CHAPTER I

STATEMENT OF PROBLEMS

The purpose of this introductory chapter is to state the problem attempted to be tackled in this work, provide the appropriate background information and explain the research methodology used for collecting the information.

1.1 Business Associations

Businessmen in free countries have since long associated themselves together in commercial and industrial organisations of varied character and purpose. The variety in types of such organisations, membership requirements, their effectiveness, controls exercised, geographical coverage, their size, complexity of functions performed by them is almost infinite. The variation is from the local, sporadic, informal meeting to compactly well organised national peak associations which very often wield a great influence on public policy. In many countries where the law of the land gives certain powers to such bodies, they have emerged as strong and influential bodies and have exercised a great influence on the general economic policies of the countries concerned.

1.2 Three Main Types

Three major types of such business organisations stand out (1) the oldest and the most widespread are the
Chambers of Commerce which are found in most commercially developed countries, (2) the next group is that of associations of manufacturers and traders organised according to their individual industries, products or services, (3) the most varied are those in the miscellaneous category of associations, the stock exchanges, commodity exchanges, research organisations, export promotion councils, productivity councils, professional organisations, management associations, better business bureaus, farmers' organisations, cooperatives, employers' associations etc.

Though these organisations are promoted by the trade and industry for protecting and safeguarding their interests and for rendering some common services, they stand apart from a firm that renders services to other firms. The former involves budgetary administration while the latter involves profit making. The chief characteristic of these business associations is that no part of their income or property is distributed to their members. This does not mean that these organisations do not make any profit on their activities. They do turn out small surplus income out of their individual activities such as publications, seminars, training programmes, trading in particular commodities, exhibitions, consultation services etc. Some organisations have also large income from their properties. But as long as the income arising out of these activities is not distributed among their members
as dividend and as long as the income is applied solely for the purpose of achieving main objects of these Associations, their non-profit status does not change. ¹ Secondly besides protecting the interests of the trade and industry, these organisations are also interested in the general economic welfare of the community. Organisations like Chambers of Commerce, especially attempt to advance the general interests of a community rather than serving one economic group. The trade associations and the other professional bodies have also often to take into consideration the effect of their policies on the community.

It is because of this social character that these organisations have become instruments of economic and social progress. Thus they have achieved a social significance and they also enjoy a specially privileged status in any community.

1.3 Chambers of Commerce

(a) Definition

The Encyclopaedia Britannica defines Chambers of Commerce in the following manner²:

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¹ In U.K. no Chamber of Commerce can be registered under the Companies Act if it pays any dividends to its members.

"Chambers of Commerce are voluntary organisations embracing firms, public officials, professional men and public spirited citizens of a locality or area. They are not only interested in publicising, promoting and developing commercial, industrial and civic opportunities but also seek to improve community schools, street parks, playgrounds, housing, public works, recreational and tourist facilities etc."

Prof. M.R. Dhekney has described the Chambers of Commerce in the following manner:

"A Chamber of Commerce means a voluntary and a cooperative organisation of business community established to promote commercial, industrial and civic interests. A Chamber of Commerce, therefore, serves as a central agency for individuals, firms, companies and trade associations for promoting and protecting business interests. It is through this central agency that varied interest groups deal with common problems and develop a collective thought."

There is yet another description of chambers of commerce offered by Mr. G.P. Lamb and Mr. S.S. Kettle.

"Chambers of Commerce embrace in their membership business firms and individuals from all lines of endeavour, whether competitive or not. They attempt to advance the

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general interests of a community rather than serving one economic group."¹

Some salient features of chambers of commerce emerge from these definitions. Chambers of Commerce are bodies having composite membership of various types of trade and industry; they represent these interests of a particular region and apart from protecting interests of trade and industry they have also interests in the general economic and infrastructure development of their region.

Dr. M.V. Namjoshi and Mr. B.R. Sabade have given a wide definition and according to them "organisation of enterprises on a regional basis is the sole common characteristic of a chamber of commerce."²

This general definition has been adopted by them because it covers all types of chambers of commerce including those in the communist countries. The representational, common service and regulatory functions may vary from country to country depending upon the type of chamber of commerce that it has. But the two characteristics i.e. 'regional basis' and 'the organisation of enterprises' stand out in case of all these chambers and hence this general definition has been given by them.

