This Chapter continues the narration left in the earlier Chapter. The developments from 1900 to 1971 are covered in this chapter and a brief history of the origin and growth of the central organisations in India is given at the end. This period is divided into three separate periods:

1. From 1900-1939
2. From 1939-1947
3. From 1947 onwards

I. THE PERIOD FROM 1900-1939

3.1 Historical Background

India at the turn of the Century had a typical colonial economy. Because of the competition of imported factory made cheap goods, the indigenous industries were dying out. There were no roads and railways were primarily designed to carry troops for maintaining law and order. The railway freight structure was so framed as to favour the movement of raw materials from the interior to ports and of finished goods from the ports to the markets in the hinterland. Foreign shipping monopolised the coastal and overseas trade. Apart from foreign competition, sale of home products suffered from many handicaps such as lack
of finance, standardisation and bulk handling. Banking was restricted to port towns and a few industrial towns in the interior. Coal was the chief source of motive power and electric power was generally unknown.

Indian entrepreneurs had entered modern industries like cotton mill industry, paper industry, rice hulling and oil crushing during this time. But there were many problems in the Indian entering into industries, like dearth of capital, absence of technical know-how, managerial skills and shortage of skilled industrial labour. Threat of foreign competition was always there in all fields.

The British administration was invariably guided by considerations of interests of their own country. Thus they saw to it that no impediments were placed in the movement of raw materials from India to U.K. and of finished products from U.K. to India. The non-Indian Chambers of Commerce supported these policies of the Government. They had a whip-hand in deciding fiscal and commercial policies of the then Governments.

The British administration and the non-Indian Chambers of Commerce were advocating laissez faire policies. Under the pretext of this theory, it was insisted that what was good for U.K. must be good for India also. A glaring example of this was provided by the historic despatch of Lord Morley in 1910.
In 1905, when there was a move to encourage Indian industries and some steps were taken to set up department of industries, this was viewed with great concern in London and the outcome was the historic despatch of Lord Morley (1910). He refused to permit the use of State Funds, except for familiarising the people with the methods of production. He insisted that it must be left to the private sector to demonstrate the commercial advantage of these methods. The results of this policy was naturally economic stagnation.

This economic stagnation and the consequent frustration gave rise to Indian nationalism. Indian National Congress was founded in 1885 and it grew in influence and stature under the leadership of political stalwarts like Lokmanya Tilak, Dadabhoi Nowroji and Justice Ranade. The writings and speeches of these patriots and the discussions of the Indian Industrial Conferences, which were being held then, roused economic consciousness and kindled among the business community of the day a burning fervour to liberate Indian industry, trade and commerce from the shackles of foreign domination. It was this fervour that took a concrete shape in the organisation of Indian Merchants' Chamber in Bombay in 1907.

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1 Indian Merchants' Chamber, Fifty Years (1907-1957), 1958, p. 5.
3.2 Indian Merchants' Chamber

The Indian Merchants' Chamber and Bureau was organised and established on 7th September 1907 as a body which was to concern itself not only with local and regional problems but also to represent the views of all Indian Trade, Commerce and Industry. Sir Munmohandas Ramji, who was then the Chairman of the Bombay Native Piecegoods Merchants' Association took a lead in establishing the Chamber and he was assisted in this task by Late Sir Purshotamdas Thakurdas, Late Sir Dinshaw Wacha, Late Sir Ibrahim Rahimtoola and other prominent Indians. The Bombay Native Piecegoods Merchants' Association enlisted the first one hundred members for Indian Merchants' Chamber and also helped the Chamber greatly in its initial stages.

With this encouraging start, the Chamber had no difficulty in growing gradually into an outstanding Swadeshi institution, serving the interests of the business community, and the country. It met with all round support and even in its first year had on its roll, leading and influential businessmen, merchants, engineers, bankers, insurers and manufacturers numbering in all as many as 158.

The struggle of Indian Merchants' Chamber in its initial years was directed to a large extent towards educating public opinion and towards securing recognition of the views and the rights of Indian business community.
Thus during the very first two years, the Chamber handled such subjects like representation of the Chamber on the Board of Trustees of the Port of Bombay, representation on the Indian Legislative Council and the Provincial Councils, the imposition of town duties, wagon shortage, position of Indians in South Africa, question of Indian firms trading under European names, introduction of Trade Marks Registration Law, changes in the Companies Act and so on.

By the time the Chamber entered into its eighth year, it had many things to its credit. Thus it was allowed to nominate one member to the Imperial Council. The Chamber had the privilege of presenting addresses of welcome and farewell to the heads of the Governments such as His Majesty The King Emperor and several Viceroy, a privilege enjoyed by very few associations during those days. The Chairman of the Chamber had the distinction of being entitled to "Private Entrance to levies of the Government of Bombay". The Chamber also succeeded in forcing the Government to include some of its suggestions in the Companies Act and in the Act on Patents and Designs. It also made a proposal to the Government for establishing a State Bank of India.

Throughout this period, the Chamber attempted to

1 ibid., p. 9.
safeguard the interests of indigenous economic interests and tried to educate the public opinion on the economic problems of the day. Thus the Chamber took up a number of problems relating to Indian Currency and Finance, railways, customs, industries, general trade, shipping, banking, insurance, etc. For instance, in 1911-12, the Chamber took up the problem of undue preference given to certain firms by the railways in the allocation of wagons. In order to encourage industrialisation of the country, the Chamber felt that fiscal autonomy and tariff protection was necessary and fought for this for several years.

"Throughout the history of the Chamber, it had been the active duty of the committee, whoever they may be to combat the *laissez faire* policy and to get recognition for a full fledged protection."¹ A Fiscal Commission was appointed in 1921 which evolved the policy of discriminating protection and the appoint of ad hoc tariff boards. The Chamber appeared before these boards and supported individual claims of different Indian industries like, Iron and Steel, Match, Chemicals, Textiles, Sugar, etc. for protection. In 1924, the Committee of the Chamber directed Sir Purshotamdas Thakurdas, their representative in the Legislative Assembly to give notice for introducing a Bill to amend the Indian Coinage and Paper Currency Act with

¹ *ibid.*, p. 20.
the object of changing the ratio of the rupee from 25 to 15.4d gold. The Chamber was engaged in the famous ratio controversy for quite some time and it had also pleaded for the appointment of a committee with an Indian Chairman and Indian majority to enquire into the appropriateness of the exchange ratio of the rupee. The Chamber represented to the Government during the time to raise the general import tariff from 11 to 12½ and the interested agitation set up by Lancashire Merchants was condemned. The Chamber took great interest in the development of Indian merchant marine. That it criticised the Government apathy in the matter of reservation of coastal trade to Indian Shipping, pleaded for evolving schemes for providing Indian Deck Officers, and training of Indians as Marine Engineers.

Further, the Chamber pleaded for the Indianisation of administrative services, particularly the army, and advocated adoption of a policy of Swadeshism in the supplies and services to the defence forces. It stressed the importance of rapid industrialisation of the country for eradicating poverty and for raising the standard of living of the masses and laid emphasis on the need for developing indigenous banking on modern lines. The Chamber pressed for reorientation of policies governing both the internal and overseas trade and as an adjunct to these policies it called for a coordinated system of transport
for improving the nation's economy.

Recognising the importance of commerce education, the Chamber took a lead in setting up the Sydenham College of Commerce at Bombay in 1911. The Chamber was contributing Rs. 1,000 per annum towards the maintenance of the college in its initial years. In 1927, the Chamber constituted Commercial Examination Board to conduct commercial examinations under the auspices of the Chamber. These examinations are conducted even today.

