. Name of Mill : Khatau Makanji.

Description of Sample : Artificial Silk Boski, 649.

Particulars as given by Chamber.

Ins. Yds. 44 × 30

Lbs. 4-15

Warp. ..

Weft. ..

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Pick. 56

Ends. 70

Price data as given by Chamber.

1935	Landed.		Wholesale market price, Madras.	
	Rs. A. P.		Rs. A. P.	
	0	6	3	0
				8
				9

per yd. (wholesale).
Larger Dobby border in U. K. 20.

Remarks by Millowners' Association, Bombay.—The quality of artificial silk yarn used in English sample is very much superior to that used in the Indian cloth. It has also a finer reed and pick and a wider border. The prices obtained by the Khatan Makarji Mills represent stock clearance sale prices and a loss on the cost of manufacture.

ENGLISH SAMPLE PARTICULARS.

No. of Sample U. K. 21.

Description of Sample : Jean Print



Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25 × 45

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25 × 45	..	30	28	104	52

Price data as given by Chamber.

1935	Landed price.		Actual price.	
	Per yd.		Per yd.	
	Rs. A. P.		Rs. A. P.	
	0	3	1	0
				3
				11

Remarks by Millowners' Association, Bombay.—No comments.

Price data.

As given by Chamber.		Actuals.	
Madras wholesale market price (1935) Re. 0-6-9 per yd.		1935	Re. 0-5-10 per yd. ex-Mill.

No. 21.
INDIAN SAMPLE PARTICULARS.

No. of Sample : Name of Mill :

Description of Sample : Japanese Print.



REPRESENTATION SUBMITTED BY THE MADRAS CHAMBER OF COMMERCE—*contd.*

No. 22.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 22.

Description of Sample : Dyed Pongees, Beardsell.

Dimensions, etc., as given by Chamber.

Ins. Yds.
42 × 40

Lbs.
4.2

Warp.
62

Weft.
64

Ends.
64

Pick.
56

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.
..

Lbs.
..

Warp.
60

Weft.
64

Ends.
64

Pick.
54

Price data as given by Chamber.

Actual wholesale

Market price,

Madras.

Landed.

Per yd.

Rs. A. P.

0 2 10

0 2 9½

0 2 9

0 2 8½

1932

1933

1934

1935

Remarks by Millowners' Association, Bombay.—The cloths cannot be compared. The cloth should have been compared against an English mock Voile of lower quality. The English cloth appears to be of more costly construction.

No. 23.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 23.

Description of Sample : White Nainsook, Beardsell.

Dimensions, etc., as given by Chamber.

Ins. Yds.
45 × 18

Lbs.
2.61

Warp.
38

Weft.
40

Ends.
64

Pick.
56

Particulars as given by Chamber.

Ins. Yds.
44 × 18

Lbs.
2

Warp.
42

Weft.
42

Ends.
59

Pick.
43

INDIAN SAMPLE PARTICULARS.

No. of Sample: Ind. 14. Name of Mill : Standard Mills.

Description of Sample : Dyed Voile.

Particulars as given by Chamber.

Ins. Yds.
44 × 40

Lbs.
3.85

Warp.
46

Weft.
60

Ends.
53

Pick.
41

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.
..

Lbs.
..

Warp.
..

Weft.
..

Ends.
..

Pick.
..

Mills state they do not manufacture cloth referred to.

Price data as given by Chamber.

Madras wholesale market price

(1935) Re. 0.3.0 per yd.



Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
45 × 18	..	46	62	54
			(Grey count)	

Price data as given by Chamber.

Landed. Actual wholesale market price.

	Rs. A. P.	Rs. A. P.
1933	3 6 7	4 6 0
1934	3 6 6	4 6 6
1935	3 8 0	4 8 0

Remarks by Millowners' Association, Bombay.—The cloths, in our opinion, are not comparable. The finishes are entirely different.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 24.

Description of Sample : Grey Shirting, Binny.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
44 × 46½	9¾	36	42	72

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
44 × 46½	..	36	40	72

Price data as given by Chamber.

C.i.f. Madras (Quotation).

	Rs. A. P.
1933	9 3 6
1935	9 7 6

Remarks by Millowners' Association, Bombay.—No comments.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
..
		Not taken out.		

Price data as given by Chamber.

Wholesale market price (1935)
Rs. 3-6-0.

No. 24.

INDIAN SAMPLE PARTICULARS.

No. of Sample :
Description of Sample : Japanese Dai Nippon Shirting.

Not ascertained.

REPRESENTATION SUBMITTED BY THE MADRAS CHAMBER OF COMMERCE—*concl'd.*

No. 25.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 25.

Description of Sample : White Nainsook, T. A. Taylor.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 5. Name of Mill : Mafatalal Gagalbhai.

Description of Sample : White Mull.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
46 × 18	2-61	36	38	56	52	44 × 18	2	42	42	59	43

Particulars as given by Chamber.

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..	..	36	40	56	54	..	..	..	..	..	..
Non-member Mill. Particulars not ascertained.											

Actual particulars as ascertained by M. O. A., Bombay.

Price data as given by Chamber.

Wholesale market price.

Price data as given by Chamber.

Wholesale market price (1935)
Rs. 3-6-0.

	Rs. A. P.	Rs. A. P.
1930-31	. . .	5 1 0
1931-32	. . .	5 0 0
1932-33	. . .	4 8 0
1933-34	. . .	4 8 6
1934-35	. . .	4 8 3

Remarks by Millowners' Association, Bombay.—Cloths are, in our opinion, not comparable, the United Kingdom line being definitely superior and more expensive to produce.

Enclosure No. 3.

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE.

English Sample Particulars.		No. 1.		Indian Sample Particulars.	
No. of Sample : U. K. G. 2.		No. of Sample : Ind. G. 1.		Name of Mill : Indian Manufacturing Co., Ltd.	
Description of Sample : Grey Jaconet Dhoty, 5000.		Description of Sample : Grey Dhoty, 2699.			

Dimensions, etc., as given by Chamber.					Particulars as given by Chamber.				
Ins. Yds.	Lbs.	Warp.	Weft.	Pick.	Ins. Yds.	Lbs.	Warp.	Weft.	Pick.
44 × 2-10	1 $\frac{1}{8}$	40	50	60	..	..	..	..	..
($\frac{1}{8}$ " coloured border).									

Dimensions, etc., as ascertained by M. O. A., Bombay.					Actual particulars as ascertained by M. O. A., Bombay.				
Ins. Yds.	Lbs.	Warp.	Weft.	Pick.	Ins. Yds.	Lbs.	Warp.	Weft.	Pick.
..	..	30	50	52	44 × 10	1 $\frac{1}{8}$	29	39	48
Price data as given by Chamber.					Price data.				
					Actual.				

Sale price.*					Barely covers manufacturing cost.				
Rs. A. P.					Rs. A. P.				
1927	.	.	.	2 10 3	1930	.	1 13 6	.	.
1928	.	.	.	2 9 3	1931	.	1 8 5 $\frac{1}{2}$	.	.
1929	.	.	.	2 10 2	1932	.	1 10 2 $\frac{1}{2}$	.	.
1930	.	.	.	2 5 0	1933	.	1 8 5 $\frac{1}{2}$	.	.
1931	.	.	.	2 1 9	1934	.	1 8 0	.	.
1932	.	.	.	2 1 1 $\frac{1}{2}$	1935	.	1 8 3	.	.
1933	.	.	.	2 0 1 $\frac{1}{2}$	Latest (20th July 1935)	.	1 8 5 $\frac{1}{2}$	.	.
1934	.	.	.	2 1 7 $\frac{1}{2}$					
1935	.	.	.	..	

* NOTE.—The sale price for United Kingdom given appears to include duty and all charges.

Remarks by Millowners' Association, Bombay.—There are great differences between the two cloths. The English cloth would always fetch a higher price than the Indian cloth.

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—contd.

No. 2.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 2.

Description of Sample : Grey Jaconet Dhoty, 5000.

<i>Dimensions, etc., as given by Chamber.</i>				
Ins. Yds.	Lbs.	Warp.	Weft.	Pick.
44 × 2-10	1 $\frac{3}{8}$	40	50	60
<i>($\frac{1}{2}$" coloured border).</i>				

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Pick.
..	..	30	50	52

Price data as given by Chamber.

Sale price.*

	Rs. A. P.
1927	2 10 3
1928	2 9 3
1929	2 10 2
1930	2 5 0
1931	2 1 9
1932	2 1 1 $\frac{1}{2}$
1933	2 0 1 $\frac{1}{2}$
1934	2 1 7 $\frac{1}{2}$
1935	..

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. (None). Name of Mill : The E. D. Sassoon United Mills Co., Ltd.

Description of Sample : Grey Dhoby, 6543.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 2-10	44	40

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 10 ($\frac{3}{8}$ " patu).	1 $\frac{1}{8}$	24	36	44	40

Price data Actuals.

Ex-Mill.

	Rs. A. P.
1930	1 10 6
1931	1 9 10
1932	1 8 8 $\frac{1}{2}$
1933	1 6 8
1934	1 6 7 $\frac{1}{2}$
1935	1 6 11 $\frac{1}{2}$

* NOTE.—The sale price for United Kingdom given appears to include duty and all charges.

Remarks by Millowners' Association, Bombay.—There are great differences between the two cloths. The English cloth would always fetch a higher price than the Indian cloth.

No. 3.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 3.
Description of Sample : Grey Jaconet Dhoty, 4246.

Dimensions, etc., as given by Chamber.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44	10		40	50	68	60
($\frac{1}{2}$ " coloured border).						

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44	10	..	34	48	64	56

Price data as given by Chamber.

Sale price,
Calcutta.

RS. A. P.

1927	.	.	.	.	.	.	2	14	3
1928	.	.	.	.	.	.	2	12	6
1929	.	.	.	.	.	.	2	9	3
1930	.	.	.	.	.	.	2	5	6
1931	.	.	.	.	.	.	2	3	6
1932	.	.	.	.	.	.	2	1	0
1933	.	.	.	.	.	.	2	1	0
1934	.	.	.	.	.	.	2	2	0
1935	.	.	.	.	.	.	2	4	0

Remarks by Millowners' Association, Bombay.—Please see notes on U. K. G. 2.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Name of Mill : Indian Manufacturing Co.
Description of Sample : Grey Dhoty.

Particulars as given by Chamber.
Please see matches against U. K. G. 2.

U. K. G. 3 matched against Indian Manufacturing Co., Grey Dhoty,
2689 (Ind. G. 1) and Edsni Dhoty 6543 (No sample Number).

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—*could*.

No. 4.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 4.

Description of Sample : Grey Jaconet Dhoty (9 Tops).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Ozs.	Warp.	Weft.	Ends.	Pick.
44 × 10	1	14½	40	50	68	60

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 10	..	34	46	64	56

Price data as given by Chamber.

	Rs.	A.	P.
1927	.	.	2 10 0
1928	.	.	2 10 0
1929	.	.	2 9 3
1930	.	.	2 3 10½
1931	.	.	2 1 0
1932	.	.	1 14 1½
1933	.	.	1 14 9
1934	.	.	2 0 9
1935	.	.	2 0 4½

Remarks by Millowners' Association, Bombay.—Please see Notes on U. K. G. 2.

INDIAN SAMPLE PARTICULARS.

U. K. G. 4 has been matched against Indian Manufacturing Co., Grey Dhoty, 2699 (Ind. G. 1) and Edsu Grey Dhoty No. 6543 (No sample Number).

Please see sheet U. K. G. 2 for Indian particulars.



ENGLISH SAMPLE PARTICULARS.				INDIAN SAMPLE PARTICULARS.				No. 5.			
Number of Sample : U. K. G. 5.				Number of Sample : Ind. G. 6. Name of Mill : The New City of Bombay Manufacturing Co., Ltd.				Description of Sample : Grey Dhoty, 5921.			
Description of Sample : Grey Jaconet Dhoty, Ralli, 943.				Description of Sample : Grey Dhoty, 5921.							
<i>Dimensions, etc., as given by Chamber.</i>				<i>Particulars as given by Chamber.</i>							
Ins. Yds.	Lbs. oz.	Warp.	Ends.	Ins. Yds.	Lbs.	Warp.	Ends.	Ins. Yds.	Lbs.	Warp.	Ends.
44 × 2-10	1 10½	40	72	44 × 2-10	2 00	32	56	44 × 2-10	2 00	32	56
Pick.			60	Pick.			48	Pick.			48
<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>				<i>Actual particulars as ascertained by M. O. A., Bombay.</i>							
Ins. Yds.	Lbs.	Warp.	Ends.	Ins. Yds.	Lbs.	Warp.	Ends.	Ins. Yds.	Lbs.	Warp.	Ends.
..	..	44	68	44 × 2-10	1 10	28	40	44 × 2-10	1 10	28	40
Pick.			56	Pick.			46	Pick.			46
<i>Price data as given by Chamber.</i>				<i>Price data.</i>				<i>Actuals.</i>			
				<i>As given by Chamber.</i>				<i>Ex-Mill.</i>			
								Rs. A. P.			
								1935			
								Latest			
								1 12 1½			
								1 12 1½			

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—*contd.*

No. 6.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 7.

Description of Sample : Grey Jaconet Dhoty, 1090.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs. Oz.	Warp.	Weft.	Ends.	Pick.
44 × 10 ($\frac{1}{2}$ col.).	1 8 $\frac{1}{2}$	40	50	60	48

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..	..	36	54	56	44

Price data as given by Chamber.

The sale price given appears to include landing charges and duty.

	Rs.	A.	P.
1928	.	.	.
1929	.	.	.
1930	.	.	.
1931	.	.	.
1932	.	.	.
1933	.	.	.
1934	.	.	.
1935	.	.	.

* Quotation.

Remarks by Millowners' Association, Bombay.—The Indian cloths are of much cheaper construction than the English cloth. The difference in price would appear to be warranted. It may be noted that the Indian cloths were not made until long after the English cloth had disappeared from the market. The 1935 price of United Kingdom cloth appears to be a quotation only and high compared to the 1932 price.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. G. 8. Name of Mill : E. D. Sassoon, United Mills.

Description of Sample : Grey Dhoty, 6050.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 2-10 (Tape).	1 $\frac{3}{4}$	24	32	40	36

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 10 ($\frac{3}{8}$ " Patty).	1 $\frac{3}{8}$	24	30	40	34

Price data.

Actuals.

	Rs.	A.	P.
1933	.	.	.
1934	.	.	.
1935	.	.	.

No. 7.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 7.
Description of Sample : Grey Jaconet Dhoty, 1090, Railis.

<i>Dimensions, etc., as given by Chamber.</i>			
Ins. Yds.	Lbs.	Warp.	Ends.
44 × 2-10	1 $\frac{3}{4}$	40	60
	($\frac{1}{2}$ " border).		

Ins. Yds.	Pick.
44 × 2-10	48

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.
..	..	36	56

Pick.
44

Price data as given by Chamber.

Excluding duty
but including
landing charges.

Annas per piece.

1928	.	.	.	.	.	37-00
1929	.	.	.	.	.	35-75
1930	.	.	.	.	.	29-25
1931	.	.	.	.	.	..
1932	.	.	.	.	.	26-00
1933	.	.	.	.	.	..
1934	.	.	.	.	.	..
1935	.	.	.	.	.	30-60*

*Appears to be quotation only.

Remarks by Millowners' Association, Bombay.—The Indian cloths are of much cheaper construction than the English cloth. The difference in price would appear to be warranted. It may be noted that the Indian cloths were not made until long after the English cloth had disappeared from the market. The 1935 price of United Kingdom cloth appears to be a quotation only and high compared to the 1932 price.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. G. 9. Name of Mill : The Crown Spinning and Manufacturing Co., Ltd
Description of Sample : Grey Dhoty, 1472.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 2-10	1 $\frac{3}{4}$	24	32	40	40

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 10	1 $\frac{1}{2}$	22	30	40	36

Price data.

As given by Chamber.

No price.

Actuals.

22-2 to 22-65 annas per piece ex-Mill.

23-11 annas per piece. Calcutta (latest price).

Remarks.—Made for last 2 years only. Sold for Calcutta market.

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—*contd.*

No. 8.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. G. 10.

Description of Sample: Grey Jaconet Dioties, 4141, G. T. Co., Ltd.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wett.	Ends.	Pick.
44 × 10 ($\frac{1}{4}$ " coloured border).	1 $\frac{3}{4}$	50	50	84	68

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wett.	Ends.	Pick.
..	..	44	54	80	84

Price data as given by Chamber.

Sale price,
Calcutta.

	Rs.	A.	P.
1927	.	.	3 2 0
1928	.	.	3 4 4 $\frac{1}{2}$
1929	.	.	3 0 3
1930	.	.	2 12 9
1931	.	.	No sales.
1932	.	.	.
1933	.	.	2 7 10 $\frac{1}{2}$
1934	.	.	No sales.
1935	.	.	.

Remarks by Millowners' Association, Bombay.—The price data and specification given by Chamber for Indian cloth are inaccurate. The qualities are not comparable. The English cloth would always fetch a higher price than the Indian cloth. The difference in price would have been considerably greater but for the wide border in the Indian cloth. This comparison makes a strong case for the retention of at least the existing duties.

INDIAN SAMPLE PARTICULARS.

No. of Sample: Ind. G. 13. Name of Mill: Bombay Dyeing and Manufacturing Co., Ltd.

Description of Sample: Grey Hathi Saree, 5188.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wett.	Ends.	Pick.
44 × 10	2	60	52	64	52

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wett.	Ends.	Pick.
44 × 10 ($2\frac{1}{4}$ " border).	2	40	44	55	50

Price data.

Actuals.
Calcutta
delivery.

Rs.	A.	P.
Calcutta.	1931	.
Rs. A. P.	1932	2 10 7 $\frac{1}{2}$
.	1933	2 8 0
.	1934	2 7 1 $\frac{1}{2}$
.	1935	2 6 0
.	1935	2 4 9

No. 9.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 11.

Description of Sample : Grey Jaconet Dhories, 7800.

<i>Dimensions, etc., as given by Chamber.</i>				
Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
44 × 2-10 ($\frac{1}{2}$ " coloured border).	..	40	50	84

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
44 × 10	..	42	54	80

*Price data as given by Chamber.*Sale price,*
Calcutta.

	Rs.	A.	P.
1927	.	.	.
1928	.	.	.
1929	.	.	.
1930	.	.	.
1931	.	.	.
1932	.	.	.
1933	.	.	.
1934	.	.	.
1935	.	.	.

*Sale price includes duty and landing charges.

Remarks by Millowners' Association Bombay.—The price data and specification given by Chamber for Indian cloth are inaccurate. The qualities are not comparable. The English cloth would always fetch a higher price than the Indian cloth. The difference in price would have been considerably greater but for the wide border in the Indian cloth. This comparison makes a strong case for the retention of at least the existing duties.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. G. 13. Name of Mill : Bombay Dyeing and Manufacturing Co., Ltd.

Description of Sample : Grey Hathi Saree.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
44 × 10	2	60	52	64

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
44 × 10 (2 $\frac{1}{4}$ " border).	2	40	65	50

*Price data.**As given by Chamber.*

Calcutta.	Rs.	A.	P.
1935	2	2	0

*Actuals.*Calcutta
delivery.

Rs.	A.	P.
1931	2	10 7 $\frac{1}{2}$
1932	2	8 0
1933	2	7 1 $\frac{1}{2}$
1934	2	6 0
1935	2	4 9

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—*contd.*

No. 10.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 12.
Description of Sample : Grey Jaconet Dhories (Bombay Co.), 2351.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 10	1 $\frac{3}{4}$	38	40	64	52

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 10	..	32	42	60	52

Price data as given by Chamber.

	C.i.f. price.	Rs. A. P.
1929	..	2 7 7
1930	..	1 13 10 $\frac{1}{2}$
1931
1932	..	1 9 7
1933	..	1 9 4 $\frac{1}{2}$
1934	..	1 9 10
1935	..	1 10 7 $\frac{1}{2}$

Present wholesale price Rs. 2. No buyers.

Remarks by Millowners' Association, Bombay.—It may be noted that the sample of Indian cloth submitted is not 44" as stated, but 31". The Sholapur Mills do not make the cloth with the Trade Number given. The correct specification of the Indian cloth is cheaper than that of the United Kingdom. The border of the United Kingdom cloth would be more expensive than the border of the Indian cloth. The Indian price as given by the Chamber is incorrect. The correct price, Calcutta delivery, is Rs. 1-14-3 for 43" × 10 yards.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. G. 14. Name of Mill : Sholapur Spinning and Weaving Co., Ltd.

Description of Sample : Grey Jaconet Dhories (57 $\frac{1}{2}$ × 57 $\frac{1}{2}$), should be (51 $\frac{1}{2}$ × 51 $\frac{1}{2}$).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 10	1 $\frac{3}{4}$	36	40	64	52
(1" coloured border).					

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
43 × 10	1 $\frac{3}{4}$	40	40	62	48

Price data.

<i>As given by Chamber.</i>		<i>Actuals.</i>	
1935	Actual selling price.	Rs. A. P.	F.o.r. Sholapur.
1935	1 12 0	1935	Rs. A. P. 1 12 9

No. 11.

ENGLISH SAMPLE PARTICULARS.

INDIAN SAMPLE PARTICULARS.

No. of Sample : U. K. G. 15.

No. of Sample : Ind. G. 17. Name of Mill : The New Kaiser-i-Hind Spinning and Weaving Co., Ltd.

Description of Sample : Grey Shirting Dhoty, 84, G. T. Company.

Description of Sample : Grey Dhoty, 51.

*Dimensions, etc., as given by Chamber.**Particulars as given by Chamber.*

Ins. Yds.	Lbs.	Warp.	Wefl.	Ends.	Pick.	Ins. Yds.	Lbs.	Warp.	Wefl.	Ends.	Pick.
44 × 10	1 $\frac{3}{8}$	32	50	72	60	44 × 10	2	30	40	56	42

*Dimensions, etc., as ascertained by M. O. A., Bombay.**Actual particulars as ascertained by M. O. A., Bombay.*

Ins. Yds.	Lbs.	Warp.	Wetf.	Ends.	Pick.	Ins. Yds.	Lbs.	Warp.	Wetf.	Ends.	Pick.
..	..	34	54	68	56	44 × 10	2 $\frac{3}{8}$	28 $\frac{1}{2}$	39	56	48

*Price data as given by Chamber.**Price data.*

Sale price,*

*As given by Chamber.**Actuals.*

	Calcutta.		Wholesale market price.		Ex-Mill.	
	Rs.	A. P.	Rs.	A. P.	Rs.	A. P.
1927	3	1 3	2	13 0	2	2 0
1928	3	1 10 $\frac{1}{2}$	2	15 0	2	2 0
1929	3	0 10 $\frac{1}{2}$	1	16 0	1	14 6
1930	2	6 0 $\frac{1}{2}$	1	14 0	1	13 9
1931	2	4 1 $\frac{1}{4}$	1	13 0	1	13 0
1932	2	3 11 $\frac{1}{4}$	1	13 0	1	12 0
1933	2	5 3				
1934	..	..		
1935	..	..		

(Jan.-April).

Remarks.—Add 1 anna per piece for Calcutta delivery.

*Sale price includes duty and charges.

Remarks by Millowners' Association, Bombay.—The English cloths would be much more expensive to make than the Indian cloth. There is probably indirect competition between the two cloths and any reduction in the price of the United Kingdom cloths would make the Indian article unsaleable at the present price which is about the bare manufacturing cost.

No. 13.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 18.

Description of Sample : Grey Jaconet Dhoty, Ralli Bros., 5400.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 10	1 $\frac{3}{4}$	40	50	84	68
(1 $\frac{3}{4}$ " coloured border).					

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 10	..	40	50	80	64

No quality competes with No. 5400 quality.

*Price data as given by Chamber.*Sale price,
Calcutta.

Rs. A. P.

1927	.	.	.	.	.	3	2	6
1928	.	.	.	.	.	3	4	9
1929	.	.	.	.	.	3	1	9
1930	.	.	.	.	.	2	12	6
1931	.	.	.	.	.	2	8	0
1932	.	.	.	.	.	2	4	9
1933	.	.	.	.	.	2	5	1 $\frac{1}{2}$
1934	.	.	.	.	.	2	7	0
1935	.	.	.	.	.	2	7	4 $\frac{1}{2}$

Remarks by Millowners' Association, Bombay.—It would possibly be perfectly correct to say that there is no identical quality of Indian Dhoty on the market, but the competition of this and other similar dhoties does affect the price realisable for Indian Dhoties of a much coarser texture. The price given by the Chamber, 1935, is Rs. 2-7-4 $\frac{1}{2}$. The Calcutta Customs quotation in September, 1935, was Rs. 2-5-9.



REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—*contd.*

No. 14.

ENGLISH SAMPLE PARTICULARS.

INDIAN SAMPLE PARTICULARS.

No. of Sample : U. K. G. 19.

No. of Sample : Ind. G. 20. Name of Mill : Sir Shapurji Broacha Mills

Description of Sample : Shirting Dhoty, J. F. & Co., 2494.

Description of Sample : Grey Dhoty, 542.

*Dimensions, etc., as given by Chamber.**Particulars as given by Chamber.*

Ins. Yds.	Lbs.	Warp.	Wett.	Ends.	Pick.	Ins. Yds.	Lbs.	Warp.	Wett.	Ends.	Pick.
44 × 1 ⁵ / ₈ (¹ / ₂ " border)	..	40	50	60	48	44 × 1 ⁵ / ₈	1 1 ⁵ / ₈	40	40	56	48
<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>											
Ins. Yds.	Lbs.	Warp.	Wett.	Ends.	Pick.	Ins. Yds.	Lbs.	Warp.	Wett.	Ends.	Pick.
..	..	30	44	60	48	39 × 9 ¹ / ₂	1 3 ³ / ₈	36	40	52	44

*Actual particulars as ascertained by M. O. A., Bombay.**Price data as given by Chamber.**Price data.*

Sale price, Calcutta.						As given by Chamber.		Actuals.	
Annas.						Annas.		Ex-Mill. Annas.	
1927	.	.	.	.	41-5	1932	.	1932-33	.
1928	.	.	.	.	42-5	1933	.	1933-34	.
1929	.	.	.	.	39-62	1934	.	1934-35	.
1936	.	.	.	.	37-75	1935	.	Latest	.
1931	.	.	.	.	28-50				21-71
1932	.	.	.	.	31-5				
1933	.	.	.	.	32-5				
1934	.	.	.	.	35-0*				
1935	.	.	.	.	31-0*				

* Apparently quotations.

Remarks by Millowners' Association, Bombay.—The English cloth is definitely of more expensive construction than the Indian cloth and the Dhoties are of different sizes; the real width of the Indian Dhoty is 39" and the length 9¹/₂ yards. The Indian article appears to be relatively cheaper than the United Kingdom quality.

Remarks.—Sold for Calcutta market.

No. 15.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 21.
Description of Sample : Jaconet Dhoty, Ralli, 452.

Dimensions, etc., as given by Chamber.
Ins. Yds. Lbs. Warp. Weft. Pick.
42 × 12 2-3½ oz. 40 40 64 56
1½" dobby border.

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds. Lbs. Warp. Weft. Pick.
.. .. 36 44 60 52

Price data as given by Chamber.

Sale price,
Calcutta.

Rs. A. P.

1927	.	.	.	.	.	3	7	0
1928	.	.	.	.	.	3	8	9
1929	.	.	.	.	.	3	6	4½
1930	.	.	.	.	.	2	15	9
1931	.	.	.	.	.	2	12	0
1932	.	.	.	.	.	2	12	7½
1933	.	.	.	.	.	2	11	0
1934	.	.	.	.	.	2	12	1½
1935 (appears to be quotation only)	.	.	.	.	.	2	12	6

Remarks by Millowners' Association, Bombay.—There is indirect competition between the cloths, but the English cloth is definitely more expensive to produce and would always fetch a higher price. As a matter of fact, these cloths are being sold by the mills at bare cost and any reduction in the price of the United Kingdom quality would drive the Indian cloths out of the market.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. G. 23. Name of Mill : New City of Bombay.
Description of Sample : Grey Sarree, 4192.

Particulars as given by Chamber.
Ins. Yds. Lbs. Warp. Weft. Ends. Pick.
40 × 12 2-5¼ oz. 30 40 56 20
1½" dobby border.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick.
40 × 2-12 2¾ 28 40 56 48

Price data.

As given by Chamber.

Actuals.

Ex-Mill.

Rs. A. P.

No particulars.	1934	.	2	6	4½
	1935	.	2	6	8½
	Latest, 1935		2	6	3

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—*contd.*

No. 16.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 21.
Description of Sample : Grey Jaconet Dhoty, Ralls, 452.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
42 × 12	2½	40	40	64	56
1½" dobby border.					

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. G. 22. Name of Mill : Indian Manufacturing.
Description of Sample : Grey Dhoty, 9910.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
40 × 12	2½	30	40	56	50
2" dobby border.					

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..	..	36	44	60	52

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
40 × 12	2½	29	39	56	48
1½" fancy border.					

Price data as given by Chamber.

	Sale price, Calcutta.	Rs. A. P.
1927	.	3 7 0
1928	.	3 8 9
1929	.	3 6 4½
1930	.	2 15 9
1931	.	2 12 0
1932	.	2 12 7½
1933	.	2 11 0
1934	.	2 12 1½
1935 (appears to be quotation only)	.	2 12 6

Price data Actuals.

	Delivery, Calcutta.	Rs. A. P.
1934	.	2 5 11
1935	.	2 6 2½
Latest 29th July, 1935	.	2 6 5½

Remarks by Millowners' Association, Bombay.—See remarks on U. K. G. 21, Ind. G. 23.

No. 17.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 24.

Description of Sample : Grey Jaconet {³²⁶⁰
3270 } Ralli Bros.,
3280 }

INDIAN SAMPLE PARTICULARS.

No. of Sample : None. Name of Mill : E. D. Sassoon United Mill.

Description of Sample : Grey Jaconet, 353.

Dimensions, etc., as given by Chamber.

	Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
3260 } 3270 } 3280 }	42 × 20	3 $\frac{3}{4}$ (avg.)	40	40	80	72
					80	80

Particulars as given by Chamber.

	Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.

Dimensions, etc., as ascertained by M. O. A., Bombay.

	Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
3260	..	40	40	48	80	64
3270	..	40	40	44	80	70
3280	..	40	40	44	80	72

Actual particulars as ascertained by M. O. A., Bombay.

	Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
	44 × 20	..	36	42	68	64

Price data as given by Chamber.

1927.

Obviously wrong.

Price data—Actuals.

									Bales.	Rs. A. P.	Ex-Mill.
1934	.	.	.	.	.	.	.	.	10	3 13 1	
1935	.	.	.	.	.	.	.	.	10	3 13 1	
									8	3 12 0	

Remarks by Millowners' Association, Bombay.—The price data furnished are obviously wrong. The English cloth is of more expensive construction than the Indian cloth.
The small sales of the Indian line may be noted.

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—*contd.*

No. 18.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 25.

Description of Sample : Grey Shirting, Ralli, 5900.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
42 × 38	7 $\frac{11}{16}$	40	40	80	72

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..	..	40	36	80	64

Price data as given by Chamber.

Sale price.*

Rs. A. P.

1927	.	.	.	.	.	10	4	6
1928	.	.	.	.	.	11	14	0
1929	.	.	.	.	.	11	1	0
1930	.	.	.	.	.	10	7	0
1931 to 1934	.	.	.	.	.	No quotation.		
1935 (Quotation only)	.	.	.	.	.	7	15	7

* The sale prices given apparently include duty and all charges.

Remarks by Millowners' Association, Bombay.—The Indian cloth is definitely of cheaper construction than the English cloth against which it is matched. The Indian cloth appears to be relatively better value than the English cloth.
The Indian cloth is being sold at a loss.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Name of Mill : E. D. Sassoon United Mill.

Description of Sample : Grey Shirting, 353.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..
Particulars not known. No sample.					

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44 × 38	..	36	42	68	64

Price data—Actuals.

Ex-Mill.

Rs. A. P.

1933	.	.	.	.	.	7	8	2
1934	.	.	.	.	.	7	5	0 $\frac{1}{2}$
1935	.	.	.	.	.	7	1	0

No. 19.

ENGLISH SAMPLE PARTICULARS.

INDIAN SAMPLE PARTICULARS.

No. of Sample : U. K. G. 26.

Description of Sample : Grey Shirting (Flag).
G.M.
C.

Dimensions, etc., as given by Chamber.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
39 × 37-38	..	30	30	64	64	..	..	..	..	..	..

U. K. G. 26 & 26A have been matched against E. D. S. U.'s Grey Shirting No. 353, 44" × 38 yds., and No. 352, 42" × 38 yds. No Samples.

Dimensions, etc., as ascertained by M. O. A., Bombay.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
39 × 37-38	..	34	30	64	64	..	..	..	..	..	..

Price data as given by Chamber.

Price data as given by Chamber.

Rs. A. P.

1927	.	.	.	.	.	.	9	12	0
1928	.	.	.	.	.	.	11	0	6
1929 to 1935	.	.	.	.	.	.	Not furnished		

Particulars for Indian quality are given in Sheets U. K. G. 26A.

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—contd.

No. 20.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 26A.

Description of Sample : Grey Shirting, 44000 G. T. Co.

Dimensions, etc., as given by Chamber.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick. 64

41 × 37½-38 30 30 72 64

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick. 64

41 × 38 30 30 72 64

Price data as given by Chamber.

Sale price.*

Rs. A. P. 10 12 9

1927 10 12 9

1928 9 0 0

1929 to 1935

* United Kingdom prices apparently include duty and all charges.

Remarks by Millowners' Association, Bombay.—The cloths are not really comparable and it may be noted that the Indian cloth was not made till considerably later than the English cloth was displaced from the market. The Indian cloths have really been produced to meet Japanese competition and have so far sold either at a loss or at bare manufacturing cost. A fair selling price has never been realised.

INDIAN SAMPLE PARTICULARS.

No. of Sample : None. Name of Mill : E. D. Sassoon United Mill.

Description of Sample : Grey Shirting, 352.

Particulars as given by Chamber.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick. 64

41 × 38 36 42 68 64

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick. 64

41 × 38 36 42 68 64

Price data.

Actuals.

Ex-Mill.

Rs. A. P. 1933 . . . 7 0 11½

1934 . . . 6 13 7

1935 . . . 6 9 2

No. 21.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. G. 26B.

Description of Sample : Grey Shirting, 45000 C. T. Co., Ltd.

Dimensions, etc., as given by Chamber.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick. 64

44 × 37½-38 30 30 72 64

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick. 60

44 × 38 28 28 68 60

INDIAN SAMPLE PARTICULARS.

No. of Sample : None. Name of Mill : E. D. Sassoon United Mill.

Description of Sample : Grey Shirting, 5500 Lady.

Particulars as given by Chamber.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick. 72

44 × 38 36 42 76 72

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds. Lbs. Warp. Weft. Ends. Pick. 72

44 × 38 36 42 76 72

Price data as given by Chamber.

Sale price.

	Rs. A. P.
1927	11 6 9
1928 to 1935	Nil.

Remarks by Millowners' Association, Bombay.—Please see remarks on Sheet for U. K. G. 26A.

No. 22.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. C. 28.

Description of Sample : Grey Madapolam, 991, Ralli.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
52 × 23	2 $\frac{3}{4}$	36	42	28	24
Dimensions, etc., as ascertained by M. O. A., Bombay.					
Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..	..	24	39	25	20

Price data as given by Chamber.

Sale price.*
Rs. A. P.

1927	2 15 0
1928 . . . . .	..
1929	3 1 3
1930	2 10 9
1931	2 10 6
1932	2 10 1 $\frac{1}{2}$
1933	No sale.
1934	No sale.
1935 (Quotation only)	2 10 1

* The prices given for the United Kingdom cloth appear to include duty and landing charges in the earlier years and the 1935 price is, in our view, a very approximate quotation only.

Remarks by Millowners' Association, Bombay.—The cloths are comparable, but the difference in weight of the English cloth would justify a higher price than the Indian. The Indian cloth appears to be relatively cheaper than the English cloth, but it is being sold at or about the bare manufacturing cost. This cloth was made for Rallis in an endeavour to meet Japanese competition. Now neither the United Kingdom nor Indian cloth can be sold.

As given by Chamber.

Price data.

Actuals.

Ex-Mill.

Rs. A. P.

Calcutta wholesale market price	1933 .	8 7 10
(1935) Rs. 8-10-0.	1934 .	8 3 10
	1935 .	8 2 8

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. G. 29. Name of Mill : E. D. Sassoon United Mill.

Description of Sample : Grey Madapolam, 250.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
52 × 23	2 $\frac{1}{16}$	36	42	28	24
Actual particulars as ascertained by M. O. A., Bombay.					
Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
52 × 23	..	30	40	26	20

Price data—Actuals.

Ex-Mill.

Rs. A. P.

1932	2 4 3
1933	2 0 10
1934	2 1 1 $\frac{1}{2}$
1935	No sales.

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—*contd.*

No. 23.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 1 W.
Description of Sample : White Nainsook (Bombay Co.), B. G. 65.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Sq. yds. per lb.
-----------	------	-------	-------	-------	-------	------------------

27 × 18	1 $\frac{1}{2}$	38	44	42	42	9.8
---------	-----------------	----	----	----	----	-----

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
-----------	------	-------	-------	-------	-------

27 × 18	..	40	36	46	42
---------	----	----	----	----	----

Price data as given by Chamber.

	Rs.	A.	P.
November, 1930	.	.	.
1931	.	.	.
1932	.	.	.
1933	.	.	.
1934	.	.	.
1935	.	.	.

Remarks by Millowners' Association, Bombay.—The price quoted by Chamber for Ind. 1 W. refers to another quality of Mull with a much lower warp and ends and pick.

As given by Chamber.

1935 . . . Re. 1-7-0.

Actuals.
Not made in 1935.

Re. 1-11-6.

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INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 1 W. Name of Mill : Kohinoor.
Description of Sample : White Nainsook, 4417.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Sq. yds. per lb.
-----------	------	-------	-------	-------	-------	------------------

27 × 18	1 $\frac{3}{8}$	34	32	49	40	8.5
---------	-----------------	----	----	----	----	-----

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
-----------	------	-------	-------	-------	-------

25 × 18	1 $\frac{3}{8}$	42	40	50	40
---------	-----------------	----	----	----	----

Price data.

Actuals.

No. 24.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 2 W.

Description of Sample : White Mull (Bombay Co.), 4260.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
-----------	------	-------	-------	-------	-------

44 × 20	2 $\frac{3}{8}$	36	38	51	43
---------	-----------------	----	----	----	----

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
-----------	------	-------	-------	-------	-------

..	..	40	42	50	44
----	----	----	----	----	----

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 2 W. Name of Mill : E. D. Sassoon United Mill.
Description of Sample : White Mull, 7474.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
-----------	------	-------	-------	-------	-------

44 × 20	3 $\frac{1}{4}$	32	30	52	42
---------	-----------------	----	----	----	----

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
-----------	------	-------	-------	-------	-------

44 × 20	..	36	42	52	42
---------	----	----	----	----	----

Price data as given by Chamber.

Landed cost excluding duty.
Rs. A. P.

November, 1930	.	.	.	.	.	2 12 3
1931	.	.	.	.	.	2 9 3
1932	.	.	.	.	.	2 11 0
1933	.	.	.	.	.	2 9 9
1934	.	.	.	.	.	2 12 6
1935	.	.	.	.	.	3 0 6
Present rate (wholesale selling rate, nett)	.	.	.	.	.	3 4 0

Remarks by Millowners' Association, Bombay.—The cloths appear to be comparable. The English c.i.f.c.i. quotation given for 1935 appears to be unduly high compared with the previous years' quotations and the wholesale selling rate for 1935. The small sales of the Indian cloth may be noted.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 3 W.

Description of Sample : White Mull (Shirwell's), 42999.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Sq. yds. per lb.
42 × 20	3 $\frac{3}{8}$	38	44	72	62	7.3
Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Wt. per sq. yd.
42 × 20	..	44	48	76	64	1.96 oz.

Dimensions, etc., as ascertained by M. O. A., Bombay.

Price data as given by Chamber.

Landed price,
Calcutta, ex-duty.
Rs. A. P.

November, 1930	.	.	.	.	.	4 5 3
1931	.	.	.	.	.	4 3 0
1932	.	.	.	.	.	4 1 0
1933	.	.	.	.	.	3 14 0
1934	.	.	.	.	.	3 15 0
1935	.	.	.	.	.	4 0 0

Remarks by Millowners' Association, Bombay.—Mill cannot be identified and costs and actual construction cannot, therefore, be given. The example is of little use to the Board in the absence of price data for the Indian cloth.

Price data.

As given by Chamber.

Actuals.

Ex-Mill.
per piece.
Rs. A. P.

Cases.

Calcutta wholesale rate nett (1935)

Rs. 3.5-0.

1933

1934

1935

5

15

55

10

10

5

3

3

3

3

3

3

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3

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 3 W. Name of Mill : Muttan Mills.

Description of Sample : White Mull, 4050.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
41 × 20	..	36	36	69	56
Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
41 × 20	..	36	36	69	56

Actual particulars as ascertained by M. O. A., Bombay.

.. .. The Mill cannot be identified.

.. .. The Mill cannot be identified.

.. .. The Mill cannot be identified.

.. .. The Mill cannot be identified.

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.. .. The Mill cannot be identified.

.. .. The Mill cannot be identified.

.. .. The Mill cannot be identified.

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—*contd.*

No. 26.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 4 W.

Description of Sample : White Nainsook (Bombay Co.), B. C. 2.

<i>Dimensions, etc., as given by Chamber.</i>			
Ins. Yds.	Lbs.	Warp.	Pick.
44 × 20	3½	36	67
		Weft.	Ends.
		36	76
<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>			
Ins. Yds.	Lbs.	Warp.	Pick.
..	..	40	72
		Weft.	Ends.
		40	72

*Price data as given by Chamber.*Landed cost,
ex-duty.

	Rs.	A.	P.
November, 1930	.	.	.
1931	.	.	.
1932	.	.	.
1933	.	.	.
1934	.	.	.
1935	.	.	.
Present rate	.	.	.

No goods.

Remarks by Millowners' Association, Bombay.—The landed cost figures given for U. K. cloth appear to include duty. It will be noted that the total business for the Indian cloth amounted to 20 bales only in 1935 and the cloth was not manufactured in previous years. The actual sample is not 4420 EDSU

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 4 W. Name Mill : E. D. Sassoon United Mill.
Description of Sample : White Mull, 4420.

<i>Particulars as given by Chamber.</i>			
Ins. Yds.	Lbs.	Warp.	Pick.
42 × 20	..	36	71
		Weft.	Ends.
		32	75
<i>Actual particulars as ascertained by M. O. A., Bombay.</i>			
Ins. Yds.	Lbs.	Warp.	Pick.
44 × 20	..	60	68
		Weft.	Ends.
		70	72

*Price data.**As given by Chamber.*

<i>Actuals.</i>			
	Rs.	A.	P.
Calcutta wholesale market price	1935	.	.
nett, Rs. 4-12-0.		10*	4 5 0

*42".

No. 27.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 5 W.

Description of Sample : White Mull (Bombay Co.), 6006.

<i>Dimensions, etc., as given by Chamber.</i>			
Ins. Yds.	Lbs.	Warp.	Pick.
44 × 20	1½	90	15-6
		Weft.	Ends.
		84	76
<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>			
Ins. Yds.	Lbs.	Warp.	Pick.
44 × 20	..	82	72
		Weft.	Ends.
		104	86

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 5 W. Name of Mill : Keshoram.

Description of Sample : White Mull (Stag).

<i>Particulars as given by Chamber.</i>			
Ins. Yds.	Lbs.	Warp.	Pick.
44 × 20	1½	90	72
		Weft.	Ends.
		80	84
<i>Actual particulars as ascertained by M. O. A., Bombay.</i>			
Ins. Yds.	Lbs.	Warp.	Pick.
..
		Weft.	Ends.
		80	86

Price data as given by Chamber.

Landed price,
ex-duty.

November, 1930	.	.	.	.	Rs. A. P.
1931	.	.	.	.	5 1 6
1932	.	.	.	.	4 4 3
1933	.	.	.	.	4 0 9
1934	.	.	.	.	3 14 6
1935	.	.	.	.	4 0 6
Wholesale rate, Calcutta, nett	.	.	.	.	4 4 6
	.	.	.	.	5 4 0

Remarks by Millowners' Association, Bombay.—The cloths are roughly comparable but the finish of the United Kingdom sample is superior and the yarns more regular. The Indian Mill is not a member of the Association. The price difference would appear to be justified. The landed price given for 1935 appears to be unduly high compared with 1933 and 1934. The actual ends and pick appear to be less than those estimated by the United Kingdom.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 6 W.

Description of Sample : White Shirting (Bombay Co.), 5011.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Sq. yds. per lb.
32 × 40	54	36	32	68	61	6.76
Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	
32 × 40	..	40	35	69	60	

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
32 × 40	..	40	35	69	60

Price data as given by Chamber.

Landed cost,
ex-duty.

November, 1930	.	.	.	.	Rs. A. P.
1931	.	.	.	.	7 8 0
1932	.	.	.	.	6 9 0
1933	.	.	.	.	6 8 0
1934	.	.	.	.	5 12 0
1935	.	.	.	.	6 5 0
Wholesale price, nett, Calcutta	.	.	.	.	6 10 6
	.	.	.	.	8 0 0

Remarks by Millowners' Association, Bombay.—Prices and particulars for Indian cloth not checked—Non-member. The cloths are not comparable, the Indian cloth being much inferior in construction and finish.

Price data as given by Chamber.

Calcutta wholesale selling rate
nett (1935), Rs. 5-2-0.

No. 28.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 6 W. Name of Mill : Nagari Mills (Ahmedabad).

Description of Sample : White Shirting (11 × 11).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Sq. yds. per lb.
30 × 40	7 1/2	20	24	61	43	4.74
Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	
30 × 40	..	20	24	61	43	

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
30 × 40	..	20	24	61	43

Price data as given by Chamber.

Calcutta wholesale price nett,
Rs. 5-10-0.

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—*contd.*

No. 29.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. 7 W.
Description of Sample: Bleached Mull (Hoare Millers), (2271).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Sq. yds. per lb.
41 × 20	1 $\frac{3}{4}$	60	60	71	62	12-15

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Ends.
41 × 20	..	64	62	70	60

Price data as given by Chamber.

Landed cost,
ex-duty.

Rs. A. P.

November, 1930	.	.	.	.	3	6	9
1931	.	.	.	.	3	1	0
1932	.	.	.	.	1	13	0*
1933	.	.	.	.	2	15	3
1934	.	.	.	.	2	14	0
1935	.	.	.	.	2	15	6

Wholesale price in Calcutta, nett

.	3	13	0
---	---	---	---	---	---	----	---

* This price appears to be a mistake.

Remarks by Millowners' Association, Bombay.—The cloths are widely different in construction.

Note the wide difference in counts of warp and weft.

Finish of Indian cloth inferior to English cloth.

Unable to check particulars and price data of Indian cloth as mill is a non-member.

INDIAN SAMPLE PARTICULARS.

No. of Sample: Ind. 7 W. Name of Mill: Nutan Mill.
Description of Sample: Bleached Mull (209).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
41 × 20	2 $\frac{3}{8}$	40	50	75-6	55

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Price data as given by Chamber.

Calcutta present wholesale price,

Rs. 3-4-0.

No. 30.

ENGLISH SAMPLE PARTICULARS.				INDIAN SAMPLE PARTICULARS.			
No. of Sample : U. K. 8 W.				No. of Sample : Ind. 8 W. Name of Mill : New Great Eastern.			
Description of Sample : White Nainsook, Bombay Co., 7788.				Description of Sample : White Nainsook, 7799.			

Dimensions, etc., as given by Chamber.				Particulars as given by Chamber.			
Ins. Yds.	Lbs.	Warp.	Ends.	Ins. Yds.	Lbs.	Warp.	Ends.
38 × 18	2 $\frac{1}{2}$	36	71	36 × 18	2 $\frac{3}{4}$	36	76
.. ..	..	42	73	.. ..	..	..	..
Dimensions, etc., as ascertained by M. O. A., Bombay.				Actual particulars as ascertained by M. O. A., Bombay.			
Ins. Yds.	Lbs.	Warp.	Ends.	Ins. Yds.	Lbs.	Warp.	Ends.
.. ..	..	44	68	36 × 18	3-0	29	73
..

Price data as given by Chamber.

Price data Actuals.

Landed price, Calcutta ex-duty.		Ex-Mill.	
RS. A. P.		RS. A. P.	
November, 1930	.. .. . 3 8 0	.. .. . 4 4 0	
1931	.. .. . 3 8 3	.. .. . 4 0 0	
1932	.. .. . 3 4 9	.. .. . 3 13 0	
1933	.. .. . 3 0 0	.. .. . 3 11 0	
1934	.. .. . 3 4 6	.. .. . 3 11 0	
1935	.. .. . 3 5 6	.. .. . 3 10 0	
Present rate (wholesale market price, Calcutta, nett)	4 0 0	.. .. .

Remarks by Millowners' Association, Bombay.—United Kingdom price data cannot be checked. The Indian cloth is superior to the English cloth, but realizes a considerably lower price. It is being sold at a loss in competition with similar English cloths. This was made against an English quality which has been reduced in quality during the last two years.

REPRESENTATION SUBMITTED BY THE BENGAL CHAMBER OF COMMERCE—*contd.*

No. 31.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: U. K. 9 W.
Description of Sample: White Mull (53000), Ralli Bros.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Sq. yds. per lb.
37 × 20	1½	40	50	61	43	12·2

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
37 × 20	..	46	60	60	40

Price data as given by Chamber.

Landed cost,
ex-duty.

Rs. A. P.

November, 1930	.	.	.	.	.	2 14 0
1931	.	.	.	.	.	2 9 3
1932	.	.	.	.	.	2 9 6
1933	.	.	.	.	.	2 7 9
1934	.	.	.	.	.	2 6 9
1935	.	.	.	.	.	2 8 0
Wholesale price, Calcutta, nett	.	.	.	.	.	3 2 0

Remarks by Millowners' Association, Bombay.—The United Kingdom cloth is of more expensive construction though of lighter weight, and would fetch a higher price in the market.

INDIAN SAMPLE PARTICULARS.

No. of Sample: Ind. 9 W. Name of Mill: Nutan Mill.
Description of Sample: White Mull (K. E. K.).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Sq. yds. per lb.
37 × 20	1½	30	30	52	36	10·6

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Price data as given by Chamber.

Calcutta wholesale price, nett,
Rs. 2-10-0.

No. 32.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : U. K. 10 W.
Description of Sample : White Nainsook, Bombay Co., 4 Jagannath.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
40 × 18	2 $\frac{3}{4}$	38	38	60	49
Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..	..	46	40	59	44

Price data as given by Chamber.

Landed cost,
ex-duty.

	Rs.	A.	P.
November, 1930	.	.	.
1931	.	.	.
1932	.	.	.
1933	.	.	.
1934	.	.	.
1935	.	.	.
Present wholesale market price, Calcutta, nett	.	3	2 3

Remarks by Millowners' Association, Bombay.—The number given for the Indian sample is CG. 6590, but actually, CG. 6590 is a lower construction, i.e., 52 × 42. The sample submitted is of another quality selling at a higher price.

Specification of Sample actually submitted by Chamber of Commerce :—

Warp.	Weft.
36	42
Specification of cloth for which prices have been given by Chamber of Commerce :—	Ends.
Warp.	56
36	Ends.
	52

It has so far been sold at or below cost and at the prices quoted is relatively better value than the English cloth.

INDIAN SAMPLE PARTICULARS.

No. of Sample : Ind. 10 W. Name of Mill : E. D. Sassoon United Mill.
Description of Sample : White Nainsook, C. G. 6590.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
40 × 18	2 $\frac{3}{4}$	36	35	58	50

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

*Price data.**As given by Chamber.**Actuals.*

	Rs.	A.	P.
Calcutta wholesale rate, nett,	1933	.	2 8 1
Rs. 2-10-0 per piece.	1934	.	2 8 3
	1935	.	2 9 0

Ex-Mill.

Enclosure No. 4.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION

No. 1.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 101. Name of Mill : The Colaba Land & Mill Co., Ltd.

Description of Sample : Grey Shirting, 3800.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44.4	×	38	11.75	23.5	28	68

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44	×	38	11.5	24	30	69

*Price estimated by
U. K. Delegation.**Price in India as estimated by
U. K. Delegation.**Actuals as ascertained by M. O. A.,
Bombay.*147.0 annas per piece
delivered India ex-
duty.

1935—135.00 annas.

*Ex-Mill.
As. P.*

1931	.	.	.
1932	.	.	157 2
1933	.	.	142 0
1934	.	.	141 0
1935	.	.	142 0
Latest price	.	.	142 0

The cloth has not shown a profit since 1932, but has been sold to provide work for a few 50" looms only suitable for plain cloths.

Remarks by Millowners' Association, Bombay.—The inaccuracy of the price data supplied may be noted.

No. 2.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 102. Name of Mill : The Digvijaya Spinning and Weaving Co., Ltd.

Description of Sample : Grey Shirting, 4544.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
42.3	×	45	10.91	22.6	27	48

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Mills confirm making particulars given by U. K.

*Price estimated by
U. K. Delegation.**Price in India as estimated by
U. K. Delegation.**Actuals as ascertained by M. O. A.,
Bombay.*103.7 annas ex-duty
delivered India.

1935—86.3 annas ex-Mill.

Average price for the last two
years about 92 to 93 annas.
October, 1935—93 annas.

Remarks by Millowners' Association, Bombay.—The inaccuracy of the price data supplied may be noted.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 3.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 103. Name of Mill : The Union Mills.

Description of Sample : Grey Shirting 'S'.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
39.5	× 37½/38	8½	18.8	23.6	43.7	41

Actual particulars as ascertained by M. O. A., Bombay.

(Quality has become obsolete—Not made in 1935.)

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
10.97 annas per lb. delivered India.	1935—10.25 annas per lb.	....

Remarks by Millowners' Association, Bombay.—The cloth has not been made since 1934.

No. 4.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 104. Name of Mill : Union Mills.

Description of Sample : Leopard Cloth, 15100.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
42	× 38	11.97	18.1	19.4	53	50.3

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
42	× 38	11½	16	20	52	42

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
10.29 annas per lb. delivered India ex- duty.	1935—9.28 annas per lb.	Per lb. As. p.
		1931 . . 9 0
		1932 . . 9 9
		1933 . . 9 3
		1934 . . 9 3
		1935 . . 9 3
		Latest . . 9 3

Remarks by Millowners' Association, Bombay.—The Mills have supplied a sample piece of their Leopard Cloth, 15100, which is of the specification given above. The sample cloth for which the United Kingdom Delegation have supplied particulars and estimated a price is not manufactured by the Union Mills and is of quite different construction to the real 15100—cutting attached,

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—*contd.*

No. 5.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 100. Name of Mill : Century Spinning and Manufacturing Co., Ltd.

Description of Sample : Grey Shirting, BBB92½.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
34.8	×	38	8.84	23.5	19.6	53	44

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
36	×	38	9	24	22	52	44

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

90.1 annas per piece
delivered in India.

92.3 annas.

90.0 annas—Latest price, 21st
November, 1934, *ex-Mill*.

Mills state that they were realis-
ing higher prices previously.

Sold for Calcutta market.

No. 6.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 101. Name of Mill : Edsu.

Description of Sample : Grey Shirting, 4088.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
38	×	38	11.18	18.1	17.3	53	47

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
39	×	38	10½	20	22	52	48

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

112.9 annas, delivered
India *ex-duty*.

1935—103 annas, per piece.

Ex-Mill.
Per lb.

As. p.

1934	.	.	9 8
1935	.	.	9 8½

Sold in Calcutta.

Remarks by Millowners' Association, Bombay.—There is a considerable difference in the United Kingdom estimate of the making particulars from the actual construction. If the United Kingdom particulars had been correct, the cost of making the cloth in India would have been higher than 103 annas per piece.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 7.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 102. Name of Mill : The Sassoon Spinning and Weaving Co., Ltd.
Description of Sample : Grey Shirting, 91½.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
33·9	×	38	9·26	18·9	21·2	52	49

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
34	×	37½	8½	20	22	52	44

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

95·3 annas per piece,
delivered Calcutta,
ex-duty.

1935—89·7 annas per piece.

*Ex-Mill,
per lb.
As. p.*

1931	.	.	10	9
1932	.	.	10	3
1933	.	.	9	6
1934	.	.	9	9
1935	.	.	9	6
Latest price	.	.	9	10½

Remarks by Millowners' Association, Bombay.—The Sassoon Spinning and Weaving Co., Ltd., have supplied a counter sample of their 91½ Grey Shirting. They state that the cloth for which the United Kingdom have given particulars is not their cloth. Note the higher pick—Cutting attached of Sassoon's 91½.

No. 8.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 104. Name of Mill : Edsu.

Description of Sample : Grey Shirting, 93½ 93½.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
37·3	×	37½/38	9·92	22·7	17·2	52	44

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
37	×	38	9½	20	20	48	42

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

92·9 annas per piece,
delivered India, ex-
duty.

1935—105 annas per piece.

*Ex-Mill,
per lb.
As. p.*

1934	.	.	9	9
1935	.	.	9	6

Remarks by Millowners' Association, Bombay.—Here again there is some doubt as to whether the sample is of Edsu manufacture. The Mill has given the particulars for their 93½/93½ which is the number nearest to '93½'.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—*could*.

No. 9.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 105. Name of Mill : Bombay Dyeing and Manufacturing Co., Ltd.
(Spring Mill).

Description of Sample : Grey Shirting, SSS3.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
32.3	×	37½/38	6.75	20.7	30.4	36.8	35.5

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
33	×	37½/38	6½	20	28	44	36

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>	<i>Ex-Mill, Rs. A. P.</i>
66.2 annas per piece, delivered in India, ex-duty.	1935—67 annas per piece.		
		1931 . .	4 7 7½
		1932 . .	4 9 7
		1933 . .	4 3 1
		1934 . .	4 3 10
		1935 . .	4 2 1

No. 10.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 110. Name of Mill : E. D. Sassoon United Mills.

Description of Sample : Grey Jaconet '616'.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44.2	×	20	4.42	32.5	39.8	70	65

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44	×	20	4 ⁵ / ₁₆	36	42	69	64

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
58.1 annas delivered India, ex-duty.	1935—66.0 annas.	1935—Rs. 4-13-0 ex-Mill.

Remarks by Millowners' Association, Bombay.—The actual realisation for the cloth is very much higher than that given by United Kingdom. Even this higher price is less than a fair selling price.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 11.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 121. Name of Mill : The Century Spinning and Manufacturing Co., Ltd.

Description of Sample : Grey Mull, 2648.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
45.0	×	20	2.76	37.5	52.2	51.2	43.5

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
46	×	20	2.50	40	60	52	43

Price estimated by U. K. Delegation.

14.28 annas per lb. delivered in India.

Price in India as estimated by U. K. Delegation.

1935—16.61 annas per lb.

Actuals as ascertained by M. O. A., Bombay.

44 annas per piece (*ex-Mill*).
= 17.6 annas per lb.

The price given by United Kingdom is too low.

Sold in Calcutta market.

Remarks by Millowners' Association, Bombay.—The United Kingdom analysis differs considerably from the Mills' actual specification. The price realization for the Indian cloth given by United Kingdom is also lower than the actual realization.

No. 12.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 230. Name of Mill : Crown Spinning and Manufacturing Co., Ltd.

Description of Sample : Grey Dhoty 14808 (Signal).

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
41	×	8	2.11	21.8	24.5	52.5	44.4

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
42	×	8	1.3 $\frac{2}{3}$	22	26	52.5	44

Price estimated by U. K. Delegation.

24.0 annas per piece delivered India.

Price in India as estimated by U. K. Delegation.

1935—21.5 annas.

Actuals as ascertained by M. O. A., Bombay.

23.6 annas latest price.

Remarks.—Manufactured for last two years only.

Sold for Bombay market.

Remarks by Millowners' Association, Bombay.—The price realised by the mill is considerably higher than the figure given by United Kingdom.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 13.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 231. Name of Mill : New China Mill.

Description of Sample : Grey Dhoty (2535).

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50.2	×	8	1.74	35.4	50.3	64.5	56.5

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50	×	8	1.75	40	50	64	56

(approximate).

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
27.3 annas ex-duty delivered in India.	29.5 annas ex-Mill.	Last sold (ex-Mill) in April, 1935, at Rs. 1.14-0. Not sold later. This sort was not manufactured prior to 1935.

Remarks by Millowners' Association, Bombay.—This quality is comparable with the Standard United Kingdom Dhoty selling in Calcutta, No. 2301.

<i>Specification. :—</i>	Ins.	Yds.	Warp.	Weft.	Ends.	Pick.
B. 231	50.2	× 8	40	50	64	56
	(⅛" Dobby Border).					
No. 2301	44	× 10	40	50	64	56
	(Chulpat Border).					

The present bazaar rate for 2301 29.75 annas per piece.
or landed cost and duty 28.55 annas per piece.

To make the necessary allowance for the
difference in border—Add 1.00 annas per piece.

Therefore, landed cost and duty for 2301 with
same border in B. 231 would be 29.55 annas per piece,
or Less duty 5.91

23.64 annas for 42" × 10 yds.

Therefore, proportionate cost for quality B.
231, 50" × $\frac{1}{8}$ " = 22.55 annas per piece.

The United Kingdom give their estimated cost as 27.3 annas delivered in India ex-duty or 4.75 annas more than the proportionate price at which they are regularly selling No. 2301.

If they were willing to sell B. 231 at 22.55 annas ex-duty, the total landed cost with duty would be 28.19 annas per piece against the ex-Mill price of Re. 1.14-0 = 30 annas. In this case, the duty of 25 per cent would not be sufficient.

No. 14.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 230. Name of Mill : New Kaiser-i-Hind Spinning and Weaving.

Description of Sample : Grey Dhoty, 5687.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
33.3	×	8	1.05	27	33.6	48	40

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 14—contd.

Actuals particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
33	×	8	1.00	28½	39	48	40

*Price estimated by
U. K. Delegation.*

*Price in India as given by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

17.00 annas delivered
India, ex-duty.

Average ex-Mill
prices.

Rs. A. P.

1930 . . . 1 1 9

1931 . . . 1 1 0

1932 . . . 0 15 4

1933 . . . 0 14 10

1934 . . . 0 14 5

1935 . . . 0 14 3

Latest, 1935 . . . 0 14 6

Add—½ anna for Calcutta deli-
very.

Remarks by Millowners' Association, Bombay.—The Mills' actual specification should be noted. If the United Kingdom specifications were correct the cloth would have cost the Indian mills more than 14 annas 9 pias to make.

No. 15.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 231. Name of Mill : New Kaiser-i-Hind Spinning and Weaving.
Description of Sample : Grey Dhoty, 541.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
35.7	×	9	1.6	21	21.6	43	40

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
36	×	9	1 16	22½	31	44	40

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

21.1 annas per pair
delivered India ex-
duty.

Rs. A. P.

Ex-Mill.

Rs. A. P.

1930 . . . 1 5 8

1931 . . . 1 4 7½

1932 . . . 1 2 10

1933 . . . 1 2 3

1934 . . . 1 1 6

1935 . . . 1 1 6¾

Last sale . . . 1 2 1½

Add—1 anna for Calcutta deli-
very.

Remarks by Millowners' Association, Bombay.—Note the difference in specifications.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—*contd.*

No. 16.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 232. Name of Mill : New City of Bombay.

Description of Sample : Grey Dhoty, 8530½.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
40	×	9½	1.44	27.4	36.2	48	40

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
39	×	9½	1.7½	29	40	48	40

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

23.2 annas ex-duty. 1935—21.5 annas ex-Mill.

Average price,
ex-Mill.

Rs. A. P.

1931 . . 1 3 5

1932 . . Not sold.

1933 . . Not sold.

1934 . . 1 6 7

1935 . . Not Sold.

Latest price 1 6 7

Prices do not cover even manu-
facturing cost.

Remarks by Millowners' Association, Bombay.—If the cloth had been made to the United Kingdom specification, it would have cost the Indian Mill more to manufacture.

No. 17.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 233. Name of Mill : Kohinoor.

Description of Sample : Grey Dhoty, 91.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44.2	×	10	2.02	27.8	36	56	46

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44	×	10	2.1½	30	40	56	46

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

27.6 annas delivered India ex-duty. 1935—29.6 annas.

Ex-Mill.

Rs. A. P.

1933 . . 1 13 2

1934 . . 1 12 4

1935 . . 1 13 6

Remarks by Millowners' Association, Bombay.—One anna more per piece would be required for Calcutta delivery.

If the United Kingdom specifications were correct, the Indian cost of manufacture and selling price would have been higher.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—*contd.*

No. 18.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 234. Name of Mill : Indian Manufacturing.

Description of Sample : Grey Dhoty, 2699.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44.4	× 10	1.97	27.6	36.1	47	40

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44	× 10	1 $\frac{11}{16}$	29	39	48	40

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

22.3 annas delivered
India ex-duty.

1935—24.7 annas.

Delivery
Calcutta.
Rs. A. P.

1930 . .	1 13 6
1931 . .	1 8 5 $\frac{1}{2}$
1932 . .	1 10 2 $\frac{1}{2}$
1933 . .	1 8 5 $\frac{1}{2}$
1934 . .	1 8 0
1935 . .	1 8 3
Latest price, 20th July, 1935 . .	1 8 5 $\frac{1}{2}$

Bareley covers manufacturing cost.

Remarks by Millowners' Association, Bombay.—If the United Kingdom specification were correct, the Indian cost of manufacture would have been higher.

No. 19.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 235. Name of Mill : New City of Bombay.

Description of Sample : Grey Dhoty, 2582.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
43.2	× 10	1.74	33.3	3.88	48	40

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
48	× 10	1 $\frac{11}{16}$	29	40	48	40

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

1935—22.4 annas, ex-
duty delivered India.

25 annas ex-Mill.

Average prices,
ex-Mill.

	Rs. A. P.
1931 . .	1 10 6
1932 . .	1 10 8 $\frac{1}{2}$
1933 . .	1 8 9
1934 . .	1 8 5
1935 . .	1 8 1 $\frac{1}{2}$
Latest . .	1 8 5

Sales do not cover even manufacturing cost.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 20.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 236. Name of Mill : Century.

Description of Sample : Grey Dhoty, 2411.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44.3	10	1.93	22.9	30.4	39	36

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44	10	1.81	24	32	39	36

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
22.6 annas per pair, delivered Calcutta.	21.6 annas per pair.	21 annas, <i>ex-Mill</i> , dated the 17th April, 1935.

Remarks.—First manufactured in
1932 when price realised was
22 annas.

Sold for Calcutta market.

Remarks by Millowners' Association, Bombay.—If the United Kingdom specification
were correct, Indian cost of manufacture would have been higher.

No. 21.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 331. Name of Mill : Khatau Makanji Spinning and Weaving Co.
Ltd.

Description of Sample : Bleached Dhoty (709).

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
47.5	9	1.39	36.2	54.7	66	55

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
47	9	1.39	40	54	66	56

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
34.4 annas per pair, delivered in India, <i>ex-duty</i> .	1935—38 annas per pair.	1935—37.125 annas per pair, <i>ex-Mill</i> .

Remarks by Millowners' Association, Bombay.—The specification given by the United
Kingdom is not quite correct, and if the Indian cloth had been made with 36s warp
instead of 40s, the Indian manufacturing cost would be slightly higher.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 22.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 333. Name of Mill : The Standard Mills Co., Ltd.
Description of Sample : Bleached Dhoty (Sansar Sagar).