(b) **History and Growth**

The chambers of commerce were first originated in Europe and although the first chamber of commerce was formed earlier, such chambers became characteristic of business life largely as a result of the problems and conflicts of Industrial Revolution. The first organisation known to have borne the name of chamber of commerce was established in Marseilles in 1599. This chamber arose out of town-hall meetings of local traders to discuss common problems and was formed voluntarily. In February 1700, by a special Act the Chamber of Commerce was created at Dunkirk and a later decree ordered eight towns to propose the organisation of chambers of commerce for the purpose of keeping the administration informed regarding general conditions of commerce in these towns. These were official types of chambers established by law and subject to Government control and supported by Government through special subsidies. Under the Napoleonic organisation, together with the introduction of the French administrative system, such official types of chambers of commerce were introduced into the Rhineland, Belgium, Holland, Spain, Italy and also indirectly into the Austro-Hungarian Monarchy. While the official type of chamber of commerce was developed in France, the idea of chamber of commerce based on free and voluntary association found support in United Kingdom and United States of America. The Jersey Chamber in England
and the New York Chamber in America were both established in 1768. These chambers were without any government initiative and support and were based on the free consent of their members and were financed by their voluntary contributions. The spread of British influence in nineteenth century led to the development of voluntary type of chambers of commerce in India (1834), Australia (1840), Ceylon (1839), Jamaica (1845), Canada (1845), etc. Thereafter the character of such bodies, established in various countries, has been subject to the influence of the peculiar local conditions.

(c) Types of Chambers of Commerce

The chambers of commerce can be divided into four broad types. The Anglo-American type of chamber of commerce where there is no government intervention or support and where the chambers are organised on purely voluntary membership form the first type. Such chambers are operating at present in U.K., Australia, India, U.S.A., Belgium and Switzerland. The Continental or French type of Chambers of Commerce are characterised by compulsory membership and an obligatory list of minimum functions. Their membership as well as their functions have been controlled through legal,

1 According to the Charter of New York Chamber dated 1770, the object of Chamber was "to carry into execution, encourage and promote by just and lawful ways and means such measures as will tend to promote and extend just and lawful commerce."
financial or other sanctions implemented by the compulsory powers of government.¹ Such chambers of commerce are constituted by public law and are operating in countries like Netherlands, France, West Germany, Italy, Denmark, Austria, Spain, Egypt, Lebanon, Luxembourg and Japan. The third category is that of communist type of chambers of commerce which is a department of the Government with its emphasis on bringing enterprises together for foreign trade purposes or for foreign private business contacts. The last category is a 'mixed' class of chambers of commerce and they combine the characteristics of the three broad types enumerated above. For instance in Norway, there is no compulsory membership but the constitution and the personnel of their executives are required to be approved by the Government. In Yugoslavia, the chambers of commerce represent labour-managed enterprises and hence they are different from such bodies in free countries.

¹ In France the chambers of commerce have both consultative and administrative functions. The Government is bound to take their opinions regarding regulation of commercial practices, establishment of commercial exchanges, and tribunals of commerce, improvement of transport and communications, application of local laws, management of local public works etc. Their administrative functions are: They are in-charge of certain public installations and services such as sea, river and airports, warehouses, commercial exhibitions and fairs. They also manage trade, professional and technical schools. These functions are defined by law, their revenues are raised through taxation and each trade and profession in the region has a representation on the chamber of commerce.
1.4 Trade-Associations

(a) Definition

Like chambers of commerce, trade associations have also been variously defined.