During the inter-war period, a series of committees and commissions were appointed by the Government. These were Indian Bar Committee, Civil Justice Committee, Bombay Reform Committee, Taxation Enquiry Committee, Mercantile Marine Committee, Weights and Measures Committee, Economic Inquiry Committee, External Capital Committee, Royal Commission on Currency and Exchange, Royal Commission on Agriculture, Central and Provincial Banking Enquiry Committee, etc. Many times the personnel of these committees were overweighted with European or reactionary interests or the terms of reference were inadequate to cover all aspects of the problem. The Chamber examined the competence of the personnel appointed on these committees, the suitability of their terms of reference, submitted its views to the commission and its representatives tendered oral evidence before them.

The inter-war period is also noted for the plethora
of legal measures introduced or enacted. These measures were related to Factory Act, Maternity Benefit Act, the Income Tax Act, the Motor Vehicles Act, the Coastal Traffic Reservation Act, Reserve Bank of India Act, the Insurance Act, the Government of India Act, 1935 and a host of others. The period also saw the birth of Imperial Preference and the Ottawa Pact, which raised countrywide protests. The Chamber had to examine all the Acts and other proposals in the context of national interests and submit its views to the Government.

Throughout this period, the Chamber aligned itself with the political movement in the country and it had the courage in making direct references on these matters in the Presidential addresses and in its communications to the Government. The Chamber’s direct involvement in the political matters was also a matter of controversy among the members then. This subject is dealt with separately in a separate section in this chapter.

The foregoing activities are illustrative rather than exhaustive. Apart from these, the Chamber continued to render a variety of common services for their members such as supplying information on various government acts, rules, procedures, providing for commercial arbitration, arranging for weights and measures at the port and acting generally as consultants on industry and trade matters.
industry were associated with this Chamber and thus the Indian Merchants' Chamber was taken to be the chief spokesman of Indian interests during this period. The services rendered by this premier organisation to protect the interests of Indian trade and industry in their early years and the boldness and courage shown by the Chamber in taking up such and other problems certainly deserve a mention in the Indian economic history.

3.3 Chambers of Commerce in other parts of the country

During the inter-war period, a number of Indian Chambers were started. Thus during this period were formed the U.P. Chamber of Commerce, Kanpur (1914), the Mysore Chamber of Commerce (1915), the Indian Chamber of Commerce, Tuticorin (1922), Madura Ramnad Chamber (1923), Andhra Chamber of Commerce (1923), Indian Chamber of Commerce, Calcutta (1925), and Bihar and Orissa Chamber (1926). The activities of these organisations were mainly directed towards protecting Indian interests in trade and industry. In due course, their activities and membership widened and the Government had ultimately to accept these organisations as representatives of national commercial interests.

3.4 Chambers of Commerce in Maharashtra

During this period, four Chambers of Commerce were established in Maharashtra. They were Marwari Chamber of Commerce, Bombay (1914), Maharashtra Chamber of Commerce (1927), Vidarbha Chamber of Commerce and Industry, Akola
(1933) and Mahratta Chamber of Commerce and Industries, Poona (1934).

(a) Marwari Chamber of Commerce

In 1914, this Chamber was founded by a few leading businessmen of the Marwari community. Most of them were engaged in trade and their idea in organising this Chamber was to protect the interests of Marwari business community. The name of the Chamber was changed to Western India Chamber of Commerce, after Independence. It represented a particular community and has not played any significant role in the general development of trade and industry except safeguarding the interests of its own community.

(b) Maharashtra Chamber of Commerce

This is one of the important chambers of commerce in Maharashtra. On 17th and 18th September 1927, Maharashtra Commercial Conference was held at Poona and this conference passed a resolution to establish a chamber of commerce for the region comprising of the Marathi speaking districts and neighbouring princely states, situated in and around the Bombay State. Thus a committee was appointed which drafted the constitution and the chamber was formally inaugurated in October 1927 with its head office at Bombay. In the first year there were 36 members and Seth Walchand Hirachand was elected as the First President.

of the Chamber. The main objects of the Chamber were "to encourage and promote friendly relations and business cooperation among those engaged in trade, commerce, industry, agriculture, transport, banking, mining, insurance, and the like in Maharashtra, to make systematic and organised efforts to promote and achieve the healthy growth and expansion of trade, commerce and industry in Maharashtra."

Justification for having a separate chamber on regional basis has been given by late Seth Walchand Hirachand in his speech delivered at the first quarterly meeting of the Chamber held on 25th January 1928. He has pleaded in this speech for the establishment of chambers in all the provinces of India and the strengthening of their inter-relationship by having a Federal Organisation. He said, "Really speaking, there must be a re-distribution of India's provinces on a linguistic basis, each with a Central Chamber of Commerce and all of them combined into one Federation to represent the economic interests of the country as a whole."¹

Though restricted in its geographical area, the Maharashtra Chamber had not refrained from taking issues of national importance. Through the Presidential addresses and the Committee Resolutions the Chamber criticised the

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¹ Presidential Address delivered at the First Quarterly Meeting of the Maharashtra Chamber of Commerce, Bombay, 25th January 1928.
policies of the British Government and tried to secure a rightful place for the Indian Business and Industry. The Chamber also convened from time to time Maharashtra Commercial Conferences for creating consciousness among the people of Maharashtra regarding the need for commercial and industrial development of the region and for impressing on the Government the importance of a rational and progressive state policy for the development of our economy. Prior to Independence, such conferences were held four times in 1928, 1929, 1931 and in 1933. In 1937, when the Congress Party accepted power in provinces, the Chamber came in close contact with the State Government and assisted the Kher Government in Bombay State in a constructive way to expand the Indian industries and to remove the barriers in the way of the progress of our economy. During this period the Chamber took up the problem of sugar industry in the Deccan and assisted the Sugar factories in Southern Maharashtra to organise themselves into an Association called Deccan Sugar Factories Association.

(c) **Vidarbha Chamber of Commerce and Industry**

The Vidarbha area is known for its cotton and there is a good amount of concentration of cotton trade in the region around Akola. In 1933, the merchants from this region came together and organised Vidarbha Chamber of Commerce and Industry at Akola. The jurisdiction of this
Chamber was then spread over Akola, Amraoti, Buldhana and Yeotmal districts of the then Madhya Pradesh. The object for which the Chamber was established were "to secure the interest and well-being of the Vidarbha business community." Earlier the Chamber was mainly comprised of traders but now a few industries are also its members. The Chamber, in earlier days mainly dealt with problems relating to the marketing of cotton and those relating to the railways. Now it is being broad based from the point of membership as well as its activities.

(d) Mahratta Chamber of Commerce and Industries, Poona.

The Mahratta Chamber of Commerce and Industries came into existence at Poona on 16th March 1934. Unlike other chambers of commerce, which were promoted in other parts of the country by leading merchants and industrialists, this Chamber was promoted by middle class persons as a vehicle for the promotion of Swadeshi enterprise in Maharashtra. The early founders were either professors, journalists or actuaries and later on the business firms joined the Chamber. The objects of the Chamber were to work for commercial and industrial development and economic regeneration of Maharashtra, through local initiative and efforts, to help various persons and institutions in these sectors to solve their difficulties and to infuse confidence in Maharashtrians in the management of modern economic and financial institutions. The field of activities
of Mahratta Chamber was mainly the districts in Southern Maharashtra. This area was not known for any large industries or large-scale commercial activities and therefore during its initial years, the Chamber had very meagre resources and a limited membership. Even then the Chamber took up a number of issues like growth of sugar industry in Maharashtra, protection to hurricane lantern and cocoa industries, problems of powerloom industry, development of roads and railways in Maharashtra, difficulties of trading community regarding Weights and Measures Act and so on. The Chamber submitted memoranda to various committees such as Sales Tax Enquiry Committee, Textile Enquiry Committee, Company Law Committee, Banking Enquiry Committee and others. It also organised various conferences from time to time to consider the difficulties of Maharashtrian industrialists. Among the most important work of the Chamber, which distinguishes it from other similar organisations is the promotion of Bank of Maharashtra in 1935. The establishment of this Bank was "the result of the prolonged deliberations and practical efforts of the Executive Committee of the Chamber in that direction."¹ This bank is now nationalised and is one of the leading banks of our country.