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
50·3	8	0·98	65·2	75·5	79	59·4

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
53 Grey. 49/50 Bleached.	8	0·98	70	80	78	60

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
32·9 annas per pair, delivered in India, ex-duty.	1935—38·1 annas per pair.	Price data approximately correct

No. 23.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 334. Name of Mill : Indian Manufacturing.
Description of Sample : Bleached Dhoty, 4810.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44·2	8	1·7	28·2	34·5	60·3	52·5

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
49 Grey.	10	2 $\frac{1}{16}$	29	39	60	52

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
29·4 annas delivered India, ex-duty.	1935—28·0 annas.	Delivered Calcutta.

	Rs.	A.	P.
1930 . .	2	14	4 $\frac{1}{2}$
1931 . .	2	6	4 $\frac{1}{2}$
1932 . .	2	8	8
1933 . .	2	5	0
1934 . .	2	2	6
1935 . .	2	3	7
Latest (28th October, 1935) . .	2	4	1

Remarks by Millowners' Association, Bombay.—We must assume that the United Kingdom cost has been taken out for 49" × 10 yards.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—*contd.*

No. 24.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 300. Name of Mill : Kohinoor.

Description of Sample : Bleached Shirting, Sepoy.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
32.6	× 42	9.58	23.1	18.1	66	52

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
33	× 42	9½	24	18	64	52

Price as estimated by U. K. Delegation. *Price in India as estimated by U. K. Delegation.* *Actuals as ascertained by M. O. A., Bombay.*

133.3 annas delivered India ex-duty.	1935—133.8 annas.	<i>Ex-Mill.</i> Annas.
		1934 . . . 141.5
		1935 . . . 134.0

No. 25.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 302. Name of Mill : Tata Mills.

Description of Sample : Bleached Shirting, 4331.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
29	× 40	7.87	20.8	18.4	56	42

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
29	× 38	7.75	22	20	56	44

Price estimated by U. K. Delegation. *Price in India as estimated by U. K. Delegation.* *Actuals as ascertained by M. O. A., Bombay.*

107.2 annas per piece delivered in India.	93.5 annas per piece.	<i>Ex-Mill.</i> Annas.
		1931 . . . 109
		1932 . . . 103
		1933 . . . 85
		1934 . . . 88
		1935 . . . No sales.

Remarks by Millowners' Association, Bombay.—The 1933 price represents a sale to clear stocks at a sacrifice price.

No. 26.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 303. Name of Mill : Svadeshi.

Description of Sample : Bleached Longcloth, 6600.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
34.7	× 40	8.43	39.7	29	81	68.3

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
34	× 40	8½	36	30	80	72

Price estimated by U. K. Delegation. *Price in India as estimated by U. K. Delegation.* *Actuals as ascertained by M. O. A., Bombay.*

131.8 annas per piece delivered India ex-duty	1935—147.1 annas per piece.	<i>Ex-Mill.</i> Annas.
		1934 . . . 148.75
		1935 . . . 147.16
		Latest . . . 147.5

Remarks —First manufactured in 1934.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—*contd.*

No. 27.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 304. Name of Mill : Tata Mills, Ltd.

Description of Sample : Bleached Shirting, 4367B.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
35	× 38/39	9.58	22	19.1	55.8	44.1

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
34	× 38½	9.25	22	20	56	44

Price estimated by U. K. Delegation. *Price in India as estimated by U. K. Delegation.* *Actuals as ascertained by M. O. A., Bombay.*

116.8 annas per piece delivered India.	108 annas per piece.					Ex-Mill. Annas.
				1931	.	130
				1932	.	127
				1933	.	No sale.
				1934	.	109
				1935	.	No sale.

Remarks by Millowners' Association, Bombay.—The Indian cloth was not sold in 1935.

No. 28.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 305. Name of Mill : Tata Mills, Ltd.

Description of Sample : Bleached Shirting, 7328B.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
27.8	× 40	7.39	22.2	20.4	55.5	43.6

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
27	× 40	7.75	22	20	56	44

Price estimated by U. K. Delegation. *Price in India as estimated by U. K. Delegation.* *Actuals as ascertained by M. O. A., Bombay.*

100.8 annas per piece.	87.3 annas per piece					Ex-Mill. Annas per piece.
				1934	.	86
				1935	.	87

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 29.

INDIAN SAMPLE PARTICULARS.

No. of Sample: B. 310. Name of Mill: The Century Spinning and Manufacturing Co., Ltd.

Description of Sample: Bleached Nainsook, 2744.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25	×	18	1.52	38.8	35.2	51	42

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25	×	18	1.53	40	40	50	42

Price estimated by U. K. Delegation.

Price in India as estimated by U. K. Delegation.

Actuals as ascertained by M. O. A., Bombay.

26.8 annas per piece delivered in India.

23.5 annas per piece.

27.00 annas *ex-Mill* (14th December, 1934).

Manufactured from 1934, since when price has fallen 1 anna per lb.

Sold in Bombay, Calcutta, Madras.

Remarks by Millowners' Association, Bombay.—Note difference in the United Kingdom estimate and actuals for yarns used.

If cloth had been made to specifications given by the United Kingdom, it would have cost Indian mills more to manufacture. It would be interesting to see a sample of the cloth for which the United Kingdom give their quotation.

No. 30.

INDIAN SAMPLE PARTICULARS.

No. of Sample: B. 311. Name of Mill: Kohinoor.

Description of Sample: White Nainsook, 1744.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25.5	×	18	1.44	29.4	35.9	44	35

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25	×	18	1½	30	40	44	36

Price estimated by U. K. Delegation.

Price in India as estimated by U. K. Delegation.

Actuals as ascertained by M. O. A., Bombay.

25 annas delivered India, *ex-duty*.

1935—24.3 annas.

Ex-Mill.
Rs. A. P.

1934 . . . 1 9 6

1935 . . . 1 7 6

Remarks.—Made in a lower quality. See Sheet C. 305.

Remarks by Millowners' Association, Bombay.—The United Kingdom specification shows the weft as 10 per cent. heavier than that actually used by the mill. This would increase the cost of manufacture.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 31.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 312. Name of Mill : EDSU.

Description of Sample : Bleached Nainsook, 7417.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
24·8	×	18	1·39	39·7	44·6	43·7	36·1

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25	×	18	1 $\frac{5}{16}$	36	42	44	36

<i>Price estimated by</i>	<i>Price in India as estimated by</i>	<i>Actuals as ascertained by M. O. A.,</i>
<i>U. K. Delegation.</i>	<i>U. K. Delegation.</i>	<i>Bombay.</i>

22·5 annas per piece, delivered in India, ex-duty.	24·5 annas per piece, wholesale market price.	1935—Re. 1·9·0 per piece, ex-Mill.
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Remarks by Millowners' Association, Bombay.—The particulars given by the United Kingdom are substantially correct, but it will be noted that the wholesale market price given is less than the ex-Mill price, whereas normally it would be at least 2 annas per piece higher.

No. 32.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 313. Name of Mill : EDSU

Description of Sample : Bleached Mull, 819.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25·0	×	18	1·7	41·2	39·6	51	42·9

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25	×	18	1 $\frac{1}{2}$	36	42	52	42

<i>Price estimated by</i>	<i>Price in India as estimated by</i>	<i>Actuals as ascertained by M. O. A.,</i>
<i>U. K. Delegation.</i>	<i>U. K. Delegation.</i>	<i>Bombay.</i>

26·3 annas, delivered India, ex-duty.	1935—27·9 annas.	1935—Re. 1·12·6 $\frac{1}{2}$ ex-Mill.
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Remarks by Millowners' Association, Bombay.—The United Kingdom specification is considerably different from the actual manufacturing particulars.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 33.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 314. Name of Mill : Tata Mills.

Description of Sample : Bleached Nainsooks, 31238B.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
23·6	×	18	1·48	30·4	34·5	41·8	34

split.

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
23½	×	18	1·37	30	39	43	34

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

22·2 annas per piece.

22·0 annas per piece.

1935—23 annas *ex-Mill*.

Remarks by Millowners' Association, Bombay.—In this case again there are discrepancies in the manufacturing specification and price. The mill cloth is inferior in quality to that estimated for by the United Kingdom and the *ex-Mill* price higher than that given by the United Kingdom.

No. 34.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 302. Name of Mill : Century.

Description of Sample : Bleached Nainsook, 5418.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25·01	×	18	1·6	30·5	30	44	33

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25	×	18	1·25	30	40	45	33

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

26·2 annas per piece,
delivered India.

27 annas per piece.

22·75 annas per piece on 25th
November, 1935, *ex-Mill*.

Remarks.—Price has dropped
1 anna per lb. during last
12 months.

Sold in Bombay, Calcutta and
Madras.

Remarks by Millowners' Association, Bombay.—It will be noted that the United Kingdom specification is for a cloth 28 per cent. heavier than that actually being manufactured. It seems possible that in this case a wrong sample has been sent, as the price is also widely out from actuals.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 35.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 303. Name of Mill : Tata Mills.
Description of Sample : Bleached Nainsook, 31260B.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
24.8	×	18	1.48	29.8	39	42	34

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
24½	×	18	1.50	30	39	44	34

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>	<i>Ex-Mill. Annas.</i>
23.0 annas per piece.	26.5 annas per piece.		

1934	25
1935 (stock clearance)	21

Remarks by Millowners' Association, Bombay.—The particulars given by United Kingdom are substantially correct as to specification. The last sale by the mill gives an indication of the selling pressure in India keeping the price of this cloth very low. To the ex-Mill prices must be added one anna per piece freight to Calcutta.

No. 36.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 304. Name of Mill : Edsu.
Description of Sample : Bleached Nainsook, 9915.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
24.9	×	18	1.55	35.9	43.9	52	42

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25	×	18	1½	36	42	52	42

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>	<i>ex-Mill,</i>
26.5 annas per piece, delivered India, ex- duty.	1935—29.2 annas.	1935—Rs. 1.12.6½	
		<i>Remarks.</i> —Sold for Calcutta.	

Remarks by Millowners' Association, Bombay.—The particulars are substantially correct, but allowance must be made for at least one anna per piece freight from Bombay to Calcutta.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 37.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 305. Name of Mill : Kohinoor.

Description of Sample : White Nainsook, 1744.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
28.4	×	18	1.40	35.7	37.5	46

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25	×	18	1½	36	32	44

Price estimated by U. K. Delegation. *Price in India as estimated by U. K. Delegation.* *Actuals as ascertained by M. O. A., Bombay.*

24.4 annas per lb.	1935—28 annas per lb.	Per lb.
		Rs. A. P.
		1934 . . . 1 8 0
		1935 . . . 1 7 6
		Made from Indian cotton.

Remarks by Millowners' Association, Bombay.—The ends and pick in the United Kingdom specification are too high. From the United Kingdom specification we cannot recognise which quality of Kohinoor 1744 has been analysed in cases B. 311 and C. 305.

No. 38. नयने

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 321. Name of Mill : Standard.

Description of Sample : Bleached Mull, 168.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
62.3	×	20	3.48	37.2	59.2	59

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Confirmed as approximately correct.

Price estimated by U. K. Delegation. *Price in India as estimated by U. K. Delegation.* *Actuals as ascertained by M. O. A., Bombay.*

71.9 annas per piece, delivered India, ex-duty.	1935—75 annas per piece.	Confirmed by Mill.
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REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 39.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 323. Name of Mill : Kohinoor.

Description of Sample : Bleached Mull, 848.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44.3	×	20	2.22	30.9	38.5	57.3
						45.6

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44	×	20	30	40	58	46

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

56.7 annas, delivered India, ex-duty.	1935—62.8 annas.					<i>Ex-Mill. Annas.</i>
				1934	.	59
				1935	.	63

Remarks. by Millowners' Association, Bombay.—Substantially correct.

No. 40.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 325. Name of Mill : Morarjee Goculdas.

Description of Sample : Bleached Mull, 6565.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44	×	20	3.64	29.6	35.1	55.2
						45.8

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44	×	20	3.5	30	40	56
						48

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

50.6 annas per piece.	57 annas per piece.	Quality manufactured for the first time in December, 1934, at Rs. 3-11-0 per piece ex-Mill. The quality has since been stopped.
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Remarks by Millowners' Association, Bombay.—The making particulars are slightly at variance with the actuals given by the mill. So, it is obvious that this cloth was made only as an experiment and that it proved uneconomic,

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 41.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 327. Name of Mill : Pralhad.

Description of Sample : Bleached Mull, 6666.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
48	×	20	4-15	36	26	68	48

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
47	×	20	4- $\frac{1}{16}$	40	30	66	42

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
59-7 annas per piece, delivered India, ex- duty.	1935—60-00 annas.	1935—Rs. 4-10-1 $\frac{1}{2}$ per piece. <i>Remarks.</i> —Only made once—then discontinued.

Remarks by Millowners' Association, Bombay.—The making particulars given by United Kingdom are very much out from the actuals and are for a much more costly cloth. The price data given for the Indian cloth by the United Kingdom Delegation is inaccurate.

No. 42.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 328. Name of Mill : Pralhad Mills.

Description of Sample : Bleached Mull, R. B. 4.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
48	×	20	2-51	36	30	64	56

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
47	×	20	.	40	40	62	52

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
60 annas per piece, delivered in India, ex-duty.	1935—60 annas per piece.	Rs. 4-7-8 per piece <i>ex-Mill</i> . Only made once, then discon- tinued.

Remarks by Millowners' Association, Bombay.—The particulars given by United Kingdom both as regards specification and price are incorrect. If United Kingdom can make a cloth to their specification for 60 annas delivered India, their cost of the correct specification would be much less than the *ex-mill* sale of 71 annas 8 pies.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 43.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 320. Name of Mill : E. D. S. U.

Description of Sample : Bleached Mull, 4544.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44.8	×	20	1.8	56	58.4	56
						42

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44	×	20	..	56	56	58
						42

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

40.5 annas, delivered
India, ex-duty.

1935—46.00 annas.

Ex-Mill.

Rs. A. P.

1934 . . . 3 2 0

1935 . . . 2 15 6

Remarks.—Sold for Calcutta.

Remarks by Millowners' Association, Bombay.—On making allowance for the slight difference in width the specification is substantially correct. Freight to Calcutta must be added to the ex-mill price.

No. 44.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 500. Name of Mill : Bombay Dyeing.

Description of Sample : Piece Dyed Shirting, Charka Tickets (RR).

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
38.6	×	40	7.99	23.7	25.8	58
						48

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
38/39	×	40	8	24	28	56
						48

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

149.2 annas, ex-duty, delivered India.

Average price,
ex-Mill.

Rs. A. P.

1931 . . . 11 4 4³/₄

1932 . . . 10 11 2

1933 . . . 10 2 0

1934 . . . 10 5 0

1935 . . . No sale.

Last Sale—

27th Nov.

ember,

1934 . . . 10 2 0

Remarks by Millowners' Association, Bombay.—The United Kingdom specification for a slightly better cloth. Note the wrong prices given for Indian cloth sale by United Kingdom.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—*contd.*

No. 45.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 501. Name of Mill : Khatau Nakanji.
Description of Sample : Dyed Shirting, 3027.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
27	×	39	3.33	29.8	37.8	38.2	38.4

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
26/27	×	39	3.33	30	40	38	40

<i>Price estimated by</i> <i>U. K. Delegation.</i>	<i>Price in India as estimated by</i> <i>U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A.,</i> <i>Bombay.</i>
72.2 annas per piece, delivered India, ex- duty.	1935—59 annas per piece.	1935—Latest 56 annas. <i>Remarks.</i> —Manufactured only since 1934.

Remarks by Millowners' Association, Bombay.—Specifications approximately correct.

No. 46.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 502. Name of Mill : Khatau Nakanji.
Description of Sample : Dyed Shirting, 13000.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
27.7	×	39	5.42	20.7	28.	47.3	40

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
28	×	39	5.42	20	28	48	40

<i>Price estimated by</i> <i>U. K. Delegation.</i>	<i>Price in India as estimated by</i> <i>U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A.,</i> <i>Bombay.</i>
90.2 annas per piece, delivered India, ex- duty.	1935—80.0 annas per piece.	1935—Latest 80 annas per piece.

No. 47.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 503. Name of Mill : Tata Mill.
Description of Sample : Dyed Shirting, 3931.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
15.8	×	30	1.37	35.4	38.3	38	30.4

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
15.5	×	30	1.31	36	44	39	30

<i>Price estimated by</i> <i>U. K. Delegation.</i>	<i>Price in India as estimated by</i> <i>U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A.,</i> <i>Bombay.</i>
31.5 annas per piece.	24.00 annas.	<i>Ex-Mill,</i> <i>per piece.</i> <i>Annas.</i>

1933	.	.	22
1934	.	.	24
1935	.	.	24

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—*contd.*

No. 48.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 504. Name of Mill : Tata Mill.

Description of Sample : Dyed Shirting, 2779.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
25.9	×	39	4.95	29.6	29.2	55	39.8

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
26	×	39	4.93	30	30	57	40

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
74.3 annas per piece.	75 annas per piece.	1934—74.5 annas per piece (stock clearance).
		1935—75.25 annas.

No. 49.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 505. Name of Mill : Simplex.

Description of Sample : Dyed Shirting, 42500.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
37.4	×	38/39	6.63	20.6	22.7	39.5	30.5

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
37.4	×	38/39	..	21	28	40	32
(grey).							

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
86.4 annas, ex-duty, delivered India.	1935—81 annas mill price.	12½ annas per lb. <i>ex-Mill</i> in 1934 and 1935. About 30/40 Bales sold each year to keep number in market.

Remarks by Millowners' Association, Bombay.—Specification given by United Kingdom is for a more expensive cloth than being made by the Mill. Note mill remarks regarding their sale.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 50.

INDIAN SAMPLE PARTICULARS.

No. of Samples : B. 531. Name of Mill : Buckingham.

Description of Sample : Tussore Poplin.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Wt. per sq. yd.	Warp.	Weft.	Ends.	Pick.
28	..	7 ozs.	2/60·9	3/21·2	144	36

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
27/28 ×	24	7½	2/60	3/24	144	40

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M.O. A., Bombay.</i>
10·44 annas per yard, delivered India, ex- duty.	1935—9·5 annas per yard ex-Mill.	Average price last two years— Rs. 14·4·0 per piece or 9 annas 6 pies a yard. Latest—Rs. 14·12·0 per piece or 9 annas 10 pies a yard.

No. 51.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 401. Name of Mill : Standard.

Description of Sample : Printed Shirting, M. 600 C.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft	Ends.	Pick.
27 ×	40	3·69	42·9	51·3	68·8	46·6

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Specification approximately correct.

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
102·4 annas per piece, delivered India, ex- duty.	1935—90 annas per piece.	1935—Latest 70 annas per piece as against 90 annas for last 5 years.

Remarks by Millowners' Association, Bombay.—No comment except possibly to the fastness of the dye. The Indian print is definitely *not* in any way fast.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 52.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 420. Name of Mill : E. D. S. U.

Description of Sample : Chocolate Jean, E. 2761 B.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends	Pick.
27·1	×	30	4·06	37·3	41·7	80·7	48·9

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
26/27	×	30	..	36	42	80	48

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
89·4 annas per piece, delivered in India, ex-duty.	1935—90·00 annas per piece.	1934—3 annas 3½ pies per yard, ex-Mill.

Remarks by Millowners' Association, Bombay.—No comments—specification substantially correct.

Sale price by mill was 98·7 annas, not 90 annas.

No. 53.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 421. Name of Mill : Standard Mills Co., Ltd.

Description of Sample : Chocolate Jean, 786.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
27·6	×	30	5·51	30·6	40·6	95·5	35·5

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
28	×	30	3·94	40	40	104	40

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
3·14 annas per yard, delivered in India, ex-duty.	1935—3·25 annas per yard.	1935—Rs. 5-10-0 per piece, ex-Mill. This price compares with an average of Rs. 6-1-6 per piece over the last five years.

Remarks by Millowners' Association, Bombay.—Specification considerably different from actual, and for a more costly cloth 40 per cent. heavier than the mill quality.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 54.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 602. Name of Mill : Buckingham & Carnatic Co., Ltd.

Description of Sample : Yarn Dyed Shirting.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Per sq. yd.	Warp.	Weft.	Ends.	Pick.
31	..	3.46 ozs.	36.2	35.3	114.7	59

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
30/31	24	4 $\frac{2}{16}$	36	40	110	60

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

6.87 annas per yard, 1935—6.75 annas per yard.
ex-duty, delivered
in India.

Average for last two years—6 an-
nas 10 pies per yard.
Latest price—6 annas 8 pies a
yard.

Remarks by Millowners' Association, Bombay.—The specification is substantially correct. This Indian cloth is made in very large quantities which greatly reduce the price from the usual small quantity estimated for by United Kingdom shippers.

No. 55.

INDIAN CLOTH PARTICULARS.

No. of Sample : C. 600. Name of Mill : Tata Mills Ltd.

Description of Sample : Artificial Silk Striped Susi, 9237.

Particulars as given by U. K. Delegation.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
28 ×	24	4.18	20.6	29.3	61	49

Actual particulars as ascertained by M. O. A., Bombay.

Ins.	Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
27 ×	24	4.31	22s 2/40s.	30s	60	48

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

98.9 annas per piece.

90 annas per piece.

1934—77 annas per piece, ex-M ill
1935—Not sold.

Remarks by Millowners' Association, Bombay.—Particulars of specification are substantially correct. Although the mills have given quotation in 1935, it will be noted that no business has been done.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 56.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 100. Name of Mill : Kohinoor.

Description of Sample : Grey Yarn, 32s.

Particulars as given by U. K. Delegation.

Strength Test—57·2 lbs.

Actual particulars as ascertained by M. O. A., Bombay.

Strength Test—45 lbs.

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A. Bombay.</i>	<i>Ex-Mill. Rs. A. P.</i>
1935—11·11 annas, ex- duty, delivered India.	1935—10·75 annas.		
		1933 . . .	0 9 6
		1934 . . .	0 10 3
		1935 . . .	0 10 6

Remarks.—The test for 32s is 45 lbs. The 57·2 lbs. indicated by U. K. probably refers to a special lot of 32s spun from American cotton 2 years ago. The price of this quality was 11 annas 6 pies. The comparison, therefore, is not appropriate.

Remarks by Millowners' Association, Bombay.—The United Kingdom cost appears excessive in view of Manchester quotation. Textile Weekly quotation 4th November 1935—32 Ring (bundles) is 10½d. Manchester—9·4 annas.

No. 57.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 103. Name of Mill : Kohinoor.

Description of Sample : Grey Yarn, 40s.

Particulars as given by U. K. Delegation.

Strength test—59 lbs.

Actual particulars as ascertained by M. O. A., Bombay.

Strength Test—57 lbs.

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>	<i>Ex-Mill.</i>
1935—15·11 annas, ex- duty, delivered India.	1935—14·03 annas.		
		1933—13 annas.	
		1934—13 annas 8 pies.	
		1935—15 annas.	

Remarks.—Made out of Egyptian cotton and sold in small quantities.

Remarks by Millowners' Association, Bombay.—Reference is directed to the quotation for United Kingdom yarns published in the Textile Weekly (copy enclosed).

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 58.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 107. Name of Mill : Kohinoor.

Description of Sample : Grey Yarn, 50s.

Particulars as given by U. K. Delegation.

Strength Test—40 lbs.

Actual particulars as ascertained by M. O. A., Bombay.

Strength Test—45 lbs.

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>	<i>Ex-Mill. Rs. A. P.</i>
15-12 annas, delivered India, ex-duty.	1935—15-94 annas.		
		1933 . .	1 0 0
		1934 . .	0 14 10
		1935 . .	0 15 11
		Latest . .	1 0 0

Remarks by Millowners' Association, Bombay.—Reference is directed to the yarn quotations in the Textile Weekly as a check on United Kingdom estimated costs.

No. 59.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 108. Name of Mill : Textile.

Description of Sample : Grey Yarn, 50s.

Particulars as given by U. K. Delegation.

Strength Test—40-8 lbs.

Actual particulars as ascertained by M. O. A., Bombay.

Strength as mentioned by U. K.—more or less correct.

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>	
14-85 annas per lb., ex-duty.	1935—15-22 annas per lb.		Annas.
		1933 . .	14-25
		1934 . .	14-80
		1935 . .	14-82
		Latest . .	15-00

Remarks by Millowners' Association, Bombay.—Reference is directed to quotations in Textile Weekly. The United Kingdom estimate of cost seems excessive in view of Manchester yarn quotations for 60s Ring Bundles—the nearest count quoted. Textile Weekly, 4th November, 1935 : 60s is 16½d. per lb. (15½d. American)=14-68 annas.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 60.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 109. Name of Mill : New City Mill.

Description of Sample : Grey Singles, 50s.

Particulars as given by U. K. Delegation.

Strength Test—33·7 lbs.

Actual particulars as ascertained by M. O. A., Bombay.

....

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
14·36 annas per lb.,	1935—14·94 annas per lb.	The mills have not sold any 50s
delivered India, ex- duty.		yarn for more than a year.

No. 61.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 200. Name of Mill : Kohinoor.

Description of Sample : Bleached Yarn, 2/28s.

Particulars as given by U. K. Delegation.

Strength test—155·8 lbs.

Actual particulars as ascertained by M. O. A., Bombay.

Estimate correct.

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>	<i>Ex-Mill. Rs. A. P.</i>
1935—16·13 annas per lb., delivered India, ex-duty.	1935—15 annas per lb.		
		1933 . . .	0 14 8
		1934 . . .	0 14 5½
		1935 . . .	0 15 1

Remarks by Millowners' Association, Bombay.—Reference is directed to the quotations for United Kingdom yarns in the Textile Weekly. This mill is working double shift for the production of this yarn.

No. 62.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 202. Name of Mill : Bombay Dyeing.

Description of Sample : 2/28 Bleached Yarn.

Particulars as given by U. K. Delegation.

Strength Test—144·5 lbs.

Actual particulars as ascertained by M. O. A., Bombay.

Test correct.

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>	<i>Ex-Mill. Annas.</i>
15·15 annas per lb.,	1935—13·89 annas per lb.		
delivered India, ex- duty.		1935 . . .	13·75
		Latest . . .	13·50

Remarks.—This yarn only manufactured this year.

Remarks by Millowners' Association, Bombay.—Reference is directed to Textile Weekly quotations as a check on United Kingdom estimated price. This mill is working double shift for the production of this yarn.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—contd.

No. 63.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 1002. Name of Mill : Simplex Mills Co., Ltd.

Description of Sample : Artificial Silk (591).

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
26.7	×	40	4.75	28	92.4	72	60
					Deniers.		

Actuals particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
27	×	40	5	30s	100	70	60
					Deniers.		

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
5.33 annas per yard, ex-duty, delivered in India.	1935—4.0 annas per yard ex-Mill.	1934—4 cases at 4 annas 4½ pies. 1935—6 cases at 4 annas 4½ pies. Now offered by bazaar 3½ annas —not sold.

Remarks by Millowners' Association, Bombay.—The specification is approximately correct, but the price given by United Kingdom is not correct. Note the price now offered by Bazaar dealers for further business. This is on account of very cheap sales of Japanese fabrics and particularly Japanese fents.

No. 64.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 1003. Name of Mill : Simplex Mills Co., Ltd.

Description of Sample : Artificial Silk (767).

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
30.1	×	40	5.54	47.2	101	92	57
					200 D. White. 265 D. Red.	Deniers.	

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
29	×	40	6	44	100	88	56
					Deniers.		

<i>Price estimated by U. K. Delegation.</i>	<i>Price in India as estimated by U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A., Bombay.</i>
6.29 annas per yard, ex-duty, delivered in India.	1935—5.0 annas per yard, ex-Mill.	1934—Not made.
		ex-Mill. As. p. 1935 5.6 5.3

No sales now. No offer.

Remarks by Millowners' Association, Bombay.—The specification given are approximately correct, but it will be noted that this quality was only sold twice and that the quality is no longer saleable.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—*contd.*

No. 65.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 1004. Name of Mill : The Simplex Mills Co., Ltd.

Description of Sample : Artificial Silk (686 B).

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
29-1	×	40	5-80	29-2 (186 D.)	37-6	83	46

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
30	×	40	6½	30s	40s	68 (reed). 74	44

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

3-92 annas per yard, ex-duty, delivered in India.	1935—3-67 annas per yard, ex-Mill.	See note below. 1934—ex-Mill 3 annas 9½ pies a yard. 1935 (January)—ex-Mill 4 annas a yard. No sale since.
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NOTE.—The cloth was originally 80 reed and 52 pick. In 1933, reduced to 72 reed and 48 pick. In 1934, reduced to 68 reed and 44 pick.

It is obvious from the particulars given by the mill, in respect of the alteration in this quality, that United Kingdom have put the wrong sample against the mill selling price. This cloth was sold in a range of patterns at an average price and the pattern selected by United Kingdom is the most costly.

No. 66.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 1007. Name of Mill : Simplex Mills Co., Ltd.

Description of Sample : Artificial Silk (Y 383).

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
44-6	×	30	5-48	55-5	150 D.	65	73

Actual particulars as ascertained by M. O. A., Bombay.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
42	×	30	5 ⅝	60	150 D.	66	72

*Price estimated by
U. K. Delegation.*

*Price in India as estimated by
U. K. Delegation.*

*Actuals as ascertained by M. O. A.,
Bombay.*

7-43 annas per yard, ex-duty, delivered in India.	1935—7-25 annas per yard, ex-Mill.	Ex-Mill, per yard. As. P. 1932 . . 10 1½ 1933 . . 8 7½ 1934 . . 7 10½ 1935 . . No sale.
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Remarks by Millowners' Association, Bombay.—The specification given by United Kingdom is approximately correct except as regards width. Note that there were no sales in 1935. There have been several stock clearance sales of similar cloth during 1934-35 at very low rates.

REPRESENTATION SUBMITTED BY THE UNITED KINGDOM DELEGATION
—concl'd.

No. 67.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. 1008. Name of Mill : Simplex Mills Co., Ltd.
Description of Sample : Artificial Silk.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
43.3	×	30	4.92	45.5	150 D.	76	54

Actual particulars as ascertained by M. O. A., Bombay.
Not Simplex Quality.

<i>Price estimated by</i> <i>U. K. Delegation.</i>	<i>Price in India as estimated by</i> <i>U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A.,</i> <i>Bombay.</i>
6.50 annas per yard, ex-duty, delivered in India.	6.25 annas per yard, ex-Mill.	....

Remarks by Millowners' Association, Bombay.—We cannot check this quality as it is not made by the Simplex Mills. See remarks on C. 1007.

No. 68.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 1013. Name of Mill : Simplex Mills Co., Ltd.
Description of Sample : Artificial Silk.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
45.9	×	30	5.00	47.4	151 D.	68	52

Actual particulars as ascertained by M. O. A., Bombay.
Not Simplex.

<i>Price estimated by</i> <i>U. K. Delegation.</i>	<i>Price in India as estimated by</i> <i>U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A.,</i> <i>Bombay.</i>
7.04 annas per yard, ex-duty, delivered in India.	1935—5.0 annas per yard, ex-Mill.	....

Remarks by Millowners' Association, Bombay.—We cannot check this quality as it is not made by the Simplex Mills. See remarks on C. 1007.

No. 69.

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. 1014. Name of Mill : Madhowji Dharamsey Manufacturing Co., Ltd.
Description of Sample : Artificial Silk.

Particulars as given by U. K. Delegation.

Ins.		Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
45.8	×	30	4.96	47.1	153 (Denier). 36 cotton.	69	53

Actual particulars as ascertained by M. O. A., Bombay.

<i>Price estimated by</i> <i>U. K. Delegation.</i>	<i>Price in India as estimated by</i> <i>U. K. Delegation.</i>	<i>Actuals as ascertained by M. O. A.,</i> <i>Bombay.</i>
6.95 annas per yard.	4.5 annas per yard.	Not manufactured by Mill specified.

Remarks by Millowners' Association, Bombay.—We cannot check this quality.

(10) Letter No. 3336/168 of 1935, dated the 20th December, 1935, from the Millowners' Association, Bombay.

As requested by Dewan Bahadur Ramaswami Mudaliar during the course of the oral examination of the Association yesterday, I am submitting a statement showing the number of mills which are quoting for the relative cloths shown in our current quotations. I should again like to make it clear that the prices given in this statement are quotations only and do not necessarily represent real business. In almost all cases, quotations are higher than the figures for actual business. Another point which I should like to make is that the cloths specified in the list represent a very small proportion of the total outturn of cloth by the industry.

Enclosure.

This commenced from 1935.

THE MILLOWNERS' ASSOCIATION, BOMBAY.

Average quotations for local made piecegoods and yarns.

Friday, 29th November, 1935.

						Number of Mills whose quotations are included in the average.
PIECEGOODS.	Inches.	Yards.	Lbs.	Per lbs.	Rs. A. P.	
<i>Grey Unbleached.</i>						
* Longcloth (standard quality)	37	37½	9	"	0 9 10	4
" (fine quality)	44	38	7½	"	0 15 0	3
* Shirtings	35	38	9	"	0 9 8	5
" (vegetable quality)	37	37½	9	"	0 9 3	5
Leopard Cloth	43	38	11½	"	0 9 6	4
* Dhories (up to ½" nakhi border) (Calcutta, ¾" P. B.)	32	9	1½	"	0 9 10	2
"	44	10	1½	"	0 14 7	5
* Drills	29½	40	13½	"	0 8 7	3
Domestics	35	40	13½	"	0 8 6	4
"	35	40	12	"	0 8 6	3
* Salita	40	66	25	"	Not quoted.	
* Chadars	50	6	2½	"	0 10 0	2
<i>White Bleached.</i>						
Longcloth	34	40	..	Per piece.	10 6 6	2
Drill	27	42	..	"	8 5 0	2
<i>YARN.</i>						
* 4s (all waste) . . . . .	..	..	..	Per lb.	Not quoted.	
* 6½s ( " ) . . . . .	..	..	..	"	Not quoted.	
* 8½s . . . . .	..	..	..	"	0 5 7	3
* 10½s . . . . .	..	..	..	"	0 6 0	5
* 12½s . . . . .	..	..	..	"	0 6 5	5
* 16s . . . . .	..	..	..	"	0 7 7	3
* 20s . . . . .	..	..	..	"	0 8 3	6
* 24s . . . . .	..	..	..	"	0 9 1	3
* 32s . . . . .	..	..	..	"	0 10 6	5
40s . . . . .	..	..	..	"	0 11 9	2
60s . . . . .	..	..	..	"	1 1 1	3
80s . . . . .	..	..	..	"	Not quoted.	

* Indicates the classifications for which quotations were published before 1935.

(11) Letter No. 3383/168 of 1935, dated the 27th December, 1935, from the Millowners' Association, Bombay.

I am directed to invite your attention to your letter No. 808,* dated the 10th instant, with which was furnished certain supplementary samples submitted to the Board by the United Kingdom Delegation and particulars relating thereto. These samples were subsequently examined by the Association's experts and a note out-lining the results thereof was submitted by me for the information of the Board. For ready reference, I enclose a copy of the note.

I have since been in communication with members of my Association in regard to Indian samples Nos. 1, 4, 5, 6, 7, 8 (a), 9 and 14 and enclose herewith a statement showing the actual warp and weft, reed and pick, the latest selling price and the bare cost* of manufacture of each Indian sample. In this connection, I have to explain that the term "bare cost" used by me in the statement does not include any allowance for depreciation, interest on working capital, Managing Agents' commission or profit.

Enclosure No. 1.

NOTES ON SUPPLEMENTARY SAMPLES SUBMITTED BY UNITED KINGDOM.

Packet No.

1. The Indian sample is a printed mull and cannot be compared against the United Kingdom cloth made from highly twisted (voil) yarn. The United Kingdom cloth would be more costly. The United Kingdom price appears to be merely a quotation and not actual business.
2. We cannot check the origin of this cloth, but judging by the price given we should imagine it to be a fent. In any case the cloths are not comparable. The United Kingdom price appears to be merely a quotation and not actual business.
3. The Indian cloth is of a heavier and better construction than the United Kingdom. We cannot check the price data for either cloth, but the United Kingdom price appears to be a quotation only.
4. Cloths not comparable. The United Kingdom cloth is much superior and made from white yarn.
5. The cloths are not comparable. The United Kingdom cloth would always command a higher price being made from yarn with voils twist whereas the Indian cloth is made from ordinary yarn. The printing and finish of the United Kingdom cloth is also superior.

It may be noted that the United Kingdom cloth is still selling regularly in competition with Indian cloth although the price is higher.

6. The Indian cloth is a weighted "back filled" cloth, whereas the United Kingdom sample is a finer finish and the United Kingdom cloth would always command a higher price despite the light finished weight.
7. Although lighter in weight the United Kingdom cloth is superior in finish and of more costly construction. It would sell against a superior quality of Indian Nainsook.

The difference between United Kingdom sale on 25th April, 1934, and quotation on 28th November, 1935, will be noted.

8. The Indian cloths are superior value at the prices quoted. It would appear that the Indian cloth is being sold to meet Japanese competition. Further particulars are being obtained. The United Kingdom sale quotation is very old one.
9. The Indian cloth is not comparable and a much closer match to the United Kingdom cloth could be obtained. The United Kingdom

* Not printed.

Packet No.,

price appears to be a quotation only. Note metallic heading in United Kingdom cloth.

10. The cloths are not comparable either in construction or in finish—the Indian cloths are much inferior. Note metallic heading in United Kingdom cloth.
11. The cloths are not closely comparable either in construction or finish. The United Kingdom cloth should be matched against a better quality Indian cloth.
12. These are fairly good match as regards weight, but the construction of the United Kingdom cloth is rather superior. The United Kingdom price given is only a quotation. Note woven metallic heading in United Kingdom cloth.
13. The cloths are comparable on the basis of prices given, but the Indian cloth is little value. The United Kingdom price appears to be an approximate quotation only.
14. Not comparable. The United Kingdom cloth is a much superior product and should be matched against a better quality Indian cloth.
15. The cloths are not comparable, nor can we check the origin of the Indian cloth. According to the Bombay Customs the wholesale bazar prices of the United Kingdom cloth is 6 as. 6 pies per yard. Full pieces can be sent if necessary.
16. A mistake appears to have been made as we do not find any Indian cloth in the packet, but two identical samples of United Kingdom cloth. We have not taken out particulars of the Japanese sample.

Enclosure No. 2.

MAKING PARTICULARS OF SUPPLEMENTARY UNITED KINGDOM SAMPLES AS ASCERTAINED BY THE MILLOWNERS' ASSOCIATION, BOMBAY.

Ind. Sample Number.	Weight per square yard.	Ends.	Pick.	Warp.	Weft.	U. K. Sample Number.	Weight per square yard.	Ends.	Pick.	Warp.	Weft.
1	1-60	54	44	34	52	1	1-20	55	42	60	52
2	3-04	84	58	32	45	2	2-20	68	52	41	40
3	3-84	68	54	20	25	3	2-56	68	60	43	24
4	2-12	48	42	20	34	4	2-08	64	56	32	49
5	1-88	62	52	62	51	5	1-52	59	52	52	45
6	4-00	88	72	31	30	6	3-52	79	74	32	36
7	2-40	56	42	36	24	7	1-92	62	46	39	40
8a	1-92	52	46	35	34	8	1-44	50	40	46	44
8b	2-32	58	42	21	29	9a	2-08	72	56	42	49
						9b	1-92	72	56	42	48
9	1-92	60	46		44	9c	1-96	72	62	40	50
						9d	2-00	72	64	43	52
10a	1-84	54	42	33	44	10a	1-78	71	52	41	58
10b	1-88	61	40	36	40	10b	1-92	72	52	41	52
11	2-08	46	36	28	30	11	1-44	56	39	45	48
12	1-84	61	50	40	45	12	1-60	60	56	48	52
13	1-52	60	46	38	64	13	1-20	54	40	50	66
14	2-00	46	36	26	26	14	1-56	55	45	50	52
15	2-96	58	72	30	Art. Silk 165 Deniers	15	2-08	70	56	60	Art. Silk. 132 Deniers
16	2-72	110	64	125	Art. Silk. 156 Deniers.	16	2-88	104	58	146	Art. Silk. 132 Deniers.

Enclosure No. 3.

SUPPLEMENTARY LIST OF SAMPLES FURNISHED BY THE

Serial No. of Indian Sample.	AS GIVEN BY THE UNITED KINGDOM DELEGATION.						
	Cloth.	Trade Number.	Dimensions.	Reed.	Pick.	Sale Price.	Date of price.
	<i>The E. D. Sasson United Mills.</i>						
1	Printed Voilette . . .	..	Ina. Yds. 44"	54	44	Re. 0-3-9 a yard.	29th Nov., 1935.
8(a)	White Nainsooks . . .	6414	25 × 18	..	..	Rs. 1-10-0 a piece.	Nov., 1935
	<i>The Bombay Cotton Mfg. Co., Ltd.</i>						
7	White Nainsooks . . .	58058	44 × 20	56	40	Rs. 3-10-0 a piece.	Nov., 1935
	<i>The Kohinoor Mills Co., Ltd.</i>						
9	White Mulls . . .	852	48 × 20	..	..	Rs. 3-14-6 a piece.	Nov., 1935
14	White Nainsooks . . .	3644	34 × 18	..	..	Rs. 2-6-0 a piece.	3rd Dec., 1935.
	<i>The Khatau Makanji Spg. and Wvg. Co., Ltd.</i>						
4	Tape Bordered Scarf . .	9525	41 × 2/5	48	40	As. 10 a pair.	Nov., 1935
5	Ombre Voilette . . .	..	44 × 30	61	52	Its. 0-4-3 a yard.	Oct./Nov., 1935.
6	White shirtings . . .	800	34 × 42	88	72	Rs. 10-2-0 a piece.	Nov., 1935
	<i>The Century Spg. and Mfg. Co., Ltd.</i>						
11	White Nainsooks . . .	25	25 × 18	..	..	Rs. 1-8-0 a piece.	3rd Dec., 1935.

UNITED KINGDOM DELEGATION TO THE TARIFF BOARD.

AS ASCERTAINED BY THE MILLOWNERS' ASSOCIATION, BOMBAY.

Cloth.	Trade Number.	Dimensions.	Reed.	Pick.	Warp.	Wet.	Sale price.	Date of price.
Mock Voile . . .	..	Ins. Yds. 44 × 120	48	44	38	60	4 annas a yard.	6th Dec., 1935.
White Nainsooks . .	..	27 × 18	44	42	38	44	28-75 a piece.	10th July, 1935.
The Mills report that they do not manufacture White Nainsooks at all.								
White Mulls . . .	852	48 × 20	52	46	30	40	Date of last sale. 6th Dec., 1935. (Only 3,440 pieces made.)	Realiza- tion. 67-5 as.
White Nainsooks . .	3644	35 × 18	40	30	30	40	17th Jan., 1935. (Only 4,800 pieces made.) Selling price.	35-50 as.
Tape Bordered grey scarf	9525	42 × 2/5	48	40	32	42	10-94 as. ex-mill. (Not made for last two years.)	
Mock Voile . . .	..	44*	61	50	60	55	5-37 as. a yd.	
White Shirtings*	800	34/35 × 41	84	70	32	32	Rs. 10-0-0 a piece.	
White Nainsooks . .	6418	29 × 18* 1 7 1/2 lbs. 16	40	33	30	40	Sale price. 28-5 annas a piece.	Date of last sale. 8th March 1935.

* Was manufactured against Japanese 800, and not made since 1934.

(12) *Letter No. 83/168 of 1936, dated the 9th January, 1936, from the Millowners' Association, Bombay.*

I am directed to acknowledge receipt of your letter* No. 840, dated the 25th December, 1935, with which was forwarded certain United Kingdom and Indian samples furnished to the Board by the Karachi Chamber of Commerce and the Delhi Piecegoods Merchants' Association.

As desired by the Board, I enclose herewith 4 copies of a statement containing our observations on the samples submitted by the Karachi Chamber of Commerce. Wherever possible, the particulars and price data for Indian samples furnished by the Chamber have been compared against the actuals furnished by the mills concerned. The bare cost of manufacture in each case has also been added as desired by the Board.* In the case of cloths manufactured by non-member mills, results of the rough analysis of the cloths made by our technical experts have been shown to enable the Board to arrive at conclusions as to the comparability of the United Kingdom and Indian cloths mentioned by the Chamber. In this connection, I beg to point out that the term "bare costs" used in this statement means that no provision has been made for interest on working capital, depreciation, Managing Agent's commission and profit.

On going through the representation submitted by the Karachi Chamber of Commerce, I find that reference has been made to 5 statements and 5 sets of samples, but only 4 sets of samples appear to have been forwarded to us.

As regards the Indian samples submitted by the Delhi Piecegoods Merchants' Association, our experts have examined the cloths in question, but as no clue is available as to the identity of the mills where the samples have been manufactured, it is very difficult to verify the data furnished by the Delhi Piecegoods Merchants' Association or submit any observations thereon. Even a comparison on the basis of the rough analysis made by our own experts does not appear to be practicable in view of the fact that in one or two instances, the cloths which are marked respectively Indian and United Kingdom appear in fact to be cuttings from the same piece of the cloth.

I return herewith the samples received from the Board.

* Not printed.

Enclosure.

REPRESENTATION SUBMITTED BY THE KARACHI CHAMBER OF COMMERCE.

No. 1.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : A. (Statement No. 1).

Description of Sample : White Dhoty (300).

INDIAN SAMPLE PARTICULARS.

No. of Sample : A. Name of Mill : Ahmedabad Advance Mills.

Description of Sample : White Dhoty (5351).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
46 × 2/8	68	56	45 × 2/8	..	..	..	..

Particulars as given by Chamber.

Lbs.	Warp.	Ends.	Pick.
..

Dimensions, as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	West.	Ends.	Pick.	Wt. per sq. yd.	Ins. Yds.	Ozs. per sq. yd.	Warp.	West.	Ends.
46 × 2/8	..	64	80	64	52	1-2 ozs.	42 × 8	1-68	40	60	60
											48

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Ozs. per sq. yd.	Warp.	Ends.	Pick.
42 × 8	1·68	40	60	48

Price data as given by Chamber.

Landed price (ex-duty)	Rs. 1-4-10 1/4.
Bazaar price	Rs. 1-10-0.

Price data.

<i>As given by Chamber.</i>	<i>Actuals.</i>
Karachi Bazaar price Rs. 1-6-0	Last sale Rs. 1-6-0 ex-Mill.
per piece.	

Remarks by Millowners' Association, Bombay.—The cloths are widely different in construction. The cotton for the United Kingdom white yarn Dhoty would be much more costlier per lb. than the cotton for the bleached Indian Dhoty and would more than offset the cost of bleaching. Note that the Mill give the width of their cloth as 42" only. For 46", the price of the Indian cloth would be approximately Rs. 1-8-1 per pair.

REPRESENTATION SUBMITTED BY THE KARACHI CHAMBER OF COMMERCE—*contd.*

No. 2.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : B. (Statement No. 1).

Description of Sample : Grey Dhoty (1001).

INDIAN SAMPLE PARTICULARS.

No. of Sample : B. Name of Mill : The Hindustan Spinning and Weaving Co., Ltd.

Description of Sample : Grey Dhoty (14218 $\frac{1}{4}$).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Ins. Yds.	Pick.
42 × 2 $\frac{3}{8}$	76	58	41 × 2 $\frac{3}{8}$	..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Wt. per sq. yd.
42 × 2 $\frac{3}{8}$..	30	54	72	52	2.88 ozs.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
41 × 2 $\frac{3}{8}$

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
41 × 2 $\frac{3}{8}$..	24	32	48	44

Price data as given by Chamber.

Landed price ex-duty, Karachi	Rs. 1-7-1 $\frac{1}{2}$.
Bazaar price, Karachi	Rs. 1-10-0.

As given by Chamber.

Actuals.

Karachi Bazaar price	Rs. 1-4-0.	Latest selling price	Rs. 1-5-6 ex-Mill.
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Remarks by Millowners' Association, Bombay.—The cloths are not comparable. There is a very wide difference in warp and weft counts and also in reed and pick between the two cloths. The United Kingdom cloth would always command a higher price than the Indian cloth. Note the difference between the price data given by the Karachi Chamber of Commerce and the actual ex-mill price.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : C. (Statement No. 1).

Description of Sample : Grey Dhoty (513).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
42 × 2/8	64	52

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Wt. per sq. yd.
..	..	34	54	60	48	2 ozs.

Price data as given by Chamber.

Landed price ex-duty, Karachi . . .	Rs. 1-3-11½.
Bazaar price	Rs. 1-4-0

Remarks by Millowners' Association, Bombay.—The cloths are not comparable in construction. The price data supplied by the Karachi Chamber of Commerce for the Indian cloth is again incorrect. The United Kingdom cloth would always command a higher price than the Indian cloth and is cheaper at the price given than the Indian cloth.

INDIAN SAMPLE PARTICULARS.

No. of Sample : C. Name of Mill : The Crown Spinning and Manufacturing Co., Ltd.

Description of Sample : Grey Dhoty (356).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
41 × 2/8

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Wt. per sq. yd.
41 × 2/8	..	24	32	40	36	2-72 ozs.

Price data.

<i>As given by Chamber.</i>	<i>Actuals.</i>
Karachi Bazaar price Re. 0-15-9.	Re. 1-0-0 ex-Mill (November, 1935).

REPRESENTATION SUBMITTED BY THE KARACHI CHAMBER OF COMMERCE—*contd.*

No. 4.				INDIAN SAMPLE PARTICULARS.			
ENGLISH SAMPLE PARTICULARS.				INDIAN SAMPLE PARTICULARS.			
No. of Sample : D. (Statement No. 1).				No. of Sample : D. Name of Mill : Arun Mills.			
Description of Sample : White Dhories (Prema Club).				Description of Sample : White Dhories (7011).			
<i>Dimensions, etc., as given by Chamber.</i>				<i>Particulars as given by Chamber.</i>			
Ins. Yds.	Lbs.	Warp.	Pick.	Ins. Yds.	Lbs.	Warp.	Pick.
43 × 2/8	..	..	70	49/50 × 2/8	..	..	..
<i>Dimensions, etc., as ascertained by M. O. A., Bombay.</i>				<i>Actual particulars as ascertained by M. O. A., Bombay.</i>			
Ins. Yds.	Lbs.	Warp.	Pick.	Ins. Yds.	Lbs.	Warp.	Pick.
43 × 2/8	..	62	54	49/50 × 2/8	..	62	72
			1-08 ozs.			84	60
			Wt. per sq. yd.				1-24 ozs.
							(Rough Analysis)
<i>Price data as given by Chamber.</i>				<i>Price data.</i>			
Landed price ex-duty, Karachi	..	..	Rs. 1-11-8.	<i>As given by Chamber.</i>			
Bazaar price	..	..	Rs. 2-5-0.	Karachi Bazaar price Rs. 2-2-0.			
<i>Remarks by Millowners' Association, Bombay.</i> —The Indian cloth is manufactured by a non-member mill and the prices and actual making particulars have not been checked. The bazaar price for the United Kingdom cloth appears to be too high judged by the landed price ex-duty.				Non-Member Mill.			
				<i>Actuals.</i>			
No. 5.				INDIAN SAMPLE PARTICULARS.			
ENGLISH SAMPLE PARTICULARS.				INDIAN SAMPLE PARTICULARS.			
No. of Sample : E. (Statement No. 1).				No. of Sample : E. Name of Mill : Model Mills (Nagpur), Ltd.			
Description of Sample : White Yarn Dhoty (795).				Description of Sample : White Yarn Dhories (738).			
<i>Dimensions, etc., as given by Chamber.</i>				<i>Particulars as given by Chamber.</i>			
Ins. Yds.	Lbs.	Warp.	Pick.	Ins. Yds.	Lbs.	Warp.	Pick.
38 × 2/7	..	..	68	38 × 2/7	..	..	..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
38 × 2/7	..	60	74	64	52
					1-24 ozs.

Price data as given by Chamber.

Landed price ex-duty, Karachi	Re. 0-15-7½.
Bazaar price, Karachi	Rs. 1-4-6.

Remarks by Millowners' Association, Bombay.—The cloths are widely different in construction. The United Kingdom cloth is much superior and we do not think that the cloths would be selling against each other.

ENGLISH SAMPLE PARTICULARS.

No. of Sample: F. (Statement No. 1).

Description of Sample: White Shirtings (Tuffan).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
34 × 40	2-8 ozs.

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
34 × 40	..	36	31	70	68
					2-8 ozs.

Price data as given by Chamber.

Landed price ex-duty, Karachi	Rs. 8-2-7.
Bazaar price, Karachi	Rs. 10-4-0.

Note by M. O. A., Bombay.—Cloth is plain bleached.

Remarks by Millowners' Association, Bombay.—At the prices given, the Indian mill cloth is better value. The cloths are roughly comparable.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
38 × 2/7	..	28	34	52	42
					2-56 ozs.
					(Rough Analysis).

Price data.

As given by Chamber.

Karachi Bazaar price Rs. 1-2-0. Details of selling price and bare cost not yet available.

Actuals.

INDIAN SAMPLE PARTICULARS.

No. of Sample: F. Name of Mill: Svadeshi Mills Co., Ltd.

Description of Sample: White Shirtings (3365).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
33 × 40

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
33/34 × 40	8	36	36	86	72

Price data.

As given by Chamber.

Karachi Bazaar price Rs. 8-12-0. Selling price on 29th October 1935, Rs. 8-12-0 ex-Mill.

Actuals.

Note by M. O. A., Bombay.—Cloth is back filled.

REPRESENTATION SUBMITTED BY THE KARACHI CHAMBER OF COMMERCE—*contd.*

No. 7.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : C. (Statement No. 1).
Description of Sample : White Shirtings (Bijli).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
33 × 40	60	62

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Wt. per sq. yd.
33 × 40	..	30	28	56	56	2.4 ozs.

Price data as given by Chamber.

Landed price ex-duty, Karachi	..	..	Rs. 6-12-9½.
Bazaar price, Karachi	..	..	Rs. 8-2-0.

Remarks by Millowners' Association, Bombay.—The Indian cloth is better value at the prices given, but the cloths are only roughly comparable.

No. 8.

ENGLISH SAMPLE PARTICULARS.

No. of Sample : H. (Statement No. 1).
Description of Sample : White Shirtings (1000).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
34 × 40	68	68

INDIAN SAMPLE PARTICULARS.

No. of Sample : G. Name of Mill : Svadeshi Mills Co., Ltd.
Description of Sample : White Shirtings (6367).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
33 × 40

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
33/34 × 40	9½	22	30	68	56

*Price data.**Actuals.**As given by Chamber.*

Bazaar price Rs. 7-14-0.	Realization on 29th October, 1935,
	Rs. 7-12-6 <i>ex-Mill.</i>

INDIAN SAMPLE PARTICULARS.

No. of Sample : H. Name of Mill : Indian Bleaching Dyeing and Printing Works, Ltd.

Description of Sample : White Shirting (D. M.).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	P
34 × 40

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
34 × 40	..	22	19	72	4-32 ozs.

Price data as given by Chamber.

Landed price ex-duty, Karachi	Rs. 8-4-10.
Bazaar price, Karachi	Rs. 10-2-0.

Remarks by Millowners' Association, Bombay.—The cloths are widely different in construction, but the Indian cloth is better value at the prices quoted.

ENGLISH SAMPLE PARTICULARS.

Statement No. 2.

Description of Sample : White Mull (75000).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
48 × 18	44	52

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
48 × 18	..	44	55	52	46

Price data as given by Chamber.

Landed price ex-duty	Rs. 2-9-6.
Bazaar price, Karachi	Rs. 3-8-0.

Remarks by Millowners' Association, Bombay.—In the absence of the name of the mill, it is not possible for us to check the accuracy of the data given by the Chamber in respect of the Indian sample.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
34 × 40	..	32	26	80	62

Price data.

As given by Chamber.

Karachi Bazaar price Rs. 8.

Actuals.
Details of selling price and bare cost not yet obtained.

No. 9.

INDIAN SAMPLE PARTICULARS.

Statement No. 2. Name of Dealer : Pokerdas Dwarakdas.

Description of Samples : White Mull (26000).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
48 × 18

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wt.	Pick.	Wt. per sq. yd.
48 × 18	..	40	40	52	40

Price data.

As given by Chamber.

Bazaar price Rs. 3-2-6.

Actuals.

See Note below.

REPRESENTATION SUBMITTED BY THE KARACHI CHAMBER OF COMMERCE—*contd.*

No. 10.

ENGLISH SAMPLE PARTICULARS.

Statement No. 2.

Description of Sample: White Mull (71000).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
42 × 18	52	44

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Wt. per sq. yd.
42 × 18	..	44	60	52	40
					1.2 ozs.

Price data as given by Chamber.

Landed cost ex-duty	.	.	.	.	Rs. 2-3-3.
Bazaar price	.	.	.	.	Rs. 2-14-0.

<i>Actual particulars as ascertained by M. O. A., Bombay.</i>					
Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Wt. per sq. yd.
40 × 18	..	36	40	48	40
					1.52 ozs.
					(Rough Analysis)

*Price data.**As given by Chamber.*

Bazaar price Rs. 2-11-6.

Actuals.

Unable to check price data, etc., furnished as identity of mill not known.

INDIAN SAMPLE PARTICULARS.

Statement No. 2. Name of Dealer: Pokedas Dwarakdas.

Description of Sample: White Mull (87923).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
40 × 18

No. 11.

ENGLISH SAMPLE PARTICULARS.

Statement No. 2.

Description of Sample: White Mull (76)½

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
42 × 20	64	52

INDIAN SAMPLE PARTICULARS.

Statement No. 2. Name of Mill: Rajaratna Naranbhai Mills.

Description of Sample: White Mulls (60).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
42 × 20

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Wt. per sq. yd.
42 × 20	..	40	50	52	1.68 ozs.

Price data as given by Chamber.

Landed cost ex-duty	.	.	.	.	Rs. 3-1-9.
Bazaar price	.	.	.	.	Rs. 4-0-0.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Wt. per sq. yd.
42 × 20	..	28	31	64	2.32 ozs. (Rough Analysis)

Price data.

<i>As given by Chamber.</i>	<i>Actuals.</i>
Bazaar price Rs. 3-9-0.	Non-Member.

No. 12.

ENGLISH SAMPLE PARTICULARS.

INDIAN SAMPLE PARTICULARS.

Statement No. 2.

Statement No. 2. Dealer : Pokerdas Dwarakdas.

Description of Sample : White Mull (9678).

Description of Sample : White Mull (4848).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
48 × 20	64	52

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
47 × 20

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Wt. per sq. yd.
48 × 20	..	40	64	56	1.84 ozs.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Wt. per sq. yd.
47 × 20	..	40	45	48	1.68 ozs. (Analysis)

*Price data as given by Chamber.**Price data.**As given by Chamber.**Actuals.*

Landed price excluding duty	.	.	.	Rs. 3-7-3.
Bazaar price, Karachi	.	.	.	Rs. 4-12-0.

Karachi Bazaar price Rs. 4-1-6. Unable to check price data given by Chamber, as name of mill not known.

REPRESENTATION SUBMITTED BY THE KARACHI CHAMBER OF COMMERCE—contd.

No. 13.

ENGLISH SAMPLE PARTICULARS.

Statement No. 3.

Description of Sample : White Mull (84).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
38 × 20	2½	40	46	76	64

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Wt. per sq. yd.
38 × 20	..	40	44	76	60	2.04 ozs.

Price data as given by Chamber.

Karachi ex-godown price excluding duty	Rs. 3.5 0.
Karachi Bazaar price	Rs. 4.4 0.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Wt. per sq. yd.
38 × 20	..	40	38	70	58	2.08 ozs. (Analysis)

Price data.

Actuals.

Unable to check data furnished by Chamber as identity of mills not known.

No. 14.

ENGLISH SAMPLE PARTICULARS.

Statement No. 3.

Description of Sample : White Mull (Ralli Bros.), 24.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
35 × 20	2½	40	46	76	64

INDIAN SAMPLE PARTICULARS.

Statement No. 3. Name of Dealer : Pokedas Dwarakdas.

Description of Sample : White Mull (24½).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
35 × 20

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Wt. per sq. yd.
35 × 20	..	38	46	72	58
					1-96 ozs.

Price data as given by Chamber.

Ex-godown price, Karachi excludng duty	Rs. 3-1-6.
Bazaar price	Rs. 4-0-0.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Wt. per sq. yd.
35 × 20	..	40	48	68	56
					1-92 ozs.

*Price data.**As given by Chamber.*

Karachi Bazaar price Rs. 3-12-0.	Unable to check price data furnished by Chamber as identity of mills not known.
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No. 15.

ENGLISH SAMPLE PARTICULARS.

Statement No. 4.

Description of Sample: White Mull (Volkart Bros.), 16000.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
47 × 18	2	..	..	..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.	Wt. per sq. yd.
47 × 18	..	44	54	60	44
					1-36 ozs.

Price data as given by Chamber.

Present—	Rs. A. P.
Landed price ex-duty	2 14 0
Bazaar price	3 9 6
Bazaar price—	
1931	3 4 0
1932	3 8 0
1933	3 5 6
1934	3 7 9

INDIAN SAMPLE PARTICULARS.

Statement No. 4. Name of Dealer: Pokedas Dwarakdas.

Description of Sample: White Mull (48500).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
48 × 18	2½	..	..	..

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Ends.	Pick.
48 × 18	2½	38	40	60
				44
				(Rough Analysis)

*Price data.**As given by Chamber.*

Present Bazaar price Rs. 3-3-0.	Unable to check price data furnished by Chamber as identity of mills not known.
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REPRESENTATION SUBMITTED BY THE KARACHI CHAMBER OF COMMERCE—contd.

No. 16.

ENGLISH SAMPLE PARTICULARS.

Statement No. 4.

Description of Sample : White Mull (87921).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wt.	Ends.	Pick.
42 × 18	1½	..	..	..	..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wt.	Ends.	Pick.	Wt. per sq. yd.
42 × 18	..	46	62	52	38	1.12 ozs.

Price data as given by Chamber.

	Rs.	A.	P.
Present landed price excluding duty Karachi	2	2	6
Present bazaar price	2	12	0
Bazaar price—			
1933	2	10	3
1934	2	11	0

INDIAN SAMPLE PARTICULARS.

Statement No. 4. Name of Dealer : Pokerdas Dwarakdas.

Description of Sample : White Mull (87923).

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wt.	Ends.	Pick.
42 × 18	1½	..	..	..	..

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Wt.	Ends.	Pick.	Wt. per sq. yd.
42 × 18	..	40	46	48	40	1.44 ozs.

Price data.

As given by Chamber.

Actuals.

Bazaar price Rs. 2-7-0 (selling freely). Unable to check price data furnished by Chamber as identity of mills not known.

No. 17.

ENGLISH SAMPLE PARTICULARS.

Statement No. 4.

Description of Sample : White Mull (Volkart Bros.), 57.

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wt.	Ends.	Pick.
37 × 20

INDIAN SAMPLE PARTICULARS.

Statement No. 4. Name of Mill : ? (Not given).

Description of Sample : White Mull.

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Wt.	Ends.	Pick.
36 × 20

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Wt. per sq. yd.
37 × 20	..	40	48	60	48	1.64 ozs.

Price data as given by Chamber.

	Rs.	A.	P.
Landed price excluding duty	.	.	.
Karachi Bazaar price	.	.	.
	3	0	6
	3	11	3

ENGLISH SAMPLE PARTICULARS.

Statement No. 2.

Description of Sample : White Mulls (71000).

Dimensions, etc., as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Dimensions, etc., as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Price data as given by Chamber.

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.	Wt. per sq. yd.
36 × 20	..	38	38	60	50	1.84 ozs. (Rough Analysis)

Price data.

As given by Chamber.

Actuals.

Karachi Bazaar price Rs. 3. Unable to identify the mill.

No. 18.

INDIAN SAMPLE PARTICULARS.

Statement No. 2. Name of Dealer : Pokerdas Dwarakdas.

Description of Sample :

Particulars as given by Chamber.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Actual particulars as ascertained by M. O. A., Bombay.

Ins. Yds.	Lbs.	Warp.	Weft.	Ends.	Pick.
..

Price data.

As given by Chamber.

Actuals.

(13) *Letter No. 142/168 of 1936, dated the 14th January, 1936, from the Millowners' Association, Bombay.*

During the course of our Oral Evidence Sir Joseph referred to a statement which has been prepared by the Association showing the *per capita* consumption of cotton piecegoods in India. I enclose herewith for the information of the Board 7 copies of the statement referred to above.



Enclosure.

Years.	1	Cloth available for consumption in India.	Imports of art. silk cloth less re-exports.	Total of columns 2 and 3.	Total yarn available to hand-loomers.	Imports of art. silk yarn into India.	Totals of columns 5 and 6.	Quantity of cloth turned out on hand-loom (approx.).	Total quantity of cloth available for consumption in country.	Population in India.	Consumption per head in yards.	Average price per yard, Indian mil-made cloth.
		Mil. yds.	Mil. yds.	Mil. yds.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. yds.	Mil. yds.	Millions.	11	12
1912-13	.	3,943	..	3,943	260	..	260	1,243	5,186	315.8	16.4	Annas per yard, 2.83
1913-14	.	4,076	..	4,076	267	..	267	1,277	5,353	316.2	16.9	2.76
1914-15	.	3,354	..	3,354	296	..	296	1,416	4,770	316.6	15.1	2.34
1915-16	.	3,299	..	3,299	272	..	272	1,301	4,600	317.0	14.5	2.46
1916-17	.	2,041	..	2,041	189	..	189	904	2,945	317.4	9.2	3.27
1917-18	.	2,786	..	2,786	203	..	203	971	3,757	317.8	11.8	5.20
1918-19	.	2,309	..	2,309	262	..	262	1,252	3,561	318.2	11.2	7.60
1919-20	.	2,337	..	2,337	141	..	141	674	3,011	318.6	9.4	6.95
1920-21	.	2,816	..	2,816	287	..	287	1,373	4,189	319.0	13.1	7.38
1921-22	.	2,525	1	2,526	298	..	298	1,425	3,951	322.4	12.2	6.76
1922-23	.	3,006	2	3,008	335	..	335	1,602	4,610	325.8	14.1	6.33
1923-24	.	2,965	9	2,974	251	..	251	1,200	4,174	329.2	12.7	5.53
1924-25	.	3,450	17	3,467	314	..	314	1,502	5,069	332.6	15.2	5.72
1925-26	.	3,134	15	3,149	283	..	283	1,353	4,502	336.0	13.4	4.76
1926-27	.	3,607	42	3,649	324	..	324	1,549	5,198	339.4	15.3	3.80
1927-28	.	3,921	54	3,975	323	8	331	1,583	5,558	342.8	16.2	3.93
1928-29	.	3,441	50	3,491	279	8	287	1,373	4,864	346.2	14.0	4.00
1929-30	.	4,008	57	4,065	344	7	351	1,679	5,744	349.6	16.4	3.81
1930-31	.	3,182	51	3,233	339	7	346	1,655	4,888	353.0	13.8	3.15
1931-32	.	3,467	85	3,552	370	8	378	1,808	5,360	357.4	14.9	2.87
1932-33	.	4,134	125	4,269	419	11	430	2,056	6,325	360.8	17.5	2.77
1933-34	.	3,473	58	3,531	351	10	361	1,725	5,256	363.2	14.5	2.64
1934-35	.	4,096	81	4,177	358	17	375	1,793	5,970	366.6	16.3	2.41

NOTE.

Column 1.—The years shown are fiscal years, that is, ending the 31st of March.

Column 2.—The figures given in this column show the total quantity of cotton piecegoods retained in this country, both Indian mill-made and imported, after providing for exports and re-exports.

Column 3.—Shows the total quantity of artificial silk piecegoods (including cent. per cent. artificial silk goods and mixtures) imported.

Column 4.—Is the total of columns 2 and 3. It shows the total quantity of cotton piecegoods (both Indian and imported) and artificial silk piecegoods available for consumption in India.

Column 5.—Shows the total quantity of yarn available for consumption in India. The figure is estimated as below:

(Total mill production of yarn) *plus* (imports of foreign cotton yarn) *minus* (exports and re-exports).