The PEP Study on Industrial Trade Associations has defined an industrial trade association as "a voluntary non-profitmaking body formed by independent firms of manufacturers to protect and advance certain interests common to all."¹

Prof. M.R. Dhekney describes these trade associations as "a voluntary non-profit making organisation which draws its members, individuals, firms and companies from a specific field of business or industry. Members of a trade association are brought together by a mutuality of interest and they create an agency to render a number of mutual aid services and to improve the trade or industry's position generally."²

Other definitions are "A non-profit organisation.... of business competitors for the promotion of one or more economic interests of those in the line of business, or of the members, in the territory covered,"³ "cooperative

organisations supported by competing business units, brought together by a mutuality of interests in a wide and steadily expanding field", ⁴ "Non-profit organisations of business competitors in any single industry, formed to render a number of mutual aid services in expanding that industry's production, sales, and employment", ⁵ "A trade association is a non-profit organisation made up of competing business firms, designed to assist the individual members and to improve the industry's position generally." ⁶

A number of other definitions may be quoted. But these bring out the salient points that the trade association is an organisation of competing business organisations in the same trade or industry and the association is promoted to offer some common services and to protect and improve and position of the trade or industry in a general way.

The trade associations will have to be distinguished from the professional societies, chambers of commerce and public service organisations. The professional societies are mainly made up of individuals who have a common interest


in the subject matter on which their profession is based—economics, industrial engineering, law, medical science, history, psychology, etc. Their common interest is intellectual than economic. Closely related to these bodies are occupational organisations. They are made up of individuals whose common interests are mainly in an occupation—purchasing, personnel, accountancy, cost accounts, management consultancy etc. A Chamber of Commerce resembles the trade association, but the two are basically different. A chamber of commerce has a broad based membership from all economic groups and has to take a broader outlook on many economic issues, often reconciling the conflicting interests of different economic groups within its membership. But the trade association may not necessarily do so. It can look to the interests of its own members and take a stand on any issue as it affects its members. The trade association has also to be distinguished from certain public service organisations like National Safety Council, Council of Industrial Safety etc. whose main idea is to educate the public and create an awareness among them in the concerned subject.

(b) History and Growth

The trade associations have been started much earlier than the chambers of commerce. Their growth, while displaying in general a pattern similar to the growth of Chambers of Commerce has been more directly linked to the
growth of various trade and industries in different countries. Since long the businessmen have associated themselves for different purposes. Thus in ancient period they associated themselves for making caravans on land routes. The Phoenician fleets on the rivers and the seas and the international league of traders in the Baltic and other centres are examples of such early associations.

During the mediavel period, the growth of towns brought about merchant and craft guilds in Europe. The authority of the guild was chiefly exercised in fixing trade holidays and in enforcing their observance, in manufacturing and selling the products of their calling, in inspecting the quality of goods and generally in taking cognisance of any matter which concerns the members as a craft such as the prohibition or sanction of an improvement, the rate of wages, or the hours of working. In India too, we find references in the ancient literature to such guilds and during the mediavel period the institutions like Nagarsheth and Mahajan were in existence. They were nothing but guilds of merchants and craftsmen.

Many of the early associations were shortlived. Some of them were interested in price fixing, in agreements to limit or divide output or sales territory or in arrangements to apportion profits. But subsequently in many countries antitrust laws were passed and therefore, the associations had to change their fields of activities to market research,
statistical compilation, cooperation in product standardisation, united lobbying against government intervention or against various laws and regulations, together with unified opposition against proposals considered directly or indirectly detrimental to the trade or industry. In some countries during the World War I and II, because of the encouragement given by the Government or the War Industries Board, the trade associations increased considerably. After Second World War, due to collapse of fascist totalitarianism and the restoration of the freedom of associations, the trade associations multiplied their number in many countries in the European continent and also in the newly industrialised countries.

(c) Various types of trade associations

The trade associations can be classified either on the basis of the functions they perform or on the basis of their organisation.

Functionwise, there are two main types of trade associations.

(1) Those which confine themselves to voicing the views of their members on matters of common interest and to offering some common services to their members.

(2) Those which exercise some measure of control over the manufacturing, pricing or distribution of the products of their members.

The latter group of trade associations in many
countries make extensive use of voluntary voidable "live and let live" agreements for controlling prices, output and channels of distribution. In some instances, trade association arrangements go beyond price and output stabilisation and involve rationalisation measures designed to control productive capacity. In such instances the trade association activities are endorsed by government fiat with sanctions applicable not only to recalcitrant members but to non-members as well. The voluntary agreements by members of the trade associations have attracted the attention of anti-monopolistic and anti-trust laws in many of the countries.

