

55927

B. I. T. Registry
15 JAN 1950

INTERNATIONAL LABOUR OFFICE
INDIAN BRANCH

Industrial and Labour Development in December, 1949.

N.B.- Each Section of this Report may be taken out separately.

Contents.

CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

11. Political Situation and Administrative Action:

- | | |
|---|------|
| (a) Constitution of Republic of India adopted; Forced Labour and Employment of Children prohibited. | 1-7 |
| (b) Provincial Labour Ministers' Conference, Mysore, 26 and 27 December, 1949: Machinery to ensure Uniform Labour Policy to be devised. | 7-11 |

CHAPTER 3. PROFESSIONAL ORGANISATIONS.

31. Workers' Trade Union Movements.

- | | |
|--|-------|
| (a) Training of Experts for Organising Agricultural Labour; Hindustan Mazdoor Sevak Sangh appeals for Funds. | 12-13 |
| (b) Adjudication of Labour Disputes: Tamil Nad I.N.T.U.C. Resolution. | 13-14 |
| (c) International Confederation of Free Trade Unions formed; Indian Unions represented on Executive Body. | 15-16 |
| (d) Peking Trade Union Conference; Liaison Bureau of W.F.T.U. in Asia formed. | 16-17 |

33. Employers' Professional Organisations.

- | | |
|--|-------|
| Annual General Meeting of Associated Chambers of Commerce, Calcutta, 12 December 1949: Finance Minister predicts Better Business Outlook in 1950 | 18-27 |
|--|-------|

CHAPTER 4. ECONOMIC QUESTIONS.

41. Industrial and Mining Production

- | | |
|--|-------|
| Higher Production Targets fixed for 15 Basic Industries: Joint Committee to implement Plans. | 28-29 |
|--|-------|

42. Production and Export of Agricultural Products.

- | | |
|--|----|
| Rajasthan: Underground Water Board set up by Central Government. | 30 |
|--|----|

Contents.

43. Foreign Trade and Exchanges.

- (a) New Trade Agreement between Japan and Sterling countries: India enabled to increase imports. 31
- (b) Indo-Ceylon Trade Pact approved: India to import Copra and Rubber sheets. 32

44. Prices and Cost of Living.

Essential Supplies (Temporary Powers) Second Amendment Act, 1949 (Act No. XLIX of 1949) Government to control Raw Cotton 33

45. Economic Development and Control.

- (a) Foreign Capital for India: Sanction for Schemes costing about 18 million Rupees. 34
- (b) Insurance (Amendment) Bill, 1949; referred to Select Committee. 35

46. Wages.

- (a) Recommendations of Joint Advisory Committee on Railway Labour: 2,500 Employees upgraded. 36-37
- (b) Minimum Pay fixed for Bank Employees in Delhi and East Punjab and Bihar: All India Industrial Tribunal's Interim Awards. 38-39

48. Public Finance.

Railway Convention Committee recommends fixed Dividends for General Finance: Resolution passed by Parliament. 40-42

49. Rehabilitation.

The Administration of Evacuee Property Bill, 1949. 43

CHAPTER 5. WORKING CONDITIONS.

52. Welfare and Workers' leisure.

Reduction in Coal Cess opposed by Advisory Committee: Programme for construction of Houses in 1950. 44-45

53. Women's Work.

Orissa: Ban on Employment of Women in Government Services removed. 46

Contents.

56. Labour Administration.

Assam: Working of the Factories Act during 1948. 47-50.

59. General.

- (a) The Mines Bill, 1949: Shorter Working Hours, Overtime Pay and Holidays with Pay for Mine Workers and general strengthening of provisions relating to Health and Safety. 51-54
- (b) Burma: Committee set up to enquire into the working of Oil-Winning Industry. 54

CHAPTER 6. GENERAL RIGHTS OF WORKERS;

67. Conciliation and Arbitration.

- (a) The Industrial Disputes (Appellate Tribunal) Bill, 1949: Central Appellate Tribunal for Industrial Disputes set up. 55-58
- (b) The Industrial Disputes (Banking and Insurance Companies) Act, 1949, (India Act No. LIV of 1949). 58-59
- (c) Industrial Tribunal (Procedure) Rules, 1949. 60

CHAPTER 7. EMPLOYMENT AND UNEMPLOYMENT.

71. Organisation of the Labour Market.

- (a) India: Employment in Perennial Factories during Second Half of 1948. 61-63
- (b) Eradication of Forced and Compulsory Labour: Non-Official Bill withdrawn on Government's assurance regarding full investigation. 64-
- (c) India: Employment Exchanges: Working during October 1949. 65-68

72. Vocational Guidance and Training.

Scientific Manpower Committee's Recommendations: Report under consideration by Government. 69-71

73. Migration and Colonisation.

Conditions of Indian Workers in Malayan Estates: Powers of Inspection withdrawn from Indian Agent.

Contents.

CHAPTER 8. SOCIAL SECURITY.

81. Social Insurance.

- (a) Workmen's Compensation Act, 1923:
Working in the United Provinces
during 1947. 73-78
- (b) Employees' State Insurance Act, 1948:
Chief Commissioners empowered to dis-
charge Functions of Provincial Government 78
- (c) Railway Provident Fund: Subscription
by Employees made compulsory. 79

85. Benefits Organized or Paid by Employees.

- (a) Coal Mines Provident Fund Scheme
extended to Assam. 80
- (b) Coal Mines Provident Fund and Bonus
Schemes extended to Talcher State 81

CHAPTER 11. PROBLEMS PECULIAR TO CERTAIN
OCCUPATIONS OR CATEGORIES OF OCCUPATIONS

111. Agriculture.

- (a) Kisan Congress Rally in Delhi: Pledge
to increase Food Production. 82-85
- (b) Utilisation of Cattle Wealth:
Central Goshala Development Board
set up. 86
- (c) Ajmer-Merwara: The Ajmer-Merwara
Agrarian Relief (Second) Ordinance,
1949 (No. XXX of 1949). 87
- (d) Assam: The Assam Management of
Estates Act, 1949 (Assam Act XVII
of 1949). 87-88

112. Indigenous Workers.

- Bharatiya Admimjati Sevak Sangh:
Dr. Rajendra Praśad elected President 89

113. Navigation.

- The Indian Merchant Shipping (Amendment) Act,
1949 (Act No. LIII of 1949): Seamen's
Employment Offices to be set up at Ports. 90-92

LIST OF THE MORE IMPORTANT PUBLICATIONS RECEIVED
IN THE NEW DELHI OFFICE DURING DECEMBER, 1949. 93-94.

CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - DECEMBER 1949.

11. Political Situation and Administrative Action.

Constitution of Republic of India adopted:
Forced Labour and Employment of Children
prohibited.

On 26 November 1949, the Constitution of the Republic of India, as passed by the Constituent Assembly of India, was authenticated by Dr. Rajendra Prasad, President of the Constituent Assembly. The Constitution is an elaborate document containing 395 Articles and eight schedules. The provisions constituting India into a sovereign democratic republic have been divided into 22 parts, each dealing with a separate subject. Besides defining with precision the functions of the three instruments of State - the executive, the legislature and the judiciary - and laying down their structure both at the Centre and in the units, the Constitution contains separate chapters on citizenship; fundamental rights; directive principles of State policy; relations between the Union and the States; finance, property, contracts and suits; trade, commerce and intercourse within the territory of India; the Services; elections; position of minorities; language and emergency provisions. The main provisions of the Constitution are briefly summarised below:

2

Preamble:- The Preamble to the Constitution cites that the people of India have solemnly resolved to constitute India into a sovereign democratic republic and to secure to its citizens, justice, social, economic and political, liberty of thought, ^{an} expression, belief and worship, equality of status and of opportunity, and to promote among them all fraternity assuring the dignity of the individual and the unity of the nation.

India to be a Union of States:- India, that is Bharat, shall be a Union of States, including the present day provinces, States and States Unions and centrally administered areas.

Citizenship:- Any person who is domiciled in India when the Constitution comes into force and who possesses, in addition, one of the following qualifications, namely, (1) he or one of his parents must have been born in India or (2) he must have resided in India for not less than 5 years immediately preceding the commencement of the Constitution, is a citizen of India at the inception of the new Union. There are special provisions for excluding those who migrated to Pakistan after a certain date in 1947 and for including those who have migrated to India as well as for Indians overseas.

Fundamental Rights:- The Constitution contains a list of fundamental rights, enforceable through the ordinary courts of law and in the last resort through the Supreme Court of the Union. These rights, among others, relate to equality before law; prohibition of discrimination on grounds of religion, race, caste, sex or place of birth; equality of opportunity in matters of public employment, abolition of untouchability; freedom of speech and expression; freedom of assembly and of forming associations or unions; freedom of movement; right of property; personal liberty; prohibition of traffic in human beings and forced labour; prohibition of employment of children under the age of 14 in factories or mines or in any hazardous employment; freedom of conscience and religion; protection of minorities' cultural and educational rights; and protection against deprivation of property except by authority of the law and on payment of compensation.

Directive Principles of State Policy: Besides fundamental rights, the Constitution also contains certain directive principles of State policy. The principles are not enforceable in any court, but the State should, nevertheless, ~~ought to~~ try to apply these principles in practice. According to these principles the State should strive to secure a social order for the promotion of welfare of the people. The State should, in particular, direct its policy towards securing: (a) that the citizens,

3

men and women equally, have the right to an adequate means of livelihood; (b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good; (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment; (d) that there is equal pay for equal work for both men and women; (e) that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age^{or} strength; and (f) that childhood and youth are protected against exploitation and against moral and material abandonment. The State should, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want. The State should make provision for securing just and humane conditions of work and for maternity relief. The State^{endeavour} to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the State should endeavour to promote cottage industries on an individual or co-operative basis in rural areas. The State should regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties. Other principles relate to, organisation of village panchayats; an uniform civil code; promotion of educational and economic interests of scheduled castes, scheduled Tribes and other weaker sections of the people; prohibition of intoxicating drinks and drugs; organisation of agriculture and husbandry; separation of judiciary from executive; and promotion of international peace and prosperity.

The Union Executive: President and the Council of Ministers:- The executive power of the Union is vested in a President, who is to be chosen by an electoral college consisting of all the members of the Central Legislature and of the various State Legislatures^{Assemblies}, under a system of voting in which the votes are weighted so as to secure that the voting strength of the Central Legislature shall be the same as that of all the State Legislatures put together. The President's tenure of office is five years, but he is eligible for re-election. He can be removed from office by impeachment for violation of the Constitution. There is also a Vice-President, who is to be the ex-officio chairman of the Upper House of the Central Legislature and whose term of office is also five years. The entire executive authority of the Union is vested in the President all

and all executive action is expressed in his name. There is to be a council of Ministers with the Prime Minister at its head, to aid and advise the President. The Ministers hold office at the pleasure of the President and are collectively responsible to the House of People.

Central Legislature:- There is to be a Parliament for the Union consisting of the President and of two Houses known respectively as the Council of States and the House of the People. The Council of States, or Upper House, consists of not more than 250 members, of whom 12 are to be nominated by the President for their special knowledge or experience of letters, art, science and social services, and the rest are to represent the different States or units of the Union. The election is indirect: the representatives of each State are to be elected by the elected members of the State Legislature if it is unicameral, and of the Lower House of the State Legislature if bicameral. The Council of States is a permanent body not liable to dissolution but one-third of the members have to retire every second year. The House of the People consists of not more than 500 members: here the mode of election is direct, the members being elected by the voters of the States on the basis of adult suffrage. The normal life of the House of the People is five years. Seats have been reserved on the population basis for the Scheduled Castes and for certain aboriginal tribes known as the scheduled tribes. There is no special reservation of seats for Anglo-Indians, but the Constitution provides that if the President is of opinion that the Anglo-Indian community is not adequately represented in the House of the People, he may nominate not more than two members of the community to that House.

Any Bill, except a Money Bill, may originate in either House; it is to be passed by both Houses and assented to by the President before it can become law. If there is a conflict between the two Houses, the President has to summon a joint session, and the Bill, with such amendments, if any, as are agreed to by a majority of the members of both Houses present and voting, is deemed to have been passed by both Houses. A Money Bill can only be introduced in the House of the People and when passed by that House, it has to be transmitted to the Council of States to be returned with its recommendations within 14 days. If the House of the People does not accept any of the recommendations of the Council of States, ~~it is~~ ^{it is} deemed to have been passed by both Houses in the form in which it was passed by the House of People. The annual budget is to be laid before both Houses of Parliament; but demands for grants are to be made only in the House of the People, which has power to assent, or to refuse

assent, to any demand, or to assent to it with a reduction.

Executive and Legislative in States: For the States, the Constitution provides for Governors in certain States (corresponding to the present day provinces) or Rajpramukhs (in case of present day States or States Unions), Council of Ministers, with a Chief Minister at its head and legislative, unicameral in certain cases and bicameral in certain other cases.

Certain States, viz., Centrally administered areas, are to be administered by the President, acting through a Chief Commissioner or a Lieutenant-Governor, who may be assisted by a Council of Ministers and Legislature.

Relation between Union and States: Division of Powers:- The various subjects of legislation have been enumerated as exhaustively as possible in three Lists: List I or the Union List, List II or the State List, and List III or the Concurrent List. The Union Parliament has exclusive powers of legislation in respect of the subjects in List I; the State Legislatures have exclusive powers in respect of the subjects in List II; the powers in respect of the subjects in List III are concurrent, but any Union law on a subject in the Concurrent List overrides any State law on the same subject in the event of any conflict between the two. The Union List contains 97 entries including such subjects as Defence, External Affairs, Citizenship, Posts and Telegraphs, Railways, Shipping, Airways, Broadcasting, Atomic Energy; Currency and Foreign Exchange, Foreign and inter-State Trade and Commerce; Banking and Insurance; Industries declared under the control of Union; Regulation and control of oilfields and mines and minerals under the control of the Union, Regulation of labour and Safety in mines and oilfields and Industrial disputes concerning Union employees. The State List contains 66 entries and includes such subjects as Justice (excepting the Supreme Court), Police, Local Government, Agriculture, Public Health and Education; The Concurrent List contains 47 entries and includes such subjects as Criminal Law, Criminal and Civil Procedure, Marriage and Divorce, Contracts, Economic and social planning, Trade Unions and industrial and labour disputes, social security and social insurance, Employment and Unemployment, Welfare of labour including conditions of work, provident funds, employers' liability, workmen's compensation, invalidity and old age benefits and maternity benefits, vocational and technical training of labour, Price Control and Factories. The residuary power is vested in the Union.

Although ordinarily the power of legislation at the Centre belongs to the Parliament, nevertheless when there are circumstances requiring immediate action and Parliament is not in session, the President is given a limited power to make Ordinances. An Ordinance has the same effect as an Act of Parliament, but it is to be laid

before both Houses as soon as Parliament meets, and it ceases to operate at the end of six weeks, from the meeting of Parliament or earlier if the Houses so determine. There is also a group of provisions in the Constitution relating to emergencies. If the President is satisfied that a grave emergency exists whereby the security of India is threatened whether by war, external aggression, or internal disturbance, he may make a Proclamation to that effect and thereupon, among other consequences, the Union Parliament is empowered to make laws even in respect of the matters enumerated in the State List. Apart from this emergency-power the Union Parliament has power to legislate on a specified State subject (a) for a particular State, if the legislature of the State passes a resolution to that effect; or (b) for the whole of India, if the Council of States declares by a resolution supported by not less than two-thirds of the members present and voting that it is necessary or expedient in the national interest that Parliament should make such a law. The Union has also been given power to make laws to implement treaties and International agreements.

X

for backward classes

Special provisions regarding tribal areas and scheduled castes:- There is to be a special officer appointed by the President whose function it will be to investigate all matters relating to the constitutional safeguards provided such as tribes and scheduled castes, and to report periodically how they are working; and the reports have to be laid before Parliament. Under another provision the President may at any time, and must at the end of ten years from the commencement of the new Constitution, appoint a commission to report on the administration of the tribal areas and the welfare of the scheduled tribes. There is yet another provision under which the President may from time to time appoint a Commission to investigate the conditions of the backward classes and their difficulties and to make suitable recommendations on the subject. The President is required to place a copy of the report together with a memorandum explaining the action taken thereon to be laid before Parliament. The Constitution also contains certain special provisions for the administration of scheduled tribal areas in Assam and other places, inter alia, providing for the setting up of Tribes Advisory Councils.

election of

Amendment of the Constitution:- Amendments to the Constitution should be passed by both the Houses of the Union Legislature by a two-thirds majority. But if the amendments relate to certain articles such as those ^{pertaining} relating, among others, to election and manner of President, extent of executive and legislative powers of the Union and the States and representation of States, they should be ratified by the legislatures of not less than

one-half of the States.

Commencement of the Constitution:- The Constitution comes into force on 26 January 1950. Under certain transitional provisions, till a new Parliament is elected under the Constitution the present Constituent Assembly of India (Legislative) will continue as the provisional Parliament. The Constituent Assembly will also elect a President who will hold office till a President is elected under the provisions of this Constitution.

(The Gazette of India, Extraordinary,
dated 26 November 1949, pages
2347-2597).

Provincial Labour Ministers' Conference,
Mysore, 26 and 27 December, 1949: Machinery
to ensure Uniform Labour Policy to be devised.

A conference of Labour Ministers of provinces, States and States Unions was held in Mysore on 26 and 27 December 1949. The meeting, which was presided over by Mr. Jagjivan Ram, Minister of Labour, Government of India, was attended by the Labour Ministers of all provinces, States Unions and States except Saurashtra, Vindhya Pradesh and Kashmir. Mr. David A Morse, Director-General of the I.L.O. and certain other officials and members of the I.L.O., also attended the conference by invitation. Mr. Morse addressed the Labour Ministers on 27 December 1949, during the course of which he emphasised the universal character of the I.L.O.