A part of the resultant figure is utilised in Indian mills for the production of cloth. The Spinning and Weaving statistics published by the Government of India show the total weight of cloth produced in Indian Mills. From this figure the total quantity of yarn which may have been consumed in the production of this cloth can be estimated by assuming that 100 lbs. of yarn will produce 112 lbs. of cloth. The total quantity of yarn consumed by Indian mills is then subtracted from the total quantity of yarn available for consumption in India and the result is shown in this column.

Column 6.—Shows the imports of artificial silk yarn into India. For purposes of our calculation, it is estimated that all the imported artificial silk yarn is consumed by the handloom industry.

Column 7.—Is the total of columns 5 and 6, and shows the quantity of yarn—both cotton and artificial silk—available for consumption to the handloom industry.

Column 8.—Assuming that the totals shown in Column 7 are consumed by the handloom industry, then the total quantity of cloth turned out on handlooms can be estimated somewhat as below:

100 lbs. of yarn will produce 112 lbs. of cloth. 1 lb. of cloth=4.27 yards.

The figures as worked out on this basis are entered in column.

Column 9.—Shows the total quantity of cloth—imported, Indian mill-made and handloom manufactured—available for consumption in India. It is the total of columns 4 and 8.

Column 10.—The Census of population in India is taken once in ten years, and in estimating the population from year to year, the increase recorded between any two census results is divided by 10 to find out the annual increase.

Column 11.—The consumption of cloth per head in India is worked out by dividing the figures in Column 9 by those in Column 10.

Column 12.—The average price per lb. of Indian mill-made cloth is based on the average price of standard longcloth according to the Millowners' Association Current Quotations, *plus* 10 per cent. The ten per cent. has been added because bleached and coloured goods and dhoties are considerably higher in price than standard longcloth.

(14) Letter No. 507/168 of 1936, dated the 28th February, 1936, from the Millowners' Association, Bombay.

As promised, I am sending you the particulars which you asked me to fill in on the two skeleton forms handed to me just before I left Calcutta.

* * * * *

Enclosure No. 1.

Bombay Cotton Mill Industry.

	1930.	1931.	1932.	1933.	1934.
1. Number of Mills (including 3 dyeing plants)	71	68	71	57	61
2. Number of Spindles	2,921,755	2,830,564	2,958,648	2,425,168	2,529,856
3. Number of Looms	65,549	63,395	66,397	54,274	55,408
	Rs.	Rs.	Rs.	Rs.	Rs.
4. Paid up capital (including dyeing plants)	13,43,90,835	13,18,17,548	13,63,63,713	11,06,08,920	11,32,50,812
5. Reserves including C. F.	5,99,13,374	5,28,65,968	4,96,42,104	4,73,00,222	4,18,29,080
6. Block account original cost (including dyeing plants)	35,91,45,030	36,25,01,213	37,03,63,114	30,71,54,544	31,18,74,172
7. Depreciation Fund	12,46,97,387	13,20,46,368	13,75,71,249	11,86,16,199	11,83,42,087
8. Net Block	23,44,47,643	23,04,54,845	23,27,91,865	18,85,38,345	19,35,32,085
9. Depreciation due	1,45,34,978	1,47,13,072	1,50,87,470	1,24,27,646	1,26,17,322
10. Depreciation written off	9,78,003	51,50,312	38,78,845	33,89,528	47,00,927

RESULTS OF WORKING FOR THE YEAR ENDED 31ST DECEMBER.

	1934.	1933.	1932.	1931.	1930.
Mills	61 Rs. (P) 42,37,178	57 Rs. (L) 18,30,025	71 Rs. (L) 20,33,918	68 Rs. (L) 15,75,104	71 Rs. (L) 94,22,570
Net result per P. & L. Account	28,858	34,973	30,032	17,606	26,644
Add actual debits in accounts for :—	14,02,518	12,04,464	9,81,568	25,34,920	2,94,538
(1) Workmen's Welfare expenses, etc.	4,31,148	4,10,674	5,06,978	4,38,342	4,70,158
(2) Depreciation	11,18,596	6,55,438	8,88,399	10,92,096	8,75,286
(3) Agents' allowance	41,13,104	45,66,021	86,42,835	86,70,072	86,37,404
(4) Agents' Commission					
(5) Interest on Debentures and loans					
	70,94,224	68,71,570	1,10,49,812	1,27,53,036	1,03,04,030
Deduct chargeable :—	(P) 1,13,31,402	(P) 50,41,545	(P) 90,15,394	(P) 1,11,77,932	(P) 8,81,460
(1) Workmen's Welfare expenses, etc.	45,222	49,984	30,032	59,928	49,802
(2) Depreciation	1,26,17,322	1,24,27,646	1,50,87,470	1,47,13,072	1,45,34,978
(3) Agents' allowance	4,84,333	4,10,674	5,06,978	4,38,342	4,70,158
(4) Agents' Commission	14,98,249	12,30,320	16,51,287	16,33,132	11,93,723
(5) Interest on Debentures and loans	54,59,036	58,96,558	88,76,661	87,79,793	87,95,779
	2,01,04,162	2,00,15,182	2,61,52,428	2,56,24,267	2,50,44,440
Capital paid-up :—	(L) 87,72,760	(L) 1,49,73,637	(L) 1,71,36,534	(L) 1,44,46,335	(L) 2,41,62,980
Ordinary	10,54,39,267	10,42,82,375	12,33,58,068	11,98,64,173	12,02,61,085
Preference	78,11,545	63,26,545	1,30,05,645	1,19,53,375	1,41,29,810
Total	11,32,50,812	11,06,08,920	13,63,63,713	13,18,17,548	13,43,90,895
Debentures	1,50,42,961	1,41,88,424	2,03,35,000	2,17,01,048	2,29,38,000

(P) represents profit.

(L) represents loss.

The Ahmedabad Millowners' Association, Ahmedabad.

(1) *Letter dated the 25th November, 1935.*

With reference to the questionnaire of the Tariff Board, which was forwarded to us, I am directed by my Committee to submit the accompanying statement to the Board dealing with the major issues covered by the terms of reference of the inquiry.

Enclosure.

REPRESENTATION TO THE TARIFF BOARD.

In view of the fact that there have been three exhaustive inquiries, two by the Tariff Boards in 1926 and 1932, and one by Mr. Hardy in 1929, my Committee propose to deal only with the major issues arising out of the imports from the United Kingdom and their effects on the Indian Textile Industry.

The Tariff Board in 1932, examined the question of assistance to the Industry as a problem of substantive protection to it as a whole. Their objective was the maintenance of the intrinsic strength and the natural growth of the Industry and their point of view was restricted neither to the aspect of competition from countries exporting to India nor to the temporary difficulties experienced by a section of the Industry. After an exhaustive inquiry, they came to the conclusion that, all the conditions laid down by the Fiscal Commission for the grant of protection were fulfilled in the case of the Textile Industry, and that the Industry deserved a substantive protection as set forth in details by them. In addition to the general economic grounds for their conclusions, they also held that the Industry has a special claim to public support on national grounds; and in their opinion it was necessary to replace the foreign competition by internal competition, by affording sufficient protection to the Indian Industry. They recognised that rationalisation and amalgamation involve stupendous difficulties, which cannot be surmounted unless the Industry is afforded a sense of security for the continuance of protection for an unbroken period of at least 10 years, without any interim inquiries. Their examination further showed that though textiles consist of different varieties, every variety has a chance to substitute another or influence the course of prices. They therefore, unequivocally recommended that protection should be applied uniformly against imports from all countries.

Before these recommendations could be given effect to, change of circumstances made it necessary to open negotiations for Indo-Japanese Agreement. The occasion was availed of by Lancashire to send out a deputation to India and secure some consideration for it in what is popularly known as the Mody-Lees Pact. The Pact met with a strong opposition from important sections of the Industry and many parts of the country. Even while obtaining special consideration for themselves, the Lancashire Deputation had to recognise, as a fundamental principle of negotiations, that the Indian Industry was entitled to a reasonable measure of protection for its progressive development.

Subsequently parts of this Pact were incorporated in the Indian Tariff (Textile Protection) Amendment Act, 1934, out of which the present inquiry arises. The Act grants protection to the Industry for a period of 5 years, but provides that the scales of duties then incorporated, are provisional and subject to revision after two years on a review as to their effectiveness in securing sufficient protection to the Industry.

The figures of three chief classes of total imports of cotton piecegoods of the last 5 years are given below :—

Table showing total imports of Grey, White and Coloured Piecegoods, for the last five years.

(In millions of yards.)

Class of Goods.	1930.	1931.	1932.	1933.	1934.	1935 (6 months).
1. Grey	560	249	335	267	255	180
2. White	349	262	390	284	277	162
3. Coloured	328	207	399	274	340	196

Trade in Grey.—A glance of these figures shows that, so far as the trade in Grey is concerned, the duties have been more or less helpful in reducing a large part of the imports. In the case of the Imports of Jaconets from the United Kingdom the fall of imports is less than what the above figures may lead us to believe. In their case, the duties have only rendered competition more difficult, and have thus been a little helpful to the Indian Industry. The analysis by Mr. Hardy leads one to believe that this continuing import trade in Jaconets and also in 'dhotis' is mainly in fine goods; and, if the duties are continued at their present level, the Indian Industry with its development of the fine trade may be able to hold its own against them. At the same time, the very continuance of these imports without proportionate fall in Jaconets and the recent increases in the imports of 'dhotis', read in conjunction with the following figures of the entire 'dhoti' market would show that if the duties were to be lower a considerable amount of Indian trade will suffer, as the total consumption of 'dhotis' in the country is practically constant.

Table showing total consumption of 'Dhotis' in the country.

(In millions of yards.)

Year.	Grey.	White.	Total Imports.	Indian Production.	Total available for Consumption.
1926	509	109	618	590	1,208
1927	508	87	595	614	1,209
1928	454	40	494	551	1,045
1929	490	51	541	726	1,267
1930	304	20	324	829	1,153
1931	87	2	89	941	1,030
1932	113	2	115	1,050	1,165
1933	120	5	125	999	1,124
1934	92	8	100	1,073	1,173

Trade in white.—The following figures show the main distribution of the import trade in white goods, whose total figures are given on page 184:—

Table showing the main distribution of the trade in White Goods.

(In millions of yards.)

Countries.	1930.	1931.	1932.	1933.	1934.	1935 (6 months).
1. United Kingdom	305	197	268	200	221	127
2. Japan	25	53	109	79	48	31
Total	330	250	377	279	269	158

A perusal of these figures for a number of prior years will show that the trade in this class is widely fluctuating from year to year, and it is therefore difficult to gauge correctly the effect of the duties. The duties, however, appear to be helpful in the case of Nainsooks and a little less so in the case of Long Cloths and Shirtings both from Japan and the United Kingdom. But they do not appear to have affected the trade in Mulls and Jaconets mainly imported from the United Kingdom.

The following will show the total consumption of Grey and White goods:—

Statements showing the total consumption of Grey and White Goods.

(In millions of yards.)

Years.	Imports.	Home Production.	Total.
1926	1,331	1,580	2,911
1927	1,436	1,675	3,111
1928	1,324	1,374	2,698
1929	1,401	1,756	3,157
1930	909	1,927	2,836
1931	511	2,253	2,764
1932	726	2,439	3,165
1933	551	2,257	2,808
1934	532	2,551	3,083

In the Grey and White trade, the qualities of goods are the same and more easily interchangeable. The above figures show that the total consumption has remained fairly constant during the past 9 years and that the major part of that consumption is catered for by the Indian Industry. There is thus a limited scope for the indigenous Industry for natural expansion, and any scale of duties which may permit larger imports is bound not only to check the natural growth but to affect adversely the condition of the Indian Industry. On the other hand, though the qualities are the same, the trade in White has large sections, which can afford to bear the burden of the duty and still be imported. Notwithstanding the ineffectiveness of duties in the case of such sections, with the progressive production of finer counts and the development in bleaching and finishing (as can be seen from the figures set out elsewhere), the Industry is making a progress in that direction, and may

perhaps be able to hold its own against these imports even with the existing duties. **But** the progress of that development requires, as an essential condition, a complete confidence that the duties will not be reduced.

Trade in Coloured Goods.—The following will show the distribution of the trade in coloured goods, whose figures are given on page 184:—

Table showing the distribution of the trade in Coloured Goods.

(In millions of yards.)

Country.	1930.	1931.	1932.	1933.	1934.	1935 (6 months).
1. United Kingdom . . .	196	98	183	139	199	107
2. Japan	99	90	159	130	134	87
Total	295	188	342	269	333	195

It can be seen that so far as this class of goods is concerned, both in the case of the United Kingdom and Japan the duties have been wholly ineffective to enable the Industry to make the necessary progress in this line.

The following figures of the production of coloured goods in India will indicate the growth of the Indian Industry:—

(In millions of yards.)

—	1930.	1931.	1932.	1933.	1934.
Coloured Goods	566	646	763	686	734

The foregoing established on the one hand (a) that the duties have not been equally helpful either in all varieties or all classes of goods, and (b) that there are prospects of increase in the imports of some varieties. On the other hand, the total consumption of cloth over the last 10 years shows no substantial difference from year to year. The general economic conditions in the country do not appear to justify expectations of any material change in the position for some years to come. This absolute limit of consumption, therefore, requires not only a similar limitation of imports, but their total elimination if the indigenous industry is to be able to achieve its natural growth and advance steadily from one step to another and avoid the possibilities of overproduction in the lines with which it has become conversant. In an industry so situate, protection which is not helpful to all sections alike can never achieve the objective.

The above statement is also supported by very good authority. The last Tariff Board held that it is not possible to divide the market for cloth into separate compartments. Mr. Hardy has also said that, though the market for cloth is divided into a number of gradations, the prices of all gradations are linked through the possibilities of change of one sort for another, which takes place more easily in textiles than in other manufactures. This change is more easy in a country like India where the climatic and economic conditions and the customs and notions of the people have evolved a very simple and cheap form of dress. This potential tendency for change either leads to an actual substitution of the inferior varieties by slightly superior ones, within the margin of the consumers' reach, or so forces their prices down that they are removed from the range of substitution. In both cases, the disturb-

ance caused in the quantity of any one class of goods reverberates over the whole range of prices; and further, this is so, whether the quantity where the actual disturbance starts is large or small provided there is a potentiality of a large supply of that quantity. In the Indian Market, Lancashire holds the position of advantage both as a supplier of slightly superior varieties and also as a potentially large supplier, any increase, therefore, in her imports is a source of constant apprehension.

Over and above the indirect competition as stated above, there is also a growing and considerable direct competition by Lancashire. In the absence of proper statistics it was assumed in the past that Lancashire specialised exclusively in the finer varieties of goods which India did not produce. The last Tariff Board quoted the figures of the Manchester Chamber of Commerce to show that this basic assumption was not well founded. Since then, however, more detailed figures are available. The following are the figures of total yarn retained by the United Kingdom in the year 1930 for the purposes of the Lancashire industry:—

Total Yarn retained for Home Consumption (United Kingdom), 1930.

(In millions of pounds.)

	Lbs.
Up to 40s	741,909
Over 40 to 80s	132,339
Over 80 to 120s	18,929
Over 120s	1,684
	<hr/> Lbs. 877,952 <hr/>

It will be seen that nearly 80 per cent. of the yarn retained for its own consumption by the United Kingdom is under 40s count. It is hard to believe, in the face of these figures, that the bulk of the goods which are being imported from Lancashire to India are of counts above 40s. When the last Tariff Board analysed the representative imports from Lancashire it found that most of these imports consisted of manufactures from 40s counts or counts under 40s; and since these figures were collected, there is a greater movement in Lancashire towards the spinning of coarser counts. The intensity of direct competition by Lancashire with India is thus rapidly increasing.

At the same time, to keep pace with the changing conditions, the production of finer counts and superior goods in India must increase and is increasing at a satisfactory rate, as can be seen from the following figures:—

Statement showing the quantity and the counts of Yarn spun in India (British India and Indian States). Year ending 31st March.

(In millions of pounds.)

Counts.	1932-33.	1933-34.	1934-35.	Percentage of increase in 1934-35 over 1931-32.
1 to 30	896	802	855	99.9 (decrease)
31 to 40	77	75	95	134.4
Above 40s	36	37	43	129.44
Total	1,010	915	994	—

The industry has, if it wants to survive, not to rest itself content only with the production of finer counts. It has also to diversify its products and it is doing so; for instance, a much larger proportion of cloth is now bleached and finished, more colour is used in borders and shirtings. The goods are combed and mercerised. The details in all types of advances such as in texture, design, finish and colour, cannot be represented statistically.

It will be realised from the above that the tendency of Lancashire towards inferior goods and that of India towards superior goods are leading to an amalgamation of their fields; and the increasing intensity of direct competition by Lancashire is a certainty.

In this connection, we must pointedly invite the attention of the Government and Tariff Board to the fact that this diversification in the manufactures was not undertaken merely as a step in the gradual evolution of the Indian industry. It was also taken up on the specific recommendations of the two previous Tariff Boards. The Tariff Board in 1926 had advocated that a greater diversification was a mode of getting relief from the depression through which the industry was then passing. The last Tariff Board also affirmed this and further said that that alone will put the Industry on a firm footing. The diversification being thus advised and accepted as essential has been and is being acted upon by the industry, so far it can do so by its own efforts. It is, however, obvious that it can be done step by step and looking to all the circumstances of the industry, it can be achieved only by a gradually increasing replacement of the imported varieties to the point of elimination of their imports and by a strengthening of the position already gained. As seen, however, in the grounds already covered there are clear proofs that Lancashire does not find it difficult to compete even after paying 25 per cent. duties. It is necessary therefore to see that diversification both as a relief from depression and as a step in the legitimate and natural development of the industry should be secured by a proper adjustment of the duties, which will give a scope of opening new lines.

Insufficiently helpful as the duties are, their protective effect is partially nullified by handicaps such as the duties on cotton, dyes, machinery and stores, which are beyond the control of the industry. Otherwise so far as it lies within the powers of the industry these efforts of the industry at progress in new lines have been accompanied by efforts in reducing cost by means of rationalisation. In this direction, the industry has followed up the beginnings made and the results achieved before the last Tariff Board reported, and has sought to effect possible reductions through changes in plant, changes in the character of production, and by asking a workman to attend more machines. Many of the mills have renovated their plants and the opportunity has been utilised in introducing the High-Draft System in Ring Spinning, Self-stripping Apparatus on Cards, and High-speed Winding and Warping in the Winding Department. In many cases, the Frames also have now more spindles and are run at higher speeds as compared with the machines which they have replaced. Besides these, a considerable progress has been made in providing proper ventilation and humidification of the mills to achieve higher efficiency from the worker. There is also a change in the quality of the mixing. So far, however, as the main item of costs is concerned, *viz.*, man-power per machine, there has been a slight adjustment of the wages and the minding of two-sides per man in the case of Ring Spinning.

As stated above these changes were foreshadowed before the last Tariff Board and it is a natural corollary to assume that they influenced the conclusions and the recommendations of the Board. But neither they nor the industry had reckoned on the change in the hours of work. It is quite patent that this has increased the overhead cost per unit of production. It has also increased similarly some portions of the works' cost. The increase is naturally not equal on all types of productions, it being higher on those classes

where a technical or the human efficiency is the lowest. But these are exactly the classes where the competition is the keenest and the disadvantages of the industry as against Lancashire the largest. When it is now remembered that the Tariff Board in arriving at its figures of a fair selling price took into account a 10-hour working day, it is easy to realise that their estimate now requires a revision upwards, and a corresponding increase in the duties. It is estimated that though varying from cloth to cloth an average of 5 per cent. will represent roughly the increase in cost.

Besides this change in the hours of work there are also changes in the other circumstances of the industry. When three years back, the Tariff Board formed its estimate of the assistance required and reported about it, there was a certain amount of artificial stimulus given to the price of cloth due to the then intensity of the Swadeshi Movement. Since then the prices have dropped; and in spite of the reduction in costs mentioned above and the help of duties, it has not been possible for the industry to sell cloth at remunerative prices. This can be seen from the figures of profits of mills at Ahmedabad, which were considered comparatively efficient when the last Tariff Board reported. Their examination will reveal that, in many cases, the industry has not been able to provide for depreciation which ought to be the first charge on profits. In many cases again commissions have had to be given up. It would, therefore, appear that with these losses and the renovations that it has had to do or to undertake, the industry is sorely strained. It may be hoped that it will successfully fight through these difficulties; but it is clear it has less reserve of strength to-day than three years back, to face the harder times through increased competition.

(2) *Letter No. 2473, dated the 3rd December, 1935, from the Ahmedabad Millowners' Association.*

Under instructions from my Committee, I beg to forward to you six copies of the Association's answers to the questionnaire. In forwarding it my Committee desire me to say that while limiting itself to the specific points asked in the questions, in some cases, it has been found necessary to include in the reply certain other related aspects of the questions.

Enclosure.

REPLIES TO QUESTIONNAIRE.

1. In our view, effectiveness in relation to the duties could have only one meaning, viz., achievement of the purpose for which they were imposed. The last Tariff Board recommended the duties specifically for the replacement of foreign competition by internal competition and the diversification of the Indian Industry. As shown in our general statement, dated 25th November, we do not think either of these aims have been satisfactorily realised. While in the case of the Grey Goods the duties appear to have assisted the Industry in the majority of the classes, in the case of the White Goods they have been less helpful, and there are large sections of the trade in which competition from the imports from the United Kingdom is severe. But the worst position is in the case of Coloured Goods—specially Printed and Piece-dyed. Here the duties have failed to have any effect as can be seen by the figures of their imports.

Instead of any expected decreases, both these trades show remarkable increases. Correspondingly the progress of the Indian Industry in this class has not been satisfactory.

In a similar way, the duties on yarn also have not been able to assist the Industry in the way in which they should have done. Just as in the case of Cloth Industry the duties have not been helpful in securing a proper diversifi-

cation of the Industry and a greater covering of the field of foreign imports. We consider it unwise to have reduced the specific duties on counts above 50's, as a consequence of which we think the imports of these have continued to exist, and the Indian mills have been faced with an intense competition in medium counts. So far as the position of the United Kingdom is concerned, in our opinion, the increased imports from China and Japan have affected her more rather than the duties.

Reflecting on the treatment that the problem of protection in the Textile Industry has received from the Government, we do not think any other result than this ineffectiveness of the duties as mentioned above could have been anticipated. After an exhaustive inquiry into the question, the last Tariff Board recommended for the Industry certain specific duties and an undisturbed period of protection for 10 years. Instead of acting on these recommendations the Government gave to the Industry the existing insufficient combination of specific and *ad valorem* duties, and a period of 5 years of protection which on account of other provisions, in effect amounted only to 2 years. We believe, the difference in the effectiveness of the duties that is found in the case of the Grey Goods as against other classes can among other things be also attributed to a combination of specific duties in their case. And so far as the period goes, we feel that it has hindered the growth of a general confidence in the future of the Industry—a feeling absolutely essential, if the Industry as a whole is to commit itself to a programme of greater diversification of quality, texture and finish. It is our considered opinion that if this feeling of suspense were once removed, there is no class of goods which Indian manufacturers cannot produce.

2. (a) We mention below a few important sorts which are being imported from the United Kingdom and compete with goods manufactured in India. We would, however, like to draw pointed attention of the Board to the fact that there are no classes of goods imported from the United Kingdom which do not directly or indirectly compete with the goods produced in India. Regarding direct competition, we would like to remind the Board of the statement in our general representation that more than 80 per cent. of the manufactures of the United Kingdom are from below 40's counts, those being exactly the counts from which Indian goods are also manufactured. Regarding indirect competition, we cannot do better than refer the Board to pages 70 to 72 of Mr. Hardy's Report and to pages 145 and 146 of the Report of the last Tariff Board. In this connection we would like to state that there may be differences in finish, texture and quality between the goods imported from the United Kingdom and the goods produced in India. But we do not think that such differences separate these goods into non-competitive sections. Such are quite common among the imported goods themselves and also among the goods produced in India. In fact, such variations of finish, texture and quality constitute one of the most important ways in which a producer can compete against another in the Textile market. Still, if there are a few varieties of goods imported from the United Kingdom which are not in a general way produced in India, that is due to the fact that in their case, the technique of production is so advanced and complex that the existing duties are very insufficient to assist the Indian Industry. We would, for instance, refer to the comparative slow advance of the manufacture of Printed Cloth in India. However, from the data that we have in hand relating to one of such undertakings, we are convinced that unless the present duties are enhanced, no progress in this direction can be achieved.

So far as Ahmedabad is concerned, the competition between the goods imported from the United Kingdom and the goods produced at the centre is more intense. Nearly 25 per cent. of the local production is above counts 30's and quite a large part of the productions of the bleached varieties. Besides, recently a number of local mills have installed machineries with a view to give more elaborate designs, better textures and different types of finishes,

Principal class of the United Kingdom goods which compete directly or indirectly with Indian goods:—

Grey—	Printed Goods—
Grey Jaconets.	Nainsooks.
Grey Mulls.	Saris.
Border Grey—	Longcloth and Shirtings.
Grey Dhotis.	Piece-Dyed—
Grey Saris.	Mulls.
Bleached—	Twills.
Nainsooks.	Shirtings and Longcloths.
Mulls, Muslims and Madapollams.	Poplins.
Cambrics and Lawns.	Crepes.
Shirtings.	Woven-Coloured Goods—
Twills.	Striped and Check Shirtings.
	Bordered Saris and Dhotis.

(b) These particulars are being submitted to the Board together with the particulars of costs asked for in question No. 4.

(c) Classification of goods imported from the United Kingdom.

—	Trade Number.	Dimensions Yds.	Warp.	Weft.	Reed.	Pick.
Grey Jaconets . .	3260	44 × 20	40	48	72	64
„ . .	3270	44 × 20	40	44	72	70
„ . .	3280	44 × 20	40	44	72	72
„ . .	18	44 × 20	44	56	56	56
Grey Jaconet Dhotis .	84	44 × 10	30	56	64	56
„ „ . .	84	42 × 10	30	56	64	56
Grey Dhotis . .	4476	50 × 2/3	44	50	56	56
Bleached . .	98	35 × 40	32	40	72	72
Shirtings . .	99	35 × 40	32	40	80	72
„ . .	C 4000	36 × 40	64	64	96	108
„ . .	441	36 × 40	30	34	60	72
Bleached Mulls . .	42999	42 × 20	50	50	60	52
„ „ . .	66666	49 × 20	44	50	64	62
„ „ . .	1703	52 × 20	68	90	48	42
„ „ . .	53000	42 × 20	48	56	52	42
„ „ . .	54000	42 × 20	48	60	44	42
„ „ . .	56000	42 × 20	48	56	44	42
Bleached Nainsooks .	77777	36 × 18	40	40	60	64
„ „ . .	88888	36 × 18	40	40	64	68
„ „ . .	99999	36 × 18	40	40	68	72
Bleached Twills . .	100000	34 × 43½	50	32	68	100
„ „ . .	130	33 × 43	52	36	72	108
Dyed Mulls . .	777	42 × 42	60	84	52	42
Dyed Poplin . .	Laila Majnu.	30½ × 46	70	40	64	96

(d) These samples are being forwarded to the Board separately.

Regarding this question No. 2, we would like to draw the attention of the Board to a point which we consider very important. We believe that the only way of gauging the sufficiency of the duties for the purpose of equating prices is to collect Indian cost of manufacture of these imported varieties and compare them with the wholesale prices of these goods. That can be the only measurement which will show correctly whether the existing duties are sufficiently effective for the purpose of a greater replacement of foreign competi-

tion and a greater diversification of the Industry. As the figures that have been collected under question No. 2, refer to cloths of different specifications, their costs of production would necessarily vary and the figures collected will not be helpful for the purpose. We therefore request the Board to specify a few imported varieties and ask Indian manufacturers to submit their costs of manufacture of the same. We give below our costs of manufacture of some of the representative sorts, which are imported from the United Kingdom.

Sorts imported from United Kingdom.	Trade No.	Wholesale market price at the end of August.	Average fair selling price.
1. Grey Jaconet	3260	83	95-91
2. " "	3270		
3. " "	3280		
4. " "	18	70	82-64
5. " Dhotis	84	34	42-76
6. " "	84		
7. Grey Dhoti	4476		
8. Bleached Mull	42999	68	83-29
9. " "	66666	84	109-56
10. " "	1703	138	141-78
11. " "	88	71	81-42
12. " "	53000	49	66-64
13. " "	54000		
14. " "	55000		
15. " Nainsooks	66666	68	77-00
16. " "	77777	68	82-00
17. " "	88888	68	86-00
18. " Twill	100000	214	262-51
19. " "	130	251	254-85
20. Dyed Mulls	777	122-50	150-86
21. Bleached Shirtings	C4000	274	280-00

NOTE.—These costings represent the average bare cost in Ahmedabad Mills *plus* additions for depreciation, interest on working capital and profit at the following scale:—

- (a) Depreciation at $4\frac{1}{2}$ per cent. on total block cost.
- (b) Interest on Working Capital at 5 per cent.
- (c) Profit at 8 per cent. on block cost *plus* an addition to cover income-tax and super-tax.

3 and 4. Appendix A* as required under question No. 3 has already been forwarded to the Board.

Appendix B* under question No. 4 is being forwarded separately.

5. (a) It has not been possible for us to obtain the prices at which the goods are landed, as such information can be gathered only from the importing houses who are reluctant to supply the same.

(b) Similarly we have no reliable information on this point.

6, 7 & 8. We understand that these points have been amply covered by the representation of the South Indian Mills where the Spinning Section of the Industry is concentrated. We therefore refrain from going into them.

9 & 10. It would be difficult to quote any evidence on these points; this has also been the experience of various anti-dumping legislations. But we

would like to bring to the notice of the Board certain tendencies to this effect. It is well known that the immediate effect of any set of duties is to catch the importer in relation to his existing scheme of costs. Later on however he is able to absorb the shock through an adjustment of his costs. This course is specially easy in the case of the Lancashire Industry which is divided into sections and we believe such adjustments are already on the way as exemplified by schemes of rationalisation, reorganisation, wage-cuts and adjustments between various sections. Therefore the existing scales of duties are in relation to costs which have ceased to exist and the prices of the United Kingdom goods appear to be lower than expected. On the other hand costs in India have gone up on account of the change in the hours of work.

11. So far as the mill-industry is concerned, this point has been covered by our general representation. Regarding the Handloom Industry, the duties have been helpful to the Industry as can be seen from the figures of the production of the Industry. On the other hand, we believe, just as in the case of cloth, the Handloom Industry has not been able to realise remunerative prices.

12. In view of the smaller imports from the United Kingdom in relation to the imports from other countries, it would be difficult to measure the effects of those imports specifically. But we would like to state it definitely that the imports of artificial silk goods as a whole are offering serious competition to Coloured, Woven and other Fancy Goods produced in India. Looking to the increasing imports from the United Kingdom subsequent to the reduction of duties in 1934, we are afraid even United Kingdom will now adversely influence the better type of goods produced in India.

(3) *Letter No. 2518, dated the 6th December, 1935, from the Ahmedabad Mill-owners' Association.*

As mentioned in my letter No. 2473, dated the 3rd December, 1935, I am forwarding four sets of samples of some competitive sorts obtained from the selected mills with samples of the United Kingdom sorts matching the same as per list attached hereto.

Enclosure.

STATEMENT OF THE SAMPLES SUPPLIED TO THE TARIFF BOARD UNDER FORM B
(b) OF THE QUESTIONNAIRE SORTS OF INDIAN MILLS MATCHING WITH THOSE OF
THE UNITED KINGDOM.

The Ahmedabad New Textile Mills Co., Limited—

1. 81½, Chulpat, 45×10, against United Kingdom Tajmahal, 44×10.
2. 1514, Rumal Chola, 34×8, against United Kingdom No. 468, Rumal Chola (one piece).
3. 17008, 34×8, against United Kingdom No. 8008.
4. 775, 36×5, against United Kingdom No. 775.

The Vijay Mills Co., Limited—

5. 4320, Long Cloth, against United Kingdom No. 77777, Long Cloth.

The Aruna Mills, Limited—

6. Bleached Twill, 32½×20, against United Kingdom No. 100000, Bleached Twill.
7. Bleached Shirtings, against United Kingdom No. 1200, Bleached shirtings.
8. Bleached Shirtings, 36×10, against United Kingdom No. C4000, Bleached shirtings.
9. Grey Jaconet Dhoti, against United Kingdom No. 84, Grey Jaconet Dhoti.

(4) *Letter dated the 11th December, 1935, from the Ahmedabad Millowners' Association.*

I have been desired by my Committee to submit a supplementary representation to meet the important points and to correct the misleading statements made by the Lancashire Delegation, the Bombay, the Bengal and the Madras Chambers of Commerce, in their respective representations. It is unnecessary to take up specifically and separately each argument in each of the representations; nor is it necessary to repeat what has already been urged and said in the representations already submitted by my Committee. The present representation is therefore restricted only to the salient points.

It would be more convenient to take first the case put forth by the Lancashire Delegation in their representation and the supplementary memoranda submitted by them from time to time, and then to refer to the representations of the various Chambers, and then finally to state a general reply with reference to all the said representations.

MAIN REPRESENTATION OF THE LANCASHIRE DELEGATION.

The general impression created by this Representation is that the Lancashire Delegation has misunderstood the purpose of the Inquiry. They have dwelt on the difficulties of the Lancashire Industry, the present reduction in its export markets and estimated the extent of reduction in the duties which would be helpful in restoring the greater part of this reduction. The printed list of prices that they have submitted also confirms this impression. They have included in the list a theoretical list of prices, if the goods were produced in the United Kingdom, were to compete with certain established lines produced in India. That, however, is not the real issue. The purpose for which the Board has been appointed is "to recommend on a review of the present conditions and in the light of experience, of the effectiveness of the existing duties, the level of the duties necessary to afford adequate protection to the Indian Cotton Industry against imports from the United Kingdom of (a) Cotton Piecegoods, (b) Cotton Yarn, (c) Fabrics of Artificial Silk and (d) Mixture Fabrics of Cotton and Artificial Silk. By adequate protection is meant duties which will equate the prices of imported goods to the fair selling prices for similar goods produced in India".

Part 1, reference paragraph 4.—An impression is created by statements in this paragraph that, the recommendations for duties in the previous inquiries were governed by revenue considerations and the duties did not represent the necessary amount of protection that the Industry required. This and the other memoranda refer to the existing duties as "Revenue" duties. This is far from correct as a reference to the Textile Tariff Protection Bill which imposed these duties purely as Protective Duties will show. There is also the suggestion by implication by the Lancashire Delegation, that the issues before the present inquiry are to be investigated into and decided as entirely detached ones and without any reference to the question of protection to and growth of Indian Industry. We maintain that such is not the case and we can never agree to this. We have always maintained that the claims of the Industry for its existence and growth are paramount to all other considerations.

Reference paragraphs 7 to 13.—The present inquiry is solely to ascertain the fact of the effectiveness of the present duties and it has to proceed on principles already laid down by the Tariff Board and no new principles are to be discussed. Ottawa agreements of the question of larger trade relations with United Kingdom have scarcely any relevancy. It might, however, be of importance to note that (1) the Ottawa Conference did not consider the question of the Textile Industry; and that (2) the statements in relation to Ottawa Conference will show that the principle of preference was to be applied so as not to affect the protection intended for Indian Industry.

The Delegation has quoted the instance of the Indian exports to Ceylon as an example of the gains that India has secured and also as an example of

the capacity of the Indian Industry to compete with Lancashire. A closer study of these figures would show that it is only in 1935, that the Indian exports were slightly higher than in the previous years. Even then they did not represent the progress that United Kingdom goods had been able to make in that market—doubling the total exports, and this progress the United Kingdom achieved against India in spite of the geographical advantages that India has.

Reference paragraph 8.—The Lancashire Delegation has made much of the fact that the United Kingdom is lately attempting to make a greater use of Indian Cotton. It might be useful to remember that the Lancashire Cotton Industry and the imports of United Kingdom piecegoods to India stretch by now over the period of at least half a century, while what is called “the increased use of Indian Cotton”, is only 3 years old. It was expected that the Delegation would present their facts in proper perspective. We give below the quantity of Indian cotton used in United Kingdom in relation to other cottons, just to show what a small relation it bears to their total requirements.

Consumption of Cotton in United Kingdom.

(Running Bales 000's—Excluding Linters.)

	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35 First half Season.
American .	1,474	991	1,342	1,400	1,461	533
Indian .	188	252	183	120	234	170
Egyptian .	301	242	301	301	366	181
Sundries .	502	479	560	421	408	367
Total .	2,465	1,964	2,386	2,248	2,470	1,251

Reference paragraphs 13 to 16.—The gist of these paragraphs is contained in the following sentence:—

“It is equally clear that when the duty was increased for *revenue* (?) reasons to the present level or something approaching them, the decline in the trade ceased to have the appearance of a reasonable process of adjustment to changing circumstances and became catastrophic.”

The chain of the argument is that (1) the present duties are revenue duties; (2) that they are therefore unnecessary for protection; (3) that the United Kingdom trade has gone down because of them only; and (4) they must therefore be reduced. To say that the present duties are revenue duties is to entirely disregard the existence of the last Tariff Board, its exhaustive inquiry into the question of protection to the industry and also the Textile Industry (Tariff) Protection Bill. The duties are protective duties and they exist for the maintenance and growth of the Indian Trade, the reduction of Lancashire Trade being only consequential and the United Kingdom only shares the inevitable lot of all foreign importers in a country which has taken to protection.

The duties being protective are necessary and must continue as they have not been effective as shown in our general statement.

The catastrophic fall to which the Delegation refers was the result of the strong Swadeshi movement and not of duties as can be seen from the fact that in spite of the duties, the imports from United Kingdom have been and are increasing.

All through these paragraphs there runs the suggestion that the existence and welfare of the Lancashire trade should be in the forefront in considering the development of the Indian Industry. Such a suggestion is both unwarranted and presumptuous. All that has to be seen is, whether the existing duties are sufficiently protective to the Indian Industry for the purposes

for which they were imposed. The only party vitally concerned in the inquiry is therefore the Indian Industry; and when the Lancashire Industry has been allowed to put in its appearance at the inquiry, it should be clearly understood that it is not in the capacity of a coparcener, but as a matter of goodwill only.

Reference paragraphs 17 and 18.—A reference to our remarks on Special Memorandum No. 5 is requested.

Reference paragraphs 19 and 20.—It is stated in these paragraphs, that though the total consumption has remained constant for the last ten years, it is likely to increase in future. This may or may not happen. It is however not a question of the division of markets either present or future between the Indian and the Lancashire Industry; and further when the time comes, the increased consumption must necessarily be catered for by the Indian Industry.

Reference paragraph 25.—It is impossible to believe that the various schemes of reorganisation now before the Lancashire Industry will have no effect on the cost of production and ultimately on Price. In fact, if these schemes were analysed, it will be seen that each one of them is concerned either with the reduction of overhead costs, works costs or sales costs. Any of the schemes, therefore, when put into effect will certainly increase the competitive strength of the Lancashire Industry. In our reply to questions Nos. 9 and 10, we have already referred to the effect on prices, of some of these adjustments that have already taken place.

Reference Part II.—A reference to our notes on Special Memoranda Nos. 1, 3 and 6 is requested.

Reference Part III.—The advantages of specific duties against *ad valorem* duties were so carefully investigated by the last Tariff Board that we do not think, it is necessary to add materially on the point.

We submit, specific duties even though not meant to be prohibitive, have the advantage of being more effective, when continued with *ad valorem* duties.

As admitted by the Delegation, there is a considerable indirect competition in the Textile Industry, which consists of offering goods, similar in appearance though substantially different. Naturally, the costs relating to these different types would be different; and as against corresponding indigenous products, the costs will not stand in the same corresponding relation to each sort when measured in terms of the *ad valorem* duties. Consequently, an *ad valorem* scale of duties always leaves a door wide open to the foreign competitor to compete on an unequal and advantageous basis with the domestic producer by changing the structure of cloth. This door would be effectively closed if the *ad valorem* duties are combined with specific duties so that the burden of the duty in case of *ad valorem* duty cannot be lightened in actual working by a manipulation of the structure of the cloth.

We do not think the specific duties have operated with undue severity in the case of United Kingdom Grey Goods. As they have been combined with the *ad valorem*, they have been more effective and have not allowed the United Kingdom producer chances of a competition referred to above. Any decrease in them or their abolition would immediately give the chance. In this connection we would request the Board to consider that the trade in Grey constitutes an important part of the Indian manufacturers and any increase in the United Kingdom imports will be seriously detrimental to a very large section of the Indian Industry.

Reference Part IV.—A reference to our comments on special memorandum No. 9 is requested.

Reference Supplementary Memoranda Nos. 1, 3 and 6 and Part II of the main Memorandum.—These in one way or another deal with the question of fair selling prices. The views of the Delegation on the same as gathered from these memoranda can be summarised as follows:—

- (1) That, whatever price might be current in the market over a long period, should be taken as a fair selling price.

- (2) That, such a price should relate to similar, *i.e.*, inter-competing goods even though they might be different in structure, quality and finish.
- (3) That, consequently the mill costing should only be the supplementary evidence.

Our observations on the same are:—

(1) While, the landed price of the United Kingdom imports is the price at which the importer is willing to sell, that price to an Indian producer is nothing less than the price at which he must compete, whether or not he gets a fair return or makes losses. It is not, therefore, proper to take the current price as the criterion of the fair selling price for the Indian producer.

The aim of the Inquiry is not only to maintain the Industry but also to give it a scope for growth and development. Fair selling price for the Indian producer would mean that price which has been considered fair for these purposes. As laid down by the previous Tariff Boards and accepted all through in inquiries for the grant of protection, the Fair Selling Price must secure to an average producer, not only a provision for the bare work's cost but also other necessary expenses like interest on working capital, sales expenditure, remuneration for the agents, and a return of 8 per cent. on the capital sunk.

Such a price could not always be identical with the market price as the latter is influenced by the disparity between supply and demand and foreign competition. In fact, there would be a difference between the two and that difference would roughly measure the handicap under which the Indian producer has to work in meeting foreign competition. It is to assess this difference that the Tariff Board is sitting; to take the market price as Fair Selling Price is therefore not only a faulty method, but also a negation of the principles hitherto recognised for the maintenance and development of the industry.

(2) The second proposition would be acceptable only if the comparison was between goods of identical quality. If, on the other hand such a comparison was, as the Delegation quote, based on specifications of cloth, different from the imported ones then such a price for protective purposes will not be strictly comparable to the price of imported goods, as both represent two separate sets of specifications. Therefore, if such a comparison was made use of in judging the assistance required by the Industry, it will not secure the assistance with reference to the real competitive condition that the Industry has to face. Such a comparison will not only ignore the relative strength of the competitor which the Tariff Board has to measure, but will also fail to protect the Indian manufacturer and to enable him to stand in the market without lowering his quality. We maintain that the object that the Tariff Board has and ought to have is that the Indian manufacturer should be able to compete with imported goods without affecting or lowering the quality and excellence of his manufactures. If this were not so, and the above considerations were to be sacrificed by fallacious comparisons, the future of Indian Industry, in our opinion, will be dark.

(3) As a corollary to the above it follows that costs of production are not so negligible as the Delegation would like to represent.

Reference Memorandum No. III.—In this Memorandum, the Lancashire Delegation state that the price at which suppliers have been willing to sell over a substantial period is a fair selling price. The implication of the statement appears to be that there is no need for protection where goods are or can be sold at such prices. Innocent though the statement and the implication may appear at first sight they ignore (1) the effect of wider competition on account of larger imports on the selling prices; and (2) the legitimate claim of the Indian Industry for due and natural development.

Reference Memorandum No. IV.—The Lancashire Delegation concede that the Indian Industry is entitled to reasonable protection. They recognise as only "proper and natural" (not legitimate?) the Indian desire to witness

progressive development of the Industry. We are quite unable to agree with their outlook with reference to the views vaguely and dubiously stated by them in their Memorandum. We wish to make it clear that the Indian Industry is entitled to protection to achieve the goal in view, *viz.*, the replacement of foreign competition by internal competition. We maintain that it is essential and legitimate for us to work for progressive development of the Industry and to be self-dependent in the matter of manufacture and supply of its clothing. It is unnecessary for us to go into the question of the alleged contributions of United Kingdom manufacturers or traders to Indian economic prosperity, as it is, in our view, entirely irrelevant to the present issue.

The Lancashire Delegation conscious of the weakness of their position in the demand for reduced duties try to argue their case negatively by saying that the Indian Industry would be able to hold its own successfully against United Kingdom competition and to make profits even if there were no protective duties. This clearly contains an admission about competition. May we know, how they visualise "the progressive development of the Industry" (which they concede), if they introduce competition which is bound to grow keener and larger from year to year? In our opinion, any reduction will act as a setback on maintenance and the development of the Industry. The examination of profits by some Indian Mills, and a comparison with the profits of mills in the United Kingdom, in this connection, are both irrelevant and misleading.

The Lancashire Delegation refer to the Industry being of full stature and urge that it should not be treated as an infant Industry. The infancy or the stature of an Industry in any country does not depend merely on its duration or volume. If the Lancashire Industry which the Delegation says made "forward movements in face of the world competition", with all its powerful monetary, economic and political resources has to seek protection against Japan, it is hardly fair to argue that the Indian Industry with all its disabilities needs no protection on the alleged grounds of full stature.

It is difficult to comprehend how a reduced duty will stimulate progress in India. The compensating advantage in the form of reciprocal exports is really not of any value when it is remembered that the exports from India mainly consist of raw materials only which the United Kingdom could not do without.

Reference Memorandum V.—It is ridiculous for an old man to dwell on the ills of old age to persuade a child from aspiring for manhood; but this is exactly what the Delegation do in this Memorandum. We might be permitted to say that, barring the Industry in the United States of America, no other Textile Industry has such chances of stability as the Indian Industry has got. It has enough supply of raw materials and one of the most extensive home markets. In fact, with the constant and plentiful demand of cloth in the country, instability can only come by the imports.

The amount of solicitude shown by the Lancashire Delegation and other Chambers of Commerce for the interests of the consumers is amusing, it is a pity that it extends only to secure cheapness of goods that Lancashire can give to Indian consumers, while denying the same to Japanese goods in India and also in the Dominions and the Colonies.

Whatever it is, we emphatically deny the charge of exacting high prices. We regret to note that in all cases it is expressed in a language hardly becoming responsible bodies. In this connection we thank the Madras Chamber of Commerce and the Bengal Chamber of Commerce in giving the list of Indian manufacturers who are competing with United Kingdom goods and who are supposed to have exacted high prices from the consumers. If the Board were to look up the balance sheets of these concerns it will be found that with one or two exceptions none of them are paying concerns.

Reference Memorandum IX.—In our opinion the imports of Artificial Silk goods and mixtures from whatever country they come should be stopped, as they compete directly with the Handloom Industry and indirectly with the Textile Industry. It is true as the Delegation states that for the moment

the bulk of the imports in artificial silk goods come from Japan, but since the last year the imports from United Kingdom have also shown a remarkable increase. If the duties were to be reduced, the imports are bound to increase still further and offer a more intense competition to both the Handloom and the Textile Industry.

MEMORANDUM, BOMBAY CHAMBER OF COMMERCE.

Reference Paragraphs I to VII.—These paragraphs refer to the larger trade relations of India and in reply we would refer to our comments on paragraphs 7 to 13 of the Memorandum of the Lancashire Delegation. We would only add that if there is economic nationalism in India (and we do not know there is any, so far as the settled policy of the Government is concerned) it is not a failing which this country has as exclusively its own. It might perhaps be useful to remember that United Kingdom has indulged in that much more than India has ever done, *e.g.*, the bounties on wheat, sugar, milk, butter, cheese, safeguarding of numerous trades including lace, steel, etc., and whole system of the Ottawa Agreements.

Reference Specific Duties.—A reference to our reply Part III of the main Memorandum of the Lancashire Delegation is requested.

MEMORANDUM, BENGAL CHAMBER OF COMMERCE.

Reference Recommendations Nos. 1, 3 and 5.—These are based on the common misrepresentation that United Kingdom does not compete directly in counts below 40s. We have shown in our general representation that this is not the case. Besides, as recognised by all the Chambers, there is a considerable amount of indirect competition. Consequently, any scheme of protection without reference to the Industry as a whole is bound to fail.

Reference Paragraph II.—If the import of Egyptian cotton or other foreign cotton is to be held as a valid reason to deprive India of her inherent right to maintain, foster and develop its industry, the first and greatest victim to this reasoning would be Lancashire which imports all the cotton it needs. As between Lancashire and Indian Industries, the Indian has a greater claim to existence and development, as against the Lancashire Industry, which has neither home raw materials nor a home market.

Reference Recommendation VII.—A reference to our reply on Lancashire Memorandum No. V is required.

As a general observation we might say that the Chamber wishes to reopen many settled questions. The question of protection to the Indian Industry, the purposes for which protection is granted, the countries against which it is granted, are all settled. The only question before the Board is whether in relation to these purposes, the present protection is sufficiently effective against the competition from United Kingdom.

GENERAL REPLY.

So far as the Indian Textile Industry is concerned, the present position is that, out of the Indian consumption of cloth, the major part is being supplied by the Indian Industry; and the Indian Industry is capable of producing the whole if it is given sufficient protection. It is also necessary to safeguard the Industry against indirect competition. Any increase, therefore, in the Imports consequent on lowering the present duties, or on a refusal to help the Industry in its further stages of growth, can only result in a substitution of the Indian Manufactures by foreign goods.

It is surprising that the Lancashire Delegation do not appreciate this position. They admit that the Indian consumption has remained constant; that there is a considerable indirect competition in the Textile Market, and that there are large sections in which the Indian fair selling prices are higher than United Kingdom goods. But, in spite of being conscious of the next step, *viz.*, that, in the circumstances, any increase in the imports is impossible,

they try to placate Indian opinion by making a verbal gesture of goodwill when they say that the Indian Industry is entitled to progressive developments, only to end by asking for a decrease in the duties.

This demand should be examined in the light of the statements made by the Lancashire Delegation elsewhere in their Representation. They state "It is a profound error of judgment to overlook the fact that, even at its present volume of production and with its present markets, in terms of values, Lancashire is still the greatest exporter of cotton piecegoods in the world, has still facilities for the production of a range of goods greater than that of any other manufacturing centre, and still leads by a handsome margin all its competitors in the breadth of its technical resources". They also refer to the reorganisation programmes before the Industry. Their statement that none of these things, is likely to disturb the price parities between the United Kingdom and Indian goods, has to be scrutinised with great caution and ought not to be taken at its face value. The statement is obviously an interested one. It would be also noted that some of the re-organization adjustments have already taken place; and therefore the only revision of the duties could be upwards, as we have pressed elsewhere.

It should be mentioned here, that so far as the Indian Industry is concerned, things are very different. On the one hand, there has been a change in the hours of work, which has put up the costs of production. On the other, the Industry has not been able to enjoy the use of an effective protection of 25 per cent. as these representations allege. It is well known that the duties on Stores Machinery and Cotton burden the Industry and materially reduce the effectiveness of the present protective duties.

We have given our observations on the question of Fair Selling Price. Such an examination of the prices is certain to show that the existing duties are absolutely essential in the large majority of cases of Indian Manufactures and that in the remaining cases, they are insufficient to be helpful to the Industry.

It is said that in some quarters that the existing duties have kept up the prices of goods or that any revision upwards will have an influence in that direction. With reference to this we submit that, the fact is that the duties, far from forcing the prices up, have not been helpful even in maintaining them. In the case of the goods, in which the Indian Industry has become more conversant, and is now producing the major part of the requirements, a period of internal competition has set in. In the case of other goods, the comparatively lower prices of the United Kingdom goods, also force down the prices of Indian goods. Under the influence of this double pressure, the Industry has had to sell goods cheaply and in some cases even cheaper than the bare cost of production. This could easily be verified from a reference to the Index of prices, and in the Balance Sheets of some concerns. It will be found that contrary to the expectations, the profits margins have been going down, and there are many concerns which have made losses.

(5) *Note on 'Fair Return' on capital submitted by the Ahmedabad Millowners' Association on 9th January, 1936.*

Ever since protection has been adopted a return of 8 per cent. on the capital investment has been considered a fair and legitimate standard of manufacturer's profit in all industries. There have been several Tariff Board's enquiries since this standard was first applied and their inquiries related to industries with varied industrial and financial conditions; but in every inquiry this standard has been found to require no modification, because as the Tariff Board observed in their report on the Textile Industry in 1932, "the Board has always regarded (it) as necessary under Indian conditions for stimulating investment in industrial enterprises". Therefore when we stated that we should be content with a similar return on our investments we believed the principle was sufficiently well-established to require any fresh evidence in its support.

It was pointed out to us that the condition of the Steel Industry where the principle was first applied was not comparable to the case of the Cotton Industry. It might be conceded for the sake of argument that when the protection was first granted the condition of the Steel Industry was perhaps different. But it is submitted after the first inquiry the Steel Industry left that stage behind and was suddenly no where near it in the year 1934, as during the 10 years of protection it was sufficiently well-established from the point of view of the investor. The Tariff Board which inquired into the Industry in 1934, was aware of it; but did not permit its decision to be influenced by it. They rightly mentioned, "in the present circumstances of the Industry, we agree that a lower rate would neither be fair to the Industry nor could be expected to attract fresh capital", as the particular stage of development that an industry has reached has nothing to do with the question of fair returns on investment which an industry has presumably yet to attain, when a Board considers it as deserving protection.

We give below the figures relative to interest rates in United Kingdom on different types of investment. They will show that where the above standard was adopted for the Indian Industry, it was nothing more than what was being normally earned in other countries. We are sure, similar figures relative to other countries will also confirm this.

The Board will observe that some of the rates relate to non-risk bearing while others to risk bearing capital and placed side by side, they give a complete picture of the relations between different types of investments in the United Kingdom.

It is apparent from these figures that among the risk bearing investors the ordinary shareholder who takes the major risk has not been getting anything less than 8 per cent. except during recent years due to the present severe depression, while the preferential shareholder obtains nothing less than 6 per cent. It is also clear that there is a considerable margin between rates on industrial investments and non-industrial investments like Government loans or Bank loans.

The Board will concede that there is a considerable difference between money market in India and the money market in the United Kingdom, both as regards the aggregate quantity of funds seeking investment and the outlook of the investor. Consequently even for the same amount of risk the return on the investment in India should be higher than elsewhere. If therefore the usual money conditions in India were kept in mind a standard of 8 per cent. on investments in industrial concerns, is, if anything, not sufficiently large to take a full account of all the circumstances in which industrial concerns have to be financed here.

It is true that during the last 2 or 3 years the rates of interest are lower than before and the Government has been able to borrow money cheaper. But it is well known that the present condition of the money market is entirely unprecedented on account of the unparalleled depression and has benefited the Government as would happen in all such cases. But it is clear that the present abundance of funds in the market cannot retain its permanent feature and it would be a mistake to allow such shifting phenomena to influence the principles governing long period requirements of the Industry. For instance, the Tariff Board in their Steel Report in 1926 mentioned "Although the return on gilt-edged securities has fallen, we have no reason to think that an all-round rate of 8 per cent. is excessive for an Indian commercial undertaking in the present circumstances". At the most, so far as the major part of the Industry is concerned, they can affect only the working capital which can be financed by temporary borrowings. The Board will see from our detailed costings that we submitted to them that to that extent we have already taken account of the present fall in the rates of interests.

In the preceding paragraphs we have shown that the present circumstances of the money market and the conditions elsewhere regarding the rates at which funds are obtained for industrial purposes do not call for any

revision of the standard of return which has been accepted by the previous Tariff Boards. We also believe that there should be a return of 8 per cent. on investments even independent of these considerations. The question of manufacturer's profit as we view it is a question of the productiveness of the investments made in an industry; and its equalisation with similar productiveness elsewhere. As such, one has to take into account the entire capital that is invested in an industry, and judge the productiveness in relation to that, since it is the entire capital which bears the risk of the undertaking. Once capital is invested there is no distinction between the capital which is subscribed by the shareholders and which is borrowed by them; both share the risk equally well and should similarly have the same return. Therefore, in our opinion, in a consideration of the standard of return on capital the methods by which such capital was acquired is not strictly material to the issue.

Enclosure No. 1.

Movement of interest rates in United Kingdom.

Years.	Average Bank rate.	Average three months' Bill rate.	Average yield on all new Government Loans.	Average yield on new issues of industrial debentures.	Average yield on new issues of preference shares.
	%	%	%	%	%
1913	4.77	4.37	4.77	5.5	5.74
1928	4.50	4.15	5.09	6.10	7.37
1929	5.50	5.27	5.07	6.10	6.58
1930	3.42	2.61	5.43	5.96	6.09
1931	3.93	3.55	5.60	6.33	6.50
1932	3.00	1.84	3.72	5.44	6.32
1933	2.00	0.69	3.14	4.58	5.28
1934	2.00	0.83	3.14	4.48	5.00

(The *Economist*, page 239, February 2nd, 1935.)

Enclosure No. 2.

Dividends on Capital invested inside the Country.

	On debenture capital.				On preference capital.				On ordinary capital.			
	1932.	1933.	1934.	1935.	1932.	1933.	1934.	1935.	1932.	1933.	1934.	1935.
	%	%	%	%	%	%	%	%	%	%	%	%
1st Quarter .	4.80	4.77	4.73	4.64	4.9	5.0	4.9	5.1	8.7	7.5	7.5	8.3
2nd Quarter .	5.01	4.97	4.75	4.75	4.9	4.9	5.2	5.7	5.7	5.0	5.7	6.7
3rd Quarter .	5.09	4.94	4.88	4.67	3.6	4.4	4.1	4.9	4.3	5.3	6.0	6.7
4th Quarter .	5.16	5.04	4.95	..	3.6	3.2	3.7	..	4.9	5.2	6.8	..
Year .	5.01	4.99	4.82	..	4.2	4.6	4.8	..	5.9	5.8	6.5	..

(The *Economist*, page 695, October 12th, 1935.)

Enclosure No. 3.

Dividends on British holdings in Foreign and Colonial Companies.

Year.	Amount of Dividends.	Percentage of Capital.
	£	
1929	42.0 million.	9.6
1930	31.7 „	8.1
1931	22.7 „	6.0
1932	22.1 „	6.4
1933	20.5 „	5.9
1934 (Provisional est.)	23.5 „	6.8

(The *Economist*, page 451, September, 1935.)(6) *Note regarding Depreciation Allowances submitted by the Ahmedabad Millowners' Association on 9th January, 1936.*

We submit that the depreciation allowances at present granted by the Income-tax Department are if anything on the low side, and any modification of them for the purpose of calculating the Fair Selling Price will stand in the way of development of the Industry.

- 5 per cent. on machinery,
- 2½ per cent. on buildings,
- 7½ per cent. electrical machinery,
- 7½ per cent. on bleaching machinery,

which brings about an average of 4½ per cent. and is a standard generally adopted in all industrially advanced countries; but the times when these standards came to be adopted and the present are different in one material respect, namely that these allowances did not take into consideration the rapid obsolescence of the textile machinery during recent years. It is an accepted fact that the changes which are taking place in all directions make it obligatory on the manufacturer to replace his machinery much faster than the 20 years period generally taken for the machinery depreciation. Similarly it must have been apparent to the Board when they went round having a look at the mills which were put up 25 or 30 years back whose depreciation has not been covered fully by now that they do stand at a considerable disadvantage in their productive costs because of their not being able to scrap the old buildings and put up the new ones instead.

Another point which needs to be taken notice of is that almost all the machines that are designed in recent years are of much greater speed than the machines which used to run even 8 or 10 years back. We will cite only one or two instances which will convince the Board that wear and tear that is taking place in the machinery to-day is much greater than the wear and tear of the former years. The ring-frames which used to run at an average speed of 8,500 revolutions per minute generally in Ahmedabad 10 years ago are to-day running between 10,500 and 11,000 revolutions per minute. In order to get the highest economy the turbo-alternators which used to run at 3,000 revolutions per minute are now designed to run on 8,500 or even 9,000 revolutions per minute. All this can only mean one, and one thing alone, and that is that the machinery is bound to wear out faster than it used to be when the standard of 5, 2½, 7½ and 7½ per cent. were adopted.

- (7) *Note on the increase in costs of production due to the reduction in the hours of work submitted by the Ahmedabad Millowners' Association on 9th January, 1936.*

We have submitted two sets of figures to the Board, from which it would be possible to arrive at a rough estimate of this change.

In the first place, we have submitted costings* in the years 1934 and in 1935, of different sorts in three different mills. If the Board were to deduct the cost of cotton and compare the works expenditure, it will be able to find the difference in costs of production for the same piece in 1934 and 1935. We have been able to obtain the figures of cotton in the case of Mill No. 1 in Form B (b). Deducting them and then comparing the works costs we come to the following result:—

	Sort No. 1.	Sort No. 2.	Sort No. 3.
Difference	5.80	6.64	4.84

We have also submitted to the Board the actual expenditure of 12 mills* over the last 5 years. The costs of manufacture are divided into several sub-heads. A glance at them will show that out of them the nature of sub-heads 2, 3, 4, 5, 7, 12, 13, 14 is such that they will vary with the amount of production; while 8, 9, 10, 11, 15, will remain the same whatever the amount of production. Sub-head 6 which refers to wages, includes fixed wage-earners and piece-workers. It has been found in practice that the first forms one-third of the total wages. So, that much would remain constant, irrespective of the amount of production and the rest will vary with the amount of production. Item 7 should be altogether excluded as it refers to coloured yarn or dyeing charges or bleaching charges.

It would be clear that the varying costs would be reduced to the extent of 10 per cent. during the year 1935, whereas the invariable costs would remain the same. Due to reductions of hours the spinning production has dropped by 10 per cent. while in the case of weaving it has dropped by 8 per cent. Therefore the total production comprising both the spinning and weaving will average at 91 in 1935 against 100 in 1934.

We have analysed the cost of Mills 3 and 6 in Appendix A*, in this way and the results are as follows:—

Mill No. 3	4.8
Mill No. 6	4.3

This is, as it should be. Owing to the nature of the figures at our disposal we had necessarily to resort to some assumptions which had the effect of reducing the percentage of increase. For instance, we have assumed that fuel will vary in the exact proportion of the amount of production but this will not be so as the banking coal would remain constant. Similarly we have assumed the salaries of the technical staff, and the salaries of the clerical staff (included in item 12) to be varying, while it would not be so. Even all the items of stores would not vary in an equal degree with the quality of production. If a full allowance were made for all those items, we are sure, the difference will certainly be more than 5 per cent.

It should also be remembered that this calculation makes no provision for the necessary change in the manufacturer's profits. As stated elsewhere, this should be 8 per cent. on the capital investment of the Industry. It can be easily seen that as the investment will remain constant, the amount of manufacturer's profit will also remain constant. But with the change in the hours of work it will now be spread over a smaller quantity of production, and thus the cost per unit will be higher.

* Not printed.

Southern India Millowners' Association, Coimbatore.

(1) Representation dated the 12th October, 1935.

INTRODUCTORY.

Spinning mills in India feel strongly that their interests have been totally disregarded by the Government of India during recent years. Their condition has steadily grown worse and we consider it is now time that the facts be clearly stated.

2. The representation which follows is made on behalf of the undernoted companies owning 974,338 spindles, all engaged in spinning cotton yarns for the handloom, hosiery, power loom and other industries:

	Spindles.
1. Modern Mills Co., Ltd., Bombay	23,968
2. Gokak Mills, Ltd., Bombay Presidency	72,536
3. Model Mills Nagpur, Ltd., Central Provinces	52,408
*4. Cambodia Mills, Ltd., Madras Presidency	16,752
*5. Coimbatore Cotton Mills, Ltd., Madras Presidency	10,864
*6. Janardhana Mills, Ltd., Madras Presidency	6,000
*7. Lakshmi Mills Co., Ltd., Madras Presidency	16,000
*8. Lotus Mills, Madras Presidency	5,000
9. Madura Mills Co., Ltd. (6 Mills), Madras Presidency	470,616
10. Mahalakshmi Textile Mills, Ltd., Madras Presidency	7,040
11. Malabar Spinning & Weaving Co., Ltd., Madras Presidency	18,416
*12. Palaniandavar Mills, Ltd., Madras Presidency	6,000
*13. Pankaja Mills, Ltd., Madras Presidency	16,800
*14. Palamalai Ranganathar Mills, Ltd., Madras Presidency	6,000
*15. Radhakrishna Mills, Ltd., Madras Presidency	25,560
*16. Rajalakshmi Mills, Ltd., Madras Presidency	16,000
17. Sree Meenakshi Mills, Ltd., Madras Presidency	21,680
*18. Sri Ramalinga Choodambikai Mills, Ltd., Madras Presidency	12,000
*19. Sri Ranga Vilas Ginning, Spinning & Weaving Mills, Ltd., Madras Presidency	24,924
*20. Dhanalakshmi Mills, Ltd., Madras Presidency	22,000
*21. Kaleeswarar Mills, Ltd., Madras Presidency	35,000
*22. Coimbatore Spinning and Weaving Co., Ltd., Madras Presidency	40,000
*23. Vasantha Mills, Ltd., Madras Presidency	12,500
24. Sri Satyanarayana Spinning Mills, Madras Presidency	5,504
25. Sri Suryanarayana Spinning & Weaving Mills, Ltd., Madras Presidency	5,570
26. Sri Krishnarajendra Mills, Ltd., Mysore	25,200
Total	974,338

* Situated in Coimbatore District.

In addition some 12 or more Mills are expected to join in this representation, bringing the total spindleage to over one million. We hope to advise the Board of the final position in the course of a few weeks.

3. In past Tariff Board enquiries no concerted action has been taken by the spinning section of the textile industry with the result that their case has suffered. It is, therefore, felt that a complete picture of the conditions obtaining in the industry should be presented to the Board, although the latter's terms of reference relate only to United Kingdom piecegoods and yarns. By doing so, we feel the Board will be in a better position to judge the state in which the industry now finds itself and the measures necessary to afford it badly needed relief.

GOVERNMENT'S TREATMENT OF YARN AND CLOTH DUTIES CONTRASTED.

4. Grey yarn and grey piecegoods are closely related to one another. The cost of yarn of medium counts consists roughly of two parts cotton content and one part manufacturing charges, while grey cloth of similar counts comprises roughly one part cotton and one part manufacturing charges. Consequently the duty imposed on any one of these articles should bear some constant relationship to the duty on the other. For example, when specific duties were first applied to cotton piecegoods in the year 1930, yarn was already in possession of a specific duty of $1\frac{1}{2}$ annas per lb. on all counts of yarn from all countries. $3\frac{1}{2}$ annas per lb. was imposed on grey piecegoods of British and non-British manufacture. On the principle that the duty is intended to offset relative advantages in manufacturing charges, the duty on yarn should then have been

$$\frac{3\frac{1}{2}}{3} \text{ annas} \times \frac{2}{1} = 2\frac{1}{3} \text{ annas per lb.}$$

5. The history of events thereafter is now briefly indicated. Government's treatment of grey piecegoods manufacturers is contrasted with their treatment of the spinning industry, and we feel the verdict must be that the spinning industry has been most badly treated and neglected.

6. The Yarn Protection Act of 1927 by which a specific duty of $1\frac{1}{2}$ annas per lb. was imposed on all imports of cotton twist and yarn expired in 1930. It was renewed for a further 3 years in that year on the grounds that China, now become a formidable competitor, imposed no limits on the hours of work to either men or women and imposed no restrictions on the employment of children in cotton mills. In that same year plain grey piecegoods for the first time were given the benefit of a specific duty amounting to $3\frac{1}{2}$ annas per lb.

7. In September, 1931, the Government of India imposed a surcharge of 25 per cent. on all import duties in order to protect the country's financial and budgetary position. Duties on twist and yarn were thereby increased to $6\frac{1}{4}$ per cent. *ad valorem* or $1\frac{1}{4}$ annas per lb. whichever was higher.

8. In the same month Government imposed an import duty of 6 pies per lb. on raw cotton imported into India which reduced the protection afforded to cotton yarn by '6 annas per lb., allowing for wastage in process. This net reduction certainly applied to counts 31s to 40s and upwards, leaving the industry to face Japanese, Chinese and United Kingdom competition with, in effect, a net specific duty of 1.275 annas per lb.