¹ Prospectus of the Bank of Maharashtra, Ltd., 1934.
3.5 Growth of Trade Associations in Maharashtra

The growth of the trade associations, though display general pattern similar to the growth of chambers of commerce, has been directly linked to the growth of various trades and industries in the region. Bombay, being an important commercial centre right from the beginning, gave birth to many trade associations.

In 1910, the private money-lenders from Bombay came together and the Bombay Shroffs Association was founded by them. In 1915, the Bombay Cotton Merchants' and Muccadams' Association was organised. This move was perhaps of self protection - of guarding the interests of the Indian Cotton Merchants in view of the predominance of the foreign firms in the spot cotton market in Bombay.

The regional considerations have also been responsible towards organising such associations. Thus the Deccan Merchants' Association was formed in 1914 to bring together Deccani businessmen in Bombay. For the first few years it organised lectures on commercial topics, arranged social and commercial gatherings and in 1922, it also took a lead in calling the first Maharashtra Commercial Conference under the Presidentship of Shri Balasaheb Pant, the Raja of Aundh. Thereafter this Association ceased to function.

Since long Poona had a large number of printing presses. In 1918 after the First World War, the printers had to face lot of difficulties regarding regular supply of paper, ink, accessories and so on. Therefore, the
printers from Poona city came together and organised themselves into Poona Press Owners' Association in 1919. This Association is still functioning and is rendering a good service to the printing industry in Poona.

Till about 1930, very few associations were formed. But from 1930 onwards a number of them were organised. Thus in 1930, the Indian Engineering Association opened its Western Regional Office in Bombay.

In the years that followed, a number of Trade Associations were formed in Maharashtra. The important among them were: Bombay Kharak Bazar and Mewa Merchants' Association (1930), Bombay Cutlery, Toys, Glass Beads Association (1930), the Indian National Steamship Owners' Association (1930), All India Machinery Merchants' Association (1935), Mill Gin Store Merchants' Association (1936), Customs House Clearing Agents' Association (1937), Indian Motion Picture Producers' Association (1938) and Indian Chemical Manufacturers' Association (1938). All the above Associations had their headquarters at Bombay.

Outside Bombay, during this period, two important trade associations were formed. Sholapur Kapad Vyapari Sangh was formed at Sholapur in 1933. Khamgaon Cotton Dealers' Association was formed at Khamgaon in Vidarbha in the same year. The growth of these associations indicates the growth of cotton trade or textile industry in these cities during this period.
The individual trade associations worked towards evolving correct conventions and rules for observance by members in their dealings and tried to safeguard their interests. For instance, the Mill Gin Stores Merchants' Association fixed the trade discount to be offered by the members to each other, the time limit for making payments for the transactions entered into, the units in which the articles will be priced, weights per foot to be adopted as standard for invoicing of shafting, holidays to be observed etc. These Associations also tried to secure certain advantages to their members. The Mill Gin Stores Merchants' Association secured \( \frac{2}{2} \) commission to all its members on the purchase from Messrs. Platt Brothers of U.K., who were the main suppliers of Ginning Spare Parts and Machinery. The Bombay Cotton Merchants' and Muccadams' Association developed continued relationship between the upcountry constituents and the Bombay merchants and removed causes of friction between buyers and sellers. The rates of various trade services were fixed by the Association and various other services were also enjoyed by the members from the Association. Many of these Associations also undertook arbitrating in the disputes referred to them. Members as well as non-members referred their disputes to their association and respected the awards of these Associations.

Some of the trade associations and especially the
industry associations were formed during this time to protect Indian interests. The Indian National Steamship Owners' Association is an important example of this type. During the period from 1900 to 1930, the Indian shipping companies had to struggle with the British shipping interests, who by their powerful financial resources and ruthless freight wars wiped out one Indian shipping company after another from the coastal waters of India. The then British Government was also hostile to Indian Shipping Companies. Instead of giving protection to them against unfair and anti-national rate wars, it missed not a single opportunity to extend its patronage to the British interests and thus encouraged them in every way to act against the national interests of the country. The Scindia Steam Navigation Company was established in 1919 and till 1930 it carried on singularly the fight against the British shipping interests. It was Shri Walchand Hirachand, Chairman of the Scindia Company and Shri M.A. Master, General Manager of the Company who conceived the idea of an organisation for Indian Shipowners. There was a further impetus to this idea when the Government of India convened at New Delhi, early in January 1930, a special conference of shipping interests to bring about a solution of the question of adequate participation of Indian shipping in the coastal and overseas trades of India. Accordingly a decision was taken to form an Association to deal with
matters affecting the growth and development of Indian Mercantile Marine. During the decade 1931-39, India's shipping industry experienced a full onslaught of the intense opposition of British shipping interests in the coastal trade of India, where they resorted to open and concealed rate wars and dumping of tonnage on the coast. The Government of India Act of 1935 provided certain clauses characterised as commercial safeguards which further protected British Shipping interests. Throughout this period, the Indian National Steamship Owners' Association carried on the never ending fight for the legitimate rights of Indian Shipping in India's own maritime trades with an untiring zeal and enthusiasm. It also tried to cultivate Indian public opinion in favour of the national shipping interests. The Association pleaded for the acceptance of the recommendations of the conference on the operation of the Dominion Legislation and Merchant Shipping Legislation. But India was deprived of the powers to regulate and enact merchant shipping legislation and the commercial safeguards in the new constitution of 1935 took away even the little power the Government of India had. The Association fought over the issue with the British Government but without any success. The Association participated in the Eighth Congress of the International Chamber of Commerce held in Paris, in 1935, where Nationalisation of tonnage was discussed. The Indian dele-
gation asked for redistribution of world tonnage in India's favour and pressed for due recognition of India's claims for the development and progress in any scheme of rationalisation of world tonnage. The Association took up the problem of training Indians as Deck Officers and Marine Engineers and also their employment in British Shipping Companies. The other subjects taken up by the Association during the period were the right of Government of India to regulate India's coastal trade and to enact merchant shipping legislation, allowing Indian shipping companies to become Imperial maritime units, working conditions of seafarers and seamen's welfare, requisitioning of ships for war purposes, competition from Japanese shipping interests, rate war in the overseas trade, need for a separate Ministry of Shipping, opposition to shipping combine by Government with foreign shipping interests and so on. A mere perusal of the subjects handled by this Association would indicate that the Association has all along fought for protecting the Indian shipping interests against many odds and particularly against a hostile alien rule in the country. In these efforts the Association took the assistance of all leading commercial organisations and federations, members of the Legislature as well as the leading political luminaries like Mahatma Gandhi and Sardar Patel.
3.6 Business Associations and the Political Movement

The historical account of these associations during the period 1900-1939 would not be complete without referring to the role played by these associations in the political movement of the country. As is said earlier, the European Chambers of Commerce and also the trade associations formed by European or British interests always refrained from entering into subjects of political nature. But the emergence of Indian chambers and trade associations was out of their anxiety to protect Indian interests and hence they were closely associated with Indian national movement. The Indian National Congress and its leaders also took great interest in the matters relating to organisation of Indian trade and industry. Thus there was a close relation between these associations and the political aspirations of the country. The Chambers and Associations therefore through their presidential addresses, resolutions and communications to the Government expressed their sympathies for the national political movement and some of them even actively supported and participated in the political struggle.

