

11815  
Copy No. 3

acc 222  
INTERNATIONAL LABOUR OFFICE  
INDIAN BRANCH  
-----

Industrial and Labour Development in February, 1949.

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

Contents.

Pages.

CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

11. Political Situation and Administrative Action:

Pakistan: First Pakistan Labour Conference, Karachi, 8-10 February 1949; Tripartite Labour Conference and Standing Labour Committee set up; Five-Year Programme of Action in the Labour Field including Legislation drawn up.

1-11

CHAPTER 2. INTERNATIONAL ORGANISATIONS AND NATIONAL NON-PROFESSIONAL ORGANISATIONS.

24. National Non-Professional Organisations:

21st Session of All-India Women's Conference, Gwalior, 26-30 January 1949.

12-14

CHAPTER 3. PROFESSIONAL ORGANISATIONS.

31. Workers' Trade Union Movements:

- (a) Railwaymen to postpone Strike Notice: Decision by General Council of All-India Railwaymen's Federation. 15-17
- (b) India: Postal Workers' Demands: Strike Notices withdrawn. 18
- (c) Burma: The Trade Unions (Amendment) Bill, 1949: Appointment of Assistant Registrars. 19

33. Employers' Professional Organisations:

Ninth Annual Conference of All-India Manufacturers' Organisation, Bombay, 20-21 February, 1949: Demand for setting up National Planning Commission.

20-22

Contents.

Pages.

CHAPTER 4. ECONOMIC QUESTIONS.

41. <u>Industrial and Mining Production:</u>	
(a) Progress of Cotton Textile Industry in India and Pakistan in 1947-48: Annual Statement of Millowners' Association, Bombay.	23-25
(b) Pakistan: Development of Pakistan Tea Industry: Five Committees set up.	25-26
(c) Pakistan: Industrial Research Board set up by East Bengal Government.	26
(d) India: Development of Tea Industry Under Central Control: Bill to set up Tea Committee published.	27
(e) India: Problems affecting Tea Industry: Committee set up.	28
42. <u>Production and Export of Agricultural Products:</u>	
Government's Food Policy criticised: Debate in Constituent Assembly of India (Legislative).	29-33
43. <u>Foreign Trade and Exchanges:</u>	
(a) India: The Protective Duties (Amendment) Bill, 1949.	34
(b) India: The Indian Tariff (Second Amendment) Bill, 1948 passed by the Constituent Assembly of India (Legislative).	34
45. <u>Economic Development and Control:</u>	
Pakistan: Public Investment Inquiry Committee set up.	35
46. <u>Wages:</u>	
(a) India: Wages under Minimum Wages Act to be fixed by March 1951.	36
(b) United Provinces: Wage Increase in Textile Industry Applicable to Cawnpore Mills only: Government to appoint Tribunal.	37-38
(c) United Provinces: Bonus to Sugar Workers: Rates reduced.	38
(d) India: Dispute between Employers and Workmen in Coal, Chipping and Painting, Barge and Launch Sections in the Port of Bombay referred to Board of Conciliation.	39
(e) Meeting of Fair Wages Committee, New Delhi, 17 and 18 February 1949.	40

<u>Contents.</u>	<u>Pages.</u>
<b>47. <u>Reconstruction Plans:</u></b>	
(a) India: Financing Development Projects: International Monetary Bank to examine Need for Loan.	41
(b) Pakistan: Meeting of Planning Advisory Board: Development of Natural Resources stressed.	42-43
<b>48. <u>Public Finance:</u></b>	
(a) Railway Budget for 1949-1950: Surplus of 94 Million Rupees estimated.	44-47
(b) India: Central Budget for 1949-50: Postal Rates enhanced, Increase in Excise Duty on Cloth and Sugar: Capital Gains Tax abolished.	48-56
(c) Pakistan: Budget for 1949-50: Tax Relief for lower Income Groups and Pay Concessions for low-paid Government Employees.	57-66
<b>49. <u>Rehabilitation:</u></b>	
Three Million Refugees rehabilitated: Minister's Statement in Legislature.	67
 <b>CHAPTER 5. <u>WORKING CONDITIONS.</u></b>  	
<b>52. <u>Welfare and Workers' Leisure:</u></b>	
(a) Indian The Coal Mines Labour Welfare Fund (Amendment) Bill, 1949.	68
(b) India: Coal Mines Labour Welfare Fund Rules, 1949 gazetted.	68
<b>59. <u>General:</u></b>	
India: Factories Act 1948: Delegation of Rule-making Powers to Chief Commissioners.	69
 <b>CHAPTER 6. <u>GENERAL RIGHTS OF WORKERS.</u></b>  	
<b>62. <u>Right of Association:</u></b>	
India: Indian Trade Unions Recognition (Central Regulations) 1949: Draft published.	70

<u>Contents.</u>	<u>Pages.</u>
<b>64. <u>Wage Protection:</u></b>	
(a) Madras: Proposal to extend Payment of Wages Act, 1936 to Dock, Wharf or Jetty Services.	71
(b) India: Proposal to extend Payment of Wages Act to persons employed in Mines other than Coal Mines.	71
(c) Bombay: Bombay Wage Board Rules, 1948.	72
(d) Madras: Appointment of Inspectors under the Minimum Wages Act, 1948.	72
(e) Central Provinces and Berar: Minimum Wages Act, 1948: Draft Amendment to Schedule.	73
<b>66. <u>Strike and Lockout Rights:</u></b>	
(a) Prevention of Strikes in Essential Services: Government seeks additional Powers.	74-75
(b) Working of Industrial Disputes Act criticised: Meeting of Madras Trade Union Workers.	76
(c) Madras: Sugar Industry declared as Public Utility Service under the Industrial Disputes Act, 1947.	77
(d) United Provinces: Sugar Industry declared Public Utility Service under U.P. Industrial Disputes Act.	77
<b>68. <u>Labour Courts:</u></b>	
Jurisdiction of Industrial Tribunals contested: Appeals filed in Federal Court by Employers.	78
<b>69. <u>Workers' Participation in the Management or Profits of Undertakings:</u></b>	
(a) Bombay: Works Committees to be set up by 57 Industrial Establishments: Government Order published.	79
(b) United Provinces: Works Committees to be constituted in Industries employing 200 Workmen or more: Fresh Government Order issued.	79-80
(c) East Bengal: Draft Amendment to Bengal Industrial Disputes Rules, 1947: Procedure for setting up Works Committees.	80

<u>Contents.</u>	<u>Pages.</u>
<u>CHAPTER 7. EMPLOYMENT AND UNEMPLOYMENT.</u>	
<u>71. Organisation of the Labour Market:</u>	
(a) India: Employment Exchanges: Working during December 1948.	81-83
(b) India: Full Employment hampered by Lack of Capital Goods: Government's Reply to U.N. Questionnaire.	84
(c) Pakistan: Essential Personnel (Registration) Ordinance: Extension to 58 more Occupations.	85
<u>72. Vocational Guidance and Training:</u>	
(a) Training of Technical Instructors: Central Institute opened at Koni.	86-87
(b) Meeting of Pakistan Council of Technical Education: Widespread Technical Tuition urged.	88
<u>73. Migration and Colonisation:</u>	
(a) India: The Indian Emigration (Amendment) Bill, 1949 published: Act to apply to Acceding States.	89
(b) Ceylon: The Indian Residents (Citizenship) Bill passed by House of Representatives.	90
<u>CHAPTER 8. SOCIAL SECURITY.</u>	
<u>87. Public Health:</u>	
Pakistan: East Bengal Government's 7.5 Million Rupees Scheme of Medical Relief.	91
<u>CHAPTER 9. LIVING STANDARDS.</u>	
<u>94. Education:</u>	
Bihar: Primary Education to be free: Teachers' Salary raised: Government's Decision.	92

<u>Contents.</u>	<u>Pages.</u>
<b>CHAPTER 11. <u>PROBLEMS PECULIAR TO CERTAIN OCCUPATIONS OR CATEGORIES OF OCCUPATIONS.</u></b>	
<b>111. <u>Agriculture:</u></b>	
(a) Madhya Bharat: Committee appointed to draw up Scheme for Abolition of Zamindaries.	93
(b) Central Provinces: Occupancy Rights for Tenants and Ryots in Chhatisgarh: Government Order issued.	94
(c) Hyderabad State: Ruler's personal Estate to be taken over by Government.	95
<b>112. <u>Indigenous Workers:</u></b>	
Madras: Report on the Socio-Economic Conditions of the Aboriginal Tribes: Setting up separate Department for tribal Welfare recommended.	96-98
<b>113. <u>Navigation:</u></b>	
Cochin: The Cochin Dock Workers (Regulation of Employment) Bill.	99
<b>115. <u>Working Conditions of Intellectual Workers and Liberal Professions:</u></b>	
(a) Service Conditions of Bank Employees: Regulation of Awards on All-India Basis contemplated.	100
(b) Bihar: Dearness Allowance increased for Low-paid Government Employees.	100
<b>117. <u>Shopworkers:</u></b>	
(a) United Provinces: The United Provinces Shops and Commercial Establishments (Amendment) Act, 1948(U.P.Act No.1 of 1949).	101
(b) Pakistan: Sind Shops and Establishments Act, 1940: Exemption.	101
(c) Bombay: The Bombay Shops and Establishments Rules, 1949.	102
<b><u>LIST OF THE MORE IMPORTANT PUBLICATIONS RECEIVED IN THE NEW DELHI OFFICE DURING FEBRUARY 1949.</u></b>	<b>103</b>

CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - FEBRUARY 1949.