9. The effect of this reduction can be seen from Table I below. Appendix I gives similar figures and also those for subsequent years.

TABLE I.
Detailed Imports of Cotton Yarn into India.
(In thousands of lbs.)

Description of yarn.	United Kingdom.		Japan.		China (including Hongkong).		Other countries.		Total.	
	1931.	1932.	1931.	1932.	1931.	1932.	1931.	1932.	1931.	1932.
Single Grey :										
1 to 10 .	112	74	6	594	34	..	1	..	153	670
11 to 20 .	312	704	118	125	..	..	..	..	430	829
21 to 30 .	1,141	1,532	412	5,771	11,450	10,956	22	40	13,025	18,299
31 to 40 .	257	372	..	47	..	..	..	..	257	419
41 to 50 .	2,436	3,691	8	22	..	..	1	..	2,445	3,714
51 to 60 .	939	1,579	3	7	72	..	..	..	1,014	1,586
Above 60 .	..	..	..	..	..	..	..	..	..	..
Single Coloured :										
1 to 20 .	176	247	..	..	..	..	1	..	177	247
21 to 30 .	220	321	..	..	..	..	13	..	233	321
31 to 40 .	479	490	..	..	10	..	63	62	552	552
41 to 50 .	42	15	..	..	..	..	6	..	48	15
Above 50 .	175	208	..	..	..	..	6	16	181	224
White Bleached .	3,153	3,576	445	650	..	10	12	2	3,614	4,238
Grey Folded .	1,011	966	273	2,862	2,027	1,307	129	13	3,440	5,149
Coloured Folded .	278	348	..	..	..	..	2	..	280	348
Mercurised .	198	229	..	..	..	..	1	1	4,624	7,547
Artificial Silk .	814	1,544	86	7,317	..	..	7,143	8,672	8,044	12,354
Unspecified sorts .	19	11	2	13	..	..	..	..	21	24
Rope .	784	683	12	1	..	..	34	27	830	713
Sewing Thread .	1,543	1,786	3	2	..	..	269	246	1,815	2,034
Total	14,089	18,376	5,793	19,551	13,598	12,275	7,703	9,081	41,183	59,283

It will be observed that United Kingdom imports increased in 1932 despite exceptional competition from Japan and China which will be considered later. In other words, the lessening of protection through the import duty on raw cotton resulted in a 30 per cent. increase in United Kingdom imports during the year following the imposition of the cotton duty.

10. In December, 1931, Japan went off the Gold Standard and the yen steadily fell throughout 1932. The great advantage derived by Japan from a falling exchange was reflected in the steadily increasing imports of piece-goods and yarns into India.

11. The Government of India were brought to realise the gravity of the situation, and in July, 1932, directed the Tariff Board to undertake an intermediate enquiry and report on whether cotton piecegoods of non-British manufacture were being imported into British India at such a price as was likely to render ineffective the protection intended to be afforded by the duty imposed on such articles by the Indian Textile Protection Act of 1930. Unfortunately, Government refused to include cotton yarn within the scope of the emergent enquiry by the Tariff Board.

12. As a result of the Board's finding, the import duties on plain grey piecegoods of non-British manufacture were raised to 50 per cent. *ad valorem* or 5½ annas per lb. whichever was higher. Cotton yarn on similar reasoning should have been granted protection to the extent of 3½ annas per lb. specific duty.

13. On page 8 of the Tariff Board's report on the emergent enquiry the following figures are given:—

Imports into Bombay from Japan.

Description.	June, 1931.	May, 1932.	June, 1932.	Increase in June, 1932, over May, 1932.	Increase in June, 1932, over June, 1931.
	Lbs.	Lbs.	Lbs.	Per cent.	Per cent.
Grey Cotton Yarn . . .	6,957	280,000	536,800	91.71	7,637.80
Piecegoods :					
Plain Grey—					
Drills and Jeans . . .	Yds. 4,000	Yds. 20,000	Yds. 20,000	..	400.00
Longcloth and Shirtings .	4,227,462	3,761,975	7,441,275	97.80	76.02
Sheetings . . .	301,500	202,500	495,000	144.44	64.17
White (Bleached)—					
Drills and Jeans . . .	..	12,080	16,250	34.52	..
Jaconets, etc. . . .	..	24,000	96,000	300.00	..
Longcloth and Shirtings .	548,834	1,424,330	2,413,745	69.46	339.80
Mulls	83,600	213,000	337,600	58.50	306.02
Nainsooks	88,100	398,800	293,600	..	233.28
Printed—					
Checks, Spots and Stripes .	..	53,190	150,810	183.53	..
Drills and Jeans . . .	431,750	1,507,130	3,249,290	115.59	652.50
Prints and Chintz . . .	257,298	507,063	540,044	6.50	109.89
Shirtings	1,508,859	997,595	2,551,727	155.78	69.11
Unspecified descriptions .	..	..	45,500	..	..

Description.	June, 1931.	May, 1932.	June, 1932.	Increase in June, 1932, over May, 1932.	Increase in June, 1932, over June, 1931.
	Yds.	Yds.	Yds.	Per cent.	Per cent.
Dyed—					
Drills and Jeans	18,000	69,810	137,033	96.29	661.30
Shirtings	14,000	222,100	530,400	138.81	3,788.70
Twills	8,097	32,972	115,578	250.53	1,327.40
Woven Lungis and Sarangs	..	..	20,588	..	..
Unspecified descriptions . .	..	285,052	435,798	52.90	..
Woven Coloured—					
Checks, Spots and Stripes . .	..	21,600	85,000	293.52	..
Coatings and Trouserings . .	2,670	16,080	31,426	95.44	1,077.00
Drills and Jeans	68,400	212,610	977,400	359.71	1,329.00
Shirtings . . . . .	..	..	76,500	..	..
Twills	32,700	78,000	345,600	343.76	956.90
Velvet and Velvetens	24,089	36,425	71,066	95.10	195.01
Total imports of cotton piece- goods from Japan.	11,983,341	15,173,896	28,197,453	85.83	135.30
Other countries	11,394,283	13,418,791	12,432,493	..	9.11

It will be observed that figures for grey cotton yarn as well as piecegoods were included in the table and that the percentage increases in Japan's imports were relatively greater in the case of cotton yarn than in piecegoods.

14. The table following has been prepared to show the relationship between imports from Japan of 31s to 40s grey yarn and grey piecegoods up till the month in which the emergent enquiry was made:—

TABLE 2.

Imports from Japan.

1932.	31s to 40s Grey Yarn in lbs.		Plain Grey Piecegoods in yards.		Percentage increase (+) or decrease (—) over preceding month.	
	Imports.	Increase (+) or decrease (—) over preceding month.	Imports.	Increase (+) or decrease (—) over preceding month.	31s to 40s.	Grey Piece- goods.
January	10,000	..	*17,981,707	..	..	..
February	15,200	+5,200	*19,253,275	+1,271,568	+52.00	+7.07
March	60,000	+44,800	*11,600,399	—7,652,876	+294.74	—39.75
April	389,600	+329,600	17,645,618	+6,045,219	+549.33	+52.11
May	529,300	+139,700	13,598,604	—4,047,014	+35.86	—22.93
June	1,023,500	+494,200	18,897,951	+5,299,347	+93.37	+38.97
July	1,096,000	+72,500	18,967,718	+69,767	+7.08	+3.7

* Piecegoods import figures for January/March, 1932 include imports of Bordered Grey Piecegoods also.

It is obvious that, however, good a case there was for piecegoods, a better case existed for yarn.

15. The year 1932 closed with manufacturers of grey piecegoods enjoying a protection of 25 per cent. or $4\frac{3}{8}$ annas per lb. on United Kingdom goods and 50 per cent. or $5\frac{1}{2}$ annas per lb. on non-British piecegoods. Cotton spinners were still labouring under a heavy handicap, yarn duties being $6\frac{1}{2}$ per cent. *ad valorem* or $1\frac{7}{8}$ annas per lb. whichever was higher, but as mentioned in paragraph 8 such protection was directly reduced through the import duty on cotton to 1.275 annas per pound.

16. In April, 1933, the Safeguarding of Industries Bill was introduced in the Legislative Assembly. This measure sought to empower Government to take tariff action whenever the trade and industry of this country was threatened by cheap imports from foreign countries. The Bill was passed, but action against Japan could not be taken until the expiry of the Indo-Japanese Convention of 1905 which guaranteed most favoured nation treatment to Japan. The six months' notice required by the terms of the Convention was duly given to the Government of Japan and it was then thought that with the expiry of that period the spinning industry would receive adequate if much belated protection against Japanese and Chinese competition.

17. In July, 1933, the Millowners' Association, Bombay, made an application under the Safeguarding of Industries Act for the grant of assistance to the Indian cotton yarn industry with particular reference to Japanese and Chinese competition. In their representation the *additional* duty required was shown to be 2.8 annas per lb. which would have made the total duty operating against Japan and China 4.675 annas per lb. on all counts of yarn. However, the Government of India continued to take no action of any kind.

18. A month or so before the application for assistance under the Safeguarding of Industries Act, namely, on 6th June, 1933, the Government of India announced a further increase in the duty on foreign cotton piecegoods of 75 per cent., with a minimum specific duty of $6\frac{3}{4}$ annas per lb. on plain grey. This step was considered necessary to counteract the continued severity of Japanese competition.

19. A comparison on similar lines to those adopted in paragraph 14 may again be made.

TABLE 3.
Imports from Japan.

1933.	31s to 40s Grey Yarn in lbs.		Plain Grey Piecegoods in yards.		Percentage increase (+) or decrease (—) over preceding month.	
	Imports.	Increase (+) or decrease (—) over preceding month.	Imports.	Increase (+) or decrease (—) over preceding month.	31s to 40s.	Grey Piece- goods.
January .	278,000	..	14,514,904	..	..	..
February .	122,400	—155,600	8,988,048	—5,526,856	—56.00	—38.08
March .	146,000	+23,600	9,113,684	+125,636	+19.28	+1.40
April .	165,200	+19,200	8,370,252	—743,432	+13.15	—8.16
May .	564,800	+399,600	13,199,868	+4,829,616	+241.89	+57.70
June .	1,198,000	+633,200	14,780,741	+1,580,873	+112.11	+11.98
July .	770,000	—428,000	14,412,161	—368,580	—35.73	—2.49

The comparison is even more glaring than in 1932.

20. At the time of again increasing duties on piecegoods the Government of India issued a press communiqué which stated *inter alia* :

"The pressure of Japanese competition is not confined to the Cotton Textile Industry. A very large number of Indian industries have been affected and it was found necessary to pass the Safeguarding of Industries Act early this year as a temporary measure to meet exceptional conditions. As a corollary steps were taken to denounce the Indo-Japanese Trade Convention which by virtue of its most favoured nation clause precluded the operation of the Safeguarding Act in the direction in which it was most necessary.

The Government of India desired to make it clear that it was with the utmost reluctance that they took the step of denouncing the commercial engagement and that it was only the vital necessity for protecting indigenous industries in circumstances of exceptional competition that forced them to do so.

It has been suggested that an alternative line of action should be explored, viz., that of negotiations with a view to settlement with Japan. The Government of India desired to say that they are prepared at any time to enter upon discussions with a view to a mutual satisfactory solution of the problem of Indo-Japanese trade. But pending the conclusion of such a settlement they felt it incumbent upon them to take such steps as lie within their power to safeguard Indian industries."

21. So far as the Indian spinning industry is concerned, the spirit which animated the Government of India in framing the press communiqué apparently did not apply to them. On the reasoning given in paragraph 18 if a duty of 6½ annas per lb. was necessary on plain grey piecegoods then a duty of 4½ annas per lb. was required on grey yarn. Incidentally it will be observed that the figure mentioned, 4½ annas per lb., is much the same as the duty applied for in the Bombay Millowners' Association's case for assistance under the Safeguarding of Industries Act, which came to 4.675 annas per lb.

22. During the Indo-Japanese official negotiations regarding Indian cotton exports and Japanese piecegoods imports which were carried on at Simla in October, 1933, the Government of India considered the position of miscellaneous indigenous industries exposed to abnormal Japanese competition. Cotton yarn, hosiery, umbrellas, paints, lead pencils and crockery were among the articles considered and early in 1934 protection by way of specific duties was afforded to all those articles with the exception of cotton yarn.

23. On protests being made to Government at the continued delay in affording assistance to the cotton yarn industry, they replied to the effect that yarn duties would be dealt with when Government passed orders on the report of the Tariff Board enquiry into the textile industry, such enquiry having been made in 1932, but at that time (January, 1934) the report had not yet been published nor had Government framed their proposals.

24. While the Indo-Japanese negotiations were proceeding a delegation representing United Kingdom Cotton Textile Industry interests had come out from England and carried on negotiations with representatives of the Indian Textile Industry. The agreement finally arrived at between the Millowners' Association, Bombay, and the United Kingdom Delegation is common property and need not be repeated here. One point, however, arises out of that agreement. In a last minute endeavour to secure agreement the Millowners' Association, Bombay, agreed that a reduction might be made in cotton yarn duties to a level of 1½ annas per lb. on all counts. This unfortunately was done without full consultation with all spinning interests affected. This action had grave effect later when the Indian Tariff (Textile Protection) Amendment Bill was introduced in the Assembly on 5th February, 1934.

25. Early in February, 1934, Government at last published the Report of the Tariff Board which enquired into the condition of the Indian Textile Industry in 1932. The Report calls for detailed examination in so far as its treatment of yarn is concerned. This is given later in the representation and meantime the history of events is continued.

26. The Indian Tariff (Textile Protection) Amendment Bill contained the following provisions relating to cotton yarn duties. In place of the then existing duties of $6\frac{1}{4}$ per cent. or $1\frac{1}{2}$ annas per lb. on all counts of yarn imported from any country, it proposed to reduce the duties on yarn of British manufacture to 5 per cent. *ad valorem* or $1\frac{1}{4}$ annas per lb. whichever was higher, on counts 50s and below, and to 5 per cent. *ad valorem* only on counts above 50s. In the case of non-British yarns, the then existing duties of $6\frac{1}{4}$ per cent. or $1\frac{1}{2}$ annas per lb. were to be continued on counts 50s and below, and reduced to $6\frac{1}{4}$ per cent. *ad valorem* only on counts above 50s.

27. It will be observed that Government adopted the recommendations of the Indo-Lancashire unofficial agreement, but in part only, as they refused to grant even the reduced specific duty of $1\frac{1}{4}$ annas per lb. on counts over 50s.

28. The Indo-Japanese agreement, then practically concluded, had limited by quotas the quantities of Japanese piecegoods to be imported into India in the future, so that Government felt it possible to reduce the duties on grey piecegoods from the level then ruling of 75 per cent. *ad valorem* or $6\frac{3}{4}$ annas per lb. to 50 per cent. or $5\frac{1}{4}$ annas per lb., whichever was higher. No quota had been considered for yarn imports, so that the measure of protection afforded to yarn should have been based on the then existing rate of duty imposed on imported grey cloth, in other words $\frac{6\frac{1}{4}}{3} \times \frac{2}{1}$ annas = $4\frac{1}{3}$ annas per lb. Even on the reduced figure made feasible by the quota arrangement, the duty on non-British yarn should have been $\frac{5\frac{1}{4}}{3} \times \frac{2}{1}$ annas = $3\frac{1}{2}$ annas, on all counts, while on British yarn it should have been $\frac{4\frac{1}{3}}{3} \times \frac{2}{1}$ annas = 2.9 annas per lb. also on all counts.

29. The report of the Select Committee appointed by the Assembly contained among others a minute of dissent signed by 8 members, which said in the matter of yarn duties:—

“(1) That the duty in respect of all yarns from the United Kingdom should be 5 per cent. or $1\frac{1}{4}$ annas per lb. whichever is higher.

(2) That in respect of non-British yarns, the duties should be—

(i) On 50s counts and under . $6\frac{1}{4}$ per cent. *ad valorem* or $2\frac{1}{4}$ annas per lb. whichever was higher.

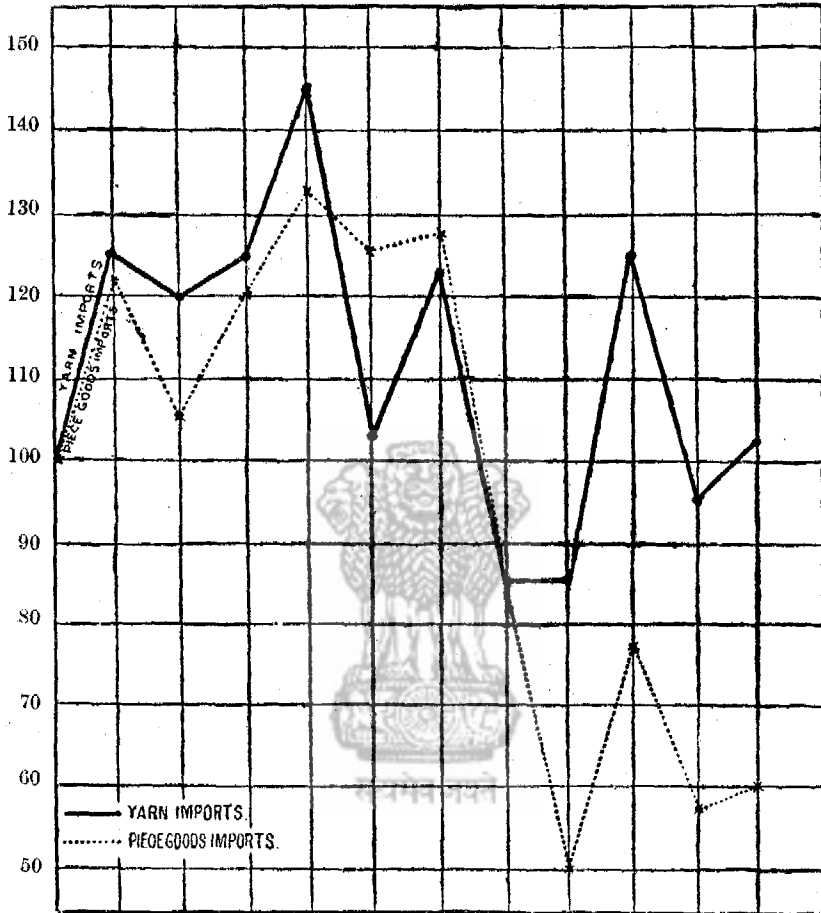
(ii) Above 50s counts . . . $6\frac{1}{4}$ per cent. *ad valorem* or $1\frac{1}{4}$ annas per lb. whichever was higher.”

30. Despite all representations, Government were adamant, although their reasons for continuing to be so were unknown, and the Bill was passed into law with effect from 1st May, 1934.

31. The contrast between the treatment given to cloth and yarn manufactures respectively is glaringly brought out by the graphical illustration of imports shown below in which 1923-24 imports were taken as 100.

TABLE 4.

1923-24 1924-25 1925-26 1926 1927 1928 1929 1930 1931 1932 1933 1934



THE 1932 TARIFF BOARD REPORT.

32. A study of the foregoing pages will show why cotton spinners feel so strongly that they have been given most unfair treatment. There is no excuse for Government not taking action during 1932, prior to receiving the Tariff Board's Report. Thereafter, when the Report was submitted to them, there was a certain amount of reason for their inaction, in so far as the Report contained some sweeping and in fact revolutionary recommendations in the matter of yarn duties. At the same time, an impartial scrutiny of the Report shows many errors which vitiate the findings, and Government should have been prepared to reconsider their proposals when such errors were brought to their notice.

Certain general criticisms may legitimately be made on the Tariff Board.

33. It appears that the Board concerned itself almost solely with cloth and merely mentioned yarn as an incidental. In fact yarn is dismissed in one paragraph under the head "Supplementary proposals".

34. It would also appear that the Board has laboured under a misapprehension throughout its enquiry, apparently taking for granted that there exists no purely spinning industry as such but that most spinning and weaving mills after meeting the requirements of their own looms, dispose of their surplus yarn to the handloom weaver. For example, page 147, paragraph 149 "If we leave out imported yarn on the assumption that almost the whole of it is used by handloom weavers and allow about 5 per cent. of the Indian production for sales to handloom weavers, the nett quantity of yarn of 26s to 40s used in 1931-32 by mills was approximately 170 million lbs. Taking $4\frac{1}{2}$ yards to one lb., this figure represents 765 million yards of cloth, which is nearly equivalent to the total quantity of imports into India in 1931-32. Similarly if we take the Indian production of yarn of above 40s in 1931-32 and make the same allowance for sales to the handloom industry, we get a nett quantity of approximately 32 million lbs." Again and even more glaring, page 159 states "From a Table published at page 36 of Mr. Hardy's report it will be seen that for the Bombay mills in 1928 the proportion of yarn sold for consumption outside the mills was about 30 per cent. of the total quantity of yarn spun. If we assume that in this respect conditions in Bombay are typical of those throughout the country, it follows that the quantity of yarn sold should be about 30 per cent. of the total production. In 1931-32 the total production was 966 million lbs., 30 per cent. of which is 290 million lbs. This is not far short of the figures 335 million lbs. at which we have arrived as the quantity of mill spun yarn used by the handloom industry and the quantity used for domestic and non-textile purposes".

35. In actual fact, apart from the large number of weaving mills which sell a considerable portion of their yarn to the market, there are over one million spindles in India solely engaged in producing yarns for handloom weavers and hosiery factories representing the investment in land, buildings and machinery alone of at least Rs. 7,50,00,000. The position is summarised in the table hereunder while the detailed figures will be found in Appendix II.

TABLE 5.

Provinces.	Spinning Mills working for Handloom Weaving only.			Per cent. of spindles purely for handloom weaving on the total spindles of each place.	
	No. of Companies.	Spindles.	Per cent.	Total Spindles.	Per cent.
Bombay Island . . .	3	106,090	9.32	3,169,700	3.35
Ahmedabad . . .	2	36,177	3.18	2,014,856	1.80
Bombay Presidency . . .	6	137,348	12.06	1,216,866	11.29
Bengal Presidency . . .	2	35,152	3.09	329,708	10.66
United Provinces of Agra and Oudh.	7	136,412	11.98	639,614	21.33
Madras Presidency . . .	15	662,082	58.16	942,184	70.27
Mysore	1	25,200	2.21	146,000	17.26
Total . . .	36	1,138,461	100.00	8,458,928	13.46

36. The foregoing is extracted from information given in the Annual Report of the Millowners' Association, Bombay, for the year 1934. The corresponding position in the previous year was as follows:—

TABLE 6.

Provinces.	Spinning Mills working for Handloom Weaving only.			Per cent. of spindles purely for handloom weaving on the total spindles of each place.	
	No. of Companies.	Spindles.	Per cent.	Total Spindles.	Per cent.
Bombay Island	4	118,514	9.36	3,300,688	3.59
Ahmedabad	4	94,036	7.43	1,978,314	4.75
Bombay Presidency	9	183,436	14.48	1,189,792	15.42
Rajputana	1	16,496	1.30	68,232	24.18
Central India	1	7,408	.58	313,572	2.36
Bengal Presidency	3	80,512	6.36	333,368	24.15
United Provinces of Agra and Oudh. . . .	7	136,412	10.77	664,476	20.53
Madras Presidency	13	603,612	47.66	863,940	69.87
Mysore	1	26,124	2.06	142,172	18.37
Total	43	1,266,550	100.00	8,854,554	14.30

It will be observed that no less than 10 per cent. of the purely spinning mills had within a year gone over to weaving. The process is steadily going on and is bound to have most unfortunate results on the handloom weavers.

37. It will be observed that 58 per cent. of purely spinning spindles are situated in Madras Presidency. However, page IX, paragraph 3, reads "The Board has not for the purpose of this enquiry found it necessary to visit other centres. Outside Bombay and Ahmedabad, which between them represent about 60 per cent. of the total production of cotton piecegoods, the industry is scattered over the whole country and there are no centres of production so large as to demand a visit".

Even granting there are mills in Bombay and Ahmedabad cities with spindles only, it is first submitted that they are not representative of the spinning industry generally, as they are on coarse counts, and in any case the Tariff Board did not visit any one of them. It is to be hoped that on this occasion the Board will visit such centres as Coimbatore and Madura in South India.

38. A further impression is that the Tariff Board and Government are equally solicitous of the welfare of the handloom weavers, but have no real knowledge of their conditions. The chapter on the handloom industry is a series of assumptions, some of which can be disproved while others are merely matters of opinion.

DETAILED EXAMINATION.

39. A detailed examination brings to light certain errors in principle, which vitiate the Board's findings in so far as yarn is concerned.

40. These errors are:—

(a) *Omission of reeling, bundling and baling costs from spinning costs.*—Page 96, paragraph 87, "Spinning includes all the expenses incurred by the mill from the mixing point up to the ring frame, weaving includes the expenses from the winding stage up to the grey finishing stage".

The spinning mill has to reel the yarn into hanks, make up and press into bundles of 5 lbs. or 10 lbs. each and thereafter bale the resulting bundles for despatch to the market. The cost of these processes forms quite a

considerable item in any purely spinning mills expenditure and should of course be taken into account in estimating the fair selling price.

41. (b) *Errors in laying down the minimum standard of efficiency.*—(1) Output per spindle per day—3·85 ozs. average counts 40s. This is either a printer's error or the Board has gone very sadly astray. We have heard of concerns using exceptionally good (and expensive) cotton getting 3½ ozs. per spindle per day of 10 hours (the Report deals with the conditions then existing, *viz.*, the 10-hour day) but we would consider an all round average of something under 3 ozs. perfectly fair and reasonable. Possibly the Board meant 2·85 ozs. per spindle.

42. (2) Complement of labour per working day of 10 hours: per 1,000 spindles—15.

Here again it is obvious that reeling, bundling and baling costs have not been allowed for. The average number of workers per 1,000 spindles employed by the concerns detailed in Appendix No. II came to 31 according to the Millowners' Association's statement. This does not give an entirely accurate picture however as some of the concerns included were working double shift, but the Madura Mills Co., Ltd., which worked on single shift throughout the year, shows an average of 30 workers per 1,000 spindles.

43. (c) *Method of arriving at fair selling price of Indian yarn.*—(1) As already stated, reeling, bundling and baling costs have been omitted.

(2) Unlike the Board's treatment of cloth, a lump sum purporting to include cotton and works costs is laid down in an arbitrary manner. Also as the Board has taken the spinning costs from spinning and weaving mills, its findings are thereby vitiated so far as yarn is concerned in that the spinning side would only bear part of the overheads and the weaving side the remainder.

(3) Allowance for depreciation, interest on working capital, managing agents' commission and profits.

This is dismissed in the following words: "We have allowed 28 pies per lb. in the case of piecegoods on account of depreciation, interest on working capital, managing agents' commission and profit. In view of the fact that yarn is a much simpler product involving less expenditure of fixed as well as working capital and less services on the part of the management, we think that an allowance of 12 pies per lb. is sufficient".

44. In the first place, there is obviously no attempt to work out an actual figure and, secondly, apparently the Board has been influenced by the belief that spinning is simple and has cut down the figure because of such belief. Nothing could be more at variance with the actual facts, as any one visiting an up-to-date spinning mill would readily confirm. A purely spinning mill requires to produce a wide range of counts to meet the fluctuating demands of the market. This involves carrying fairly large stocks of the different counts and also greater expense in running, as frames have to be changed frequently to different counts to meet varying demands of the market. The first naturally means heavy interest on working capital and the second, greater running expenses than in the case of a corresponding number of spindles in a spinning and weaving mill, where frames will run on one count alone from one month's end to another. Again, the needs of each market vary greatly. One district will work with short warps and require a certain minimum strength. Another with longer warps and greater strength is therefore required. All have their likes and dislikes as regards "make up", that is colour and description of tie used, etc., etc. The list could be continued almost indefinitely. Paragraph 69 dealing with diversification of production throws additional light on this point.

45. We are afraid the President of the Board's query to the Millowners' Association, Bombay, during the enquiry throws light on the method really adopted subsequently by the Board. On page 24, Volume IV, is found—

"*Mr. Mody.*—This raises the question whether the consumer of yarn is entitled to get his yarn at rates which are not economical to the mills. That is the problem.

President.—If that is the problem I would like to put this point before you. When the Government of India decided in 1927 to give the mill industry assistance in the shape of duty on yarn, for various reasons they refused to give you assistance on cloth. Suppose as a result of our recommendations now you get adequate protection on cloth, that is to say protection sufficient not merely to cover your works expenditure but also a reasonable allowance for depreciation and profit, and supposing they are calculated on the capital value of the whole plant, then is it not possible for you to sell your yarn—supposing there was sharp competition from outside—practically at works cost because you get your depreciation and profit?

The foregoing speaks for itself.

46. (d) *Method of ascertaining duty free price of competing Japanese and Chinese yarns.*—The Board takes the average duty free price of Chinese grey yarn of 31s to 40s for 1931-32 which came to 130 pies per lb. Possibly it was unaware that during the last quarter of that period the Japanese-Chinese trouble in Manchuria came to a head, when prices rose to a level quite unjustified by the price of cotton. For example, during part of February and March, 1932, Chinese and Japanese 40s were selling in Bombay at 174 pies, free of duty wholesale price, compared with 120 pies throughout January. Then the Board takes Japanese 40s in August, 1932, apparently ignoring the fact that again an abnormal period was chosen. In that month cotton took a sharp upward turn, the whole of the advance being lost the following month. From the middle to the end of July, 1932, that is immediately preceding the month taken by the Tariff Board, Japanese 40s were selling in Bombay at a wholesale price of 11 annas per lb., which is equivalent to a duty free price of 114 pies per lb. In September, 1932, the month after their example, the duty free price fell to 108 pies per lb.

It is still more remarkable that although the Board has instanced Japanese 40s in August, 1932, it will be found from the list of prices quoted by the Millowners' Association that United Kingdom 40s were quoted 1 anna per lb. less than Japanese. If August must be taken, why was the lowest price not adopted?

47. In any case it would appear that the customs returns for some years have been based on erroneous figures and infinite harm was done to the spinning industry thereby. The tables in Appendix III show that the invoice values of Japanese and Chinese yarns have been consistently over declared and as the Tariff Board and others concerned in the matter of yarn duties depend largely on the c.i.f. values obtained from the Sea-borne Trade returns, an entirely erroneous view of the position has been given. It would be seen that invoice values have been overstated by more than $1\frac{1}{4}$ annas per lb.—a most serious matter. No doubt the reason for the invoices being accepted as genuine was that the specific duty applied in all cases so that there did not appear to be any great necessity to check the invoices with wholesale market prices.

PRESENT CONDITION OF THE SPINNING INDUSTRY.

48. The Indian Cotton Spinning Industry is and has been in a state of depression for some years, and the outlook if anything is poorer than ever. There are a number of factors contributing to this state of affairs and it is somewhat difficult to separate each factor and assess its relative importance.

49. External competition has undoubtedly played a part in bringing about the present depression, both in price and in volume. Details of quantities will be found in Appendix I.

Imports from Japan and China have been somewhat more detrimental than those from the United Kingdom, although increased duties are required in all cases.

The imposition of the $\frac{1}{2}$ anna per lb. duty on cotton, the reduction of the specific duty on United Kingdom yarns and the removal of the specific duty on counts 50s and over, have hit the industry very badly, just when its only hope of salvation was to concentrate on the finer counts.

50. Internal competition in cotton yarn has greatly increased in recent years, with the usual result of lower price levels. The factors leading to this situation have been: (a) decreasing yarn exports, (b) steady growth of new spindles and (c) decreasing exports of handloom products.

51. (a) *Yarn Exports*.—Official statistics show that each year sees a further drop in total exports. The figures are:—

TABLE 7.

All-India.

	(Including Bombay.)	Bombay only.
	Lbs.	Lbs.
1929	28,843,000	28,499,000
1930	23,242,000	22,841,000
1931	22,257,000	21,286,000
1932	16,832,000	16,079,000
1933	17,164,000	16,571,000
1934	13,486,000	12,671,000

It is evident the bulk of the export business is done by Bombay mills and it is a reasonable assumption that some part of Bombay's loss of 15,828,000 lbs. in exports between 1929 and 1934 has been placed on the Indian market.

52. One of the concerns joining in this representation, the Madura Mills Co., Ltd., endeavoured to develop export markets in yarn, sending representatives in 1928, 1930 and 1933 to tour Egypt, Arabia, Turkey, Persia, Abyssinia, Albania, Libya, Cyprus, Palestine, Rumania, etc.

Japanese competition combined with quotas and exchange restrictions proved too great a handicap however, as is shown by the figures below:—

TABLE 8.

Grey Yarn Exports.

	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935 Jan./July.
	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.
Arabia	6,000	24,800	..	..	..	..	10,400	..
China	42,400	22,400	..	29,600	4,000	4,000	..	..
Persia	9,200	8,000	..	..	..	..	..	..
Turkey	4,000	63,600	262,000	445,600	390,400	187,312	573,088	108,800
Cyprus . . . . .	..	..	..	..	13,200	5,200	12,800	13,600
Rumania . . . . .	..	..	..	..	..	..	8,964	..
Albania . . . . .	..	..	..	2,400	..	..	..	..
Egypt	234,800	77,200	95,400	184,000	183,350	115,600	54,000	15,200
Abyssinia . . . . .	..	..	4,000	14,400	20,800	24,000	36,000	22,000
Libya . . . . .	..	..	..	400	400	..	..	..
Argentine . . . . .	..	..	..	..	5,685	..	..	..
New Zealand . . . . .	..	..	..	..	..	400	3,600	..
Total	296,400	196,000	361,400	676,400	617,835	336,512	698,852	159,600

53. (b) *Growth of new spindles.*—The annual statistics prepared by the Millowners' Association, Bombay, give figures from which the following table has been prepared:—

TABLE 9.

Year.	SPINDLES.				
	Number of Spindles.	Year.	Increase.	Decrease.	Percentage on previous year.
1924 . .	8,313,273	..	..	..	..
1925 . .	8,510,633	24/25	197,360	..	2.37
1926 . .	8,714,168	25/26	203,535	..	2.39
1927 . .	8,702,760	26/27	..	11,408	.13
1928 . .	8,704,172	27/28	1,412	..	.02
1929 . .	8,907,064	28/29	202,892	..	2.33
1930 . .	9,124,768	29/30	217,704	..	2.44
1931 . .	9,311,953	30/31	187,185	..	2.05
1932 . .	9,506,083	31/32	194,130	..	2.08
1933 . .	9,580,658	32/33	74,575	..	.78
1934 . .	9,613,174	33/34	32,516	..	.34

Between 1924 and 1934 spindles increased by 15.64 per cent.

Year.	LOOMS.				
	Number of Looms.	Year.	Increase.	Decrease .	Percentage on previous year.
1924 . .	151,485	..	..	..	..
1925 . .	154,292	24/25	2,807	..	1.85
1926 . .	159,464	25/26	5,172	..	3.35
1927 . .	161,952	26/27	2,488	..	1.56
1928 . .	166,532	27/28	4,580	..	2.83
1929 . .	174,992	28/29	8,460	..	5.08
1930 . .	179,250	29/30	4,258	..	2.43
1931 . .	182,429	30/31	3,179	..	1.77
1932 . .	186,341	31/32	3,912	..	2.14
1933 . .	189,040	32/33	2,699	..	1.45
1934 . .	194,988	33/34	5,948	..	3.15

Between 1924 and 1934, looms increased by 28.72 per cent.

It is evident from the foregoing that looms have been increasing much more rapidly than spindles, which once more goes to show that weaving has been more profitable than spinning for the market.

54. Despite the relatively greater increase in looms, there still has been an increasing quantity of yarn put on the Indian market. Appendix IV shows the balance of yarn available for sale in India year by year, taking

Indian mill production, adding imports, deducting cloth woven by mills, etc. The final position then is, in millions of lbs.:—

TABLE 10.

	1924-25.	1925-26.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
Balance of yarn available for sale in India.	314	283	339	370	419	352	364
<i>Deduct imports</i>	51	51	29	32	45	32	34
Total	263	232	310	338	374	320	330

That is, Indian spun yarn put on the Indian market has increased by 100,000,000 lbs. in comparison with 1925-26, making allowance for imported yarns, the net increase between 1925-26 and 1934-35 of yarn sold to the handloom weaver has been in the region of 83,000,000 lbs.

55. During this period there has been intensive competition between imported cloth, Indian mill-made cloth, and handloom cloth, so that it can be conceded that the handloom weaver was able to make such comparatively good progress purely through the low level of prices at which the total quantity of yarn on the market was sold.

56. The question will probably be asked—"Why are spindles increasing if the yarn industry is depressed?" The growth of small units in districts served by hydro-electric power schemes, situated in cotton growing districts and near to consuming centres, explains this apparent anomaly. In August, 1935, no less than 15 mills were either in course of erection in South India or prospectuses had been issued to the public. The facilities given by the Government of Madras in the form of loans at low rates of interest is a further incentive to put up new mills.

57. (c) *Decreasing exports of handloom products.*—This has been stated as one of the factors resulting in greater internal competition, but it is difficult to produce facts and figures to prove it. The information is mainly based on reports from merchants in South India, who state that the Ceylon and Straits export business has decreased considerably, and reports are also received from the Madras district regarding the falling off in export business of Madras handkerchiefs, etc. Possibly the Board could get definite figures through the Customs Department.

Weavers having lost part of their old markets turn to the Indian market to some extent at least. The additional cloth serves to depress prices, which in turn affects yarn prices.

58. (d) There is a further factor affecting internal competition, unfortunately one which we are unable to support by figures. Owing to the low level of duties and the existence of the $\frac{1}{2}$ anna per lb. duty on imported cotton, some spinning and weaving mills have found it more economical to buy imported yarn of counts 32s and upwards, while they have kept their spindles running on counts around 20s, putting a fair proportion of such yarn on the market. This factor is by no means negligible, but as we have already said, we are unable to measure its extent. Enquiries were addressed to all Collectors of Customs but without success, *vide* Appendix V. It is suggested that the Board ask all Collectors of Customs to make a test examination over say a fortnight of the various forms of yarn packages entering the country, possibly on the lines indicated in the letters already addressed to these officers. This information would give a fair idea of the relative proportions of imports taken by handlooms, weaving mills and hosiery factories.

59. Internal competition combined with large imports of Japanese, Chinese and United Kingdom yarns, became so pronounced in 1932-33 that spinning mills were forced to reduce their production of counts 20s, in order to

realize somewhat better prices for the smaller quantity then produced, and concentrate the spindles so relieved on counts 40s, and upwards. The process of changing to finer counts soon became marked, although action on the part of individual mills was quite spontaneous and no question of concerted measures was ever raised.

60. The position is illustrated by the tables below which contrast the all India position with those of the Madura Mills Co., Ltd., and the Coimbatore Mills group:—

TABLE 11.

Counts.	1932-33.	1933-34.	1934-35.	Percentage increase or decrease of 1934-35 over 1932-33.	
				Increase.	Decrease.
<i>All-India.</i>					
1 to 10	115,210,693	107,564,031	109,710,003	..	4.77
11 to 20	484,244,273	439,866,346	463,445,667	..	4.30
21 to 30	297,512,965	254,827,136	282,341,725	..	5.10
31 to 40	77,185,513	75,810,009	95,529,318	23.77	..
Above 40	36,593,749	37,358,405	43,876,496	19.90	..
Wastes, etc.	5,674,671	5,634,698	5,852,594	3.14	..
Total	1,016,421,864	921,060,623	1,000,755,803	..	1.54
<i>Madura Mills Co., Ltd.</i>					
1 to 10	32,956	112,682	51,435	56.07	..
10½ to 20	19,511,881	20,080,661	19,611,056	0.51	..
20½ to 30	18,154,277	16,503,857	14,131,780	..	22.16
30½ to 40	5,046,489	6,987,912	9,705,741	92.33	..
Above 40	354,727	458,371	960,774	170.85	..
Wastes, etc.	1,908,210	1,668,075	1,359,681	..	28.75
Total	45,008,540	45,811,558	45,820,467	1.80	..
<i>Coimbatore Mills group.</i>					
1 to 10	2,265,363	1,219,427	1,346,872	..	40.64
10½ to 20	10,619,382	8,147,126	8,399,770	..	20.91
20½ to 30	10,717,340	7,095,937	7,144,783	..	33.33
30½ to 40	1,442,192	3,150,131	6,757,111	46.85	..
Above 40	20,155	37,144	206,579	102.49	..
Waste	1,589,603	1,275,527	1,452,571	..	0.09
Total	26,654,035	20,925,292	25,307,692	..	5.09

61. From 1st January 1935 the 9-hour day came into force, with consequent increased costs of production. This measure made still more ineffective the level of duties introduced in 1934, and is a further reason for an all-round revision of the existing duties on cotton yarn.

REMEDIAL MEASURES REQUIRED.

62. The most necessary requirement is that adequate duties be placed on all imported cotton yarn.

63. It is realized that we are in the midst of world-wide depression, also that it is spinners' first and most important consideration that their principal customer the handloom weaver should not be unduly penalized, hence the duties now asked for are on a very modest scale.

64. The duties required on United Kingdom yarns of *all counts* are 5 per count., or at least 1½ annas per lb. whichever is higher, to either of which should be added .6 annas to equate the import duty on raw cotton.

65. For the Board's information, we may say that the industry requires at the earliest possible date adequate duties on non-British yarns of all counts, such duties being $6\frac{1}{2}$ per cent. *ad valorem* or at least $2\frac{1}{2}$ annas per lb., whichever is higher, to either of which should be added 6 annas to equate the import duty on raw cotton. If this is not done any lessening of United Kingdom imports would simply be made up by Japan and China.

66. A word may be said as to the import duty on raw cotton. We do not say it should be removed. Undoubtedly it has benefited the cotton grower and in a protectionist country it would be unfair to extend protection to the industrialist while denying it to the agriculturist who ultimately is called upon to meet a large part of the total bill! Further we consider the duty has been of great assistance in speeding up the production of long staple cotton in India. But we do submit that so long as the duty exists, a countervailing duty should be added to such substantive duties as are imposed on all yarns entering the country.

67. It is most necessary that adequate duties be placed on *all counts of yarn*, in order that the existing state of over-production in certain counts be relieved by some mills continuing the process of switching over to the finer counts. As this involves changes in machinery at some expense, a reasonable degree of permanence should be assured to the industry in the way of stability of duties.

68. Not only is it most vital that mills switch to finer counts, but such a development has been urged upon them by the Noyce Report (1927) and the 1932 Tariff Board. Witness the following extracts, page 109 of 1932 Report. "We are definitely of the view that, when an industry is able to obtain its raw material up to 80 per cent. of its total requirements in India, it fulfils substantially the first condition of the Fiscal Commission. It is misleading under the conditions of manufacture prevailing in India to regard the cotton textile industry as being composed of entirely separate branches according to the class and kind of cloth woven, and to look upon each branch as a separate industry as regards the claim to protection. The immense variety of piecegoods required in the Indian market renders specialised production by Indian mills a matter of considerable difficulty. If the existing Indian mills are enabled to increase their output by undertaking the production of finer classes of cloth from imported cotton, the resulting reduction in overhead charges will operate to the benefit of the whole industry. If it is granted that there is a case for protecting medium and coarse counts which represent 80 per cent. of the aggregate Indian market, then to the extent that the production of finer counts will help to reduce the cost of manufacturing medium and coarse counts in the same mills, the extension of protection to the former must be regarded as a logical result of granting protection to the latter and as a necessary step towards shortening the period of protection and reducing the burden on the country. We do not feel justified in any case in applying to the Indian industry a condition which is not fulfilled by her two chief competitors since both the United Kingdom and Japan depend on imported cotton for the whole of their requirements. There is also a further consideration which it is important to bear in mind. Unless Indian mills are helped to undertake the production of finer counts, there will be little inducement for carrying out experiments regarding the possibility of growing cotton of superior grades in India. It is rash to conclude that no cotton of the kind suitable for finer counts can ever be grown in India, for unless experiments are undertaken to this end, no satisfactory conclusion can be reached and such experiments are not likely to be undertaken if there is no demand from Indian mills for superior cotton. We find that since 1925-26, the amount of long staple cotton in India having the qualities necessary for spinning yarn of counts 24s to 40s has very nearly doubled, and we cannot help concluding that the progress made by Indian mills in the diversification of their production has provided some incentive for the increase in the quantity of long staple cotton now available in India. The possibilities of growing improved varieties of cotton on the new lands under the Sukkur Barrage are also

an important factor in the situation and it is not unlikely that in point of both output and quality, very considerable changes may take place in consequence of this in the position of Indian cotton." And again, on page 146, "Even if it were held that protection should be confined to the manufacture of goods from Indian cotton, we should still recommend that in view of the indirect competition which arose from goods of the finer counts, the protective duties should be applied to such goods also. But in the view which we take of the problem of protection for the Indian cotton textile industry we go further than this and would urge that the protective duties should be applied to imported goods of the finer counts not merely because such goods compete indirectly with goods produced from Indian cotton but also as a definite measure for the encouragement of the manufacture of goods from imported long staple cotton".

Unfortunately, however, we then find on page 186: "In order to give relief to the handloom industry which is the principal consumer of imported yarn, we recommend that the specific duty should not be applied to yarn, single or folded, of counts above 50s the production of which in the Indian mills is negligible".

The Tariff Board agrees that greater protection is required for cloth of fine counts than for cloth from the coarser counts. In the case of yarn, the same factors operate and the same reasoning applies.

69. In efforts to diversify their production, mills have taken up the supply of hosiery and other special purpose yarns. For example, the Madura Mills Co., Ltd., have taken a leading part in developing and supplying hosiery yarns to all parts of India. They have introduced two main styles, an ordinary soft spun quality from good class Indian cotton and a superior quality from the best Indian cotton obtainable. The latter is handicapped by the fact that the import duty on cotton has raised its price. In addition there is demand for still better hosiery yarns, ranging from carded to combed qualities spun from American and Egyptian cottons. The counts range from 12s to 44s. Special pains have been taken to meet market needs in this matter, but the absence of a countervailing duty to offset the import duty on cotton has proved a great stumbling block.

EFFECT OF THE PROPOSED DUTIES.

70. The existence of intense internal competition as has been shown to be rampant would safeguard the handloom weaver against any undue rise in price up to and including 32s counts. Counts 40s and upwards would probably rise in price, the increase being more marked in 60s and upwards than in 40s as there is already keen competition in the latter count among Indian mills themselves. This is particularly marked among South Indian mills, who are competing in the Calcutta, Madras and Bombay markets. So far as 60s, etc., are concerned, experience of the textile industry in India during the past ten years has shown that any tendency for particular lines to become more profitable than others is soon corrected by competing mills switching to the profitable lines and thereby prices are brought down to a reasonable level.

71. A point which is not generally realized is that the handloom weaver does not require as much strength in the yarn he uses as is necessary for a weaving mill on equivalent counts. Consequently yarn for handlooms is spun from mixings cheaper than in a spinning and weaving mill, and the price to the handloom weaver is correspondingly reduced. Some spinning mills supply yarn to weaving mills and to the handloom weaver. In most cases weaving mills require stronger test and have to pay higher prices for their supplies. The handloom weaver gets the benefit of the existing protective duties on imported cloth, and as is pointed out above, he will still get his yarn at lower prices than weaving mills. Consequently he stands to lose only on the finer counts of yarn and there he is in a position to pass on the cost to the consumer, the latter being of the well-to-do classes. Further, handloom products from fine count yarns are generally not in direct competition

with mill cloth, as many are specialty goods which could only be produced on power looms at exorbitant cost.

72. Failing the grant of adequate duties on imported cotton yarns, economic forces will no doubt have full play and India will see the gradual extinction of the handloom weaver. It is not to be expected that he can continue over a period of years getting his yarn supplies at uneconomic prices—some existing mills will gradually be forced into liquidation, others take up weaving themselves, until only the very specialised types of hand woven cloth will remain. Weaving mills without spinning machinery will tend to increase—this development is already in evidence—and accelerate the process of supplanting the handloom weaver.

APPENDIX I.

Imports of Cotton Yarn into India (In thousands of lbs.)

		1929.	1930.	1931.	1932.	1933.	1934.	Jan./ June, 1935.
SINGLE GREY.								
1-10s	United Kingdom .	1	..	..	..	..	..	..
	Japan . . . .	..	..	..	..	..	..	..
	China	100	..	..	..	..	39	..
	Total	103	10	..	..	8	39	..
11-20s	United Kingdom .	799	286	112	74	43	19	8
	Japan . . . .	..	43	6	594	45	17	54
	China	40	11	34	..	56	83	..
	Total	842	340	153	670	163	164	63
21-30s	United Kingdom .	323	200	312	704	470	407	337
	Japan . . . .	..	1	116	125	100	235	197
	China . . . .	..	..	..	..	..	..	..
	Total	323	212	429	829	570	695	539
31-40s	United Kingdom .	3,190	1,414	1,141	1,532	1,135	710	585
	Japan	2,397	2,882	412	5,771	4,398	1,469	2,338
	China	10,181	10,402	11,450	10,956	9,330	3,920	3,114
	Total	15,996	14,897	13,025	18,229	15,085	6,100	6,038
41-50s	United Kingdom .	905	598	257	372	452	387	148
	Japan	20	..	..	47	32	4	5
	China	10	2	..	..	60	..	5
	Total	937	600	257	419	544	391	158
51-60s	United Kingdom .	4,635	1,769	2,436	3,691	2,582	1,596	985
	Japan	1	17	8	22	57	300	42
	China . . . .	..	..	..	..	..	1,790	1,383
	Total	4,638	1,792	2,445	3,714	2,639	3,686	2,410
Above 60s	United Kingdom .	2,108	1,201	939	1,579	1,499	2,030	855
	Japan . . . .	..	..	3	7	15	10	4
	China . . . .	..	..	72	..	..	2	24
	Total	2,109	1,201	1,014	1,586	1,514	2,042	883

APPENDIX I—contd.

		1929.	1930.	1931.	1932.	1933.	1934.	Jan./ June, 1935.
SINGLE COLOURED.								
1-20s	United Kingdom .	201	197	176	247	123	173	94
	Japan . . . .	..	..	..	..	2	8	..
	China . . . .	..	..	..	..	..	..	..
	Total	201	197	177	247	125	182	94
21-30s	United Kingdom .	220	216	220	321	223	213	93
	Japan . . . .	..	..	..	..	2	5	..
	China . . . .	..	..	..	..	..	..	..
	Total	227	227	233	321	225	218	94
31-40s	United Kingdom .	1,905	750	479	490	395	268	159
	Japan	78	4	..	..	..	..	..
	China	56	4	10	..	..	..	..
	Total	3,126	1,196	552	552	432	280	168
41-50s	United Kingdom .	63	49	42	15	57	24	17
	Japan	2	..	..	..	..	..	..
	China . . . .	..	..	..	..	..	..	..
	Total	92	49	48	15	58	24	23
Above 50s	United Kingdom .	405	221	175	208	132	132	82
	Japan . . . .	..	..	..	..	..	..	..
	China . . . .	..	..	..	..	..	..	..
	Total	446	248	181	224	132	133	82
WHITE BLEACHED.								
Single and Folded.	United Kingdom .	4,909	3,688	3,154	3,576	2,526	2,417	1,388
	Japan	592	434	445	650	490	847	407
	China	28	2	4	10	..	..	10
	Total	5,570	4,132	3,614	4,238	3,016	3,276	1,805
Grey Folded	United Kingdom .	1,714	919	1,011	966	497	372	312
	Japan	2,272	1,061	273	2,862	1,049	1,299	647
	China	716	1,056	2,027	1,307	63	4,146	2,123
	Total	5,600	3,072	3,440	5,149	3,713	5,848	2,991
Coloured Folded.	United Kingdom .	414	403	278	348	247	347	167
	Japan	12	17	..	..	9	..	..
	China . . . .	..	..	..	..	..	..	..
	Total	433	420	280	348	256	347	167
Mercerised	United Kingdom .	287	103	198	229	33	79	20
	Japan	5,561	3,569	4,425	7,317	5,192	6,419	4,914
	China	19	..	..	..	..	11	2
	Total	5,874	3,674	4,624	7,547	5,225	6,509	4,938

APPENDIX I—*concl'd.*

—		1929.	1930.	1931.	1932.	1933.	1934.	Jan./ June, 1935.
WHITE BLEACHED—<i>cont'd.</i>								
Artificial Silk	United Kingdom .	1,471	1,101	814	1,544	1,725	1,166	133
	Japan . . . .	..	3	86	2,138	1,126	7,977	4,877
	China . . . .	..	..	1	..	..	..	..
	Total	7,992	6,016	8,045	12,354	8,024	15,279	8,514
Unspecified	United Kingdom .	22	7	19	11	37	27	8
	Japan	8	4	2	13	3	3	2
	China . . . .	..	..	..	..	..	10	..
	Total	30	11	21	24	40	40	10
Rope	United Kingdom .	961	838	784	683	618	643	329
	Japan	12	4	12	1	29	64	18
	China . . . .	..	..	..	1	..	..	..
	Total	991	861	830	712	659	728	350
Sewing thread and Darning thread.	United Kingdom .	1,950	1,768	1,543	1,786	1,688	1,847	961
	Japan	5	4	3	2	8	287	197
	China . . . .	..	..	..	..	1	1	..
	Total	2,360	2,049	1,815	2,034	1,939	2,511	1,369
Grand Total	United Kingdom .	26,483	15,738	14,089	18,376	14,481	12,857	6,684
	Japan	10,960	8,041	5,793	19,551	12,556	18,946	13,702
	China	11,150	11,478	13,598	12,275	11,610	10,002	6,661
	Total	57,891	41,204	41,183	59,283	44,366	48,492	30,802

सत्यमेव जयते

APPENDIX II.

List of Mills in India where spinning alone is carried on and the average number of workers per 1,000 spindles for each of the Mills.

Serial No.	Mills.	Spindles.	Average No. of hands employed.	Average No. of hands per 1,000 spindles.
BOMBAY ISLAND.				
1	Dawn Mills Co., Ltd. . . .	43,512	1,747	40
2	Modern Mills Co., Ltd. . . .	23,968	754	31
3	Raghuvanshi Mills, Ltd. . . .	38,610	1,169	30
		106,090	3,670	35

APPENDIX II—contd.

Serial No.	Mills.	Spindles.	Average No. of hands employed.	Average No. of hands per 1,000 spindles.
AHMEDABAD.				
4	Girdhardas Harivallabhdas Mills, Ltd.	20,280	519	26
5	Hathising Manufacturing Co., Ltd.	15,897	(not working)	..
		36,177	519	26
BOMBAY PRESIDENCY.				
6	Gokak Mills, Ltd.	72,536	2,856	39
7	Jayashankar Mills, Barsi, Ltd.	10,556	401	38
8	Krishna Kumar Mills Co.	7,200	250	35
9	Lokmanya Mills, Barsi, Ltd.	8,896	299	34
10	Petlad Bulakhidas Mills Co., Ltd.	18,896	560	30
11	Sidhpur Mills Co., Ltd.	19,264	458	24
		137,348	4,824	35
BENGAL PRESIDENCY.				
12	Shree Radha Krishna Cotton Mills No. 1.	23,232	725	31
13	Victoria Cotton Mills	11,920	369	31
		35,152	1,094	31
UNITED PROVINCES OF AGRA AND OUDH.				
14	Agra Spinning and Weaving Mills Co., Ltd.	13,992	495	35
15	Bijli Mills	12,780	490	38
16	John's Spinning & Weaving Mills	51,360	1,717	33
17	Lalla Mal Hardeo Dass Cotton Spinning Mills Co.	20,400	601	29
18	Moradabad Spinning and Weaving Mills Co., Ltd.	10,080	283	28
19	Narayan Cotton Mills	10,200	250	25
20	Prem Spinning and Weaving Mills, Ltd.	17,600	554	31
		136,412	4,390	32

APPENDIX II—*concl.*

Serial No.	Mills.	Spindles.	Average No. of hands employed.	Average No. of hands per 1,000 spindles.
MADRAS PRESIDENCY.				
21	Cambodia Mills, Ltd.	16,752	520	31
22	Coimbatore Cotton Mills, Ltd.	10,864	409	38
23	Lakshmi Mills Co., Ltd.	11,600	272	23
24	Mahalakshmi Textile Mills, Ltd.	7,040	310	44
25	Malabar Spinning and Weaving Co., Ltd.	18,416	637	35
26	Pankaja Mills, Ltd.	15,400	400	26
27	Radhakrishna Mills, Ltd.	25,560	1,126	44
28	Rajalakshmi Mills, Ltd.	11,252	527	47
29	Sree Meenakshi Mills, Ltd.	21,680	768	35
30	Sri Ramachandra Spinning and Weaving Mills.	5,904	355	60
31	Sri Ramalinga Choodambikai Mills, Ltd.	11,000	136	12
32	Sri Ranga Vilas Ginning, Spinning and Weaving Mills, Ltd.	24,924	710	28
33	Sri Satyanarayana Spinning Mills	5,504	78	14
34	Sri Suriyanarayana Spinning and Weaving Mills, Ltd.	5,570	215	39
		191,466	6,463	34
MADURA MILLS CO., LTD.				
35	Madura	233,684	6,532	28
	Do. (Pandyan Mill)	33,304	921	28
	Tuticorin	74,176	2,347	32
	Ambasamudram	129,452	4,198	32
		470,616	13,998	30
MYSORE.				
36	Sri Krishnarajendra Mills, Ltd.	25,200	858	34
	<i>Total average number of workers per 1,000 spindles for all Mills mentioned above.</i>			
1	Bombay Island	106,090	3,670	35
2	Ahmedabad	36,177	519	26
3	Bombay Presidency	137,348	4,824	35
4	Bengal Presidency	35,152	1,094	31
5	United Provinces of Agra & Oudh	136,412	4,390	32
6	Madras Presidency (excluding Madura Mills Co., Ltd.)	191,466	6,463	34
7	Madura Mills Co., Ltd.	470,616	13,998	30
8	Mysore	25,200	858	34
		1,138,461	35,816	31

APPENDIX III.

Imports of 31s to 40s Grey Yarn.

Months.	Quantity (1000s of lbs.).	C.I.F. value in (annas per lb.).	C.I.F. value <i>plus</i> duty giving minimum selling price without seller's commission and handling charge.	Average selling price of 40s colour ball Grey Yarn.	Difference between minimum selling price calculated from Sea-borne Trade returns and actual selling price.		Column 5 adjusted for seller's commission and landing charges, say 3 per cent.	
					Over	Under	Over	Under
		1	2	3	4	5		6
JAPAN.								
1932.								
January .	10	11-36	12-86	11-77	..	1-09	..	1-44
February .	15	10-56	12-06	14-70	2-64	..	2-20	..
March .	60	13-28	14-78	13-73	..	1-05	..	1-46
April .	390	11-47	12-97	12-10	..	87	..	1-23
May .	529	10-23	11-73	10-93	..	80	..	1-13
June .	1,024	9-86	11-36	10-02	..	1-34	..	1-64
July .	1,096	9-87	11-37	10-71	..	66	..	98
August .	610	10-29	11-79	11-25	..	54	..	88
September	887	10-18	11-68	11-05	..	63	..	96
October .	478	9-65	11-53	10-87	..	66	..	98
November	336	9-55	11-43	10-45	..	98	..	1-29
December	338	9-60	11-48	10-63	..	85	..	1-17
CHINA.								
1932.								
January .	1,727	10-37	12-24	11-77	..	47	..	82
February .	407	12-19	14-06	14-70	64	..	20	..
March .	180	13-36	15-23	13-73	..	1-50	..	1-91
April .	887	9-79	11-66	12-10	44	..	8	..
May .	707	10-38	12-25	10-93	..	1-32	..	1-65
June .	549	9-79	11-66	10-02	..	1-64	..	1-94
July .	967	9-89	11-76	10-71	..	1-05	..	1-37
August .	1,830	9-92	11-79	11-25	..	54	..	88
September	1,111	10-29	12-16	11-05	..	1-11	..	1-44
October .	811	9-61	11-48	10-87	..	61	..	94
November	622	10-54	12-41	10-45	..	1-96	..	2-27
December	1,196	9-55	11-42	10-63	..	79	..	1-11

APPENDIX III—*contd.*

Months.	Quantity (1000s of lbs.).	C.I.F. value in (annas per lb.)	C.I.F. value <i>plus</i> duty giving minimum selling price without seller's commission and handling charge.	Average selling price of 40s colour ball Grey Yarn.	Difference between minimum selling price calculated from Seaborne Trade returns and actual selling price.		Column 5 adjusted for seller's commission and landing charges, say 3 per cent.	
					Over	Under	Over	Under
		1	2	3	4	5		6
JAPAN.								
1933.								
January .	278	9-00	10-87	10-86	..	-01	..	-34
February	122	9-70	11-57	10-65	..	-92	..	1-24
March .	146	10-18	12-05	10-73	..	1-32	..	1-64
April .	165	10-24	12-11	10-40	..	1-71	..	2-02
May .	585	10-16	12-03	10-46	..	1-57	..	1-88
June .	1,198	10-27	12-14	10-62	..	1-52	..	1-84
July .	770	10-32	12-19	10-52	..	1-67	..	1-98
August .	670	10-34	12-21	10-60	..	1-61	..	1-93
September	40	10-32	12-19	10-43	..	1-76	..	2-07
October .	120	4-93	6-80	10-70	3-90	..	3-58	..
November,	160	9-78	11-65	11-00	..	-65	..	-98
December	164	10-32	12-19	11-21	..	-98	..	1-32
CHINA.								
1933.								
January .	1,349	9-52	11-39	10-86	..	-53	..	-86
February	955	9-71	11-58	10-65	..	-93	..	1-25
March .	750	9-55	11-42	10-73	..	-69	..	1-01
April .	722	9-29	11-16	10-40	..	-76	..	1-07
May .	1,736	8-62	10-49	10-46	..	-03	..	-34
June .	1,490	9-70	11-57	10-62	..	-95	..	1-27
July .	749	9-76	11-63	10-52	..	1-11	..	1-43
August .	260	9-44	11-31	10-60	..	-71	..	1-02
September	306	9-76	11-63	10-43	..	1-20	..	1-51
October .	256	9-96	11-83	10-70	..	1-13	..	1-45
November	765	9-76	11-63	11-00	..	-63	..	-96
December	211	10-11	11-98	11-21	..	-77	..	1-11

APPENDIX III- *contd.*

Months.	Quantity (1000s of lbs.).	C.I.F. value (in annas per lb.).	C.I.F. value <i>plus</i> duty giving minimum selling price without seller's commission and handling charge.	Average selling price of 40s colour ball Grey Yarn.	Difference between minimum selling price calculated from Sea-borne Trade returns and actual selling price.		Column 5 adjusted for seller's commission and landing charges say 3 per cent.	
					Over	Under	Over	Under
	1	2	3	4	5		6	
JAPAN.								
1934.								
January .	292	10-14	12-02	11-35	..	·67	..	1-01
February .	300	10-19	12-07	11-07	..	1-00	..	1-33
March .	170	10-11	11-99	10-90	..	1-09	..	1-42
April .	230	10-03	11-91	10-70	..	1-21	..	1-53
May .	298	9-78	11-66	10-55	..	1-11	..	1-43
June .	120	9-93	11-81	10-80	..	1-01	..	1-33
July .	40	10-35	12-23	10-65	..	1-58	..	1-90
August .	4	11-28	13-16	11-17	..	1-99	..	2-33
September	..	..	..	11-36	..	..	..	..
October .	19	11-99	13-87	11-52	..	2-35	..	2-70
November	..	..	..	12-00	..	..	..	..
December	..	..	..	12-21	..	..	..	..
CHINA.								
1934.								
January .	472	10-36	12-24	11-35	..	·89	..	1-23
February .	164	10-30	12-18	11-07	..	1-11	..	1-44
March .	501	10-37	12-25	10-90	..	1-35	..	1-68
April .	556	10-31	12-19	10-70	..	1-49	..	1-81
May .	616	9-94	11-82	10-55	..	1-27	..	1-59
June .	1,266	9-95	11-83	10-80	..	1-03	..	1-35
July .	351	9-98	11-86	10-65	..	1-21	..	1-53
August .	40	10-24	12-12	11-17	..	·95	..	1-29
September	44	13-10	14-98	11-36	..	3-62	..	3-96
October .	..	..	..	11-52	..	..	..	..
November	..	..	..	12-00	..	..	..	..
December	170	10-94	12-82	12-21	..	·61	..	·96

APPENDIX III—*concl'd.*

Months.	Quantity (1000s of lbs.).	C.I.F. value in annas per lb.).	C.I.F. value <i>plus</i> duty giving minimum sel- ling price without seller's commission and handling charge.	Average selling price of 40s colour ball Grey Yarn.	Difference be- tween minimum selling price cal- culated from Sea- borne Trade returns and actual selling price.		Column 5 adjust- ed for seller's commission and landing charges, say 3 per cent.	
					Over	Under	Over	Under
	1	2	3	4	5		6	
JAPAN.								
1935.								
January .	100	11-25	13-13	12-53	..	-60	..	-98
February	202	11-04	12-92	12-07	..	-85	..	1-21
March .	348	10-96	12-84	11-46	..	1-38	..	1-72
April .	136	41-75	43-63	11-56	..	32-07	..	32-42
May .	741	10-98	12-86	11-70	..	1-16	..	1-51
June .	410	10-58	12-46	11-43	..	1-03	..	1-37
CHINA.								
1935.								
January .	225	11-25	13-13	12-53	..	-60	..	-98
February	894	11-18	13-06	12-07	..	-99	..	1-35
March .	1,121	10-70	12-58	11-46	..	1-12	..	1-46
April .	630	10-65	12-53	11-56	..	-97	..	1-31
May .	126	11-29	13-17	11-70	..	1-47	..	1-82
June .	120	10-61	12-49	11-43	..	1-06	..	1-40

APPENDIX IV.

Table showing the approximate poundage of Yarn available for consumption in India.

(In millions of lbs.)

	1924-25.	1925-26.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
Total Indian Mill Production	719	686	867	966	1,016	921	1,000
<i>Less</i> —Exports by sea	37	32	23	22	15	16	13
Exports by land	9	7*	7*†	6*†	6	8	..
Balance	673	647	837	938	995	897	987
Imports	56	52	29	32	45	32	34
Total	729	699	866	970	1,040	929	1,021
<i>Less</i> —Exports by sea	1	1	..	..	..	..	..
Exports by land	4	..	..	..	..	..	..
Quantity of yarn available for consumption in India.	724	698	866	970	1,040	929	1,021
Cloth produced in India in millions of lbs.	459	465	590	672	695	646	736
Approximate equivalent in yarn (taking 100 lbs. of yarn=112 lbs. of piece-goods).	410	415	527	600	621	577	657
Real balance of yarn available for sale in India.	314	283	339	370	419	352	364

* Includes re-exports also.

† Maunds converted into lbs. at the rate of 82-2/7 lbs.=1 Maund.

APPENDIX V.

(1)

MADURA MILLS CO., LTD.

MADURA, 16th September, 1933.

THE COLLECTOR OF CUSTOMS,

CALCUTTA.

SIR,

We ask your assistance in a matter which concerns us greatly. As you are no doubt aware, a Special Tariff Board has been appointed to enquire into the measure of protection required by the Indian Textile Industry against United Kingdom imports. As in past enquiries, the Tariff Board will doubtless endeavour to assess the effect of existing and/or future duties on the handloom industry. From information we already have, we are satisfied that a considerable part of the present cotton yarn imports goes not to the handloom weaver but to weaving mills and hosiery factories. However, our information is not sufficient to put before the Tariff Board with any degree of accuracy.

The Sea-borne Trade Returns give yarn import figures in lbs. and value. We write to ask if you could give us details for the past 5 years of the form of package each class of imports took. For example:

Imports of Grey (unbleached) Yarn (in pounds).