The conference, among other matters, discussed labour policy in provinces and States with special reference to unemployment, housing, application of minimum wages, agricultural labour enquiry, social insurance and factory inspection.

8

Welcome address by Mr. K.T. Bashyam:- Mr. K.T. Bashyam, Minister for Labour, Mysore, in the course of his welcome address suggested that Mysore might be regarded and developed as the laboratory for work in the field of industrial relations and allowed full and free scope to experiment with a variety of ideologies, methods and suggestions and natural developments.

Mr. Jagjivan Ram's address:- Addressing the Labour Ministers, Mr. Jagjivan Ram said that it was symbolic that the Labour Ministers Conference and the session of the Governing Body of the I.L.O. should meet in the progressive city of Mysore. The functions of the two might be different but were directed towards the same goal - the establishment of an equitable social order. He hoped the meetings in Mysore would help to emphasise the need for closer co-ordination and co-operation between international and national organisations.

Need to solve unemployment problem:- Surveying the scope of the work of the conference Mr. Jagjivan Ram stated that the most urgent and important of the Labour Ministers' problems was of large-scale retrenchment which unfortunately was taking place in some industries for various reasons. Retrenchment at a time when the Government was concentrating on increased production was most disconcerting. At any time, it created social problems and problems of law and order. He said: "It is, therefore, our duty to satisfy ourselves that every reasonable step is taken to avoid it. Where retrenchment is inevitable, we have to take suitable action to minimise the hardship which retrenchment involves. The days of laissez faire are over. Neither the Government nor the employer can stand aside and leave the retrenched personnel entirely to their fate."

Fixing of minimum wages:- Dealing with the problem of fixing of minimum wages for various industries the Minister pointed out that ^{after} the passing the Minimum Wages Act in 1948, Government undertook to enforce minimum wages in certain scheduled industries and in agriculture, within a fixed time limit. For the scheduled industries this time limit was fast running out. The conference had to take stock of the position and see how far the Government ~~shall~~ ^{is} able to fulfil its obligation. This task had been rendered extremely difficult by the economic difficulties and financial stringency. It might not be found possible to enforce minimum wages in all the scheduled industries within the prescribed time limit, ^{viz.,} by end of March 1950. But a beginning had to be made and those industries in which labour was most sweated should be taken up first. As regards fixing of minimum wages in agriculture, there was one more year within which to

9

introduce minimum wages, but in this period there was much that remained to be done. It might not be practicable to fix minimum wages for agricultural workers without proper appreciation of the conditions of employment and systems of wage payment. The Government of India had started an agricultural labour inquiry which was making fair progress. This inquiry would prove to be of immense value; when it was completed the result would be illuminating.

Industrial Housing:- Speaking on the problem of industrial housing which was ^{urgent} ~~urging~~ for immediate attention Mr. Jagjivan Ram said that though the Government had a plan for industrial housing, it had not been able to execute it. In trying to solve the problem, he appealed to the Labour Ministers to fight financial stringency and a tight loan position which made it impossible to finance even a modest housing scheme. Employers could not be absolved of their responsibility with regard to housing because there could be no improvement of the standard of living without better housing and no improvement in efficiency and production was to be expected if the workers' standard of living progressively deteriorated. Moreover failure to provide housing would seriously affect production and thereby add to the difficulties of the Government and employers alike. No Government could expect peace in society, and no employer could expect peace in industry, if housing conditions continued to be as they were at the present time.

Concluding, Mr. Jagjivan Ram expressed his appreciation of the sense of duty and patriotism of Indian workers. As the cost of living had not shown any noticeable decline, real wages had not improved. The housing situation had also deteriorated. Nevertheless the intensity of industrial unrest as evidenced by statistics of industrial disputes was much less than in most industrial countries. But, he added, the Governments could not count on the workers' patriotism and sense of duty indefinitely. More so when some political parties were bent on exploiting their discontent to discredit Government and to advance their own purpose. Every possible effort had therefore to be made to improve the condition of the working class.

Mr. Morse's speech: tribute to India's leadership:-
Mr. David A. Morse, Director-General of the I.L.O. addressed the conference on the second day of the meeting at the special request of Mr. Jagjivan Ram. Paying a tribute to India, Mr. Morse said that India by virtue of her vastness, potential resources, independence, history and tradition, stood practically for world peace as second to no other country in the world. The world at large today looked to India not only for its stability, but for its leadership in the reconciliation of out-

standing political and economic issues in the world and the preservation of world peace.

to India /

Explaining the origin of the I.L.O. and its working Mr. Morse pointed out that despite the war, when everything else had crashed and despite the liquidation of the League of Nations, the ILO persisted and lived and continued which was due to the fact that the conscience of mankind could not die. Calling for the closest possible understanding and co-operation in the work of the ILO, Mr. Morse emphasised that the ILO was a universal organisation and he did not want it to be said it was either European or American or any other organisation. It was a universal organisation which reflected every point of view and the problems of all sectors of the world, without that they had no justification for existence and there could be no proper basis for universal understanding and world peace. He and his colleagues had come here in that spirit and with that sense of service.

Explaining the importance of co-operation of labour in any economic recovery, Mr. Morse commended what the President did during the crisis the USA faced. As his first step in this crisis he insisted upon the support of the labour service of his country. It was through this support and through realization of the fact that the common welfare had to be preserved through the instrument of the people, the instruments of labour and the Ministries of Labour and a fair appreciation among employers, that not only was the country saved, but the country was able to build its confidence so that it could stand up against one of the greatest wars of freedom that had ever been fought. Saying that India's Labour Ministers had adopted the same principles despite difficulties, he appealed to the Labour Ministers to accept the ILO's co-operation in ensuring the proper utilisation of India's resources on a priority basis.

Discussions at the conference: Machinery to ensure uniform labour policy to be devised:- The conference reviewed labour policy in the provinces and States with special reference to unemployment, housing, application of minimum wages, social insurance, agricultural labour, enquiry and general labour conditions and relations. The representatives of Provinces and States urged that there should be uniformity in labour policy and administration all over the country and it was decided that a suitable machinery should be devised to enforce uniform principles.

Fixing of minimum wages:- In regard to fixation of wages in relation to the efficiency of the worker and also the need for training, it was pointed out, that though there were difficulties in achieving the former, the question would be examined and in the latter case, steps would be taken to set up institutions for training workers in trade union movement. With reference to

11

The conference also reviewed the progress of Agricultural Labour Enquiry which is being conducted in about 1,000 villages all over the country. This enquiry purports to elicit information relating to agriculturists' standard of living, indebtedness, income, family and general economic conditions with a view to fixing minimum wages for agricultural labour by March 1951.

Employment exchanges:- With reference to employment exchanges, it was pointed out that as the Central Government had recently extended the term of the Re-settlement Organisation upto July 1952, no decision regarding its future could be taken at this stage as economic conditions would be different later. However, it was observed that a training scheme was the most important aspect of ^{the} work of this organisation and efforts should be made to expand it.

Need to develop factory inspection service:- Reviewing the development of factory inspection Services, the conference observed that whereas the number of factories had more than doubled since 1945, the number of inspectors had only increased by about one-third. It was felt that if a sufficiently high standard of inspection was to be maintained, the factory inspectirate had to be strengthened by early appointment of medical inspectors, provision of transport to inspectors to visit a large number of factories and equipping them with the material to carry out surveys of environmental conditions. It was further decided to provide adequate facilities for inspectors to visit other provinces to study any particular problems and encouraging them to attend training and refresher courses relating to factory inspection.

The Problem of retrenchment and unemployment:- Observing that the employment situation was showing symptoms of deterioration, the conference examined in detail the causes of unemployment and its effects on the economic condition of the country. It was generally admitted that the closure of factories was taking place today mainly due to shortage of raw materials. It was decided that suitable measures should be taken with a view to effecting a more equitable distribution of raw materials in the country and getting necessary imports of cotton required for maintaining the textile industry. The conference urged that measures should be taken to reduce the incidence of hardship on the workers to the minimum and combating unemployment in general. These measures included inquiry into the necessity for retrenchment, unemployment relief and general principles to be observed in effecting retrenchment. Several representatives urged taking control of factories which ^{had} closed down, and it was decided that on the trend of these discussions the Government should come forward with some measures to counteract retrenchment and reduce it to the minimum.

(The Hindu, 27 and 28-12-1949.
The Statesman, 28-12-1949).

12

CHAPTER:3: PROFESSIONAL ORGANISATIONS.

INDIA - DECEMBER 1949.

31. Workers' Trade Union Movements.

Training of Experts for Organising Agricultural Labour: Hindustan Mazdoor Sevak Sangh appeals for Funds.

A meeting of the Working Committee of the Hindustan Mazdoor Sevak Sangh was held at Delhi on 30 November 1949. Sardar Vallabhbhai Patel presided. The meeting was attended, among others, by Mr. Jagjivan Ram, Minister for Labour, Mr. Shankarrao Deo, General Secretary, Indian National Congress, and Mr. Khandu Bhai Desai, President of the Indian National Trade Union Congress.

The Committee reviewed the work of the Sangh during the last six months and decided to give first priority to its activities for the uplifting of the agricultural landless labour. The Committee found that various activities of the Sangh had been held up owing to lack of funds. The work of training new entrants had been restricted because the provincial Branches could not afford to defray the expenses and to provide for the maintenance of workers. A recent resolution of the Sangh to organise and undertake activities for the uplift of agricultural labour had not been implemented except in a very few places owing to lack of personnel and resources. It was agreed that it would not be possible to look after the needs of landless labour effectively, if at least one whole-time worker was not provided for in each district. The Committee appealed to the public for generous donations to finance its multifarious activities including the running of its institutions to train labour workers for urban and rural areas.

Explaining the Committee's decisions, the Secretary of the Sangh, Mr. Gulzarilal Nanda, Labour Minister of Bombay, said that the Mazdoor Sangh's decision to train 200 workers for large-scale spread of Gandhian ideology among agricultural labourers was only a beginning. It was a vast and complicated problem, but details about the conditions of work of these labourers were not yet known. Following the Minimum Wages Act, the Government of India had been conducting an inquiry to collect authentic information in this regard. In a small way, some Sangh

workers were working in rural areas in Assam, the United Provinces, the Central Provinces and Madhyabharat. An important task of the workers was to combat the movements which were disrupting the country's economy. Mr. Nanda said that the Sangh accepted resort to strike as one of the methods for bettering the workers' lot but this weapon had to be used with discretion. The Sangh did not directly organize trade unions, but imparted training to workers for the organisation and administration of trade unions and propagated the principles of truth and non-violence in relation to the labour movement.

Mr. Nanda said that established in 1938 the Sangh had trained 30 workers at its training institution in Bombay to organise urban labour. He pointed out that the training of 200 rural workers alone requires about 200,000 rupees.

(Mazduravaz, 11-12-1949,
The Hindustan Times, 1-12-1949).

Adjudication of Labour Disputes: Tamil Nad
I.N.T.U.C. Resolution.

A meeting of the Working Committee of the Tamil Nad branch of the Indian National Trade Union Congress was held at Madras recently, with Mr. K. Kamaraj Nadar, President, in the chair.

The Committee passed a resolution on the adjudication machinery in labour disputes, urging the Government that "in all cases, where direct negotiations and conciliation have failed, adjudication must be ordered immediately as a matter of routine". The Committee condemned the policy resorted to by certain employers

14

of creating "difficulties in the way of the Industrial Tribunals by having recourse to civil courts, and questioning the authority of the Government and Tribunals". It appealed to them to help the legal machinery set up for resolving industrial disputes in a spirit of co-operation. The Committee also asked that, "inasmuch as the promised piece of comprehensive Central legislation to regulate labour relations is not likely to be enacted and enforced before April, 1950, and as the present Industrial Disputes Act has been found to be extremely defective in many respects", the Government of Madras should put through the Legislature another amending Bill immediately to "safeguard the legitimate rights of labour and to encourage them to exert their utmost in augmenting national production. In order to prevent avoidable disputes, rather than provide for elaborate machinery for solving disputes, the Committee requested the Government of Madras to set up separate tripartite advisory committees for each of the main industries in the Province.

By another resolution the Committee urged on the Government of Madras, the need to set up 'wage boards' for fixing the wages of public health workers under all Municipalities, Panchayats and District Boards in the province, and to set up a committee for ameliorating the lot of public health workers under the Government.

As regards plantation workers, the Committee resolved to support the demand for the payment of a sum equal to 15 per cent of the annual earnings as bonus for 1949 for plantation workers. It urged the management of estates to stay the annual settlement of accounts with their workers until the proposed Plantation Code was passed by the Indian Parliament. It was resolved to start a regional branch of the Indian National Plantation Workers' Federation.

(The Hindu, 4-12-1949).

12

International Confederation of Free Trade
Unions formed: Indian Unions represented
on Executive Body.

A conference of non-communist trade unionists from 58 countries, representing 46,380,000 trade union workers, was held at London during the first half of December 1949. Trade unions in India were represented by the Indian National Trade Union Congress and the Hind Mazdoor Sabha. Mr. Paul Finet (Belgium) presided.

The conference decided to form a new International Confederation of free Trade Unions "pledged to fight the spread of communism or any totalitarian ideals in the ranks of the world labour". The constitution of the new Confederation pledged it to:

- i) Co-ordinate the defence of free trade unions against any campaign "aiming at their destruction or at restriction of their rights" or at their subjugation by totalitarian or other anti-labour forces.
- ii) Establish a powerful international organisation of free trade unions to promote the interests of working people throughout the world and to "enhance the dignity of labour".
- iii) Assist in developing and fostering the growth of trade unions in economically and socially undeveloped countries.
- iv) Work for full employment everywhere and aid to economic, social, and cultural interests of countries suffering the after-effects of war.
- v) Protect and expand the system of free labour everywhere and "to eliminate forced labour everywhere". This called for an educational and publicity campaign to spread the objectives of the new confederation "the home of free trade unionism".
- vi) Provide member unions informations on regulations of wages and working conditions.
- vii) Work for the establishment of a world system of collective security "but pending its attainment to further and support within the charter of the

United Nations all measures that are necessary and for assuming the defence of world democracy and freedom of nations against any totalitarian aggression".

The conference decided to give Europe five seats on a 20-member Executive Board in the new confederation. Mr. Deven Sen (Indian National Trade Union Congress) was elected on the Executive Board with Miss Maniben Kara (Hind Mazdoor Sabha India) as first substitute and Mr. Fernando (All-Ceylon Trade Union Congress) as second substitute.

The headquarters of the confederation is to be established at Brussels and Mr. Oldenbroech (Holland) was elected its first General Secretary.

("Railwayman", December 1949,
The Statesman, 9.12-1949).

Peking Trade Union Conference: Liaison
Bureau of W.F.T.U. in Asia formed.

A Pan-Asiatic Trade Union Conference, convened by the World Federation of Trade Union, was held at Peking during the end of November of 1949.

The conference, among other things, decided to form a liaison bureau of the W.F.T.U. in Asia to start work immediately. A proposal was made by the Soviet delegate that the question of restoring "democratic freedom and liquidating slave labour, anti-labour legislation and discrimination because of race, nationality, sex and

19

religion in India, Persia, Japan, Indonesia, Burma, Malaya and Southern Korea", be put before the United Nations Economic and Social Council. Russia also proposed that commissions of the World Federation of Trade Unions be sent to study and assist trade unions in India, Japan, Persia and Southern Korea. The conference also adopted a manifesto to the Asian Workers indicating objectives for action in their countries.

(The Hindu, 21-11-1949).

33. Employers' Professional Organisations.

India - December 1949.

Annual General Meeting of Associated Chambers of Commerce, Calcutta, 12 December 1949: Finance Minister predicts Better Business Outlook in 1950.

Addressing the annual general meeting of the Associated Chambers of Commerce at Calcutta on 12 December 1949, Dr. John Matthai, Finance Minister, Government of India, stated that there were indications that the range of investment was slowly but gradually widening and was spreading beyond the usual limits of professional buying and selling. Taking a more hopeful view of India's financial position than he did a few months ago, Dr. Matthai said the reduction of capital expenditure on development projects was an unpleasant though imperative necessity under present financial conditions, but he hoped that this reduction was only a temporary phase and that, before long the Government of India would be in a position to review its programme. Dr. Matthai declared that economic collaboration between India and Pakistan had always been the policy of the Government of India and he hoped that it would be still possible to arrive at a reasonable solution by frank and full discussion at a conference between the two Governments. India could not afford, he said, in view of recent events to remain dependent on Pakistan for such essential raw materials like jute and cotton and

should make every effort to increase her production of these two commodities. Among the resolutions adopted at the meeting were one urging all-round reduction in the levels of direct taxation with the object of stimulating enterprise and investment and thereby promoting the development and expansion of the country's industrial, agricultural and commercial economy; simplification of the present "complicated tasks" of the assessee and the taxing authorities in computing net trading profits for purpose of charge to income-tax; modification of depreciation allowances to enable industry "to replace buildings and plant at existing prices".

Mr. A.J.M. Elkins' presidential address: Government urged to facilitate investment: Welcoming the Finance Minister, Mr. A.J.M. Elkins, President of the Associated Chambers of Commerce complemented the Government of India on carrying through a transition of such great magnitude with such little real dislocation of the economy of the great country. Since 15 August, 1947, they had passed through an anxious and worrying time but they had a great deal to be thankful for. Mr. Elkins pleaded for settlement of economic issues between India and Pakistan. There was an ample measure of goodwill on either side, he said, and it was for the statesmen of both countries to turn this to the best advantage, and so demonstrate to the world their own greatness, and the greatness of the peoples they led.