Looking to the trade associations from the standpoint of its structure or its membership, the organisation may be a simple or "horizontal" association, an integrated or "vertical" association, or a federation.

A simple or horizontal organisation includes firms that render one kind of service, or deal with one kind of product or operate at one level in the manufacturing or distributive process. The Air Cargo Agents Association of India, made up air cargo agents is typical of a simple or "horizontal" trade association in the service field. All India Printing Ink Manufacturers' Association, Bombay, Wholesale Sugar Merchants' Association, Poona Chemists' and Druggists' Association, as their names indicate, exemplify horizontal associations at various levels in
product industries.

Integrated or "vertical" associations are made up of firms working at different levels in one industry - manufacturers, wholesellers and/or retailers. All India Instrument Manufacturers and Dealers Association, Association of Merchants and Manufacturers of Textile Stores and Machinery, the Pharmaceutical and Allied Manufacturers' and Distributors Association are examples of integrated associations.

A federated trade association is one made of associations rather than business firms in the same basic industry or segment thereof. Federation of Automobile dealers' Association, Indian Cotton Mills Federation, Powerloom Industry Association are examples of such federal associations. In case of these Federations, their membership comprises mainly of the various associations engaged in the same product line and established in different parts of the country, although in some cases membership of private firms is also encouraged for revenue purposes.

The trade associations can be local associations in the sense that they are restricted to one city or one local area. They can be regional or state-level associations and they can also represent the interests of an industry or trade at a national level.

These categories (horizontal, vertical and federal or local state or national) do not exhaust the possible
classifications. The combination of business firms that make up trade associations is almost endless. But for our purpose these broad classifications would be enough.

### 1.5 Miscellaneous Organisations

In this miscellaneous category of business organisations fall all types of professional and occupational organisations, state level federations, export promotion councils, productivity councils, commodity exchanges, stock exchanges, research organisations, management associations, employers' organisations, better business bureaus, co-operative institutes and so on. These bodies can be based on purely voluntary membership or there may be some government sanctions behind them. In some organisations though they are purely voluntary in character, they receive some financial assistance from the Government or there is an indirect control of the Government. For instance the professional organisations like the Institute of Costs and Works Accountants of India, and the Institute of Chartered Accountants of India have been established by the Government of India by a special enactment. Through the Forward Contracts (Regulation) Act, 1952 the Securities Contract (Regulation) Act, 1956, the Government of India exercises full control over the deliberations of commodity exchanges and Stock Exchanges. The local productivity councils, export promotion councils and academic organisations like Indian Economic Association, Indian Commerce Association
receive some kind of financial support from the Government though there is no control exercised by the Government over the day to day functioning of these organisations. The cooperative research associations also receive special government grants for carrying on their research programmes. As against this the all India Federations, or employers' bodies do not get any government support and their activities are mainly dependent on the voluntary contributions by their member bodies or their member firms. Similar pattern is found in other countries though the degree of government assistance, and government control on these bodies vary from country to country.

1.6 The problems to be investigated

Business associations play an important role in the modern industrial society. They render a variety of services for their members, and they influence directly or indirectly policy-making of the government. However, while the workers and their organisations have attracted wide attention, these business associations of employers and their activities have failed to attract similar attention both from the scholars and laymen alike. One of the results of this lack of interest is the relative lack of studies and literature on any aspect of these business associations in spite of their history in our country extending beyond a century.

In this study, it is, therefore, proposed to undertake an intensive study of such associations in the State of Maharashtra.
The central theme of this research project is an exploration of the role of business associations as vibrant and inspiring centres for improving the conditions of trade and industry. The Chambers, Trade Associations and other organisations have increased greatly in recent years and will probably continue to do so for these reasons: introduction of many new products have resulted in the formation of entire new industries, industrial development is taking place in many new regions, and the growing complexities of political structure and government rules and regulations make group action in attaining goals more effective than individual action.