Description and Counts of yarn.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36 up to date.
	United Kingdom, Japan, China (including Hong- kong), Other countries..	United Kingdom, Japan, China (including Hong- kong), Other countries.	United Kingdom, Japan, China (including Hong- kong), Other countries..	United Kingdom, Japan, China (including Hong- kong), Other countries.	United Kingdom, Japan, China (including Hong- kong), Other countries.
<i>Nos. 1 to 20.</i>					
In bale form					
In cheeses packed in cases					
In cops packed in cases					
In cones packed in cases					

(Similarly for counts Nos. 21 to 30, 31 to 40, 41 to 50, above 60 and also for two fold doubles Nos. 1 to 25, 26 to 50, 51 to 80, above 80.)

Similar figures to be given for each range of white (bleached), coloured and mercerised cotton yarns.

We realize there will be a good deal of work attached to preparing these statements and are quite ready to meet any reasonable charge you wish to make for this service.

We have approached the Collectors of Customs in other circles for similar information so as to have definite figures for the whole of India.

We trust you will be able to help us in this matter.

NOTE.—Similar letters sent to Bombay, Madras, Karachi and Rangoon.

(2)
(Copy.)

NEW CUSTOM HOUSE,
BOMBAY, 25th September, 1935.

FROM THE COLLECTOR OF CUSTOMS,
BOMBAY,
TO THE MANAGER,
MADURA MILLS CO., LTD.,
POST BOX No. 35, MADURA (S. India).

SIR,

*Cotton Yarn—Imports—Form of packages—Supply of details of—
Your letter dated the 16th September, 1935.*

I have the honour to refer to your letter cited above and to state that details of imports of cotton yarn according to the nature of the packing employed are not recorded for statistical purposes, nor is it possible, owing to the difficulty of tracing the relevant original documents, to compile the requisite figures specially for the purpose in view. I regret, therefore, that I am unable to undertake to supply the information required by you even on payment.

(3)
(Copy.)

KARACHI, 26th September, 1935.
FROM THE ASSTT. COLLECTOR OF CUSTOMS FOR STATISTICS,
CUSTOM HOUSE, KARACHI,
TO MESSRS. MADURA MILLS CO., LTD.,
MADURA.

GENTLEMEN,

With reference to your letter dated the 16th instant, I have the honour to inform you that the particulars of the different kinds of packing for each class of imports of yarns are not separately recorded. I therefore regret that I am unable to furnish the information asked for by you.

(4)
(Copy.)

CUSTOMS HOUSE,
MADRAS, 24th September, 1935.

FROM THE COLLECTOR OF CUSTOMS,
MADRAS,
TO MESSRS. A. & F. HARVEY,
MANAGERS, MADURA MILLS CO., LTD.,
MADURA.

GENTLEMEN,

Cotton Yarn—Imports of.

I have the honour to refer to your letter dated the 10th September, 1935.

2. Figures showing such details as cheeses, cops and cones packed in cases are not available even in bills of entry as they are not so declared by the importers.

3. Particulars regarding quantity (in lbs.) and value of cotton yarn under different counts are recorded in this office as only these particulars are required to be furnished in the Government of India returns. If the total number of bales or bundles is required, a very large number of bills of entry filed in various ships' files will have to be picked out and the figures collected therefrom and as this involves much time and labour, I regret that the figures asked for cannot be gathered and furnished by the present limited staff.

(5)

(Copy.)

CALCUTTA, 23rd September, 1935.

FROM

THE COLLECTOR OF CUSTOMS,

CALCUTTA,

TO

THE MANAGER,

MADURA MILLS Co., LTD.,

POST BOX No. 35,

MADURA.

SIR,

Cotton Yarns—Descriptions and counts of Yarn.

I have the honour to refer to your letter dated the 16th instant.

I regret that the information asked for is not available as the relative Customs documents do not, in most cases, show the exact form of packages of the imported goods. The details of the nature of package are not required for Customs purposes, the importers' declarations are therefore quite optional in such cases. I may add that Customs documents under which goods are cleared are retained only for 3 years.

In regard to "count" numbers I would suggest a reference to the Annual Statement of the Sea-borne Trade and Navigation of British India for the last five years figures required by you.

(6)

(Copy.)

CUSTOMS DEPARTMENT,

RANGOON, 27th September, 1935.

FROM

THE ASSTT. COLLECTOR OF CUSTOMS FOR STATISTICS,

RANGOON,

TO

THE MADURA MILLS Co., LTD.,

P. O. Box No. 35,

MADURA.

GENTLEMEN,

I have the honour to refer to your letter dated the 16th September, 1935.

2. I regret that your request cannot be complied with as only the weight in pounds and the value of yarn imported into this Province are recorded under each of the prescribed groups of counts, and no record is maintained of the nature or method of packings.

3. It has been ascertained, however, that the bulk of imports is in bundles and that imports of counts of 20s and 30s in grey yarn from Japan which are intended for a hosiery factory and which used to be imported in cones are now imported in cheeses.

(2) *Letter dated the 10th December, 1935, from the Southern India Millowners' Association, Coimbatore.*

I have the honour to enclose herewith a copy of the Resolution passed by the Southern India Millowners' Association, Coimbatore.

Enclosure.

COPY OF THE RESOLUTION PASSED AT A MEETING OF THE MEMBERS OF THE SOUTHERN INDIA MILLOWNERS' ASSOCIATION HELD AT THE ASSOCIATION OFFICE ON 10TH DECEMBER, 1935, AT 9 A.M.

* * * * *

This association resolves that in modification of the Joint Memorandum submitted by the Cotton Spinning Industry, dated the 12th October, 1935, that the Tariff Board be informed that as far as this Association is concerned that the existing duty up to counts 50s be raised to the extent stated in the Joint Memorandum and such duty should be fixed up to counts 60s yarn instead of up to counts 50s so that counts 60s of foreign yarn may not compete with counts 44s of Indian yarn.

This association authorises M. R. Ry. Dewan Bahadur C. S. Ratnasabapathy Mudaliar A.V., to be spokesman to give evidence on behalf of the association, supporting the above Resolution.

(3) *Notes on the United Kingdom Delegation's Original Case and Supplementary Memoranda submitted by the Southern India Millowners' Association.*

The Millowners' Association, Bombay, has dealt fully with the general aspect of the United Kingdom's case, so we shall deal only with one or two points arising from the delegation's case on Cotton Yarn.

SECTION IV OF THE REPRESENTATION.

Paragraph 2.—We are surprised to find and most definitely contest the view that a reduction in the rate of import duty on cotton yarns would not have the effect of creating competition with Indian spinners of a character likely to prejudice their prospects.

On the other hand, the Indian industry requires at the earliest possible date a reasonable increase in the present duties, particularly with reference to counts over 50s, where it may fairly be held that no protection whatsoever exists to-day.

Paragraph 3.—Lancashire are of opinion that a somewhat exaggerated view has been held and expressed as to the importance of the part played by United Kingdom imports of yarn into India stressing the fact that for example in 1931-32 the quantity of yarn spun in Indian Mills was 966 million lbs. whereas United Kingdom imports were just under 12 million lbs., or something less than 1½ per cent.

In table 10 of our printed representation, it will be found that in 1931-32 the balance of yarn available for sale in India amounted to 370 million lbs., which figure included 32 million lbs. of imports. Consequently, the yarn produced for the market in India during that year was 338 million lbs., and it is on that figure only that any comparison may be made. In other words, spinners have an existing market of somewhere around 370 million lbs., which they share with Indian spinning and weaving mills and with Lancashire, Japan and China. 12 million lbs., particularly when a

large part of the quantity is of fine counts, is therefore an appreciable item from the point of view of Indian spinners.

Paragraph 7.—The implication of this paragraph is that the existing specific duty on counts 50s and under has amounted to prohibition of United Kingdom imports.

The import figures do not bear out this view, while the information already supplied by us to the Board gives detailed information of United Kingdom imports of 32s and 40s in direct competition with Indian spinners.

Finally we would say that there is no great difficulty in the case of yarn in arriving at the fair selling prices of typical Indian yarns and comparing them with competing Lancashire products. On this basis there is no doubt in our minds that the results will indicate the necessity for raising the present specific duty on counts 50s and under and re-imposing an adequate specific duty on counts over 50s.

Bengal Millowners' Association, Calcutta.

Letter No. 90/35, dated the 26th November, 1935.

With reference to your letter No. 696, dated the 18th November, 1935, I am directed by my Committee to say that no separate case will be submitted by this Province; our views will be represented in the case that will be submitted by the Millowners' Association, Bombay.

The Buckingham and Carnatic Co., Ltd., Madras.

Replies to the questionnaire.

1. Our experience has been that the existing Customs duties on piecegoods of British manufacture imported from the United Kingdom into British India are generally effective and afford the minimum amount of protection in the case of cloths we manufacture. It appears likely that present duties will also provide an appropriate amount of protection when mills in this country produce qualities more closely approaching the better and finer classes of imported materials.

An examination of the total imports in recent years will give some indication of the effect of the various duties on the import trade. If duties have been excessive a considerable falling off in imports could be expected, while on the other hand too lenient a basis of duty would bring to light a noticeable increase in the turnover of such goods. The level of import duties are not necessarily the only causes contributing to a fluctuation in trade. Other factors such as economic conditions also play their part but any considerable inequality of import duties would very rapidly produce a noticeable effect in the volume of import business.

Other conditions remaining constant, an increase or decrease in the textile import trade can only result from respectively less or greater protection to the textile industry. The duties now in existence and those imposed in recent years have provided what we consider to be the necessary amount of protection in the case of the general class of qualities we make ourselves.

The following figures show the imports of cloth from all countries through the port of Madras since 1925:—

Year	1925.	1926.	1927.	1928.	1929.	
Packages	29-327	35-390	34-986	38-078	47-980	
Year	1930.	1931.	1932.	1933.	1934.	1935 Up to Sept.
Packages	39-269	34-226	47-153	37-307	38-208	29-033

It has not been possible to obtain separately the figures representing the imports through Madras during these years of goods from the United Kingdom but in view of the increase in the total quantity imported, if the United Kingdom's share of the business has suffered it must have been due to other goods, most likely Japanese, having taken their place. Such loss of business therefore is a matter that does not affect the position of the Textile Industry in India but is more a question of a re-arrangement of Preferential Duties.

In further support of our contention that the existing duties on piecegoods are effective in so far as the Mill industry has not unduly suffered owing to any large increase in imported goods, we give below an extract from Government's Report on the working of the Ottawa Trade Agreement.

Imports into India from the United Kingdom.

Imports during	1932-33.	1933-34.	1934-35.
Total of Cotton Piecegoods Yds. (000)	586,406	414,752	552,394
Rs. (000)	11,90,37	8,58,05	11,14,40

We have found, under the present measure of protection that it has been possible to attempt the manufacture of cloths which were previously not a workable proposition when duties were lower. If these finer goods to which we refer are to provide additional work for the textile industry in this country, it will be necessary to maintain duties at their present level.

To show to what extent the Mills under our control (The Buckingham and Carnatic Mills and The Bangalore Woollen, Cotton and Silk Mills) have changed over to finer counts entirely for the production of cloth, we give below particulars of the output of yarns in counts 30s and upwards from 1930:—

—	1930.	1931.	1932.	1933.	1934.	Up to June, 1935.
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Counts—						
30 . . .	463,837	181,276	112,881	158,914	347,182	281,058
32 . . .	..	..	..	40	9	58
34 . . .	..	..	..	181	..	..
36 . . .	3,451	174,833	97,823	772,346	1,412,499	658,248
40 . . .	1,356	154,189	52,719	145,648	68,521	24,144
44 . . .	..	..	..	140	74,526	34,531
46 . . .	..	30	..	..	9,614	1,479
48 . . .	..	..	41	243	..	..
50 . . .	..	46	..	296	4,303	2,200
52 . . .	..	..	..	..	59	..
54 . . .	..	..	..	..	24	..
60 . . .	786	153	1,000	51,519	79,207	33,711
66 . . .	..	..	..	5,526	2,062	2,834
70 . . .	..	..	..	..	591	..
72 . . .	..	..	..	16	..	..
80 . . .	..	..	184	2,789	5,948	284
TOTAL .	469,430	150,527	264,648	1,137,658	2,004,545	1,038,547

Generally speaking counts below 40s are not considered fine now-a-days and it is probably exceptional for a mill to use imported cotton for spinning such yarns, but in our case while we always try to make as much use of Indian Cotton as we can it has been found necessary in almost all counts above 30s to use both American and Egyptian Cotton, principally the latter, in order to attain an improved standard of quality.

In replying to the questionnaire we have not dealt with questions 6, 7 and 8 which are the more immediate concern of Mills spinning yarn for the market trade. We do not produce cotton yarn specially for the market although we occasionally have small quantities to dispose of due to accumulations in excess of the Weaving Sections' actual requirements. Yarn and cloth are nevertheless closely related to one another and it is certainly not in the interests of the textile industry as a whole to have in existence a scale of duties which afford any less protection in the case of yarn than in the case of cloth.

As regards Artificial Silk and Mixture Fabrics we only produce the latter. While advocating a continuance of the existing additional 5 per cent. duty in the case of Fabrics containing Artificial Silk, we do not propose to deal separately with Mixture Fabrics as presumably what is found to be applicable as regards Cotton Piecegoods will be generally applied in the case of Mixtures and the extra 5 per cent. duty maintained. The duty on Artificial Silk Yarn is 25 per cent. *ad valorem* or 3 annas per pound so that assuming a revision in tariff rates is recommended in regard to Artificial Silk and Mixture Fabrics, a similar adjustment will be required to cover Artificial Silk Yarn.

The effectiveness of the present duties on imported cloth depend to some extent on the prevailing duties on raw materials, dyes, stores and machinery. An alteration in the tariff rates of cloth without a corresponding change in the revenue charges now paid by the manufacturer in this country on his imported supplies will result in an ill-balanced state of affairs. The 10 per cent. *ad valorem* duty on machinery, dyes and stores constitute a definite extra charge on manufacturing costs which unfortunately it is not possible correctly to estimate. In the case of raw materials there is the duty on Artificial Silk Yarn referred to above and also the revenue charge of 6 pice per pound on Cotton. The latter duty has correspondingly advanced the price of Indian Cotton so that the finer qualities of goods manufactured in this country have been increased in cost to the extent of the amount of duty levied on Cotton required in their manufacture.

2. (a) The trade for which we are adapted does not bring us directly into competition with very many similar imported goods. The indirect competition probably has more bearing on our business than that which is direct, although at the same time we do not wish to minimise the effect of qualities that are practically identical. Imported cloths should, in our opinion, be treated as a whole and not divided into two classes, one of which represents exactly what is manufactured in this country and the other what might appear at present to be unsuitable for the Indian manufacturer to produce in any quantity. Quite apart from the fact that it is now possible owing to existing duties to make cloths which some years ago were supposed to be outside the scope of mills in India, the presence of such qualities, if placed on the market at sufficiently low prices will command a trade in preference to the standard of quality usually understood to represent the level of Indian Mills' goods. In the Tariff Board's Report of 1932 it was urged that the protective duties should be applied to imported goods of the finer counts, not merely because such goods compete indirectly with goods produced from Indian Cotton but also as a definite measure for the encouragement of the manufacture of goods from imported long staple cotton.

Taking the case of an imported plain white shirting, it will not ordinarily interfere with say a cheaper quality of bleached twill, but if the imported shirting can be marketed at an exceptionally low price, it will replace some of the trade previously obtained by the makers of bleached twill. Instances of the rise and fall in the different classes of goods due to these

causes are difficult to obtain as the change comes about so gradually. This is what has happened just recently and although the case in point relates to a quality exported by Japan, the interference caused by the importation of a cheap but entirely different class of cloth is clearly illustrated. We are making cotton cloths used as suitings at prices up to annas 9 per yard in 27/28" width, and it was found that we were coming into competition in the case of our higher priced goods with a 54" wide cloth imported from Japan made from all wool worsted yarns and selling in retail at Rs. 1-4 to Rs. 1-8 per yard. Samples of our cotton suiting marked XX and the Japanese worsted suiting marked AA are enclosed.

There is an element of danger in making an attempt to find out in exactly which qualities competition is being experienced. Provided the comparisons are made merely in order to review the position generally and not with the intention of revising tariff rates in specially selected qualities, the reference will be of considerable value. There are certain classes of imported goods which are not at present being manufactured in this country, but for that reason there can be no justification in permitting such goods any freer form of importation than at present. The Textile Industry of India is extending and competition between mills is in consequence increasing, so that the manufacture of classes of goods not previously produced in this country must be attempted and if possible introduced. This means a considerable rearrangement of machinery and extra plant, all of which involves the manufacturer in heavy expenditure.

If by means of different rates of duty imported goods are divided into two classes, one representing broadly what is being made in India at present and the other comprising cloths not at present introduced in the country the industry would be relegated to a fixed class of trade above which it would be impossible to rise. There can be no justification in adjusting Tariffs in such a way that this contingency would occur and for that reason we advance the suggestion that piecegoods of all classes should be considered as a whole.

Cotton piecegoods fall naturally into a few classes, *e.g.* :—

- (1) Plain Grey.
- (2) Bordered Grey.
- (3) Bleached (plain and striped).
- (4) Dyed.
- (5) Woven coloured.
- (6) Artificial Silk and Artificial Silk Mixtures.

Cloths under heads 3, 4, 5 and 6 enter into competition with goods we make ourselves.

In our reply to question 2 (c) we give particulars of a number of the cloths referred to above.

(b) We consider that all the goods we manufacture enter into competition with imported goods and we generally class our productions under the following heads :—

- (3) Bleached (plain and striped).
- (4) Dyed.
- (5) Woven coloured.
- (6) Artificial Silk Mixtures.

In answering question 2 (c) we have given examples of each of the classes referred to above.

(c) In our reply to questions 2 (a) and (b) we have generalized the classes of goods under four main heads and from each of them we have

selected a few qualities typical of each class. The following particulars are provided regarding each cloth:—

Sample No. and Qualities.	DIMENSIONS.		Finished weight per piece.	COUNTS.		Reed and pick per $\frac{1}{4}$ inch.	Sq. yds. per lb. finished.
	Width.	Length.		Warp.	Weft.		
(i) IMPORTED CLOTHS.	Inch.	yds.	Lbs. ozs.				
<i>Bleached.</i>							
A. White Mull . .	50 $\frac{1}{2}$ × 20		3 8	42s	56s	15 × 14	8.00
B. White shirting .	33 $\frac{1}{2}$ × 40		9 0	38s	34s	20 × 20	4.13
C. White twill . .	30 $\frac{1}{2}$ × 40		8 8	40s	36s	19 × 30	4.00
<i>Dyed.</i>							
D. Khaki Drill . .	27/28 × 40		15 8	14 $\frac{1}{2}$ s	12s	22 × 12 $\frac{1}{2}$	1.97
E. Pongee	42 × 40		3 15	64s	64s	14 × 12	10.79
(ii) OUR MANUFACTURES.							
<i>Bleached.</i>							
1. Sheetting . . .	67 × 40		24 5	15s	16s	14 $\frac{1}{2}$ × 12 $\frac{1}{2}$	3.10
2. Terry Towel . .	24 $\frac{1}{2}$ × 2/84"		11 2 $\frac{1}{2}$	12s and 2/22s	14 $\frac{1}{2}$ s	13 × 10	1.30
3. Shirting	30/31 × 24		4 0	44s	44s	30 × 20	5.00
<i>Dyed.</i>							
4. Bedford Cord . .	27/28 × 40		19 13	2/19s	14s	21 × 16	1.50
5. Khaki Drill . .	28/29 × 40		17 4	14 $\frac{1}{2}$ s	10 $\frac{1}{2}$ s	24 × 13	1.84
6. Dobby Repp . .	27/28 × 30		10 10	10s	10s	15 × 9	2.13
7. Dobby Suiting . .	27/28 × 24		7 15	14 $\frac{1}{2}$ s	12s	20 × 13	2.30
8. Dobby Suiting . .	27/28 × 30		9 2	14 $\frac{1}{2}$ s	12s	19 × 11 $\frac{1}{2}$	2.40
9. Dobby Suiting . .	27/28 × 30		9 2	14 $\frac{1}{2}$ s	12s	19 × 11 $\frac{1}{2}$	2.50
10. Cord. Stripe . .	27/28 × 30		8 14	14 $\frac{1}{2}$ s and 16s	12s	19 × 10	2.60
11. Shadow Stripe .	27/28 × 24		6 12	14 $\frac{1}{2}$ s	14 $\frac{1}{2}$ s	18 $\frac{1}{2}$ × 10	2.67
12. Plain Repp . . .	27/28 × 30		10 10	10s	10s	15 × 9	2.24
13. Plain Suiting . .	27/28 × 30		9 12	2/19s	12s	15 $\frac{1}{2}$ × 10	2.31
14. Plain Suiting . .	27/28 × 24		6 13	2/60s	2/30s and 2/60s twisted.	29 $\frac{1}{2}$ × 9	2.64
15. Plain Suiting . .	27/28 × 24		7 12	2/60s	3/24s	36 × 10	2.32
16. Plain Suiting . .	27/28 × 24		5 8	2/60s	2/22s	29 $\frac{1}{2}$ × 10	3.40
17. Plain Suiting . .	27/28 × 24		5 14	2/60s	3/30s	22 × 16 $\frac{1}{2}$	3.10
18. Satin Drill . . .	27/28 × 24		7 12	19s	12s	28 × 12	2.32
19. Crepe	30/31 × 24		5 8	19s	24s	16 × 15	3.64

Sample No. and Qualities.	DIMENSIONS.		Finished weight per piece.	COUNTS.		Reed and pick per $\frac{1}{4}$ inch.	Sq. yds. per lb. finished.
	Width.	Length.		Warp.	Weft.		
	Inch	Yds.	Lbs. ozs.				
<i>Woven cold.</i>							
20. Fancy Suiting .	27/28	24	6 0	19s and 2/22s	19s	20 \times 12	3-00
21. Suiting . .	27/28	24	7 11	2/22s	2/22s	15 $\frac{1}{2}$ \times 9	2-80
22. Check Suiting .	27/28	24	6 0	19s and 22s	19s and 22s	20 \times 12	3-00
23. Shirting . .	30/31	24	4 5	44s	36s	30 \times 16	4-70
24. Check Shirting .	28/29	24	4 5	44s	36s	30 \times 16	4-70
<i>Artificial Silk Mixtures.</i>							
25. Silk and Shadow Stripe.	27/28	30	8 2	14 $\frac{1}{2}$ s	14 $\frac{1}{2}$ s	19 \times 10	2-77
26. Dobby Suiting .	27/28	24	6 0	30s and 19s silk 150d	19s	20 \times 12	3-00
27. Suiting . .	27/28	24	6 0	30s and 19s silk 150d	19s	20 \times 12	3-00
28. Check Suiting .	27/28	24	6 2	30s. and 19s silk 150d	19s and 30s	20 \times 12	2-90
29. Suiting . .	27/28	24	6 2	30s and 19s silk 150d	19s	20 \times 12	2-90
30. Suiting . .	27/28	24	7 12	2/22s and 22s	2/22s	12 \times 10 $\frac{1}{2}$	2-32
31. Suiting . .	27/28	24	6 2	36s	36s	16 \times 14	2-94
32. Suiting . .	27/28	24	6 2	2/30s and 36s	36s	16 \times 14	2-94
33. Suiting . .	27/28	24	6 4	2/36s and 36s	36s	16 \times 14	2-88

The only cloths in the above lists which are in any way identical are samples D and 5.

(d) Four sets of samples of each type of cloth are supplied and they are classed as follows:—

	Imported Cloths.	Our Manufactures.
Bleached	A, B and C	1, 2 and 3.
Dyed	D and E	4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19.
Woven coloured . . . . .	..	20, 21, 22, 23, 24 and 25.
Artificial Silk Mixtures . . . . .	..	26, 27, 28, 29, 30, 31, 32 and 33.

5. (a) A statement follows showing the landed price of imported cloths mentioned in our reply to question 2 (c). We regret it has not been possible to give complete data over the past five years in the case of all the qualities.

C.i.f. prices plus landing charges per piece.

Sample No. and Quality.	1931.	1932.	1933.	1934.	1935.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
<i>Bleached.</i>					
A. White Mull . . . . .	..	..	3 11 11	3 14 10	4 0 4
B. White shirting . . . . .	..	..	..	9 7 6	9 9 8
C. White Twill . . . . .	..	..	14 10 0	14 12 6	14 12 6
<i>Dyed.</i>					
D. Khaki Drill	13 7 0	14 1 0	13 12 0	13 14 0	..
E. Pongee . . . . .	..	..	..	0 2 7-76 per yd.	0 2 7-76 per yd.

(b) Where it has been possible to obtain them wholesale prices of the above qualities are given.

Wholesale prices (per piece).

Sample No. and Quality.	1931.	1932.	1933.	1934.	1935.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
<i>Bleached.</i>					
A. White Mull . . . . .	..	..	4 15 6	5 2 0	5 5 0
B. White Shirting . . . . .	..	..	..	12 10 0	12 14 0
C. White Twill	19 6 0	19 6 0	19 6 0	19 6 0	19 6 0
<i>Dyed.</i>					
D. Khaki Drill	18 4 0	18 15 0	18 8 6	18 10 0	..
E. Pongee . . . . .	..	..	..	0 3 5 per yd.	0 3 4 per yd.

When comparing prices of imported cloths with those of our manufacture it must be pointed out that our costings are based on the average price

paid for cotton in each particular year and the raw material therefore is not based on the market rate at any one time. It is not known on what basis of cotton the prices of imported goods are based and from the figures available the import prices appear to bear little or no relation to the fluctuations in cotton. For instance in the case of imported sample C the price has varied only As. 2-6 per piece over the past 3 years. American cotton in that time has been as low as 4.72 pence and as high as 7.42 pence. It will be noticed that the materials we have costed have varied very considerably and this is due entirely to the price taken for cotton.

The prices of imported cloths shown in the statements under headings 5 (a) and (b) include manufacturers' and in some cases middleman's profits, and also in the case of 5 (b) importers' margins. In our costings we have made no provision for profits.

9. We are not aware that cloth from the United Kingdom has at any time been landed in India at unremunerative or unduly inflated prices.

10. No instance has come to our notice of cloth manufactured in the United Kingdom having been exported at relatively higher or lower prices to markets outside British India.

11. On the whole existing duties have had the effect of stimulating the development of the cloth industry of this country. This is particularly noticeable in the expansion that has taken place in recent years in the production of finer classes of goods. The production of fine qualities came about because of competition amongst Indian Mills following the additional protection they were granted in 1931. At that time most mills were engaged on the coarser sorts of cloth and the assistance given to the industry led to intensive competition in those sorts. It was in order to find other outlets for their goods that finer cloths were made. The protection afforded to these finer goods is not equivalent to the tariff on grey goods which generally comprise the heavier sorts. In effect the 25 per cent. duty becomes less effective as the material increases in fineness.

We are not aware of the effect of existing duties on the handloom industry except that the handloom industry in India is still expanding whereas in all other countries it is gradually becoming extinct. A reference to the Director of Industries on this fact will confirm the information.

12. The industry in which we are interested has not been affected by imports from the United Kingdom of fabrics of Artificial Silk or of Mixture Fabrics of Cotton and Artificial Silk.

Messrs. Kettlewell Bullen & Co., Ltd., Calcutta.

Letter dated the 4th November 1935.

We are in receipt of your letter No. 631 of the 31st ultimo addressed to us as Managing Agents of the Bowreah, New Ring, and Dunbar Mills, and in reply we would inform you that whilst we are naturally anxious to associate ourselves with any proposals adduced to protect the indigenous Cotton Yarn Spinning or Weaving Industries we do not propose to submit any separate representation, our reasons for this decision being that—

(A) the Cotton Yarn output of Bengal represents only some 3 per cent. of the total production of Indian Mills, and

(B) the Yarns spun at the Mills under our Management for the "bundled" trade are almost exclusively below counts 26s and very little competition is thus experienced by us from British or other imported yarns.

In these circumstances we do not consider that any useful purpose would be served by our completing the questionnaire which you sent us.

Cawnpore Cotton Mills Co., Cawnpore.

Letter No. T. 306, dated the 25th November, 1935.

With reference to your circular letter No. 631, dated the 31st ultimo, addressed to the British India Corporation, Limited, we have to inform you that the question of revision of duties is being dealt with by the Millowners' Association, Bombay, in conjunction with the Upper Indian Chamber of Commerce.

In the circumstances, no useful purpose will be served by our taking the action suggested in your letter under reply.

Savatram Ramprasad Mills Co., Ltd., Akola.

Letter No. 4857, dated the 17th December, 1935.

In acknowledging with thanks the receipt of your letter No. 821, dated the 14th instant, together with a copy of the questionnaire issued by your Board, we beg to inform your goodself that since the Millowners' Association, Bombay, have sent in their reply to your questionnaire, our individual reply is not necessary as we are member of this Association.

Raja Gokuldas Mills, Ltd., Jubbulpore.

Letter dated the 19th December, 1935.

We are in receipt of your letter No. 733, dated the 3rd instant, together with the copy of the questionnaire, and in reply we beg to inform you that we endorse the views of the Ahmedabad Millowners' Association in the matter.

**The Ahmedabad Manufacturing and Calico Printing Co., Ltd.,
Ahmedabad.**

Letter dated the 24th February, 1936.

With sincere apologies for the extreme delay in putting forth a case for cotton sewing threads, we have pleasure in replying to the questionnaire in so far as it relates to this branch of the Textile Industry.

We have been producing sewing threads of good standard quality for over a decade now. There cannot be a better testimony about the qualities produced by us than the patronage of the Indian Stores Department, who purchase year after year their requirements from us, and this repeated business would not have been possible if the qualities were not up to the standard.

REPLIES TO THE QUESTIONNAIRE.

1. It seems the existing duties were fixed without any regard to the facts that—

- (1) sewing thread are in no way used by the handloom industry in the weaving of fabrics, and
- (2) that sewing threads are locally manufactured in Ahmedabad of such good quality and test as to replace imported thread and need due protection for a few years to enable a profitable expansion of their manufacture and organization of their sale.

Whereas "Cotton thread other than sewing or darning thread" under item 47 (5) is charged 25 per cent. *ad valorem* duties there seems to be no reason why sewing threads may be allowed to fall under head 47 (6) along

with ordinary yarn unless it is wrongfully presumed to be necessary for the handloom industry in the manufacture of fabric.

The effect of the existing inadequate duties has been that gross sales in our thread have fallen by about 30 per cent., though prices were actually reduced by 10 per cent. during the years 1934-35. Such reduced sales, inspite of reduced prices, do not give an incentive to increased production and proper sales organisation.

The answer to the above question does not call for the coming remarks but you will please allow us to make them for clarity's sake.

Cotton sewing threads are mostly hard twisted four to six-fold cabled cords and are entirely unfit for weaving purposes. They are easily distinguishable from weaving yarns which are either singles or two-folds and bear much less twist, no size, and are of comparatively very inferior strengths. The only 2 fold sewing thread is 2/28 or 2/30, the rest being all 3, 4 and 6 cord threads.

6. (a) & (b) The principal classes of sewing threads that are imported from the United Kingdom and which enter into competition with similar threads produced in India are:—

4 cords, 400 yards reels "Carlile", Nos. 10, 20, 30, 40 and 50.

3 cords, 300 yards reels "Krishna", Nos. 4 and 6.

6 cords, 200 yards reels "N. M. T.", Nos. 20, 30, 36, 40 and 50.

* * * * *

8. (a) The record of landed prices of sewing threads imported from 1930-31 is not available to us, and we therefore, are unable to submit the comparative statement.

(b) The answer to question 8 (B) has been partly given in reply to question No. 7.* The thread mentioned therein is one of the principal sellers.

The sale price of some of the other threads are as follows:—

	Per gross reels.
	Rs. A. P.
4 cords—	
No. 40, 400 yards reels	17 0 0
No. 50, 400 yards reels	17 0 0
No. 20, 400 yards reels	23 0 0
No. 10, 400 yards reels	30 0 0
6 cords, No. 20 and up, 200 yards reels	14 8 0

These prices are f.o.r. any station in India and subject to a progressively increasing discount on annual sales.

9. It is difficult for us to give a definite reply to this question. During the last five years, prices of British sewing cottons have been reduced by 20 per cent. and during the course of the year 1935 by further 5 per cent. The Board is aware that we have to compete against a powerful combine and we fail to understand how it would be possible for them to make such reduction in their prices and still continue to earn profits. We therefore, submit that sewing cottons of British manufacture are being sold in India at unremunerative prices, specially in the varieties that we have been manufacturing and marketing so long. We strongly believe that taking an advantage of the misplacement of sewing cotton under the heads of yarn suitable for the handloom industry, this combine has been trying their level best to kill an Indian industry.

Mills. An examination of these figures will demonstrate that excessive stocks are not carried by the Industry and the figures of spindles and looms kept idle demonstrate that curtailment of production is resorted to when occasion demands.

While it may be true that mills making for the export market do not themselves carry stocks in the United Kingdom, stocks are in fact carried by grey cloth agents and in the case of mills making cloth for the home market in the United Kingdom, certain quantities of goods are made to stock just as they are in India.

We disagree with the contention made that, unless the duties on United Kingdom goods are immediately reduced, imports from that source will rapidly decrease until their trade is extinct and would direct the attention of the Board that during the last few years, United Kingdom has been maintaining her position.

While it may be true to say that no Indian Mills have attempted to sell exactly similar Jaconets as were previously being imported from the United Kingdom, India has undoubtedly produced fair quantities of Jaconets which can be substituted for United Kingdom lines. We would in this connection refer the Board to Bengal Chamber's own representation where it is stated that E. D. Sassoon's Grey Jaconet No. 353 competes against Rally Bros. Grey Jaconets 3260/80.

We contest the statement that Indian Mull Dhoties "have been found unsatisfactory, they are badly spun and do not wear well".

The tabular statement of the number of packages imported into Calcutta from United Kingdom and Japan submitted by the Chamber shows that with the possible exception of Bleached Nainsooks, the imports of bleached goods into the Calcutta market from the United Kingdom have tended to increase during the last few years.

In the face of the estimate for Nainsook imports for the year 1935 and the actual arrivals up to the end of September, the statement that for some months no single transaction has been possible in English Nainsooks cannot be substantiated.

The increase in the imports of Dyed goods into Calcutta since 1931 is certainly not an indication that the existing duties are excessive. In 1934, the imports of Dyed and Fancy goods according to this statement were double of what they were in 1931.

The import trade in "reject" yarns referred to does not, in our opinion, prove that the Handloom Weavers cannot afford to pay the price of perfect yarns. As far as we are aware, the Handloom Industry has always bought a fair proportion of reject yarns. We submit, the drop in the importation in yarn from United Kingdom referred to in the memorandum has been chiefly due to severe Japanese competition. Indian mills have been unable to compete effectively in price against both the United Kingdom and Japan in all fine count yarns.

The making particulars, etc., of the cloths referred to in the tabular statements are being checked and a further note will be submitted to the Board at a later date. It will not be possible for the Association to submit information regarding c.i.f. prices of imported goods, and we suggest that the accuracy of imported prices should be checked by reference to Calcutta Customs authorities.

Questions 6 (a) and (b).—We contest the statement that yarns above 40s count are not made in Indian Mills. It is, in fact, refuted in Bengal Chamber of Commerce's own memorandum, where it is stated that "it is true that Indian Mills are finding it difficult to sell yarns of 60s count but this is due to competition from Japan—and not from Great Britain. They are, however, selling 70s count and higher in this market".

We disagree with the contention that yarns of 40s and over should be admitted at the minimum rate of duty compatible with considerations of revenue.

United Kingdom Cotton Textile Delegation.

(1) *Memo. dated the 11th Nov., 1935.*

I.—INTRODUCTORY.

We have been appointed Delegates to submit to the Special Indian Cotton Textile Tariff Board, 1935, on behalf of the United Kingdom Cotton and Artificial Silk Industries, a case for reduction in the duties on cotton yarns and piecegoods and piecegoods of artificial silk and of cotton and artificial silk mixed, of United Kingdom origin.

NOTE.—The evidence is tendered to the Special Indian Tariff Board, 1935, by Messrs. Angus D. Campbell, E. Raymond Streat, C.B.E., C. B. Clegg, T. Dutton and F. Hopkinson on behalf of the United Kingdom cotton and artificial silk industries as represented on the Lancashire Committee on Indian Trade Relations. The Silk Association of Great Britain and Ireland has authorised the delegation to give evidence also on their behalf in the matter of duties on products made in whole or in part of artificial silk.

2. The Lancashire Committee on Indian Trade Relations is constituted as follows:—

Chairman:

SIR WILLIAM CLARE LEES, O.B.E., J.P.

Vice-Chairman:

ANGUS D. CAMPBELL, Chairman, India Section, Manchester Chamber of Commerce.

Joint Secretaries:

H. G. HUGHES, Director, Joint Committee of Cotton Trade Organisations.
E. RAYMOND STREAT, C.B.E., Director and Secretary, Manchester Chamber of Commerce.

Members:

- W. H. BARRITT, Employers' Federation of Dyers and Finishers.
- H. BOOTHMAN, United Textile Factory Workers' Association.
- W. H. CATTERALL, Federation of Master Cotton Spinners' Associations, Ltd.
- W. E. CLUCAS, President, Manchester Chamber of Commerce.
- SIR JOHN H. GREY, Cotton Spinners' and Manufacturers' Association.
- S. S. HAMMERSLEY, M.P., Federation of Master Cotton Spinners' Associations, Ltd.
- H. G. HOUGHTON, Shipping Merchants' Committee, Manchester Chamber of Commerce.
- R. HOUGHTON, Cotton Spinners' and Manufacturers' Association.
- FORREST HEWIT, Federation of Calico Printers, and Chairman, Joint Committee of Cotton Trade Organisations.
- J. L. EDMONDSON, Federation of Calico Printers.
- F. LONGWORTH, Cotton Spinners' and Manufacturers' Association.
- F. MILLS, Federation of Master Cotton Spinners' Associations, Ltd.
- P. L. WRIGHT, Bleaching Trade Advisory Board.

The Committee represents all sections of the industry, both employers and employed, and this Evidence is submitted with the authority and on behalf of the United Kingdom cotton industry as a whole, including those sections which are interested in the production of artificial silk fabrics and fabrics of artificial silk mixed with cotton,

We are jointly and severally representative of all the various sections of the United Kingdom Cotton Industry, including those sections which are interested in the production of artificial silk fabrics and fabrics of artificial silk mixed with cotton. We also have authority from the Silk Association of Great Britain and Ireland to give evidence on their behalf.

There was established in 1934, by resolution of the Joint Committee of Cotton Trade Organisations, a Committee known as the Lancashire Committee on Indian Trade Relations, to deal on behalf of all the interests concerned with the questions affecting the Lancashire trade with the Indian market. The constitution of the Committee is described on the previous page. All the organisations concerned entrusted to this Committee the responsibility of preparing a case and appointing a Delegation in connection with the present enquiry by the Special Tariff Board, and the case we now submit is therefore presented with the authority and on behalf of the industry as a whole.

It is a source of much satisfaction to us to be appearing before the Special Tariff Board, with clear terms of reference, as published. Previous enquiries into the Indian Tariff on cotton goods, and much of the previous discussion and inter-Governmental exchanges on the same topic, have been complicated, at any rate from a United Kingdom point of view, by reason of the fact that they have involved not merely important revenue considerations, but also questions arising from the competition in the Indian market from other sources of supply besides the United Kingdom. The fact that the present enquiry is strictly isolated from both these complications creates a more acceptable opportunity than has ever previously existed for us to present the case of the United Kingdom interests.

The object of the present document is to make a general expose of our views, but upon arrival in India we hope to place ourselves freely at the disposal of the Tariff Board to do everything in our power to facilitate their enquiries.

We fully appreciate that the Tariff Board is concerned primarily with the actual questions set out in its terms of reference. The full text of the resolution appointing the Board, however, draws attention to some of the circumstances surrounding the enquiry, and we think our motives and objectives will be clearer if we make a few observations on these general matters as a preface to our detailed submissions.

The Board is doubtless aware of the Agreement which was reached in 1933 between the representatives of the United Kingdom textile industry under the leadership of Sir William Clare Lees, and the Millowners' Association, Bombay, under the chairmanship of Mr., now Sir, H. P. Mody. Since the date of that Agreement, the Governments of India and the United Kingdom have added a supplementary Trade Agreement to the one they made at Ottawa. These agreements either expressly call for, or imply, the necessity of active and genuine co-operation on the part of the United Kingdom trading community, and the cotton industry in particular. We wish to record the fact that we regard ourselves as bound by the spirit, as well as the letter, of these agreements to do everything in our power generally to promote mutually advantageous economic relations between India and the United Kingdom, and specifically to promote an increased offtake of Indian cotton in the United Kingdom. We desire to draw particular attention to the advantages enjoyed by India directly arising from the tariff concessions given to Indian products in the United Kingdom market. It is true that we represent only a section of the community which contributes to these results, but it is a very important section, numerically and otherwise, and we submit it is not out of place for us to include mention of this in our review of general factors. The importance of this market is well brought out in the figures which are given in Table 7 of the Appendix.

The efforts of the Lancashire Indian Cotton Committee since its establishment in the autumn of 1932 have resulted in a striking increase in British consumption of Indian raw cotton, as the following figures prove:—

United Kingdom: Imports of Raw Cotton.

(Million lbs.)

—	1932.	1933.	1934.	January-June, 1935.
Total	1,258	1,405	1,264	552
Total from India	54	109	153	105
As percentage of Total . .	4·3	7·8	12·1	19·0

We would also draw attention to the fact that, following upon express representations made by Lancashire interests after the return of the Clare-Lees Mission, wherever the United Kingdom Government has secured safeguards for our trade in Crown Colony markets, identical advantages have been extended to the Indian cotton industry. The immediate results are to be found in the fact that exports of Indian mill-made goods to Ceylon, the Straits Settlements and Mauritius, amongst other destinations, have recently shown appreciable advances. The ultimate results bid fair to be even more striking.

That all these varied benefits to a number of sections in the economic life of India should have followed the inter-Governmental agreements, and in some cases from efforts with which we have been associated, is very welcome to us, as emphasising the value of a commercial policy which is reciprocal and mutual in the fullest sense.

Holding these views, we feel the more justified in bringing before the Tariff Board our case for reductions in the Indian duties on our goods, since these reductions would enable us to enjoy the prospect of a balancing reciprocal trade, by which alone our power to contribute to Indian economy in the direction indicated can be sustained and increased.

We do not desire our present representations to be understood as directed towards the promotion of advantages for the Lancashire industry which could only be secured at the expense of serious detriment to the Indian cotton industry. Whilst of course there must be competition between two suppliers serving the same market, we feel that, given a fair adjustment by tariffs of the proved margins between fair selling prices, such competition can and should be healthy for the respective industries, beneficial to the consumers, and advantageous to the national interests of both countries. Healthy competition of this kind is by no means inconsistent with good relations between the two industries. We wish to see both our industry and the Indian industry enjoying satisfactory conditions, and although it is our function before the Tariff Board to express the point of view of the Lancashire industry and to examine contentions made by the Indian industry, our ultimate object is co-operation and not mutual destruction.

In order to provide a background for detailed evidence as to margins between Lancashire and Indian textiles on sale in the Indian market, we desire briefly to refer to the trend of Lancashire trade with India over a period of years. We have prepared tables of statistics, which will be found in the Appendix, and we wish to direct special attention to them. They show the severe diminution in the imports of United Kingdom textiles into the Indian market which has been associated with the rising levels of import tariff. This fall in United Kingdom trade is contrasted with the steady increase in the production of cotton piecegoods by the Indian mills, the well-maintained levels of handloom production and the imports from other

sources, together with the total amount available for consumption and the consumption per head of population. A separate table shows the extent to which the Indian industry has developed its productive capacity, during the past thirty years.

Although our figures go back over a long period, we do not wish to do more than record the facts as to the distant past. For the purpose of the present enquiry we recognise that it is the existing situation which has to be considered. We therefore desire only to comment on the figures of recent years. We submit that the figures demonstrate that during the continuance of rates of import duty on United Kingdom products much below those now obtaining, the Indian cotton industry made steady and substantial progress. Such growth implied the inevitability of a decline in imports from Lancashire, unless India's consuming power per head of population were developed simultaneously by rising standards of life or total consuming power increased by a growth of population. It is equally clear from the statistics that when the duty was increased for revenue reasons to the present levels, or something approaching them, the decline in the Lancashire trade ceased to have the appearance of a reasonable process of adjustment to changing circumstances, and became catastrophic.

A true assessment of the consequences which would have resulted from the present levels of duty had they been imposed in normal circumstances is rendered impossible by reason of the fact that, about the same time, there occurred a temporary boycott of United Kingdom products, followed by a violent intrusion of low-priced products from Japan. Japanese competition affected the course of events very materially from 1930 until the action of the Government of India in reaching an agreement on the subject with the Japanese Government had the effect of limiting its operation.

It is now possible to consider the prospects with a fair degree of confidence in our ability to assess future probabilities and the view we wish to advance is that from the standpoint of all the many Indian interests concerned, as well as from our own, there would be no reason to do otherwise than welcome duty reductions such as would give the United Kingdom a fair opportunity to regain part at least of the volume of trade which has been lost to her as a result of these different events.

We venture to express the view that the pace of the development of the textile industry in India has tended to be too much accentuated at various periods. We have not arrived at this opinion merely because a too-rapid growth under conditions of high protection inevitably involves partial extinction for a section of the Lancashire industry, although that is of course a fact, and one which nobody would expect us to view with satisfaction. This, however, is not a consideration which can be raised from an Indian standpoint, and the argument we should wish to underline more particularly is that it has been the experience in many countries where the cotton industry has been developed under conditions of the kind referred to that where the growth has occurred at an extravagant pace, it has nearly always been followed by over-production and its attendant evils. A steady growth leads to a much more stable condition within the industry, besides allowing of a more gradual process of adjustment on the part of other interests involved.

We submit that, from the point of view of the future, those now engaged in cotton manufacturing in India must have as much reason as we to consider with some anxiety the possible effect of a further continuance of conditions tending towards undue expansion at too rapid a rate.

The question of the consuming power of India is one of great importance to all concerned. As the statistics given in the Appendix clearly show, the consumption per head of population has not increased to any appreciable extent since the period immediately preceding the European War. We ourselves are of opinion that a potential increase of consuming power which might otherwise have developed in the last ten or fifteen years has been held in check by the presence of other factors in the situation. The

upheaval of the War and of the years of disorganisation which followed it must have had very far-reaching consequences, and the same can be said with an even greater truth of the tremendous world-wide trade depression of the last five years. It happens to be a fact also that at the moment when there occurred the immense fall in the prices of primary products which was associated with the trade depression, India was engaged in increasing her rates of import duty on cotton piecegoods.

From the point of view of the future, it appears to us not unreasonable to regard the question of consuming power with a moderate degree of optimism. Prices of agricultural products are hardly likely to fall to substantially lower levels. The steady progress which India is making in social and economic organisation implies the prospect of standards of life which will be steadily rising, however slowly, and the establishment of conditions permitting a volume of import trade in textiles which would be satisfactory to United Kingdom interests by no means involves a limitation of the future prospects of the Indian industry.

Before concluding our introductory observations, we feel that the Tariff Board may desire to have a brief description of the general condition of the cotton industry in Lancashire at the present time.

The difficulties which our industry has had to meet in the past ten years are the subject of general knowledge, though we fear that the public emphasis which has been laid on these difficulties may have created a false impression in the minds of some distant observers as regards some of the most important aspects so far as future prospects are concerned. External influences, principally the rise of cotton industries in countries which formerly purchased virtually all their supplies from Lancashire, and the emergence of Japan as a world exporter of a very large volume of goods at depreciated values, have caused a grave decline in the available markets for Lancashire products. The plain facts of our bitter experiences of the last few years are set out in the following table:—

United Kingdom Cotton Industry: Production, Home Consumption, and Exports.

(Million square yards.)

	1912*.	1924.	1930.	1933.
Production	8,050	6,027	3,399	3,680
Exports	6,913	4,444	2,407	2,031
Imports	107	42	82	20
Re-export	10	6	4	2
Home consumption . .	1,234	1,619	1,070	1,667

The conditions which underlie these figures have inevitably involved a tremendous contraction in the physical equipment and the labour force of the United Kingdom cotton industry, but it is a profound error of judgment to overlook the fact that, even at its present volume of production and with its present markets, in terms of values Lancashire is still the greatest exporter of cotton piecegoods in the world, has still facilities for the production of a range of goods greater than that of any other manufacturing centre, and still leads by a handsome margin all its competitors in the breadth of its technical resources. These considerations are important

* Million linear yards.

(Source: *Census of Production for 1912, 1924 and 1930; figures for 1933 are estimated.*)

to India as a supplier of raw cotton, for the production of cotton cannot contribute to the economic strength of India as fully as it should unless conditions are created in which the prosperity of Lancashire as one of the greatest world centres of cotton manufacturing is maintained on a satisfactory basis. This is true whatever the proportion of its raw material which the Lancashire industry may draw from India, although the interdependence will be more perceptible to the extent that Lancashire's purchases of Indian cotton continue to expand. It is also true in relation to other Indian products than raw cotton, for Lancashire represents such a large proportion of the consuming power of the United Kingdom for all commodities, that a decline in its prosperity would make it difficult for the country as a whole to continue the expanding consumption of Indian products mentioned above.

Another factor of importance in the Lancashire position from the point of view of her future participation in the Indian market, is that the rewards now given to labour for its share in the production of cotton goods may be taken broadly as being at the minimum.

On the financial side it must be acknowledged that the loss of so many markets has created a fairly general condition of acute difficulty. Various schemes for the reduction of redundant plant and for the control of production or of new plant erection have been promoted, but if they are carried into effect it may be assumed that their objects and their consequences will be limited to the prevention of capital losses such as inevitably arise when machinery is running part-time and under uneconomic conditions. They cannot have the consequence of intensifying United Kingdom price competition with Indian mills.

From all these considerations there arises the fair deduction which we suggest the Tariff Board may make—that so far as the immediate future is concerned, apart from technical improvements in which the Indian industry will have equal opportunity to share, there is no prospect of any development occurring in Lancashire which would reduce the general level of her selling prices in India, and thus vitiate the soundness of any recommendations the Board might make.

A further safeguard in this connection arises from the terms of the Trade Agreement existing between India and the United Kingdom, in which it is acknowledged that a radical change in the situation of the industry or affecting it would always justify a fresh review of the facts on which any scale of duties may have been based.

II.—COMPARISONS OF THE FAIR SELLING PRICES OF UNITED KINGDOM AND INDIAN PRODUCTS.

Before we left Manchester, a careful investigation was made into the problem of the best method of establishing a fair comparison of the selling prices in the Indian market of United Kingdom and Indian yarns and piece-goods, with special regard to the terms of reference of the Tariff Board, wherein the equation of fair selling prices is established as the basis of the enquiry. It has been the common experience of Tariff Boards and individual investigators, not only in India but in many other countries, that price comparisons between different producers are perhaps more difficult in the textile industry than in any other, and amongst the different branches of the textile industry, most difficult of all in the case of cotton goods. In many other industries there are products occupying a dominant position in the market which are for all practical purposes standard as between all sources of supply. In the cotton textile industry there is an almost endless variety. In the first place the number of different technical constructions which are regularly produced and sold is almost without limit, and in the second place there is room for immense variation in the appearance, feel and durability of what might seem from a merely technical description to be identical products. It has long been recognised in Lancashire that whenever existing margins between different types of goods on sale in a

market are disturbed by a new development, for instance a change in tariff rates, the immediate consequence is that there occurs a widespread substitution of different types for those previously on offer. The unlimited field for variation in the final product which is a feature of the industry facilitates this process of substitution. It has occurred in the Indian market in recent years on a very striking scale, as a result both of tariff increases and of the competition of low-priced Japanese goods. It adds very materially to the difficulty of tabling price comparisons between strictly comparable products over a period long enough to be thoroughly representative.

During the years that the present duties have been in force on United Kingdom goods, there have been a number of sections of the trade in which lines formerly dealt in by the United Kingdom have been driven off the market by the low price of substituted goods. The trade which the United Kingdom has retained has been for the most part in goods which possessed some special attribute of quality, appearance, feel or durability, or else has been gained on facilities United Kingdom suppliers were able to offer or on the attractiveness of some well-established marks. Thus, although price always has been and must remain the governing factor in the salability of textile products, it would be an error to proceed on the assumption that competition is conducted in practice solely on the basis of relative prices for identical products.

In view of all these considerations, we decided that the most convenient and efficient method of establishing a fair comparison of British and Indian prices would be to base our evidence on a series of representative Indian products, particularly as it is upon the competition which Indian products have to meet that protective requirements must be assessed. We obtained in India a range of these products, taking care that they should be so selected as to be as representative of the whole market as it was possible to make them. We obtained the mill selling prices at which these different goods had been quoted in India at regular intervals during the past several months. We then had these goods analysed from a technical point of view in Manchester, which enabled us to say at what price comparable United Kingdom products could have been placed on the Indian market on the same dates. A supplementary statistical compilation in which we set out the results of these investigations has been prepared, and will be handed to the Tariff Board on request. In regard to each product we give, first of all its technical description, then the Indian prices on certain dates, and then United Kingdom prices for the sale of comparable products in the Indian market. We give the actual difference between these prices, and then express the difference as a percentage of the United Kingdom price.

We also have ready to hand in to the Tariff Board samples of all these goods, duly ticketed with the appropriate reference linking them up with the price statistics. The Indian prices are those at which the Indian mills have been prepared to sell, and the Lancashire prices represent the minimum figures at which the firms concerned would have been willing to do business on the dates in question. We have in the latter instance been careful to ensure that the Lancashire prices are not nominal quotations but represent the minimum which would have been accepted for actual business under the strongest competitive pressure. As pointed out in an earlier paragraph, there is no reasonable possibility of developments occurring in Lancashire which would lead to the prevalence of a lower level of price quotations, in fact the trend is in an upward direction.

Consequently, if Customs duties were established in India on a basis which would equate the Lancashire prices as we give them with the fair selling prices of Indian products, we are satisfied that nothing would arise at the Lancashire end to disturb the basis of equitable competition which would thus be established.

It is readily possible to support by other evidence the contention that our samples are in fact fairly representative of the market conditions as a whole, and that the margins obtaining in the case of those specific lines

between Indian and United Kingdom prices are representative of the margins generally obtaining. We feel that equal significance ought to be attached to several arguments derived from different angles of approach, which support our contention that lower duties are justified.

In the first place we submit that the severe diminution in our trade in recent years and the expansion of the Indian industry, taken together, supply the most convincing proof that the tariff has in fact put the selling prices of United Kingdom goods entirely out of relation with those of the Indian mills. Anything in the nature of a fair equation might have been accompanied by steady changes in the shares of the market enjoyed by different suppliers, but the changes which have occurred point clearly to something far removed from equal competition. Had there been no quota on Japanese goods, it might have been possible to argue that the fall in United Kingdom trade was caused by Japanese competition, but the figures of trade since the introduction of the Japanese quota make it abundantly clear that of the increased trade which that measure has reserved for other suppliers, the Indian mills have been able to secure the bulk. United Kingdom trade has not even increased to the extent by which Japanese trade has been checked by the quota or the prohibitive tariffs which preceded it.

The competitive efficiency of the Indian cotton industry when directly compared with the industry in the United Kingdom is further emphasised by the shares obtained by Indian exports in the case of the Ceylon market in which both industries take an active interest and where they compete on equal terms. The following statistics set out the position in the Cingalese market:—

Ceylon: Imports of Cotton Piecegoods from the United Kingdom and India.
(Million yards.)

Source.	1930.	1931.	1932.	1933.	1934.	Jan.-Jun., 1935.
United Kingdom	19.66	15.97	15.77	9.58	11.75	12.76
India	13.24	12.21	11.17	9.04	12.96	9.39

It is safe to say that if Indian manufacturers really required a protective duty of 25 per cent. in competition with the United Kingdom cotton industry, they would not have been able to maintain such a strong position.

An examination of the price comparisons handed in clearly discloses the fact that whatever may be the margin between the fair selling prices of cotton piecegoods imported from the United Kingdom and those produced in Indian mills, it is certain that the margin will not be identical as between one class of goods and another, or for that matter as between the products of one mill and those of competitors in the same country. We feel that in any approach to the question of fixing a fair and equitable rate of duty, it has to be admitted that margins will never be absolutely uniform throughout the industry as a whole, or sections of it. There is not only the fact that it is always possible for manufacturers to introduce slight variations in the product which affect the price at which they sell it: there is also an inevitable variation in the efficiency of different units of production, and from time to time in the profit margins.

These being the circumstances of the case, we base our representations on averages and an adequately large collection of representative cases. Our experience of a trade which is even more diversified than that which is conducted by the Indian Millowners leads us to conclude that if and when a fair average was struck, cases which departed from the average in one direction would be levelled out in practice by cases of an opposite character at the other end of the scale. The practical implication of this is that it is safe to rely on the certainty that any given rate of duty which is

fair on the average, if slightly more than would be justified in isolated cases here and there, will likewise be slightly less in other cases.

III.—REPRESENTATIONS REGARDING THE INDIAN TARIFF ON UNITED KINGDOM COTTON PIECEGOODS.

Our main application to the Tariff Board is for a uniform reduction in the existing uniform 25 per cent. *ad valorem* Customs duty on cotton piecegoods.

The Tariff Board will doubtless wish to know whether we have considered alternative arrangements of the Customs Tariff, such, for instance, as different *ad valorem* rates of duty on different categories, or specific duties by weight, area, or technical construction, or a combination of *ad valorem* and specific duties. The Board may be aware that United Kingdom exporters have long held very definite opinions as to the comparative advantages of *ad valorem* and specific tariffs. We have, however, made an entirely fresh examination of this problem, feeling called upon to do so because the situation to-day is different from the position obtaining on all former occasions on which this problem has been investigated or reported upon, by official bodies in India, Indian trade bodies, or ourselves.

The main difference, of course, lies in the fact that part of the competition from which it may be necessary to protect the Indian mills, namely, competition from Japan, is now dealt with in the final analysis by a quota policy. Apart from the ultimate barrier of quota restrictions, there are in addition heavy differential *ad valorem* duties such as were not in existence when specific duties were examined previously.

We have always been strongly opposed to specific duties on United Kingdom cotton piecegoods, whether by weight, area, or counts of yarn, or any two or more of these bases in association. Our position frankly based on our conviction that specific duties would result in serious detriment to our trade. We urgently desire a genuine tariff reduction, but if an apparent reduction were offered in the form of specific duties, we believe it would prove to be more restrictive of our trade than advantageous to it. So long as the revenue element is indispensable, we assume it would always be necessary to safeguard revenue by an alternative *ad valorem* revenue duty: and the specific duties would only apply when they were the greater of the two. Hence they cannot do otherwise than have the effect of increasing the barriers to our trade. In addition to the direct effect of specific duties on our competitive prices, we believe that they would have a catastrophic effect upon the established relations of one style to another, obliterating some and creating anomalies and injuries which could not do otherwise than inflict incalculable harm on our trade and on individual firms engaged in it. The severity with which specific duties operate is well illustrated in practice by the complete obliteration of certain United Kingdom trade in plain greys since the application of a specific duty.

These are views we have always held, but in the circumstances now obtaining we think there are new and special reasons why specific duties are not either necessary or desirable, even if they had been so at some earlier date.

The advocates of specific duties have always maintained that they were a more powerful lever for protection than *ad valorem* duties. We acknowledge this to be the case, in the sense that it is easier to impose prohibitive duties in the form of specific rates than by *ad valorem* duties, which disclose to all and sundry the exact amount which the consumer is paying to support the domestic industry. If a duty is intended to be prohibitive, the method of application (specific or *ad valorem*) is immaterial. We take it, however, that there is now no question of seeking to raise a prohibitive barrier against the importation of United Kingdom goods, since the Special Tariff Board's terms of reference made clear that duties shall be only such as to equate fair selling prices. That being the case, the question is very much

simplified, and it becomes merely a technical one of whether the nearest approach to a fair equation can in practice be achieved by specific or *ad valorem* duties. All previous investigations have resulted in an acknowledgment of the fact that an immense field of variation exists in cotton piece-goods, and so far as we are aware it has always been admitted that specific duties could only be fixed with regard to average values, and must therefore imply an incidence less than the percentage at one end and more than the percentage at the other.

Specific duties have been advocated as being desirable to cope with currency variations. The fact that the tariff on United Kingdom goods is now being considered in isolation from the tariff on goods from other countries, coupled with the fact that exchange between India and the United Kingdom is not subject to variations of the kind in question, renders this argument inapplicable to the present situation.

It may be sound to argue, as some advocates have, in favour of specific duties, that the amount of protection granted is not whittled away when prices fall: but the converse is equally true, and under present conditions very much more applicable.

Whatever may be the case as regards competition between certain foreign countries and the Indian industry, we are convinced that *ad valorem* duties offer the only basis for the fair regulation of competition between the Indian industry and Lancashire, where no exceptionally low piecegoods are involved. *Ad valorem* duties approximate far more closely to a generally fair average impost than specific duties can possibly do on widely varied products. It is true they increase or decrease with raw material fluctuations, which have no relation to protective requirements, but they also have the merit, from the point of view of protection, of moving up and down with other elements in the final price. Specific duties do neither; if they be high enough to achieve their protective design they constitute a heavy and inequitable burden on other lines, particularly in a falling market. The result to be anticipated is the obliteration of these lines from the import market. The further result is a concentration of internal Indian competition on the same lines.

It will, we think, be accepted by the Indian industry that so far as concerns the methods by which United Kingdom goods are sold, neither the Indian dealers as buyers nor the Indian mills as competitors have serious complaints to make. This being the case, we suggest that the healthiest basis on which to allow this reasonable competition to work itself out in practice is that of a universal and uniform percentage on the relative prices. We believe it will lead, in effect, to the United Kingdom share of the market being a fair and equitable one, in which the total will be divided amongst the various categories according to relative efficiency in particular lines, and therefore with the least disturbance or loss to either party in the natural and gradual adjustments which flow from improving methods of manufacture and increasing technical skill. One line will take the place of another by a natural process. There will be much greater certainty in production policies in both countries, and the changes which do occur will be sounder in character and more reliable from the point of view of ability to make and maintain profits.

We should like to point out, in conclusion, that from the standpoint of protection, *ad valorem* duties have not proved as ineffective as forecasted by supporters of specific duties. Since 1931, *ad valorem* duties have provided protection sufficiently effective to result in a very substantial increase in Indian mill production, and an increase in mills and plant in India which may indeed have gone further than some Indian interests would have desired.

The Specific duty on Plain Greys.—We particularly wish to submit to the Tariff Board the desire of the interests we represent to witness the cancellation of the existing specific duty of 4½ annas per lb. on plain greys.

the bulk of the imports in artificial silk goods come from Japan, but since the last year the imports from United Kingdom have also shown a remarkable increase. If the duties were to be reduced, the imports are bound to increase still further and offer a more intense competition to both the Handloom and the Textile Industry.

MEMORANDUM, BOMBAY CHAMBER OF COMMERCE.

Reference Paragraphs I to VII.—These paragraphs refer to the larger trade relations of India and in reply we would refer to our comments on paragraphs 7 to 13 of the Memorandum of the Lancashire Delegation. We would only add that if there is economic nationalism in India (and we do not know there is any, so far as the settled policy of the Government is concerned) it is not a failing which this country has as exclusively its own. It might perhaps be useful to remember that United Kingdom has indulged in that much more than India has ever done, *e.g.*, the bounties on wheat, sugar, milk, butter, cheese, safeguarding of numerous trades including lace, steel, *etc.*, and whole system of the Ottawa Agreements.

Reference Specific Duties.—A reference to our reply Part III of the main Memorandum of the Lancashire Delegation is requested.

MEMORANDUM, BENGAL CHAMBER OF COMMERCE.

Reference Recommendations Nos. 1, 3 and 5.—These are based on the common misrepresentation that United Kingdom does not compete directly in counts below 40s. We have shown in our general representation that this is not the case. Besides, as recognised by all the Chambers, there is a considerable amount of indirect competition. Consequently, any scheme of protection without reference to the Industry as a whole is bound to fail.

Reference Paragraph II.—If the import of Egyptian cotton or other foreign cotton is to be held as a valid reason to deprive India of her inherent right to maintain, foster and develop its industry, the first and greatest victim to this reasoning would be Lancashire which imports all the cotton it needs. As between Lancashire and Indian Industries, the Indian has a greater claim to existence and development, as against the Lancashire Industry, which has neither home raw materials nor a home market.

Reference Recommendation VII.—A reference to our reply on Lancashire Memorandum No. V is required.

As a general observation we might say that the Chamber wishes to reopen many settled questions. The question of protection to the Indian Industry, the purposes for which protection is granted, the countries against which it is granted, are all settled. The only question before the Board is whether in relation to these purposes, the present protection is sufficiently effective against the competition from United Kingdom.

GENERAL REPLY.

So far as the Indian Textile Industry is concerned, the present position is that, out of the Indian consumption of cloth, the major part is being supplied by the Indian Industry; and the Indian Industry is capable of producing the whole if it is given sufficient protection. It is also necessary to safeguard the Industry against indirect competition. Any increase, therefore, in the imports consequent on lowering the present duties, or on a refusal to help the Industry in its further stages of growth, can only result in a substitution of the Indian Manufactures by foreign goods.

It is surprising that the Lancashire Delegation do not appreciate this position. They admit that the Indian consumption has remained constant; that there is a considerable indirect competition in the Textile Market, and that there are large sections in which the Indian fair selling prices are higher than United Kingdom goods. But, in spite of being conscious of the next step, *viz.*, that, in the circumstances, any increase in the imports is impossible,

IV.—COTTON YARNS.

Our submission also includes an application for a reduction in the duty on imports into India of cotton yarns of United Kingdom origin.

We include in our range of samples a number which are representative of the margins of price obtaining in the market as between Indian and United Kingdom products, and we submit that this evidence supports our application. We believe that it can be shown that, quite apart from equating the differences between fair selling prices in the terms of the reference to the Tariff Board, a reduction in the rates of import duty on yarns of United Kingdom origin would be advantageous rather than detrimental to the Indian cotton industry as a whole, and free from any injurious consequences as regards the spinning section of the Indian industry. A large proportion of the yarn imports from the United Kingdom have been for some time past, and will certainly remain, of types and counts that are either not produced in India at all or not produced in sufficient quantities to cater for the modern needs of consumers, whether in the handloom section or the mill section. A reasonable reduction in the rate of import duty would therefore operate principally in the direction of reducing prices of the cloth made in India into which the yarn enters, and would not have the effect of creating competition with Indian spinners of a character likely to prejudice their prospects.

In discussions of the matter in past years, it has frequently seemed to us that, in certain quarters in India, a somewhat exaggerated view has been held and expressed as to the importance of the part played in the activities of the Indian textile industry as a whole by United Kingdom imports of yarn. In 1931-32 the quantity of yarn spun in Indian mills was 966,000,000 lbs., whereas imports from the United Kingdom were just under 12,000,000 lbs., or something less than 1½ per cent. Since that date United Kingdom imports have declined further, and Indian production has increased.

Much greater importance, from an Indian point of view, attaches to the importations of cotton yarns from Japan and China. In the last complete year importations from these two countries amounted to two-and-a-half times the quantity imported from the United Kingdom. In addition to being more significant from the point of view of volume, they were, far more than in the case of United Kingdom products, of a type directly competing with Indian spinners.

On all previous occasions it has been the misfortune of the United Kingdom industry that the Indian duties on their yarns should have been fixed more with regard to the circumstances surrounding imports from foreign countries, principally, Japan and China, than those attendant upon the United Kingdom trade, whilst on other occasions revenue considerations have led to duty increases not called for under the policy of discriminating protection. Thus the first imposition of a duty on United Kingdom cotton yarns, which occurred in 1922, and was at the rate of 5 per cent. *ad valorem*, arose purely from revenue considerations. The Yarn Protection Act of 1927 imposed a specific alternative duty of 1½ annas per lb., and it will be everywhere agreed that this action was occasioned entirely by the conditions then existing as regards Japanese competition. This duty was imposed for three years, during which time competition from China developed considerable strength, which led to the extension of the duty in 1930 for a further period of three years. In 1931 the urgent requirements of revenue led to the addition of a surcharge at the rate of 25 per cent., and it was not until 1934 that there was a recognition of the different circumstances existing in connection with trade in United Kingdom cotton yarns. This recognition took the form of a small revision in a downward direction of the rates of duty on United Kingdom products, with a small preference, but it is our submission that the reductions were not as large as the circumstances warranted. The present enquiry affords an opportunity for an

ascertainment of the requirements of the position as regards United Kingdom yarns in isolation from all others, and we trust the Tariff Board will record an opinion favourable to our representations.