Hurried and new legislative proposals: Mr. Elkins said that there had been many instances of new legislative proposals being hurriedly introduced by the Government of India, and subsequently materially altered, "but not before another blow has been struck against confidence, here and abroad". That the Government of India should have been anxious to chalk out, as quickly as possible, the framework of a new industrial policy was understandable, but it was quite vital to the country as a whole that, in implementing this, the Government did not rush into ill-considered measures, which might look all right on paper, but which had not really in them the practical means of securing the much-needed improvement in the country's economic condition. He

referred in this connexion to the Industries (Development and Control) Bill, the inquiry into State trading and to proposals to amend the Indian Companies Act, and said that these were all matters which could far more suitably have been dealt with in their initial stages by consultations privately with representatives of industry and, when necessary, labour. Instead, they were widely published, and administered severe shocks to the already depressed economy of the country as a whole.

Labour problems: Turning to the problems connected with labour, Mr. Elkins said that with one or two regrettable and incomprehensible lapses, the tribunal machinery set up by the Government of India and largely operated by the provincial Governments, had now run itself in, and was working much more smoothly than it did earlier. They had been urging the Government to set up an appellate court and it was very encouraging to learn that the Government had introduced a Bill for this purpose. He hoped that there would be no undue delay in getting this very necessary Act, in an acceptable form, on the Statute Book. Mr. Elkins said that the biggest problems confronting them today in the labour sphere were those arising out of rationalization and retrenchment on economic grounds. If India was to take her rightful position in the world's industrial economy - a position which her vast manpower, and natural resources amply qualified her to take - it would be essential for her industries to adopt the latest technical improvements, which inevitably meant increased output with reduced employment, at any rate until expansion permitted of the absorption of additional hands.

He assured labour leaders that reasonableness on their part would be met by reasonableness on the part of employers. If mutual understanding of each other's problems was lacking then both the interests of labour and employers, *would suffer.*

Tax reduction urged: Mr. Elkins said that the redistribution of wealth which had put huge sums of money into the hands of the labouring classes and the agriculturists had benefitted the country not one iota, as these classes had yet to have inculcated in them the habit of thrift. Their main concern was to press for some relief in respect of those classes who would be only too ready to support new industrial undertakings, provided firstly that they had the money to do so, and secondly that conditions favourable to investment were re-created. The first of these objects could be secured only if direct taxation was materially reduced and the cost of living brought down, the second, if the field for private enterprise was clearly defined so that the investor might know in advance exactly where he stood,

21

and not feel that his investment was continually at the mercy of new and untried theories which, if introduced, might result in a serious, or even the total loss of his capital.

On the question of tax evasion he said that the employers would certainly support any move by the Government to ensure that there was a better moral sense in this matter and they would like to see the severest penalties imposed on those who continued to defraud the Government of its dues by shirking their share of the total burden. In conclusion, Mr. Elkins defended the managing agency system and deprecated the changes proposed to be made in it through amendments to the Indian Companies Act. He said that the managing agency system was still vital to India and if minor alterations were necessary they should be discussed amicably, but "do not let us be stampeded into condemnation of a system which has carried us to where we were today, and for which at present there is no practical alternative".

Dr. Matthai's address: bright economic prospects:
Addressing the meeting Dr. Matthai referred to three developments of major importance which had occurred since the last meeting of the Chambers. First of all, as regards India's external relations, India had decided, consistently with her future status as a Republic, to remain within the Commonwealth of Nations. This decision had been received with manifest goodwill and cordiality by the other countries of the Commonwealth. India's relations with the United States had also entered on a new phase. The Prime Minister's visit to America and the impressive reception accorded to him there constituted not merely a personal tribute to a great statesman and leader of men, but also a recognition of India's place in the comity of nations.

The second important development which deserved attention was the fact that the process of internal consolidation which began last year had been consummated. India's administrative and economic integration had been achieved in a manner and to an extent which had commanded widespread satisfaction and admiration. Difficult problems still lay ahead, but they were light in comparison with what had been achieved. In no field of national activity would this more beneficial results than in the economic field.

The third development to which Dr. Matthai referred was the completion of India's new Constitution. He said it was altogether a notable achievement. As a Constitution, it was probably more elaborate and detailed than any Constitution of which they had knowledge.

22

It was nonetheless a workable Constitution because it reflected the experience and statecraft embodied in the old Government of India Act as well as the insight, vision and courage of those who fought and won the battle for political freedom.

To sum up, Dr. Matthai said, India has found her place as a welcome partner in a friendly world; she has established herself within her own frontiers as a strong well-knit political entity and, lastly, in the constitutional sphere, she has built ~~the~~ herself a good, seaworthy ship for the hazardous voyage on which she has started as a free nation. Viewed against this background, the economic problems appeared to be less formidable, offered greater room for hope and encouragement.

Review of economic position: Briefly reviewing the main factors of the present economic situation, Dr. Matthai said that although the Government had succeeded in stabilising prices in the sense of preventing a further rise, there had been no fall in the general level of prices since the end of last year. Dr. Matthai, however, pointed out two significant facts; first, in the most important category of commodities, namely, foodgrains, the Economic Adviser's wholesale price index with 1939 as the base year had shown a fall of nearly 30 points since the end of November, 1948, and what was more, the fall had been more or less steady throughout the period; second, the devaluation of the currency was generally expected to lead to a general rise in the level of food prices. But so far there had been hardly any increase in prices except in respect of certain articles, such as tea and sugar. He hoped that Government's measures to bring down prices of essential commodities and the better harvests which were generally expected would lead to more favourable conditions as regards prices.

An examination of the latest available production figures showed that except in the case of textile industries, the output of the principal industries, during the nine months, January-September, 1949, was not merely maintained at the level of 1948 but in many cases there was an improvement over the 1948 figures. Coal, Steel, paper, glass, refractories and rubber goods were among the latter class which showed improvement. As regards the cotton textile industry one of the chief causes of falling production had been the accumulation of stocks of finished goods. Various measures had recently been taken by the Government which had already resulted in considerable improvement in the distribution and movement of piecegoods. Government was also taking steps to ensure the maximum possible quantity of long staple cotton for the use of Indian mills. As regards the

23

jute goods industry, in spite of obvious difficulties in procuring its principal raw material, it has been found possible to relax to some extent the restrictions introduced earlier in the year on hours of production.

Improvement in labour situation: Dr. Matthai said that it was generally admitted that the labour situation in the country since last year provided cause for considerable satisfaction. The latest statistics relating to the loss of working days confirmed this impression. In the first nine months of 1949, the total number of man-days lost was 5,006,000 against 6,649,000 in the corresponding period of 1948, showing a fall of about 25 per cent. The number of man-days lost could not be entirely attributed to strikes but was partly an indication of the growing volume of unemployment in the country - a problem which called for early consideration. The improvement in labour relations was a tribute to the patriotism and sense of responsibility alike of the rank and file and of the leadership of the labour organisations of the country. It reflected also a growing awareness on the part of employers that the hard facts of the economic situation as well as the time spirit demanded a changed attitude and a new sense of values in the matter of industrial relations.

Easing of transport difficulties: Dr. Matthai pointed out that the conditions of railway transport which since partition had proved a serious impediment to economic progress have since the beginning of this year shown distinct progress. It could no longer be maintained that transport difficulties presented any serious hindrance to the movement of industrial and agricultural commodities.

Money market: As regards the long term money market, Dr. Matthai said that there were indications that the range of investment was slowly but gradually widening and was spreading beyond the usual limits of professional buying and selling. Dr. Matthai added that he regarded this development with some satisfaction because the stock markets with their sensitive reaction to the economic climate of the country provided a useful barometer ~~meter~~ for gauging changing conditions. Only statistics could provide the final basis for judging economic progress, but the intuitive appreciation of the stock market is not without value. Apart from industrial securities, the most important component of the long-term capital market was Government securities. The response to Government's borrowing programme had hitherto been disappointing. This lack of response was mainly attributable to the lack of capital formation and the inability of the investing classes to save enough for purposes of investment. This problem was receiving the Government's attention and would, he hoped, before long be on the way to solution.

Dr. Matthai emphasised that whatever solution might be sought for this problem, it was not likely to be found in the present circumstances in any adjustment of the rate of interest. Neither as a remedy for inflation nor as a stimulant to capital formation did he regard the rate of interest as a handy weapon in the present economic context.

With regard to the short-term market, as a result of several circumstances a state of acute stringency developed shortly after last year. The position had now considerably eased, and judged by the prevailing rates of interest and balances held by scheduled banks with the Reserve Bank, conditions in the short-term money market, seemed fairly easy.

Balance of payments: Dr. Matthai said that India had to incur during the 12 months ended June 1949, a deficit to her balance of payments of approximately 2,500 million rupees. In order to meet this large deficit the Government was obliged to draw on the sterling balances in excess of the releases agreed on between the United Kingdom and India in the previous year. These excess drawings had now been regularized by the special arrangements entered into by the Government of India with the United Kingdom. The Government had drawn up an exchange budget for the current year which would reduce the deficit to approximately 1,300 million rupees which represented the extent to which India could draw on her sterling balances during the current year under the revised agreement. In order to do this imports had to be reduced but, at the same time, the Government was making every effort to stimulate exports, and in this it was to some extent being assisted by devaluation.

Budgetary Prospects: Dr. Matthai said he could not discuss the budgetary prospects in any details at this stage. Recently the Government had taken active and firm steps to curtail its capital as well as revenue expenditure. For this and for other reasons, Dr. Matthai said, he took a hopeful view of the financial position than he did a few months ago. There were only three ways in which capital could be raised by the Government - by budgeting for a revenue surplus, by borrowing from genuine investors and by creation of fresh credit. The first did not seem likely to materialise for some time in view of the high level at which expenditure was still running on such essential matters as defence and rehabilitation. The third would be harmful and was not therefore to be thought of at a time when inflationary pressures were still active. The Government had, therefore, to depend on borrowing in the market and the marshalling of small savings for its capital requirements in the near future.

India-Pakistan Co-operation: Dr. Matthai said that he agreed with the business community regarding the need for economic collaboration between India and Pakistan. It has been all along the policy of the Government of India that, whatever differences might exist between the two countries in the political field, there should be the greatest possible co-operation in economic matters. The position has lately become somewhat difficult by Pakistan's decision to appreciate the value of her currency in relation to the pound sterling and the Indian rupee. But he hoped that it would be possible to arrive at a reasonable solution by a frank and full discussion at a conference between the two Governments. India, however, could not afford to remain dependent on Pakistan for the essential raw materials of her main industries, namely, jute and cotton textiles. Apart from the risk involved in such a course it had to be realized that India's adverse balance of trade with Pakistan was mainly due to the import of these commodities and as payment for them involved expenditure of foreign exchange, Indian imports had to be curtailed to balance her trade. It was essential therefore that India should make every effort to increase the production of jute and cotton.

As regards controls, Dr. Matthai said that the alternative to rationing by law was rationing through prices, resulting in inequitable distribution and misuse of scarce resources. The only real solution was the removal of the cause which necessitated control and that could not be done except by increased production. The need for the continuance of controls was a matter which the Government kept frequently under review and it was taking every step it could to improve the manner of their administration. Controls were an evil but a necessary evil in the present circumstances, which the Government had no intention of retaining longer than was absolutely necessary.

So far as the question of State trading was concerned, Dr. Matthai emphasised that the Government had an open mind on the subject and the fact that it had appointed a committee to review the position ~~and~~ should not be taken to mean that the Government had accepted State trading in principle. The policy of the Government would be decided only after it has received and considered the report of the committee.

As regards the proposal to amend the Indian Companies Act, Dr. Matthai assured the meeting that it was the Government's intention to appoint a ~~temporary~~ technically qualified committee to examine representations and sift opinions before formulating proposals for legislation.

Referring to the President's observations regarding labour, Dr. Matthai said that he was aware that the

tribunal machinery for industrial disputes, especially in the initial stages, had presented many difficulties. Compulsory adjudication was always difficult since no one liked compulsion, and it was therefore no surprise that many awards had been disliked and objected to by either party or both. He pointed out that in some of the cases in which employers had been critical, their case had suffered from ineffective presentation which would seem to indicate that they had not taken the work sufficiently seriously.

Finally, Dr. Matthai referred to the problem of tax evasion and said that the present position was clearly unsatisfactory. On the one hand, while the present feeling of uncertainty continued funds which would otherwise be available for long term investment were held back, and on the other hand any concessional treatment accorded to persons who had evaded taxation would discourage honest assesseees and expose Government to the criticism of evasion. Meanwhile, the existence of these funds floating surreptitiously in the market tended to accentuate inflation and prevented their use for productive purposes. The problem raised by this dilemma has so far baffled solution. But he was convinced that unless it was solved without undue delay, even if the solution involved a certain measure of compromise, it would act as a drag on the economic recovery of the country.

adding a premium on /

Resolutions: The meeting, inter alia, urged that adequate measures should be taken to give full scope for the development and expansion of India's industry and incidentally help minimise the growing threat of unemployment in the labour classes. It was of the opinion that an all-round reduction in the levels of direct taxation, with assumption by the Government of India of responsibility for the administration of a uniform and single point Sales Tax throughout the country, and with improvement in the transport system the objective could be achieved.

By another resolution it urged all-round reduction in the levels of direct taxation with the object of stimulating enterprise and investment and thereby promoting the development and expansion of the country's industrial, agricultural and commercial economy; simplification of the present "complicated tasks" of the assessee and the taxing authorities in computing net trading profits for purpose of charge to income-tax; modification of depreciation allowances to enable industry "to replace buildings and plant at existing prices".

Another resolution asked the Government to assume immediate responsibility for the administration of a uniform and single point Sales Tax throughout the country, distributing the revenues thus accruing among the provincial Governments pro rata after defraying

of taxation on subs

the cost of the administration of the tax". This was suggested because the meeting was "convinced" that delay in co-ordination of the principles of goods was "serious and detrimental both to the internal and export trade in India".

A resolution stated that the present railway services in spite of improvements, "are not adequate for the ever-growing needs of trade and industry". The resolution asked that priority be given to schemes for the development and improvement of all forms of transport, and particularly recommended greater use of road services by removing the restriction on long-distance traffic and rationalizing the system of taxation of motor vehicles.

The meeting welcomed the Bill providing for the establishment of a central appellate authority under the Industrial Disputes Act and hoped that the Central Legislature would soon put it on the Statute Book. It also drew the Government's attention to the "surplus labour force" in many industries and asked the Government to encourage industrial activity and expansion to "minimize the need for retrenchment".

(The Statesman, 13-12-1949).

28

CHAPTER 4. ECONOMIC QUESTIONS.

INDIA - DECEMBER 1949.

41: Industrial and Mining Production.

Higher Production Targets fixed for 15
Basic Industries: Joint Committees to
Implement Plans.

The Government of India has fixed provisional targets for increased production in 1950 for some 15 industries including coal, steel, cloth, sugar and paper. The increase recommended, according to the Secretary of the Industry and Supply Ministry, Mr. S.A. Venkataraman, is the result of an official examination of the installed capacity of the various industries' production in 1949 and other factors, but the recommendations are tentative and subject to further consultations with the industries. To achieve increased production the standing Committee of the Central Advisory Council of Industries had decided to ^{set up} joint committees for specific industries, consisting of representatives of employers, labour and the Government. Meanwhile, immediate reductions are being made in the prices of coal, amounting to 10 as per ton for slack coal, 9 as per ton for steam coal and 15 as per ton for soft coke, though certain specified categories will not be affected. In addition, freight charges are likely to be reduced in respect of coal intended for the production of certain controlled industries such as cement, cotton textiles and paper. The total reduction in coal prices in the case of these manufactures will amount to six to seven per cent.

An annual grant of one million rupees for a period of five years has been made for loans and subsidies for the promotion of small-scale industries in Centrally Administered Areas, which could not take advantage of the terms and conditions laid down by the Industrial Finance Corporation. Only industries whose capital equipment is less than ~~Rs.~~ ^{Rs.} 50,000 ^{per unit} will be eligible for aid. A maximum of ~~Rs.~~ ^{Rs.} 10,000 ^{per unit} per applicant will be allowed as loan and subsidies will be limited to 25 ~~per cent of capita~~

per cent of capital investment or Rs. 5,000.

The following is a complete table of the provisional targets fixed for 1950, along with related information:

Name of Industry	Target for 1950.	Installed capacity	Production in		Unit
			1948	1949 Jan. to Sept.	
January to Sept.					
Coal	31	30	29.7	23.4	Million tons
Steel	1	1.264	.854	.681	" "
Sugar	1.2	1.4	1.0	.874	" "
Sulphuric Acid	1.0	1.5	0.8	0.62	" "
Cloth	4,500	191,925 (looms)	4,4338	2,955	" yards
Superphosphates	50	90	21	30	Thousand ton ^s
Paper and paper board	110	110	98	78.4	" "
Glass	100	150	70	53.3	" "
Refractories	225	253	189	158	" "
Aluminium	3,500	4,000	3,362	2,482	tons
Cycle tyres and tubes	6	6	3.58	3.8	Million sets
Motor types and tubes	1	1	0.8	0.6	" "
Power alcohol	10	10	8.4	5	2 gallons
Plywood	(figure not fixed)	100	54	36	" sq. ft.
Diesel Engines	3,000	4,600	1,025	1,381	Total Number.

(The Hindustan Times, 24-11-1949).

34

42: Production and Export of Agricultural
Products.

India - December 1949..

Rajasthan: Underground Water Board set up
by Central Government.

By a resolution dated 6 December 1949, the Central Government has set up the Rajasthan Underground Water Board to direct exploitation and development of the underground water resources of Rajasthan. The Board consists of eight members with Mr. Jairamdas Daulatram, Minister for Food and Agriculture, as ex-officio chairman. Preliminary borings made in several places in Rajasthan have proved that large supplies of water can be made available for agricultural purposes throughout the year in areas now wholly dependent on inadequate and uncertain rainfall during the monsoon months. The development of these sources of water in this region is of utmost importance, both for Rajasthan and the country as a whole.

The main functions and powers of the Board will be (a) promotion and conduct of operations for exploring the underground resources of Rajasthan, and (b) making preliminary utilisation of the water resources discovered for demonstrating their irrigational possibilities for the region covered by each series of borings. As Rajasthan lies in the "oil belt" the Board may, in the course of its operations, undertake preliminary exploration of all resources of this area in consultation with and co-operation of the Geological Survey of India.