11. Political Situation and Administrative Action.

Pakistan: First Pakistan Labour Conference,  
Karachi, 8-10 February 1949: Tripartite Labour  
Conference and Standing Labour Committee set up:  
Five-Year Programme of Action in the Labour Field  
including Legislation drawn up.

The first Pakistan Labour Conference, held in Karachi from 8-10 February 1949, was inaugurated by Mr. Liaquat Ali Khan, Prime Minister of Pakistan. The Conference was tripartite in character and was attended by representatives of labour, employers and Government. The conference, among other decisions, agreed to the constitution of a Tripartite Labour Conference and a Standing Labour Committee for Pakistan and approved of a programme of action during the next 5+years which will include a comprehensive scheme of labour legislation and administrative measures to be taken by the Central and provincial Governments jointly and severally.

Agenda.- The following were the items on the agenda of the conference:- (1) Labour Policy. (2) Establishment of a Standing Tripartite Labour Organisation. (3) Labour Bills outstanding from the Indian Legislative Assembly, viz., the Trade Unions (Amendment) Bill, the Minimum Wages Bill, and the Workmen's State Insurance Bill. (4) Decisions of the 31st Session of the International Labour Conference. (5) Certain Resolutions adopted by the Preparatory Asian Regional Conference, viz., Resolution concerning social security, and the Resolution concerning rural Labour and related problems. (6) Employment exchanges - desirability of setting up separate sections to deal with vocational guidance and labour supply statistics. (7) Pakistan Seamen's Welfare.

The Government of Pakistan submitted memoranda on the items of the agenda, as a basis for discussion. A copy each of the memoranda is enclosed with the annexure to this report. (Annexure III).

Item I: Labour policy.- The memorandum contains a brief review of the five-year programme of labour policy adopted by the conference of provincial Labour Ministers held in October 1946 (vide pages 11-18 and 20-22 of the report of this Office for October 1946) and the Government's legislative and executive steps in the labour field. This included: (a) the passing of the Industrial Disputes (Amendment) Act (vide paragraph 67, page 68 of the report of this Office for January 1949); (b) extension of the Payment of Wages Act, 1936 to coal-mines and oilfields (vide paragraph 64, page 57 of the report of this Office for July 1948); (c) application of the Indian Mines Act, 1923 to oilfields. Draft regulations under the Mines Act are now under scrutiny; (d) legislation to replace the ordinance constituting the Coal Mines Labour Welfare Fund and for providing dispensary services for coalminers. The ordinance was replaced by an Act known as the Coal Mines Labour Welfare Fund Act passed by the Indian Legislature in March 1947 which was brought into operation with effect from 14 June 1947. The Act has, since the partition, been adapted by the Government of Pakistan. The proposals for the constitution of an advisory committee, a housing board, and the appointment of a Coal Mines Welfare Commissioner are under consideration. Draft Coal Mines Labour Welfare Fund Rules framed under section 10 of the said Act are under scrutiny in consultation with other Ministries concerned; (e) co-operation between Central and provincial Governments in regard to exchange of information regarding labour situation; (f) constitution of a Labour Bureau. After the partition no separate organisation, similar to that of the late Government of India's Labour Bureau, was set up in Pakistan. A skeleton staff, however, functions at present, inter alia for collection and compilation of labour statistics on statutory and voluntary basis, and collection of data regarding retail prices and cost of living indices and family budget enquiries; and (g) conciliation and adjudication machinery for Central undertakings and for centrally administered areas. On the lines of conciliation machinery in the late Government of India, an organisation, though not on as elaborate a scale as existed in India, has been set up in Pakistan under the Central Labour Commissioner for conciliation purposes. As regards the five-year programme for labour policy, according to the memorandum, it is for consideration, to what extent and in what direction the programme is to be taken up, in the light of the labour conditions prevailing in Pakistan.

Item II: Constitution of Tripartite Labour Conference and Standing Labour Committee for Pakistan.- The memorandum on this subject, suggests that the Tripartite Labour Conference in Pakistan should consist of 12 members, 3 from Central and 3 from the provincial Governments, 3 from employers' and 3 from workers' groups. It is not yet considered



3

necessary to give any representation to the States in Pakistan, none of which have so far acceded in respect of labour subjects. Representatives from these States may, if desired, be invited as observers. The Standing Labour Committee may also consist of ~~25~~ 12 members but it is not considered necessary for them to have any advisers. The Tripartite Labour Conference may meet once a year but the Standing Labour Committee may meet as many times as may be found necessary. It is intended that the Standing Labour Committee should ~~be~~ act as the agent of the Conference and perform such duties as may be assigned to it from time to time. The committee would be convened for advice on important matters of labour policy and administration as might be thrown up during the course of the year. It would normally report to the Conference but it would be open to Government to refer to it any matter on which it needs advice urgently.

Item III: Labour bills outstanding from the pre-partition Indian Legislative Assembly.- This memorandum related to the three labour bills, which could not be disposed of by the Indian Legislative Assembly before partition; viz., the Trade Unions (Amendment) Bill, the Minimum Wages Bill, and the Workmen's State Insurance Bill. It is proposed that the bills should first be examined by the Labour Conference with reference to the conditions prevailing in Pakistan and the bills modified, if necessary, in the light of that examination.

Item IV: Certain decisions of the 31st Session of the International Labour Conference.- The memorandum on this subject invites the views of the Conference on the following Conventions and Recommendations adopted at the 31st Session of the International Labour Conference, held at San Francisco in 1948:- (a) Convention (No.87) concerning freedom of organisation and protection of the right to organise, (b) Convention (No.88) concerning the organisation of the employment service, (c) Recommendation (No.83) concerning the organisation of the employment service, (d) Convention (No.89) concerning night work of women employed in industry (revised 1948), and (e) Convention (No.90) concerning the night work of young persons employed in industry (revised 1948). The views of the conference are also invited on the draft international instruments of the following subjects on which certain conclusions were reached at the 31st Session of International Labour Conference:- (a) Application of the principles of the right to organise and to bargain collectively, (b) labour clauses in public contracts, and (c) protection of wages.

Item V: Resolutions adopted by the Preparatory Asian Regional Conference of the International Labour Organisation.- This memorandum reviews the position in Pakistan and action taken by the Government on the various resolutions adopted by the Preparatory Asian Regional Conference of the International Labour Organisation and the Conference is requested to advise

4

inter alia on the following specific points:-

(i) Regulation of apprenticeship (Resolution XIV);  
(ii) Setting up of an enquiry into the conditions of agricultural workers (Resolution XVI); (iii) Raising the period of maternity leave from 8 to 12 weeks (Resolution X); and (iv) Institution of Provident funds for workers (Resolution X).

Item VI: Employment exchanges' help in vocational guidance.- The Memorandum on this subject states that according to statistics collected through the Employment Exchanges 5,343 persons were placed in employment during the month of October 1948. However, 4,139 vacancies could not be filled by the Exchanges at the end of the month and remained outstanding even though there were 66,096 unemployed workers on the register of the exchanges at the end of the month. The main reason for this is that among workers there are surpluses in certain categories, whereas acute shortages exist in others. In order that there may be a balanced distribution of workers in different categories it is essential that assistance should be given through the exchange organisation to new entrants to the labour market and others in the choice of employment. The International Labour Organisation had the matter under consideration and has now suggested a recommendation on the subject. Comments are invited on the provisions of the Recommendation in their application to Pakistan, and the proposal to set up a separate section at the exchanges to deal with this work.

Labour supply statistics.- Pakistan proposes to industrialise as quickly as possible. In order that the industrial programme may not be held up due to lack of technical personnel and other workers, it is necessary that statistical information should be available as to the labour supply position. The information should cover not only the present position but also the likely future requirement of workers in different categories. In the course of its normal function of registering workers and demands of employers, the employment exchanges collect valuable information about the trends of demand and supply of labour. The wider data relating to labour supply and requirement can also be easily collected through the exchange service. The point for consideration here is to decide to what extent and in what direction the collection of statistics relating to labour supply should be taken up in Pakistan and the desirability of setting up a separate section of the exchange for this purpose.

Item VII: Pakistan Seamen's Welfare.- Merchant seamen particularly in East Bengal, constitute a large proportion of the regular labour force in the Dominion of Pakistan, numbering in all some 150,000. The memorandum gives an account of the steps taken by the Government in regard to welfare of seaman and inter alia gives the following information about the proposed steps to be taken in this regard:- (a) It is

5

proposed to constitute in the near future a Board entitled the 'Seamen's Welfare Board' on the lines of a similar organisation existing in the United Kingdom, which will be an advisory body, tripartite in composition, comprising the representatives of employers, seamen, charitable societies and representatives of the Government departments concerned. The Board will advise Government on the provision of residential accommodation for seamen at ports and also provision of facilities for educational, health and religious purposes which are considered necessary to the welfare of the seafarers, and on the re-allocation or reduction of such existing facilities as may be found to be surplus to requirements. It will also advise the Government of Pakistan on the ratification of the various Conventions passed or recommended by the International Labour Conferences. In addition, the Board will endeavour to promote co-operation among all concerned in the provision of welfare facilities and supervise the grant of monetary or other forms of assistance to seafarers and their dependants and to aged and disabled seamen. (b) In consultation with the Ministry of Education, it is proposed to appoint Seamen's Education Committees at Chittagong and Karachi to prepare and implement through appropriate channels, schemes for the provision of adult and child education to the seafaring classes of the population. (c) It is further proposed, to appoint Pakistan Seamen's Welfare Officers at the following ports:- (a) London, Liverpool and Glasgow in the United Kingdom; (b) New York in the United States of America; (c) Sydney in Australia; and (d) Calcutta in India.