The statistics given in the Appendix indicate the degree to which the United Kingdom yarn trade has suffered from the measures adopted from time to time to protect the Indian spinning industry from Japanese or Chinese competition, or to serve the ends of revenue.

We desire to emphasise particularly the detrimental consequences to our trade of the specific duty which has obtained for many years on all counts of yarn, and since the 1934 Act has obtained on counts 50's and under. We believe that this duty has penalised our trade to a degree that was not intended by the Government of India. It has had the effect of imposing on the types of yarn to which it has been applicable in practice, a barrier so much in excess of what was necessary to equate fair selling prices as to prove equivalent to prohibition. We fully recognise that, when dealing with extremely low-priced importations from China and Japan, a specific duty may be necessary on protective grounds, in order to maintain the margins which were intended. We contend, however, that the same considerations by no means apply to the prices at which the yarns normally supplied by the United Kingdom are offered, and that a uniform *ad valorem* rate which strikes a fair average, whilst its incidence may be less in one case than another on the prices per lb., will in practice cover such margins as exist.

We submit that viewing the needs of the Indian industry and Indian consumers as a whole, the continued importation of yarns of the type supplied by the United Kingdom is desirable, and that any weighting of the duty above strictly moderate levels will serve no good purpose whatsoever on a long view.

V.—ARTIFICIAL SILK FABRICS AND MIXTURES.

Our submission embraces an application for reductions in the import duties on United Kingdom fabrics of artificial silk and mixtures thereof with cotton.

Included in our range of samples will be found a number of items representative of the position in the trade in these two classes. We submit that the margins between the prices of Indian and United Kingdom products thus revealed, thoroughly well justify a reduction in the present duties, and we shall be prepared in the course of our examination before the Special Tariff Board to table further information about the market position.

We feel, however, that if our appearance before the Special Tariff Board is to evoke the necessary full and frank examination of all the facts, it would hardly be right to pass over without comment a number of considerations which, as those familiar with the trade recognise, appreciably affect the problems before the Board.

At the outset we would state that what the United Kingdom desires is to be in a position to supply a reasonable proportion of the market's requirements, including those which are at present being imported from other sources.

The figures in Table 6 show that in recent years the United Kingdom has had only an insignificant proportion of these imports.

From these import figures it will be seen that Japan has substantially increased her trade in 100 per cent. artificial silks and has maintained her position in mixtures since the Indo-Japanese Agreement was concluded. Moreover, the figures do not take into consideration those imports of piece-goods which have entered India in the form of cut lengths under the category of fents. Due recognition should be given to the fact that trade in

imported artificial silk fabrics and mixtures in the Indian market is largely dominated by that portion of the total requirements which is drawn from Japan. It sets the standard of price and quality. In sharp contrast with the position as regards cotton piecegoods, Japanese imports of these fabrics are not subject to any ultimate quantitative limitation. This situation in our opinion calls for consideration by the Government of India when they are free to embark upon it.

We may remark that the Government of India did not see fit to impose on foreign artificial silk goods the alternative specific duties recommended by the Clare-Lees Mission, 1933, which we understood were similar to those recommended by Indian textile interests. Had it been possible to act on these proposals, the situation to-day might well have been different, and we believe that a reasonable increase of United Kingdom imports would have ensued as a result. It will be seen from the figures, however, that this increase has not taken place, but that the United Kingdom imports have remained almost stationary.

It is appropriate to mention at this point that although the lower duties on United Kingdom artificial silk goods since April, 1934, have not resulted in any appreciable increase of United Kingdom exports, yet the Indian production of artificial silk goods in that time has notably increased, as is demonstrated by the fact that imports of artificial silk yarn into India have increased by 6,806,000 lbs. from 9,809,000 lbs. in 1933-34 to 16,615,000 lbs. in 1934-35, which clearly indicates a very substantial increase in Indian fabric production.

Reviewing, therefore, the position as a whole, it will be seen that since April, 1934, both Indian production and foreign imports of artificial silks have notably increased, whereas United Kingdom imports have remained a negligible amount in relation to the total supply. The failure of United Kingdom imports to rise to any appreciable extent since the 1934 Textile Tariff Act, whilst both Indian and foreign made cloths have enjoyed a greater market, demonstrates that the rates of duty applicable to United Kingdom goods have definitely been too high to afford United Kingdom manufacturers a fair chance of securing a share of a growing market.

We feel it is not inappropriate to mention here that two changes occurring during the past year 1934-35, have been to the disadvantage of United Kingdom suppliers. Firstly there has been a progressive reduction in the prices of imported yarns into India, whereas yarn prices in the United Kingdom have remained about the same; secondly, there was a reduction in the export drawback on United Kingdom goods which was equivalent to an increase of 3d. per lb. on export prices.

In this connection, and although not strictly relevant to the present case, we would like to place on record the possibility that the United Kingdom export drawback might be totally removed in the near future, and this would involve a further increase of 6d. per lb. on all export prices of artificial silk goods from the United Kingdom.

In conclusion, we suggest that the statistical position of United Kingdom artificial silk imports in relation to the volume and progress of Indian manufacture coupled with the predominating position of Japan as an importer inevitably lead to the conclusion that the United Kingdom enjoys only a static and negligible quantity of the available volume, the total of which is constantly increasing.

These considerations make it possible for us to submit that an appreciable reduction of the duties on United Kingdom goods would be merely in conformity with the essentially reciprocal requirements of Indian-United Kingdom trade and would not adversely affect Indian industrial interests. Such a reduction would also be in accordance with the terms of reference of the Special Tariff Board.

STATISTICAL APPENDIX.

CONTENTS.

TABLE 1.—India: Production, Imports, and Consumption of Cotton Piecegoods.

- 2.—India: Cotton Spindles and Looms.
- 3.—India: Imports of Cotton Yarn.
- 4.—India: Imports of Cotton Piecegoods.
- 4a.—India: Imports of Plain Grey Cotton Piecegoods.
- 5.—India: Rates of Duty on Cotton Piecegoods.
- 6.—India: Imports of Artificial Silk Piecegoods.
- 7.—United Kingdom: Imports of Chief Commodities from India.

NOTE ON SOURCES.

The information in this Appendix, with the exception of Table 2, is obtained from the following publications issued by the Department of Commercial Intelligence and Statistics, India:—

Annual Statement of the Sea-borne Trade of British India.
Accounts Relating to the Sea-borne Trade of British India.
Trade at Stations adjacent to Land Frontier Routes.
Monthly Statistics of Cotton Spinning and Weaving in Indian Mills.
Indian Trade Journal.

TABLE 1.—India: Production, Imports, and Consumption of Cotton Piecegoods.

(Million yards.)

	INDIAN PRODUCTION.			IMPORTS.			EXPORTS.		Available for Consumption.	Consumption, per Head yards.
	Mill.	Hand Loom.	Total.	Total.	U. K.	Japan.	Indian Cloth.	Foreign		
1900-01	422	692	1,114	2,003	1,972		111	128	2,878	9.8
1901-02	511	880	1,391	2,190	2,154		120	148	3,313	11.2
1902-03	524	960	1,484	2,107	2,071		109	121	3,361	11.3
1903-04	589	872	1,461	2,033	1,997		125	130	3,239	10.8
1904-05	678	828	1,506	2,283	2,251		135	136	3,523	11.7
1905-06	700	1,054	1,754	2,463	2,415		129	128	3,990	13.2
1906-07	708	1,148	1,856	2,318	2,276		115	125	3,934	12.9
1907-08	808	1,108	1,916	2,531	2,487		112	130	4,205	13.7
1908-09	824	1,116	1,940	1,992	1,941		113	122	3,697	12.0
1909-10	964	896	1,860	2,193	2,141		126	123	3,804	12.2
1910-11	1,043	908	1,951	2,308	2,252		134	146	3,979	12.7
1911-12	1,136	1,044	2,180	2,438	2,379	1	118	176	4,324	13.7
1912-13	1,220	1,040	2,260	3,022	2,942	6	125	175	4,982	15.8
1913-14	1,164	1,068	2,232	3,197	3,104	9	130	155	5,146	16.3
1914-15	1,136	1,184	2,320	2,445	2,378	16	110	118	5,487	14.3
1915-16	1,442	1,084	2,526	2,148	2,049	39	161	129	4,384	13.8
1916-17	1,578	756	2,334	1,934	1,766	100	309	162	3,797	12.0
1917-18	1,614	812	2,426	1,556	1,430	95	234	150	3,598	11.4
1918-19	1,451	1,052	2,503	1,122	867	238	187	167	3,271	10.3
1919-20	1,640	564	2,204	1,081	976	76	239	145	2,901	9.1
1920-21	1,581	1,148	2,729	1,510	1,292	170	170	105	3,964	12.4
1921-22	1,732	1,192	2,924	1,090	955	90	187	110	3,717	11.7
1922-23	1,725	1,323	3,053	1,593	1,453	108	186	126	4,334	13.5
1923-24	1,702	1,004	2,706	1,456	1,319	123	201	112	3,879	11.9
1924-25	1,970	1,256	3,226	1,823	1,614	155	230	113	4,706	14.3
1925-26	1,954	1,108	3,062	1,564	1,287	217	233	168	4,225	12.8
1926-27	2,259	1,276	3,535	1,788	1,467	244	280	180	4,863	14.6
1927-28	2,357	1,272	3,629	1,973	1,543	323	257	179	5,166	15.3
1928-29	1,893	1,082	2,925	1,937	1,456	357	250	165	4,447	13.0
1929-30	2,419	1,348	3,767	1,919	1,248	562	219	127	5,340	15.5
1930-31	2,561	1,336	3,897	890	523	321	188	91	4,508	12.9
1931-32	2,990	1,464	4,454	776	383	340	208	105	4,917	13.9
1932-33	3,170	1,656	4,826	1,225	597	579	170	106	5,775	16.2
1933-34	2,945	1,404	4,349	796	426	349	157	111	4,877	13.5
1934-35	3,397	1,424	4,821	996	562	411	146	100	5,571	15.3

TABLE 2.—India : Cotton Spindles and Looms.

(000's omitted.)

	Operatives Employed.	SPINDELS.		POWER LOOMS.	
		In Place	Average Working.	In Place	Average Working.
1900 . .	161.2	4,946	..	40.1	..
1901 . .	172.9	5,007	..	41.2	..
1902 . .	181.0	5,007	..	42.6	..
1903 . .	181.4	5,043	4,715	44.1	39.2
1904 . .	184.8	5,118	4,701	45.3	41.7
1905 . .	195.3	5,163	4,815	50.1	45.5
1906 . .	208.6	5,280	5,018	52.7	49.1
1907 . .	205.7	5,333	5,039	58.4	52.3
1908 . .	221.2	5,756	5,291	67.9	61.2
1909 . .	236.9	6,053	5,526	76.9	66.1
1910 . .	233.6	6,196	5,290	82.7	69.6
1911 . .	230.6	6,357	5,393	85.4	73.5
1912 . .	243.6	6,464	5,493	89.0	77.1
1913 . .	253.8	6,597	5,737	94.1	82.6
1914 . .	260.3	6,779	5,848	104.2	85.2
1915 . .	265.3	6,849	5,704	108.0	86.9
1916 . .	274.4	6,840	5,901	110.3	96.0
1917 . .	276.8	6,739	6,068	114.6	100.8
1918 . .	282.2	6,654	5,988	116.5	101.1
1919 . .	293.3	6,690	6,046	118.2	103.0
1920 . .	311.1	6,763	6,239	119.0	105.2
1921 . .	332.2	6,871	6,407	123.8	111.7
1922 . .	343.7	7,331	6,549	134.6	117.3
1923 . .	347.4	7,928	6,760	144.8	120.8
1924 . .	356.9	8,313	6,963	151.5	128.3
1925 . .	367.9	8,511	7,454	154.2	135.5
1926 . .	373.5	8,714	7,264	159.5	136.0
1927 . .	384.6	8,703	7,522	162.0	146.2
1928 . .	360.9	8,704	6,505	166.5	126.2
1929 . .	346.9	8,907	6,957	175.0	133.9
1930 . .	384.0	9,125	7,979	179.2	156.7
1931 . .	395.5	9,312	8,094	182.4	157.6
1932 . .	403.2	9,506	8,323	186.3	161.3
1933 . .	400.0	9,572	8,202	189.0	162.8
1934 . .	384.9	9,613	7,845	195.0	158.8

NOTE.—The averages of working spindles and looms are for years ending June 30 up to 1913.

Thereafter they refer to years ending August 31.

Source : Annual Report of the Bombay Millowner's Association.

TABLE 3.—*India: Imports of Cotton Yarn.*

(Total all kinds, all counts.)

(Thousand lbs.)											
	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
TOTAL	55,907	51,688	49,425	52,345	43,766	43,882	29,140	31,575	45,103	32,055	34,013
United Kingdom	20,759	15,980	20,106	20,560	23,094	20,112	10,315	11,913	13,357	9,952	9,784
Japan	32,325	33,525	26,619	16,975	7,632	10,870	6,895	6,206	18,149	11,684	11,339
China	399	56	930	12,045	11,397	10,495	11,723	13,215	13,305	10,229	12,768

NOTE ON IMPORT DUTIES ON COTTON YARN.

Before 1922, cotton yarn was admitted duty free from all sources. In 1922 a duty of 5 per cent. *ad valorem* was introduced. This was supplemented in 1927 by an alternative specific duty of $1\frac{1}{2}$ annas per lb.

The Supplementary Budget of September 1931, increased the duty by a 25 per cent. revenue surcharge, and by the Indian Tariff (Textile Protection) Amendment Act of 1934, the duties were defined as follows:—

- Counts above 50s : (i) Of British manufacture 5 per cent.
 (ii) Not of British manufacture $6\frac{1}{4}$ per cent.
 Counts 50s and below : (i) Of British manufacture 5 per cent. or $1\frac{1}{2}$ annas per lb.
 (ii) Not of British manufacture $6\frac{1}{4}$ per cent. or $1\frac{1}{2}$ annas per lb.

TABLE 4.—India: Imports of Cotton Piecegoods.

(Million yards.)											
	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
Total all kinds—											
Total	1,823.2	1,563.7	1,787.9	1,973.4	1,936.8	1,919.3	890.0	775.6	1,225.3	795.8	995.8
United Kingdom	1,614.0	1,286.7	1,466.9	1,543.1	1,456.1	1,247.5	523.4	383.5	597.1	425.8	561.5
Japan	155.3	216.8	243.6	323.1	357.3	562.0	320.8	339.8	579.7	349.0	410.5
Total Grey—											
Total	845.5	709.1	748.4	875.5	838.6	925.5	365.0	249.4	356.0	230.2	297.4
United Kingdom	727.4	561.4	588.8	651.2	581.6	520.5	143.3	59.7	111.1	88.2	102.7
Japan	109.8	142.6	154.9	214.8	241.7	393.7	218.3	185.2	243.9	141.6	193.8
Plain Grey—											
Total	354.5	279.9	277.3	347.6	351.2	423.5	193.7	166.0	217.5	140.0	178.1
United Kingdom	237.3	146.4	146.4	157.1	128.8	76.0	25.4	28.9	32.1	27.1	25.1
Japan	109.0	128.4	126.2	180.9	207.1	336.1	164.9	132.6	184.5	112.5	152.2
Bordered Grey—											
Total	491.0	429.2	471.1	527.9	487.5	502.1	171.3	83.4	138.5	90.2	119.3
United Kingdom	490.1	415.0	442.4	494.1	452.8	444.5	117.9	30.8	79.1	61.1	77.6
Japan	.8	14.2	28.6	33.8	34.6	57.6	53.4	52.6	59.5	29.1	41.5
Bleached—											
Total	548.9	465.1	571.0	556.5	554.1	473.6	271.6	279.7	412.7	261.9	285.2
United Kingdom	532.9	446.3	550.3	526.8	525.4	435.9	230.0	207.0	281.0	184.2	236.7
Japan	4.5	4.7	2.9	5.6	5.5	13.9	28.1	59.8	120.4	75.2	40.3

TABLE 4.—India: Imports of Cotton Piecegoods—contd.

		(Million yards.)										
—		1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
Printed—												
Total	.	189.0	166.9	176.9	235.3	244.4	199.9	106.5	104.9	236.9	140.2	199.7
United Kingdom	.	176.3	150.4	154.2	189.8	175.1	130.6	70.9	50.9	88.4	55.9	97.1
Japan	.	4.9	8.2	8.7	21.9	36.0	52.5	29.9	48.5	144.7	83.8	101.7
Piece-Dyed—												
Total	.	142.2	106.9	157.0	158.3	155.6	151.0	93.1	93.0	147.7	102.6	127.1
United Kingdom	.	121.4	82.7	120.2	116.9	116.3	106.3	58.8	55.2	94.7	76.5	102.2
Japan	.	12.4	17.6	26.1	29.9	23.3	27.6	23.5	28.7	43.5	24.9	18.5
Yarn-dyed—												
Total	.	75.8	92.1	113.6	111.2	106.9	132.5	46.2	25.4	40.1	25.9	34.1
United Kingdom	.	40.7	34.3	43.9	45.5	44.2	41.8	18.0	4.2	11.3	10.0	13.6
Japan	.	23.7	43.7	51.0	51.0	50.5	74.1	21.0	17.5	26.0	15.4	19.6
Ferts—												
Total	.	21.9	23.7	21.1	36.5	37.1	36.7	7.6	23.3	31.7	35.0	52.2
United Kingdom	.	15.2	11.6	9.5	13.0	13.5	12.5	2.5	6.5	10.7	11.1	9.2
Japan	.	..	..	..	..	.3	.1	..	.1	1.2	8.2	36.7

TABLE 4a.—India : Imports of Plain Grey Cotton Piecegoods.

(Million yards.)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34
Drills and Jeans—										
United Kingdom . . .	.4	.9	.6	.3	.3	.3	.1	. .	. .	.1
Japan	14.5	16.2	11.8	9.0	10.0	12.5	2.0	2.3	1.0	1.3
Total	17.3	19.4	14.9	11.2	11.8	13.4	2.4	2.9	1.3	1.6
Jaconet (including Madapollams, Mulls and Cambrics)—										
United Kingdom . . .	89.0	56.8	72.5	78.9	78.5	52.6	19.2	23.6	26.6	22.1
Japan . . . . .	.3	.1	. .	. .	.3	.3	. .	. .	.1	. .
Total	89.3	57.0	72.6	78.9	78.8	53.0	19.2	23.7	26.8	22.1
Longcloth and Shirtings—										
United Kingdom . . .	145.5	87.2	70.8	76.9	48.4	21.2	5.1	3.4	3.8	3.8
Japan	59.8	83.6	97.3	153.6	191.5	310.0	158.9	127.0	178.6	109.0
Total	206.1	171.2	168.6	233.4	252.0	340.1	166.3	133.8	182.8	112.8
Sheetings—										
United Kingdom . . .	.1	.1	.2	. .	. .	. .	. .	. .	. .	. .
Japan	34.3	28.2	16.2	18.2	5.0	13.0	3.7	3.2	4.8	2.2
Total	39.3	30.4	18.3	23.0	6.5	14.7	4.1	3.7	5.1	2.2
Total Plain Grey—										
United Kingdom . . .	237.3	146.4	146.4	157.1	128.8	76.0	25.4	28.9	32.1	27.1
Japan	109.0	128.4	126.2	180.9	207.1	336.1	164.9	132.6	184.5	112.5
Total	354.5	279.9	277.3	347.6	351.2	423.5	193.7	166.0	217.5	140.0

TABLE 5.—*India: Rates of Duty on Cotton Piecegoods.*

	<i>Ad Valorem</i> (per cent.).		Minimum Specific Duty on Plain Grays (Annas per lb.).		Excise (per cent.)
	United Kingdom.	Foreign.	United Kingdom.	Foreign.	
1921-1925	11	11	..	..	3½
1926-1930	11	11	..	..	..
1930-1931	15	20	3½	3½	..
1931, April—September	20	25	3½	3½	..
September, 1931—Aug., 1932	25	31½	4½	4½	..
August, 1932—June, 1933	25	50	4½	5½	..
June, 1933—January, 1934	25	75	4½	6½	..
From January, 1934	25	50	4½	5½	..

The Excise duty was finally removed in December, 1925.

TABLE 6.—*India: Imports of Artificial Silk Piecegoods.*

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
<i>Artificial Silk Piecegoods</i> (including Artificial Silk and cotton mixtures up to and including 1930-31)—											
Total	17,020	15,362	41,978	53,141	49,801	56,600	51,495	74,473	112,819	40,398	67,601
United Kingdom	8,164	6,513	16,079	14,263	12,619	7,227	2,407	410	430	431	465
Japan	6	9	40	1,134	3,779	25,038	38,207	73,309	111,703	39,631	66,643
Italy	4,964	4,978	13,901	16,022	17,805	11,473	5,575	346	128	81	147
Switzerland	2,090	2,317	6,698	11,055	7,048	6,842	3,169	6	3	16	..
United Kingdom as per-centage of Total.	47.97	42.40	38.30	26.84	25.34	12.77	4.67	.55	.38	1.07	.69

(Thousand yards.)

—		1931-32	1932-33	1933-34	1934-35*
Artificial Silk and Cotton Mixture Piecegoods (not distinguished separately from artificial silk piecegoods until 1931-32)—					
Total . . . . .	.	10,166	12,438	14,255	12,954
United Kingdom . . . . .	.	1,236	3,148	2,302	3,283
Japan . . . . .	.	1,260	2,798	8,596	8,126
Italy . . . . .	.	4,866	4,377	3,021	1,337
Switzerland . . . . .	.	1,975	987	157	23
United Kingdom as percentage of Total . . . . .	.	12.16	25.31	16.15	25.34

* Figures for 1935 include piecegoods of artificial silk mixed with all materials.

NOTES ON IMPORT DUTIES ON RAYON PIECEGOODS.

Prior to 1931, imports of pure rayon piecegoods and rayon mixtures were subject to a duty of 15 per cent. *ad valorem*. In March of that year the duty was raised to 20 per cent. in each case. The Supplementary Budget of September, 1931, raised the duties (inclusive of the revenue surcharge) to 50 per cent. *ad valorem* for pure rayon piecegoods and 34½ per cent. for mixtures. In March 1933, alternative specific duties were imposed, the rates being 4 annas per square yard for pure rayon piecegoods and 2 annas 3 pies per square yard for mixtures, and in December a further modification increased the *ad valorem* rate for mixtures to 50 per cent. The duties were brought to their present level in May, 1934, when preferential duties were applied to rayon goods for the first time. Translating the precise wording of the Customs Tariff Schedules into trade terms and disregarding for the moment some less important items, the present duties applicable to the bulk of current business may be described as follows:—

On artificial silk fabrics of United Kingdom origin : 30 per cent. *ad valorem* or 2½ annas per square yard;

On artificial silk fabrics of foreign origin : 50 per cent. *ad valorem* or 4 annas per square yard.

On mixture fabrics of artificial silk and cotton, of United Kingdom origin : 30 per cent. *ad valorem* or 2 or 2½ annas per square yard ;

On mixture fabrics of artificial silk and cotton, of foreign origin : 50 per cent. *ad valorem* or 3¼ or 4 annas per square yard.

* Fabrics containing more than 50 per cent. artificial silk pay the higher duty.

TABLE 7.—United Kingdom: Imports of Chief Commodities from India.

	193 ² .	1934.	IMPORT DUTIES.	
			General.	Preferential.
	£000			
Rice, Meal and Dust	708	752	10 per cent.	Free
Groundnut and Linseed Cake and Meal.	659	1,299	10 per cent.	Free
Tea	13,150	14,987	4d. per lb.	2d. per lb.
Coffee, not kiln dried, roasted or ground.	273	233	14/- per cwt.	4/8 per cwt.
Rice (whole)	250	319	1d. per lb.	Free
Tobacco (unmanufactured)—				
Stripped	282	235	9/6½ per lb.	7/5½ per lb. (a)
Unstripped	33	97	9/6 per lb.	7/5½ per lb. (a)
Nuts and Kernels for expressing oils—decorticated.	691	631	10 per cent.	Free
Sawn Teak	279	495	10 per cent.	Free
Pig Iron	229	311	33½ per cent.	Free (b)
Steel Sheet and Tinplate Bars	74	68	£3 per ton.	Free
Pig Lead	542	475	10 per cent.	Free
Jute Piece Goods, Sacks and Bags	1,686	1,484	20 per cent.	Free
Carpets and Rugs	385	544	20 per cent.	Free
Total above items	19,241	21,930	..	..
Total Imports from India	32,308	42,094	..	..

(a) The duties given are for tobacco with 10 per cent. or more of moisture content. The duties on tobacco with less than 10 per cent. moisture content are :—

	General.	Preferential.
Stripped	10/6½ per lb.	8/3½ per lb.
Unstripped	10/6 per lb.	8/2½ per lb.

(b) The duties given are for pig iron other than that smelted wholly with charcoal, which is duty free from all sources. In 1934 pig iron smelted wholly with charcoal accounted for 17 per cent. of the total United Kingdom import of pig iron.

(2) *Memo. regarding Comparative Prices, dated the 30th November 1935, submitted by the United Kingdom Delegation.*

In presenting to the Special Tariff Board the supplementary statistical compilation attached hereto, the UNITED KINGDOM COTTON INDUSTRY DELEGATION feel that it may be useful to amplify in some respects the explanations which appeared in section II of the case forwarded to the Board before the Delegation left England as to the meaning of the prices then in course of preparation.

It is explained in the main document that a range of Indian products with their mill selling prices at regular intervals during the past several months was obtained. It is also explained that the Lancashire prices recorded in order to establish a comparison, represent the minimum prices which would have been accepted for actual business under the strongest competitive pressure.

THE SPECIAL TARIFF BOARD may wish to be informed with somewhat greater particularity how the United Kingdom prices quoted in the accompanying tables were assembled. The method followed was to obtain as a basis the lowest prices which would be accepted by representative Lancashire manufacturers for actual business. It may be taken that the prices secured, whilst strictly and sternly competitive, do not represent a loss to the makers. There were added to the prices so obtained the charges payable for the finishing process in cases where finished goods were involved. There were also added the making-up and packing charges. Having thus arrived at a nett cost in the United Kingdom there was further added a sum representing the cost of freight and insurance in order to arrive at a minimum cost price delivered India. No additions whatsoever were made in respect of the finance which in practice would have been required to carry through actual transactions, or in regard to merchants' profits in Manchester or India, or handling charges in India. It was felt that these latter factors were open to some variation as between one transaction and another and one merchant house and another. Therefore it was thought better to present the SPECIAL TARIFF BOARD with nett prices, which would not be subject to any factors which might vary according to the market position. Accordingly the SPECIAL TARIFF BOARD may take it that the prices quoted are in fact lower than would actually be calculated to lead to acceptances in the Manchester market. This provides a margin of assurance that the prices are "rock bottom" for the purposes of comparison. The UNITED KINGDOM DELEGATION trust that the SPECIAL TARIFF BOARD will bear these considerations in mind when comparing United Kingdom prices with Indian prices.



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Enclosures.

COMPARATIVE PRICES.

TABLE I.—*Plain Greys.*

Description of Cloth.	Ref. No.	Width inches.	Length yards.	Weight per piece lbs.	Unit for price.	PRICES (ANNAS).			EXCESS AS PER- CENTAGE.	
						Indian.	U. K.	Excess Indian.	Excess U. K.	Indian. U. K.
Shirtings .	B101	44.4	38	11.75	Piece	135.0	147.0	..	12.0	.. 8.2
	B102	42.3	45	10.91	"	86.3	103.7	..	17.4	.. 16.8
	B103	39.5	37½/8	8.18	lb.	10.25	10.97	..	.72	.. 6.6
	B104	42.0	38	11.97	"	9.28	10.29	..	1.01	.. 9.8
	B105	31.7	37½/8	4.91	"	10.54	12.40	..	1.86	.. 15.0
	C100	34.8	38	8.84	Piece	92.3	90.1	2.2	..	2.4 ..
	C101	38.0	38	11.18	"	103.0	112.9	..	9.9	.. 8.8
	C102	33.9	38	9.26	"	89.7	95.3	..	5.6	.. 5.9
	C103	36.1	37½/8	10.41	"	89.0	91.6	..	2.6	.. 2.9
	C104	37.3	37½/8	9.92	"	105.0	92.9	12.1	..	13.0 ..
Jaconettes .	C105	32.3	37½/8	6.75	"	67.0	66.2	.8	..	1.2 ..
	B110	51.3	20	3.85	lb.	12.9	12.6	.3	..	.2 ..
	C110	44.2	20	4.42	Piece	66.0	58.1	7.9	..	13.6 ..
Mulls .	B121	45.9	20	2.76	lb.	16.61	14.28	2.33	..	16.3 ..

TABLE 2.—Dhotis.

Description of Cloth.	Ref. No.	Width inches.	Length yards.	Weight per piece lbs.	Unit for price.	PRICES (ANNAS).				EXCESS AS PER-CENTAGE.	
						Indian.	U. K.	Excess Indian.	Excess U. K.	Indian	U. K.
Grey	B230	41-0	8	2-11	Pair	21-5	24-0	..	2-5	..	10-4
	B231	50-2	8	1-74	"	29-5	27-3	2-2	..	8-1	..
	B232	41-1	5	.71	"	12-0	11-8	.2	..	1-7	..
	C230	33-3	8	1-05	"	14-9	17-0	..	2-1	..	12-4
	C231	35-7	9	1-60	"	18-3	21-1	..	2-8	..	13-3
	C232	40-0	9½	1-44	"	21-5	23-2	..	1-7	..	7-3
	C233	44-2	10	2-02	"	29-6	27-6	2-0	..	7-2	..
	C234	44-4	10	1-97	"	24-7	22-3	2-4	..	10-8	..
	C235	43-3	10	1-74	"	25-0	22-4	2-6	..	11-6	..
	C236	44-3	10	1-93	"	21-6	22-6	..	1-0	..	4-4
Bleached	B331	47-5	9	1-39	"	38-0	34-4	3-6	..	10-4	..
	B333	50-3	8	.98	"	38-1	32-9	5-2	..	15-8	..
	B334	44-2	8	1-70	"	28-0	29-4	..	1-4	..	4-8
	B335	47-9	8	1-24	"	27-0	27-4	..	.4	..	1-5
	B337	49-6	8	1-03	"	45-0	38-7	6-3	..	16-4	..
	C330	41-9	10	1-24	"	23-7	27-9	..	4-2	..	15-1
	C331	43-5	10	1-17	"	23-7	27-4	..	3-7	..	13-5

TABLE 3.—Bleached.

Description of Cloth.	Ref. No.	Width inches.	Length yards.	Weight per piece lbs.	Unit for price.	PRICES (ANNAS).				EXCESS AS PER-CENTAGE.	
						Indian.	U. K.	Excess Indian.	Excess U. K.	Indian.	U. K.
Shirtings .	B300	32-6	42	9-58	Piece	133-8	133-3	..	..	..	..
	B302	29-0	40	7-87	"	93-5	107-2	..	13-7	..	12-8
	B303	34-7	40	8-43	"	147-1	131-8	15-3	..	11-6	..
	B304	35-1	38½/39	9-58	"	108-0	116-8	..	8-8	..	7-5
	B305	27-8	40	7-39	"	87-3	100-8	..	13-5	..	13-4
Nainsooks .	B310	25-0	18	1-52	"	23-5	26-8	..	3-3	..	12-3
	B311	25-5	18	1-44	"	24-3	25-0	..	..	..	2-8
	B312	24-8	18	1-39	"	24-5	22-5	2-0	..	8-9	..
	B313	25-0	18	1-70	"	27-9	26-3	1-6	..	6-1	..
	B314	23-6 Split	18	1-48	"	22-0	22-2	..	..	..	..
	C302	25-0	18	1-60	"	27-0	26-2	..	..	3-1	..
	C303	24-8 Split	18	1-48	"	26-5	23-0	3-5	..	15-2	..
	C304	24-9	18	1-55	"	29-2	26-5	2-7	..	10-2	..
	C305	25-4	18	1-40	"	28-0	24-4	3-6	..	14-7	..
	B321	62-3	20	3-48	"	75-0	71-9	3-1	..	4-3	..
	B323	44-3	20	2-22	"	62-8	56-7	6-1	..	10-8	..
Mulls .	B325	44-0	20	3-64	"	57-0	50-6	6-4	..	12-7	..
	B327	48-0	20	4-15	"	60-0	59-7	..	..	..	..
	B328	48-0	20	2-51	"	60-0	60-0	..	..	..	..
	C320	44-8	20	1-80	"	46-0	40-5	5-5	..	13-6	..
	K321	42-5	18	..	"	35-0	35-5	..	..	..	1-4
	K325	32-5	25	..	"	34-0	34-2	..	..	..	..
								
								

TABLE 4.—*Piece Dyed.*

Description of Cloth.	Ref. No.	Width inches.	Length yards.	Weight per piece lbs.	Unit for price.	PRICES (ANNAS).				EXCESS AS PER-CENTAGE.	
						Indian.	U. K.	Excess Indian.	Excess U. K.	Indian.	U. K.
Shirtings . .	B500	38-6	40	7-99	Piece	132-0	149-2	..	17-2	..	11-5
	B501	27-0	39	3-33	"	59-0	72-2	..	13-2	..	18-2
	B502	27-7	39	5-42	"	80-0	90-2	..	10-2	..	11-4
	B503	15-8 } and 2	30	1-37	"	24-0	31-5	..	7-5	..	23-9
	B504	25-9 }	39	4-95	"	75-0	74-3	..	..	..	..
	B505	37-4	38/9	6-63	"	81-0	86-4	..	5-4	..	6-2
Tussore Poplin .	B531	28-0	..	..	Yard	9-50	10-44	..	..	..	9-0

TABLE 5.—*Prints and Yarn Dyed.*

Description of Cloth.	Ref. No.	Width inches.	Length yards.	Weight per piece lbs.	Unit for price.	PRICES (ANNAS).				EXCESS AS PER-CENTAGE.	
						Indian.	U. K.	Excess Indian.	Excess U. K.	Indian.	U. K.
Printed Shirtings Chocolate Jeans Yarn-Dyed Shirtings	B400	27-1	40	3-86	Piece	84-0	101-2	..	17-2	..	17-0
	B401	27-0	40	3-69	"	90-0	102-4	..	12-4	..	12-1
	B420	27-1	30	4-06	"	90-0	89-4	..	..	..	..
	B421	27-6	30	5-51	Yard	3-25	3-14	..	..	3-5	..
	B601	28-9	..	..	"	6-50	6-19	..	..	5-0	..
	B602	31-0	..	..	"	6-75	6-87	..	..	..	1-7
	C600	28-0	24	4-18	Piece	90-0	98-9	..	8-9	..	9-0
	C601	30-3	24	3-96	"	91-0	88-0	..	..	3-4	..
	C610	30-4	24	3-52	"	90-0	104-4	..	..	..	13-8
	C611	30-2	24	3-28	"	104-0	113-7	..	11-7	..	10-2

TABLE 6.—Cotton Yarns.

Description of Yarn.	Ref. No.	Described Counts.	Strength lbs.	PRICES (ANNAS).				EXCESS AS PER- CENTAGE.	
				Indian.	U. K.	Excess Indian.	Excess U. K.	Indian.	U. K.
Grey	B100	32	57.2	10.75	11.11	..	.36	..	3.2
	B102	32	39.0	9.97	10.30	..	.43	..	4.1
	C100	32	37.8	10.20	10.37	..	.17	..	1.6
	B103	40	59.0	14.03	15.11	..	1.08	..	7.1
	B105	40	34.5	11.47	11.28	.19	..	1.7	..
	C101	40	36.1	11.30	11.39	..	.09	..	.8
Bleached	B107	50	40.0	15.94	15.12	.82	..	5.4	..
	B108	50	40.8	15.22	14.85	.37	..	2.5	..
	B109	50	33.7	14.94	14.36	.58	..	4.0	..
	B200	2/28	155.8	15.00	16.13	..	1.13	..	7.0
	B202	2/28	144.5	13.89	15.15	..	1.26	..	8.3

TABLE 7.—Artificial Silks.

Ref. No.	Width inches.	Length, yards.	Weight per piece lbs.	Unit for price.	PRICES (ANNAS).				EXCESS AS PER- CENTAGE.	
					Indian.	U. K.	Excess Indian.	Excess U. K.	Indian.	U. K.
C1	25.5	40½	..	Yard	2.67	3.53	..	.86	..	24.4
C2	28.7	40½	..	"	4.00	6.95	..	2.95	..	42.4
C3	28.7	40½	..	"	4.00	6.88	..	2.88	..	41.9
C4	44.0	40½	..	"	6.25	6.38	..	.13	..	2.0
C5	44.0	40½	..	"	4.37	5.96	..	1.59	..	26.7
C6	44.0	40½	..	"	6.40	7.33	..	.93	..	12.7
C1002	26.7	40	4.75	"	4.00	5.33	..	1.33	..	25.0
C1003	30.1	40	5.54	"	5.00	6.29	..	1.29	..	20.5
C1004	29.1	40	5.80	"	3.67	3.92	..	.25	..	6.4
C1007	44.6	30	5.46	"	7.25	7.43	..	.18	..	2.4
C1008	43.3	30	4.92	"	6.25	6.50	..	.25	..	3.8
B1013	45.9	30	5.00	"	5.00	7.04	..	2.04	..	29.0
B1014	45.8	30	4.96	"	4.50	6.95	..	2.45	..	35.3
B1015	26.1	29	2.61	"	2.00	3.70	..	1.70	..	45.9

(3) *Supplementary Memoranda submitted by the United Kingdom Delegation.*

SUPPLEMENTARY MEMORANDUM No. 1.

COMPARISON OF COMPETING CLOTHS.

[Questions 2 (a), (b), (c) and (d) in the Questionnaire.]

The second question in the Questionnaire issued by the Special Tariff Board asks for a statement of the principal classes of goods other than yarns imported from the United Kingdom, which compete directly or indirectly with similar goods produced in India and *vice versa*. It also asks for detailed particulars of one or more kinds of cloth which do so compete, and which may be regarded as typical of their class. The Board further asks for four sets of representative samples of each type of cloth of which particulars are given.

2. We realise the importance of this particular question in the Questionnaire, and we feel it is due to the Special Tariff Board to provide in written form certain explanations and amplifications to supplement what appears in the printed general case on behalf of United Kingdom interests which we forwarded before leaving England.

3. In our Chairman's covering letter, it was explained that our general case was prepared before the Board's Questionnaire was in our hands. The unavoidable result is that the information we supply in that Case is not necessarily in the same sequence as that adopted in the Questionnaire. We trust the Board will appreciate that, had we waited for the Questionnaire, we should have been left with insufficient time to prepare a satisfactory reply, but we think it will be found in practice that almost all the information the Board appears to desire from us has been embodied in our Case, and with the addition of the further explanations and facts which we shall be able to give whilst we are in India, we believe and hope that nothing material will be lacking in our submissions.

4. The second question in the Questionnaire raises in concrete form one of the practical difficulties which confront the Board in their Enquiry and all witnesses in framing their evidence. The difficulty in question arises from the almost endless variety in textile productions and the absence of individual and outstanding types of product which are standard as between all sources of supply. We note with interest that, in framing Question 2, the Board themselves acknowledge the existence of this problem when they specially say that the competition regarding which they desire information may be "indirect" as well as "direct". In the whole field of competition between United Kingdom and Indian mills, we believe it is true to say that competition is far more frequently of an indirect character than direct, if direct competition be construed in the sense of two products identical in every respect competing with one another purely on the basis of price.

5. Our answer to Question 2 is in fact to be found running through the whole of our printed Case. It may be summarised in the definite submission, which we now explicitly desire to make, that a fair picture of the existing conditions governing competition between the United Kingdom and Indian mills cannot be obtained by proceeding on the assumption that there are some classes of goods in which such competition exists, and some in which it does not. It will certainly be true at any given moment that one or more types of product are feeling the existing competition rather more than other types. This will be true in both directions, and the types in regard to which this state of affairs prevails will vary from time to time, according to market tendencies, price movements, and efforts made by producers either in India or the United Kingdom to develop their trade in any individual class of goods. In such cases and at such times, it might be possible to say with truth that direct competition existed in connection with one or more specified classes of goods. It is our view, however, that there is nothing fundamentally different in competition of this kind from the more indirect

competition which is the general rule and is, in our opinion, the kernel of the problem. In other words, we believe that, when direct competition arises between strictly comparable products, it is exceptional, and a solution founded on cases which are the product of isolated circumstances would not, we think, prove as satisfactory in practice as one based upon the general situation prevailing over the whole field of competition.

6. If the matter be viewed from the point of view of the eventual purchaser, we think it becomes much clearer why the situation is as we describe it. The purchaser is interested, not so much in counts of yarn and reeds and picks, as in obtaining a fabric within certain quite broad limits which, in utility, appearance and durability, will meet his requirements. It is true he chooses very largely by price, but he makes his choice without any technical knowledge, and he may and does move his custom from one fabric to another without realising that, whilst his purchase is still within the same description or usage category, he has moved a very long way, from the point of view of the producer, and has bought a cloth which a technician would recognise as very different from the alternative he has rejected. As with the eventual consumer, so it is with dealers, although to a less extent, because they are more inclined to estimate the suitability of a fabric by their knowledge of its technical construction. Still, they know that they can sell for the same purpose and to the same customer a cloth which varies widely enough in construction from its market alternative to make direct price comparisons between the two materials.

7. It is because of these circumstances that we are so firmly convinced that the best solution of the problem of competition between the United Kingdom and Indian mills is found in a uniform rate of *ad valorem* duty, and it is on the same line of reasoning that we suggest the assessment of price margins should proceed on the basis of samples representative of Indian mill production as a whole rather than only on an attempt to select classes in which intense direct competition can be shown to exist regularly in the markets. A fair selection of samples will no doubt contain items in which the competition is more direct than in others, but we suggest that the best results will be obtained if the degree of direct competition is not allowed to dominate the selection.

8. Our selection of Indian samples was made on our behalf by agents well acquainted with the principal markets in India, and is, we believe, highly representative of the general position. We have put up United Kingdom prices for strictly comparable products, thus complying with the basis suggested in Question 2 to that extent. What we wish to make clear, however, is that, in providing a price for a strictly comparable product, we by no means infer that competing goods so precisely similar are coming on to the Indian market from the United Kingdom. In a few cases they may be, but in others, especially those where the competitive position of the Indian mills is extremely strong, they will not be bought by Indian dealers in any volume for very obvious reasons, except for small quantities sold on the prestige of an old-established mark. Nevertheless, we consider that price comparisons so tendered, whether by ourselves or by Indian witnesses, are proper material for a fair settlement of the problem, because variations which one competitor may make in his product in an endeavour to meet competition are equally open to his rival, and it is of the essence of competition in textile goods that it should embrace considerations of technical construction as well as price pure and simple. The price margins obtaining between strictly comparable goods will be indicative of general conditions, and once a duty is fixed to equate the margin so ascertained, conditions will be perfectly fair as between both parties, irrespective of minor changes in construction which either may introduce to meet the ebb and flow of market requirements.

9. We consider that our answer to Question 2 necessitates a reference to Question 5, where it is suggested that prices should be furnished for each of the last five years. The prices we have supplied, generally speaking, are

of recent date, and go no further back than April, 1935. In almost every case they include in the average prices of very recent months. We desire to state that the price data going back five years will not be at all reliable as a guide to present conditions so far as Lancashire is concerned. Between the year 1930 and the present date, Lancashire trade with India has passed through extremely difficult times. Apart from competition with the Indian mills, our constituents have had to face overwhelming competition from Japan. The result has been that an intensive struggle to secure a share of the tremendously reduced volume of trade has been made by each and every firm in the market. In the attempt to achieve their ends they have been obliged to offer cloths of technical construction appreciably different from those which figured in their order books previously. There has been widespread substitution of new cloth constructions in the effort to quote prices which would bring business, and it may be doubted whether the average Lancashire exporter to India has a great many lines now selling in the India market which are identical technically with those passing five years ago. As regards covering so long a period as the past five years in giving price quotations of Indian products, it seems to us that the period has witnessed so remarkable a progress in Indian cloth manufacturing that more recent figures would be as desirable in their case as in ours.

10. On all these grounds, we submit, for the consideration of the Board, that conditions for the next few years can be more safely determined from a study of the experience of the past six months than from enquiries based on prices of an earlier date.

SUPPLEMENTARY MEMORANDUM No. 2.

COMPARISONS OF COMPETING YARNS.

(Question 6 in the Questionnaire.)

The character of existing competition between United Kingdom imports and Indian mills in cotton yarns is similar in many respects to that which obtains in the piecegoods section, to which reference is made in our memorandum replying to Question 2. Nevertheless, there are certain not unimportant respects in which the trade in cotton yarns is noteworthy for features peculiar to itself, and these deserve some mention in amplification of our Case concerning cotton yarns.

2. We desire to emphasise our belief that, in general, the major part of the United Kingdom yarn imports do not interfere with or prejudice the prospects of Indian spinners in any shape or form. In the first place they are quantitatively extremely small as compared with the volume of Indian mill spinnings, and at the present time they constitute only between one-quarter and one-third of the total imports.

3. These and other general aspects are brought out in our main submissions, and the point we particularly wish to stress in this supplementary memorandum is that, in the yarn trade, there can and does exist an import business, which certainly does not compete directly with Indian spinning mills, and the indirect competitive effect of which is practically negligible. There are types and counts of cotton yarn which are required either by handloom weavers or Indian millowners, the demand for which cannot be fully met without drawing on Lancashire supplies. The Lancashire spinning industry caters for the world markets in a number of specialities in cotton yarns, and many countries with cotton industries of their own to protect realise the advantage of drawing on Lancashire resources, and admit our yarns at low rates of duty.

4. In connection with the Board's investigation into comparable prices, we wish to mention that where competition arises between United Kingdom

imports and Indian mills in the yarn trade, it is in some cases competition in "strength" rather than anything else. If counts only be quoted, it might appear that the two articles were identical and therefore that competition was quite direct in character. In point of fact, however, it is found in practice that very frequently Indian yarns of the same counts as United Kingdom imports are considerably stronger, owing to the practice of Indian spinners of using better cotton than is possible for Lancashire spinners if they are to make quotations which will bring them business under the ruling rates of customs duty. Superior strength is a factor of great importance in competition, and we suggest the Board should bear this in mind when comparing prices.

5. Under the existing duties, all United Kingdom yarns selling at prices below 25 annas per lb. are liable to the specific duty if 50s counts and below. The result is that the protection actually afforded under present conditions in this part of the trade amounts to a great deal more than 5 per cent. Our submission is that such high margins of protection are not justified by the price margins actually obtaining.

6. It should be noted that the handloom industry absorbs a considerable proportion of the yarns imported from the United Kingdom.

7. In view of all the foregoing considerations, we feel that, whilst it will be valuable for the Board to examine such individual examples as we have furnished and as may be furnished by the Indian mills, it may prove difficult in practice to arrive at thoroughly satisfactory conclusions merely on the basis implied by Questions 6 and 7 in the Questionnaire. As to the point of quoting prices for five years retrospectively, although the situation in the yarn trade is not quite the same as in the piecegoods business, we feel that recent prices are a sufficient and really a more reliable guide to the true state of competition.

8. We venture to reiterate the suggestion in our main case that in considering India's protective requirements in the yarn section, far greater significance attaches to imports from Japan and China than can possibly arise in connection with supplies from the United Kingdom.

SUPPLEMENTARY MEMORANDUM No. 3.

UNREMUNERATIVE, INFLATED AND DIFFERENTIAL PRICES OF UNITED KINGDOM EXPORTS.

(Questions 9 and 10 of the Questionnaire.)

In reply to Questions 9 and 10, we wish to submit the general proposition that yarns and cloth from the United Kingdom are not being sold in India at unremunerative or unduly inflated prices, and that there is no case for the assertion that United Kingdom products are being exported to markets outside British India at relatively higher or lower prices.

2. This is not to say that it may not be possible to table authentic information about individual transactions which would appear to suggest the existence of prices of the kind mentioned in the two questions under consideration. For reasons arising out of the methods by which the trade is conducted, it always has been possible for isolated cases of this kind to occur. As far as we can see, it is virtually impossible to prevent such isolated cases, unless a Government is prepared to legislate for the exception rather than the rule. Naturally if the exceptions became numerous there would be a fair case for action to be taken, but our contention is that in the Indian market such exceptions as exist to the general rule of perfectly fair price competition are few and far between, and even then not extreme in character. A great deal of the trade is indent business, and we certainly do not believe that United Kingdom suppliers will accept

indent orders which represent a loss. On the other hand, a certain amount of business is done by shipment from the United Kingdom for sale on the spot in India.

3. In such cases the selling prices are governed by spot market conditions ruling at the time of sale, which in turn are governed by supply and demand and the competition of domestic and foreign made goods. Costs are not in such circumstances the sole governing factor, nor are replacement values, although the latter would exercise an influence on market conditions and therefore on selling prices.

4. The method of selling would obviously be discontinued if it resulted in regular and persistent losses. There is quite certainly no such thing as selling at a loss of set purpose, and cases where losses may arise owing to market conditions are neither frequent nor general. We therefore submit that enquiries into admittedly isolated cases of special prices, either on United Kingdom or Indian goods, would not justify the Tariff Board in varying conclusions reached on an examination of the general evidence.

5. As regards prices in other markets, we can state with every confidence that there exists nothing whatsoever in the nature of price dumping, either in India or elsewhere. It may be true that industries organised, as is that of Japan, in a few units and with a great deal of central control, can successfully embark on price manœuvres of the kind implied in Question 10, but such a thing is quite impracticable in Lancashire. In the first place, the merchanting system in Manchester is of a kind which would put any such transactions outside the bounds of practicability, and in the second place it is only rarely that other markets take products identical with those sent to India. A great many of the firms dealing in the Indian market confine their attention to that market, and the same is true of firms dealing in other markets. Whatever may be the pros and cons on other grounds of this specialisation which exists in Lancashire, it is clear that it makes price manœuvres almost impossible, and the internal competition between merchant and merchant makes it out of the question that any firm should attempt to promote some long-view objective by consistently selling at unremunerative prices. Were they to do so, they would merely play into the hands of their competitors, since the moment they sought to raise prices again, they would lose the connection they might have obtained by their low prices.

6. We take it that Questions 9 and 10 are really directed to the difficult issue of fair selling prices. We ourselves have taken the line that when a price is one at which suppliers—whether Indian or United Kingdom—have been willing to sell over a substantial period, it is a fair selling price. Obviously if it contained an element of loss it could not be sustained for long, whilst, so far as the United Kingdom is concerned, if it were unduly inflated it would hardly survive a second time in face of the terrific competition between firm and firm which is a feature of the Manchester export market.

SUPPLEMENTARY MEMORANDUM No. 4.

A NOTE ON THE PRESENT VIEW OF LANCASHIRE CONCERNING PROTECTION FOR THE INDIAN INDUSTRY.

Since our arrival in India, it has been made clear to us that many who wish to see United Kingdom—Indian relations, including trade exchanges, develop along the most harmonious lines are concerned to know in what attitude towards the future of the Indian industry the United Kingdom industry has sent a Delegation to offer evidence before the Special Tariff Board. Although these are matters of opinion rather than fact, we trust that we may be allowed to submit a brief memorandum on this question, for publication along with the rest of our case, because we attach the

greatest importance to a continuance of mutual understanding and co-operation, which has been developed in several directions since the last Lancashire Delegation was in India.

2. In our principal statement of case, we have made clear that our object is co-operation and not mutual destruction, but perhaps a fuller reference to our attitude will be a helpful contribution to common understanding.

3. We are agreed, as the last Lancashire Delegation was, that the Indian industry is entitled to reasonable protection against United Kingdom cotton piecegoods. We recognise as proper and natural the Indian desire to witness progressive development of the industry of India, and we do not think this is inconsistent with our own desire to enjoy a satisfactory volume of trade in a market where consuming power has every reason to develop, thanks to the influence of many factors, of which United Kingdom contributions to Indian economic prosperity are not the least.

4. We trust that there would be many in India who would accept all the foregoing as equally representative of their views, although they might distribute the emphasis somewhat differently.

5. For our own part, we see no reason why the process of determining the proper level of the protection against United Kingdom textiles should not be carried through in a spirit of sympathetic understanding quite free of bitterness or recrimination.

6. We maintain that our application for reduced duties is far from being in any way inconsistent with this general attitude. Indeed, we think Indian millowners will themselves admit that in many directions the Indian cotton industry would be fully able to hold its own successfully against United Kingdom competition and to make profits, even if there were no protective duty at all. Our calculations show that if an average is made of the ruling price margins, in representative lines, no protective duty is necessary. We have examined the profits made by a number of representative Indian companies in recent years. For this purpose we have calculated their declared profits on a common basis of units of production, which we have taken in normal cases as the generally accepted basis of 40 spindles and 1 loom. Our examination shows that even during the period of crippling competition from Japan, a large number of companies made profits which are greatly in excess of profits per unit of production which would be regarded as very satisfactory in the United Kingdom.

7. It may well be that many in India will be willing to acknowledge the truth of these statements, but will still be unwilling to endorse the conclusion we draw from them, namely that a reduced uniform *ad valorem* duty should imply no detriment to the well-being and development of the Indian industry. They may feel that, whilst all we say is true, there are other lines of production in which India is not at the moment able to manufacture and sell at prices comparable with Lancashire prices free of duty. This also we are prepared to acknowledge to be the case, although we may remark that the progress of the Indian industry in the range of its products in recent times has been very remarkable.

8. Our view is that a suitable uniform rate of duty will meet these circumstances effectively and sufficiently, and will permit of that steady progress which may be assumed to be the objective, not merely of those engaged in the Indian industry, but of all who wish to see Indian national economy developed on the broadest possible basis. We think that those who differ from us fail to give due weight to the fact that the considerations which arise in connection with an infant industry are very different from those which may be properly advanced in relation to an industry of full stature.

9. We submit that the Indian industry, having now arrived at a stage of development where it ranks amongst the four or five largest national textile industries, must be expected by the State to achieve its further progress

with due regard to the fact, and that it cannot claim as an infant industry might that it requires special protection on certain lines of production. Many of its units are obviously in a position to extend production of their existing lines, or experiment with new lines, without requiring any special protection while they do so. It is after all the normal thing in all industries, and most obviously in the textile industry, for a portion of earned profits to be set aside to cover initial losses in developing extended production. Our own industry had to make each of its forward movements in face of world competition, and to finance them out of profits gained in fields where we were already strong.

10. We should be ready to agree that satisfactory forward movements could only be expected if the competition to be faced whilst they were occurring was reasonable in character. We realise that the Indian industry could hardly advance if perpetually subjected to a disintegrating competition from goods manufactured in countries subject to notably lower standards, and sold in a depreciated currency. Competition from the United Kingdom cannot possibly be included in this category. It is marked by no abnormal features, and if regulated by a reasonable duty, will not destroy, but rather will stimulate progress in India. This will be more certainly the case as United Kingdom competition will have the strong compensating advantage of being amongst the most powerful factors in maintaining reciprocal exports of Indian products to the United Kingdom by means of which Indian purchasing power would be constantly sustained and increased, to the benefit of the millowners of India as much as to any other Indian interest.

SUPPLEMENTARY MEMORANDUM No. 5.

A NOTE ON THE EXPERIENCE OF PROTECTION FOR TEXTILES IN OTHER COUNTRIES.

It will be apparent from what we have said in our principal statement and in other memoranda, that we consider that the level to which Indian duties on United Kingdom piecegoods have been raised as a consequence of revenue requirements, namely 25 per cent., has been, throughout the period for which it has been maintained, higher than would have been warranted on an impartial assessment of the real protective requirements of the Indian industry. The question of what protection is required may be differently interpreted according to the view taken of ultimate objectives. The objective which we acknowledge is that efficient mills should be in a position to make profits, when progress and development would automatically follow. We contend that it is almost as unsatisfactory in the long run from a national point of view to have too high a rate of protection, as it is to have too low a rate.

2. It is a notable characteristic of the cotton textile industry wherever it exists that the expansion of productive capacity is always feasible with an ease and a rapidity which in more than one case on record has had consequences extremely disadvantageous to the interests originally concerned. A relatively small increase in demand, or a minor lift in price levels, has very often brought a sudden flush of easy profits, which has encouraged optimistically-minded persons to set up new plant. In contrast to certain other industries, it is relatively easy to the textile industry to embark upon extensions of plant, and during the continuance of upward trends there is no initial difficulty and no period of waiting whilst outlets for the new production are developed. It is only when the upward trend ceases, either temporarily or permanently, that it becomes apparent that productive capacity has been unduly enlarged at too rapid a rate. It is then found that internal competition becomes painfully acute, and the last stage of all concerned is worse than the first.

3. The same results flow from a period of unduly high protection. The Japanese cotton industry passed through precisely this phase before

the War. In 1911 or thereabouts Japan embarked on a policy of extreme protection for her domestic market, which soon led to over-development and over-production, with the result that the industry passed through a period of crisis arising from excessive internal competition. The history of the cotton industry in the United States of America offers another illustration of the same argument. The industry was mainly settled originally in New England States such as Massachusetts. After the War the high protection policy of the Republican party ran to lengths which were almost grotesque. To begin with, the New England millowners derived great advantage from the exclusive possession of their very considerable home market. Only a very short period of time elapsed, however, before they found that there was another side to the picture. Mills were erected in great number and with remarkable rapidity in the southern states, notably the Carolinas and Georgia, where cheaper labour was obtainable and where overheads were much lower. The southern mills came into production in great volume, and the spinners and manufacturers of New England were faced with a commercial and financial crisis of the gravest magnitude. It is safe to say that, had the protective levels been less extreme, the development of the southern industry, which was no doubt in the national interests, would have occurred at a more gradual rate and on a sounder basis, whilst the nation would have been spared the economic loss and distress occasioned by the sudden collapse of the older sections of the trade. Certain European countries which formerly had a minor but valuable position in world export trade have lost it owing to the same sort of process. They have been given high protection which has led to an undue extension of productive capacity, followed again by pleas for still more protection, and resulting in the long run in an industry much too weak to enter into world competition, and, what is even worse, too big for the average unit to make satisfactory profits in their home market, which at all costs they feel they must have exclusively reserved to themselves. The position of the consumers in the course of developments of this kind will be patent to all. In countries where cotton textiles form only a small part of the minimum requirements of the average consumer, it may be relatively a matter of small importance if he is obliged to pay considerably more than he need for his requirements. In a country where many millions have to exist with a narrow margin dividing them from poverty, and where the maintenance of a maximum consumption of cotton piecegoods is vital to cotton growers as well as to producers of cloth, the detriment to the consumer would soon spread to others.

4. We are the first to recognise that considerations of the kind advanced above must be determined by the Government of each country according to their view of the national interests as a whole. Often final decisions have to be made in the form of a compromise between what might be theoretically desirable and what is expedient at the moment. We submit that as far as United Kingdom trade in general is concerned, there are ample reasons why the point at which the compromise is made should not be too far in the direction of one extreme any more than we should hope or expect that it would be too near the other extreme.

SUPPLEMENTARY MEMORANDUM NO. 6.

FURTHER OBSERVATIONS ON THE DETERMINATION OF FAIR SELLING PRICES.

Since arriving in India, we have gathered more information than we possessed when compiling our statement of case as to the procedure contemplated by the Special Tariff Board in determining fair selling prices. We appreciate that until the details submitted by both sides have been received and examined, the Board may not make final decisions as to the weight they will give to different considerations. Before we ourselves see facts and figures from the other side, we would like to put some of our views on record, in the light of the information so far received.

2. We understand that so far as United Kingdom prices are concerned, the Board proposes to concern itself with sale prices in India as tendered in evidence by the various parties. We agree with this as being the most equitable way to approach the issue, subject only to considerations affecting the periods for which price quotations should be collected and averaged, as discussed in our Memorandum No. 1, and to the observations regarding unduly inflated or deflated prices which we make in our Memorandum No. 3. As regards the verification of United Kingdom sale prices which may be handed in, there should be no difficulty in securing evidence as to actual transactions where the goods have been passing. In connection with cases in which trade is not passing from the United Kingdom at all, or very irregularly, records of actual prices prior to the time when, owing to duty increases or other causes, trade in the Lancashire article virtually ceased, may not, we fear, be generally available, but we hope to secure sufficient evidence on these lines to illustrate the position. As regards United Kingdom prices for goods strictly comparable with Indian styles now selling freely, we have ourselves taken great care to ensure that our figures shall represent the minimum which would be accepted to-day for actual business under the strongest competitive pressure.

3. We wish to submit certain considerations which appear to us to bear very prominently on the question of the procedure to be adopted to settle fair Indian selling prices. In our Memorandum No. 3 we state that, in our opinion, a price at which suppliers have been willing to sell over a period is a fair selling price. We desire to submit that whatever other evidence the Board may feel they require, a record of prices as actually accepted over a period should remain the principal basis on which a final and acceptable figure should be founded. We can well understand that under the acknowledged principles of industrial protection in India, some investigation of costs of production, which lie behind selling prices, may be regarded as proper. We feel, however, that from the point of view of the present enquiry, bearing in mind its terms of reference, such investigation is not only inapplicable to the United Kingdom evidence, but in relation to Indian evidence should be limited to the function of checking figures originating in market records. In other words, the market record should be the basis and the mill cost calculation should be supplementary evidence. Assuming, as we do throughout, that all evidence will be tendered in perfect good faith, it remains a fact that there is nothing more difficult than to check production costings in relation to selling prices. A great deal depends in the interpretation of cost figures upon the costing methods employed, and the manner in which particular concerns are managed. In addition, there is a wide field of variation in regard to allowances made for interest on capital, and in labour efficiency. On these grounds it seems to us that costing records leave something to be desired from the point of view of a tribunal concerned with the impartial assessment of the fairness or otherwise of selling prices. On the other hand, there is no element of doubt in duly authenticated records of actual sales contracts, and it appears to us that if such records be examined in the light of the financial results of the operations of the supplying company year by year, it should be apparent whether or not the company's selling prices in general have been fair to them. We think it will hardly be contended that any units in the Indian cotton industry have been making losses in recent years on a scale which would bear out the argument that in meeting United Kingdom competition they have been obliged to come down persistently and generally to unfair selling prices. When it is remembered that many mills are making profits, it becomes still more difficult to sustain the argument that Indian fair selling prices exceed those of the United Kingdom by unduly large margins.

4. Reverting to the relation between mill costing prices and appropriate selling prices, our view would be that in every country's cotton trade the true relation is governed by many factors which would not appear on the

surface. A great deal depends on volume, both in general and at the time when the order is booked, and it is part of the essence of successful management of use costing methods in relation to the fixing of selling prices with due regard to the many factors involved. Thus, the application of a costing method actually in vogue at a mill to a particular selling price might suggest that the sale would lead to a precise amount of loss per piece of cloth sold, yet in fact, owing to market conditions and the production programme of the mill, the real result might be quite otherwise. It is certainly the case in Lancashire, and we are convinced must be so in India, that different mills would have different cost prices for the same cloth at the same time, quite apart from any variation in the allowances made for interest and depreciation, the reason being that their circumstances and their costing methods would vary. We feel sure that if the Board secured costings from different mills for the same article, the results would bear out our contention.

5. Profit margins in practice vary between qualities and between different transactions in the same qualities.

6. To illustrate the difficulties of the problem somewhat further, we suggest taking cases where mill costings seem to show that a loss should have been made on sales at reported prices. Suppose this to be the case in (a) a mill which is making profits on its operations during the year, and (b) a mill which is making losses. In the case of a profit-making mill, it seems to us a fair assumption that management must have accepted the orders in the belief that the effect upon their financial position, either presently or ultimately, would be sound and desirable from their own point of view. If they have been prepared over a period to accept prices bearing a more or less similar relation to their mill costings, our contention would be that it suited their purpose for commercial and financial reasons, and that therefore the selling prices are, for the purposes of the Tariff Board, "fairer" than the nominal mill costings. In the case of a mill making losses, it seems to us that we should not be unreasonable if we suggested that some regard should be paid, first of all to the question of efficiency, and secondly to such questions as a possibly unduly inflated capitalisation leading to an over-weighing of the costings in this respect. If other mills can sell the same or similar goods in competition and make profits, the onus surely lies on the non-profit-making mills to show cause why they require a protection which their competitors do not.

7. We wish it to be understood that in these comments we are by no means questioning the feelings which the Board seem to entertain as to the utility of some investigation into Indian costs of production as a preliminary to settling fair Indian selling prices. We only wish to stress the superior importance, in our estimation, of selling prices in the enquiry in which we have come to India to participate. We feel that there is sometimes a tendency for representations made by manufacturers to Government to over-emphasise alleged losses from external competition calculated purely on mill costings. It is a natural instinct on the part of any industry when discussing its protective requirements with its Government, and we do not suppose our own industry would be an exception. All the same, we feel entitled to press the point in the present investigation as far as we may fairly do so, as a legitimate defence of our case should it happen that unduly high Indian prices were set up against our prices.

8. In fixing fair selling prices for particular products of the Indian industry where production is for the time being possibly of a somewhat experimental character, we feel that figures as to nominal costs of production should be weighed in the light of general arguments and of the contribution which the mill concerned hopes to secure towards their eventual prosperity from the extended manufacture and sale upon which they are embarking.

9. Our views on this matter are further developed in our Memorandum No. 4.

SUPPLEMENTARY MEMORANDUM No. 7.

THE COURSE AND CAUSES OF THE DECLINE IN LANCASHIRE EXPORTS TO INDIA.

The effectiveness of the present rates of Customs duty so far as concerns the competition of Lancashire goods with the products of Indian industry can best be satisfactorily considered in the light of a review of the course of trade in the Indian market covering a period of some ten years past.

2. Table 1 in the Statistical Appendix to our principal Statement of Case sets out the production, imports and consumption of cotton piecegoods in India during the past 35 years. We think that the basis from which to begin the survey is the quantity of piecegoods available for consumption. In spite of inevitable variations from year to year, it is noteworthy that in the five years 1925-26 to 1929-30, total consumption reached perceptibly higher levels at an average of 4,808 million yards per annum than in any preceding period of five years during the present century, even including the exceptionally prosperous pre-war years. It is still more remarkable that in the next five years, ending in March last, notwithstanding that the period was one of intense world depression, annual consumption should have risen to the high average figure of 5,130 million yards.

3. At the commencement of the ten-year period which we are taking, Indian mills provided just under a half of the country's requirements, and imports over a third. The major part of these imports came from the United Kingdom, with Japan just emerging as a competitor. The next year saw increased consumption in which the Indian mills, United Kingdom and Japan all shared. The same tendencies continued in the year 1927-28, when cloth passing into consumption, or possibly it would be more correct to say cloth passing on to the dealers' shelves, reached a record total volume, and almost a record when calculated per head of population. It is from that year that the decline in Lancashire trade with which we are at present concerned dates. During 1928-29, the market was in a very unsettled state, partly owing to disturbed labour relations in the Indian industry, and due possibly to some extent to over-buying the year before. Sales by the Indian mills dropped appreciably: those of Lancashire a little: Japan began to show the formidable character of her competition by registering a 10 per cent. increase, whilst her rivals were losing trade. The last year in the quinquennium, 1929-30, shows the Indian mills advancing to record figures, Japan increasing by nearly 60 per cent., and another high water mark being achieved in total consumption. Up to that time the Customs duty on United Kingdom and foreign goods had been throughout the period at the level of 11 per cent. In the five years, with this amount of protection, the Indian mills had increased their production by 20 per cent. It should be recalled that in 1925 the Indian mill industry was relieved of the excise duty of 3½ per cent. which it had previously paid, and the progress may be ascribed partly to this relief, but even more to the growing momentum of development and the increasing standards of efficiency. It ended the five years period with an annual production of close upon 2,500 million yards, or double the imports from the United Kingdom, more than a reversal of the pre-war relations between the two.