(The Gazette of India, Part I-Section
I, dated 10 December 1949, pages
1688-1689).

131

43: Foreign Trade and Exchanges.

India - December 1949.

New Trade Agreement between Japan and
Sterling countries: India enabled to
increase imports.

On 22 November 1949, a new 100 million pounds sterling trade agreement was signed at Tokyo between Japan and Britain, India, the British colonies (excluding Hongkong), Australia, New Zealand and South Africa. Under the agreement Japan will be able to double her purchases from the sterling area. Correspondingly, the sterling countries will also be able to buy more from Japan. But the agreement did not disclose how purchasing power among the sterling countries interested would be allocated.

Under the new agreement, purchases by ~~Japan~~ from the subscribing sterling area countries between July, 1949 and July, 1950, will total about 55 million pounds and imports by them from Japan will be about 45 1/2 million pounds. Commodities the sterling countries will send to Japan include cereals, cotton wool, iron ore, rubber, salt and petroleum. They will buy from Japan a wide range of manufactured goods, including textiles, machinery, canned fish, lumber, metals, electrical products and chemicals.

(The Statesman, 23-11-1949).

32

Indo-Ceylon Trade Pact approved: India
to import Copra and Rubber sheets.

A trade agreement between India and Ceylon was signed recently in New Delhi. The agreement is to ~~come~~ in force from 1 January to 31 December 1950.

According to a letter sent by Mr. K.C. Neogy, Minister of Commerce, Government of India, to the Leader of Ceylon trade delegation, general agreement was reached between the two delegations on the exchange of essential goods and commodities between India and Ceylon; the policy to be adopted by India and Ceylon in regard to the marketing of tea; and the incidence of duties on certain items of trade between India and Ceylon. Details of policy have not been given in the agreement, which are under further consideration.

Commodities which Ceylon will export to India under the agreement will include 20,000 tons of copra and coconut oil, 4,000 tons of rubber (sheets and crepe), 200 tons of graphite for paints and pencils, \$ 4,500 tons of betelnuts, ^{million packets} ~~1000~~ of unmanufactured tobacco, 256,000 ^{lb} of citronella oil, and 22,400 ^{lb} of Cinnamon-leaf oil.

Items which India will export to Ceylon include 400,000 tons of coal, 1,300,000 ^{lb} of cotton yarn, 4,400 tons of jute goods, 200 tons of steel, 1,750 tons of linseed oil, 20,000 tons of onions, 10,000 tons of chillies, and other articles like coriander, tamarind, mathe seed ginger, coffee etc.

The trade delegations have agreed that they shall render all reasonable assistance in ensuring normal flow of goods and commodities between the two countries, ^{and} also that neither country shall re-export to any other country any scheduled commodity obtained by either country from the other. This will not apply to export from Ceylon to the Maldives Islands.

(The Statesman, 8-12-1949).

44: Prices and Cost of Living.

India - December 1949.

Essential Supplies (Temporary Powers) Second
Amendment Act, 1949 (Act No. XLIX of 1949)
Government to control Raw Cotton.

On 2 December 1949, the Constituent Assembly of India (Legislative) passed an official Bill further to amend the Essential Supplies (Temporary Powers) Act. The Bill seeks to make raw cotton, including ginned cotton and unginced cotton or 'kapas' and cotton, ~~including~~ seed among the items which can be controlled by the Centre. It will replace an existing Ordinance to that effect.

During the debate on the Bill, Dr. S.P. Mookerjee, Minister for Industry and Supply, assured the House that for the present the Government had no intention of controlling kapas. As regards ginned cotton, the country had been divided into four or five zones, mainly of cotton producing areas, and it was proposed to prevent the free movement of cotton from one area to another except on permits issued by the Textile Commissioner.

The Bill received the assent of the Governor-General on 8-12-1949 and has been gazetted as Act No. XLIX of 1949.

(The Gazette of India, Extraordinary, dated 10-12-1949, Part IV, pages 168-169;

The Hindustan Times, 3-12-1949).

India - December 1949.

Foreign Capital for India: Sanction for
Schemes costing about 18 million Rupees

On 28 November 1949, Dr. S.P. Mookerjee, Minister for Industry and Supply, answering a series of questions in the Indian Parliament on the terms and conditions for investment of foreign capital in India, said that so far 59 applications had been received from foreign capitalists for starting industries in India after the announcement by the Prime Minister on the investment of foreign capital. Of these, 37 had been admitted, 19 were pending and three rejected. Sanction had been accorded already to schemes involving 18.3 million rupees. The foreign participants mostly belonged to the United Kingdom and the industries included electrical (including radios), iron and steel products, vanappati, woollens, general engineering, automobiles, paints and varnishes, printing and finishing, paper and stawboard, leather goods, raw films, non-ferrous metals, fine chemicals, footwear, ivory buttons, and sports goods.

No application had so far been received from the United States.

Mr. Mookerjee said that the conditions laid down generally were, (1) majority of Indian capital; (2) Indian management; and (3) Indian technicians to be trained by the foreign technicians so that they later might be eventually replaced by the former. The schemes might take three to five years to materialise.

(The Hindu, 29-11-1949).

25

Insurance (Amendment) Bill, 1949,
referred to Select Committee

On 6 December 1949, the Indian Parliament referred to a Select Committee the Commerce Minister's Bill to amend the Insurance Act, 1938 (vide pages 37 to 38 of the report of this Office for November 1949).

Reply

Replying to the demand for nationalisation of the insurance business in India, Mr. Neogy, Commerce Minister, stated that there was some thing to be said in favour of continuation of the present system, at least for some time. He entirely agreed that the circumstances on which the Cowasji Jehangir Committee reported, and which actually led to the present measure, in a sense constituted "a most disgraceful chapter in the history of Indian insurance business", and he hoped that the insurance concerns would see to it that this deplorable state of affairs did not continue any longer. While he would welcome general control he was against interfering in the internal and day-to-day administration of the companies, so long as there was going to be no nationalisation. Mr. Neogy pointed out that the Bill represented the largest measure of agreement on some of the most controversial points and was really in the best interests of the country. The Select Committee would naturally give careful consideration to several points raised during the debate.

(The Statesman, 7-12-1949).

46: Wages.

India - December 1949.

Recommendations of Joint Advisory Committee
on Railway Labour: 2,500 Employees upgraded

Reference was made at paragraph 11, pages 1-2 of the report of this Office for May 1949 to the appointment of a Joint Advisory Committee, consisting of representatives of labour and Railway Administration, to advise the Government on matters of common interest.

A Government of India Press note states that the Committee was, in the first instance, to inquire into the alleged anomalies in the application of the Central Pay Commission's recommendations on railways. From May 1949 when the Committee was first constituted, it has sat for nearly 60 days so far and made recommendations on 29 issues framed from the representations received from individuals and associations in response to a notification which had been issued.

The recommendations made by the Committee have received the Government's consideration and orders have been issued on five out of the 13 items of which recommendations were received up to the middle of October. These are:

(1) In regard to clerical posts on railways in the lowest scale of 55-130 rupees, the Chairman of the Committee recommended that their number should not exceed a figure between 72 1/2 per cent. and 75 per cent. of the total number of posts of clerks, the existing percentage on railways where it is more favourable being left undisturbed. The Government has accepted that the number of posts in the lowest grade should be limited to 75 per cent of the total and effect will be given to these orders from January 1950. This has meant upgrading more than 2,500 posts involving an additional expenditure of one million.

(2) In regard to scales of pay for keymen of the Engineering Department, the Committee, recommended that they should be given the higher prescribed scale of

31

Rs. 35-50. Orders prescribing this scale have been issued.

(3) The Committee recommended that in the case of typists the number of posts in the intermediate grade of Rs. 80-160 should be 16 per cent to 20 per cent of the posts in the lowest grade, the margin of 4 per cent being provided for administrative flexibility. The Government has accepted the Committee's recommendation and issued orders.

(4) In regard to graduates appointed to posts for which the minimum qualification of a university degree was prescribed prior to the Central Pay Commission's report, the Committee recommended that they should now be placed in the scale of Rs. 80-220. The Government has accepted the recommendation and issued necessary orders.

(5) In regard to the distribution of posts of stenographers in the various grades, the Committee recommended that the number of posts in the intermediate grade shall be 16 per cent to 20 per cent of the number of posts in the lowest grade. The Government has in substance accepted the recommendation of the Committee and orders are under issue.

The other cases in which the Committee has made recommendations are actively under consideration.

In addition, other issues, such as ticket examining staff and van porters etc. being classed as running staff for allowances, scales to be given to train examiners, the application of the scale of Rs. 55-130 to train clerks, treatment of war service candidates and the scales of pay to be given to technically trained supervisors, have also been considered by the Joint Advisory Committee, but it has made no recommendations for a ~~any~~ change.

(The Statesman, 12-12-1949).

38

Minimum Pay fixed for Bank Employees
in Delhi and East Punjab and Bihar:
All India Industrial Tribunal's
Interim Awards.

The All India Industrial Tribunal (Bank Disputes) has published interim awards relating to banks in Delhi and East Punjab, Bihar and Bombay, fixing the minimum pay scales and dearness allowance pending the final award, in the case of banks in Delhi and East Punjab and Bihar and turning down the demand of the Bombay bank employees for interim relief.

In the case of Delhi and East Punjab and Bihar, the Tribunal has fixed the following ~~in~~ minimum scales of pay and dearness allowance, with the provision that the award does not affect the banks paying higher scales of pay or dearness allowance than the minimal scales fixed by it:

Delhi ^{and} East Punjab.

	Pay		Dearness allowance	
	Clerks	Subordinate staff	Clerks	Subordinate staff-
'A' Class Banks	Rs. 60	Rs. 25	Rs. 30	Rs. 25
'B' Class Banks	Rs. 60	Rs. 25	Rs. 25	Rs. 20
'C' Class Banks	Rs. 55	Rs. 22	Rs. 25	Rs. 18

Bihar.

	Pay		Dearness allowance	
	Clerks	Subordinate staff.	Clerks	Subordinate staff.
'A' Class Bank	Rs. 60	25	25	20
'B' Class Bank	57	23	25	18
'C' Class Bank	55	20	20	15

29

The Tribunal has classified the banks on the model of the United Provinces. Certain banks, viz., members of Displaced Banks' Association, Group D of the scheduled banks etc., have been exempted from the operation of the award.

In the case of Bombay, the Tribunal held that the situation was not such as to call for any interim relief being awarded pending the final award. For employees of those banks which were not covered by the awards given by Mr. Justice Divatia in 1947 and 1948 (vide pages 37-38 of the report of this Office for April 1947 and page 115 of the report of this Office for September 1948) however, the Tribunal has awarded interim relief. In the case of such employees, three-fourths of the pay which would have been admissible under the award of Mr. Justice Divatia is to be deducted from the total pay and allowance earned by an employee, the balance being treated as the dearness allowance earned. Where that dearness allowance is less than what the employee would have got on the basis of the award of Mr. Justice Divatia, the difference has been ordered to be paid as interim relief. Where the total of the pay and allowances permissible under the ~~said~~ award, the full dearness allowance permissible under that award has been ordered to be paid as interim relief.

now being paid is less than three-fourths of the pay that would have been

These rates have been made effective from 1 June 1949.

By notifications dated 29 and 30 November 1949, the Central Government has ordered that the three interim awards shall be binding for a period of one year from 17 October 1949, or till the final award in respect of the dispute is accepted by the Government, whichever is earlier.

(The Gazette of India, Extraordinary, dated 17 November 1949, pages 2285-2294)

The Gazette of India, Part I-Section I, dated 10 December 1949, page 1690).

India - December 1949.

Railway Convention Committee recommends
Fixed Dividends for General Finance: Reso-
lution passed by Parliament.

On 21 December 1949, the Constituent Assembly of India (Legislative) passed a resolution moved by the Railway Minister, Mr. N. Gopalaswami Ayyangar, revising the convention relating to separation of railway from general finance. For the next five years, according to the resolution, the railways will pay an annual dividend at the rate of four per cent on the capital invested in them. A committee of the House will review the rate of dividend after these five years and suggest any adjustment considered necessary. The depreciation fund is to receive a minimum contribution of 150 million rupees.

The resolution, based on the recommendations of the Committee, appointed by the Assembly early in 1949, provides among other things, that tax-payer ~~only~~ would have the status of the sole share-holder in the railway undertakings and for the period of five years commencing from 1950-51 general finances would be paid an annual dividend calculated at the rate of four per cent on the capital invested. The rate of dividend would be reviewed at the end of the period.

The resolution also provides for the setting up of a Revenue Reserve Fund, a development fund for providing passenger amenities, labour welfare and necessary but unremunerative railway projects. A Depreciation Reserve Fund for the cost of replacements would also be set up with a minimum contribution of 150 million rupees.

Moving the resolution, Mr. Ayyangar recalled that over 25 years ago the railway finances were separated from general finances by the then Legislative Assembly which had also adopted certain other recommendations providing for the manner in which the Railways could contribute to the general finances. The convention was in operation for a number of years and was last revised in the year 1942-43. The resolution adopted in 1943 stated that so far as the contribution to the general revenues were concerned the provisions of the 1934 resolution should cease to operate. It also made certain ad hoc contributions for that year and the following year and decided that contributions for subsequent years should be made on ad hoc basis depending on the circumstances of the general and railway finances.

Mr. Ayyangar said that the railways were essentially

a public utility undertaking run on a commercial basis. It, therefore, required that the railways should render first, an essential service in public interest, secondly provide the highest possible quality in regard to safety, amenities and the like, and thirdly should not take advantage of the monopoly enjoyed in regard to railway transport for the purpose of "exploiting its victim". Since it was being run on a commercial basis, it should pay economic remuneration to labour and capital. It should pay adequate wages to the labour employed and also pay a fair dividend to the share-holder who was the State. As the shares were not in the open market, the dividend should not be less than the rate of interest at which Government usually borrowed. It might be slightly higher than such a rate of interest. But it should not, however, be so high as to enable the rendering of services to the public to be costlier or stop the building up of reserves. If after the payment of dividend on these principles a surplus was realised in accordance with commercial principles they should be pushed back into the industry either in the shape of immediate extension or reserve funds. To divert any portion of such surplus as an extra contribution to the general revenues could not be related to any acceptable principles of sound finances.

It might be asked, Mr. Ayyangar continued, that when the general finances were bad in a particular year or over a number of years whether the railways should not contribute to the general finances for the purpose of strengthening it. The proper method in such a case, Mr. Ayyangar said, was to explore the possibility of levying a tax on fares and freights for general purposes. Both in the Government of India Act, 1935, and the new Constitution, there were provisions which enabled the Finance Minister to tax these sources in a more direct way.

He would also suggest for the consideration of the Finance Minister that if an occasion should arise in future when a share would have to be taken by the general finances from the railway surplus, it should not be taken as a free gift but should be taken in reduction of the capital in charge of the railways. It was only right that in view of the fact that the railways had to pay interest on the amount that had been placed at its disposal, they should be given an opportunity to pay back some of the debts when they were in a financially better position to do so. Mr. Ayyangar said that the recommendation of the Committee that the general revenues should only get a 4 per cent dividend could not be attacked on grounds of principle or reasonableness. There had been a suggestion that it would be right thing to subject the railways to income-tax. So long as the railways were not ~~subject to income tax~~ a corporation apart from the Government and were being run as a part of the Government, income from the railways would not be subject to tax. Even if they were to be taxed, only the surpluses could be

taxed. On that basis between the year 1924-25 and 1949-50, the amount that they would have to pay by way of income-tax, super-tax, etc., had been calculated to be 1930 million rupees. The actual payment from the railways ~~of~~ general revenues during that period was 2,220 million rupees. The interest calculated at the rates in force then would amount to 7,377.8 million rupees making a total of 9,597.8 million rupees. A dividend at 4 per cent would amount to 7457.2 million rupees.

He said that even ~~in~~ income-tax could only be calculated after making reasonable provisions for reserve. If that had been done, the income-tax would have been much lower. The provision for depreciation made was also lower than what would have been allowed under income-tax for industries. If income-tax was to be levied on the railways in the proper way, then the amount that would accrue to the general revenues would be smaller than that actually would be under the 4 per cent dividend rule.

Mr. Ayyangar said that the rate of dividend that might be fixed now should not be enforced for a longer period than would justify in the present circumstances. First, the expenditure in respect of operation, maintenance and improvements of the railways should be ~~xxx~~ standardized and, secondly, the Government must watch the money market and the stability of financial conditions. Therefore, a review of the convention should be undertaken by a committee of Parliament after five years. The Railway Reserve Fund would, hereafter, be called Revenue Reserve Fund primarily designed to finance payment to general revenues and pay deficit in the working of railways.

As it was undesirable to multiply the number of funds earmarked for specific purposes, it was proposed to have only one other fund, namely, Development Fund, besides the Depreciation Fund which would be called Replacement and Renewal Fund and the Railway Revenue Reserve Fund. The Betterment Fund which now amounted to 135 million rupees would be merged in the Development Fund. After making contributions to the Depreciation Fund and payment of dividend to general revenue the surplus should be distributed among the Revenue Reserve Fund and the Development Fund. Further surpluses would be given to the Replacement and Renewal Fund.

The resolution was passed by the House.

(The Hindustan Times,
22-12-1949).

49: Rehabilitation.

India - December 1949.

The Administration of Evacuee Property Bill,
1949.

Mr. Mohan Lal Saksena, Minister of State for Rehabilitation, Government of India, introduced in the Central Parliament on 9 December 1949, the Administration of Evacuee Property Bill, 1949, which provides for the administration of evacuee property and for certain matters connected therewith. The Bill, which seeks to re-enact the Administration of Evacuee Property Ordinance, 1949 (vide pages 29-30 of the report of this Office for October 1949) centralises the legislation relating to evacuee property and makes the provisions applicable to the whole of India except Assam and West Bengal.