Prime Minister's address: emphasis on social justice.- Mr. Liaquat Ali Khan, Prime Minister of Pakistan, inaugurating the conference, said that labour constituted not only the largest section of the population of any country but also the most important. It was obvious that if a Government really intended to improve the lot of its people it was the worker, the man in the street, it had in view. The Government was fully determined to make Pakistan a progressive state and to make every possible effort to improve the lot of the common man. Pakistan was based on the Islamic principles of freedom, equality and social justice and therefore the first and foremost duty of the Government was to end all exploitation of one group of people by another. There could be no greater guarantee of justice to labour. It was true that the Government have not been able to do as much for labour as it wanted to, but this had been due to abnormal circumstances rather than to a lack of desire on the part of Government. Referring to plans for industrialising Pakistan he stated that the rapidity of development of industry could not take place without the full co-operation of labour which should be contented and prosperous. He assured labour that the Government of Pakistan would take all necessary steps to see that labour got its due share in all enterprises.

6

Labour Minister's address: Government's policy explained.- The following points were made by Mr. J.N. Mandal, Labour Minister, in the course of his address:-

Labour supply in Pakistan.- Pakistan was an industrially backward country and whatever little it had was disorganised at the time of partition. Though it had not yet been able to get accurate statistics of its labour strength, estimates show that there were over 650,000 of workers employed in organised industry, over 200,000 of whom were working in factories subject to the Factories Act, 150,000 each in railways and in tea estates, 125,000 in mercantile marine, 15,000 as the docks workers, 7,000 in mines and 15,000 in miscellaneous establishments, like inland water and other transport. It was difficult to assess the number of landless agricultural workers and wage earners employed in quasi-agricultural home and cottage industries, but there was little doubt that it ran into several millions. There was no regulation of labour employed in agriculture, in organised plantations, cottage industries or other non-power or small industrial establishments not covered by the factory law. The Government was also not in a position to regulate employment of seamen. There was only a small mercantile marine but a large seafaring population who, perforce, had to seek employment on foreign ships. A part of their troubles could be overcome if they were recruited at the Pakistan ports but the bulk of them had to cross into India in search of employment. The Government however was organising a chain of welfare services for them, with headquarters at Karachi and with offices at Chittagong, Calcutta, Sydney, London, Liverpool and New York. Provincial shops and commercial establishments legislation was in force only in a few towns in Pakistan. Contractors of labour employed on Pakistan public works were required to pay fair wages and to set up labour camps for imported labour with suitable arrangements for sanitary services and medical assistance. It was time that the archaic system of labour contractors was liquidated, not only in public works but also in other spheres of industrial activity.

Pakistan and I.L.O.- Internationally, Pakistan had been enrolled as a member of the International Labour Organisation. It had accepted as binding the obligations resulting from the ratification of 15 International Labour Conventions by pre-partition India. Government had subscribed to the constitution of the organisation and its aims and objects, including the Philadelphia Charter of 1944. As a democratic State, the Government believed in social justice and it would endeavour not to lag behind in the march of progress in the labour field. Pakistan had participated in the conferences convened by the International Labour Organisation in New Delhi on regional basis and the regular annual conference in San Francisco and sent an observer delegation to the Near and Mid-east Regional Labour Conference held in Istanbul and

17

recently took part in the deliberations of the Joint Maritime Commission. The International Labour Office had recruited an officer for their staff from Pakistan and they proposed shortly to establish a correspondent's office in this country. Pakistan recently had visits from three ILO experts who were studying problems of co-operation, industrial welfare and agricultural wages for presentation of reports ~~of~~ to the next Asian Regional Conference.

Objectives of labour policy.- Emphasising that the problem of labour began with the child, Mr. Mandal said it was one of the main objects of the Government's ~~existing~~ labour policy to prevent the exploitation of the child and various labour enactments prescribed minimum ages up to which children may be employed in various forms of industrial activities. The law also provided special protection during adolescence. Similarly, there were restrictions on the employment of the weaker sex. The needs of the worker were opportunity for work, adequate wages and satisfactory conditions of work and living. It would be the Government's endeavour to take every possible step to secure full employment for them and raise their standard of living. Pakistan had one of the poorest populations in the world and industrialisation, co-operation and other tried methods of alleviation of their distress would be fully explored. For those already in employment, there should be at the workplace safe and healthy conditions of work, while at home there should be good housing with proper arrangements for water supply, light and drainage together with educational, cultural and recreational facilities. The problems of housing was at once urgent and difficult and Government would devote special attention to it. Working hours should be reasonable and there should be well-defined terms of employment. There should be machinery for collaboration and internal settlement between the two co-partners of production, the employer and the employee. The factory and mining labour laws prescribed suitable working limits and for safe and healthy working arrangements. It was the Government's intention to make these laws fully effective. The Industrial Establishments (Standing Orders) Act required specification of terms and conditions in force at an establishment, so necessary for avoidance of disputes. The Industrial Disputes Act vested in Government the power to require the appointment of works committees in larger industrial establishments. Few establishments had so far voluntarily set up such committees and Government may have to apply statutory compulsion for their appointment. This Act also provided for conciliation ~~of industrial~~ in industrial disputes which could later be referred, if necessary, to a court of enquiry, board of conciliation, or industrial tribunal. One industrial tribunal and a board of conciliation were appointed by the Central Government to deal with certain disputes at the Karachi port.

8

Social Insurance.- Mr. Mandal stated that in the requirements of social security, the private industry had made little advance. For private industry, there were only the Workmen's Compensation Act and Maternity Benefit Acts. The Government had a bill under consideration to provide free medical aid and cash benefits during illness to workers employed in factory industries. He suggested institution of provident fund schemes for workers. To alleviate the effects of inflation, payment to workers may be made partly in money and partly in kind. To meet the essential needs of the worker, say, in food and clothing, the employer might arrange to cut the middleman's profit by purchase of bulk supplies for distribution to this workmen at cost price or controlled and concession rates. And the cooperative system may afford these facilities both to the employer and the employees.

Industrial disputes.- No industrial disputes had taken place since partition and up to the end of the year 1948 in the North-West Frontier Province and Baluchistan. Because of the dislocation caused by the partition, no particulars were available for West Punjab. There were 12 strikes in Sind involving about 10,000 workers and a loss of 22,000 man-days. East Bengal had a bigger crop with 69 strikes, 40,506 workmen and a loss of 130,000 man-days. In his view, internal settlement between workers and employers was bound to be more enduring than that imposed by outside agencies, like industrial tribunals. The first desideratum in this connection was that the employers' and workers' organisations should be in a position to join together to evolve a solution of matters in dispute. To facilitate it, a bill for compulsory recognition of trade unions was before the conference. Such recognition would go a long way to break the unnatural reserve between the two wings of production.

Employment exchanges.- Pakistan had a chain of employment exchanges and a number of training centres. During the period between 15 August 1947 and 31 December, 1948, the employment exchanges registered 288,297 workers, out of which 93,134 were placed in suitable employment. This machinery was originally intended for the resettlement of ex-service personnel and discharged war workers. Immediately on partition, the country was faced with the huge problem of resettlement of refugees, and the exchanges did their bit in this connection. By the middle of January 1949 the exchanges had registered 166,320 refugees, out of which 48,288 were placed in employment. As a result of experience gained in resettling refugees, the scope of the service had been widened and the exchanges were now open to all categories of employment seekers. Special sections have been set up in some exchanges to deal with special categories of employment seekers, e.g., women, disabled personnel and persons possessing high technical and scientific qualifications. The exchanges had encouraged geographical mobility of workers by providing information

9

regarding jobs in other districts. They had helped to overcome shortages of workers in particular trades and occupations by encouraging workers to undergo training in those trades and occupations.

Vocational training.- Here, the main question was how the number of skilled workers could be increased to man large-scale industries. The solution of course was to reorientate the educational policy so that ~~the enormous wastage of schools and~~ the masses that were unable to join schools may be usefully trained to earn living wages either by employment in large-scale industries or independent cottage industries. Any training programme on an extensive scale would essentially involve expenditure beyond the capacity of small states unless the scheme ~~was~~ was, at least, partially self-supporting. Experience had further shown that, in spite of expert supervision, training of technicians divorced from production work could not yield technicians with the requisite degree of skill acceptable to industry. After giving serious consideration to this aspect, the Government had converted the technical training scheme for ~~ex-servicemen~~ ex-servicemen, inherited from ~~the~~ undivided India, into training-cum-production scheme.

Decisions.- The following are the important decisions arrived at the conference:-

a) Labour policy.- The conference noted with satisfaction the action already taken for implementing the programme chalked out by the Government of India prior to partition and approved the programme outlined in the memorandum summarised above. Among the points not covered by the list of proposed legislation and pointed out at the conference were, housing, conduct of an inquiry into the earnings of agricultural labour, state of wages and the dearness allowance structure including the ~~25%~~ question of fair wages, standardisation of terms of service and evolution of fair conditions of service, and reform of the system of recruitment with a view to the elimination of middlemen, etc.

b) Tripartite Labour Organisation and Standing Labour Committee.- The Conference agreed to the constitution of the Tripartite Labour Conference and the Standing Labour Committee for Pakistan. The Tripartite Labour Conference will be composed of 15 members, seven of whom will belong to the Central and provincial Governments and four each will be drawn from the employers' and workers' groups respectively, one member from each group being a representative of agricultural labour. The Standing Labour Committee will likewise be composed of 15 members. The functions of these two bodies would be the same, as outlined in the memorandum.

c) Bills outstanding from the pre-partition Indian Legislative Assembly.- It was decided that the Trade Unions (Amendment) Bill and the Minimum Wages Bill, which were outstanding from the Indian Legislative



Assembly should be proceeded with and enacted as soon as possible, taking into consideration any suggestions which the workers or the employers may send in. The Trade Unions Amendment Bill is intended to provide compulsory recognition of unions under certain circumstances and to eliminate unfair practices. The Minimum Wages Bill is intended for sweated industries, particularly those where the labourer's bargaining power is poor. The third outstanding Bill is the Workmen's State Insurance Bill. It was decided that an inquiry should be made in the light of the present circumstances.

d) Conventions adopted at the 31st Session of the International Labour Conference.- The Conference decided that the following Conventions adopted at the 31st session of the International Labour Conference should be ratified by Pakistan (1) Convention No.87 concerning freedom of association and protection of the right to organise (2) Convention No.89 concerning night work of women employed in industry (revised 1948) and (3) Convention No.90 concerning the night work of young persons employed in industries (revised 1948). No decision was reached on the ratification of Convention No.88 concerning the organisation of employment service, but it was emphasised both by the workers' and employers' delegates that employment exchanges in Pakistan were rendering useful service. It was also suggested that the employment exchanges be better financed and encouraged in order to be able to expand their activities to include vocational guidance, vocational training, etc.