An early reference regarding such participation is found in the history of the Bombay Cotton Merchants' and Muccadams' Association Ltd. The Association decided to close the cotton market at Colaba on the evening of January 28, 1913. This was to enable all people working in the
market to partake in a procession which was to be taken out on that day in honour of the great national leader, Dadabhoy Naoroji, after the conferment of an Hon. Degree of LL.D. on him. The market was accordingly closed and the workers and staff of all the 50 member firms participated in this procession.

In 1920, at the Nagpur Congress Session, the resolution of non-cooperation with the British was passed. This resolution called the people to surrender titles, to abstain from official durbar and ceremonies, to withdraw from the Government Colleges, Schools and to boycott courts, offices and legislative councils. It also advocated boycott of foreign goods. In 1921, the Indian Merchants' Chamber had to call special general meetings to consider the question of boycott of Councils. On 9th November 1921 another general meeting was convened to consider a requisition sent by several members to rescind the resolution passed by the Committee of the Chamber for presenting an address of welcome to Prince of Wales. The members were sharply divided and by the casting vote of the Chairman, the resolution was lost. But the Chamber subsequently did not present a welcome address to the Prince of Wales. At this time the Chamber also did not withdraw its members from the councils. However, the criticism from the then Government and the members that the Chamber was entering into politics figures continuously in the Presidential
addresses of the Chamber. Thus in 1921, Shri Devidas M. Thackersey, then president of the Chamber, remarked in his speech:

"It is very difficult to say where pure finance and commerce end and where politics begin. The strong criticism which this Chamber levelled against the Government currency and exchange policy of the last three years cannot be said to be political and yet the Finance Member tried to meet our criticism by favouring it as political. Government instead of resenting such criticism, should rather welcome it and miss no opportunity of consultations with representatives of commercial bodies."

The Chamber on several occasions criticised in the most bitter words, the political oppression carried on by the then British Government. There are several references in the Presidential addresses of the Chamber to this effect. Thus in 1919, Shri Jehangir Petit, then President makes a reference to the massacre at Jalianwala Bag and says:

"It is not my intention at this stage to go into the many harrowing details of the inhuman tortures inflicted upon our helpless countrymen in the Punjab in the name of law and order by an insensate military, under the guidance and at the instigation of an insolent bureaucracy. These are all written in letters of blood on every page of the Report..."

1 Indian Merchants' Chamber, op.cit., p. 113.
of the Congress Committee and even in portions of the Hunter Committee Report. They are there for those who care to read, understand and learn. They are there to proclaim to the world, to the eternal shame of England, the most discreditable phase of the tyranny of her misrule in the country. They will continue for all times to be a standing disgrace to the British people, to the Government of India, and all others, who deriving their authority from them, directly or indirectly, participated in this massacre in their name and on their behalf. They constitute and will always remain one of the blackest pages in British History.\(^1\)

Similarly, Shri M.C. Ghia, President of the Chamber said in 1941 in his Presidential address:

"The millions in India without being given the right to choose for themselves have been forced to give men and resources to support a Democratic Government which has not given them democracy.... For whose liberty and equality are Great Britain and U.S.A. fighting when they fight for democracy unless they fight for all."\(^2\)

During the years 1930 to 1932, when the Congress launched a non-cooperation campaign against the Government, the Indian Merchants' Chamber and many of its members

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1 ibid., p. 105.
2 ibid., p. 167.
actively participated in this movement. The Chamber, during these years dealt with many subjects like the internment of Mahatma Gandhi, the imprisonment of Pandit Motilal Nehru, proclamation of Martial Law in Sholapur, appeal for mercy to Sholapur convicts, ill treatment of political prisoners and so on. Besides, the Chamber withdrew its representatives both from the Central and Provincial Legislatures in sympathy with the nationwide struggle. It also rendered financial and other help to the movement as it could. In 1932 when political feelings and pressures ran high, the Government served notices, individually, on all the members of the Executive Committee of the Chamber, warning them against extending any support, in form, to the political movement. The air was thick with whispers of an imminent arrest of office bearers of the Chamber.\(^1\) The Government had also thought of declaring Indian Merchants' Chamber as an unlawful association. But the Chamber remained firm and pursued all its activities as usual.

After withdrawal of representatives of the Chamber from the Legislatures in 1932, the Government called for re-elections, but no member came forward to stand for elections. The members' loyalty to the Chamber's decision

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stood unshaken. This role played by the Chamber evoked much appreciation from the political leaders and in later years Mahatma Gandhi agreed to become the Honorary Member of the Chamber. Sardar Patel also paid tributes in 1939 to the Chamber in the following manner:

"With the birth of the Congress an atmosphere of intense patriotism was created and the Chamber was formed in that atmosphere. Since then the interrelation between the Congress and the Chamber has been cordial and intimate. If the founders of the Congress were patriotic, the founders of the Chamber were not only enlightened, but also very bold and imaginative."¹

In the case of Maharashtra Chamber of Commerce also, many of its members were active members of the Congress Party and courted imprisonment in the national movements.² The Chamber also rebuked the Government for the treatment meted out to our national leaders such as Mahatma Gandhi, Sardar Patel, Jawaharlal Nehru and others. Swadeshi was also a burning topic in all the conferences and meetings convened by the Chamber.

Several references to the political subjects can be found in the Presidential addresses delivered then. For instance in 1930, a reference has been made to the arrest

<note>
1 Ibid., p. 5.
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of Mahatma Gandhi and Seth Walchand Hirachand, the then President says in his speech:

"The Government have committed serious blunder by their illadvised arrest and imprisonment of Mahatma Gandhi - the great apostle of peace and non-violence. By thus removing the only check Government have immensely jeopardised the peace of the country.... This does very little credit to the Statesmanship of the Government."¹

In the same speech the Chamber's President advocates Swadeshi in all walks of life. He says:

"The Bombay Millowners have, I learn, recently passed a resolution in favour of Swadeshi. I hope they will now give all their insurance business to Indian Insurance Companies and Banking business to Indian Banks only; they can do the same in respect of their auditing and legal work. Before expecting others to take to Swadeshi they should set an example by doing these things themselves."