(The Gazette of India, Part III,
dated 17 December 1949, pages
449-464;

The Hindustan Times, 10-12-1949).

44

CHAPTER 5. WORKING CONDITIONS.

INDIA - DECEMBER 1949.

52: Welfare and Workers' leisure.

Reduction in Coal Cess opposed by Advisory
Committee: Programme for construction of
Houses in 1950.

A meeting of the Coal Mines Labour Welfare Fund Advisory Committee was held at Nagpur on 9 December 1949. Mr. S. Lall, Secretary, Ministry of Labour, presided.

The Committee declared its opposition to any proposal to reduce the cess of six annas levied on each ton of coal despatched by rail from the collieries. Any such reduction, it pointed out, would undermine the work of the welfare fund resulting in waste of expenditure and the halting of its various welfare schemes. The Committee also expressed its inability to make any cut in its expenditure programme in pursuance of the general economy drive.

The Committee referred to its housing board for ~~the~~ scrutiny, a tentative construction programme for 1950-51 estimated to cost about 12 million rupees. The programme includes construction of two central hospitals, one at Dhanbad and the other at Raniganj, tuberculosis clinics and anti-malaria sub-stations in Bengal and Bihar coalfields and wells, roads and drainage for a township at Bhuli. The Committee also decided to approach the provincial Government for the early construction of a regional hospital and a township at Datia.

The Committee further asked the Coal Mines Labour Welfare Commissioner, Dhanbad, to take up with colliery-owners the early completion of pit-head baths for miners. It also asked him to prepare a separate budget for

each coalfield area under the fund, so that the welfare schemes could be taken up according to the resources and requirements of each area.

(Amrita Bazar Patrika,
10.12.1949).

53: Women's work.

India - December 1949.

Orissa: Ban on Employment of Women in
Government Services removed.

A press note issued by the Government of Orissa on 2 December 1949, states that the Government has decided to withdraw the ban imposed on women regarding appointments to Government services and has issued orders accordingly.

(The Statesman, 5-12-1949).

56: Labour Administration.

India - December 1949.

Assam: Working of the Factories Act during 1948*

Number of factories and number of workers employed
In Assam there were 798 factories (213 perennial and 585 seasonal) on the register during 1948 as against 759 factories (179 perennial and 580 seasonal) during 1947. Out of 798 registered factories only 767 factories were actually working during the year under report and 31 registered factories remained closed. Thirty-nine factories (5 seasonal and 34 perennial) were newly registered and no factory was crossed off from the register.

The average number of workers employed daily in the 767 working factories was 59,563, an increase of 3,444 over the previous year's figure of 56,119. The increase in the perennial factories was 660 and in the seasonal factories 2,784. The following table shows the distribution of workers among the various industries in the province during the year 1947 and 1948:

Industry	Number of workers		Increase	Dec- rease.
	1947	1948		
Tea industry	44,596	47,429	2,833	..
Rice mills	1,475	1,553	78	..
Petroleum industry	1,673	1,576	..	97
Oil mills	577	543	..	34
Railway workshops	1,835	2,127	292	..
General engineering	969	1,242	273	..
Match industry	1,150	1,207	57	..
Saw mills	1,354	1,276	..	78
Textile industry	144	255	111	..

* Report on the Working of the Factories Act, 1934, in Assam for the year 1948; Shillong, Printed at the Assam Government Press, 1949; pages 16, price 10 annas or 11 pence.

The main increase in the number of employed was in the tea industry, the railway workshops and in the general engineering workshops. This was perhaps due to the fact that the industries had now resumed normal activities after the war.

Accidents and safety measures: During the year under review, total number of accidents was 911 as against a total of 977 in 1947 - a reduction of 66. Of the 911 cases of accidents, 7 were fatal against 2 of the previous year, and 109 were classified serious against 119 of the previous year. The rest of the accidents were slight. During the year there was a decrease in both serious and minor accidents, but the number of fatalities increased from 2 of the previous year to 7.

No definite improvement on the standard of fencings on moving machinery was noticed during the year, and as such the safety conditions of factories were more or less on the same level as in the previous year. Scarcity of iron and steel and other structural materials was the main difficulty experienced in maintaining standards of fencing and safety devices to the desired levels. Wooden fencings on moving machinery had to be approved provided they were properly constructed and securely fixed.

Sanitary and welfare conditions in many factories specially in rice and oil mills, remained as unsatisfactory as before. Whenever in any factory the provisions of latrines, urinals, cleanliness, drinking water supply, etc., were not found satisfactory, the Inspectors ordered remedial measures. But in the absence of an adequate number of Inspectors and frequency of visits, the Inspectorate could not ascertain whether such orders were properly carried out.

Payment of wages in factories: The average number of persons employed daily in factories and subject to the administration of the Payment of Wages Act and Rules rose to 58,303 from the previous year's number of 54,521, representing an increase of 3,782. The total amount paid to factory workers as wages including authorised deductions, but not including other deductions was 18,924,995 rupees as against 14,964,202 rupees in 1947. An amount of 101 rupees was deducted as fines and 320 rupees as damages during the year. The average per capita income of the wage earners during the year was approximately 324 rupees. This was about 50 rupees more than the per capita income in 1947 and represented an increase of about 18.26 per cent.

There was no prosecution under this Act against any factory. Occasional complaints were, however, received from certain labour organisations regarding non-payment of overtime wages at prescribed rates. These were promptly dealt with by the officers of the Inspectorate, and relevant payments were ordered whenever any default was

noticed. The Inspectors also detected a number of cases of default in respect of payment of overtime wages, specially in those factories who availed of the exemptions granted under Section 44(2) of the Factories Act, 1934 during the year. An amount of arrear overtime wages of 5,947 rupees in one perennial factory alone, and an amount of 210 rupees in one tea factory had to be ordered for payment on these grounds. This was mainly due to the fact that some factory managers did not know about the provisions in the Factories Act for payment of overtime wages at double the rate of ordinary wages.

Maternity benefits: No serious complaints were received regarding any violation of the provisions of the Act, and there was no prosecution under the Act during the year. On the other hand in many well-established concerns, maternity benefits were actually paid in excess of the requirements under the Act.

Holidays with pay: The report states that some improvement was observed during the year in the grant of annual holidays with pay to factory workers, though the observance of these provisions of the Factories Act still fell short of the desired standard. The main difficulties experienced were due to the fact that many of the small perennial factories of the province, specially rice, oil and saw mills, remained closed for long periods during the year, and a large proportion of the workers employed were of the migratory type who went away to their homes after a few months' work in the factories. Many workers who were permanently employed were now beginning to avail themselves of the benefits of annual holidays with pay, but some workers were still found who did not claim these benefits at all. In big and well established factories, however, these provisions were satisfactorily observed and in fact some concerns allowed more liberal benefits to their workers than what was prescribed by the law.

The provisions ^{relating to} ~~of the~~ compensatory holidays were also observed satisfactorily during the year under review specially in well established factories. In the case of some tea factories availing of the exemptions from the provisions of weekly holidays, the Inspectors could not be sure of the exact number of compensatory holidays being given to the workers who lost their weekly holidays. The reason ^{was} being that there was no fixation of time limit within which the lost holidays had to be compensated for, and tea factories being seasonal some of the lost holidays might have remained uncompensated within the working season of the factories. The report points out that these difficulties would be overcome when rules under the new Act are enforced.

Inspection and prosecutions: The total number of inspections made during the year was 422 as against 502 in 1947. Three hundred and forty-eight factories were inspected once, 32 twice and 2 three times and 1 factory was inspected more than three times. In all 49.9 per cent of the factories was inspected as against 62.5 per cent of factories in the previous year. Three hundred and eighty-four factories constituting 50.1 per cent. could not be inspected.

The number of prosecution cases instituted during the year was three.

51

59. General.

India - December 1949.

The Mines Bill, 1949: Shorter Working Hours,
Over-time Pay and Holidays with Pay for Mine
Workers and general strengthening of provisions
relating to Health and Safety.

Mr. Jagjivan Ram, Minister for Labour, introduced in the Constituent Assembly of India (Legislative) on 8 December, 1949, the Mines Bill, 1949, which seeks to amend and consolidate the law relating to the regulation of labour and safety in mines and replaces the existing Mines Act, 1923.

The Statement of Objects and Reasons appended to the Bill points out that the existing Indian Mines Act which relates to the regulation and inspection of mines was passed in 1923 and although it has since been amended in certain respects, the general framework has remained unchanged. Experience of the working of the Act has revealed a number of defects and deficiencies which hamper effective administration. Some of these necessitate new forms of control while others require the tightening up of the existing legal provisions. It has, therefore, been considered necessary to thoroughly overhaul the existing Act. The proposed legislation differs from the existing law in certain respects. The more important features are mentioned below.

Scope:- At present workshops run by a mine for the maintenance of its machinery and plant in safe and efficient working order are subject to the Factories Act, 1948, which is administered by provincial Governments. Workers in workshops such as fitters, blacksmiths, welders, electricians and others frequently work for a part of the shift underground and while so employed come within the scope of the Mines Act. As it is inconvenient that the same personnel should be subject to two different Acts administered by two different authorities, the Bill seeks to bring all personnel engaged solely on work relating to mines within the scope of the Mines Act. For similar reasons the Bill brings within the scope of the Mines Act power stations which generate power used wholly in connection with the mine concerned.

Inspecting Staff:- The main change in the provisions respecting inspection staff concerns the appointment of certifying surgeons. These persons are to carry out duties in connection with the examination and certification of adolescents, the examination of persons engaged

52

in a mine in such dangerous occupations or processes as may be prescribed, and the exercise of medical supervision as may be prescribed in cases of occupational diseases and where adolescents are to be employed in any work which is likely to cause injury to their health.

Health and Safety: The provisions in the existing Act regarding conservancy and sanitary conveniences are of a general nature. The Bill provides for more definite arrangements for drinking water, latrines, urinals, etc. It has also been laid down that first-aid appliances should be made available underground and that they should be kept in charge of qualified personnel. The Central Government is to be empowered under the Bill to direct that the provisions of Chapters III and IV of the Factories Act, 1948, dealing respectively with health and safety, shall, subject to certain exceptions and restrictions as may be specified, apply to all mines and their precincts. It has been made obligatory on the part of the owner, agent or manager of a mine to report the contraction of any of certain notified diseases. Provision for the holding of an enquiry regarding the causes of contraction of a reported disease has also been made.

Hours of Work:- The working hours for all workers, both surface and underground, have been reduced to 48 per week and no worker is to be allowed to work for more than 9 hours a day above ground and 8 hours a day below ground. The provisions in the existing Act permit workers on the surface to work for 54 hours a week or 10 hours a day and workers underground for 9 hours a day.

As regards overtime the existing Act does not specify the rate of payment for overtime work. In the Bill the rates for overtime have been fixed at 1 1/2 times the ordinary rate of wages in the case of surface workers and at twice the ordinary rate for underground workers.

Except in cases of emergency involving serious risk to the safety of the mine or of the persons employed therein, no person employed in a mine shall be allowed to work for more than ten hours in any day, inclusive of overtime, nor shall the total number of hours of his overtime work exceed fifty for any one quarter, provided that - (i) subject to the previous approval of the Chief Inspector, the daily maximum hours specified may be exceeded in order to facilitate a change of shifts; and (ii) an adult, engaged in work which for technical reasons must be continuous throughout the day, may be employed for fifty-six hours a week.

Employment of Women:- The present prohibition against employment of women underground will be continued. The employment of women on the surface between the hours of 7 p.m. and 6 a.m. will also be prohibited, but provincial Governments will be empowered to relax these limits but not so as to authorise working between the hours of 10 p.m. and 5 a.m.

Employment of adolescents:- An adolescent person, who has completed his fifteenth year but has not completed his eighteenth year, will not be allowed to work underground unless he is certified medically fit for work as an adult. No adolescent who has not been granted a medical certificate certifying that he is fit for work as an adult shall be employed above ground ~~even~~ for more than four and a half hours in any day, or between the hours of 7 p.m. and 6 a.m. The period of work of all such adolescents employed in a mine shall be limited to two shifts which shall not overlap or spread over more than five hours each, and each such adolescent shall be employed in only one of the relays which shall not, except with the previous permission in writing of the Chief Inspector, be changed more frequently than once in a period of 36 days.

Employment of Children:- No child shall be employed in any mine, nor shall any child be allowed to be present in any part of a mine which is below ground or in any open excavation in which any mining operation is being carried on. After such date as the Central Government may, by notification in the official Gazette, appoint in this behalf, no child shall be allowed to be present in any part of a mine above ground where any operation connected with or incidental to any mining operation is being carried on.

Weekly Rest and Compensatory days of rest:- No person shall be allowed to work in a mine on more than six days in any one week. Where a person employed in a mine is deprived of any of the weekly days of rest as a result of exempting any mine or the persons employed therein from the provisions relating to weekly rest, he shall be allowed, within the month in which such days of rest were due to him or within the two months immediately following that month, compensatory days of rest equal in number to the days of rest of which he has been deprived.

Leave with Wages:- The Bill contains a new chapter regarding the grant of holidays with pay. The qualifying period for annual paid leave is 12 months' continuous service in a mine and the leave is calculated at the rate of 14 consecutive days if the person is an employee paid by the month and 7 consecutive days if he is an employee paid by the week, or a loader, or other person employed below ground on a piece-rate basis. A monthly paid worker may carry over to the succeeding 12 months any leave not taken by him, provided that the total number of days of leave which may be accumulated shall not exceed 28 days in all. Other provisions respecting payment of wages for leave in advance, power to exempt mines from the provisions, etc. ~~are~~ *are* in the lines of the provisions of the Factories Act, 1948, *are also included.*

Penalties:- At present the penalty for violation of the provisions of the Act is only ^{the} fine. It is proposed to provide that the punishment may be imprisonment or fine or both. This will bring the penalty provisions in line with the penalties prescribed in the Factories Act, 1948.

The Bill was referred to a Select Committee on 24 December 1949.

(The Gazette of India, Part V, dated 17 December 1949, pages 407-437;
The Hindustan Times, ~~Weekly~~, 25 December 1949).

Burma: Committee set up to enquire into the working of Oil-Winning Industry.

The Government of the Union of Burma has set up an ad hoc committee, consisting of six members with U Kyaw Kyint, Member of Parliament, as chairman and U Kyaw Din, Labour Officer, as secretary, to enquire into the working of the oil-winning industry in Burma, with a view to determine its future policy in regard to the rehabilitation of industry and protection of the interests of labour employed therein. The terms of reference of the committee will be the following:
(1) to enquire into conditions in the oil mining industry and suggest that might be taken immediately for its rehabilitation; and (2) to make recommendations for the maximum practicable employment of labour in the oil industry and otherwise.

(Supplement to the Burma Gazette, dated 26 November 1949, page 764).

67. Conciliation and Arbitration.

India - December 1949.

The Industrial Disputes (Appellate Tribunal) Bill, 1949: Central Appellate Tribunal for Industrial Disputes set up.

Mr. Jagjivan Ram, Minister for Labour, Government of India introduced in the Constituent Assembly of India (Legislative) on 9 December 1949, the Industrial Disputes (Appellate Tribunal) Bill, 1949, which provides for the establishment of an appellate tribunal in relation to industrial disputes and certain other incidental matters.

Statement of Objects and Reasons.- The Statement of Objects and Reasons appended to the bill says that the working of the Industrial Disputes Act, 1947, which introduced for the first time the principle of adjudication, has revealed the need for a Central Appellate Authority which, by its decisions, would co-ordinate the activities of the large number of Industrial Tribunals set up by the Central and Provincial Governments. Some tribunals have been known to take divergent views on important issues such as profit-sharing, retirement benefits, etc. Industrial undertakings with branches in more than one province, and particularly those that employ transferable staff on an all-India basis, have to face anomalies and complications arising out of the varying decisions of tribunals in different provinces. As a result, there has been a persistent demand for some time past for the setting up of an Appellate Tribunal and the Bill seeks to meet this demand. It also makes certain incidental amendments to the Industrial Disputes Act, 1947. The Appellate Tribunal will consist of a Chairman and such number of other members as the Central Government may find it necessary to appoint. The Chairman and members will be persons generally of the status of High Court judges. The Tribunal is competent to appoint assessors to advise them in any proceedings. The Chairman will constitute as many Benches of the Appellate Tribunal as may be necessary, each Bench consisting of not less than two members. The jurisdiction of the Tribunal will extend over all Industrial Tribunals, Industrial Courts, Labour Courts, Wage Boards, etc., in the country, whether constituted under a Central or a provincial enactment. Appeals will lie to the Tribunal only in matters involving finance, classification by grades, retrenchment of staff and question of law.

Provisions relating to the Appellate Tribunal are being included in the proposals separately under consideration for revising the law relating to labour relations and trade unions. But it will naturally be some time before the necessary legislation is passed. It is increasingly felt that the setting-up of an Appellate Tribunal cannot be postponed any longer without serious detriment to the usefulness of the labour relations machinery and consequent deterioration in the relations between employers and workers. Hence this separate legislation, which will be operative till such time as the new law relating to labour relations and trade unions comes into force.