The conference decided that certain items on (1) labour clauses in public contracts (2) measures for the protection of labour and (3) application of the principles of the right to organise and bargain collectively, which were discussed at the 31st session of the International Labour Conference, ~~and~~ left over for final decision to the 32nd session of the conference, should be supported by Pakistan at the next session of the International Labour Conference.

e) Decisions of the Preparatory Asian Regional Conference of the I.L.O.- The main points discussed in connection with the resolutions adopted by the preparatory Asian Regional Conference of ILO, were (1) regulation of apprenticeship, (2) setting up of an inquiry into the conditions of agricultural workers, (3) raising the period of maternity leave from 8 to 12 weeks, (4) institution of a provident fund for workers, and (5) housing. The conference decided that suitable action should be taken by the Government on these points.



11

f) Improvement of employment exchanges.- The conference adopted the suggestion regarding the desirability of the setting up of a separate section in the employment exchanges to deal with vocational guidance and labour supply statistics.

g) Pakistan seamen's welfare.- The conference noted the measures taken or contemplated by the Government of Pakistan for seamen's welfare. It was, however, stressed both by the Government and workers' representatives that immediate steps should be taken for the recruitment of Pakistani seamen from the ports of Pakistan. The Central Government representative explained that the matter was already under active consideration and no efforts would be spared to bring the desired change.

(Memorandum on the items on the Agenda, supplied to this Office by the Ministry of Law and Labour, Government of Pakistan;  
The Civil and Military Gazette, dated 11-2-1949 ).

12

Chapter 2. International Organisations  
and National Non-Professional Organisations.

24. National Non-Professional Organisations.

India - February 1949.

21st Session of All-India Women's Conference,  
Gwalior, 26 - 30 January 1949.

The 21st session of the All-India Women's Conference was held at Gwalior from 26 to 30 January 1949. Mrs. Urmila Mehta presided.

Presidential address: Need for awakening social conscience stressed.- Mrs. Urmila Mehta, in her presidential address, asked the delegates present to fight against ignorance, disease and poverty and also against tyranny and injustice so as "to create a better and brighter world out of the ruins". Stating that their movement had grown out of an urge which was mainly a political one and adding that many of the women who actively participated in the national movement were today the leading lights of their organisation, Mrs. Urmila Mehta appealed to the women of India for a new purpose and a new objective, and, to create new values. They must think in terms of the millions of down-trodden women living in far off corners of India and speedily raise their ~~educational~~ educational and cultural level so that they may feel that they, too, have a part to play in the national life. What ~~is~~ India needed today was a new social conscience, and in awakening this, the women of India could play a significant part. They could undertake the organisation of centres for training future mothers in the right way of bringing up their children. It should also be the duty of the Women's Conference to take a hand in educating the masses by organising a network of literacy classes for women all over the country.

As regards the problem of population, Mrs. Mehta suggested intensive propaganda to bring home to the people that a limited family was not only an advantage from the economic and hygienic points of view, but also from the standpoint of the strength of the nation. She also advocated the necessity of social organisation which should take upon themselves the task of scientific research into the problems of public health with a view to educating and training people in the principles of sanitation, health and hygiene.

Referring to labour unrest and the rising spiral of prices, Mrs. Mehta hoped that both the leaders of labour and of industry would come together in this hour of national crisis.

Resolutions.- Among the more important resolutions adopted was one dealing with safeguarding the health of women in India, which said that provisions should be made for giving medical advice and help to married women in matters of ante-natal care and post-natal care.

Another resolution, while viewing that the new constitution removed all disqualifications on grounds of sex, urged that, if necessary, the existing discrepancies in law should be removed by necessary legislation. It demanded that the bill to codify Hindu Law, which had already been discussed for years, be passed into law without further delay.

A resolution on civil liberties while agreeing that the maintenance of civil liberties was dependent upon a high standard of public life of the citizens and a sense of responsibility to the community, regretted that conditions had made it necessary for the provincial Governments to be empowered by their legislatures with wide powers of detention and arrest. The Conference was against the principle of detention without trial and suggested that political prisoners under detention should be tried in a court of law as soon as possible. Political prisoners should be given all facilities for which they were entitled, inside the prison. If a bread-winner of a family ~~is~~ under detention the family should be paid a suitable allowance.

By a resolution the Conference noted with serious apprehension the growing deterioration in the general economy of the country, marked by scarcity of essential commodities and the continuously rising prices with which incomes were not able to keep pace. It suggested that the following measures be adopted by the Government to avert the economic crisis: (1) A comprehensive programme of agrarian reform should be adopted based on the assurance of a reasonable standard of life's amenities to the peasant who cultivates land, and provision for economic holding and scientific agricultural methods for increased output from the soil. (2) A plan of fostering large-scale and cottage industries must be adopted leading to fuller employment and increasing earning, it being guaranteed that the workers are to be granted proper amenities of life and social insurance. (3) A fearless policy of eliminating all black-marketing and profiteering in the country must be firmly and uncompromisingly followed.

By another resolution the Conference supported universal compulsory primary education and viewed with grave concern the recent strikes and threats of strike among the teaching staff and urged that everything possible should be done to improve the conditions of the teaching staff.

(The Times of India, 27-1-1949;  
The Hindu, dated 30 and 31-1-1949).

CHAPTER 3. PROFESSIONAL ORGANISATIONS.

INDIA - FEBRUARY 1949.

31. Workers' Trade Union Movements.

Railwaymen to postpone Strike Notice:  
Decision by General Council of All-India  
Railwaymen's Federation.

The General Council of the All-India Railwaymen's Federation, at a meeting held at Dinapore on 16 and 17 February 1949, decided to ~~xxx~~ postpone the proposed strike notice (vide paragraph 31, page 8 of the report of this Office for January 1949). Meanwhile, at a conference held earlier at Calcutta, under the auspices of the Assam Railroad Workers' <sup>Union</sup> representatives of various railway unions voted in favour of a strike and resolved to serve a general strike notice on all India railways from 9 March 1949.

The General Council of the All-India Railwaymen's Federation also resolved to disaffiliate from the Federation those unions which had participated in the Calcutta conference. With the disaffiliation of these unions all Communists are now excluded from the All-India Railwaymen's Federation.

Mr. Jai Prakash Narain's address.- Supporting the resolution on the postponement of the strike notice, Mr. Jai Prakash Narain, President of the Federation, said that by their agitation the workers had been able to secure various concessions. A strike now would involve public hostility and censure and would put a vital sector of the national economy in turmoil.

Referring to the concessions made by the Government and those which it was prepared to make, such as, the increase in dearness allowance, revision of pay and allowances of running staff, readiness to appoint an anomalies committee for examining the anomalies arising out of the implementation of the Pay Commission recommendations, etc. Mr. Jai Prakash Narain said that, although these were not large

concessions they were quite appreciated. Furthermore, they were obtained without the risk of a strike, and <sup>were</sup> of the workers willing to follow the path of negotiations, further concessions could be secured. Citing the case of the increase of dearness allowance (vide paragraph 114, pages 103-104 of the report of this Office for January 1949) Mr. Jai Prakash Narain pointed out that the Government had conceded what the Central Pay Commission had pointed out, that dearness allowance of the employees should be revised every six months, in accordance with the movement of prices. Therefore, it should be remembered that the last word has not been spoken on the subject and efforts to win an adequate allowance need not be given ~~up~~ up.

The question was not whether ~~they~~ <sup>ed</sup> accept the present dearness allowance as satisfactory but whether, after this concession, they felt that a strike was necessary. The position taken by the Government was that, in the first place it was trying its best to reduce prices and that it was no solution of the problem of rising costs ~~to~~ to let wages run after prices. In the case of labour, too, the problem was reduction of prices and of dearness allowance. The Government should, therefore, be given a chance for a few months, after which, if prices did not decline labour would be justified in pressing for full dearness allowance.

No place for Communists in Federation.- Deploring the action of communist-led unions, Mr. Jai Prakash Narain said that the trade union movement in India, even though more ~~primitive~~ <sup>primitive</sup> than a quarter of a century old, was still in a primitive condition. There ~~was~~ practically no constructive activity that the unions undertake. There was very little educational work done. Offices were inefficiently run. There was dearth of experts, and no research or study being carried on. They have no journals and the Federation was almost a beggar when it came to funds. This state of affairs must go. If railwaymen were really serious, the time had come when they must put their shoulders to the wheel and create an efficient organisation which would serve them efficiently. Among constructive activities he stressed particularly on the need for starting a co-operative movement among railwaymen, in which Government and the Railway Administrations would give all possible help. The problem of rising prices would have been less severe for railwaymen if they had their own co-operative stores, and in that case the loss to them from corruption and mismanagement would also have been much less.