"Again in 1933, in the Presidential address, Shri Walchand Hirachand said, "I can only say that the entire system of British Rule in this country is based on discrimination in favour of British businessmen.... The British must realise that wherever the interests of this country demand, the legislatures of the nation must have full and unfettered power to pass the necessary legislation."²

¹ ibid., p. 61.  
² ibid., p. 65.
Like Indian Merchants' Chamber and Maharashtra Chamber of Commerce, other associations did participate in the struggle for political independence and had intimate contacts with the Indian political leaders. For instance, the Indian National Steamship Owners' Association had close contacts with Mahatma Gandhi and Sardar Patel. At the instance of the Association, Mahatma Gandhi wrote a special editorial in Harijan against the unfair competition between British and Indian Shipping Companies. He wrote therein:

"The situation today is this. The British is the top-dog and the Indian the underdog in his own country.... In almost every walk of life, the Englishman by reason of his belonging to the ruling class, occupies a privileged position. It can be said without fear of contradiction and without any exaggeration that he has risen upon the ruin of India's commerce and industries. The Cottage Industry of India had to perish in order that Lancashire might flourish. The Indian shipping had to perish so that British shipping might flourish.... To talk, then of no discrimination between Indian interests and English or European is to perpetuate Indian helotage. What is equality of right between a giant and a dwarf? Before one can think of equality between unequals the dwarf must be raised to the height of a giant."\(^1\)

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The Grain and Oilseeds Merchants' Association also mentions in its Souvenir about the active role played by the Association in the national movement. This Association contributed Rs. 1,00,000 to Tilak Swarajya Fund in 1920. It passed resolution against the massacre at Jalianwala Bag in 1919, sent a Deputation to Bardoli in 1928 to help the peasants there, organised two hospitals in Bombay in 1930 to nurse the injured satyagrahis and donated two ambulances and a sum of Rs. 5 lakhs for the national struggle. In Quit India Movement of 1942, the Vice-President and several members of the Committee of this Association courted jail. The Association was also visited by eminent political leaders such as Jawaharlal Nehru, Dr. Rajendra Prasad, Bhulabhai Desai, Sardar Patel, Mahadeo Desai, etc.¹

In 1930, the Mill Gin Store Merchants' Association adopted a resolution for boycott of British Goods, and called upon its members to refrain from effecting imports from U.K. Many members wholeheartedly responded to this call, though this entailed considerable sacrifices on their part.²

These are some of the examples of direct political

¹ Grain and Oilseeds Merchants' Association, Through Sixty Years, 1959, p. 25.
participation of a few leading chambers and trade associations. Like this, a few others also had participated directly or indirectly in the political movement during this period. Many associations were organised to protect Indian interests as against foreign dominance in a particular field and thus their aim was to secure economic freedom of Indians. Political movement also wanted to achieve the same goal by achieving political independence for the country and thus there was a unity of purpose among the then political leaders and these business associations. This brought them closer and therefore many associations directly or indirectly participated in the national upsurge for independence.

3.7 Representation to business associations on Legislative Councils

The historical account of the business associations during the period must also refer to the representation these associations enjoyed on the legislative councils. We shall briefly review the position of this representation under the different Acts passed during this period.

(a) Indian Councils Act 1861

The Indian Councils Act 1861 modified the constitution of the Governor-General’s Executive Council and the Indian Legislatures were also broadened. Additional members not less than six and not more 12 were added to the council and it was stipulated that not less than one half of these
additional members should be non-officials.¹ No specific representation was given on the council to either European and Indian commercial interests. But it was customary for the Governors of Bombay and Calcutta to appoint a representative each of the Bombay Chamber of Commerce and Bengal Chamber of Commerce as an additional member of the Legislative Council. Thus somewhat informal representation of European commercial interest was maintained in the Council.²

(b) The Indian Councils Act 1892

By the Act of 1892 the legislatures were enlarged and for the first time direct representation was given to commercial interests. Thus out of 66 seats in the Imperial Legislative Council, two seats were to be elected by Bombay Chamber of Commerce and Bengal Chamber of Commerce. Among the 28 nominated members of the council, the Governor General was to nominate one person to represent Indian commercial interests.

In the case of the Provincial Legislative Council of Bombay Province, out of 48 members, Bombay Chamber of Commerce and Karachi Chamber of Commerce were to elect one member each, Indian commercial community was given one representation and Bombay Millowners' Association and

Ahmedabad Millowners' Association elected one representative alternately.¹

These associations elected their representatives indirectly to the council, i.e. they had a right to recommend representatives to the Governor who at his discretion would nominate them to seats in the Council.² These associations had to frame rules for the election of their representative.

(c) The Indian Councils Act 1909

As a result of the Minto-Morley reforms proposals, the Indian Councils Act was further amended in 1909. The number of members in the Legislature and Executive Council were increased. The powers of these legislatures were widened and many restrictions on them were removed. The Indian Chambers of Commerce which were formed by this time pressed forward their claims for giving representations to Indian commercial interests on the councils. Some of them succeeded in getting representations.

The number of representatives representing commercial interests on the Imperial Legislative Council remained the same. Only change was now they could elect directly their representatives and the procedure for election was laid

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down. Two seats were given to Bombay and Bengal Chamber of Commerce and the franchise to be exercised by their members was in the same manner as is adopted by them for the election of representatives on Port Trusts. Indian trade and commercial interests were provided for by the nomination to the Imperial Council of one additional member.

In case of Bombay Provincial Legislature, the only change was that the Indian Merchants' Chamber and Bureau and Native Piecegoods Association were given a right of electing together one representative to the legislature. They were to exercise their franchise at business meetings of their bodies by electing ten delegates each. The Millowners' Association of Bombay and Ahmedabad (electing alternatively a representative) were to exercise their franchise of their members in the same manner as that which they adopt at special meetings held for the election of their own office bearers. Bombay and Karachi Chamber of Commerce continued to have one representative each on the Provincial Legislature.

In 1914, the Indian Merchants' Bureau was allowed to nominate one member to the Imperial Legislative Council.

(d) The Government of India Act 1919

As a result of Montague Chelmsford Report on Indian

1 Iyengar A. Nangaswamy, op.cit., p. clv.
2 Indian Merchants Chamber, op.cit., p. 9.
Constitution Reform, the Government of India Act 1919 was passed. Following was the position of representation of commercial interests under this Act.

Under this Constitution, the Central Legislature consisted of Governor General and two Chambers viz. the Council of State and the Legislative Assembly. In the Council of State only European commercial interests had representations. Thus Bombay Chamber of Commerce, Bengal Chamber of Commerce and Burma Chamber of Commerce had one representative each on the Council. In the Legislative Assembly, Indian commercial interests were given 4 seats. One representative was to be elected by the Southern India Chamber of Commerce, one by the Bombay Millowners' Association and the Ahmedabad Millowners' Association, one by the Indian Merchants' Chamber and Bureau, one by the Bengal National Chamber of Commerce, the Marwari Association and Mahajan Sabha.\(^1\) The total number of seats in the Council of State and Legislative Assembly were 60 and 145 respectively.

In the case of Bombay Provincial Legislative Assembly, out of a total 114 seats, 7 seats were to be returned by the Constituency of Commerce and Industry interests.\(^2\)

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following associations had a right to elect their representatives to the Assembly:

<table>
<thead>
<tr>
<th>Seats</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Bombay Chamber of Commerce and Industry 2</td>
</tr>
<tr>
<td>(2)</td>
<td>Karachi Chamber of Commerce 1</td>
</tr>
<tr>
<td>(3)</td>
<td>Bombay Trades Association 1</td>
</tr>
<tr>
<td>(4)</td>
<td>Bombay Millowners' Association 1</td>
</tr>
<tr>
<td>(5)</td>
<td>Ahmedabad Millowners' Association 1</td>
</tr>
<tr>
<td>(6)</td>
<td>Indian Merchants' Chamber and Bureau 1</td>
</tr>
</tbody>
</table>

Total 7

The first three associations represent European interests. Thus these interests had 4 seats from among 7 seats representing commercial interests.

(e) The Government of India Act, 1935

This Act continued the bicameral system of legislature i.e. Council of State and the Federal Assembly. In the Council of State, there was no representation to commercial interests. But in the Federal Assembly, out of 175 seats 11 seats were to be elected by the commercial and industrial interests. Madras was to elect two seats and Bombay, Bengal and non-provincial areas were to elect three representatives each on the Assembly. Bombay Chamber of Commerce and Indian Merchants Chamber continued to get a representation in the Assembly.