According to the Bill the Central Government may, by notification in the official Gazette and with effect from a date specified therein, constitute a Labour Appellate Tribunal, consisting of a chairman and such number of other members, generally of the status of High Court judges, as the Central Government may find it necessary to appoint, for hearing appeals from the awards of industrial tribunals. An appeal shall lie to Appellate Tribunal from any award or decision of an industrial tribunal if the appeal involves any substantial question of law, or the award or decision is in respect of wages, bonus, contribution paid or payable by the employer to any pension fund or provident fund, gratuity payable on discharge, classification by grades, retrenchment of workmen, and any other matter which may be prescribed. No appeal shall lie from any award made by the All India Industrial Tribunal for Bank Disputes, and any award or decision of an industrial tribunal made with the consent of parties or from any settlement arrived at between the parties in the course of conciliation proceedings, whether before a conciliation officer or a conciliation board or any other authority or from any decision of an arbitrator appointed under any law with the consent of parties to settle the dispute. The chairman of the Appellate Tribunal shall appoint as many Benches as may be necessary, each Bench consisting of not less than two members. The Tribunal may also appoint, after consulting the parties to the dispute and the appropriate Government, assessors to advise it. In the event of any difference of opinion among the members of a Bench, the opinion of the majority shall prevail; but where there is no such majority, the President of the Bench shall refer to the Chairman either the whole appeal or the particular point or points on which there is difference of opinion among the members of the Bench and on such reference, the Chairman shall either hear the matter himself or transfer it to any other member and the decision thereon of the Chairman or the other member, as the case may be, shall prevail.

Appeals may be preferred by any party which is aggrieved by the award or decision; or the appropriate Government within 30 days from the date of an award; in reasonable cases the Tribunal may waive this limitation. Where an appeal is preferred, the Appellate Tribunal ^{shall} stay the implementation of the award or decision or any part thereof for such period and on such conditions as it thinks fit, if it is satisfied that the implementation of the award or decision may have serious repercussions on the industry concerned or other industries or on the workmen employed in such industry or industries.

The decision of the Appellate Tribunal shall be enforceable on the expiry of thirty days from the date of its pronouncement. But where the appropriate Government is of opinion that it would be inexpedient on public grounds to give effect to the whole or any part of the decision, the appropriate Government may, before the expiry ~~of the~~ of the thirty days period ~~or~~ by order in the official Gazette, either reject the decision or modify it. In such cases, however, the Government shall, on the first available opportunity, lay that decision together with its reasons for rejecting or modifying the decision before the legislative assembly of the province, or where the appropriate Government is the Central Government, before the Central Legislature.

The Bill contains certain provisions relating to industrial tribunals set up under other laws. The award or decision of any industrial tribunal shall, notwithstanding anything contained in any law, be enforceable on the expiry of thirty days from the date of the publication of the award, and in cases where there is no provision for publication of the award, from the date of making the award. But in cases where the award or decision is not appealable under this Bill and where the appropriate Government is a party to the dispute, the appropriate Government may, if it is of opinion that it would be inexpedient on public grounds to give effect to the whole or any part of the award or decision, before the expiry of the period of thirty days, by order in the official Gazette, stay the implementation of the same before the legislative assembly of the province, or where the appropriate Government is the Central Government, before the Central Legislature and shall cause to be moved therein early a resolution for the consideration of the award, or decision. And the legislative assembly or the Central Legislature may by its resolution confirm, modify or reject the award or decision.

During the period of 30 days allowed for the filing of an appeal or during the pendency of any appeal under this Bill no employee shall alter, to the prejudice of the workmen concerned in such appeal, the conditions of service applicable to them immediately before the filing of such appeal, or discharge or punish, whether by dismissal or otherwise, any workmen concerned

in such appeal except with the express permission in writing of the Appellate Tribunal. Strikes and lock-outs are also prohibited during the period.

Consequential amendments to the Industrial Disputes Act, 1947:- The Bill also seeks to amend certain sections of the Industrial Disputes Act, 1947. The amendments, which are consequential in character, relate, among others, to duties of tribunals, commencement and duration of awards and prohibition of changes in conditions of service to the workers' prejudice. According to one amendment an award shall normally remain in operation for a period of one year. But the appropriate Government may reduce or extend the period of operation by any period not exceeding one year at a time, and the total period of operation of any award should not exceed three years from the date on which it came into operation. And where the Government, whether of its own motion or on the application of any party bound by the award, considers that since the award was made there has been a material change in the circumstances on which it was based, it may refer the award or a part of it to a tribunal for decision whether the period of operation should not, by reason of such change, be shortened and the decision of the tribunal on such reference shall, subject to the provision for appeal, be final.

(The Gazette of India, Part V, dated 17 December 1949, pages 439-447).

The Industrial Disputes (Banking and Insurance Companies) Act, 1949, (India Act No. LIV of 1949).

Mr. Jagjivan Ram, the Labour Minister, introduced in the Constituent Assembly of India, (Legislative) on 2 December 1949, the Industrial Disputes (Banking and Insurance Companies) Bill, 1949. The Bill is on the lines of the Industrial Disputes (Banking and Insurance

59

Companies) Second Ordinance, 1949 (vide page 71 of the report of this Office for November 1949), now in force, under which the responsibility for dealing with disputes in banking and insurance companies having branches in more than one province passed over to the Central Government.

The Statement of Objects and Reasons appended to the Bill states that it is now proposed to replace the Industrial Disputes (Banking and Insurance Companies) Second Ordinance, 1949, by an Act. The provisions contained in the Bill will eventually be included in the comprehensive legislation relating to the revision of the Industrial Disputes Act, 1949, now under the consideration of the Government.

The Bill was passed by the Constituent Assembly of India (Legislative) on 7 December 1949. In the course of debate Mr. R.K. Sidhwa, welcoming the Bill, said that so far labour legislation had not benefited the clerical class. Mr. Rohinikumar Choudhri said it was not possible to have uniform scales of pay in different parts of the country.

Mr. Jagjivan Ram, replying to the debate, said he realised that wages could not be uniform throughout the country, but there should certainly be some uniformity about the principles on which wages, salaries and dearness allowance were fixed. Asked whether Government would bring forward any Bill to ensure such uniformity of principles, Mr. Jagjivan Ram said he proposed to bring forward a comprehensive Bill either in this session or the next.

The Bill received the assent of the Governor General on 14 December and was gazetted on 15 December 1949 as the Industrial Disputes (Banking and Insurance Companies) Act, 1949 (India Act No. LIV of 1949).

(The Gazette of India, Part V, dated 10 December 1949, pages 391-393;

The Gazette of India, Extraordinary, Part IV, dated 15 December 1949, pages 176-177;

The Hindu, 8-12-1949).

Industrial Tribunal (Procedure) Rules, 1949.

The Central Government gazetted on 3 December 1949, the Industrial Tribunal (Procedure) Rules, 1949, made under section 38 of the Industrial Disputes Act, 1947. The Rules which relate to the All-India Industrial Tribunal (Bank Disputes) (vide page 60 of the report of this Office for June 1949) provides that the Tribunal may entrust such cases or matters referred to it as it deems fit to one or more members for enquiry and report. Such reports are to be submitted to the Chairman. The Tribunal shall, after considering their report and making such further enquiry as it deems fit, deliver its award.

(The Gazette of India, Extra-Ordinary, dated 3 December 1949, page 2633).

61

CHAPTER 7. EMPLOYMENT AND UNEMPLOYMENT.

INDIA - DECEMBER 1949.

71. Organisation of the Labour Market.

India: Employment in Perennial Factories during
Second Half of 1948.

A review of employment in perennial factories during the second half of 1948 is published in the October 1948 issue of the Indian Labour Gazette. The following is a summary of the review.

The review shows that the average daily employment in perennial factories in the provinces of the Indian Dominion recorded an increase of 1.6 per cent. compared with the first half of 1948, the figures being about 2,088,000 as against 2,055,000. The rise has mainly been the result of an increase in the number of working factories from 12,098 in the first half to 12,792 in the second.

Number of factories: Compared to the first half of the year, there was an increase in the number of working factories, the total being 12,792 during the second half of 1948 as against 12,098 during the first half. The increase was mainly in Bombay, Madras and East Punjab. The following table shows the number of perennial factories in the provinces during the second half of 1948 as compared with the first half:-

Province	Second half of 1948	First half of 1948
Ajmer-Merwara	27	27
Assam	190	176
Bihar	493	469
Bombay	4,091	3,816
C.P. and Berar	697	657
Coorg	9	9
Delhi	287	229
East Punjab	476	396
Madras	3,638	3,530
Orissa	213	186
U.P.	914	854
West Bengal	1,757	1,749
Total	12,792	12,098

62

Total number employed:- During the period under review most of the provinces showed an increase in employment, the only exceptions being Madras, West Bengal, and Coorg. Madras reported an overall fall of 2.7 per cent. in the employment in perennial factories inspite of an increase in the number of working factories. This was probably due to the fact that returns were not submitted by a dockyard employing about 4,000 workers. The following table shows the total average daily number of workers employed during the second half of the year, as compared with the first half:

Province	Second half of 1948	First half of 1948	Per centage increase (+) or decrease (-) compared to first half of 1948.
Ajmer-Merwara	15,526	14,731	+ 5.1
Assam	11,493	11,301	+ 1.7
Bihar	114,478	113,773	+ 0.6
Bombay	691,287	673,192	+ 2.7
C.P. and Berar	79,618	65,704	+ 21.2
Coorg	72	88	-18.2
Delhi	36,031	32,079	+ 12.3
East Punjab	32,509	27,125	+ 19.8
Madras	257,239	264,263	-2.7
Orissa	11,165	10,450	+ 6.8
U.P.	191,777	190,279	+ 0.8
West Bengal	647,227	652,097	+ 0.7
Total	2,088,422	2,055,122	+ 1.6

Registered factories are classified according to ownership as Government and Local Fund factories and other factories. During the period under review the Government and Local Fund factories accounted for a total employment of 2,70,426 as compared to 2,52,426 in the previous half of the year. Among the major industries in the Government and Local Fund group the average daily employment in railway workshops showed an increase of 5.9 per cent. as compared with the figures for the first half of the year. In General Engineering, coach building and Motor repairs the increase was 16.8 per cent. in Ordnance factories 5.9 per cent. in Printing presses 3.5 per cent. and in Dockyards 0.4 per cent. Among other (private) factories employment in Food, Drink and Tobacco, Gins and Presses and Skins and Hides was considerably lower in the second half of the year than in the first.

to the reduction of employment

Engineering showed a light fall which was really due to the transfer of the figure relating to tramway workshops in Bombay from the Private group to the Government and Local Fund group consequent on the Bombay Corporation taking over the tramways. The lower level of employment in the food group may be traced in West Bengal and Madras and the sugar factories in the United Provinces. The textile industry showed an increase of about 11,000 in the average daily employment. There was an increase in employment in Chemicals and Dyes also resulting from higher levels of employment in the Dyeing and Bleaching industry in Bombay and Oil Mills in the United Provinces and the Central Provinces and Berar. Minerals and Metals showed an increase mainly in Bihar.

Classification of employment by age and sex: During the period under review, adult men formed 88.8 per cent. of the workers and adult women 9.6 per cent. as against 88.7 per cent. and 9.8 per cent. respectively in the previous half of the year. Adolescents and children accounted for 1.6 per cent. of the total in the second half of 1948 as against 1.8 per cent. in the first half. As during the first half of the year, among the major provinces, the proportion of women was the highest in Madras being about 20 per cent. Adolescents and children were also the highest in number in that province. Among the 3,351 girls employed in all the provinces, Madras alone accounted for 2,871.

(Employment in perennial factories during the first half of 1948 was reviewed at pages 44-46 of the report of this Office for July 1949.)

(Indian Labour Gazette, October 1949).

Eradication of Forced and Compulsory Labour:
Non-Official Bill withdrawn on Government's
assurance regarding full investigation.

On 16 December 1949, Mr. Sidhwa moved in the Constituent Assembly of India (Legislative) a motion for reference of his Bill on forced labour to a Select Committee of the House (vide page 74 of the report of this Office for March 1948). He, however, withdrew the Bill after the Labour Minister had assured the House that the Government had the question of forced labour under active consideration.

Speaking on his motion, Mr. Sidhwa said that when the Bill had been introduced the Government had given an assurance that it would appoint a committee to investigate the matter and the committee had not so far been appointed. The House was greatly in sympathy with the measure. Further, under the new Constitution which banned forced and compulsory labour, Parliament had to provide for penalty.

Mr. Jagjivan Ram, Minister for Labour, stated that a special officer, who had been appointed to go into the question, had submitted his report and the Labour Ministry thought that the appointment of a committee would unnecessarily delay the matter. Legislation would not solve the problem and only social consciousness of the people concerned would eradicate the evil. In certain provinces certain laws permitted forced labour and the Government had directed them to repeal those laws. Secondly, the Government had started an inquiry into the conditions of agricultural labour and the prevalence of forced labour in the rural areas. The inquiry would be completed during the course of next year. In the light of that, the Ministry would be in a position to decide whether legislative or executive action was necessary. He was not less enthusiastic about the matter, but he felt that the present Bill would not solve the problem.

Mr. Sidhwa thought that the assurances given by the Labour Minister was halting and it was unfair to the social workers who had done yeoman service, in this regard that the Government should consider that the evil existed because of absence of adequate social consciousness. Nevertheless, in view of the assurances he agreed to withdraw the Bill.

India: Employment Exchanges: Working during
October 1949.

Employment situation:- The employment situation in India further deteriorated during October 1949. Large scale retrenchment by the Central and provincial Governments, persistent slump in business, continued closure of some textile mills and slow offtake of production in others, threats of strike, retrenchment in large industrial establishments and stoppage of recruitment in others, suspension of plans for industrial expansion, postponement of work in hydro-electric projects and shortage of raw materials were reported to be the main factors contributing to this deterioration. In Bombay, accumulation of stocks, devaluation of the rupee and the difficulty of securing imports from Dollar areas had considerably depressed the employment market. Aviation companies, oil companies and engineering and automobile companies had also been adversely affected by the new monetary policy of the Government and had made considerable retrenchment. In the Central Provinces and Berar region, the work on the Badni Barkhora Project which was expected to employ about 3000 workers, was suspended. In Madras region, Scindia's Shipbuilding Yard at Vishakhapatnam was proposing large-scale retrenchment. In the United Provinces region, projects like the Rihand Dam and Jumna Valley Scheme had been put off. In West Bengal, recruitment of non-technical personnel for the Mihijam Loco Project and the Mor Project was kept in abeyance. Thus, there were reports of dwindling employment opportunities from practically every part of the country.

There was no improvement ⁱⁿ in general shortage of skilled technicians in engineering and building trades, stenographers, Hindi typists, and trained teachers. In addition, qualified doctors, compounders, dressers, and accountants were also in short supply at many exchanges. On the other hand, persons registered as clerks, peons, semi-skilled blacksmiths and fitters, and persons fresh from schools and colleges were in excess of current demands.

Registrations and placings:- The total number of registrations for employment assistance and the total number placed in employment during the month are shown below:

	October 1949	September 1949	October 1948
Total number of registra- tions.	71,464	83,033	66,303
Total number of persons placed in employment	16,388	18,246	18,535

Of those placed in employment 1,316 were ex-servicemen and 1,839 displaced persons. 3,574 applicants, including 902 ex-servicemen, declined to take advantage of the opportunity of being considered for employment. 1,886 declined because the pay offered was felt to be inadequate, while 1,688 declined for various other reasons. The number of applicants who failed to report for interview with employers without satisfactory explanation was 4,168.

During the month, 654 women applicants were placed in employment as against 1,076 placed in September. Response from women applicants for training as probationary nurses in military hospitals continued to be very poor. The shortage of midwives, nurses and trained teachers also continued. 7 applicants were, however, selected through the Amritsar Exchange for training as Lady Health Visitors under the Kastuba Trust Scheme. At Madras, a further batch of 17 women was selected for training in various printing trades. Mobile section activities continued to make useful contribution to the work of the Exchanges except where such activities were restricted owing to heavy rains. The mobile sections attached to the Muzaffarpur, Dhanbad, Kanpur, Gorakhpur, Lansdowne, Asansol, Barrackpore and Darjeeling Exchanges registered a large number of applicants in the course of their tours and placed at least 1102 applicants in employment. 826 persons were employed through the Gorakhpur Labour Organisation.

Placings by wage groups: Figures relating to placings during October 1949, analysed according to wage groups were as follows:-

<u>Wage groups: basic monthly pay</u>	<u>Number of placings</u>
Above 101 rupees	312
61 to 100 rupees	1,936
30 to 60 rupees	11,374
Below 30 rupees	2,766
 	<hr/>
cTotal	16,388

Employment Exchanges in States Union: Returns received from Employment Exchanges in Indian States showed that upto 31 October 1949, 116,650 applicants had been registered of whom 22,068 had been placed in employment. These figures are in addition to the all-India figures quoted above.

Employment of displaced persons: The number of displaced persons registered during the month was 7,712 as against 9,983 during the previous month; 1839 were placed in employment. Reports continued to be received

that displaced persons were gradually taking up some form of private business in the towns nearest to their place of residence and that they were interested in employment carrying high salaries only. The Calcutta Exchange continued to experience difficulty in finding suitable employment for displaced lawyers in view of their advanced age and the high salaries demanded by them.

Special Employment Bureau: The total number of persons registered by the Special Employment Bureau upto 31 October 1949 was 3,409 of whom 1,058 had been placed in employment. The number registered during the month was 12 and that placed in employment 14, of whom 8 were placed in salaries carrying 250 and above. The Bureau experienced considerable difficulty in finding suitable employment for non-technical applicants particularly on account of the policy of retrenchment adopted by the Central and provincial Governments and the downward trend of employment in private industry. The total number of registrations during the month and those placed in employment are shown below:

category.	Number of persons registered	Number of persons placed in employment.	Number of persons on Live Register at the end of the month.
1. Advocates	1	4	779
2. Professors and Teachers.	1	1	311
3. Electrical and Mechanical Engineers.	-	-	59
4. Civil Engineers.	-	2	63
5. Doctors and Medical Practitioners.	-	-	98
6. Businessmen	-	-	233
7. Landlords and Agriculturists.	-	-	37
8. Others.	10	7	771
Total	12	14	2351

Technical and Vocational training: During October 1949 there were 74 Technical Training Centres and 77 Vocational Training Centres functioning with 4282 and 1960 ex-Servicemen trainees respectively under training. 5550 adult male displaced persons were undergoing training at the Training Centres in Bihar, Bombay, the Central Provinces and Berar, Delhi and Ajmer-Merwara, East Punjab, the United Provinces and West Bengal.