Referring to the need for reorganisation of the All-India Railwaymen's Federation, he said that if the Federation was to function effectively it must combine the principles of industrial unionism with those of craft unionism. While unions must remain industrial organisations, as they were today, their internal structure should be such that each category of staff was adequately represented and whenever the interests of that staff were concerned its own representatives ~~was~~ <sup>were</sup> in a position to participate in negotiations and settlement. At the Federation level also, such reorganisation was essential. The time had come when the Federation type of organisation should give place to the single-union type. In other words; instead of having, as at present, a ~~federation~~ federation of autonomous unions, there would be a national, central union of railwaymen, with branches and locals. When there were different ~~separate~~ railway companies, there was justification for separate unions. But now there was only one employer (barring the case of the employees of the State Railways which too, were bound sooner or later to be integrated with the national system). Most of the issues in dispute were to be taken to the Railway Board or the Minister. In these circumstances, the Federation had to bear most of the burden of collective bargaining and yet, because of the federal type of organisation, it had insufficient funds, insufficient control over the unions and unable to build up a powerful, efficiently functioning organisation. The change-over to the centralised union of organisation would also solve the problem of rival unionism.

In conclusion, Mr. Jai Prakash Narain advocated the setting up of a Joint Standing Committee of the Railway Board and the Federation to deal with disputes and a permanent Tribunal to decide questions which were not settled in the Joint Committee. The latter should not be a mere consultative body, but should have ample powers to call for relevant papers and facts and to take agreed decisions of a binding character; and its working should be regular and expeditious. In cases of difference, either party to the dispute may make a reference to the permanent Tribunal, whose judgment should be binding on both with certain specified qualifications. Together with this machinery there should be progressively greater association of labour with administration till, within a specified period of time, labour comes to acquire equal share in the administration of the Railways with the Railway Board and the Railway Administrations. ~~Experience has further shown that no matter how often the Board was directed to refer disputes to the Railway Board was not likely to be successful.~~

The resolution postponing the strike notice was passed by the General Council.

(Amrita Bazar Patrika, dated 17-2-1949;  
The Hindu, dated 17-2-1949 ).

India: Postal Workers' Demands: Strike Notices  
withdrawn.

The Supreme Council of the All-India Post and Telegraph Workers' Union, meeting at Madras on 24 February 1949, decided to cancel the strike notice given on 1 February 1949 (vide paragraph 31, page 9 of the report of this Office for January 1949), and to adopt other methods to get their demands satisfied. Mr. N.M. Joshi, President of the Union, presided. The resolution passed by the Council stated that having taken into consideration the present situation, the Supreme Council had come to the conclusion that the notice of strike served on 1 February 1949 should be withdrawn. The meeting appointed a Negotiating Committee, under the ~~xxxx~~ Leadership of Mr. S. Guruswami to continue talks with the Government on the Union's demands.

Lower Grade Staff also postpone strike notice.-  
On 14 February 1949, the Executive Council of the All-India Postmen and Lower Grade Staff Union, also decided to postpone direct action as contemplated by it in the strike ballot conducted recently by the Union throughout the country. ~~This~~ The decision was taken on an assurance given by the Minister for Communications, Government of India, that the Government would accept the major demands of the post and telegraph workers as formulated by the Union, ~~including~~ ~~and~~ ~~including~~ ~~the~~ ~~revision~~ ~~of~~ ~~the~~ ~~pay~~ ~~scales~~ ~~at~~ ~~the~~ ~~earliest~~ ~~possible~~ ~~opportunity~~ ~~when~~ ~~the~~ ~~general~~ ~~economic~~ ~~conditions~~ ~~of~~ ~~India~~ ~~allowed~~ ~~such~~ ~~revision~~.

A Negotiating Committee has been appointed by the Executive Council. The committee, which includes Mr. Jai Prakash Narain, Mr. V.G. Dalvi and others, will report on the results of its negotiations with the Government to the All-India Conference of the Union to be held in the United Provinces in June 1949 when the Conference might take a decision to cancel the strike ballot.

(The Statesman, dated 15-2-1949;  
The Hindu, dated 25-2-1949 ).



Burma: The Trade Unions (Amendment)  
Bill, 1949: Appointment of Assistant  
Registrars.

The Government of the Union of Burma gazetted on 29 January 1949 the Trade Unions (Amendment) Bill, 1949.

The Bill empowers the Government to appoint various officers of the Labour Directorate, as assistant registrars for the purposes of the Act, so that they could exercise the powers of the registrar of trade unions in the areas comprised within their respective jurisdictions.

(The Burma Gazette, Part I,  
dated 29 January 1949;  
pages 82-83 ).

33. Employers' Professional Organisations.

India - February 1949.

Ninth Annual Conference of All-India Manufacturers' Organisation, Bombay, 20 - 21 February, 1949:  
Demand for setting up National Planning Commission.

The ninth annual conference of the All-India Manufacturers' Organisation, held at Bombay on 20 and 21 February 1949, was inaugurated by Mr. Maharaj Singh, Governor of Bombay. Sir M. Visvesvarayya presided. Among others, the conference passed a resolution on industrial policy demanding inter alia the setting up of a National Planning Commission and a statement from Government that only defence and key industries would be nationalised.

Sir M. Visvesvarayya's address: Nine-point programme suggested.- Addressing the conference, Sir M. Visvesvarayya emphasised the necessity of formulating five-year plans on the lines of those of Soviet Russia in order to achieve a rapid industrialisation of India. He recommended "some plan of austerity" for the whole of India to bring the development of her industries to the level of those of forward western nations. That plan, he said, should be "no less a plan, perhaps, than the five-year plans of Soviet Russia which educated that ~~xxx~~ country, promoted her industries by rush tactics, and made her strong". A beginning might be made with a plan and grant for one year in the first instance. The grant should be the order of 4000 million rupees per annum, besides 100 million rupees for current expenditure on equipment and administrative expenses. One-quarter of the capital might be utilised for permissible Government projects. This would be necessary for a good beginning, at least in the first five years of the reconstruction period.

He stated that the present Government policies, unless modified, would deprive the country of the strength and support which all civilised countries received in emergencies from powerful industrial firms. Early steps should be taken to bring into existence firms of consulting engineers and chemical engineers. He stressed the need for taking a correct census of industries once in three years, as was done in England.

Referring to the Government's policy of nationalisation he said that the policy was based on the Government leanings towards socialism. In a country like India, with 85 per cent of its population illiterate and with a very insignificant amount of capital invested in industries, nationalisation policy was highly prejudicial to progress.

He recommended the following nine-point "action programme" as a remedial measure to meet the urgent wants of industry and the existing deficiencies:-  
(1) Proper co-ordination of industrial policies between the Centre and various units; (2) Government should make a clear pronouncement on their nationalisation policy to restore confidence in the minds of the people and to take steps to avert a depression; (3) Development of small scale and rural industries as that would be helpful to step up production and promote projects of nearly 65 per cent of the country's population; (4) Heavy and large-scale industries should generally be situated in cities and towns; (5) Standardisation of unit areas for the whole of the country into three categories; (6) Prompt Government response to public representations on inflation and taxation; (7) Raising of capital for industries, as on a wartime footing, of at least 10,000 million rupees internally and an equal amount from the United States of America; (8) Immediate and regular collection of statistics and general information on all raw materials and industrial products; (9) Sharing of duties and responsibilities by the Centre with the provinces and States, with the common aim of raising the business conception and character of the individual to the level of those of the population of industrialised western countries.

Resolutions: Industrial policy.- The conference passed a resolution ~~passed~~ on industrial policy which stated that the general level of production was far from satisfactory, compared to the peak level attained during the war. It was also not in keeping with the potential capacity or with the needs of the country. In order to remedy this state of affairs, the conference stressed the need for a statement from Government declaring that only ~~defence~~ defence and key industries would be nationalised. It also suggested the establishment of Industrial Finance Corporations in the provinces by raising loans. Only through them could deserving industries be guaranteed the requisite finance on reasonable terms. Steps should be taken to stabilise wages and promote industrial peace. A National Planning Commission should be set up and there should be fixation of priorities and production targets for a period of three years. There was great need, the resolution said, for increasing the production of certain industrial materials which were in short supply. The Government should conduct a survey of the resources of the country and also revise its fiscal policy.

Anti-inflationary policy.- The conference was in agreement with the anti-inflationary policy of the Government. Apart from the measures already taken, it suggested the reduction of customs duty from eleven to five per cent on all items of machinery. Also, that the exemption from income-tax granted to specified industries should be extended to all industries. A plea was also made for liberalisation of depreciation allowance on plant and machinery installed after 1 April ~~1941~~ 1942.

The resolution further urged the need for lowering the prices of primary commodities and for controlling bank advances.

Other resolutions related to the removal of barriers on Indo-Pakistan trade and functional representation in ~~legislative~~ legislatures.

(The Times of India, dated  
22-2-1949 ).

CHAPTER 4. ECONOMIC QUESTIONS.

INDIA - FEBRUARY 1949.

41. Industrial and Mining Production.

Progress of Cotton Textile Industry in  
India and Pakistan in 1947-48: Annual  
Statement of Millowners' Association,  
Bombay.