The trade and industry have so far made use of these organisations as 'defence mechanisms' to protect their interests against the government policies as they affect them from time to time. There is a feeling that there has been an overemphasis on this aspect than on providing useful common services to the members, though there are notable exceptions. What are the special common services offered by some organisations and can similar activities and any new services be undertaken by others? How these associations are organised and what are the sources of their finance? How multiplicity of these organisations can be avoided? How can increasing cooperation be brought about between the government and business associations? Can the private sector be associated with the planning process?
through chambers and trade associations. Is there any place for these organisations in any scheme of functional decentralisation of government authority? Should we accept the continental type of organisation with compulsory membership and a list of minimum functions than the present system of voluntary membership? These and many other problems are before the Indian Chambers and Trade Associations and it is high time that these problems are considered by the leaders in the government as well as the leaders of the private sector in our country. Any research study regarding these business associations ought to give a thought to these problems and provide an answer to them in the light of its findings. In the present study an humble attempt is made to discuss these issues and provide an answer to at least some of them.

1.7 Scope of the Present Study

As said earlier, in this study, it is proposed to undertake an intensive study of such associations in the State of Maharashtra.

There are some special reasons for selecting Maharashtra for this study. The first Chamber of Commerce in India was started in Calcutta and thereafter another one at Bombay. Both these cities have a long tradition of industrial and commercial development and naturally one finds the largest number of voluntary business associations and chambers of commerce in these two states i.e. West
Bengal and Maharashtra. Apart from having a long tradition of such well organised bodies, during recent times, Maharashtra has given rise to a good number of such associations. Maharashtra State, being commercially and industrially advanced state, all types of business organisations, in trade, industry and other specialised fields are to be found here. Thus the State offers a good cross section of such bodies for this study.

From the three types of business associations described earlier, in this study all chambers of commerce and trade associations have been covered. Trade Associations also include industry associations. As regards the miscellaneous group of these bodies, only export promotion councils, local productivity councils, cooperative research associations and employers' bodies have been covered. Since our aim is to study voluntary business associations, bodies which are created by law and which have a fair amount of government control have been excluded from the purview of this study. Thus stock exchanges and commodity exchanges have been excluded. Professional organisations and occupational organisations are mainly of individuals and not of business organisations and their interest is academic than economic and hence these bodies have also been excluded from this study.

The export promotion councils, local productivity councils and cooperative research associations are specia-
lised bodies dealing in only one particular aspect of the business. The government has been giving financial and other assistance to these organisations and therefore these organisations provide an example of an useful area of government business cooperation in achieving a common goal. Hence these organisations have been deliberately included in this study.

1.8 The Survey - Its design and methodology

A special survey of these business associations in Maharashtra State was conducted for the purpose of this study. This was necessary because of the difficulties of getting data regarding these associations from any one source. The coverage of the whole inquiry had to be planned by taking into consideration the available resources in time and personnel.

1.9 Selection of Units

The first step was preparation of an exhaustive list of all the business associations in the State of Maharashtra. For this purpose a list of chambers of commerce and trade associations recognised by the Government of Maharashtra was collected. Similarly a list of such bodies in Maharashtra registered under Section 25 of the Indian Companies Act was brought from the Regional Director, Company Law Administration, Bombay. Then lists of affiliated member-associations of such important bodies as Federation of Indian Chambers of Commerce and Industry,
Federation of Associations of Small Industries of India, All India Manufacturers' Organisation, Employers Federation of India, Indian Merchants' Chamber, Maharashtra Chamber of Commerce and Mahratta Chamber of Commerce and Industries were obtained. On the basis of all these lists a comprehensive list of such bodies was prepared. This list contained a total number of 353 associations.

1.10 The questionnaire

A questionnaire was then prepared and was sent to all the above associations. This questionnaire is reproduced in full in Appendix I. The questionnaire is divided into eight sections. In the first section preliminary information regarding the associations such as year of foundation, total membership, registration etc. were asked. In the second section, information regarding the composition of the Executive Committee, its functions etc. were asked. The third section sought to ask information regarding the advisory committees while through the fourth section information regarding the various functions performed by these bodies was collected. In the fifth and sixth sections questions relating to the staff and finances were asked. Some general questions of opinion type were asked in the seventh section and the last section only listed documents requested to be sent along with the questionnaire.