181 displaced girls and women were undergoing training at the Centre at New Delhi run by the Ministry of Labour. 19 trainees passed the prescribed test during October. The number of trainees who had passed ~~was~~ upto 31 October 1949 was 263. 1382 trainees (both ex-Servicemen and displaced persons) passed the trade tests in technical trades, bringing the total of passed out trainees to 3,813.

During the month the Apprenticeship Training Scheme was withdrawn from 42 firms. The total number of Apprenticeship Training Centres was reduced to 276 and 479 ex-Servicemen and 958 displaced persons were undergoing training at these centres.

Publicity: During the month the Directorate carried on intensive publicity for the activities of the Employment Exchange Organisation. Visits by trade leaders of public opinion to Employment Exchanges and Training Centres were organised. In Madras, increased support and goodwill for the Organisation from high official circles was secured through a visit of the Chairman and Members of the Provincial Public Service Commission to the Regional Employment Exchange. In several provinces, Press conferences were held by Regional Directors. The Conferences secured very wide publicity for the activities of the Organisation. In Madras, the Public Relations Wing of the Regional Directorate took active part in a Social Workers' Conference and explained to the meeting the scope, functions and potentialities of Employment Exchanges and Training Schemes.

(Review of the Work Done by the Directorate-General of Resettlement and Employment for the month of October 1949, issued by the Government of India).

69

72. Vocational Guidance and Training.

India - December 1949.

Scientific Manpower Committee's Recommendations:
Report under consideration by Government.

On 29 December 1949, Mr. Satyanarain Sinha, Minister of State for Parliamentary Affairs, on behalf of the Education Minister, placed before the Indian Parliament a summary of the final report of the Scientific Manpower Committee (vide pages 66-67 of the report of this Office for August 1949). In doing so, Mr. Sinha stated that the recommendations were under the consideration of the Government, but due to financial stringency it was "most unlikely" that the Government would undertake any new schemes.

In accordance with the interim report of the Committee provision has already been made in the current year's budget for operating a scheme of practical training stipends for students and for the institution of research training facilities in universities and other educational institutions. Preliminary arrangements for the establishment of the Eastern Higher Technical Institution at Hijli have also been completed. The Council of Scientific and Industrial Research has been entrusted with the compilation of a national register of scientific and technical personnel of India and over 30,000 people have registered themselves with the council. The first two volumes of the register are expected to be published shortly. The final report of the Committee covers such subjects as technical education and research, industrial training, overseas training and the adoption of special measures to higher scientific and technical education.

*attract talented
students to pursue*

In order to minimize the drift or leakage of scientific and technical talent in the country the committee recommends that the main causes, namely, inadequate salary, inferior studies and disparity of privileges between technical and administrative personnel should be eliminated. Towards this end the committee also recommends the creation of a central scientific and technical service on the lines of the Indian Administrative and other all-India services. The committee also stresses that compilation of a national register of all scientists, engineers, technologists, and other categories of scientific and technical personnel available in India is an important national task and should be pursued vigorously and the register maintained up

to date. In order to ensure that everyone coming under the scope of the register registers himself, the committee recommends enactment of suitable legislative measures on the lines of the National Register Act of the United Kingdom.

Other main features of the recommendations are: establishment of four higher technical institutions as recommended by the All-India Council for Technical Education for advanced and post-graduate training; implementation of development plans of existing institutions; creation of facilities for training in production engineering, design engineering, fuel and furnace technology and other special fields at certain selected institutions on a regional basis; establishment of a college of marine engineering and naval architecture or creation of facilities for training in the subject at one or two selected institutions; establishment of new medical colleges ~~and~~ to increase the outturn of doctors; and the training of a supervisory category of technical personnel in conjunction with industry.

Under the heading "industrial training", the committee asks for the adoption of urgent and far-reaching measures to make available existing facilities for practical training to as many qualified students as possible. It recommends that all factories or industrial establishments both private and State-owned, should sponsor schemes of practical training and expenditure on this account should be regarded as legitimate expenditure of the establishment. For effective implementation of the recommendations made, the Government should, following the French system, impose a levy on every industrial concern - say about three per cent of the total wages paid by the concern - and the proceeds of such levy, supplemented by a Government subvention of an equal amount, should be utilized for organizing practical training of personnel in industrial concerns under Government supervision. It is also recommended that trainees should be paid wages or stipends, the value of which in the case of scientific or technically trained men should be adequate to meet the expenses of boarding and lodging.

The Committee suggests that special effort should be made to seek out scientific talent for research and that a national science talent research competition, as adopted in America should also be inaugurated in India to locate and encourage scientific talent in India. To overcome the most serious handicap from which educational institutions are suffering, namely, shortage of teachers, the committee recommends that salary scales of teachers be revised and increased. It is also suggested that suitable arrangements be worked out under Government

M/1

*Concerns may be
utilised for the*

which the services of senior officers of Government engineering departments and technical executives of industrial, training of students in engineering and technological institutions.

(The Statesman, 2.12.1949).

72

73. Migration and Colonisation.

India - December 1949.

Conditions of Indian Workers in Malayan Estates:
Powers of Inspection withdrawn from Indian Agent.

On 22 December 1949 the Federal Legislative Council of Malaya adopted a Government Bill withdrawing the right till now enjoyed by the Agent of the Government of India to inspect Indian labour in Malaya. The Bill makes the necessary amendment in the Labour Code in this respect.

Speaking during the debate, Sir Henry Gurney, British High Commissioner in Malaya, said full reasons for the change had been explained to the Government of India. He added: "Labourers should look to authorities in this country and not outside in matters concerning their welfare".

The Indian member, Mr. Rajagopal, suggested postponement of the Bill so that the Labour Advisory Board might consider its implications. Mr. R. Ramani, Indian member of the Council, also urged postponement until the views of the Government of India were obtained. ~~Here~~ held ~~the assent of~~ the assent of the Government of India was necessary before the matter was considered.

The Commissioner for Labour, Mr. R.G.D. Houghton said an "impossible position had arisen regarding the Indian Agent. On several occasions the Indian Agent had visited estates and then reported not to the Commissioner for Labour but direct to his Government. When asked about it, the Agent had replied that he had visited the estates as a representative of the Government of India. Mr. Houghton said Malaya legally was under no obligation to obtain assent of the Indian Government for this measure. Describing other provisions of the Bill, Mr. Houghton said it also sought to remove the discrimination in the treatment of labourers of different nationalities and to fix wages in plantation industry through collective bargaining.

The Bill was passed by the House.

(The Hindustan Times,
24.12.1949).

72

CHAPTER 8. SOCIAL SECURITY.

India - December 1949.

81: Social Insurance.

Workmen's Compensation Act, 1923: Working
in the United Provinces during 1947*.

The following is a brief review of the working of the Workmen's Compensation Act during 1947 in the United Provinces. The Act continued to be administered during the year through the District Magistrates, who are Commissioners under its provisions within their jurisdiction. No special difficulty was reported in the administration of the Act by the Commissioners.

Increase in total number of accidents: The total number of accidents during the year under review as reported under the Factories Act, 1934, was 5,395, as compared to 4,595 in 1946. This shows an increase of 800 accidents over last year while the number of factories increased by 23 only, from 971 to 994. The total number of workers employed in all the factories during the year was, however, only 258,982 as compared with 257,140 in 1946, a decrease of 18,158 involving a fall in the average number of workers per factory from 265 to 240. One of the important reasons for the heavy increase in the accident rate was the increase in labour unrest in the year due largely to the rise in prices and the general demand for improvement in conditions of work and wages. A large number of sit-down strikes and go-slow practices were followed which led to general carelessness on the part of labour. Another contributing factor was the liberal grant of exemptions to power houses and other factories to work longer hours, which naturally involved greater fatigue to workers. The increase in the Factory Inspectorate staff during the year made it possible to organise more effective and thorough reporting of accidents and this was probably another factor contributing to more effective enumeration of accidents.

* Report on the Working of the Workmen's Compensation Act (VIII of 1923) for the year 1947: Allahabad, Superintendent, Printing and Stationery, U.P. pages 12; price 5 annas 6 pies.

The decrease in the number of workers was spread over practically all classes of factories, including ordnance factories, textiles, engineering works, tanneries, food, drink and tobacco. The stoppage or curtailment of work in factories producing war goods was one of the factors responsible for this decrease. Another important factor which contributed to this fall was the paucity of rolling stock and the consequent difficulties in transport of raw materials and finished products. Difficulties in securing replacements and renewal of plant and machinery since the war has been another important contributing factor.

The following table gives the number of factories, average daily number of workers, number of accidents, and the incidence of accidents in factories during the last 10 years.

Year.	Number of factories working.	Average daily number of workers employed.	Number of accidents	Incidence of accidents per hundred workers.
1938	530	155,085	2,380	1.53
1939	546	159,739	2,638	1.65
1940	654	180,634	3,048	1.85
1941	811	224,316	3,591	1.60
1942	840	232,524	3,774	1.62
1943	856	254,839	4,709	1.85
1944	943	278,238	5,348	1.92
1945	969	276,468	5,519	1.99
1946	971	257,140	4,595	1.78
1947	994	238,982	5,395	2.26

Cases disposed of by Workmen's Compensation Commissioners: At the beginning of the year there were 121 cases pending before the commissioners as against 68 in the previous year. 289 fresh cases were filed during the year as against 358 in 1946 and 72 cases were received from other Commissioners for disposal as against 94 in the year 1946. Of these cases, 363 were disposed of and 14 transferred to other Commissioners, thus leaving a balance of 105 cases only pending for disposal at the end of the year. The respective figures for the previous year were 387 cases disposed of, 12 transferred and 121 pending at the end of the year. Out of the 363 cases disposed of by the Compensation Commissioners, 66 cases as against 53 in 1946 were of awards and 295 were cases of disputes as against 334 in the last year. One case of review under was pending at the beginning of the year. This as well as another case, which was filed during the year.

during the following year, were disposed of during the year under report. Out of 66 cases of awards given by the Compensation Commissioners, 6 were disposed of without notice to the other party; of these, 5 were withdrawn and one dismissed. Out of the remaining 61 cases, 22 were contested and 37 were not contested. Out of the contested cases, compensation was allowed in full in 7 cases as against 9 in the last year, in part in 11 cases as against 13 in the last year and 4 cases were dismissed as against 6 in the last year. Out of the 37 uncontested cases, 17 as against 23 last year, were admitted by the opposite party while 20 as against 2 were allowed ex parte. Out of the total number of 295 cases of deposit, disposed of under section 8, of the Act disbursement to dependents were made in 293 cases as against 329 in the last year. In 2 cases as against 5 in the last year, the workmen's compensation had to be refunded to the employers for want of genuine claimants.

Classification of compensation awarded or deposited
 Of 66 cases of award, 30 were in respect of fatal cases, 31 of permanent disablement and 5 of temporary disablement. The corresponding figures for the last year were 13, 31 and 9, out of 53 cases of award. Of 295 cases of deposits, 206 related to fatal, 19 to disablement of women and persons under legal disability and 70 to permanent and temporary disablement. The corresponding figures for 1946 were 11 and 96 out of 227. Out of the total number of 363 cases disposed of, 5 were dismissed, 4 withdrawn and 2 refunded. The actual disbursement of compensation was thus made in 352 cases only.

An analysis of the cases of compensation according to wage groups shows that as in 1946 the highest number of cases of compensation fell within the wage categories of 27 rupees to 30 rupees. The following table gives the frequency distribution of accidents in which compensation was paid by wage groups during the years 1944 to 1947:

Wage groups		Years			
More than rupees.	But not more than rupees.	1944	1945	1946	1947
0	10	6	8	1	9
10	15	19	19	6	8
15	18	21	17	10	12
18	21	21	16	22	4
21	24	17	11	61	59
24	27	12	19	25	20
27	30	17	11	86	71
30	35	15	12	28	30
35	40	14	16	26	18
40	45	13	13	16	20

Wage groups	Years.				
	More than rupees	But not more than rupees.	1944	1945	1946
45	50	5	12	8	6
50	60	12	17	34	16
60	70	5	10	2	10
70	80	5	6	4	5
80	100	-	3	1	5
100	200	2	2	1	2
200	-	6	2	2	1
Not known	-	14	18	36	64
Total		202	212	369	355

Cases settled directly by employers: Besides the 352 cases in which compensation was paid through Workmen's Compensation Commissioners, there were 2,639 cases, consisting of 161 cases of permanent disablement and 2,478 cases of temporary disablement, in which compensation amounting to 51,961 rupees and 26,394 rupees respectively was paid directly by the employers without reference to the Workmen's Compensation Commissioners.

Amount of compensation paid: The following table gives the average amount of compensation paid to various types of cases of disablement settled by reference to Workmen's Compensation Commissioners and directly by employers. It will appear from this table that the amount of compensation paid for the same category of accident has been much lower in the case of those persons who were paid directly by the employers as compared to those whose compensation was assessed by Workmen's Compensation Commissioners. According to the report the reason for this discrepancy is not necessarily that employers have paid lesser amount than are admissible under the Act. The more likely and obvious reason is that only cases of minor accidents involving smaller amounts of compensation are settled directly without reference to Workmen's Compensation Commissioners. Further inquiries are, however, being made in this connection through Factory Inspectors to find out if the above presumption is correct.

Type of cases	Cases in which compensation was paid directly by the employer.				Cases in which compensation was paid after a reference to the Workmen's Compensation Commissioner.			
	No. of cases.	Amount of compensation paid	Amount per case	No. of cases.	Amount of compensation paid	Amount per case.		
		Rs. as. p.	Rs. as. p.			Rs. as. p.	Rs. as. p.	
Death	233	240437	15 9 1031	14 9	
Permanent Dis- ablement.	161	51961	1 44322	92	65346	11 6 710	4 8	
Temporary dis- ablement.	2478	26394	8 3 10 10	5 27	6060	15 6 224	7 8	

Occupational diseases: No case of occupational disease was reported during the year under review. The report points out that no suitable agency exists for reporting occupational diseases and no compensation is paid in deserving cases merely because the cause of disablement or death is not properly diagnosed. With the passage of the Employees State Insurance Act and the setting up of the necessary machinery in that connection this important provision of the Act is likely to receive better attention.

Appeals: Four appeals were filed during the year under review in the High Court of Judicature at Allahabad against the decisions of the Workmen's Compensation Commissioners as against one in the year 1946. No case was filed in the Chief Court of Oudh during the year under review or last year. In 2 cases, were pending at the close of the year.

Many orders were passed in the other 2

Conclusions: The report states that the Employees State Insurance Act, 1948, is expected to rectify most of the defects which had been noticed in the working of the Workmen's Compensation Act in the past. However, the necessary machinery required for the administration of the Act has not yet been set up and is likely to take considerable time before it is in actual operation. The Act, besides, is being applied only to non-seasonal factories for the present and therefore a fairly large percentage of workmen will be deprived of the advantages proposed in it. There is, however, considerable scope for research in Government institutions, as well as universities, etc. on the subject of industrial diseases and industrial psychology. There is also scope for devising and introducing safety devices in factories for the

178
prevention of industrial accidents as well as the planning of plant and machinery in factories with a view to minimise chances of accidents.

Employees' State Insurance Act, 1948: Chief Commissioners empowered to discharge Functions of Provincial Governments.

By a notification dated 14 December 1949, the Central Government has directed that the functions of the provincial Government under the Employees' State Insurance Act, 1948, shall be discharged by the Chief Commissioners of Ajmer-Merwara, Andaman and Nicobar Islands, Coorg, Delhi and Panth Piploda within their respective provinces.

(Notification No. SS 122 (2) dated 14 December 1949, The Gazette of India, Part I- Section I, dated 17 December 1949, page 1721).

Railway Provident Fund: Subscription
by Employees made Compulsory

All categories of railway employees who were so far only optional subscribers to the State Railways Provident Fund would now be required compulsorily to subscribe to the fund. This concession which mainly affects workshop employees and class IV staff is estimated to cost the Government nearly 10 million rupees per year.

A decision to this effect was announced on 22 November 1949 at a meeting held in New Delhi between Mr. Gopaldaswami Ayyangar, Minister for Transport and Railways, Mr. Santhanam, Minister of State for Railways, and Mr. J.P. Narain, President of the All-India Railway-men's Federation, and other representatives of the Federation.

(The Statesman, 23-12-1949).

80

85: Benefits Organised or Paid by Employers.

India - December 1949.

Coal Mines Provident Fund Scheme
extended to Assam.

By a notification dated 13 December 1949 under section 3 of the Coal Mines Provident Fund and Bonus Schemes Act, 1948, the Central Government has extended the Coal Mines Provident Fund Scheme (vide pages 80-81 of the report of this Office for December 1948) with certain specified modifications, to the Coal Mines in Assam, with effect from 1 July 1949.

(Notification No. PF.15(8)49,
dated 13 December 1949,

The Gazette of India, Part I-
Section I, dated 17 December
1949, pages 1717-1720).

Coal Mines Provident Fund and Bonus Schemes
extended to Talcher State.
ended

By a notification dated 13 December 1949 under the Coal Mines Provident Fund and Bonus Schemes Act, 1948, the Central Government has extended the Coal Mines Provident Fund Scheme (vide pages 80-81 of the report of this Office for December 1948) and the Coal Mines Bonus Scheme (vide page 78 of the report of this Office for July 1948) with certain specified modifications to the Coal Mines in ~~Assam~~ with effect from 1 July 1949.

Talcher state

(Notification No. P.F.23(1)49 dated 13 December 1949, The Gazette of India, Part I-Section I, dated 17 December 1949, pages 1720-1721).

82

CHAPTER 11. PROBLEMS PECULIAR TO CERTAIN
OCCUPATIONS OR CATEGORIES OF OCCUPATIONS.

INDIA - December 1949.

111. Agriculture.

Kisan Congress Rally in Delhi: Pledge
to increase Food Production.