4. It was in the fiscal year 1930-31 that United Kingdom imports suffered their catastrophic decline, falling by more than half to 523 million yards. In the budget of 1930 the import duty was increased to 15 per cent. on United Kingdom goods, and to 20 per cent. on foreign goods, with a specific duty of 3½ annas per lb. on plain greys, of whatever origins. But the year's trading does not give a reliable picture of the result of these duty increases, because other factors affected the situation even more. The boycott occurred, and whilst effective to some extent against Japan, was primarily directed against United Kingdom goods. The world trade depression also began in that year to take effect, and the cumulative result was a striking diminution in total consumption. The Indian mills

registered another increase, but would probably not have done so comparatively well had the circumstances of the import trade been normal.

5. In the following fiscal year, namely 1931-32, the duty on United Kingdom goods was advanced first to 20 per cent. and then to 25 per cent., where it has stood throughout the remaining four years of the period. In those four years, even after the boycott ended in 1931, it must be clear from the most cursory examination of the figures that the United Kingdom has been quite unable to share in any proportion comparable to previous experience in the notable expansion of consuming power which has occurred. But for the steps taken to deal with Japanese imports in 1933, there can be no doubt that Japan would have taken a largely increased share of the growing purchases by Indian consumers. Japan, however, was dealt with separately, and our present concern is only with the relations between the United Kingdom industry and the Indian mills. In the last of the five years under review, the Indian mills are seen to have increased their output in the five-year period by over 30 per cent., whilst the United Kingdom figures have remained less than half what they were in 1929-30.

6. This review of the statistics can be supplemented by our personal familiarity with conditions in the trade. A temporary burst of good trade in the year 1932-33 reflected only a re-stocking tendency which was probably inevitable after two disturbed years of restricted buying. In spite of this, with the duties at 25 per cent., the United Kingdom found it entirely impracticable to recover trade in many styles which disappeared in the cataclysm of the boycott and trade depression years. It may well be that if the boycott had never occurred, nor the trade depression, or if they had not been so close together, Lancashire's efforts to compete in spite of the duty might have been at any rate a little more effective. It is, however, a different thing to maintain a trade against a duty handicap than to recover it in face of the same obstacle. Even when the restraint of Japanese trade might have appeared to create a favourable opportunity, the figures show that the power of the United Kingdom to increase her volume or share increased consumption satisfactorily with the Indian mills has been extremely limited, if not indeed non-existent, under the handicap of a duty as high as 25 per cent.

7. We have stated elsewhere in our representation that we are not viewing the present from the standpoint of the volume of trade enjoyed in the distant past, and that we recognise the inevitability and the propriety of progress in Indian production. Our submission is, however, that the shrinkage to which we have had to adjust ourselves in so short a time has been unduly large. Our inability so to maintain our position that the adjustments might be made at a more normal and reasonable pace has been occasioned solely by a higher rate of duty on our goods during the past three years than circumstances have really warranted.

8. We may reasonably be asked how far the facts as to Lancashire export trade in general bear out our contention regarding the causes of the loss of trade in India.

9. During the period 1924-1934, exports of cotton piecegoods from the United Kingdom to India fell from 1,642 million square yards to 553 million square yards, a decline of 1,059 million square yards, or 64 per cent.

10. In the same period United Kingdom exports of cotton piecegoods to all destinations other than India fell from 2,802 million square yards to 1,410 million square yards, a decline of 1,392 million square yards or 49·7 per cent.

11. We feel justified in suggesting that the greater decline in the Indian market supports the argument that we were there faced by unduly heavy handicaps.

12. A somewhat closer examination of the constituent elements in the decline in markets other than India reveals several cases of abnormal circumstances which entitle us to suggest that a normal or average decline would be even lower than 49·7 per cent. The loss of trade in China

amounted to 217 million square yards, and was occasioned by intense Japanese competition, civil war, and economic chaos—none of them factors reflecting upon Lancashire's competitive efficiency. Dutch East Indies trade fell by 100 million square yards, due entirely to Japanese competition, which was also the sole cause of losses amounting to 155 million square yards in Egypt, 31 in Malaya, 55 in Hongkong, and 43 in Morocco, not to mention several lesser markets. The total yardage covered by the cases named amounts to 601 million square yards out of the total loss elsewhere than India of 1,392 million square yards.

13. We have little doubt that our trade with India, like that with other markets, would have declined even more severely but for the decision of the Government of India to deal with Japanese competition, and we gratefully acknowledge this, though feeling that the problem is by no means finally solved either for the Indian mills or ourselves. We feel that Indian policy towards Japanese competition makes it unnecessary for us to give further grounds for quoting it as an abnormal cause of loss of trade.

SUPPLEMENTARY MEMORANDUM No. 8.

COMPARABLE GOODS IN CONTRAST WITH IDENTICAL GOODS.

We founded the comparisons between Indian and United Kingdom fair selling prices which we made in our principal statement of case, upon the method of quoting Lancashire prices for styles at present being made and sold by the Indian mills so successfully as virtually to oust the competition of Lancashire. On arrival in India we were informed by the President of the Tariff Board that he and his colleagues considered that they should be equipped with price comparisons involving United Kingdom products which were actually selling at the moment in the market. It was pointed out that with identical goods the obvious probability was that the lower-priced article, whichever supplier was able to offer it, would virtually command the market, and that in consequence comparisons in cases where both suppliers were in the market could scarcely be framed on the basis of identical products, but only on that of comparable products or products which were interchangeable in the consumer's estimation. The Board, we gathered, had already recognised this point, and had decided that such comparisons would nevertheless be useful. We have, therefore, taken steps to enlarge the data which we are submitting to the Board by the inclusion of a number of comparisons of this character.

2. It will of course be clear that it is only possible to establish a precise margin of difference between the prices of identical products. To say of one article that its fair selling price is ten rupees, and of another eight rupees, only establishes a 20 per cent. margin as a fact if the two products are technically the same. Nevertheless, we readily perceive that comparisons between the prices of articles which are commercially comparable rather than technically identical will be useful, firstly as a check on margins between identical goods, secondly as an indication of the manner in which competition works itself out in practice, and thirdly as concrete examples of the effectiveness or otherwise of the present duty.

3. We have assembled a number of examples of Lancashire styles which have been sold in the Indian market, and in some instances are still being sold, though in reduced quantities. We have collected in each case from market sources a sample of one of the principal Indian products which has been found by dealers to be replacing or to have replaced the Lancashire style. We propose to hand in with this memorandum a collection of cases of this kind. Each item in the collection will consist of a completed schedule, together with Lancashire and Indian samples marked with the same index number as that which appears on the schedule.

4. It will be noted that each schedule concludes with some explanatory note. The instances vary so much that it is only possible to take each on its own merits, and they cannot very well be discussed as a whole or even in groups. In our opinion the only general conclusion to which

they point is that our application for reduced duties is thoroughly well justified, but we prefer to let the facts speak for themselves.

5. It will be found that some of our examples consist of Lancashire cloths which have been displaced in the Indian market by precisely the Indian cloths which figure in our price comparisons for identical goods as handed in with our principal statement of case. We venture to suggest that these examples deserve specially exhaustive examination, since they enable price comparisons to be established both for identical and comparable goods. A note is made on the schedules in the space reserved for remarks in every case where the sample is thus related to our price comparisons for identical goods.

6. Several other cases set out on the schedules reveal what may be a source of considerable surprise to those unfamiliar with the market, namely that a trade in a given article can be and often is ousted by the appearance on the market at an attractive price of an article which is superficially very different in appearance and which is technically very far removed from its commercial victim. With our knowledge of the market we do not in any way question the statement given to us that replacements of this kind are occurring, and we venture to express the opinion that the mere fact that these are the conditions under which competition takes effect in the textile trade and in which progress and development must be achieved bears out our contention that any attempt at specialisation in protective measures is fundamentally unsound, as much for the protected industry as for its external competitors. We would respectfully refer the Tariff Board back to numerous references already made to our reasons for advocating a uniform *ad valorem* duty and our views about the type of protection required by an industry of so large and advanced a character as the Indian industry now is. We ourselves have found it very interesting to examine cases where the commercially comparable goods are not far removed from each other from a technical standpoint, in contrast with cases where they technically are very different. We suggest that the Board will also find it useful to review the examples from this aspect.

7. The schedules and patterns mentioned above will be handed in separately following the submission of this memorandum. They will be numbered in sequence, and we will inform the President when the last of these examples has been delivered.

Annexure.

EXAMPLES OF COMPARABLE INDIAN AND UNITED KINGDOM LINES IN ACTIVE COMPETITION.

Example No. S. M. 8/1.

—	United Kingdom style.	Indian style.
1. Key number attached to pattern	S. M. 8/203/U. K.	S. M. 8/203/Ind.
2. Description of cloth	Printed voilette	Printed voilette
3. Number, mark, and/or supplier's name	C. P. A.	E. D. Sassoon.
4. Width	42"	44"
5. Length . . . . .	. . . . .	. . . . .
6. Weight . . . . .	. . . . .	. . . . .
7. Reed and pick	54 × 44	53/4 × 44.
8. Price per yard	Re. 0-3-9	Re. 0-3-9.
9. Date of price	29th November, 1935	Same as U. K.
10. Basis of price	Quotation c. i. f. e. l.	Sale.

Explanatory remarks.—This is a case where United Kingdom suppliers are finding their offer increasingly rejected in preference to the Indian product. The Indian product is in vat colours, against ordinary colours in United Kingdom cloth. This alone would represent in a Manchester price a difference of one half-penny per yard, or five pies.

Example No. S. M. 8/2.

	United Kingdom style.	Indian style.
1. Key number attached to pattern	S. M. 8/205/U. K.	S. M. 8/205/Ind.
2. Description of cloth	Shirting print	Unknown.
3. Number, mark, and/or supplier's name	C. P. A.	31".
4. Width	30/1"	31".
5. Length . . . . .	. . . . .	. . . . .
6. Weight . . . . .	. . . . .	. . . . .
7. Reed and pick	70 x 52	76 x 52.
8. Price per yard	Re. 0-3-9	Re. 0-2-9.
9. Date of price	November, 1935	Same as U. K.
10. Basis of price	Quotation c.i.f.c.i.	Selling Quotation.

Explanatory remarks.—The two styles are similar in character. The Indian quotation is strikingly lower, notwithstanding the use of vat colours against ordinary colours in the United Kingdom style.

Example No. S. M. 8/3.

	United Kingdom style.	Indian style.
1. Key number attached to pattern	S. M. 8/100/U. K.	S. M. 8/100/Ind.
2. Description of cloth	Khaki twills	Same.
3. Number, mark, and/or supplier's name	F. F. C. 1504	Bharat Suryudaya Mills M. 1251 F.
4. Width	27"	30".
5. Length	40/5	40.
6. Weight . . . . .	. . . . .	. . . . .
7. Reed and pick . . . . .	. . . . .	. . . . .
8. Price per piece	Rs. 6-15-1	Rs. 6-11-0.
9. Date of price	2nd Aug., 2nd Dec., 1935. 1935.	28th October, 1935
10. Basis of price	c.i.f.c.i. Quotation	Ex-mill sale.

Explanatory remarks.—The competing goods are similar in character, and the Indian quality is now taking the place of the United Kingdom product.

A contract of the Indian sale is held and can be examined.

Example No. S. M. 8/4.

	United Kingdom style.	Indian style.
1. Key number attached to pattern	S. M. 8/104/U. K.	S. M. 8/104/Ind.
2. Description of cloth	Tape bordered scarf	Same.
3. Number, mark, and/or supplier's name	F. F. C. 3400	Khatan Makanji 9525.
4. Width	40".	41".
5. Length	2/5 yards	2/5 yards.
6. Weight . . . . .	. . . . .	. . . . .
7. Reed and pick	64 x 56	48 x 40.
8. Price per pair	Re. 0-11-9	Re. 0-10-0.
9. Date of price	30th July, 28th Nov., 1935. 1935.	November, 1935.
10. Basis of price	c.i.f.c.i. Sale.	Mill selling quotation.

Explanatory remarks.—The Indian cloth is of inferior and cheaper construction, and is displacing the superior United Kingdom article. No Lancashire quotation for style identical with the Indian is available as, apart from price, dealers are unwilling to consider Lancashire products of such a low character.

Example No. S. M. 8/5.

	United Kingdom style.	Indian style.
1. Key number attached to pattern	S. M. 8/204/U. K.	S. M. 8/204/Ind.
2. Description of cloth	Ombre voilette	Same.
3. Number, mark, and/or supplier's name	C. P. A.	Khatau Makanji.
4. Width	42"	44"
5. Length	40/5 yards	30 yards.
6. Weight . . . . .	. . . . .	. . . . .
7. Reed and pick, finished	52 x 52	60/1 x 52.
8. Price per	Rs. 0-4-1	Rs. 0-4-3.
9. Date of	Oct./Nov., 1935	Same.
10. Basis of	c.i.f.c.i. regular sales	Selling quotation.

Explanatory remarks.—Indian cloth printed in vat colours, against ordinary colour in United Kingdom cloth. Indian style is selling freely and United Kingdom line is losing ground.

Example No. S. M. 8/6.

	United Kingdom style.	Indian style.
1. Key number attached to pattern	S. M. 8/102/U. K.	S. M. 8/102/Ind.
2. Description of cloth	White shirtings	Same.
3. Number, mark, and/or supplier's name	F. P. C. 8000	Khatau Makanji 800.
4. Width	32/3"	34"
5. Length	40"	42"
6. Weight . . . . .	. . . . .	. . . . .
7. Reed and pick	76 x 76	88 x 72.
8. Price per piece	Rs. 9-2-4	Rs. 10-2-0.
9. Date of price	25th June, Nov., 1935	Nov., 1935.
10. Basis of price	c.i.f.c.i. sale.	c.i.f.c.i. quotation.

Explanatory remarks.—Types similar: Indian quality replacing United Kingdom.

Example No. S. M. 8/7.

	United Kingdom style.	Indian style.
1. Key number attached to pattern	S. M. 8/109/U. K.	S. M. 8/109/Ind.
2. Description of cloth	White nainsooks	Same.
3. Number, mark, and/or supplier's name	F. P. C. 68068	Bombay Cotton Mfg. Co., 58058.
4. Width	44"	44"
5. Length	20 yds.	20 yds.
6. Weight	2 lb. 15 ozs. . . . .	. . . . .
7. Reed and pick	62 x 48	56 x 40.
8. Price per piece	Rs. 3-2-8	Rs. 3-10-0.
9. Date of price	25th April, 28th Nov., 1935.	Nov., 1935.
10. Basis of price	c.i.f.c.i. sale.	c.i.f.c.i. quotation.

Explanatory remarks. Styles similar but Indian quality replacing United Kingdom.

Example No. S. M. 8/8.

	United Kingdom style.		Indian style.	
1. Key number attached to pattern	S. M. 8/101/U. K.		S. M. 8/101/Ind.	
2. Description of cloth	White nainsooks		Same	Same.
3. Number, mark, and/or supplier's name	F. F. C. 2640		Edsu	James.
			Fabrics	Finlay
4. Width	20"		6414	6461.
5. Length	18 yards		25"	25"
6. Weight			18 yards	18 yards.
7. Reed and pick			..	..
8. Price per piece	Rs. 2-8-2	Rs. 1-11-3	Rs. 1-10-0	Rs. 1-12-0.
9. Date of price	6th Sept., 1927.	28th Nov., 1935.	Nov., 1935	Nov., 1935.
10. Basis of price	c.i.f.c.i. sale.	c.i.f.c.i. quotation.	Selling quotation.	Selling quotation.

Explanatory remarks.—The United Kingdom c.i.f.c.i. sale price given is the last transaction recorded by the importers. Japanese competition probably gave this United Kingdom style its first set-back, but it will be seen that at present duty levels it is now completely overshadowed by both of the two Indian products mentioned.

Example No. S. M. 8/9.

	United Kingdom style.				Indian style.	
1. Key number attached to pattern.	S. M. 8/107/U. K.				S. M. 8/107/Ind.	
2. Description of cloth	(a) White mulls	(b) Same	(c) Same	(d) Same	Same.	
3. Number, mark, and/or supplier's name.	Bombay Co., 48048	Bombay Co., 52052	Bombay Co., 58058	Bombay Co., 61061	Kohinoor mills 852.	
4. Width	48"	48"	48"	48"	48"	
5. Length	20 yds.	20	20	20	20.	
6. Price per piece	Rs. 3-15-0	Rs. 3-15-0	Rs. 4-3-2	Rs. 4-3-2	Rs. 3-14-6.	
7. Date of price	29th Nov., 1935.	29th Nov., 1935.	29th Nov., 1935.	29th Nov., 1935.	November, 1935.	
10. Basis of price	c.i.f.c.i. quotation.	c.i.f.c.i. quotation.	c.i.f.c.i. quotation.	c.i.f.c.i. quotation.	Sale.	

Explanatory remarks.—Small sales of 61061 recently made in Madras on the above basis. Sale contract for Indian mill price available if desired.

Example No. S. M. 8/10.

	United Kingdom style.		Indian style.	
1. Key number attached to pattern	S. M. 8/108/U. K.		S. M. 8/108/Ind.	
2. Description of cloth	(a) White mulls	(b) Same	(c) Same	(d) Same.
3. Number, mark, and/or supplier's name	Bombay Co. 38038	Bombay Co. 41041	Victoria mills 400½.	300.
4. Width	48"	48"	44"	44"
5. Length	20 yds.	20	..	..
6. Weight	..	..	..	..
7. Reed and pick	64×56	64×56	..	..
8. Price per piece	Rs. 3-10-10	Rs. 3-10-10	Rs. 3-2-6	Rs. 3-0-3.
9. Date of price	29th Nov., 1935.	29th Nov., 1935.	Nov., 1935	Nov., 1935.
10. Basis of price	c.i.f.c.i. quotation.	c.i.f.c.i. quotation.	Sale	Sale.

Explanatory remarks.—Several Indian products, of which the two given are examples, though lower in type, have replaced formerly well established United Kingdom numbers which have not been on the market since 1929.

Example No. S. M. 8/11.

	United Kingdom style.	Indian style.
1. Key number attached to pattern	S. M. 8/105/U. K.	S. M. 8/105/Ind.
2. Description of cloth	White nainsook	Same.
3. Number, mark, and/or supplier's name	Grahams 7851	25.
4. Width	24	25.
5. Length	18	18.
6. Weight	58 × 36 . . . . .	.....
7. Reed and pick	Re. 1-9-4	Re. 1-8-0.
8. Price per piece	3rd Dec., 1935	3rd Dec., 1935.
9. Date of price	c.i.f.c.i. quotation	Selling quotation.
10. Basis of price		

Explanatory remarks.—Indian quality replacing United Kingdom quality. The Indian quality enclosed stamped 6418 is sold in widths of 30" nominal. An identical cloth of 25" is sold under stamp 5418. Price quoted is for the latter.

Example No. S. M. 8/12.

	United Kingdom style.	Indian style.
1. Key number attached to pattern	S. M. 8/106/U. K.	S. M. 8/106/Ind.
2. Description of cloth	White mulis	Same.
3. Number, mark, and/or supplier's name	Grahams	Mafatdal Gagalbhai G. V.
4. Width	49"	O. 3. 47/8" actual.
5. Length	20 yds.	20 yds.
6. Weight	60 × 58 . . . . .	.....
7. Reed and pick	Rs. 3-14-8	Rs. 3-14-0.
8. Price per piece	3rd Dec., 1935	3rd Dec., 1935.
9. Date of price	c.i.f.c.i. quotation	Selling quotation.
10. Basis of price		

Explanatory remarks.—The following earlier prices for the United Kingdom quality may also be of interest:—

1931—Rs. 3-8-0.

1932—Rs. 3-14-5 (last sale made).

Example No. S. M. 8/13.

	United Kingdom style.	Indian style.
1. Key number attached to pattern	S. M. 8/118/U. K.	S. M. 8/118/Ind.
2. Description of cloth	White mulis	Same.
3. Number, mark, and/or supplier's name	Grahams	Standard mill 334.
4. Width	33"	29/30".
5. Length	3/24 yds.	24 yds.
6. Weight	60 × 42 . . . . .	.....
7. Reed and pick	Rs. 2-10-5	Rs. 2-10-0.
8. Price per piece	3rd Dec., 1935	3rd Dec., 1935.
9. Date of price	c.i.f.c.i. quotation	Selling quotation.
10. Basis of price		

Explanatory remarks.—Last purchase from United Kingdom at Rs. 2-8-11 c.i.f.c.i.

Example No. S. M. 8/14.

	United Kingdom style.	Indian style.
1. Key number attached to pattern . . .	S. M. 8/119/U. K. . .	S. M. 8/119/Ind.
2. Description of cloth	White nainsook	Same.
3. Number, mark, and/or supplier's name . .	Grahams 8153	Kohinoor 3644.
4. Width	34"	34".
5. Length	18 yds.	18 yds.
6. Weight . . . . .	....	....
7. Reed and pick	60×48 . . . . .	....
8. Price per piece	Rs. 2-7-9	Rs. 2-6-0.
9. Date of price	Nov., 1935	3rd Dec., 1935.
10. Basis of price	c.i.f.c.i. sale	Selling quotation.

Explanatory remarks.—The Indian quality is rapidly replacing the United Kingdom product, but the price quoted for the latter is in this case based on a recent actual sale.

Example Number Artificial Silk 1.

	United Kingdom style.	Indian style.
1. Key number attached to pattern . . .	220/U. K.	220/Ind.
2. Description of cloth	Mixture art. silk sari	Same.
3. Number, mark, and/or supplier's name . .	701	Unknown.
4. Width	42"	42/4".
5. Length . . . . .	....	....
6. Weight . . . . .	....	....
7. Reed and pick	68×56	56×68.
8. Price per yard	Re. 0-8-9	Re. 0-6-6.
9. Date of price	29th Nov., 1935	Same as U. K.
10. Basis of price	Quotation, duty paid	Selling price.

Explanatory remarks.—A well-known firm of importers in the Bombay market (whose name can be divulged confidentially to the Tariff Board if desired) explains in a written statement that up to April, 1934, they did an extensive business with Italy in goods of the above type, which occupied a prominent position in the market. When the duty on non-British goods was increased, they replaced this line from a Manchester supplier, and continued it until November, 1934. They have now found the Manchester product replaced by cloths made by Indian mills.

Of the two samples submitted, the Indian is of a greater intrinsic value, because of its higher pick, which gives it a larger artificial silk content.

On the question of price, the importers write, "For the above referred to quality 701 our home friends quote us 7d., which is equal to a market price of Re. 0-8-9 including duty. For the Indian quality, the market price is Re. 0-6-6, and it is obviously impossible to sell British goods in face of such competition".

This example, therefore, illustrates in a striking manner the ability of Indian mills to compete with United Kingdom at an appreciably lower level of duties than at present.

Example No. S. M. 9/2.

	United Kingdom style.	Indian style.	Japanese style.
1. Key number attached to pattern.	S. M. 9/225/U. K.	S. M. 9/225/Ind.	S. M. 9/225/Jap.
2. Description of cloth	Satin brocade	Same	Same.
3. Width	42"	42"	42"
4. Length	....	....	....
5. Weight	....	....	....
6. Reed and pick	98×51	....	....
7. Price per yd.	Re. 0-11-9	Re. 0-8-6	Re. 0-6-9.
8. Date of price	Oct./Nov., 1935	Nov., 1935	3rd Dec. 1935.
9. Basis of price	Quotation <i>ex-go-</i> down.	Mill making price	Bazaar price of 28" cloth adjusted to 42".

Explanatory remarks.—This example is submitted to show the Tariff Board the relation between United Kingdom, Indian and Japanese products in a type very representative of present market requirements.

There is no Indian sample since Indian mills find it impossible to compete with Japan: the Indian price is a making quotation obtained specially.

SUPPLEMENTARY MEMORANDUM No. 9.

FURTHER NOTES ON THE COMPETITIVE POSITION IN ARTIFICIAL SILK GOODS AND MIXTURES.

In amplification of Section V of our principal statement of case, we desire to submit to the Tariff Board a number of facts and samples which we were not in a position to assemble before leaving England.

2. We should first like to draw attention to the remarkable growth in the trade in piecegoods composed in whole or in part of artificial silk. In the year 1924-25 the import trade in all types amounted to 17 million yards. Ten years later the corresponding figure was approximately 77 million yards. In 1924 the United Kingdom enjoyed 50 per cent. of the import trade, and Japan a negligible quantity. Last year the United Kingdom quantity was negligible and the Japanese share over 90 per cent. The imports of rayon yarn into India indicate that a correspondingly rapid growth has taken place in Indian production of goods containing artificial silk, though Indian production is mainly in mixtures. Last year's imports of 16 million pounds of artificial silk yarn suggest, on our calculations, that it was introduced as the sole or the part component of a yardage in the region of 150-170 million yards.

3. In our opinion this development has by no means spent itself, and the manufacture and consumption of rayon cloths and mixtures is bound to increase and to play an important part in the fortunes of the Indian textile industry as a whole, and equally of our own.

4. It is important to notice that imports in this class of goods bear a higher relation to domestic production than in cotton goods. This fact, taken in conjunction with the way in which Japan dominates the import market, leads to a conviction on our part that the present enquiry, limited as it is to an investigation of the relation between Indian mill production and United Kingdom imports, offers no opportunity of promoting comprehensive measures satisfactory alike to Indian and United Kingdom interests. The degree to which Japan dominates the market is not fully revealed merely by mention of her percentage share of imports, overwhelming as that share

is. Japanese prices, which in the artificial silk categories are even more abnormally low than in the cotton classes, condition market competition as a whole, and make a stable commercial policy impossible. We trust the Special Tariff Board, if they share our view, will draw the attention of the Government of India to these aspects of the matter, to the end that an early opportunity may be taken in the interests of the Indian handloom and mill industry of dealing comprehensively with the competitive position. At the same time, we submit that the circumstances at the moment are such as to justify fully, as an interim measure, a reduction of the duty on United Kingdom artificial silk fabrics and mixtures as requested in our statement of case.

5. In our view, the facts of the situation clearly demonstrate that competition from the United Kingdom could not possibly prove injurious to Indian interests, even if there were a substantial duty reduction. United Kingdom producers are not in a position to buy and use artificial silk yarn at cost prices at all comparable with those paid by Indian mills.

6. The British manufacturer cannot turn to alternative sources of supply—Japanese or European—on account of extremely heavy import duties, which are imposed in the United Kingdom. These are at the rate of 15 pence per pound (13 annas 4 pies) *plus* 25 per cent. *ad valorem*. Thus, a foreign yarn priced at 8½ pence per pound or 7 annas 6 pies, which is sold duty-paid in India for 10 annas 6 pies, would be subject to a duty in the United Kingdom of 17½ pence, or 15 annas 2 pies, and would cost the United Kingdom manufacturer 25½ pence, or Re. 1-10-8. When manufactured into cloth and exported, this would be liable to an export rebate of 12 pence, leaving a nett cost of approximately one rupee. Adding 5 per cent. for c.i.f. and calculating the Indian duty as a minimum of 30 per cent., the total cost of this pound of yarn on arrival in India as part of a fabric would be Re. 1-5-9, as against a comparable Indian cost for the same raw material in an Indian finished fabric of Re. 0-10-6.

7. Owing to their higher costs of production, United Kingdom producers of artificial silk cannot offer their domestic fabric manufacturer supplies of yarns at prices in any way comparable with those paid by the Indian maker for Japanese and continental qualities, even after allowing for the rebate on export in the United Kingdom.

8. Under these conditions the Indian market has not offered any prospect of bulk trade to United Kingdom manufacturers. Their small and still diminishing export trade to India includes a number of specialities for the shop trade as opposed to the bazaar trade, and both from the point of view of price and volume, the practical effect of United Kingdom competition on the prospects of Indian producers has been and must remain negligible in the extreme.

9. We believe that a reduction of duty would enable United Kingdom suppliers to secure a moderate and limited increase in the off-take of their productions, merely for the reason that the reduction in prices associated with the duty reduction would bring the products within the price range of a few more consumers. This would be very welcome to the United Kingdom trade, particularly if they had reason to hope that in the near future the competitive position as between Japan and themselves might be adjusted in a more comprehensive manner. Some of the increased trade, if not indeed most of it, would be obtained by the United Kingdom in replacement of Japanese trade which the present margin of duties between Japan and United Kingdom goods is quite inadequate to equate.

10. It may perhaps be useful to mention a number of points which affect the prospects for United Kingdom trade in the immediate future. One is that the excise duty on rayon yarn now at the rate of 6 pence per pound, with the accompanying export rebate of 12 pence per pound (which after allowing for wastage in manufacture, probably confers a certain advantage on export quotations) may well be abandoned in the not distant future. It was reduced to its present level from its former level of 1 shilling in the Budget of 1934.

11. Another point is that the average prices of United Kingdom artificial silk yarn exported to India do not represent what is available to the domestic manufacturer in the United Kingdom, since India buys residue qualities arising in the ordinary course of manufacture and principally suitable for handloom weaving.

12. The importance of the trade in artificial silk fabrics and mixtures in relation to the demand for fancy cotton fabrics can scarcely be exaggerated. The attractiveness of artificial silk goods is self-evident, and has been very well realised by Japan in her efforts to dominate the textile market in India and elsewhere. We believe it will become increasingly apparent that no solution of the cotton trade position which does not embrace also these fabrics will be satisfactory in practice.

13. In order further to support our original case in this connection, and the statements in the present memorandum, we are hoping to hand in to the Tariff Board a few additional memoranda, accompanied by relevant data.



(4) List of cloths and yarns showing names of Indian Mills whose products are included giving technical particulars of cloths.
(Dated the 2nd December, 1935.)

TABLE I.—Plain Greys.

Description of cloth.	Reference No.	Mill.	Quality.	Width. Inches.	Length. Yards.	*Reed.	*Pick.	Weight per piece. lbs.
Shirtings	B101	Colaba Land	3800	44.4	38	67	62	11.75
	B102	Digvijay	4544	42.3	45	47	38	10.91
	B103	David Sassoon	'S'	39.5	37½/8	43	43	8.18
	B104	"	Leopard, 15100	42.0	38	52	52	11.97
	B105	Jam Mills	M. 555	31.7	37½/8	38	37	4.91
	C100	Century	BBB 92½	34.8	38	52	46	8.84
	C101	Apollo	4088	38.0	38	52	49	11.18
	C102	Sassoon, S. & M.	91½	33.9	38	51	51	9.26
	C103	Bengal, Bauria	BBB 92½	36.1	37½/8	53	46	10.41
	C104	E. D. Sassoon	93½	37.3	37½/8	51	46	9.92
	C105	Spring Mill	SSS 3	32.3	37½/8	43	37	6.75
Jaconettes	B110	Jam Mills	5220	51.3	20	47	41	3.85
	C110	E. D. Sassoon	616	44.2	20	68	67	4.42
Mulls	B121	Century	2648	45.9	20	51	45	2.76

* Actual, as tested by British Cotton Industry Research Association or Manchester Chamber of Commerce Testing House.

TABLE II.—*Dhotis.*

Description of cloth.	Reference No.	Mill.	Quality.	Width. Inches.	Length. Yards.	*Reed.	*Pick.	Weight per piece. lbs.
Grey	B230	Crown, S. & M.	14808 (Signal)	41.0	8	52	46	2.11
	B231	New China . .	2535	50.2	8	64	58	1.74
	B232	New Rajpur . .	6500	41.1	5	56	41	.71
	C230	Kaiser-i-Hind . .	5687	33.3	8	47	42	1.05
	C231	"	541	35.7	9	42	42	1.60
	C232	New City . . .	8530½	40.0	9½	47	42	1.44
Bleached	C233	Kolnoor	91	44.2	10	55	48	2.02
	C234	Indian Mfg. Co. .	2699	44.4	10	46	42	1.97
	C235	New City	2582	43.3	10	47	42	1.74
	C236	Century	2411	44.3	10	38	38	1.93
	B331	Khatau Makarji .	Photo ticket, 709	47.5	9	66	57	1.39
	B333	Standard	Sausar Sagar . .	50.3	8	78	62	.98
.	B334	Indian Mfg. Co. .	4810 (Pickhari)	44.2	8	60	55	1.70
	B335	New Rajpur . . .	4908	47.9	8	58	53	1.24
	B337	Sholapur	130/100	49.6	8	90	76	1.03
	C330	Gujerat Ginning .	52	41.9	10	59	42	1.24
	C331	Jupiter S. & M. .	51 × 51	43.5	10	55	47	1.17

* Actual, as tested by British Cotton Industry Research Association or Manchester Chamber of Commerce Testing House.

TABLE IV.—*Piece Dyed.*

Description of cloth.	Reference No.	Mill.	Quality.	Width.	Length.	Reed.	Pick.	Weight per piece.
				Inches.	Yards.			lbs.
Shirtings	B500	Bombay Dyeing	Charka tickets	38.6	40	57	49	7.99
	B501	Khatan Mills . .	3027	27.0	39	38	39	3.33
	B502	" "	13000	27.7	39	47	40	5.42
	B503	Tata	3931	15.8 split.	30	37	30	1.37
	B504	"	2779	25.9 split.	39	52	42	4.95
	B505	Simplex	42500 (Red)	37.4	38.9	39	31	6.63
Tussore poplin	B531	Buckingham, Madras	"	28.0	"	144	36	7.00 oz. per sq. yd.

TABLE V.—Prints and Yarn-Dyed.

Description of cloth.	Reference No.	Mill.	Quality.	Width.	Length.	Reed.	Pick.	Weight per piece.
Printed shirtings . . .	B400	E. D. Sassoon	522	Inches. 27·1	Yards. 40	52	50	Lbs. 3·86
	B401	Standard	M 600 C	27·0	40	61	49	3·69
Chocolate Jeans . . .	B420	E. D. Sassoon	E 2761 B	27·1	30	76	50	4·06
	B421	Standard	786	27·6	30	90	38	5·51
Yarn dyed shirtings . . .	B601	Calico, Bombay	..	28·9	..	113	67	2·79 oz. per sq. yd.
	B602	Buckingham, Madras	..	31·0	..	115	59	3·46 oz. per sq. yd.
	C600	Tata	9237	28·0	24	*59	52	4·18
	C601	Monogram	451	30·3	24	87	49	3·96
Dorias (Yarn dyed) . . .	C610	Mainebowk	3517	30·4	24	84	48	3·52
	C611	Lal	1025	30·2	24	95	48	3·28

* Contains extra ends in stripes.

TABLE VI.—Cotton Yarns.

Description of Yarn.	Reference No.	Mill.	Described Counts.	Strength.
Grey	B100	Kohinoor	32	Lbs. 57.2
	B102	Madura	32	39.0
	C100	"	32	37.8
	B103	Kohinoor	40	59.0
	B105	Madura	40	34.5
	C101	"	40	36.1
	B107	Kohinoor	50	40.0
	B108	Textile	50	40.8
	B109	New City	50	33.7
Bleached	B200	Kohinoor	2/28	155.8
	B202	Bombay Dyeing	2/28	144.5

TABLE VII.—Artificial Silks.

Reference No.	Mill.	Width. Inches.	Length. Yards.	Reed.	Pick.	Weight per piece. Lbs.
C1	..	25.5	40/5	64.9 incl. 9.2 rayon 3.7 dyed	44	..
C2	..	28.7	40/5	77.1 incl. 4.5 green	56.5	..
C3	..	28.7	40/5	67.9 incl. 12.7 white 3.4 blue	57	..
C4	..	44.0	40/5	61.0	56.3	..
C5	..	44.0	40/5	67.1	71.0	..
C6	..	44.0	40/5	67.0	70.2	..
C1002	Simplex	26.7	40	72.0	60.0	4.75
C1003	"	30.1	40	92.0	57.0	5.54
C1004	"	29.1	40	83.0	46.0	5.80
C1007	"	44.6	30	65.0	73.0	5.46
C1008	"	43.3	30	76.0	54.0	4.92
B1013	"	45.9	30	68.0	52.0	5.00
B1014	Madhaji	45.8	30	69.0	53.0	4.96
B1015	Handloom	26.1	29	54.0	42.0	2.61

(We have not yet got the names of the Indian mills for C1 to C6.)

(5) Schedule of samples referred to in the principal Statement of Case, showing the number of separate price quotations obtained from Indian and United Kingdom sources and the dates of those actually used as a basis for the prices given in the tables. (Dated the 2nd December, 1935.)

Reference No.	No. of QUOTATIONS OBTAINED.		NUMBERS AND DATES OF PRICES USED FOR FIGURES GIVEN.			
	Indian.	U. K.	Indian.		U. K.	
			No.	Date.	No.	Date.
PLAIN GREYS.						
<i>Shirtings.</i>						
B101	3	1	1	14th Oct. 1935	1	21st Oct. 1935.
B102	3	13	3	12th Apl. 1935 26th Aug. 1935 14th Oct. 1935	3	16th Apl. 1935. 20th Aug. 1935. 1st Oct. 1935.
B103	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B104	9	13	9	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B105	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
C100	7	13	7	(Average June—Oct.).	13	(Average Apl.—Sept.).
C101	10	13	10	(Average June—Oct.).	13	(Average Apl.—Sept.).
C102	10	13	10	(Average June—Oct.).	13	(Average Apl.—Sept.).
C103	1	13	1	30th Aug. 1935	1	3rd Sept. 1935.
C104	1	13	1	30th Aug. 1935	1	3rd Sept. 1935.
C105	1	13	1	30th Aug. 1935	1	3rd Sept. 1935.
<i>Jaconettes.</i>						
B110	9	13	9	(Average June—Sept.).	13	(Average Apl.—Sept.).
C110	2	7	2	13th June 1935 30th Aug. 1935	2	4th June 1935. 3rd Sept. 1935.
<i>Mulls.</i>						
B121	9	7	9	(Average June—Sept.).	7	(Average Apl.—Sept.).
GREY.						
<i>Dhories.</i>						
B230	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B231	9	13	9	(Average May—Sept.).	13	(Average Apl.—Sept.).
B232	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
C230	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
C231	10	13	10	(Average Apl.—Sept.).	..	(Average Apl.—Sept.).

Reference No.	NO. OF QUOTATIONS OBTAINED.		NUMBERS AND DATES OF PRICES USED FOR FIGURES GIVEN.			
	Indian.	U. K.	Indian.		U. K.	
			No.	Date.	No.	Date.
<i>GREY—contd.</i>						
<i>Dhoties—contd.</i>						
C232	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
C233	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
C234	1	13	1	30th Aug. 1935	1	3rd Sept. 1935.
C235	1	13	1	30th Aug. 1935	1	3rd Sept. 1935.
C236	1	13	1	30th Aug. 1935	1	3rd Sept. 1935.
BLEACHED						
<i>Dhoties.</i>						
B331	2	1	1	14th Oct. 1935	1	24th Oct. 1935.
B333	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B334	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B335	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B337	2	1	1	14th Oct. 1935	1	24th Oct. 1935.
C330	2	13	2	{ 13th Oct. 1935 30th Aug. 1935 }	2	{ 18th June 1935. 3rd Sept. 1935.
C331	2	13	2	{ 13th June 1935 30th Aug. 1935 }	2	{ 18th June 1935. 3rd Sept. 1935.
BLEACHED.						
<i>Shirts.</i>						
B300	3	13	3	{ 17th Apl. 1935 26th Aug. 1935 14th Oct. 1935 }	3	{ 16th Apl. 1935. 20th Aug. 1935. 1st Oct. 1935.
B302	2	13	2	{ 17th Apl. 1935 4th Oct. 1935 }	2	{ 16th Apl. 1935. 1st Oct. 1935.
B303	9	13	9	(Average May—Sept.).	13	(Average Apl.—Sept.).
B304	9	13	9	(Average May—Sept.).	13	(Average Apl.—Sept.).
B305	9	13	9	(Average May—Sept.).	13	(Average Apl.—Sept.).
<i>Nainsooks.</i>						
B310	3	1	1	14th Oct. 1935	1	24th Oct. 1935.
B311	3	13	3	{ 12th Apl. 1935 26th Aug. 1935 14th Oct. 1935 }	3	{ 2nd Apl. 1935. 20th Aug. 1935. 7th Oct. 1935.
B312	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).

Reference No.	No. of QUOTATIONS OBTAINED.		NUMBERS AND DATES OF PRICES USED FOR FIGURES GIVEN.			
	Indian.	U. K.	Indian.		U. K.	
			No.	Date.	No.	Date.
BLEACHED—contd.						
<i>Nainsooks—contd.</i>						
B313	11	13	11	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B314	10	7	10	(Average Apl.—Sept.).	7	(Average Apl.—Sept.).
C302	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
C303	10	1	1	9th Oct. 1935	1	24th Oct. 1935.
C304	2	13	2 {	13th June 1935 30th Aug. 1935	2 {	18th June 1935. 3rd Sept. 1935.
C305	2	13	2 {	13th June 1935 30th Aug. 1935	2 {	18th June 1935. 3rd Sept. 1935.
<i>Mulla.</i>						
B321	3	1	1	14th Oct. 1935	1	6th Nov. 1935.
B323	10	1	1	1st Oct. 1935	1	6th Nov. 1935.
B325	3	1	1	14th Oct. 1935	1	24th Oct. 1935.
B327	1	1	1	1st Nov. 1935	1	1st Nov. 1935.
B328	1	1	1	1st Nov. 1935	1	1st Nov. 1935.
C320	2	3	2 {	13th June 1935 14th Oct. 1935	2 {	21st May 1935. 1st Oct. 1935.
K321	1	1	1	8th Nov. 1935	1	18th Nov. 1935.
K325	1	1	1	8th Nov. 1935	1	18th Nov. 1935.
PIECE DYED.						
B500	2	13	2 {	26th Aug. 1935 14th Oct. 1935	2 {	20th Aug. 1935. 1st Oct. 1935.
B501	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B502	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B503	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B504	10	1	1	1st Oct. 1935 A.	1	24th Oct. 1935.
B505	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B531	1	1	1	28th Oct. 1935	1	18th Nov. 1935.
PRINTED : SHIRTINGS.						
B400	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).
B401	10	13	10	(Average Apl.—Sept.).	13	(Average Apl.—Sept.).

Reference No.	NO. OF QUOTATIONS OBTAINED.		NUMBERS AND DATES OF PRICES USED FOR FIGURES GIVEN.			
	Indian.	U. K.	Indian.		U. K.	
			No.	Date.	No.	Date.
CHOCOLATE JEANS.						
B420	10	1	1	1st Oct. 1935 A.	1	24th Oct. 1935.
B421	10	1	1	1st Oct. 1935 A.	1	24th Oct. 1935.
YARN DYED : SHIRTINGS.						
B601	1	1	1	28th Oct. 1935	1	18th Nov. 1935.
B602	1	1	1	28th Oct. 1935	1	18th Nov. 1935.
C600	2	1	1	30th Aug. 1935	1	1st Oct. 1935.
C601	2	1	1	30th Aug. 1935	1	1st Oct. 1935.
DORIAS (YARN DYED).						
C610	2	13	2	18th June 1935 30th Aug. 1935	2	18th June 1935 3rd Sept. 1935
C611	2	1	1	30th Aug. 1935 A.	1	29th Oct. 1935.

In the case of 5 of these cloths, prices had not been obtained on dates sufficiently close to make the prices strictly comparable. For those 5 cloths an adjustment was made to offset the difference in market values which had occurred in the interval between the dates for which prices were available. The 5 cloths concerned are indicated by an A. In no other case was any adjustment made except as described in the explanatory note attached to the table of comparative prices.

(6) *Note on Japanese two-fold grey and two-fold and single mercerised yarns, dated the 3rd December, 1932.*

We were asked by the Chairman if we could account for the total elimination in Indian Imports of United Kingdom yarns of the above-mentioned character.

We have received the most recent Japanese and Lancashire selling prices and quotations which show that whilst there is some similarity in the prices of grey yarns, there is a disparity of 8 to 11 annas per lb. in mercerised yarns of which there has been no importation from Lancashire for more than 5 years.

The point raised by the Chairman regarding the admission of two-fold yarns on the basis of the single counts used in their manufacture would affect the prices to the extent of 1 anna per lb. only.

Enclosure.

Description.	Japanese quotations on 29th Nov. 1935.	Bazar prices of Japanese qualities on 29th Nov. 1935.	Lancashire quotations on 28th Nov. 1935.	Bazar prices of Lancashire qualities on 29th Nov. 1935.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
80s Japanese Coloured Ball	1 2 6 Bombay Godown.	1 2 0	..	..
80s Lancashire Pahlwan or Fiddler P8916.	..	..	1 7 9	1 3 6
2/80s Japanese Dai Nippon	1 2 6 Bombay Godown.	1 2 3	..	..
2/80s Lancashire Elephant and Hookah P7231.	..	..	1 5 6	1 2 6
2/100s Japanese Toyo	1 10 6 Bombay Godown.	1 11 0	..	..
2/100s Lancashire Elephant and Hookah P7320.	..	..	1 11 3	1 9 0
2/64s Japanese Grey Mercerised Yarn Nissin.	1 0 3 Bombay Godown.	1 0 0	..	..
2/64s Lancashire Grey Mercerised Yarn P7444.	..	..	1 8 6	No importation for more than 5 years.
2/64s Japanese Bleached Mercerised Yarn Dai Nippon.	1 0 6	1 0 6	..	..
2/64s Lancashire Bleached Mercerised Yarn P7444.	..	..	1 10 6	No importation for more than 5 years.
2/84s Japanese Grey Mercerised Yarn Nissin.	1 4 6 Bombay Godown.	1 4 0	..	..
2/84s Lancashire Grey Mercerised Yarn P7444.	..	..	1 12 3	No importation for more than 5 years.
2/84s Japanese Bleached Mercerised Yarn Dai Nippon.	1 4 0 Bombay Godown.	1 6	..	..
2/84s Lancashire Bleached Mercerised Yarn P7444.	..	..	1 14 3	No importation for more than 5 years.

(7) Notes on the Indian Millowners' Cases. Handed in on the 9th December, 1935.

I.—CRITICISMS OF STATEMENTS IN THE MILLOWNERS' CASES.

In responding to the expressed invitation from the President of the Special Tariff Board to criticise and question the cases handed in by the Indian Millowners, we wish in the first place to emphasise that we do so in no spirit of acrimony or hostility. We appreciate that the Indian Millowners have to press their case by every possible argument, and we are grateful for the tone of moderation and goodwill which marks most of their references to the interests we represent.

In subsequent sections of these notes we propose to deal separately with comparative prices appearing in the several cases, and with the question of duties on cotton yarns and artificial silk fabrics. In the present section we confine ourselves to a series of observations on the arguments adduced in the different documents submitted by the Millowners.

(a) *Answers to Questionnaire by Millowners' Association, Bombay.*

(1) *First paragraph.*—We should take the view that the specific duty on grey goods has been unduly high, has led to a too-rapid and far-reaching expansion of production in these lines, and has thus resulted in the internal competition to which the Millowners refer being intensified to such a point that the benefits to the Indian industry of the protection in question have been appreciably diminished.

(2) *Plain greys.*—We feel that the Millowners' statement about plain greys bears out our contention that an equation of fair selling prices would be reached with duties much lower than at present.

(3) *Bordered Grey goods.*—We agree the Indian industry has increased its production of dhoties. In 1929-30 the figure was 776 million yards, and in 1934-35 it had increased by 43 per cent. to 1,110 million yards. The increase is at present being very well sustained. In the first three months of the present year, production amounted to 297 million yards, or an annual rate of 1,188. Meanwhile United Kingdom imports of grey bordered goods have declined from 445 million yards in 1929-30 by 83 per cent. to 76 million yards in 1934-35.

(4) *Bleached goods.*—We consider that the marked progress of the Indian mills in the production of bleached goods is of itself an answer to the contention that India has been unable to compete in this section with the United Kingdom. In the five years 1925-26 to 1929-30, production of grey and bleached goods together averaged 1,578 million yards. This had increased to 2,443 in the years 1932-33 to 1934-35. Imports during the same periods were 1,343 and 615 million yards respectively. Total consumption therefore was 2,921 during the first period and 3,058 during the second. This is a variation of only 3 per cent. and it can therefore be concluded that the decrease in imports was entirely made up by the increase in mill production. During the same periods imports of bleached goods alone decreased from 524 to 320 million yards. Imports of bleaching powder increased from 87,000 cwts. to 162,000. Indian production of grey and bleached goods together, in the first three months of the present fiscal year amounts to 675 million yards, and shows an excess over the same period last year of 106 million yards, an increase of 19 per cent.

In reply to the reference to the quotation of special rates for bleaching by the Bleaching Trade Advisory Board, we would say in the first place that the United Kingdom prices for bleached goods quoted in different parts of the evidence are selling prices which include the actual prices charged for bleaching. The Tariff Board can therefore assess the actual situation, and it is immaterial for the purposes of such assessment whether or not the bleaching prices are special quotations. In point of fact we know of no special reductions for the Indian market, and such special quotations as do exist in the general list are few in number. They represent a quite normal commercial practice. The course of trade shows that volume is steadily diminishing, and that unless there is a duty reduction it will be quite beyond our power to maintain United Kingdom lines in the Indian market.

(5) *Printed goods.*—Our view would be that the development of Indian production in printed goods would not be achieved along satisfactory lines by the grant of exceptionally heavy protection. Such would only lead to excessive development of printing plant, which, being crippled by the impossibility of obtaining long runs, made worse by growing internal competition, would never achieve a healthy condition. According to our information, certain concerns in India have made progress with the production of printed goods along lines which our experience would suggest to be sound ones. This consists in selecting a style in which market conditions offer prospects of long and steady runs, and concentrating more or less exclusively thereon.

(6) *Piece Dyed goods.*—The Millowners' statement that United Kingdom exports have been unaffected by the existing scale of duties in our opinion calls for certain reservations. Until recently United Kingdom imports in

terms of volume may have been fairly well maintained, but we know from personal experience that competition is becoming much more difficult. United Kingdom suppliers have been obliged to make intense efforts to meet Japanese competition by lowering the quality standards of their cloths. Reduced duties would assist United Kingdom against Japan.

(7) *Woven coloured goods*.—We agree that Indian mills have been very successful in meeting United Kingdom competition. We consider their further progress would not be impeded by reduced duties. They have already arrived at a position in which they can offer prices which are now resulting in a diminution of United Kingdom imports, as the following figures for the current year, compared with earlier corresponding periods demonstrate:—

India: Imports of yarn-dyed cotton piecegoods from the United Kingdom, April-October.

	1933.	1934.	1935.
Million yards	5.84	9.06	5.48

(8) In the paragraph headed 'Calcutta market', the discount mentioned as being allowed for hook damage would, we think, actually allow for chafage.

(9) Matters affecting yarns, will be dealt with in a later section of these notes.

(10) We should be interested to know the ground on which the Millowners declare the prices recently obtained by the handloom industry to have been below its fair selling prices.

(11) For comments on question 12—Artificial Silk—refer to a later section in these notes.

(b) Supplementary Statement by Millowners' Association, Bombay.

(1) Whilst we appreciate the advantage to United Kingdom trade arising from the Indian Government's measures in connection with Japanese competition, we feel the remarks of the Millowners omit certain considerations which are very real from our point of view. We think the benefits obtained by the United Kingdom from India's quantitative limitation of Japanese imports has been more negative than positive—a stop has certainly been put to the process of ousting the United Kingdom trade which Japan would otherwise have carried on, and this, though negative, is an advantage of great value. But owing to the duties still imposed on United Kingdom goods, Indian mills have obtained the greater part of the positive advantages. The Millowners may not appreciate that there have also been disadvantages, of which Lancashire alone has borne the brunt. Subjected to limitation in India, Japan has intensified her attacks on other world markets, for instance those of South America, and Lancashire has suffered accordingly.

(2) *Paragraph 4*.—Whilst it may be true that officially and legally the precise position regarding duties on United Kingdom goods now obtaining has only existed since May, 1934, we wish to point out that, in substance, the Indian mills have enjoyed the present rate of protection against the United Kingdom since August, 1932. We consider this period quite long enough to draw conclusions as to the effectiveness of the duty. The official import figures and the records handed in by ourselves and importers show tremendous declines in imports of United Kingdom lines formerly highly popular in the market, and prove beyond question that the present duties have been more than required to equate prices, and unduly restrictive. Unless they are reduced, we do not agree that the United Kingdom will eventually obtain further shares of the trade lost to Japan.

(3) *The Indian duty on Raw Cotton*.—References to this appear in our notes on Cotton Yarns.

(4) *Other Indian duties affecting mill costs*.—Whilst acknowledging the existence of the impediments of which the Millowners complain, we may mention handicaps borne by the United Kingdom industry. As regards

dye-stuffs, importation into the United Kingdom is licensed, and results in added costs as well as restricted choice. For wheat flour for sizing, as a result of recent quota legislation in the United Kingdom, manufacturers have to pay prices 15 per cent. above world prices.

(5) The statement that Indian mills pay higher freights on cotton imports omits to have regard to the case of East African cottons shipped from Mombasa in which freights to India have usually been much lower than to United Kingdom. In any event, freight charges on raw cotton only affect costs infinitesimally.

(6) *Substituted types.*—The statement that Indian mills cannot produce goods to English specifications at competitive prices, and therefore must produce substitutes, may well be true in some cases, but it is quite equally a fact that in many lines the United Kingdom cannot compete with Indian products and has had to produce and substitute styles cheaper than those formerly shipped in the effort to retain trade.

(7) *Allowance for profits in coastings.*—We regard the figure of 8 per cent. here mentioned as excessive under present conditions.

(8) We think the progressive development of the Indian industry in recent years as revealed in recorded figures, has been as great and as rapid as the most ardent supporter of a progressive programme could desire. This point, and the effectiveness of the duties against United Kingdom imports, together with the course of Indian consuming capacity, is well brought out in the logarithmic chart* handed to the President on 3rd December. In accordance with his request, we now hand in with these notes a chart* recording the same facts on an open scale. It should be noted that the advantage of the logarithmic chart is that equal vertical distances between the lines represent equal proportional increases or decreases, whilst the open scale shows the actual numerical increases or decreases. It is advantageous to read the two charts together, to obtain both aspects.

(9) We do not agree with the argument about the decline in United Kingdom export trade to other markets as compared with India, and we refer the Board to our Supplementary Memorandum No. 7 for our views on this question. The statement that since 1931 the United Kingdom's trade with India has shown an increasing ratio to her total piecegoods export trade is misleading as applied to the present enquiry, for the reason that the Indian figures in 1931 were rendered unduly low by the boycott, which has no bearing on the ability of the two industries to compete.

(10) The position regarding staple fibre is scarcely as the Millowners represent it. The Excise duty in the United Kingdom was accompanied by an export rebate, and the cancellation of both diminishes rather than enhances United Kingdom competitive ability in India. In the meantime, however, the selling price of this raw material has declined. We concur as to the importance of this matter, but the question of whether the Indian industry should have to bear a tax on this raw material on importation is outside our province.

(c) *Statement by the Ahmedabad Millowners' Association.*

Most of the points contained in this statement on which we might otherwise have wished to comment have already been mentioned above. The following additional points, however, may be made:—

(1) The reference to the Report of the 1932 Tariff Board, in which it is said that they unequivocally recommended that protection should be applied uniformly against the imports from all countries, is inappropriate to the present enquiry. The Board's terms of reference relate to equating selling prices: uniform duties against all countries by general consent would be far removed from any such equation as far as United Kingdom trade is concerned. It would amount to prohibition which we maintain is not the issue before the Board.

(2) We have found it difficult to compare the statistics as given for calendar years with the statistics used elsewhere by all parties, based on the Indian fiscal year. For the convenience of all concerned we ourselves are adhering to the fiscal year basis.

(3) The arguments about the prospects for the Indian industry in greys and whites are dealt with in our general submissions.

(4) The statistics of trade in coloured goods begin, in our opinion, unfairly with the year of the boycott. The table is for calendar years, and may be compared with the following figures of total imports of prints, piece-dyed and yarn-dyed imports as recorded in Indian statistics for fiscal years, and beginning before the boycott year:—

	Million yards.		
	Total.	U. K.	Japan.
1929-30	483	279	154
1930-31	246	148	74
1931-32	223	110	95
1932-33	425	194	214
1933-34	269	142	124
1934-35	361	213	140

(5) We disagree with the implications of the references to consumption retrospectively over the past ten years and prospectively. See our summary in our Supplementary Memorandum No. 7.

We regard the reference to total elimination of imports as opposed to the basis of the present enquiry.

(6) The statements regarding the production of coarse yarn are thoroughly misleading.

We refer to the uses to which Lancashire coarse yarns are now being put in the section of these notes on Cotton Yarns.

Since the date at which a previous Tariff Board quoted figures of the Manchester Chamber of Commerce, a great change has occurred in United Kingdom qualities shipped to India, and the statement has no relevance to present conditions.

The whole argument is curiously at variance with the selection of Lancashire cloths made by the Ahmedabad Millowners themselves as competing directly or indirectly. Only 7 out of the 24 cloths submitted have either warp or weft below 40s counts. In the Bombay list only 8 cloths out of 40 have either warp or weft yarns below 40s counts. In cases where, in both lists, the warp or the weft is below 40s counts, the resultant cloth is not in any single case what could be called a coarse cloth.

Our calculations of yarn retained for home consumption in the United Kingdom in 1930 do not yield the same results as those given. In any event, the year 1930 is not representative of conditions now obtaining.

The tendency attributed to Lancashire towards coarser goods is not therefore in accordance with facts.

(7) We regard the statement that Lancashire does not find it difficult to compete with the Indian duties at 25 per cent. as totally at variance with all the evidence.

We do not consider the duties can be described as "insufficiently helpful" when in every section of trade they have led to an increased production in India, and the other duties mentioned are of infinitesimal significance, and certainly do not nullify the piecegoods duties.

II.—THE COMPARATIVE PRICES FURNISHED BY THE INDIAN MILLOWNERS.

We have carefully examined the comparison of wholesale market prices of standard lines of English goods and the fair selling prices of these cloths when manufactured in India, as set out in the Supplementary Statement of

the Millowners' Association, Bombay. We note that the United Kingdom goods mentioned therein are also mentioned in the list of the same Association's "Answers to the Questionnaire", though for some reason which does not appear, certain items mentioned in the latter are not made the subject of price quotations in the former. The object of the list in the "Answers to the Questionnaire" is to record the principal classes of goods in which direct or indirect competition exists. We doubt the practical utility for such a purpose of a tabular list, necessarily unaccompanied by the explanations and reservations really requisite to make it a satisfactory picture of the situation. However, as far as the issue before the Board is concerned, the important table is that in the Supplementary Statement where price comparisons are offered, and we propose to confine ourselves to the 35 numbered items contained therein.

Before examining the United Kingdom and Indian prices which are contrasted, and taking the figures merely as given, we wish to draw attention to the percentage differences existing between the United Kingdom and the Indian prices. As the Board will no doubt have observed, all the Indian prices exceed the United Kingdom prices (which of itself would strike us as being hardly representative of the whole field of our very variable trade) but the margins of excess vary enormously. The lowest margin is No. 28, a white shirting, where the Indian price is 6.1 per cent. above the United Kingdom price. The highest difference occurs in No. 6, a grey mull, where the Indian price is 47.4 per cent. greater than the United Kingdom. As the United Kingdom prices are duty-paid prices, the implication of the table taken as a whole would appear to be that a substantial addition is required to the present duties to equate fair selling prices. Such an assumption is so much at variance with the only possible inferences to be drawn from the persistent decline in United Kingdom imports as to suggest, either that the samples are in general thoroughly unrepresentative of the real state of affairs, or else that the Indian prices as quoted are very substantially in excess of the level of prices which Indian mills have in practice been willing to accept for some considerable time past for goods actually produced. So substantial a difference between fair and realised price levels, in the absence of any other explanation by the Millowners, would imply that competition with United Kingdom goods, coupled with the establishment of correspondingly low price levels in internal competition, would have involved the Indian mills in large and persistent losses, of a magnitude which would have long ago brought the industry to a complete standstill. This of course has not happened, and we conclude that one of the other alternative explanations must be true.

We have no means at our disposal to check the fair selling prices of Indian cloths as recorded in the table, but we presume the Board will be able to make suitable investigations. We realise the figures are based on paper costings rather than the experience of actual manufacture of the precise goods in question. We suggest the Board should endeavour to secure from the Indian mills concerned records of costings and selling prices of goods which they have actually produced themselves, and which are as near as practicable to the styles for which calculated prices are given in the table.

It will be understood that our resources for making comparisons of this kind are extremely limited. In the first place we have no access to Indian mill costings, and in the second place it requires an immense amount of enquiry on the market to discover actual products of the Indian mills which are now on sale, and which correspond with anything approaching exactitude to the United Kingdom lines appearing in the list. It is the exception rather than the rule for Indian cloths achieving success on the market at present to be constructed on identical lines to United Kingdom cloths, or *vice versa*, since it is by differences in construction rather than similarity that the United Kingdom has had to endeavour to maintain competition at all. We have only had a few days in which to investigate the problem, but we are able to annex to this memorandum a few schedules setting out

comparisons between actual Lancashire cloths and actual Indian cloths appearing respectively in the tables of price comparisons handed in by the Millowners, other witnesses, or ourselves, or obtained by us on the market. We submit that these examples show marginal price differences so strikingly at variance with those recorded by the Millowners as to justify the investigation which we ask for the Board to make of the Indian fair selling prices, and as to bear out in the particular cases our conviction that the list as a whole does not give a fair picture of the ruling margins.

The time at our disposal has hardly been sufficient for us to check the particulars and prices attributed to the United Kingdom lines as listed. In a number of cases the checks we have been able to make confirm the accuracy within narrow limits of the United Kingdom prices given by the Millowners. In others, our enquiries suggest the existence of some errors. We record our results to date in a separate annex to this memorandum. We have verbally informed the President of our willingness to send the lists to Manchester by Air Mail and ask for comprehensive checks to be sent to the Special Tariff Board by the New Year.

As the list of comparative prices handed in by the Ahmedabad Millowners' Association is largely founded on the same selection of Lancashire styles, we do not propose to comment on it separately, except to point out that the fair selling prices given therein are different in many cases from those given by Bombay. That such differences in calculated prices should be handed in to the Board seems to us to support our argument in our Supplementary Memorandum No. 6 in favour of recorded selling prices as a preferable basis for comparisons.

III.—THE PROBLEM OF EQUATING FAIR SELLING PRICES.

We have reviewed the whole of the Evidence of the Indian Millowners, as well as our own Evidence, in great detail, in order to see whether we could make any fresh contribution to the extremely difficult problem now before the Board in arriving at a precise equation of United Kingdom and Indian fair selling prices. As we see it, the Board has price evidence which falls into three groups, namely :—

- (a) Prices of Lancashire styles, 35 in number, selected by the Millowners, with Indian fair selling prices based on nominal mill costings;
- (b) A range of Indian productions, 69 in number, handed in by ourselves, representative of the market and accompanied by Indian mill selling quotations and prices at which Lancashire manufacturers with actual experience of the production of strictly comparable goods, would have been willing to accept business at the dates chosen;
- (c) Samples, technical details, and prices supplied by ourselves and certain Chambers of Commerce in India, of goods which, though not the same technically, are comparable commercially, in varying degree.

We have been unable to devise any additional line of approach to the problem, and unless the Board itself has been more fortunate, we conclude that a decision will have to be reached on this evidence, supplemented, no doubt, by further information which can be elicited from different sources in India.

We realise that a great difficulty arises from the fact that each item selected for comparison, when examined and checked in the most thorough manner, will still exhibit a wide margin of difference varying from the others in its own class and from other classes. In short, the margins will never be constant as between the same mills in different lines or the same lines produced by different mills. This reflects the variability of the cotton textile trade, of which we have been throughout only too fully aware.

As previously explained, in our Comparative Price Tables, the United Kingdom prices are based on actual manufacturing experience of the types in question, and the Indian prices on actual selling quotations current in the market during the six months April to October, 1935. The latter have the further merit of being founded on products actually being made by the Indian mills, which increases their usefulness as a basis for the ascertainment of the protection Indian mills require, and also enables the Board to call for actual records of selling prices and costings from the Indian mills concerned.

On the other hand, the comparisons handed in by the Indian Millowners give prices based on costings of Lancashire products and not necessarily on records of actual experience in production. The Board may find them of some value when checked and investigated, but they do not seem to us so pertinent to the question of Indian fair selling prices as our figures are.

The value of the samples referred to in (c) above, which are comparable commercially rather than identical technically, arises in affording a useful guide to the price margins which exist in practice.

We feel that a study of all this evidence in combination should yield a sufficiently accurate reflection of the situation to make it possible to establish the factual existence of certain margins which, when averaged out, should facilitate an approach to a final solution of the problem.

IV.—THE DUTIES ON COTTON YARNS.

We note with much interest that, although in different words, all the Millowners' cases confirm the view we expressed in our principal statement, that from an Indian point of view much greater importance attaches at present to importations of cotton yarns from Japan and China than to those from United Kingdom. We find a marked lack of any evidence in the Millowners' cases to show that India suffers from United Kingdom competition in cotton yarns, whether below 50s counts or finer.

The Indian cases point out, as ours does, that the specific duty of 1½ annas was renewed in 1930 because of Chinese importations, which in that year were 11,478,000 lbs. The Indian cases mention that in the half year to June, 1935, imports from China were 6,661,000 lbs., or 14 per cent. greater than in 1930. This suggests that, notwithstanding the duty, Chinese competition is becoming still more important to India than United Kingdom competition. The quantity of Japanese imports grew in the same period from 6,895,000 lbs. to 11,339,000 lbs., an increase of 64 per cent. As an illustration of the abnormal character of Japanese prices, we may mention her sales of two-fold bleached and mercerised yarns at little more than the cost of single grey yarn.

In contrast with the foregoing, imports of United Kingdom yarns into India fell from 20,111,892 lbs. in 1929-30 to 9,952,435 lbs. in 1933-34.

We note the statement in the Bombay Millowners' case that "ground has been lost not on account of effective competition, but owing to Chinese and Japanese competition". We agree that Chinese and Japanese competition have affected sales of United Kingdom yarns very seriously, but we do not agree that Indian mills cannot or do not put up effective competition in several counts.

We note also the statement in the Cotton Spinning Industry case that "the industry requires at the earliest possible date adequate duties on non-British yarns of all counts. If this is not done, any lessening of United Kingdom imports would simply be made up by Japan and China". We fully concur.

Our submission is that reduced duties on United Kingdom yarns would assist United Kingdom suppliers without injuring Indian interests, until such time as the non-British duties can be adjusted in the sense recommended by the Indian Cotton Spinning Industry.

In the Bombay statement and in the Cotton Spinning Industry Case, stress is laid on Indian duties on raw cotton (6 pies per lb.), machinery stores, etc., 10 per cent., and starch and farina, 15 per cent. We understand the duty on cotton was designed in part to benefit the agriculturalist, and presumably therefore to strengthen the demand for piecegoods in general. In so far as it has this effect, its consequences will not be uniformly detrimental to Indian spinners. As to quoting the duty as a reason for protection against United Kingdom yarns, we feel the argument altogether overlooks the many heavier costs and shipping freights both for raw material and yarns which United Kingdom suppliers have to bear. The same applies to a mention of costs of fumigation.

The Indian cases seem to overlook that Lancashire pays a 20 per cent. duty on imported machinery, and although the United Kingdom is herself eminent in the manufacture of textile machinery, patents operated abroad will always make overseas purchases necessary in connection, for example, with high draft systems and quick-speed winding frames. Lancashire spinners have little or no recourse to double shifts, and by agreement with trade unions are limited to a 48-hour week, which includes $1\frac{1}{2}$ to $2\frac{1}{4}$ hours cleaning time. Lancashire spinners are also subject to restrictions regarding working conditions. Possibly other countries will adopt similar rules for the benefit of their workers, equally for their health and happiness as for their efficiency and keenness, but meanwhile Lancashire has more restrictions than obtain elsewhere.