Though the questionnaire appeared to be a little lengthy, the time consumed in replying to this questionnaire
was not much as for many questions all that the respondents were requested to do was to check 'Yes' or 'No'.

The questionnaire was finalised after testing the same under one chamber of commerce and one trade association.

1.11 Response to the questionnaire

Though our main reference list contained names of 353 associations, after sending the questionnaires we found that the addresses of 19 associations were either not correct and in some cases they had ceased functioning. Thus the effective list of associations was reduced to 334.

Out of these 334 associations, I was able to collect completed questionnaires in respect of 120 organisations. Thus there was about 35% response.

In the case of many other remaining associations, it was found at the time of follow-up personal visit that there was no organised office of such associations. Many times the office was in the establishment of one of the office bearers and except periodical informal meetings nothing much was done by the associations. Many times there was an absence of any formal constitution, the membership fees were not collected regularly and even the minimum records were also not available. In case of such associations, it was very difficult to expect any response to our questionnaire. Moreover, there was nothing that such associations could supply in respect of their activities, finance, organisation, etc. In Bombay as
well as in mofussil areas, there was quite a good number of such associations which existed just for the namesake.

Hence as a strategy, it was decided not to spend much time on such bodies but to concentrate on getting information in respect of the well organised bodies. Thus among the 120 associations which have submitted information through the questionnaire, are represented most of the well organised bodies both in Bombay as well as in other parts of Maharashtra. Care has also been taken to see that information from all types of organisations such as Chambers of Commerce, Central Organisations, trade associations, export promotion councils, local productivity councils, cooperative research associations, is collected. Table 1.1 summarises the number of such organisations which have finally responded to the questionnaire. Since a large number of associations are located in Bombay, classifications of such associations according to their location in Bombay and outside Bombay is presented in Table 1.1.

Judging by the number of questionnaires actually filled as a proportion of the total number of such bodies in the State and judging by the fact that most of the leading and well organised bodies have responded well, the survey may be deemed to have been successful. The quality of the response on the whole was also satisfactory. To obtain as much accuracy as possible in the data, original
Table 1.1. No. of Associations included in the Survey

<table>
<thead>
<tr>
<th>Ser. No.</th>
<th>Type of Association</th>
<th>Located in Bombay</th>
<th>Located outside Bombay</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chambers of Commerce</td>
<td>5</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>2</td>
<td>Central Organisations (All India bodies)</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>All India Trade or Industry Associations</td>
<td>23</td>
<td>1</td>
<td>24</td>
</tr>
<tr>
<td>4</td>
<td>Regional or Local Trade or Industry Assoc.</td>
<td>37</td>
<td>23</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>Export Promotion Councils</td>
<td>9</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>6</td>
<td>Local Productivity Councils</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>Cooperative Research Associations</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>Other special organisations</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>84</td>
<td>36</td>
<td>120</td>
</tr>
</tbody>
</table>

documents such as copies of the constitution, annual reports and accounts and special reports and publications were collected and the data was thus checked.

The attitude of the respondents was not uniform in all cases. Some were sceptical about such efforts and gave a very cool response while some were very enthusiastic and offered all their cooperation in this study apart from giving information about their individual organisations.
1.12 Time required for canvassing the questionnaire

The questionnaire was sent by post to all the associations in October 1971. As was expected, this did not evoke much response. Then a reminder was sent and in the month of January 1972 the writer himself went personally, met the secretaries of the concerned organisations and collected questionnaires and other reference material from them. This also provided an opportunity to discuss subjects relating to this survey with a number of interested persons associated with these bodies. The use of personal contacts was made in the case of associations located at a distance like Nagpur, Khamgaon, Akola, etc. and the information was collected from them.

I did not employ any assistants for executing the field work. The entire field work was done by me and though it was an arduous and time taking task, it was not without its advantages. Personal conduct of the field work made it possible for me to acquire a first hand knowledge of the various types of work being done by these associations, to inquire into certain problems relevant to the study but not included in the questionnaire and to prepare notes based on discussions with the secretaries and other officials which have been of great help in the final analysis.