The bicameral system was introduced by this Act in the provinces also. In provincial legislative councils, the commercial interests were not given any representation. But in provincial legislative assemblies adequate representation was given to these interests. Thus in Bombay Legislative Assembly, there were 7 representatives of "Commerce, industry, mining and plantation." These 7 seats were divided in the following proportion:

<table>
<thead>
<tr>
<th>Seats</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Bombay Chamber of Commerce</td>
<td>2</td>
</tr>
<tr>
<td>(2) Karachi Chamber of Commerce</td>
<td>1</td>
</tr>
<tr>
<td>(3) Bombay Trades Association</td>
<td>1</td>
</tr>
<tr>
<td>(4) Ahmedabad Millowners' Association</td>
<td>1</td>
</tr>
<tr>
<td>(5) Indian Merchants' Chamber and Bureau</td>
<td>1</td>
</tr>
<tr>
<td>(6) Bombay Millowners' Association</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
</tr>
</tbody>
</table>

Thus the same proportion of seats has been retained between the different associations, in the Bombay State as was prevailing under the earlier Act. However, it is interesting to note here that while the Province of Bombay had only 7 seats to represent commercial interests, the other provinces like West Bengal had 19 seats and Assam had 11 seats to represent these interests in their respective assemblies.

The Act of 1935 was the last Act to give representation to commercial interests. In the Constitution of Independent India, no provision has been made to give direct representation to commercial and industrial interests. Thus these commercial bodies have now lost one of their important privileges which they enjoyed during the earlier years.

II. THE PERIOD FROM 1939-1947

3.8 The Second World War and After

The Second World War marked a decisive period in the history of Indian Economy. Under the stress of war demands and the protection afforded by scarcity, fillip was given to the existing industry and a host of new industries were set up. The war period was marked by a plethora of Government controls, regulations and orders and critical shortage of raw materials. The post-war period added its own stresses and strains in the form of surplus capacity, shortage of raw materials, worn out machinery etc. All these problems during the period emphasised the need for cooperation among businessmen and therefore during this period different manufacturing and trading interests organised themselves into different Associations in order to tackle their own problems.

For instance, within a few years of the outbreak of War, serious shortages of pipes and fittings in the Indian market were developed on account of short supply from U.K.
By 1942, the trading in pipes and fittings was subjected to various controls such as controls on stocking, distribution, sales, prices, movements, etc. These orders gave rise to several problems and therefore the merchants and traders in pipes and fittings trade came together to form the Bombay Pipes and Fittings Merchants' Association. Thus the Association was formed on 7th December 1942.

Similar is the case of Nag Vidarbha Chamber of Commerce, Nagpur, which was formed in 1944. The traders in different commodities decided to come together to solve their problems arising out of war-time scarcity, shortages and the various government regulations. The name of this Chamber initially was C.P. and Berar Chamber of Commerce and it was organised mainly as a body of merchants of that province. Thus during the early years, the Chamber took problems such as distribution of cloth, distribution of yarn to handloom and powerloom industries, supply and distribution of food-grains, paper, coal, diesel oil, cottonseed, control of vehicles, octroi duty, margin of profit etc. Since there were not many industries worth the name in the Nagpur division in those days, the Chamber had to take up only the problems of commercial community. But now it is a broad based organisation, has membership from the industries from the industries and takes up their problems with the Government.

In order to help the engineering industry to execute
war-orders and to secure a large share of these orders to Indian engineering firms, the Engineering Association of India was formed at Calcutta in 1942. Its western regional office was opened in Bombay in February 1946. Immediately after the war, there were problems such as disposal of surplus war production and protection of Indian engineering industries against fierce foreign competition. The Association took up the problems of protection of engineering industry with the tariff Board. Now more than 13 different associations in engineering industry are affiliated to Engineering Association of India. It has its own labour department, a research and statistics department and it safeguards the interests of engineering manufacturers in the country.

As a result of war, construction work on a large-scale for defence units was undertaken by the Government. These works had to be completed within the shortest possible time. There were many technical as well as administrative problems connected with the execution of such works. Therefore in 1940, in the early stages of World War II the idea of organising an Association of Civil Engineering contractors was first mooted. It received encouragement from the Corps of Military Engineers, particularly Brigadier C.V.S. Jackson, the then Chief Engineer, Southern Command, Poona. The name of the Association was kept as Western India Contractors' Association with headquarters at Poona. At the same time, the Central Command Contractors'
Association was started at Agra. These Associations not only were recognised but respected by high ranking military officers who themselves attended meetings of these Associations. After Independence, the activities of the Western India Contractors' Association were extended on an all India basis and the name of the Association was changed in February 1950 to Builders' Association of India, with its headquarters at Bombay. It has now 9 affiliated associations and has opened regional Centres at Calcutta, Madras, Hyderabad, Kanpur, Poona, Allahabad, Agra, Ajmer, Ahmedabad, Gauhati, Delhi, Ranchi and Meerut. It is one of the well organised bodies and looks after the problems and interests of construction industry in our country.

Because of the acute shortage of imports of textile stores and machinery during the war, the importers of these goods formed themselves into an Association in 1943. In the same year the constitution of the Association was amended so as to include the interests of the indigenous manufacturers as well. The name was changed to the Association of Merchants and Manufacturers of Textile Stores and Machinery (India). Though the dealers had formed this Association, surprisingly it did not ask for the continuance of imports. The Association has represented the interests of indigenous textile machinery and stores industry all along and has helped to grow this industry in our country. This it has done in spite of the opposition from the vested...
foreign interests. The Association has also made delib­erate efforts for the use of indigenously produced goods in the textile mills. Thus it took up problems such as protection to Indian industry manufacturing cotton rope, tape and bandings, adequate supply of raw materials to the industry manufacturing card, doff and weft can, reduc­tion in the import duty on bobbinwood which was a raw material to indigenous bobbin industry, ban on imports of textile dyes, picking bands and roller skins, ban on indiscriminate import of shuttles, etc. Today this is the only association representing the textile machinery and stores industry and trade on an all India basis. About five associations representing different textile stores are affiliated to this Association.

By 1939, the Silk and Art Silk Mill Industry had sufficiently grown in the country. Since the cost of pure silk yarn was prohibitive, many weavers had taken to new man made fibres and thus weaving units in the man-made fibres were slowly established. The ban on import of Japanese rayon fabrics during this time gave a sheltered market to the indigenous industry to grow. But the entire industry was dependent upon imports of rayon and synthetic yarn. The Second World War created problems of adequate supplies of these yarns and there were other problems of the industry as it had grown sufficiently now. Hence on 10th July 1939 the Silk and Art Silk Mills' Association
was incorporated with 16 members and 2000 looms. The objective of the Association was "to foster unity and friendliness among all those engaged in the manufacture of fabrics made from silk, art silk, rayon and other synthetic or natural fibres which are known at present or which may be developed in future." At first the idea was for the Association to function as an arm of the Bombay Millowners' Association but ultimately it was decided to have a separate organisation. Apart from representations to the Government, it has rendered many useful services to the industry. The Association effected economies by pooling import licences of its members and by adopting the bulk purchase system of rayon or synthetic yarn. This resulted in ensuring a quota, no matter how small, to the smallest manufacturer who was a member of the Association. In 1958, when indigenous rayon yarn was first made in India its quality compared very unfavourably with that of the imported yarn. But the Association decided to support and encourage the indigenous industry and kept it alive by purchasing the entire production in bulk for and on behalf of its members. The Association did also evolve a policy for the equitable distribution of indigenous rayon yarn. The Association has also promoted institutions like the Silk and Art Silk Mills' Research Association for undertaking research on behalf of the industry, the Silk and Rayon Textiles Export

Promotion Council for promoting exports and the Rayon Mills' Commercial Corporation, Ltd. for financing the commercial activities of the Mills.