The following statistical information relating to the progress of the cotton textile industry in India and Pakistan in 1947-48 is taken from the annual statement issued by the Millowners' Association, Bombay:-

Number of mills.- The total number of cotton textile mills in India and Pakistan on 31 August 1948 was 422 (excluding 36 mills in course of erection or recently registered) as against 423 on 31 August 1947. The number of mills in Bombay City and Island and Ahmedabad remained stationary at 65 and 74 respectively during the period under review. The number of mills in the rest of Bombay Province fell from 71 in 1946-47 to 70 in 1947-48. The total number of mills in the Province was 209 against 210 in the period 1946-47. The number of mills in Madras increased from 72 on 31-8-1947 to 73 on 31-8-48, and the number in United Provinces fell from 30 to 28 during the period under report. Eastern Punjab and West Bengal had 4 and 29 mills respectively. In the other regions of India, there was no change: Rajputana had 10 mills, Berar 4, Central Provinces 7, Bihar and Orissa and Travancore 2 each, Hyderabad State and Delhi Province 6 each, Central India 17, Mysore 8 and Pondicherry (French India) 3. The total number of mills in Pakistan was 14, which consisted of 1 in Sind, 9 in East Bengal and 4 in West Punjab.

Five mills remained idle during the year, of which 1 was in Delhi Province and 2 each in United Provinces and Madras.

Number of spindles and looms.- There were 10,433,065 spindles and 202,072 looms in India and Pakistan on 31-8-1948 as against 10,353,973 spindles and 202,662 looms on 31-8-1947.

The number of spindles and looms in Bombay Island increased by 15,280 and 44 to 2,866,150 and 65,880 respectively.

The number of spindles and looms in the different provinces and States of India and Pakistan during 1947-1948 and 1946-1947 was as follows:-

Provinces or State.	Number of Spindles		Number of Looms.	
	1947-48	1946-47	1947-48	1946-47
Bombay-----	6,007,360	5,981,573	135,203	135,866
Madras-----	1,630,054	1,582,238	7,976	7,785
United Provinces--	775,860	776,756	12,102	12,253
Bengal-----		475,766		11,391
West Bengal---	389,726		8,909	
Central India--	397,480	402,464	10,922	11,097
Central Provinces--	297,584	300,090	5,378	5,314
Mysore-----	161,752	161,752	2,877	2,828
Rajputana----	132,868	132,872	3,029	3,009
Hyderabad-----	118,420	120,188	2,462	2,462
Delhi Province---	120,628	114,240	3,322	3,321
Punjab-----		113,654		2,851
East Punjab---	38,264		780	
Pondicherry---	83,193	85,376	1,980	1,980
Berar-----	68,448	68,448	1,474	1,470
Bihar and Orissa----	25,700	26,024	745	745
Travancore---	18,504	12,532	310	310
Pakistan--				
Sind-----	2,216		60	
East Bengal--	48,992		2,476	
West Punjab--	76,016		2,067	
Total	167,224		21,603	
Total in India and Pakistan--	10,433,065	202,072	10,353,973	202,662

Number of operatives.- The average number of operatives employed daily in day staff work was 476,145 as against 488,370 in 1946-47. Particulars of the number employed in night shifts are not available.

Cotton consumed.- The total consumption of raw cotton by the mills during the period was 14,990,409 cwts. as against 13,902,546 in 1946-47.

(The progress of the industry during 1946-47 was reviewed at paragraph 41, pages 16-17 of the report of this office for January 1948).

(Summarised from the statement relating to the Progress of the Cotton Textile Industry in Indian Dominion and Pakistan in 1947-48, issued from the Millowners' Association, Bombay ).

Pakistan: Development of Pakistan Tea Industry:  
Five Committees set up.

A meeting of representatives of Government, planters, tea estate officials and exporters were held at Sylhet on 27 and 28 January 1949 to consider the rehabilitation of the tea industry of Pakistan. Mr. Fazlur Rahman, Minister for Commerce and Industries, Government of Pakistan, presided.

The conference appointed five committees and adopted their reports as a basis for the future. It is understood that the Plantation and Supply Committee was asked to suggest steps for the maintenance of existing cultivation, improvement of tea, rehabilitation of gardens and extension of fresh cultivation. Also it was to consider the question of supply of seeds, fertilizers, insecticides, tea chests, accessories and packing materials and foodgrains and clothing for labour. The Marketing Committee was to examine the system of purchase and export of tea, internal marketing and the starting of tea auctions at Chittagong. It was also asked to deal with the problems of storage and transport.

The Financial and Banking Committee was asked to devise ways to finance tea crops and make suggestions for removal of the difficulties facing tea purchasers, The Legislation Committee to examine the provisions of the Indian Tea Cess Act, and the constitution of the Pakistan Tea Board, also to examine the Indian Tea Control Act and the constitution of a Pakistan Tea Licensing Committee and the Industrial Committee to consider the suggestion for starting a blending and packing industry and for providing facilities for the manufacture of tea chests and accessories in Pakistan.

Commerce Minister's address.- Addressing the meeting, Mr. Fazlur Rahman, Minister for Commerce and Industries, said the Government ~~attak~~ attached great importance to the question of rehabilitation of the tea industry and was considering a proposal to undertake a tea survey. The Government was also anxious to reduce the cost of labour in tea gardens, and he hoped that the provincial Government would be able to supply essential food grains and cloth, at controlled rates, to the labourers.

Pakistan had signed the International Tea Agreement and it should not be difficult for her to obtain seeds. Under the International Tea Agreement standard acreage had been fixed for Pakistan at 76,700 acres, and the standard export quota for Pakistan had been fixed approximately, at 35 million pounds.

(Civil and Military Gazette, 28-1-1949;  
The Statesman, dated 30-1-1949 ).

Pakistan: Industrial Research Board set up  
by East Bengal Government.

With the object of financing and co-ordinating industrial research in the province of East Bengal, the Government of East Bengal has set up an Industrial Research Board, consisting of 11 members, with the Minister for Commerce and Industries as chairman.

(The Dacca Gazette, Part I, dated  
20 January 1949, page 30 ).



India: Development of the Tea Industry  
Under Central Control: Bill to set up  
Tea Committee published.

The Government of India published on 22 January 1949 the Tea Committee for India Bill, 1949 which seeks to provide for the development of the tea industry under central control and for that purpose to establish a Tea Committee for India and levy a customs duty on tea produced in and exported from India.

The Statement of Objects and Reasons appended to the Bill declares that it is proposed to replace the present Indian Tea Market Expansion Board by a body called the Tea Committee for India with enlarged functions and duties which would include, apart from propaganda designed to secure increased sales and consumption of tea, the promotion of research relating to tea at all stages of the industry, the collection of statistics, the fixing of grade standards, and generally the rendering of assistance to the industry in all practicable ways. The Committee will consist of representatives of all sections of the tea industry and trade, as well as of the Governments of the main tea-growing provinces and States and the Central Government. Provision has been made for the exercise of adequate control over the activities of the Committee ~~to discharge its functions effectively, it is~~ by the Central Government.

To enable the Committee to discharge its functions effectively, it is proposed to enhance the maximum rate of cess which may be levied on exports of tea from 1 rupee 8 annas per 100 lbs. to 2 rupees per 100 lbs.

(The Gazette of India, Part V, dated 22 January 1949, pages 5-11 ).

India: Problems affecting Tea Industry:  
Committee set up.

With a view to examining the various problems affecting tea industry and suggesting remedial measures, the Government of India, by a resolution dated 12 February 1949, has appointed an ad hoc Committee consisting of representatives of the Indian Tea Association, the Ministries of Transport and Finance of the Government of India, the Government of West Bengal, the Port Trust Commissioner, Indian growers of ~~the~~ tea and the Calcutta Tea Traders' Association.

The Committee's terms of reference are: (i) to find out ways and means of providing additional warehouse accommodation for tea immediately necessary during the current year, (ii) to work out detailed proposals for providing additional warehouse accommodation on a permanent basis for tea in Calcutta and to indicate ways and means therefor, (iii) to make concrete suggestions for training Indians in tea broking including tasting, (iv) to suggest methods for improving the quality of tea exported out of the country.

The Committee is required to submit its report to the Government of India not later than 15 March 1949.

(No.236(3)FT(Tea)/49, dated 12 February, 1949;  
The Gazette of India, Part I, Section 1,  
dated 12 February 1949, page 187 ).

42. Production and Export of Agricultural Products.

India - February 1949.

Government's Food Policy criticised:  
Debate in Constituent Assembly of India  
(Legislative).

On 3 and 4 February 1949, the Constituent Assembly of India (Legislative) debated two non-official resolutions on the food situation in India. Replying to the discussion, during which many members had severely criticised the Government's food policy, Mr. Jairamdas Daulatram, Minister for Food and Agriculture, stated that the Government hoped to have the whole problem reviewed at "a very high level" and consider what measures and machinery should be set up to deal with the question in a speedy manner and take effective action. The Minister added the review would be ~~consultations~~ made by consultations amongst the members of the Cabinet, probably the Cabinet Committee and that it would probably be completed within 2 or 3 weeks. Both the resolutions were subsequently withdrawn.

The debate: Failure of "grow more food" campaigns.- On 3 February 1949, Dr. M.M. Das moved a resolution suggesting that the Government appoint a committee to investigate the reasons leading to the failure of the "grow more food" campaigns, ascertain the defects in the organisation for planning and executing the programme of increasing food production, make recommendations for improvement of the organisations and to outline an immediate programme.

Dr. M.M. Das said the most difficult problem the Government faced today was how to feed the millions of India. It was a problem of ever-increasing magnitude for the simple reason that the population was increasing. From 1931 to 1941, according to statistics, the population had increased by 50 million. The rate of increase in their food production was not able to keep pace. West Punjab and Sind, the two surplus provinces where the irrigation system was very near to perfection, had gone out of India. Burma, Malaya and other neighbouring countries which supplied rice were not in a position to supply India today. The "grow more food" campaign had achieved some success, but it was not sufficient to cope with the situation. Efforts must be made by the Government on modern scientific lines so that India might achieve self-sufficiency within the shortest time. If the Government wanted to increase food production it must find out some means by which it could reduce the grievances of the poor agriculturists.