1.13 Accounting Period

Wherever the information is collected, through the
questionnaire, it pertains to the calendar year 1971 or the accounting year 1970-71. In the case of some associations, the accounting year was different than the calendar year and therefore their accounts of such accounting year were collected.

1.14 Other Reference Material

Apart from the material collected through the questionnaire, valuable material was collected from the associations in the form of their constitutions, annual reports and accounts, their journals, special reports, publications, souvenirs and notes and memoranda prepared on important subjects. All this material has been made use of extensively in the preparation of the final report. Apart from this material, use of the historical records and reports from the library of Indian Merchants' Chamber, Bombay Chamber of Commerce and Industry, Bombay Millowners' Association, Mahratta Chamber of Commerce and Industries has also been made wherever necessary. My personal experience as Secretary of a Chamber of Commerce, a Local Productivity Council and a Trade Association over a decade and the consequent first-hand knowledge of the problems of these associations has also helped in a great measure in the preparation of this report.

1.15 Structure of the Report

The present work is divided into ten chapters. In the first i.e. this chapter, background information and
research methodology is given. In the second and the third chapters, historical review of these associations is presented. Fourth Chapter deals with some factual information and the organisational aspect of these associations. Fifth Chapter deals with finances of these bodies. Sixth Chapter deals with the various services offered by these associations. In the Seventh Chapter a few case studies of two chambers of commerce, a trade association and an All India Federation have been presented. Eighth Chapter analyses various activities of the export promotion councils, local productivity councils, employers Federation of India and Fair Trade Practices Association. Ninth Chapter deals with the cooperative research associations. Tenth and the last Chapter summarises conclusions of this research study, discusses the new lines open for these bodies and presents a scheme of reorganisation of these bodies.
APPENDIX TO CHAPTER I

FORM FOR COMPILATION OF INFORMATION REGARDING

CHAMBERS OF COMMERCE AND TRADE ASSOCIATIONS

Preliminary

1. Name and address of the Chamber/Trade Association.

2. Year of foundation

3. What is your total membership

4. Please give the number of members under each head given below:
   
   A. (i) Association Members in case of Chambers and All India Bodies
      (ii) Other members
   
   B. (i) Ordinary members
      (ii) Patron members
      (iii) Life members
      (iv) Honorary members

5. What geographical area and activities is your membership drawn from

6. Is the Chamber/Trade Association/Federation registered under:
   
   (i) The Indian Companies Act
   (ii) The Societies Registration Act
   (iii) The Co-operative Societies Act
   (iv) Not registered

The Executive

1. Please give the following details regarding the composition of your Executive Committee:

   A. Number of elected members
   B. Number of co-opted members
   C. Total
2. Are special provisions made to give representation on the Executive Committee to:

A. Different industries and trade  
B. Different regions  
C. Different sizes of business  
D. Different communities  
E. Association members and other members

3. How many associations and other members voted at the last elections of the Executive:

4. A. Are there any special fees for becoming a Committee Member

B. If so, what are they

5. How many times did the Executive meet during the last year

6. A. If any permanent Sub-Committees have been set up for special functions, please list the same

B. Please describe briefly their main work and achievements so far.

7. A. Have any decisions involving a specific course of action on the part of members and involving a change from earlier practices been taken by the Executive Committee

B. If so, what are they

C. How are such decisions made binding on individual members

Advisory Committees

1. Please give a list of government and semi-government bodies on which your association is represented (list may be attached to the questionnaire)
2. A. Has your association undertaken any special work, e.g. preparation of memoranda, surveys etc., to render the work of your representatives on different bodies more effective Yes/No

B. If so, please give details.

3. A. Have you arranged any collaboration with other Chambers and Associations in order to make your representatives on these bodies more effective Yes/No

B. If so, please give details.

4. Are you represented on Advisory Committees by:
   
   (i) Executive Committee Members Yes/No
   (ii) Ordinary Members Yes/No
   (iii) Senior Executive Officers Yes/No

Volume and character of work

1. Do you undertake personalised or individual work for your members or are your efforts confined to matters of general interest to large numbers of your members