The immediate post war problems of machine tool industry gave birth to the Indian Machine Tool Manufacturers' Association. After the outbreak of war in 1939, India became the supply base for the Eastern Theatre and requirement of defence production generated a substantial demand for machine tools. The production of machine tools, therefore, increased from Rs. 6 lakhs in 1942 to Rs. 1.12 crores in 1945. But after the war, the industry had to face severe competition from imports of machine tools which were disposed off as surplus stocks. Therefore the production came down to Rs. 28.59 lakhs in 1950 and unsold stocks worth Rs. 35 lakhs were accumulated with the industry. It was during this period that the Association was established. Since its beginning, the Association has tackled various problems of the industry with regard to the supply of raw materials, tariff protection, import regulations, government purchases of machine tools, demand surveys etc. It has published two directories of Machine Tool Manufacturers and organised two all India exhibitions of machine tools.

In October 1939, at the initiative of Maharashtra Chamber of Commerce, Deccan Sugar Factories Association was established. The Association made notable efforts in connection with the fixation of minimum sugarcane prices, preparation of model standing orders for the industry, modernisation of sugar factories and so on.

The rapid progress of banking in India during wartime emphasised the need for an association of banks. The Indian Merchants' Chamber initiated the move and in September 1946, the Association was inaugurated. It would be interesting to know that as early as in 1931, the Indian Central Banking Enquiry Committee had suggested an All India Bankers' Association. The Association has promoted inter bank cooperation in the matter of regulating interest rates and charges. It has also promoted the Foreign Exchange Dealers' Association of India and the Agricultural Finance Corporation.

Other important associations which were started during this period were: Vanaspati Manufacturers' Association, 1939; Indian Languages Newspapers' Association, 1941; Indian Salt Manufacturers' Association, 1945; Deccan Manufacturers' Association at Sañli 1946, Western India Sheet Rollers' Association 1946 and Cinematograph Exhibition Association of India 1946. During the period of war the Government had assisted in some places the merchant class to form associations and carry on the distribution of
foodgrains and other essential commodities. Since the purpose for which they were organised was temporary, after the food scarcity and rationing was over, many of the associations ceased to function.

III. THE PERIOD FROM 1947 ONWARDS

3.9 Independence and the Era of Planning

After Independence in 1947, the Government of India took up to economic planning and its economic policies were directed towards promoting increasing industrialisation and rapid economic development of the country. These policies coupled with the ban on imports as a result of shortage of foreign exchange helped indigenous industry to grow and there was a considerable diversification of industrial activities in the country. A number of new industries were started in the country for the first time. The number of small scale industries also grew considerably. The Government of India as well as the different State Governments passed a number of Acts with a view to controlling and regulating various aspects of the Indian economy. These developments necessitated the different industries to organise themselves with a view to protecting their interests and thus in the period after 1947, we see establishment of a large number of such business associations. This growth is purely voluntary, though in some cases like local productivity councils and export promotion councils, Government has taken initiative and has rendered
assistance in their formation.

The growth of these trade associations is more or less directly related to the development of particular industries. At least in the State of Maharashtra with which we are directly concerned such a direct relation can be established.

In case of industrial associations, we find many all India Associations located at Bombay either because of these industries in and around Bombay or because of the importance of Bombay as a commercial centre of our country. Their establishment in recent years indicates the growth of the concerned industries in our country. Thus during this period the following important industry associations have been established in the State:


These are all India Associations formed after 1947. Except in case of Indian Diesel Engine Manufacturers’ Association, headquarters of all these associations are at Bombay.

The growth of a particular industry in a region or city and the special problems connected therewith have resulted into the formation of regional associations for the Maharashtra State or for a particular region or city. Thus the rapid growth of cooperative sugar factories in the Maharashtra State has necessitated them to come together and organise themselves into an Association. Thus Maharashtra Rajya Sahakari Sakhar Karkhana Sangh Ltd. was incorporated in 1956. Earlier its headquarters were in Poona, but now its office has been shifted to Bombay.


The trade and commerce in the State has also organised a good number of associations during the period. These associations are of an all India nature and in some cases they pertain to Maharashtra State or even to a particular city. We may briefly mention the important amongst them: Tractor Earthmoving and Construction Equipment Distributors' Association 1948, Poona Merchants' Chamber 1949, Bombay Goods Transport Association 1949, Maharashtra Grain and Provision Merchants' Association 1951, Iron and Steel Scrap Association of India 1952, Bombay Yarn Merchants' Association and Exchange 1954, Bombay Timber Merchants' Association 1955, Poona Stationery Cutlery and General Merchants' Association 1959, Wardha Merchants' Association 1960, Poona Timber Merchants' and Saw Mills Association 1960, Federation of Automobile Dealers' Association 1964, Groundnut Extractions Export Development Association 1969, Air Cargo Agents' Association of India 1970.

Efforts were made during the period to start regional or district Chambers of Commerce. Thus Regional Chamber of Commerce and Industries for Marathwada was started in 1960 at Aurangabad. Other Chambers those were started during the period were: Sholapur Chamber of Commerce 1961, Sangli Chamber of Commerce 1939, Nasik Chamber of Commerce 1966, and Ratnagiri Chamber of Commerce 1972.
Though the word chamber of commerce is used by all of them, in some cases they represent the interests of a particular group like wholesale merchants in an area and these organisations are not sufficiently broad based to include all economic interests.

During the period, a number of foreign collaboration agreements were signed and as a result of this multinational chambers were organised in India. In Maharashtra, we find Indo-German Chamber of Commerce 1956, Indo-American Chamber of Commerce 1968 and Indo-Italian Chamber of Commerce 1967. These chambers try to promote and protect the interest of all firms and persons engaged in the reciprocal commerce or industry between the two countries.

A few organisations were also created during this period in Maharashtra State to carry on economic research on behalf of the business and industry, to organise public opinion on matters connected therewith and to inculcate better business practices among the businessmen. Thus the Association of Indian Trade and Industry was established in 1949 to undertake economic, legal and statistical research studies. The Maharashtra Economic Development Council was created in 1956 to coordinate the activities of different chambers of commerce in Maharashtra and to conduct economic surveys and research on the problems pertaining to the State. All India Association of Industries was established in 1961 to hold conferences,
conferences, seminars, prepare special reports on various problems pertaining to trade and industry and to mobilise and educate the collective opinion of the business community as well as the public opinion. The Fair Trade Practices Association was established in 1966 and as its name indicates its aim/to promote fair practices in industry and trade in the interests of the consumer and to create better public goodwill towards the business community.

The increasing emphasis on developing exports necessitated creation of special organisations for promoting exports and therefore the Government encouraged creation of commoditywise export-promotion councils. Thus the following councils were established during this period:

Cotton Textiles Export Promotion Council 1954,
Plastics and Linoleum Export Promotion Council 1955,

The export promotion councils for chemicals and engineering have their head office at Calcutta and a regional office at Bombay. The Leather Export Promotion Council has its head office at Kanpur and its regional office
is located in Bombay. In respect of other councils, their headquarters are located at Bombay in Maharashtra.

In February 1958, as a result of the recommendations of the Indian Productivity Delegation sent to Japan in 1956, the Government of India decided to establish National Productivity Council. Thereafter the establishment of local productivity councils were encouraged in different parts of the country and thus the following councils were established in Maharashtra:

- Bombay Productivity Council 1958
- Kolhapur Productivity Council 1958
- Poona Divisional Productivity Council 1959
- Vidarbha Productivity Council, Nagpur 1959
- Satara District Productivity Council 1964

Three Cooperative Research Associations were also set up during this period. Thus Silk and Art Silk Mills' Association came into existence in 1950, the Bombay Textile Research Association in 1954 and the Indian Rubber Manufacturers' Research Association in 1959.