Long-term policy required.- Mr. R.K. Sidhwa moved another resolution ~~within~~ suggesting that hotels, restaurants and other eating houses catering non-vegetarian food be prevented from serving rice. Enquiring the results of the 'grow more food' campaigns, Mr. Sidhwa said that it was no use saying that agriculture was a provincial subject and that the country had lost the West Punjab and Sind with the best irrigation system. Everybody knew that. What the country wanted to know was what the Government had done in these 18 months to increase food production. Mr. Sidhwa criticised the "complicated and voluminous" reports and figures provided to members when they asked for information and suggested that members should be provided with periodical statements so that they could satisfy themselves that some substantial work was being carried out by the Food Ministry in conjunction with the provincial Governments.

Apart from the short-term policy, the Government must also cease to import foodgrains by 1950 or 1951 as part of its long-term policy. The provincial Governments must be told definitely that after 1950 or 1951 they would get no imported food. There was no drive in this matter and no enthusiasm. Much of the country's wealth was being drained due to food ~~in~~ imports. During the war India had produced many non-available things and the Government could, if it showed some enthusiasm, get more food produced.

Responsibility of provinces.- Mr. Thakurdas Bhargava moved an amendment to Dr. Das's resolution suggesting that it should be brought home to every provincial Government that it was its duty to provide food for the inhabitants of the province under its charge; that fair prices must be fixed for foodstuffs to provide good incentive to the producer; that the producer must be enabled to get his requirements at a fair price; that the provincial Governments should adopt a certain and definite policy in regard to

zamindars and tenures of land so that the incentive to keep lands uncultivated might be eliminated; that ~~the~~ means must be provided for breaking of wastelands; that water facilities for irrigation must be provided by opening new canals, wells, tube-wells and bunds; and that good and cheap manure, fertilizers, cattle, seeds and implements of cultivation, including improved ploughs and tractors, should be provided.

Food Minister's statement: Failure of 'grow more food' campaigns refuted.- Mr. Jairamdas Daulatram speaking on the resolution, urged members to appreciate the situation. The difficulty would persist so long as it was not tackled in a big way. They must be prepared to spend more money on the improvement of agriculture, and large-scale irrigation schemes must be completed before there could be any easing of the situation. An increase in the import of foodgrains, which many members had criticised, was inherent in the present situation unless, of course, the provincial Governments tightened up their procurement. He gave the following figures of provincial procurement: Madras 28.8 per cent; Bengal 14.9 per cent; Bombay 6.5 per cent; Central Provinces 8.7 per cent; ~~and~~ Assam 15 per cent; Orissa 6.4 per cent; United Provinces 4.8 per cent; and Bihar 2.6 per cent; and said it would be seen from figures that if rationing was to be a success and imports reduced, it was possible only if there was greater uniformity of sacrifice and a much larger proportion of procurement.

Replying to criticism of the "grow more food" campaigns, he said that this campaign was a very small endeavour compared to the needs and the total area under cultivation. The Food-grains Policy Committee recommended the "grow more food" campaign for the production of 900,000 tons. Nearly 700,000 tons had been procured and the amount spent on the campaign was only about 50 million rupees. This was achieved in spite of great ~~difficulties~~ difficulties.

Grant of loans to cultivators suggested.- Speaking on the resolution Prof. N.G. Ranga said that the country depended too much on rain-fed cultivation. He said that the Government ~~must~~ should go ahead with all its irrigational schemes and complete them within 10 to 15 years. Agricultural labour must be properly fed and clothed. Otherwise the country would not get more food. He suggested that the Government should start an agricultural finance corporation and advance credit to peasants for the production of particular crops and induce them to take to those crops. No such step had been taken in this direction. Provinces like Bihar and the United Provinces should be induced to procure more and more of their food. He also suggested that the Ministries of Agriculture and Transport in the Centre and the provinces should form a committee and see that the peasants got those articles for which there was shortage at controlled prices.

Mr. Bhupendra Singh Man, expressed dissatisfaction over the ways and means adopted by the Government to intensify the "grow more food" campaign. Distribution of tractors supplied to agriculturists was so bad that the peasants did not get them. He said that to get good results it was essential that loans should be advanced to agriculturists for purchasing tractors and other requirements, and for this purpose a loan advancing corporation should be set up like the relief and rehabilitation corporation.

Mr. B. Das stressed the need for co-ordination between the Ministries of Agriculture, Industries, Finance and Transport. He pointed out that unless this was achieved they would not be able to meet the requirements of the agriculturists, which alone would ensure more food production. The Finance Ministry must change its policy and help agriculturists. Mr. Das also pleaded for direct relationship between the producer and the Government. The black marketeer and the middleman must be eliminated. Otherwise, while the consumers would pay a higher price, the producer would get nothing out of this.

Other suggestions.- Among other measures suggested by members were the setting up of a permanent agricultural commission and the constitution of a development board which would take quick decisions and ~~ensure~~ ensure co-operation between the provinces and the Centre.

Mr. Shiva Rao said that India could benefit by collective farming. He suggested that the service of a few Jews who had expert knowledge of the methods of co-operative farming in Palestine, where it had developed to a greater degree than anywhere else in the world, should be enlisted. He also stressed the need of making available to cultivators the results of agricultural research.

Food Minister's reply: situation to be reviewed at high level.- Winding up the debate Mr. Jairamdas Daulatram stated that the discussions had made it clear that co-ordination of more than one department was necessary for a proper and early solution of the food problem and for an improvement in agricultural production. The Government hoped to have the whole problem reviewed at a very high level and to consider what measures and machinery should be set up to deal with the question in a speedy manner and to take effective action. The "grow more food" programme would also be included in this review, as also the many suggestions made by members during the debate.

Much criticism had been levelled against the failure of the "grow more food" ~~campaign~~ campaign. He would point out that the campaign related to only about 5 per cent of their needs. By spending 50 million rupees 700,000 tons of food had been produced under these schemes.

Referring to statements regarding the low production of food, need of village co-operatives, supply of healthy seeds to villages and availability of the results of agricultural research to villagers, Mr. Daulatram said that in these statements and suggestions there was one missing link which had come in the way of agricultural development - liaison between the cultivator and the Government and the research stations throughout the country. One of the main things discussed at the conference of Food and Agriculture Ministers held recently (vide paragraph 42 pages 19-21 of the report of this Office for January 1949), was how to supply this missing link to the Indian cultivator.

The Food Minister added that he would consider the suggestion for setting up a development board for ~~setting up~~ reclamation of land. Prof. Ranga's suggestion for the establishment of an agricultural finance corporation was impracticable because of lack of funds.

Denying that there was any conflict between the Centre and the provinces the Minister stated that the fact was that agriculture was a provincial subject. They must enlist the willing co-operation of the provinces for any success of the scheme. He urged that in the present situation, agricultural production must be given a higher priority than industrial development.

Both the resolutions were withdrawn.

43. Foreign Trade and Exchanges.

India - February 1949.

India: The Protective Duties (Amendment)  
Bill, 1949.

The Government of India published on 5 February 1949 the Protective Duties (Amendment) Bill, 1949.

The Statement of Objects and Reasons appended to the Bill states that the object of the Bill is to extend the life of the Protective Duties Act, 1946, by another two years with effect from the 1st April 1949. The Tariff Board as at present constituted will function till November 1950 and the time between November 1950 and April 1951 is a desirable margin for the consideration of the Reports that may be completed in November 1950.

The Bill was passed by the Constituent Assembly of India (Legislative) on 8 February 1949.

(The Gazette of India, Part V, dated 5 February 1949, page 31;  
The Times of India, dated 9 February 1949).

India: The Indian Tariff (Second Amendment)  
Bill, 1948 passed by the Constituent Assembly  
of India (Legislative).

The Constituent Assembly of India (Legislative) passed on 2 February 1949 the Indian Tariff (Second Amendment) Bill, 1948.

The Bill seeks to give effect to tariff concessions agreed to by India under the United Nations Conference on Trade and Employment, established by the Economic and Social Council of the United Nations (vide page 20 of the report of this Office for June 1948).

(The Gazette of India, Part V, dated 11 September 1948, pages 659-691;  
The Statesman, dated 3 February 1949 ).



25

45. Economic Development and Control.

India - February 1949.

Pakistan: Public Investment Inquiry Committee  
set up.

In order to study the position of investments in industry and consider measures for stimulating interest in industrial investments, the Government ~~of~~ had set up a public Investment Inquiry Committee, with the following terms of reference:

(1) To examine the present position and future ~~of~~ prospects of investment by the public in joint-stock companies, industries and banks; (2) To report on the causes of the hesitation of the public to make investment; (3) To suggest measures to foster the habit of investment and to encourage the public to produce the necessary funds for investment.

Mr. Hoshang Dinshaw is the chairman of the ~~Committee~~ ~~Committee~~ Committee.

(The Civil and Military Gazette,  
12-2-1949 ).

46. Wages.India - February 1949.India: Wages under Minimum Wages Act  
to be fixed by March 1951.

On 16 February 1949, Mr. Jagjiwan Ram, Minister for Labour, Government of India, replying to a question in the Constituent Assembly of India (Legislative) stated that minimum wages were due to be fixed by 15 March 1950, in respect of all the industries covered by the Minimum Wages Act. Minimum wages were also due to be fixed in respect of agriculture by 15 March 1951. While this was the overall position, the Labour Minister added, in some of the provinces, industrial tribunals had fixed minimum wages in the case of some industries. In reply to another question the Labour Minister said that some of the provincial Governments had already set up minimum wage boards, while others had already been requested to do so.