A rally of Bharat Kisan Congress workers was held at Delhi on 18 and 19 December 1949. Prof. N.G. Ranga, President of the Congress, presided. The meeting which gave a pledge to produce more food, was addressed, among others, by the Prime Minister, the Labour Minister and the Food Commissioner. The following is a brief summary of the meeting.

Prime Minister's Speech: peasants' duty to increase food production: The Prime Minister, Pandit Jawahar Lal Nehru, addressing the meeting said that it was primarily the kisan who had to make the country self-sufficient in food. No country could be really free from outside pressure if she did not produce enough food for herself. It was, therefore, imperative for India to produce more food and avoid all wastes. The kisans were in majority in India, They would benefit most of the country progressed. Their position would become stronger and they would be able to take their proper place in the affairs of the country.

The yield per acre in India was one-fourth of that in other countries. The kisans could increase the yield by using better seeds, manure and ploughs. The Government had decided not to import food after 1951. The kisans had to realise their responsibility. It was they who had to produce food. Government officers could not take to the plough. The Prime Minister emphasised that the standard of living of the masses could only be raised when more wealth was produced. The Government had a limited sphere in which it could act. It could make laws for abolition of zamindari. But ultimately it was the people who had to increase productivity. No nation could spend more than what it earned. Although the Government could take loans from other countries,

83

it involved difficulties and payment of interest. Only by increasing productivity could it meet the demands of the kisans and workers. Some might suggest that a few persons, who had wealth should be deprived of it to help the masses. But that wealth could not last for long. Wealth had to be produced and then distributed equitably. Hard work was needed for it. He instanced the case of America, the richest country in the world. People there had increased their productivity to such an extent that every other country looked to it for aid.

Prof. Ranga's address: reorientation of crop economy urged: Prof. N.G. Ranga, President of the Congress, in his address stated that India would become "more or less bankrupt in four years", unless they responded to Pandit Nehru's call for greater production. Urging the kisan to reorientate his crop economy by producing less of commercial crops and more of food-grains, Prof. Ranga emphasised that the kisan owed a special responsibility to the nation in the present economic crisis, in view of the fact that he formed more than 70 per cent. of the population, and the rest of the nation depended on him for food and clothing. Referring to the national savings campaign, Prof. Ranga said that the peasants must tighten up their belts to economise on every sector of their home life, and to save as much as they can. They must place their savings at the disposal of the Government, to enable it to develop national industries.

He assured the kisans that the Congress leadership was keen on "liberating the peasants from the clutches of landlords". All provincial Governments were busy liquidating the zamindari system. It was ~~time~~ ^{true} that the compensations were being paid to the zamindars but the amount of compensation was computed on a reasonable basis. Its payment was necessary if the Congress were to achieve this social revolution by non-violent means. Referring to the recommendations of the Agrarian Reforms Committee appointed by the Congress, Prof. Ranga said the committee had favoured, among other things, the development of farmers' co-operatives for consolidating holdings and for eliminating the middlemen in the marketing of agricultural produce. He expressed the hope that the Congress Ministries would find it possible to implement these recommendations. He also referred to a suggestion for compulsory membership of the co-operative farms by those peasants whose holdings were smaller than a fixed minimum and said that he was convinced that it was the duties of the kisan congress to prevent compulsory expropriation of the holdings of tens of millions of peasants for the doubtful benefit of their partnership in compulsorily organized co-operative farming societies.

He had received reports from different provinces of eviction of tenants by landlords "whom are afraid of the proprietorship of tenants being recognised by future law". It was, therefore, the duty of the provincial Governments to take immediate steps to prevent the eviction of all those tenants who have been cultivating the same lands for several years, pending the passage of necessary protective legislation. The future progress of the Indian peasantry largely depended upon their readiness to organise co-operatives, run them efficiently, provide honest and competent leadership for them and display real and spirited co-operation. Without co-operation and honest and competent leadership, it was not possible for the millions of the small peasants to survive the growing economic struggle for existence.

In conclusion, Prof. Ranga urged the kisan workers to give top priority to the improvement of the economic and social conditions of the kisans. It was but right for their organisation to leave the primary responsibility for political leadership to the Indian National Congress, and to concentrate all their efforts on the solution of the social and economic problems with which the peasants were confronted today.

Labour Minister's speech: Mr. Jagjivan Ram, Minister for Labour, addressing the meeting called upon the peasants to work hard to make India self-sufficient in food by 1951. He gave the assurance that the Government would help them to achieve the aim. He said that the Government had decided to set up an organisation to inquire into the conditions of agricultural labour.

Resolutions: Pledge to produce more food: The conference passed a number of resolutions. It appealed to kisans to do their best to reorganise their crop economy so as to produce more food and make India self-sufficient by 1951.

By a resolution the meeting assured the Prime Minister that the Kisan Congress and Samitis (Committees) would try their best to produce more food and make the country self-sufficient and requested him to ensure adequate supplies of agricultural implements and remunerative prices for agricultural produce so as to enable the peasants and agricultural labour to lead a decent standard of life.

Fixation of prices: By another resolution the conference requested the Government to establish agricultural commodity corporations at the Centre and in provinces. It suggested fixation of minimum and maximum prices. The conference described a kisan as one "who cultivates land on his own, whether owned by him or leased

86

to him, with or without the co-operation of agricultural workers". The kisan was also described as one "who, besides cultivating his own land as his main means of livelihood, works on others' farms to supplement his earnings and who engages himself in cottage industries or other subsidiary employment in slack season."

Another resolution exhorted kisans to follow the leadership of the Indian National Congress "in fighting elections and working for the welfare of the masses through legislatures."

The conference viewed with concern the policy of the East Punjab Government in not intervening to stop large-scale ejections of tenants by the landlords and requested the Government to stop these "unjust" ejections and provide legislation for the restoration of land to the tenants ejected after 30 April 1949.

By another resolution the conference emphasised the need for crop and cattle insurance to prevent losses from floods, drought and cattle epidemics.

The meeting decided to confine the activities of the Bharat Kisan Congress to "social and economic aspects of the kisan's life". It was also decided to rename all branches of the Congress as "Kisan Samities" (peasant committees).

(The Statesman, 19, 20 and 21.12.'49).

Utilisation of Cattle Wealth: Central Goshala Development Board set up.

By a resolution dated 23 November 1949, the Government of India has set up a Central Goshala (cattle farm) Development Board, with a view to organising on a co-ordinated basis the development of the existing 3,000 goshalas and pinjrapoles into useful cattle breeding and milk producing centres. The Board will include Mr. Jairamdas Daulatram, Minister for Food and Agriculture as chairman, Sardar Datar Singh, Cattle Utilisation Adviser, Ministry of Agriculture, as vice-chairman, representatives of provincial and State Governments where federations of pinjrapoles and goshalas have been formed and representatives of such federations.

The Board's functions will be: (a) to advise, co-ordinate and assist provincial, regional and State federations in their programmes for the development of goshalas and pinjrapoles; (b) to review periodically the progress of goshala development schemes in the provinces and States and to plan a co-ordinated programme for the whole country; (c) to educate and organize public opinion for the development of these institutions on proper lines; and (d) to take such other measures for the development of goshalas and pinjrapoles as are considered necessary.

The resolution says that the re-organisation of the existing 3,000 goshalas and pinjrapoles in India into useful cattle-breeding and milk producing centres has been undertaken as part of the programme of the development of cattle wealth in the country. Provision has been made to organize these institutions into provincial and State federations to secure co-ordinated action and mutual aid in these matters, and most of the provinces have now formed such federations. The Central Board has been set up to co-ordinate the working of these institutions and ensure their development on uniform lines.

(The Gazette of India, Part I-
Section I, dated 3 December 1949,
page 1659).

87

Ajmer-Merwara: The Ajmer-Merwara Agrarian
Relief (Second) Ordinance, 1949 (No. XXX
of 1949),

On the expiry of the Ajmer-Merwara Agrarian Relief Ordinance, 1949 (vide pages 70-71 of the report of this Office for June 1949) issued in May 1949, the Government of India has promulgated on 17 November 1949 the Ajmer-Merwara Agrarian Relief (Second) Ordinance, 1949 (No. XXX of 1949). The Ordinance, which is on the same lines as the earlier Ordinance, seeks to provide special measures to prevent agrarian disputes and to afford relief to tenants of Ajmer-Merwara in respect of rent, impositions and certain others matters. Besides, the Ordinance validates action taken under the previous Ordinance.

(The Gazette of India,
Extraordinary, dated 17
November 1949, pages
2275-2284).

Assam: The Assam Management of Estates Act,
1949 (Assam Act XVII of 1949).

The Government of Assam gazetted on 9 November 1949 the Assam Management of Estates Act, 1949 (Assam Act XVIII of 1949) empowering the Government to assume the management of estates and tenures in the permanently and temporarily settled areas of Assam, for the purpose of improving the economic and social conditions of the agriculturists and for ensuring improvement, conservation and efficient management of forests, fisheries, hats, bazars and ferries,

88

The Act, which will come into force on a date to be notified by the Government, provides that the provincial Government may by notification in the official Gazette, direct that any specified estate or tenure be managed by the Court of Wards for the purpose of improving the social and economic conditions of the agriculturists and for efficient management. After the assumption of management, the Government may direct the Court of Wards to prepare a record of rights as to whether such lands are let out or not or whether they are private lands of a proprietor or not. The Government may, when it is of opinion that it is not necessary to continue the management, return the estate or tenure to the land holder or tenure holder.

(The Assam Gazette, Part II,
dated 9 November 1949, pages 59-66)

112: Indigenous Workers.

India - December 1949

Bharatiya Adimjati Sevak Sangh: Dr. Rajendra Prasad elected President.

A meeting of the General Council of the Bharatiya Adimjati Sevak Sangh was held at New Delhi, on 5 December 1949. The meeting resolved to open a training school at Mandla (Central Provinces) in the heart of tribal India for the benefit of 25 tribal students selected from Hindi-speaking areas.

Dr. Rajendra Prasad was elected President of the Sangh and Mr. A.V. Thakkar and Dr. B.S. Guha its vice-presidents.

(The formation of the organisation was referred to at paragraph 112, page 91 of the report of this Office for November 1949).

(The Statesman,
6-12-1949).

90

113. Navigation.
India - December 1949.

The Indian Merchant Shipping (Amendment) Act, 1949
(Act No. LIII of 1949): Seamen's Employment Offices
to be set up at Ports.

The Indian Parliament passed on 7 December 1949 the Indian Merchant Shipping (Amendment) Act, 1949 (Act No. LIII of 1948) providing for the setting up of Seamen's Employment Offices at ports for the purpose of engaging or supplying seamen for merchant ships and generally for regulating the supply of maritime labour. The Act was assented to by the Governor-General on 13 December 1949.

Under the provisions of the Act, the Central Government may, by notification in the official Gazette, establish at such ports as it thinks fit Seamen's Employment Offices for the purpose of engaging or supplying seamen for merchant ships and generally for regulating the supply of maritime labour. A seaman has been defined to mean person employed or engaged in any capacity on board any ship, but not including ship's officers, masters, pilots or apprentices duly indentured and registered, unless declared by the Central Government, by notification in the official Gazette, to be so included. In ports where no separate Seamen's Employment Office is established, the Central Government may direct that the functions of the Seamen's Employment Office in that port shall be discharged by such person or body of persons as it may specify and thereupon the person or body of persons so specified shall be deemed to be the Seamen's Employment Office established at that port. In ports where there are such offices, no person shall receive or accept to be entered on board any ship any seaman unless such seaman has been engaged through or supplied by Seamen's Employment Office. The Act also provides for consultation with respect to any specified matter by Seamen's Employment Offices with such advisory boards or other authorities as the Central Government may think fit to constitute or specify in this behalf, and for levying and collecting fees for registering the name of seamen.

Debate in Legislature: Mr. K.C. Neogy, Minister for Commerce, ~~and Communications~~, introducing the Bill in the Indian Parliament on 7 December 1949 said that the present Bill sought to authorise the Government to establish Government organizations for the purpose of recruitment of seamen. Seamen who were recruited at Indian ports, said Mr. Neogy, constituted a large proportion of the total seafaring population of the world.

In the case of the U.K. shipping, it was estimated that 25 per cent. of the seamen were recruited at Indian port. The total number of seamen recruited at Indian ports had been estimated at between 55,000 and 60,000 and the total number of seamen available for recruitment at these ports had been estimated at between 200,000 and 300,000. This gave an idea of the extent of unemployment that prevailed, with all its attendant evils. It had long been recognised that the fundamental problem of the seamen recruited at Indian ports was that of organization of recruitment. The methods of recruitment had remained the same for the most part of a century without material modification. The Geneva Maritime conference in 1920 adopted a convention seeking to regularize and improve the different methods of recruitment that prevailed in various parts of the world but on the recommendation of the Government of India, the Indian legislature had decided not to ratify it. The Government had, however, appointed the Clow Committee to examine the existing system and that Committee commented so scathingly that it was decided to keep the first three paragraphs of the report confidential. The Clow Committee had recommended the setting up of an Employment Bureau to counteract the prevailing evils and the present Bill sought to give effect to that recommendation after a lapse of 27 years. Citing from the ILO study "Seafarers' Conditions in India and Pakistan", he said that recently a responsible officer of the ILO commented as follows on the Bombay system of recruitment: "The writer arrived outside the Bombay shipping office to find an excited and vociferous mob engaged in a free fight, in which the police had to intervene after a few broken heads had been suffered". On the Calcutta system, this officer commented. "The selecting officer had written on his palm in indelible pencil the numbers of the discharged certificates, the holders of which had paid a bribe in advance to ensure being picked. The trick was discovered by the other seamen who had lined up for the jobs, and the officer narrowly escaped lynching".

The Minister made it clear that it was not the Government's intention to exclude the possibility altogether of bi-partite arrangements. If the Government was satisfied that in any instance either in Bombay or Calcutta at any time it was possible to leave the responsibility of recruitment to bi-partisan organisations, the Government might be content to watch the situation from a distance or with giving advice, apart from exercising some kind of general supervision and control. What was essential at the present moment in the recruitment of seamen was to weed out the unfit by medical examination. It would also be necessary to see how many of the names appearing on the rolls were genuine. He was told that many of the seamen whose names still appeared on the rolls were no longer living. There was also an idea of having a scheme for training ratings. This scheme would benefit the new entrants in the future.

During the debate on the Bill Mr. K. Chaliha opposing the Bill said that the provision for setting up an employment bureau and registration of seamen deprived young men of their fundamental right to choose their profession. The Bill sought to end corruption and bribery in the recruitment of seamen. But from his experience of recruitment of labour to tea plantations, he was afraid that corruption would be continued. Mr. Jagjivan Ram, Labour Minister replying to the criticism pointed out that the experience of plantation labour had no relevancy in the case of seamen. Even in regard to plantation labour, what may have been true many years ago was not true today. Employment exchanges did not deprive anybody of his choice of occupation. Seamen employed on the Indian merchant navy were neither the right type of seamen nor were they Indian nationals. They had to have some sort of rationalization and the present corruption and bribery ended.

(The Gazette of India, Extraordinary,
Part IV, dated 14 December 1949,
pages 173-175;

The Statesman, 8-12-1949).

List of the more important publications received in the New Delhi Office during December 1949

International Labour Organisation.

- 1. Government of India, Ministry of Labour: Summary of the Proceedings of the International Labour Office Consultative Meeting on "Wage Regulation in Agriculture and Introduction of Measures to enhance Earnings of Primary Problems" held at New Delhi on the 28th December, 1948. Printed in India by the Manager, Government of India Press, Simla, 1949. pp. 42.
- 2. What Bombay Government did and said: January-March 1949. Issued by the Directorate of Publicity, Government of Bombay. Price Re. 1. pp. 330+xiii.

Professional Organisations.

Annual Report on the working of the Indian Trade Unions Act, 1926, for the Province of Bombay, 1947-48: Obtainable from the Superintendent, Government Printing and Stationery, Bombay. pp. 67.

Economic Questions.

- 1. Annual Report of the Industries Department, Orissa for the year 1947-48: Superintendent, Orissa Government Press, Cuttack, 1949, Price Re. 1-2-0 or 1 s.6d. pp 50.
- 2. Indian Central Cotton Committee: Twenty-seventh Annual Report, 1948, Price Rs. 2/- . pp 121.

Working Conditions.

- 1. Bombay's Slums: Matunga Labour Camp: By Kanji Dwarakadas: Price 8 annas. pp 21.
- 2. Annual Report on the Administration of the Factories Act in the Province of Bombay for the year 1948: Obtainable from the Superintendent, Government Printing and Stationery, Bombay, 1949. pp iix95.
- 3. Government of Bombay: Report of the Labour Department for the years 1946, 1947 and 1948: Obtainable from the Superintendent, Government Printing and Stationery, Bombay. Price Annas 10 or 1s.1d. 1949. pp 166.

Social Security.

- 1. Report on the working of the Workmen's Compensation Act (VIII of 1923) for the year 1947: Allhabad: Superintendent, Printing and Stationery, United Provinces, 1949. Price 5 annas, 6 pies. pp. 11.

- 94
2. Annual Report of the working of the Workmen's Compensation Act, 1923, for the year 1948, Bombay: Obtainable from the Superintendent, Government Printing and Stationery, Bombay. Price Annas 13 or 4 d. pp. 18.

Industrial Safety.

Annual Report on the Administration of the Indian Boilers Act, 1923, in the Bombay Province for the year 1948-49. Obtainable from the Superintendent, Government Printing and Stationery, Bombay, Price Annas 2 or 3d. pp 9.

Problems peculiar to certain occupations or categories of occupations.

1. Five-year Plan for the settlement of the Condition of the People in the Backward Areas of the Central Provinces and Berar: By Shri A.V. Thakkar. pp 33.
2. Report on the Livestock Census of Bihar for the year 1945: Superintendent, Government of Printing, Bihar, Patna, 1948. pp. viixl33.