3.10 The Central Organisations of Business and Industry

The present discussion regarding the growth of business associations can be wound up by making a brief reference to the central organisations of business and industry in our country and the factors which were responsible for their formation. This will complete the whole story and will also enable us to understand the main currents of thought.
The following are the central organisations of business and industry in our country:

(1) Federation of Indian Chambers of Commerce and Industry, New Delhi,

(2) Associated Chamber of Commerce of India, Calcutta,

(3) All India Manufacturers' Organisation, Bombay,

(4) Federation of Associations of Small Industries of India, New Delhi,

(5) Employers' Federation of India, Bombay,

(6) All India Organisation of Industrial Employers, New Delhi.

The last two are dealing with problems connected with labour management relations. The third organisation i.e., FASII deals with problems of Small Scale Industry.

The Associated Chambers of Commerce of India was the first central organisation to be organised in our country. Attempts were made to organise such a central body of all British Chambers of Commerce in India in 1905 at a conference held in Calcutta and again at a conference held in Delhi in 1917. But the final decision was taken in 1920 and accordingly the Associated Chambers of Commerce of India and Ceylon was incorporated. Initially it consisted of the following British Chambers, viz. Bengal, Burma, Calicut, Ceylon, Chittagong, Coconada, Cochin, Coimbatore, Madras, Karachi, Narayanganj, Northern India, Punjab, Upper India
and Tuticorin. In 1932, the Ceylon Chamber of Commerce resigned from its membership and since then this organisation is known as Associated Chambers of Commerce of India. Its headquarters are at Calcutta.

As regards the central organisation of Indian Chambers, the initiative was taken first by Indian National Congress which started holding Indian Industrial Conference along with its annual sessions since 1905. From 1915, the Indian Merchants' Chamber and Bureau, Bombay started organising Indian Commercial Congress. In its first session a resolution was passed to establish an Associated Indian Chamber of Commerce. Subsequently, the Indian Industrial Conference and the Commercial Congress were amalgamated to form the Indian Industrial and Commercial Congress. The first session of this amalgamated body was held in 1920 and in its fourth session held at Calcutta in 1927, it was decided to establish Federation of Indian Chambers of Commerce and Industry. The first session under the auspices of this new body was held at Madras on 29th and 30th December 1929. For the first two years, the office of the Federation was in the Indian Merchants' Chamber and Bureau, Bombay. Now its headquarters are at Delhi.

The All India Manufacturers' Organisation was brought into existence as a result of the deliberations of the All India Manufacturers' Conference held under the auspices of the Association of Indian Industries, Bombay. Late

Sir M. Visvesvaraya was the main spirit behind forming this organisation. In his speech before the conference he has elaborated upon the problems of Indian industries, has suggested remedies and has also pleaded for a separate organisation of Indian industries. He says in this speech, "The Committee of the Association propose to develop some form of an all India organisation in the coming year, the primary object of which will be to take stock of existing conditions, collect working data and information relating to industries in the various parts of the country and make them available both to the members of the Association and to others." Accordingly this organisation was established in the same year. At present its headquarters are in Bombay.

The Federation of Associations of Small Industries of India was formed by the initiative taken by the Government of India. In 1953-54, the Government had invited First International Planning Team sponsored by the Ford Foundation to study the problems of Small Industries of India and to recommend measures for their healthy development. Among other things, the Team suggested for the formation of Small Industries Associations all over the country and the formation of a Central Organisation of Associations of Small Industries of India on the lines of ...
of similar organisations in other countries. The Small Scale Industries Board of the Government of India appointed a committee to consider these recommendations and to draft a constitution and rules for the establishment of such associations and an All India Federation. Following the recommendations of this committee, the Small Scale Industries Board called a meeting of the representatives of various Associations of small industries from all over India at New Delhi on 27th September, 1959. This meeting took a decision to establish a Federation and accordingly it came into existence. Now its headquarters are in Delhi and has regional offices at Bombay, Calcutta and Madras.

The idea of forming a Federation of Employers' Associations was conceived during the years immediately following the First World War. India as one of the original members of International Labour Organisation, had the responsibility of sending a tripartite delegation to the International Labour Conference held every year. According to the constitution of ILO, the representative of employers is to be nominated by a body which is most representative of the interests. The Government of India, in May 1920, asked the Millowners' Association, Bombay as the biggest single organisation of employers in the country, to advise Government how best to secure proper representation for Indian Employers at these conferences. Accordingly a
meeting was convened at Bombay on December 14, 1920 of some leading figures in Associated Chamber affiliates to discuss the formation of an all India Federation of Employers' Associations. But the death of some active supporters of the idea held up the progress. Subsequent efforts in 1927 and 1929 also did not result in the formation of such a body. The actual formation of the Federation was ultimately decided upon and a constitution drawn up at a conference held at Simla in 1932. Thus the Employers' Federation of India came into existence in 1933 and was registered under the Companies Act. Its present headquarters are in Bombay.

The Federation of Indian Chambers of Commerce made some attempts in early 1930 to organise a central body of employers. A circular was issued to all member bodies and sub-committee was also appointed. In 1931, the Government of India insisted that the names for the employers' delegate at ILO should come from organisations exclusively dealing with labour matters. Therefore the Committee of FICCI on September 21, 1932 authorised its President "to seriously consider the question of launching a separate organisation to represent all industrial employers in the country." Accordingly a draft constitution was prepared and on December 12, 1932 the All India Organisation of Industrial Employers was established. Now its headquarters are in Delhi.
The AIOIE and SFI in the early years came to an agreement about the selection of employers delegate to ILO, but the relations between the two bodies were not cordial. In 1957, both the organisations came together and formed the Council of Indian Employers to act as spokesman for the two bodies when acting together. The Council is not an amalgamation or Federation but merely a common channel of communication to the Government when the two organisations agree upon a policy.

Out of these central bodies, Employers' Federation of India, All India Manufacturers' Organisation and the Western Regional Office of the Federation of Associations of Small Industries of India have been covered in this survey.

3.11 The Survey

The information about the formation of organisations covered under this survey is given in Table 3.1. The associations have been classified into two broad groups in this table. Specific industry or trade associations have been clubbed together and general purpose associations like chambers of commerce, employers' federation, fair trade practices association, association of industry and trade, have been put together in another group.

A perusal of the above table shows that there has been more or less a steady growth in the number of associations formed during the seven decades of this century,
<table>
<thead>
<tr>
<th>Period of origin</th>
<th>Specific Industry or Trade Associations</th>
<th>General Purpose Associations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>Percent</td>
<td>No.</td>
</tr>
<tr>
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<tr>
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<tr>
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<tr>
<td>1970 onwards</td>
<td>1</td>
<td>1.14</td>
<td>-</td>
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</tbody>
</table>
though there were sudden spurts in the number of associations formed during certain decades. Columns 6 and 7 of Table 3.1 show that the first spurt was during the decade 1931-40 when 11 associations were formed as compared to 5 associations formed in the earlier period. However, the largest number of associations have been formed during the decades 1941-50, 1951-60 and 1961-70 when respectively 26, 39 and 30 associations have been formed. Generally these were the decades when the industrial base of the country was expanded rapidly, during the wake of the Second World War, Independence and era of planning, necessitating the formation of numerous industry and trade associations and such other organisations.