Lancashire spinners may claim some credit from their Indian confrères for the financial support they have given to the development and expansion of Empire cotton growing, from which India benefits, not to mention the present-day efforts of Lancashire in regard to her consumption of Indian cotton, which are referred to in our principal case.

It is stated that higher duties are necessary to enable Indian spinners to equip themselves with new machinery (Ahmedabad Case, also other cases). The published results of many spinning companies do not bear out this contention (the Madras Chamber case gives examples). Lancashire spinners have been through a period of financial distress greater than any suffered by Indian mills, and being in the world market, cannot rely on protective duties to help them to maintain their equipment.

Attention is called to the increase in Lancashire of the output of coarse counts, and the inference is drawn that more coarse cloths are being manufactured (Ahmedabad case). This is not the case. Large weights of Lancashire's coarse counts are used for quite different purposes to those spun for Indian types of cloths, mainly tyres, hosiery, threads, high-class canvas, and military contracts, home and foreign.

Mention is made of moving mills and machinery from coarse to fine counts and from ordinary to super qualities. Lancashire experience would suggest that for counts of 60s and over this is a complex problem quite divorced from protective requirements. Coarse and fine spinning are carried on in different districts. Oldham generally concentrates on coarse numbers, Bolton on fine. For one district to change over to the specialities of another has never been found beneficial.

The machinery, the settings, and the general lay-out of mills are different, and great difficulty arises when, owing to fluctuating demand, attempts are made to change from one type to the other. The skill and training of labour is a matter of years in efficient production of fine yarns, and at its best can only be achieved gradually. Special machinery alone is far from being sufficient.

As a matter of interest, we may mention that the fine trade of Lancashire was confined a few years ago to 12 million spindles, and was prosperous. To-day 18 million spindles fight for the fine trade, with results which might have been anticipated, namely, lower standard of qualities and reduced margins.

Probably a certain number of concerns in India are specially situated regarding the production of finer yarns. Our observations are not intended to refer to these, but to the general situation.

Adequate evidence is lacking in the Indian cases to show the necessity for the present duty on yarns finer than 50s counts, in which indeed Indian mills are now making noticeable progress. Indian production of counts above 40s in million lbs. in 1933-34 was 37.4, and in 1934-35 was 43.9. In 1935 April-June it was 14.7 or at an annual rate of 58.8.

Indian mills compete very successfully with Lancashire in counts of 40s and below. We can see no necessity for an *ad valorem* duty on any counts below 50s, nor for a specific duty which on a yarn of the value of $12\frac{1}{2}$ annas per lb. is as high as 10 per cent.

Reference is made to the reject yarns supplied by Lancashire. These are of benefit to the handloom industry. They are fairly good yarns with imperfections as regards twist, build, shape, and other details which forbid their use on quick-speed machinery, but which the hand worker can remove or overcome in the ordinary course of his work or which are specially reeled before export. They are spun on the mule, and are an unavoidable product of the type of spinning which in general delivers its yarn in cop form, and is thus unable to dispose of its percentage of imperfect yarn by winding, etc., as is the case with ring-spun yarns.

We observe that the validity of the running totals of yarn imports is somewhat destroyed by the inclusion of artificial silk and rope yarns. The fuller table is the same.

As regards the price particulars given by the Millowners' Association, Bombay, we append as an annex a note of the results of our investigation of these items.

VI.—CONCLUSIONS OF THE UNITED KINGDOM DELEGATION ON THE INDIAN MILLOWNERS' CASES.

Our view is that a strong *prima facie* case in favour of our application for reduced duties was abundantly established in the statistics of Indian consumption and production and of United Kingdom imports, as illustrated in the graph to which reference is made in these notes. This shows clearly the complete inability of United Kingdom suppliers under present conditions to stem the decline in their trade notwithstanding increasing consumption. The Millowners' Cases entirely fail to prove any other cause for this than the existence of unduly high duties. They acknowledge that their principal difficulties arise from Japanese competition at low prices and intense internal competition.

We agree that Japanese competition exercises a predominant influence on the market situation. Its influence is far greater than its mere volume would suggest, owing to abnormally low Japanese prices and methods of business. This is a difficulty common to both Indian and United Kingdom suppliers in regard to which they would have every reason to be united in pressing for appropriate measures in the future. There is no comparison between Japanese and United Kingdom competition. The latter introduces into the market, standards of price and quality which have a helpful effect on the selling policy of Indian mills, as do also United Kingdom selling methods.

The Millowners' Cases do not perhaps lay as much emphasis as has been done in earlier enquiries and discussions upon the relative position of trade in coarse and fine goods, but the question is mentioned in several places. The samples in the Millowners' list mainly consist of cloths made from 40s counts and over, and presumably the intention is to suggest that over 40s counts the Indian mills cannot compete with United Kingdom. This is in contrast with the known success of some Indian mills in many lines of these counts. It prompts the question, why should those Indian mills succeed in this way with medium fine goods if anything like the margins recorded in the list obtain generally? Lancashire has gone finer because of the over-

whelming competitive success of the Indian mills in the coarser counts, but there is nothing to suggest the existence of any fundamental reasons why Indian mills should not gradually strengthen their position in medium fine counts under a reasonable scale of protection. There is a great deal in past experience to suggest that undue or specialised protection in these counts would foster excessive internal competition before a steady and gradual development had built up the strong position and the experience on which alone sound progress can be made. We are opposed to differentiation between fine and coarse trades. It could only imply more of those violent changes of which we have had experience, in contrast to a gradual process of adjustment which we are able to sustain. For the Indian industry, we are convinced that any benefits it might appear to offer on a short view will become grave disadvantages on the long view.

The Millowners refer to various fiscal burdens and other handicaps they have to bear, and from which they contend the United Kingdom is free. We consider such arguments largely irrelevant in an Enquiry where the issue is comparative selling prices which must include the burdens each party has to bear. In any event, it is worthy of note that the United Kingdom trade has had to bear a handicap of 25 per cent., not merely on the real value of its products but on all the elements entering into the selling price, including freight, packing, insurance, administration, telegraphing, etc. Of the two burdens we consider that of the United Kingdom to be manifestly the larger.

Much is said, quite legitimately, in all the Cases about the financial results of units in the Indian industry. The Millowners would doubtless like to convince the Board that heavy duties against the United Kingdom are necessary to preserve their financial position, and to that end may quote losses sustained by various units. We have no doubt that the Board will pay equal regard to profits made by other units, including those whose results, so far as we know, are not public property. The large increase in new plant in recent years hardly suggests that those who are investing their money in that way really believe in the argument that profits cannot be made. It is not out of place to observe that the economic trends of the past few years throughout the world have been generally adverse to profit-making in the cotton textile industry, quite apart from the major factor of the price levels established in so many markets by abnormal Japanese competition. We think, if a comparison were possible, the average experience of units in the Indian industry would be found to be distinctly better than the results in other countries. We suggest that in a great many cases where losses have been made in India, an examination of the nature of the trade conducted by the mills in question would show that their difficulties had arisen from intense internal competition, and not at all from United Kingdom competition.

We regard the present juncture as one of extreme importance in the relations of the Indian and United Kingdom cotton industry to the great market for cotton goods which exists in India. For the United Kingdom, we believe it to be a fact that unless there is an early duty reduction, our trade in the Indian market will continue to decline as it is doing even during the present year. (United Kingdom piecegoods imports from April to October, 1935, at 273 million yards, are 13 per cent. less than in the same period last year.) United Kingdom firms, Indian import firms, and dealers will continue to drop out of the United Kingdom piecegoods business, and the links which in many cases confer mutual advantage, when once broken, are unlikely to be restored.

For the Indian industry—and perhaps even more for the people of India—the question is, whether they want this to happen. Broad questions of national well-being are not before the Tariff Board, but we feel entitled to remark again on the reciprocal advantages to India, and particularly to her agriculture, which trade with the United Kingdom implies. From the limited point of view of the welfare of the Indian cotton industry, we are

also convinced that the elimination of United Kingdom import trade of which the Ahmedabad Millowners speak in their Case would create a situation inflicting more detriment than advantage on India. The Indian market for cotton goods is an immensely large one. It is subject to a great many influences such as trade cycles. It requires, as all great markets do, a structure which permits the inevitable stresses and strains to be divided between different interests and parties. To confine it entirely to the domestic mills could only be done by a rate of protection which would be certain to lead to excessive development of productive capacity, such as we believe to be already in evidence. If carried to further extremes, the consequences for Indian economy, especially in a period of stress, would be of the gravest character.

On the question of manufacturing efficiency, also, it seems to us in India's interests to maintain conditions permitting a satisfactory volume of United Kingdom trade. United Kingdom trade serves to familiarise the consumer with a number of products not made in India. As and when it suits Indian enterprise to embark on the manufacture of these products, the market demand is already in existence to provide an outlet. The great progress of the Indian industry has been made just in this way, and both the consumer and the industry would appreciate what it means if United Kingdom trade were throttled down to insignificant proportions.

We believe, as we have said, that the present is the juncture when these important questions have to be settled. We recognise the Board is concerned with facts rather than policy. We believe that on the Board's terms of reference all the facts point to a substantial duty reduction. On the grounds just explained, we consider the Board would make a recommendation to that effect in the confident expectation that their report would initiate a policy fundamentally in the interests of India as well as the United Kingdom.

ANNEX No. 1.

NOTES AS TO CHECKS MADE ON LISTS OF UNITED KINGDOM QUALITIES APPEARING IN "ANSWERS TO QUESTIONNAIRE" BY MILLOWNERS' ASSOCIATION, BOMBAY, AND IN THEIR SUPPLEMENTARY STATEMENT.

(The paragraph numbers are those appearing in the second of the above mentioned lists.)

- 1-4. Dimensions approximately correct: United Kingdom price correct.
- 5-7. Unable to check dimensions and price at present.
8. Dimensions approximately correct: United Kingdom price correct.
9. Unable to check dimensions and price at present.
- 10-11. Dimensions approximately correct. August United Kingdom price *ex-godown* 38 not 34 annas. Cannot reconcile Indian average fair selling price given with price of similar quality produced by New China mills No. 2535 as recorded in United Kingdom schedules under key number B231. See detailed comparison in Example 1 of Annex 3 hereof.
12. Counts should read 64×56. Price not given in Bombay case. Fair selling price given looks very high as compared with New Raipur No. 6500, which is B232 in United Kingdom schedules and appears in Example No. 2 of Annex 3 hereof.
13. Counts should be 21×17, 60s and 80s. August United Kingdom price 36 annas *ex-godown*. Importers state no competing Indian quality.
- 14-15. Unable to check dimensions and price at present.
16. Counts should be 18×18, 30s and 30s. United Kingdom price correct.
17. Counts should be 19×19, 30s and 30s. United Kingdom price correct.

18. Counts should be 20×20. Competing Indian quality mentioned in Bengal Chamber Case, viz., No. 7799 Gopinath Chengamull, is quoted to-day in bazaar approximately 58 annas, in contrast to Indian fair selling prices given as 74, 78-65, and 83-19.

19. Reed and pick approximately correct. Unable to check yarns or price at present. Sassoon's No. 9915, in United Kingdom schedule as C. 304, sold at 28-5 annas on 30th August, 1935, in 24/25 inches widths, is in contrast with fair selling price given. See Example No. 4 in Annex 3, as a check to Indian fair selling price.

20. Reed and pick should read 56×55. Unable to check price at present. Sassoon's No. 819, in United Kingdom schedule as B313, sold at 28 annas on 31st August, 1935, in 25 inch width. See Example 3 in Annex 3, as a check to Indian fair selling price.

21. Unable to check dimensions and price at present.

22. Dimensions should read 37 inches, 61×43, 40s and 50s. Unable to check price at present.

23-24. Unable to check dimensions and price at present.

25. Reed and pick approximately correct. Counts should read 38s and 46s. Price approximately correct. Supplier reports formerly sold in very large quantities now negligible.

26. Unable to check dimensions at present. Price 3rd August, 1935, 68 annas: remainder of August 67 annas. Note this slightly lower than that given by Millowners.

27. Unable to check dimensions and price at present.

28. Dimensions should read 26×31, 60s and 70s. Price correct.

29. Price correct.

30. United Kingdom price appears reasonable. Doubtful if anything comparable made by Indian mills in bulk, in which case prices calculated on costings can only be very approximate.

31. United Kingdom price given is approximately correct. We are informed that Indians have not made this quality in the hard finish. If this is the case the price given can only be an estimated one.

32. No comment on United Kingdom market price. Indian fair selling price not understood when compared with E. D. Sassoon's quality E. 2761B, shown as B. 420 in United Kingdom schedule.

33. This style not produced in India. Costings without experience of bulk production can only be roughest of approximations.

34. Standard cloth of which market price from day to day is readily obtainable. At end August it was 11 annas 6 pice per yard, equivalent to 345 annas per piece. Millowners' figure of 245 annas presumably a clerical error. We wonder if Millowners adhere to Indian price of 279-61 annas and how it was arrived at. If they do adhere to it, the item is strongly in our favour.

35. This item is dealt with in United Kingdom Response to Millowners' Case, Section V, on Artificial Silks.

ANNEX No. 2.

NOTE REGARDING YARNS MENTIONED IN THE SUPPLEMENTARY STATEMENT OF THE MILLOWNERS' ASSOCIATION, BOMBAY.

1. *Regarding 60s Grey Yarn, "Woodcutter" brand, quoted wholesale price United Kingdom quality end of August at 17-02 annas and Indian fair selling price 20-38 annas.*—We agree with the statement as to differences in details of construction, and have not been able to find an Indian yarn with selling price 20-38 annas.

Harvey's Madura Mills 60s *Egyptian* yarn was on August 31st, 1935, in the bazaar, 16 annas per lb. On December 5th, 1935, in the bazaar, 15-75 annas, and we understand mill rate was 15-5 annas per lb.

2. Regarding 50s Grey Yarn "*Bucket*" brand, quoted wholesale price United Kingdom quality end of August at 14-8 annas and Indian fair selling price 16-36 annas.—We are informed these yarns are no longer on the Madras market.

3. Regarding 70s Grey Yarn "*Bhut*" brand, quoted wholesale price United Kingdom quality end of August 19-25 annas and Indian fair selling price 26-23 annas.—We are informed these yarns are no longer on the Madras market. By Appendix C, however, it will be seen that 70s appears on the Calcutta market only once since 13th July, 1934.

70s Indian is only offered in small quantities on the open market, so that we are unable to check the fair selling prices as given.

ANNEX No. 3.

INDIAN AND UNITED KINGDOM PRICE COMPARISONS.

Comparable as Opposed to Identical Types of Cloth.

Description of cloth: Dhoti.

Example No. 1.

Particulars.	Indian.	United Kingdom.
1. Trade Number	2535	84.
2. Mill or importer	New China	Grahams.
3. Which case mentioned in, (if any)	United Kingdom Comparative table (B-231).	Bombay Millowners' List, Nos. 10 and 11.
4. Weight	1-74 lbs.	
5. Width and length	50-2 7/8 yds.	44"/10 yds. (as given by Millowners.)
6. Reed and pick	64 × 58 actual	69 × 56 (do.).
7. Yarns	30s and 50s	30s and 50s. (do.).
8. Price, amount, and date	29-5 annas, 30th August, 1935.	See remarks.
9. Source from which price obtained	List of Indian prices from which United Kingdom comparative prices were compiled.	Millowners' list.

Remarks.—Grahams say price required (no sales) at end of August was 38 annas, against thirty-four annas given in Bombay case. We calculate that the border on the Indian cloth would cost 8 pies more to make in Lancashire than the border on 84, including the difference in the weaving price. Price of Indian cloth in United Kingdom dimensions would be about 33½ annas, but United Kingdom quality is about 1 anna dearer in construction.

Description of cloth: Dhoti.

Example No. 2.

Particulars.	Indian.	United Kingdom.
1. Trade number	6500	2301.
2. Mill or importer	New Rajpur	
3. Which case mentioned in (if any)	United Kingdom Comparative table (B-232).	Bombay Millowners' List, No. 12.
4. Weight	71 lbs.	
5. Width and length	41-1" 5 yds.	44" 10 yards (as given in Bombay list).
6. Reed and pick	56 × 41 actual	60 × 56 (do.).
7. Yarns	37s and 52s	40s and 50s (do.).
8. Price, amount and date	12 annas, 31st August, 1935.	No price given in Millowners' list.
9. Source from which price obtained	List of Indian prices from which United Kingdom comparative prices were compiled.	....

Remarks.—The borders on these two cloths will cost approximately the same.

*Description of cloth : Bleached Nainsooks,**Example No. 3.*

Particulars.	Indian.	United Kingdom.
1. Trade Number	819	177.
2. Mill or importer	E. D. Sassoon	
3. Which case mentioned in (if any)	United Kingdom Com- parative table (D-313).	Bombay Millowners' List, No. 20.
4. Weight	1.70 lbs.	
5. Width and length	25" × 18 yds.	52" × 18 yds. (as given in Bombay list).
6. Reed and pick	49 × 45 actual	54 × 56 (do.).
7. Yarns	40s and 40s	40s and 40s (do.).
8. Price, amount and date	28 annas, 31st August, 1935.	76 annas, end August.
9. Source from which price obtained	List of Indian prices from which United King- dom comparative prices were compiled.	Millowners' list.

Remarks.—Difference in width and construction will not do more than double the price of 819.

*Description of cloth : Bleached Nainsooks.**Example No. 4.*

Particulars.	Indian.	United Kingdom.
1. Trade number	9915	77.
2. Mill or importer	E. D. Sassoon	
3. Which case mentioned in (if any)	United Kingdom Com- parative table (C-304).	Bombay Millowners' List, No. 9.
4. Weight	1.55 lbs.	
5. Width and length	24-9" × 18 yds.	45" × 18 yds. (as given in Bombay list).
6. Reed and pick	40 × 44 actual	56 × 56 (do.).
7. Yarns	36s and 42s	40s and 40s (do.).
8. Price, amount and date	28½ annas, 30th August, 1935.	69 annas, end August.
9. Source from which price obtained	40-86 annas. List of Indian prices from which United King- dom comparative prices were compiled. 74-5 annas.	Millowners' List.

Remarks.—Difference in width and construction would bring 9915 price up to about 54 annas. The yarns and general appearance of 77 are superior in quality.

*Description of cloth : Chocolate Jean.**Example No. 5.*

Particulars.	Indian.	United Kingdom.
1. Trade number	E. 2761 B. . . . .	....
2. Mill or importer	E. D. Sassoon . . . . .	....
3. Which case mentioned in (if any)	United Kingdom Com- parative table (B-420).	Bombay Millowners' List No. 32.
4. Weight	4.06 lbs. . . . .	....
5. Width and length	27.1" × 30 yds.	27" × 52 yds. (as given in Bombay list).
6. Reed and pick	76 × 50 actual	84 × 44/5 (do.).
7. Yarns	38s and 40s	29s and 40s (do.).
8. Price, amount and date	90, 31st August, 1935	195.
9. Source from which price obtained	List of Indian prices from which United King- dom prices were taken.	Millowners' List.

Remarks.—Samples of both cloths attached to show resemblance. For the same length, viz., 52 yds., the *pro rata* Indian price would be 156 annas.

Description of cloth : White Shirtings.

Example No. 6.

Particulars.	Indian.	United Kingdom.
1. Trade number	Sepoy	5650.
2. Mill or Importer	Kohinoor	Grahams.
3. Which case mentioned in (if any)	United Kingdom schedules as B-300.	Not previously mentioned.
4. Weight	9-58 lbs. . . . .	....
5. Width and length	32-6" × 42 yds.	34" × 40 yds.
6. Reed and pick	64 × 55	68 × 56.
7. Yarns	23s and 18s	18s and 30s.
8. Price, amount and date	Rs. 8-6-0 at December, 1935.	Rs. 8-10-9 at December, 1935.
9. Source from which price obtained	Mill selling quotation	C. I. F. C. I. quotation.

Remarks.—The qualities are comparable in appearance. The Indian cloth in 40 yard lengths should sell *pro rata* at 8 rupees.

(8) *Letter ACW/RL., dated the 16th December, 1935, from the United Kingdom Cotton Textile Delegation.*

In the haste of last week, a small error has crept into one of the documents we submitted to the Board, and I am taking the opportunity of warning you of it, before it is too late. The document in question is the schedule accompanying Example No. S. M. 8/5 of the Annex to Supplementary Memorandum No. 8, and the error is in the reed and pick of the United Kingdom style, which should read "62 × 52" instead of "52 × 52".

(9) *Letter CBC/ML., dated the 18th December, 1935, from the United Kingdom Cotton Textile Delegation.*

We are returning the Millowners' notes on our samples, with comments on their remarks where necessary.

After going through them all, we find that, generally speaking, the differences in prices and particulars given by the Millowners' Association are very small, and scarcely affect the accuracy of our conclusions. We must make it clear that what the Millowners' Association describe as "United Kingdom specifications" are the results of actual tests made by unimpeachable Testing Houses. Small variations will be found always between different pieces of the same cloth, and between different places in the same piece. Different conditions of humidity will also affect tests of counts. The Manchester Chamber of Commerce Testing House exposes all samples to a relative humidity of 65-70 per cent. for 6 hours before testing, to bring them to a standard condition. This has probably not been done by the Millowners' Association, and it alone would account for a possible variation of up to 4 per cent.

We must point out also that our prices in India were not estimated, but were definitely ascertained.

In cases where the Millowners have stated that an addition should be made to their prices for freight to Calcutta, the same addition would have to be made to our price, as all our prices were quoted on a net c.i.f. Bombay basis.

We contend that the fact that the Millowners' checks on our particulars and prices of Indian products reveal only variations of an absolutely minor character which are quite insufficient to disturb the general accuracy of our price quotations, establishes the validity and accuracy of what we submitted. Furthermore, as United Kingdom prices are so much above Indian prices, it seems to us indisputable that, if Indian prices represent less than the fair selling prices of the Indian mills, this can only be the result of internal competition, since it could not have been occasioned by competition from the United Kingdom in goods offered at a substantially different level of prices.

We attach face-plates of five qualities in which the Millowners suggest that the cloths tested were not the qualities we had stated them to be. We also enclose the Manchester Chamber of Commerce Testing House Certificate for the test of one cloth in which the Millowners suggest our test is quite wrong.

Enclosure.

MANCHESTER CHAMBER OF COMMERCE TESTING HOUSE AND
LABORATORY.

J

Entry No. 185284

Royal Exchange,
Manchester 1-2, August 30th, 1935.

PARTICULARS OF EXAMINATION AND STATEMENT OF OPINION.

1 Sample of Print marked "B. 421"

Approximate dimensions, width \times 82 inches.

Width 27.6 inches.

Weight per square yard as received 2.94 oz.

Weight per square yard, pure, 2.78 oz.

Reed per inch, average 95.5.

Pick per inch, average 35.5.

Counts after washing warp 30.6, woof 40.6.

The above represents, as nearly as can be estimated, the true counts of the yarn taken from the finished fabric after washing and does not refer to the yarn in the grey state.

Before testing, the sample was exposed for a period of 6 hours in an atmosphere of 65 to 70 per cent. Relative Humidity.

Statement of Opinion.—We have made a careful examination of the constituent cotton hairs of the warp and woof yarns of the above sample and we find them to resemble Upper Egyptian cotton as regards length and fineness.

(Sd.) Illegible.

Sample Test only. This Certificate only refers to the sample submitted and not to the bulk from which it was drawn.

(10) *Letter M.L., dated the 19th December, 1935, from the United Kingdom Cotton Textile Delegation.*

May I refer to the statement I made during my oral examination on December 13th to the effect that the United Kingdom witnesses were agreed as to the usefulness of bringing into consideration a number of comparable United Kingdom and Indian cloths, and would assist in determining what goods were comparable?

I am writing to say that, in conjunction with our importing friends from Calcutta and Bombay, my colleagues and I spent some hours on Sunday, the 15th instant, making a detailed examination of the various United Kingdom and Indian samples which have come into the possession of the Tariff Board from various parties.

I am glad to say that our examination has satisfied us that there exists a sufficient degree of comparability to make it possible for useful and illuminating comparisons to be made in the manner suggested at Friday's hearing.

I have pleasure in enclosing herewith a list of some 34 pairs of cloths, each pair containing one Indian and one United Kingdom variety, which we regard as sufficiently comparable for the purposes in view. I also enclose a note as to some cloths which the Millowners have suggested as being comparable, but which we should not be prepared to accept under that heading.

I hope to furnish a second list containing a few more examples of comparable cloths in the course of the next few days, as a result of our having given more time to the question on Tuesday afternoon, the 17th instant.

We trust that all the above, taken in conjunction with what has already been handed in by the Chambers of Commerce and ourselves, will prove sufficient for your needs. So far as we are concerned, we have done our best to make a useful contribution by handing in as large a list as possible, which we hope will not only be valuable for the items it contains, but also as illustrating the standards of comparability which appear to us to be acceptable. Our difficulty has been that we are separated from our places of business, and we have to rely entirely on the help of our importing friends.

In our view, it is for the Tariff Board to decide what comparisons they will admit into consideration, and how they will work out the differing details so as to yield a basis for comparison of price. It may be that the Millowners would include item which we should not, and *vice versa*, but as the criterion is a broad comparability, we feel the Tariff Board is quite able to decide the matter after studying the suggestions of both sides.

For our part, we should accept the opinions and examples of the importers, to whom you have also made requests for help, since they are even better able than we to say what goods are comparable within the ordinary market competition. We are acquainting the Chambers of Commerce in Bombay, Bengal, and Madras with the terms of this letter and with our lists, so that they may make any information they submit as useful as possible in supplementing our work.

In conclusion, I hope that you will forgive me if I again restate the opinion we hold, that even when the Board has assembled what it regards as a representative and comprehensive list of comparable goods, these will still require to be examined and considered with due regard to the other evidence. This, from our point of view, includes particularly the Import Statistics, the Production Statistics, the price comparisons for identical products, and the checks (which we assume the Board will elicit from the Millowners) as to the fairness or otherwise of the Millowners' realized prices in contrast with their calculated prices.

We trust our co-operation, in spite of the difficulties under which we have laboured, is sufficient indication that we accept the usefulness of this line of enquiry quite fully, although making the reservations as to other evidence which we consider indispensable.

Enclosure.

(1) List of samples examined and accepted by the United Kingdom Delegation (assisted by Calcutta and Bombay Importers) as comparable for the purposes explained at the oral hearing on 13th December, 1935.

Style or Description.	INDIAN QUALITY.			UNITED KINGDOM QUALITY.			REMARKS.
	Mill or Trade No.	Tariff Board Ref.	Importer or Trade No.	Tariff Board Ref.	Ref.		
1. Grey Dhotis	80½ × 80½	B. 33	84	Bengal Chamber of Commerce, U. K. G. 15.	Bengal Chamber of Commerce, U. K. G. 15.		
2. " "	Swadeshi Mill, 92054	B. 28	....	Bengal Chamber of Commerce, U. K. G. 12.	Bengal Chamber of Commerce, U. K. G. 12.		Compare with U. K. 52, U. K. 54, U. K. 53, which are not accepted as comparable with 92054.
3. " "	Sholapur, 57½ × 57½	Bengal Chamber of Commerce, I. G. 14.	....	....	....
4. " "	New China Mill	Bombay Chamber of Commerce, M. 15.	Ralli's 4476	Bombay Chamber of Commerce, 15.	Bombay Chamber of Commerce, 15.		
5. " "	Sir Shapurji Broacha Mills, 2148.	B. 14	Ralli's 1090	Bengal Chamber of Commerce, U. K. G. 7.	Bengal Chamber of Commerce, U. K. G. 7.		
6. White Dhotis	Keshavlal Poonjiram, K. 1211 SP.	Bombay Chamber of Commerce, 16.	Grahams 2535	Bombay Chamber of Commerce, U. K. 16.	Bombay Chamber of Commerce, U. K. 16.		
7. " "	Navasari Mill	Bombay Chamber of Commerce, 19.	V. 0280 C.	Bombay Chamber of Commerce, 19.	Bombay Chamber of Commerce, 19.		
8. " "	New Textile Mills, "Rajratan"	Bombay Chamber of Commerce, M. 26.	Bombay Co.'s Mangalmaina.	Bombay Chamber of Commerce, 26.	Bombay Chamber of Commerce, 26.		
9. " "	Morarji Mills, 5505	Bombay Chamber of Commerce, M. 25.	Bombay Co.'s 9600	Bombay Chamber of Commerce, 25.	Bombay Chamber of Commerce, 25.		
10. " "	Standard Mills, "Patitpavin"	Bombay Chamber of Commerce, M. 24.	Bombay Co.'s "Mohini Chandra"	Bombay Chamber of Commerce, 24.	Bombay Chamber of Commerce, 24.		

10.	"	Finlay Mills, "Sovereign".	Bombay Chamber of Commerce, M. 29.	Bombay Co.'s 555	Bombay Chamber of Commerce, 29.
11.	"	Swan Mills, Akrahan	Bombay Chamber of Commerce, M. 28.	Bombay Co.'s 101	Bombay Chamber of Commerce, 28.
12.	"	Sholapur, Navratan	Bombay Chamber of Commerce, M. 27.	Bombay Co.'s 99999	Bombay Chamber of Commerce, 27.
13.	Grey Madapolam	E. D. Sassoon, 250	Bengal Chamber of Commerce, I. N. O. G. 29.	Ralli, 991	Bengal Chamber of Commerce, U. K. G. 28.
14.	White Shirtings	Kohinoor Mill, Sadhoo	B. 39	T. C. Hill & Co., Fountain.	U. K. 44, Bombay M. A.
15.	"	Khatav Mekanji, 809	S. M. 8/6	F.F.C. 8000	U. K. Delegation, S. M. 8/6.
16.	"	Tata Mills, 4352 B.	B. M. A., B. 1	Bombay BBBBB.	B. M. A., U. K. 45.
17.	"	Hirji Mills, 800	Bombay Chamber of Commerce, M. 2.	Grahams Three Lamp.	Bombay Chamber of Commerce, No. 2.
18.	"	Kohinoor Mills, Warrior.	Bombay Chamber of Commerce, M. 1.	Ralli 7770	Bombay Chamber of Commerce, No. 1.
19.	"	Swadeshi Mill, 6600	Bombay Chamber of Commerce, M. 3.	Ralli, Shield	Bombay Chamber of Commerce, No. 3.
20.	"	Aruna Mills, 32½ x 20, Item 6 in Ahmedabad List.	S. 11	White twill, 100,000, Kristodass Law.	Ahmedabad, Item 6.
21.	"	Vijay Mill, 4320	Ahmedabad, No. 5.	Bombay Co., 5011	Bengal Chamber of Commerce, U. K. 6.
22.	White Mulls	Edsall A. 250 R.	B. M. A. 16	Ralli Bros., 53000	Bengal Chamber of Commerce, U. K. 9.
23.	"	Mafatalal Gagalbhai, 2500.	Bombay Chamber of Commerce, M. 7.	Grahams, 6399	Bombay Chamber of Commerce, No. 7.

See item 5 in "rejected" list.

Style or Description.	INDIAN QUALITY.		UNITED KINGDOM QUALITY.		REMARKS.
	Mill or Trade No.	Tariff Board Ref.	Importer or Trade No.	Tariff Board Ref.	
24. White Mulls . . .	New Jehangir Mills, V. P. 18051.	Exhibit 20, Bom- bay Chamber of Commerce.	Ralli Bros., 1535 .	Bombay Chamber of Commerce, U. K. 20.	With adjustments of reed and pick and width.
25. " " . . .	Swadeshi Mill, 6421	B. 27 . . .	Ralli Bros., 5300 .	Bengal Chamber of Commerce, U. K. 9.	
26. " " . . .	Edsu 3630 . . .	Bombay Chamber of Commerce, M. 6.	Grahams 4834 .	Bombay Chamber of Commerce, No. 6.	
27. " " . . .	Mafatdal Gagalbhai, G. V. O. 3.	S. M. 8/106/Ind. .	Graham's Dilchaman	S. M. 8/106/U. K.	
28. " " . . .	Broach Fine Mills, 5012.	Bombay Chamber of Commerce, M. 8.	Grahams D. 10 P. .	Bombay Chamber of Commerce, No. 8.	
29. White Nainsooks . . .	Satya Mill, 6464 Sassoon's 6414.	U. K. S. M. 8/8 .	F. P. C. 2640 .	U. K. Delegation, S. M. 8/8.	
30. " " . . .	Century Mills, 5418	Bombay Chamber of Commerce, M. 5.	Grahams 4518 .	Bombay Chamber of Commerce, No. 5.	
31. " " . . .	E. D. Sassoon's 7417	Bombay Chamber of Commerce, M. 4.	Ralli Bros. 1850 .	Bombay Chamber of Commerce, No. 4.	
32. " " . . .	Great Eastern Spin- ning & Weaving Co., N. G. N. 826.	B. 6, B. M. A. .	6666, Panichiram Nahata.	B. M. A., U. K. 46.	
33. " " . . .	Century Mill, 6418 in 30", 5418 in 25".	U. K. Delegation, S. M. 8/105/Ind.	Grahams 7851 .	U. K. Delegation, S. M. 8/105/U. K.	
34. Khaki Twill . . .	Bharat Suryudaya Mills, No. 1251 F.	S. M. 8/100/Ind., S. M. 8/3.	F. F. C. 1504 .	S. M. 8/3, S. M. 8/100/U. K.	

(2) List of Cloth not accepted by the United Kingdom Delegation as Comparable, although submitted as such in one of the Millowners' Cases.

Style or Description.	INDIAN QUALITY.		UNITED KINGDOM QUALITY.		REMARKS.
	Mill or Trade No.	Tariff Board Ref.	Importer or Trade No.	Tariff Board Ref.	
1. Grey Dhotis . . .	Aruna Mill 918, 5 yds.	Ahmedabad, No. 9 .	U. K. 84, 44 × 10 .	Ahmedabad No. 9 .	Indian is jaconet dhoti intended for Bihar market U. K. is shirt-ing dhoti for East Bengal.
2. " " . . .	(a) 5831 (b) Swadeshi Mill, 92054.	(a) B. 29 . (b) 12½ × 12½ . (c) 14½ × 24½ .	(a) 3773 . (b) 12½ × 12½ . (c) 14½ × 24½ .	U. K. 52 . U. K. 54 . U. K. 53 .	Not used for same purpose. Yarns dissimilar.
3. " " . . .	Sir Shapurji Broacha Mills, EX.	B. 14 . . .	Ditto	Ditto	Ditto.
4. Grey mull dhoti . . .	New Textile Mills, 81½.	Ahmedabad No. 1 .	Bombay Co.'s Taj Mahal.	Ahmedabad No. 1	Indian sample is comparable with several U. K. mulls dhotis in Calcutta market but not with Taj Mahal, as latter is inferior market. Bengal mill produces matches if desired at Calcutta.

Style or Description.	INDIAN QUALITY.		UNITED KINGDOM QUALITY.		REMARKS.
	Mill or Trade No.	Tariff Board Ref.	Importer or Trade No.	Tariff Board Ref.	
5. Longcloth	Vijay Mills, 4320 .	Ahmedabad No. 5 .	White nainsook 77777 (said to be a longcloth).	Ahmedabad No. 5	See item 21 in accepted list for what would be a comparable type with Vijay 4320.
6. White Shirting	Aruna Mills, 35×20	Ahmedabad No. 7 .	Unknown 1200	Ahmedabad No. 7	U. K. style much more heavily backed and not comparable.
7. " "	Aruna Mills, Fine cambrie 36×10.	Ahmedabad No. 8	U. K. C. 4000	Ahmedabad No. 8 .	Indian is mercerised cam- bric of fine counts and U. K. is pure finish white shirting medium counts. Not com- parable.

(11) Letter ERS/ML., dated the 19th December, 1935, from the United Kingdom Cotton Textile Delegation.

During the oral hearing of the United Kingdom Delegates on December 12th, 13th and 14th, a number of points were raised upon which further information was desired by the Board.

In regard to the whole question of comparable goods, which was mentioned in more than one connection, I am writing the President a separate letter.

I have also sent the President a confidential letter on the subject of the basis upon which the United Kingdom Delegates secured the Indian prices given in their comparative tables.

The purpose of this letter to you is to give information on the remaining points, and I do so below, *seriatim*:—

1. We were asked to verify the price of the United Kingdom Line "84", imported by Messrs. Grahams. This was referred to in the Bombay Millowners' Association list under numbers 10 and 11. It was also mentioned in Example 1 of Annexure 3 attached to our reply to the Bombay Millowners' Cases.

Our reply is that we have a letter in our possession from Messrs. Grahams, dated the 6th December, confirming the *ex-godown* price of this style as Rs. 2-6 in August.

2. We were asked to obtain a price for item No. 12 in the Bombay Millowners' Association List. This is Messrs. Ralli's quality "2301".

They confirm price and particulars as follows:—

40, 42 and 44 × 10 yards, $\frac{1}{4}$ " colour, bazaar price on 28th August Rs. 1-14 average.

For 39"/9 yards 7/16 colour, the bazaar price on the same date was Rs. 1-8-3.

3. We were asked to check the prices given in the Bombay Millowners' Association list for their items Nos. 19 and 20.

In reply, we would point out that these two United Kingdom lines are of the same quality in different widths. As a matter of fact, No. 20 is a cloth of 51", and not 52" as given by the Millowners. Full particulars of item No. 19 appear in the Madras Chamber's evidence, to which we therefore refer the Board. No. 20 can be calculated if necessary, form No. 19.

4. We were asked to state if the Khaki Twill mentioned in our Example S. M. 8/3 was still on the market, and if so the date of the last sale.

In reply, we understand that only as odd package of two have not passed into consumption. The particulars are as follows—64 × 64, 38s and 26s. In our S. M. 8/3 we stated the last sale was on 2nd August, 1935, at Rs. 6-15-1 c.i.f.c.i. This should have read 30th January, 1935, at Rs. 6-12-10 c.i.f.c.i.

5. In connection with our Example S. M. 8/9, we were asked to confirm whether or not the four United Kingdom White Mulls were on the market.

We have ascertained that these four qualities have not been dealt in since 1929.

6. In the course of examination on our Example S. M. 8/11, we were asked for further data, and in reply we give the following extract from a letter furnished to us by the importers:—

"With regard to Nainsook No. 7851, this number is not on the market. The last purchase made was on the 2nd January, 1930, at 3s. 3½d. The sale was made at a loss, namely, at 3s. The quality was probably on the market up to about 2 years ago. Specifications are as follows; 24", 15½ × 10, 38/44."

7. In connection with our Example S. M. 8/12, we were asked to give the particulars of this quality, and to say whether any of the United Kingdom White Mulls quoted in the Bombay Millowners' List were comparable with the United Kingdom White Mull mentioned in our Example.

Our reply is that there is a certain degree of comparability between this quality and quality 66666 (No. 25 in the Millowners' List), and at any moment one may have sold in preference to the other. However, we have it from both suppliers that their respective qualities have declined almost to vanishing point owing to Indian mill competition, so that the question of competition between two United Kingdom styles hardly arises.

8. We were asked to furnish counts of yarn as well as reed and pick for several of the supplementary samples we had handed in. The following gives the key number of the samples and the information required:—

- S. M. 8/1—Enquiries being made in Manchester.
- S. M. 8/2—Enquiries being made in Manchester.
- S. M. 8/3—64 × 64, 38s and 26s.
- S. M. 8/4—64 × 56, 60s and 80s.
- S. M. 8/5—Enquiries being made in Manchester.
- S. M. 8/6—76 × 76, 30s and 32s.
- S. M. 8/7—62 × 48, 36s and 36s.
- S. M. 8/8—52 × 42, 38s and 42s.
- S. M. 8/9—All styles, 38s and 46s
- S. M. 8/10—38s and 46s.
- S. M. 8/11—15½ × 10, 38s and 44s.
- S. M. 8/12—44s and 44s.
- S. M. 8/13—44s and 54s.
- S. M. 8/14—32s and 32s.

9. We were asked, both in regard to yarns and piecegoods, to obtain price quotations from March, 1934, onwards, and we suggested that if such information was handed in at all it should go back to 1931 in order to bear on the issues at stake. We hope to communicate with you further on this matter.

10. In regard to our Example S. M. 8/5, we were asked to state to what extent this United Kingdom quality was still on the market.

Our reply is that we have ascertained that the last United Kingdom sale contract was in March, 1935, since when no business has been placed.

11. We were asked to name the supplier or maker of the Indian style quoted in our S. M. 8/2.

In reply, we are informed that the name in question is Standard Mills.

12. We were asked, in regard to Section V of our Responses to the Bombay Millowners Cases (Artificial Silk Fabrics and Mixtures) to report the names of the maker of the Indian sample. This we find to be Madhowji Dharmasi Manufacturing Co., Ltd.

13. Reference was made during our oral examination to the extent to which United Kingdom imports of nainsooks into Bombay had or had not become negligible.

We have obtained from the Customs the following records of total importations of nainsooks for the last 4½ years, which in our opinion support our contention that the trade is virtually dead:—

Nainsooks—Imports from the United Kingdom to Bombay.

Year.	Quantity (Yds.).
1931-32	375,881
1932-33	595,173
1933-34	264,627
1934-35	532,298
1935-36 (8 months, April to November, 1935) .	191,853

(12) *Letter TD-ML., dated the 21st December, 1935, from the United Kingdom Cotton Textile Delegation.*

I promised you a separate note replying to the question addressed to the United Kingdom witnesses touching Cotton Yarns; and I am now writing accordingly.

We have carefully examined the yarn samples held by the Tariff Board, but have been unable to find United Kingdom and Indian yarns which are comparable to a reasonable degree. The United Kingdom samples furnished by the Millowners' Association are not to be found on the market in Bombay, but the Madras Chamber can furnish some information through Mr. Ranganathan.

The Indian yarns 60s to 100s vary exceedingly in both strength and price at the intermittent periods at which they appear. They seem to be made from different cottons from one time to another.

The Madura mill samples, with two exceptions, were not offered for sale, nor were they made from yarns regularly in work nor even from cotton mixings in regular use. They were samples made from a few bales of cotton purchased specially to match the United Kingdom yarns sold on the Madras market. This information is we believe already in your possession. We have collaborated with the Madras Chamber as regards twist and strength tests, and have arranged that Mr. Ranganathan, who has a close knowledge of these yarns, will furnish full information.

The same applies to the question on prices of imported yarns, on which the Madras Chamber (or Mr. Ranganathan) will supply a chart.

Replying to the question as to the extent to which a 50s yarn can be substituted by a finer one, we find that a 52s twist of good quality has been used in place of 50s. This substitution is not considered advisable in a higher count than 54s.

Further to our Example 1 of Annex 2, we find that a *second* quality of Kohinoor yarn has been sold at 15.9 annas per lb., and a *second* quality of Textile at 15.3 annas per lb. in addition to the yarn already mentioned sold by Madura mills at 16.0 annas and 15.5 annas per lb.

All these yarns are sold against 60s "Woodcutter" Brand.

A higher quality of Kohinoor yarn with a guaranteed strength was sold at 18.5 annas per lb. This yarn is superior to "Woodcutter" Brand.

All the prices given are of recent date.

(13) *Letter dated the 26th December, 1935, from the United Kingdom Cotton Textile Delegation.*

We are now able to give the counts of yarn of some of the samples in the S. M. 8 series which had to be obtained from Manchester. They are as follows:—

S. M. 8/1—60s and 54s.

S. M. 8/2—38s and 36s.

S. M. 8/5—60s and 54s.

We shall be much obliged if you will add these figures to the relevant schedules.

(14) *Letter ML., dated the 26th December, 1935, from the United Kingdom Cotton Textile Delegation.*

You have agreed that we may comment in writing about the evidence of other witnesses, and I now wish to do so in regard to the Ahmedabad Millowners' case. We disagree with several of their statements, and even more so with their interpretations of the situation. As I have no short-hand record, I must confine myself to the main questions of which we were able to take a long-hand note.

The question of the complete examination of imports was much discussed in relation to the equation of fair selling prices. We contend that the elimination of United Kingdom imports, apart from its desirability or otherwise, and whether immediate or gradual, cannot possibly be taken into consideration by the Board in view of its terms of reference. To argue that equation of fair selling prices implies elimination of our exports flagrantly disregards the only possible meaning of the word "equation".

The Millowners' replies generally on the terms of reference were equally open to objection from our point of view. We hold that the period to be reviewed retrospectively by the Board must go back at least to the time before the present rates of duty became effective, since otherwise there is no basis of comparison on which to judge their effectiveness. As regards whether the Board should found their price comparisons primarily on a selection of imported goods or on one of mill productions, we suggest it is unjustifiable to confine the investigation to those goods which are only being imported at the moment, since it is the Board's duty to equate the prices of the goods which would be imported when the equation was an established fact, and it is a legitimate part of our case that if, as we contend, the present duties are unduly restrictive, they will be preventing the sale of some goods which, under the equation of fair selling prices, we should have a chance to sell. To take only goods imported at present is therefore tantamount to giving a negative answer to our case before it has been investigated. To lay all the emphasis on imported goods is as unfair as to lay all the emphasis on goods covered by the phrase "produced in India", and we maintain that both should be given fair consideration.

Taking this view, we regard the table of comparative prices submitted by the Ahmedabad Millowners as wholly unacceptable, for the same reasons as given in our notes on the Bombay Millowners' Case. We recall that the Bombay Millowners withdrew their table, and we certainly do not think that the answers given on behalf of the Ahmedabad Millowners, particularly to Mr. Mudaliar's questions, were such as to justify the Board in retaining their table for serious consideration. As numerous items in the Ahmedabad list are the same as those in the Bombay Millowners' list and their Appendix F, we would again draw attention to our comments thereon in earlier communications to the Board.

To claim, for instance, that the table was reliable as an indication that the present duties could not be lowered, when it contained margins which, if they were true to-day, would imply the complete inability of their mills to compete with United Kingdom imports, is unreasonable. It was suggested that one reason why the prices were on the high side might be that they had over-estimated the quality of the cotton used. As most of the items included in the list were for counts being used on a large scale in Ahmedabad such errors, which might be possible in higher counts or to people unfamiliar with the trade, cannot have been made, or if made, would have been inexcusable.

For example, to suggest that such an error might have arisen with a white nainsook of 40s counts when the Millowners themselves had admitted that this trade is practically in the hands of the Indian Mills, is patently absurd.

On more than one occasion reference was made to the increase in imports of bleached goods under the headings of "jaconets, madapollams, cambries and muslins" and "unspecified sundries". Whilst there may have been an increase in one or two headings up to March, 1934, we submit that the volume involved is an inconsiderable part of the whole trade in bleached goods, which has suffered a serious decline, and unless the Tariff Board is adopting the principle of elaborate sub-division of categories, we contend that deviations from a clearly marked general tendency cannot be considered as valid evidence. We should like to refer you to the line for bleached goods in the chart submitted, showing the trend of trade in each category, and to our remarks about bleached goods in our notes on the Millowners' case. The statement made by the Millowners that the United Kingdom

can compete with the Japanese in white mulls is highly misleading: in the sorts done by Japan, United Kingdom goods are quite non-competitive.

We should disagree almost entirely with the whole trend of the Mill-owners' remarks about printed goods. They argue that a specially high duty is necessary. We believe that this would only accentuate a tendency which has been marked under the present duty, for substitution of printed goods by other types, principally Japanese artificial silks. The print trade in India will only survive if prints are within the reach of the consumer's purse. We believe India can and will make gradual progress under a reasonable duty, and progress is not debarred by the United Kingdom prices, which in printed goods particularly are much higher than those of Japan. We equally believe that Indian progress in dyed goods, which has already been marked, would continue with a lower rate of duty.

Much weight was placed on figures indicating that the consumption of dhotis had been relatively stable. While it is true that consumption has remained practically stationary for the last few years, it is unjustifiable to base any argument on the assumption that it will remain so in future years.

Several questions were asked about whether the realised prices of Indian mills were lower than the levels at which the existing protective duties should theoretically have made it possible to maintain them. This was admitted to be frequently the case, and we feel justified in underlining the fair inference that if Indian mills are doing less well this year than last year, the cause is to be found in internal competition. That the cause cannot be found in United Kingdom competition is brought out firstly in our declining imports, this year, and secondly in the fact that in the preceding years of the period under review (whilst United Kingdom duties have been unchanged) the Ahmedabad mills in particular showed very good results.

We feel that the Board should give close thought to the question of internal competition, which operates so strongly that a reduction in United Kingdom duties might not actually debase realised prices or impede the profit-earning powers of Indian mills.

Mr. Kasturbhai Lalbhai made the statement that he had sold 2/60s and 2/64s in the open market. This implies that he is able to compete against the Japanese and Chinese, who virtually monopolise the import trade in these counts. As the United Kingdom prices are so far above the Japanese a reduction in the United Kingdom import duty would in no way adversely affect the Indian mills. If Ahmedabad can compete with the Far East in this way, we think we can justly surmise that they could equally do so in neighbouring counts. On this basis, it is surely clear that they have no need of protective duties against United Kingdom imports.

If the Board intend to place great weight on the raw cotton aspects, we suggest that they should make further enquiries about the statements made at Ahmedabad: A growth of long stapled cotton in India has not yet been truly successful, even on a small scale, as the price margins on Broach would show. An increased consumption of Indian cotton, quoted in isolation, is hardly sufficient to support the Indian case for increased protection. It should be taken in conjunction with the increased consumption of imported cotton, and viewed in relation to the price the consumer, particularly the cotton grower, has to pay for protection of the industry. We doubt if the Indian cotton grower owes as much to the Indian industry as the answers at Ahmedabad would suggest, or as the original objects of protection implied as desirable. Indian production of cotton piecegoods in the last seven years has increased by over 70 per cent., but their consumption of Indian cotton has only increased by 45 per cent.

Statements were made that certain developments in Lancashire implied reductions of selling prices in the Indian market. The wages cut in October, 1932, was referred to, as also reduced bleaching, finishing and printing charges; reduction in the dyestuffs import duty; the schemes to deal with redundancy; and the increase in looms per weaver. We maintain all these

points are untenable as arguments against a reduction in the duty on United Kingdom goods. The current selling prices which are the basis of the present investigation embody the consequences of all developments up to date, whether wage cuts or reductions in charges, or increases of charges (such as have in fact occurred in printing). As the Board is working on present prices, references to past changes in costs are quite irrelevant.

As regards the possible effect of any of the schemes under consideration in Lancashire to deal with redundancy, we can assert as a fact that they will not be pursued at all unless they definitely assure maintenance or increase of price levels, that being the principal object of their promoters.

Casual mention was made of a written statement from Lancashire as to India's present ability to produce all types of goods. The point was probably intended as an unimportant aside, but in case there should be any misunderstanding, it may be as well to state that no written statement was supplied to the Millowners as such on any question of principle. I can only suppose the reference was to the fact that, on completing a visit to the Arvind Mill, I was invited to write a comment in the Visitors' Book. I wrote that I was amazed at the progress of the last few years, and congratulated those responsible or words to that effect.

(15) *Letter ML., dated the 26th December, 1935, from the United Kingdom Cotton Textile Delegation.*

May I refer to the statement made by the witnesses from the Millowners' Association, Bombay, on the 19th instant?

If we correctly understood the statements they made under cross-examination, the Millowners' Association have expressed themselves as being desirous of resting their main case so far as price comparisons are concerned upon their Appendix F. We understood them to agree that the price comparisons in their printed Supplementary Statement should not be further considered by the Board.

Leaving aside questions of costings and financial results, and other matters with which the Board may have to deal, we have felt that in view of the importance which now attaches to Appendix F, the Board might wish us to furnish some considered observations thereon. We are aware that a copy of this Appendix has been sent for comment to the Bombay Chamber of Commerce, and possibly to the other Chambers. The comments of the Chambers may cover the same points as ours, but notwithstanding this risk of repetition, we feel the Board may prefer to have a comprehensive statement from us.

I enclose complete notes on the Appendix, and would like in addition to make certain general comments.

We should contend that the document is not one which would justify a decision in favour of the Millowners' Case, quite apart from the fact that many of the individual items, standing alone do not point to a duty such as the Millowners recommend.

The form chosen for the setting out of the details, to our mind, calls for some scrutiny. For instance, we should like to suggest that the Board should ascertain why a wholesale price is quoted for United Kingdom cloths, and a realisation price for Bombay mill cloths. The latter may not be strictly comparable with the former, or else the phraseology might be more precise. Some of the prices given for United Kingdom cloths, notwithstanding the general heading of "Wholesale price" are noted as being "c.i.f.c.i.", others "ex-godown", and others again "less discount" or "retail". This lack of a constant price basis detracts from the usefulness and the reliability of the schedule. In any event, we should contend that a c.i.f.c.i. price is the only basis for the United Kingdom side in the case of comparable goods, since the wholesale price may vary with market conditions.

We fail to understand why the Millowners include in their schedule a bleached nainsook of the Tata Mills and a grey dhoti of the Sir Shapurji

Broacha Mills, without any comparable United Kingdom style in the opposite column: or why an Indian dyed voile should be included when it has not been sold: or why other items are inserted for which, apparently, prices cannot be given.

We note with some surprise the inclusion of two samples from the Rangoon market, to which one would hardly have thought it necessary to turn with the larger markets nearer at hand.

As our detailed comments on the various qualities show, there are several in which only a trade of small dimensions has been done. We have made the point elsewhere that in dealing with comparable goods, the Board should bear in mind whether any particular comparison represents a substantial volume of trade or not, and we certainly think that some of the items included in Appendix F do not merit the consideration which might have been justified had they been related to well-known styles sold regularly in fair quantities.

We observe that all the Indian prices given in our copy of Appendix F are "realisation prices", but we gather the Board has been furnished with the prices the Millowners would regard as "fair selling prices". Subject to such checks as we have made, and others which the Board will doubtless make, the "realisation prices" can presumably be accepted. We wish to make the point, however, that we have not been allowed to comment on the so-called "fair selling prices" (quite properly, as this would constitute trade information) and we can only leave the scrutiny thereof to the Board. We venture in this connection to reiterate our view that, where any margin is claimed between "realised prices" and "fair selling prices" something more than mill costings should be examined. In particular, if mills are making profits, as some in Appendix F are, we fail to see how they can put in higher prices as fair selling prices. If it suits them to sell certain styles at certain prices, those, we maintain, are the prices we have to meet in competition, and the price which should in equity be equated with actual United Kingdom selling prices.

If the price margins revealed in Appendix F, after equalising different dimensions, are held to support the case for the retention of the present levels of duties, our submission would be that the examples have been chosen with that end in view. The Board, we contend, will have to bring into consideration many other examples, including those furnished by the Chambers of Commerce and ourselves. We think the Millowners' selection is legitimately open to the challenge that it would lead a casual reader to suppose that the Indian mills would not be able to compete in certain styles, whereas the known progress of the Indian industry proves the contrary. The explanation lies in the choice made of lines to be included, and the Board will be able to put every example to the test of volume of trade transacted.

Moreover, we do not think it unfair to say that if such margins existed generally as the Millowners claim in their principal submission, they would surely have been well able to produce a more substantial list of examples, working as they are on their own ground with all the resources of their offices and sales organisations at their disposal.

Enclosure.

NOTES BY THE UNITED KINGDOM DELEGATION ON APPENDIX F OF THE MILLOWNERS' ASSOCIATION'S REPRESENTATION.

1. *Khatau Makanji's Bleached Silk Bordered Dhoti, No. 8014*.—The comparable United Kingdom style given is incorrectly recorded. The particulars should read 80s and 110s, 81 × 70. It is a white yarn dhoti and would only become comparable with the Indian style after local bleaching, cost of which would be $\frac{3}{4}$ annas per pair.

The United Kingdom style has sold in such small quantities (not exceeding 30 cases in 1934) as to make it quite impossible for it to have inter-

between the Millowners' Association, Bombay, and the British Textile Mission, the Government of India departed from that basis in the case of Yarn. The Agreement with the Lancashire Delegation provided that the specific duty of $1\frac{1}{4}$ annas should be retained on all counts of yarn. The Indian Industry is definitely of the opinion that, on the basis of costs, Indian Mills are very inadequately protected against the United Kingdom in counts of yarns over 40s. In counts below 40s for many years, she has not been a substantial supplier to the Indian Market. In counts over 40s but she has lost ground, not on account of effective Indian competition, but owing to Chinese and Japanese competition. In very fine counts, although Indian Mills are producing larger quantities than they have done in the past, this larger production is still being chiefly absorbed by the weaving section of the Indian Mill Industry, and such yarn as is available for sale has had to be sold at unremunerative rates.

The anomaly of Indian Mills being able to purchase certain counts of yarns cheaper than they could manufacture themselves has been referred to in our answers to the questionnaire. It is perhaps necessary to point out quite clearly that the removal of the specific duty on counts over 50s, which might have been expected to assist the United Kingdom, has not had that effect owing to the growth of Chinese and Japanese competition in the 50s-60s range. Previous to the removal of the specific duty, the imports of 50s and 60s yarn from China and Japan were practically *nil*.

Ostensibly, the rates of duties on yarns have been fixed at the existing levels for the benefit of the Handloom Industry. It is the contention of this Association and the Indian Spinning Industry as a whole that the inadequate protection which has been given to the Indian Spinning Mills, as far as medium and fine count yarns are concerned, both against the United Kingdom, and China and Japan, will eventually react to the Handloom Industry's disadvantage. This portion of the Industry's case is fully dealt with in the separate representation which has been submitted on behalf of the spinning section of the Industry.

13. To a certain extent, the considerations advanced in respect of cloth in paragraph 6 also apply to Yarn. There are considerable differences between yarns of the counts ordinarily imported from the United Kingdom and yarns of similar counts produced in India. One of the chief reasons for these differences is that the English yarns are chiefly mule yarns, and the Indian yarns against which they compete are mainly ring yarns. In attempting to make a comparison between English yarn costs and Indian fair selling prices in the same count, this fact must be borne in mind. We have taken out costings of a range of English yarns, but Indian costs are for ring yarns with normal turns per inch and normal strength test. The basis of costings adopted is the same as in the case of cloth, namely, bare cost *plus* allowance for depreciation, interest on working capital and profit on a uniform scale. A summary of the comparative costs are given below. The details will be found in Appendix G.*

Count of Yarn imported from United Kingdom.	Wholesale Selling Price \pounds at the end of August.	Fair Selling Price of Indian Yarn.
	(In annas per pound)	(In annas per pound)
1. 60 Grey Yarn "Woodcutter" brand . . .	17-02	20-38
2. 50s Grey Yarn "Bucket" brand . . .	14-8	16-36
3. 70s Grey Yarn "Bhut" brand . . .	19-25	26-23

* Not printed—Confidential.

11. *New Great Eastern Mill's Bleached Mull, No. 826.*—This Indian mill style for Calcutta is very similar to several Bombay styles in which United Kingdom competition has been swamped.

12. *New Great Eastern Mill's Satin Patti Boski, No. 1596.*—The United Kingdom style given is a split. Produced in full selvedge, the price would be approximately 4 pies higher.

13. *New Great Eastern Mill's Grey Mull, A. 50.*—The United Kingdom style given is a Rangoon one. We therefore have no means of obtaining comment.

14. *New Great Eastern Mill's Khaki Shirting, No. 1673.*—This quality is also taken by Rangoon. The same quality in 30" width (No. 6099) is being retailed in the New Great Eastern Company's Bombay shop at 5 annas per yard.

15. *New Great Eastern Mill's Dyed Poplin, No. 1468.*—Our information is that business in the United Kingdom style quoted is practically extinct.

16. *Finlay Mill's Bleached Dhoty.*—The importers of the United Kingdom style state that they suffer competition from another Indian line, *viz.*, Standard Mills "Naya Sagar", 50", 2/8 yds., last sold at Rs. 2-6 in contrast with Finlay's price of Rs. 2-9.

17. *New City of Bombay Mill's Grey Dhoty.*—The last of the three United Kingdom styles has only been done in small quantities.

The United Kingdom styles are of counts from 60s and 70s to 70s and 90s, as against the Indian counts of 30s and 40s. This difference is too wide to admit into a schedule of comparable goods.

With reference to this item, Calcutta reports on 16th December that the following sales of Indian mill dhotis have been made by the Indian Manufacturing Company and Kesari Mills:—

24s and 32s, 30s and 40s—12,000 bales on the basis of 44 inches 10 yards, 12 annas 3 pies per pair, and 14 annas 6 pies per lb. respectively *ex-mill*.

Specification weights—24s and 32s, 2 lbs., 30s and 40s, 1 lb. 11 oz.

So large a sale hardly supports the suggestion that United Kingdom competition is being seriously felt.

18. *Sir Shapurji Broacha Mill's Grey Dhoty, No. 1741.*—No. United Kingdom style is given. The sample of the Indian style is a bleached dhoty, although listed as a grey. Similar Indian mill qualities are selling freely, which disposes of any suggestion that United Kingdom competition is proving serious. We may mention the following:—

Khatau Mill's "Tavangar", 49/50", 8 yds., Rs. 2-1-7 Bazaar price;
Edsu Mill's "Gujarat-nu-Gaorav", 50", 8 yds., Rs. 1-13-6 Bazaar price.

19. *Sir Shapurji Broacha Mill's Grey Dhoty, No. 2148.*—The same remarks apply to this as to item No. 17 hereof.

20. *Jacob Sassoon Mill's Grey Mull, 22 x 22.*—Ralli's 2 Hares is a 49" cloth, not 50" as mentioned, and weft yarn is 60s, not 66s, whilst the quarter-inch counting is 22 x 22 nominal. Ralli's Mongoose is of width as stated, but particulars similar to 2 Hares. 2 Hares price is correct, and style is running: Mongoose was last sold in May and August at Rs. 5-12-0, the price given in the Appendix is correct as a Bazaar price.

21. *Jacob Sassoon Mill's Bleached Mull, A. 250/R.*—The particulars of the contrasted United Kingdom styles are recorded incorrectly—see remarks regarding same United Kingdom cloths under item 3 hereof.

22. *Jacob Sassoon Mill's Parametta Twill, L. B. 400.*—The price quotations, which are checked as correct, suggest that no protective duty is required.

23. *Jacob Sassoon Mill's Chocolate Printed Jean, 2761D.*—United Kingdom style—the width should be 26" split, and not 27" full selvedge as stated. For the latter the price would be 5 pies per yard more. Indian mills are

unable to make progress in this style, not because of United Kingdom imports, which are rapidly declining, but because the Japanese have virtually captured the market.

24. *Jacob Sassoon's Mill's Lustre Striped Jean, L. S. S. 54.*—Our measurements of the Indian quality yield 28" perfect selvedge, not 54" as stated. Possibly the sample was only submitted for quality. The absence of particulars for the United Kingdom style makes comparison impossible, and the importer is unknown.

25. *Jacob Sassoon Mill's Bleached Longcloth, FFFFFF.*—No price is given for the Indian style, and no dimensions for the United Kingdom quality, which is a new quality only going in small quantities. It is considered that United Kingdom quality BBBB, referred to in item 7 hereof, is a better match for the Indian FFFFFF.

26. *Jacob Sassoon Mill's Bleached Mull, QQQQ.*—A United Kingdom Bleached Nainsook is contrasted with an Indian Mull. The finish is different and comparison barely justified. The absence of a United Kingdom price makes comparison impossible until same is obtained in Calcutta.

27. *Jacob Sassoon Mill's Bleached Jaconet, M. 22/47 A.*—Calcutta style—comment not obtainable by us in Bombay.

28. *Jacob Sassoon Mill's Grey Mull, No. 616.*—Width of United Kingdom quality should be 42", not 40" as stated, weft 40s, not 48s, reed and pick (quarter inch) 20×18. Bengal Chamber's case gives full and correct particulars.

29. *Jacob Sassoon Mill's Printed voile, M. J. 356 R.*—The Indian sample is a much heavier quality than the United Kingdom. A nearer match of the latter would be the same Indian Mill's cloth submitted by us as S. M. 8/203, which sells at 3 annas 9 pies per yard, as against 5 annas.

30. *Jacob Sassoon Mill's Dyed voile, M. J. 3356 J.*—The price given for the Indian style is dated 1934, but the cloth is available retail in the bazaar at 4 annas per yard, which suggests a lower wholesale price at present.

31. *Jacob Sassoon Mill's Bleached voile, H. S. 50 (URVASHI).*—Indian price is dated 1934.

32. *Mill "A" Bengal—Grey dhoty, 80½ × 80½.*—The United Kingdom style is one of Graham's standard Calcutta qualities. Yarns should be 32s and 50s, not 30s and 56s; reed and pick 18 × 15 quarter inch, not 64 × 56. Graham's experience is that other Indian qualities are affecting their sales. See page 13 Bengal Chamber of Commerce case. Two further Indian competitors may be quoted, viz., Indian Manufacturing Company, No. 2699, and Kohinoor No. 5501, which have been sold in early December at Rs. 1-9-0 and Rs. 1-10-0 respectively.

The Indian price for the Mill "A" cloth is not given.

33. *Mill "A" Bengal, Bleached Longcloth, No. 118.*—No Indian price given. We consider another Indian style is a close comparison. This is Morarji Goculdas No. B. P. S. 194, 33", 40 yds. price in Amritsar Bazaar early December, Rs. 10-4-0.

The United Kingdom style, a Ralli Calcutta standard, is incorrectly recorded. Reed should be 82, and pick 75, weft should be 36s not 40s.

34. *Khatun Makanji's Dyed voile, No. 674.*—The contrasted United Kingdom style, though unnamed, and not sampled, is so similar in particulars to the United Kingdom Agrada cloth in item 30 hereof as to make it almost identical. Yet here the United Kingdom price is given as 3 annas per yard, presumably wholesale, and in item 30 the price is 3½ pence c.i.f.c.i. The latter price we know to be correct. On the basis of the price given for Agrada, the wholesale price for this item would be at least 3 annas 10½ pies.

35. *Khatun Makanji's Dyed voile, No. 546.*—No Indian price; comparison impossible. United Kingdom cloth particulars incorrect—reed and pick

55 x 52, not 100 x 52. There are several Indian mills producing voiles of this general character through the last three years, including Standard, Nadiad, E. D. Sassoon group, and certain Ahmedabad mills. The inclusion of this cloth and the preceding one in a list of Indian styles said to be ousted by United Kingdom competition is not justified. The Board may care to call for figures of voile production.

ADDENDA.

1. We send herewith the following samples referred to in various items above:—

- (a) The Naya Sagar cloth referred to in item 16.
- (b) The B. P. S. 194 referred to in item 33.
- (c) A sample of an Indian mill quality very similar to Finlay Mill's bleached dhoty in item 16. It is Empress Mill's No. F. 6708/2, 49/50", 8 yards, 18 x 17. Bazaar price second week in December, Rs. 2-4-7.
- (d) E. D. Sassoon's 565 as mentioned in item 6.
- (e) Khatau Makanji's No. 3027 as mentioned in item 10.
- (f) Swadeshi Mill No. 22013Y as mentioned in item 10.
- (g) Khatau Mills, Tavangar, as mentioned in item 18.
- (h) Edsu Mills Gujarat-nu-Gaorav mentioned in item 18.

2. Sample of Graham's No. 4850 has already been handed in to the Board's Technical Adviser.

(16) *Letter dated the 16th February, 1936, from United Kingdom Cotton Textile Delegation.*

When I was in Calcutta on Thursday you asked me what percentage it would be necessary to add to the c.i.f. prices in our comparative Price Table, to bring them to a c.i.f.c.i. basis. The answer is between 5-6½ per cent. made up as follows:—

	Per cent.
Commission, Manchester	1½—2
Commission, India	1½—2
Interest 90 d/s at 6 per cent.	1½—1½
Finance Charges	½—1
	<hr/> 5—6½ <hr/>

C.i.f.c.i. means Cost-Insurance-Freight-Commission-Interest. This is the basis on which all goods are sold, though the actual percentages may differ slightly between firms. If you remember this query was in connection with an explanatory note to our Evidence.



सत्यमेव जयते