2. What is the number of data papers or memoranda presenting facts prepared by your Chamber/Association during last year

For Chambers of Commerce and Federations

1. In case you have affiliated associations, please describe the services you supply to these bodies such as:

   A. Doing all secretarial work for them Yes/No
   B. Organising opinion Yes/No
   C. Bringing about collaborations between Associations Yes/No
   D. Giving help and advice to new Associations Yes/No
   E. Any other Yes/No
For Trade Associations

5. A. How many associations are there in your own trade or industry

B. Do you feel that because of the existence of numerous associations in the same trade or industry, it is difficult to work effectively

C. Have any efforts been made to bring these associations together

6. A. Have you entered into secretarial arrangement with any Chamber or Trade Association

B. If so, please give details

7. A. Has any regular work regarding import and export licences, use of permits and quotas etc., been entrusted to you by Government

B. If so, please mention details

8. Which of the following functions does your Chamber/Association undertake

A. Arbitration
B. Organisation of fairs, functions etc.
C. Special arrangements for small scale industries
D. Special arrangements for export industries
E. Collection of statistics
F. Advisory service on sales-tax, income-tax, labour laws etc.
G. Publications
H. Conduct of journal
I. Distribution of scarce raw materials imported or indigenous
J. Licensing, certifying or administration of other schemes of government
K. Maintaining a technical library for the use of members
L. Research
M. Promotion of productivity
N. Fixation of uniform prices of the products of the members  Yes/No
O. Enforcing a code of conduct for members  Yes/No
P. Conducting training programmes
   Please attach notes giving details,
   if any of these activities which are undertaken on a elaborative scale
Q. If you have undertaken any promotional activity, such as promoting an institution, promoting a particular activity, please give details

E. Staff
1. How much did you spend on administration last year
2. What is the total strength of your staff
3. Have you framed rules for Provident Fund, leave bonus, gratuity etc. for your staff
4. Please give the names of your Secretary and Assistant Secretaries along with their educational qualifications and number of years of service in a Chamber or Association, and salary scales
5. A. Do you have any special departments  Yes/No
   B. What are they
6. What are the types and number of personnel earning more than Rs. 500/- per month basic salary

F. Finances
A. What are the main sources of your income (Give figures for 1970-71)
B. Does your Chamber/Association undertake any activities or own any property that supplements the funds it obtains from membership fees
C. Does government give you any grants for conducting your regular activities/special projects If so, please state amount and purpose
D. Do you pay income-tax on your income  Yes/No
   Please attach the latest copy of your income-expenditure account and copy of your Balance Sheet
G. General

1. A. Are you at present contemplating organisation of any new activity Yes/No
   B. If so, please give details

2. In what direction and by whom should attempts be made to increase co-operation between government, Chamber and Associations

3. A. Do you think that there is a need to have some sort of legislation to regulate Chambers and Trade Associations
   B. If so, what should be the main features of such a legislation
   C. Would you approve compulsory membership of Chambers and trade associations as is the practice in certain European countries Yes/No
   D. Would you like Government to involve criterion of recognition of commercial bodies to avoid overlapping and duplication in their organisation Yes/No

4. (i) Do you keep in touch with M.Ps., M.L.As and other people concerned with policy matters Yes/No
   (ii) If so, do you do this:
       A. In your area
       B. At other centres

5. How many notes on important bills affecting business have you prepared and circulated to M.Ps., M.L.As and Press during the last year

6. A. Have any activities of use to the public rather than to businessmen only been undertaken by your Chamber/Association, e.g. flood or famine relief, conducting training classes, lectures etc. Yes/No
   B. If so, please give details.
7. A. Has your Chamber/Association made any other special efforts of a political or semi-political character

B. If so, please give details.

H. Documents requested

1. A copy of your Constitution
2. A copy of your membership subscription rates.
3. Latest Annual Report and Income-Expenditure Account
4. Please supply any published or prepared history of your Chamber/Association and notes on any special activities mentioned in Q. D-8 above
5. Please supply copies of the most important memoranda, notes etc. prepared by your Chamber/Association during last year. We attach special importance to receiving these as they give an idea of the position of particular sections on important issues

I. Any supplementary comments that you regard as important.