A statement, laid on the table ~~for~~ by the Labour Minister, showed that the Madras Government had fixed minimum wages for the textile industry and the motor transport services. The Central Provinces Government had also fixed minimum wages for cotton textile mills. The West Bengal Government had fixed minimum wages in respect of the engineering, textile, jute ~~mills~~ textile, printing presses and flour mills. The United Provinces Government had fixed minimum wages for cotton and woollen industry, electricity undertakings, and sugar factories, while Assam had done so in respect of plantations. Bombay had fixed minimum wages for the cotton textile and banking industry and in Bihar, minimum wages had been fixed for the sugar industry.

(National Herald, dated 17-2-1949 ).

United Provinces: Wage Increase in Textile Industry Applicable to Cawnpore Mills Only: Government to appoint Tribunal.

The wage increases that the United Provinces Government enforced on the textile industry, as a result of the Labour Inquiry Committee's report, shall not now apply to the textile industry located in centres other than Cawnpore, according to a decision taken by the Government. In pursuance of the Committee's recommendations, the Government had fixed 30 rupees per month as the basic minimum wage for the cities of Cawnpore, Agra, Meerut, Bareilly, Lucknow, Allahabad and Benares and 28 rupees elsewhere. The Government had also prescribed a uniform scale of dear food allowance for the textile industry in the province (vide paragraph 46 pages 38 and 43-47 of the reports of this Office for December and November 1948).

The textile industry outside Cawnpore, specially the coarse count weaving and spinning mills, represented to the Government that the new increased labour costs had severely narrowed down their margin of profit, specially owing to re-imposition of controls and ~~difficulties~~ difficulties of obtaining raw cotton at controlled prices, and it was not possible for them to keep their concerns going. They, therefore, approached the Government for permission to close down their mills. These difficulties were discussed at a special meeting of the textile industry's tripartite labour conference held in Lucknow on 1 February 1949. The Minister for Labour, Mr. Sampurnanand, presided and Premier, Pandit Pant, also addressed the gathering.

An official statement issued after the meeting says that it is no doubt ~~is~~ true that the minimum consolidated wage in some concerns has ~~been~~ almost been doubled because of the Government's order on the Labour Inquiry Committee's report. It is however, out of question to permit the concerns to close down and stop production altogether. Stoppage of concerns will also throw out of work a large number of workers for whom no alternative employment can at present be found. Considering all these points, the Government has decided to suspend for the time being its order dated 6 December 1948, in so far as it is applicable to textile mills situated outside Cawnpore district; and in the meanwhile to appoint, immediately a high-level committee, to be presided over by a judge of the High Court. One representative each of the employers and workers will assist the Chairman as assessors. The Committee will also have available the advice of an accounts and textile expert. The Committee shall go into the question of the capacity of the textile industry outside Cawnpore, specially the coarse count spinning and weaving mills, to bear extra burdens and advise the Government as to the basic pay keeping in view all the factors.

It further states that employers, as a ~~gr~~ gesture to labour have voluntarily offered to announce a 10 per cent interim increase on the consolidated wages of the workers, as these existed on 30 November 1948. These increased wages are to be paid with effect from 1 December 1948. Employers have also agreed to pay for the month of December 1948, an additional amount which shall be the difference of wages admissible under the Government's order. This payment shall be entirely ex-gratia.

Addressing the conference the Labour Minister announced the Government's decision regarding the appointment of welfare officers under the new Factories Act, all mills ~~now~~ employing more than 500 persons shall have to appoint such officers.

(The Statesman, 4-2-1949 ).

United Provinces: Bonus to Sugar Workers:  
Rates reduced.

A Press note issued by the Government of the United Provinces says that, in consultation with the Indian Sugar Syndicate, a flat rate reduction of one anna per maund (1 maund = 82 lbs approx.) in the bonus to be paid to the sugar workers of the province for the crushing season 1947-48, has been decided upon. In the case of factories which have crushed cane over 4.5 million maunds, the reduction would be six pies.

Half of the amount of the bonus has already been paid at rates originally prescribed in November 1948 (vide paragraph 46, page 48 of the report of this Office for November 1948). The Government has ordered that the balance should be distributed by 25 February 1949.

(The Government Gazette of the United Provinces Extraordinary, dated 9-2-1949, pages 1 and 2; The Statesman, dated 8-2-1949 ).

India: Dispute between Employers and Workmen  
in Coal, Chipping and Painting, Barge and Launch  
Sections in the Port of Bombay referred to Board  
of Conciliation.

By an order dated 11 January 1949 the Government of India has constituted a Board of Conciliation consisting of 5 persons and has referred to the Board for settlement a dispute between the employers and workmen in coal, chipping and painting, Barge and Launch sections in the port of Bombay. The matters in dispute inter alia relate to revision of wages and dearness allowance, payment of gratuity, grant of housing and compensatory allowance to workers in launch and barge sections, attendance allowance to workers in certain sections, etc.

(The Gazette of India, Part I,  
Section 1, dated 22 January 1949,  
pages 94-95 ).

Meeting of Fair Wages Committee New Delhi,  
17 and 18 February 1949.

A meeting of the Committee on Fair Wages (vide paragraph 46, page 35 of the report of this Office for December 1948) was held at New Delhi on 17 and 18 February 1949, under the chairmanship of Mr. K.N. Subramaniam, Joint-Secretary, Ministry of Labour, Government of India. A draft report of the discussions will be considered by the Committee at its meeting in April 1949.

The Committee is believed to have been generally agreed that the quantum of a "fair" wage should be determined with reference to the productivity of labour, the capacity of the industry to pay and the basic bio-social needs of the workers. Such needs should include food, clothing, housing, education, medical aid, social requirements like expenses for marriages and funerals and certain miscellaneous items like furniture and utensils. The norms for these items should be reasonable and, as far as possible should be based upon tenders laid down by the accepted authorities.

It is understood that the Committee was of the opinion that the "fair" wage should also have reference to the needs of the worker, his wife and two children, taken as free consumption units. For the purposes of calculation, the earnings of only one male member of the family should be taken into account. The Committee is stated to be unanimous on the desirability of appointing a high-level Central tribunal for bringing about an uniformity in the wage structure of the country. The tribunal should have separate jurisdiction and the parties to an industrial dispute in a province should be entitled to appeal to the tribunal against the decision of the Provincial Wage Board. The decisions of the local boards should, however, be implemented as soon as they are pronounced.

Another recommendation contemplated by the Committee is stated to be that the basic wage should be fixed on the assumption that the price level will ultimately stabilise between the index figures of 160 and 170 (as against the 1959 prices). The dearness allowance should, as far as possible, be so computed as to neutralise fully the rise in the cost of living of the lowest paid employees.

47. Reconstruction Plans.

India - February 1949.

India: Financing of Development Projects:  
International Monetary Bank to examine need  
for loan.

India's need for loans from the International Monetary Bank, especially in regard to the development of her railways and agriculture, will be investigated by a five-man mission headed by Mr. A.S.G. Hoar, Assistant Loan Director of the Bank.

The Mission which arrived in New Delhi on 24 January 1949, will not only hold discussions with officials, but will tour the country extensively to have an "on-the-spot look at transport, agriculture, power supply and other aspects of India's economic development".

On 1 February 1949, Dr. John Matthai, Finance Minister, Government of India, stated in the Constituent Assembly of India (Legislative) that the Mission would examine India's claims for assistance to finance long-term capital and development projects. The Finance Minister added that India had already taken from the International Monetary Fund loans totalling \$80 million to meet short-term current requirements.

(The Statesman, dated 25-1-1949 and 2-2-1949 ).

Pakistan: Meeting of Planning Advisory Board: Development of Natural Resources stressed.

A meeting of the Pakistan Planning Advisory Board (vide paragraph 47, page 25 of the report of this Office for January 1948) was held at Karachi on 2 and 3 February 1949.

Addressing the meeting, Mr. Liaquat Ali Khan, Prime Minister of Pakistan said that nature had given Pakistan many resources which, if properly utilised could make Pakistan a strong and prosperous country. He stressed the desirability of evolving a master plan for the development of Pakistan with clear cut objectives and extending over a period of 5 or 10 years. The Prime Minister added that in the preparation of such a plan the Government must play a positive role and ensure that while on the one hand, sufficient scope was allowed to individual freedom and enterprise, on the other hand the interests of the community as a whole were safeguarded against the abuse of individual freedom.

Financial position of Pakistan satisfactory.- In a statement, the Finance Minister of Pakistan said that, judged by any criteria, Pakistan's position today was much better than it was on 15 August 1947. She had a favourable balance of trade, ample foreign exchange both sterling and dollars, and the budgetary position was also satisfactory on the whole. The Government's borrowing programme had also proved a success and the Government had been able to establish within a short time a State Bank which had been able to manage the change-over from one currency to another without any breakdown.

Decisions.- The Board stressed the necessity of carrying out a geological survey of Pakistan, particularly of the North-West Frontier Province. It was informed that the Director of Geological Survey had been asked to draw up a comprehensive programme of field work for the next year.

The question of utilisation of Pakistan collieries was discussed at some length. It was pointed out that, in order to make the best use of Pakistan coal, it was necessary to have a fairly reliable estimate of the country's reserves, and the best methods of working them had to be determined. Accordingly, the services



of a foreign firm had been engaged to advise the Government as to whether the coal ~~mines~~ mines of Pakistan were being worked economically and, secondly, what steps should be taken to make the best use of the coal.

The necessity of early provisioning of electricity, water and accommodation for technicians, etc., was also stressed. The Ministries concerned undertook to examine these points and take all possible action, as quickly as possible.

The development of Tribal Areas was another question raised at the meeting. It was suggested that the natural resources, such as wool, medicinal herbs, fibrous plants, etc., of the tribal belt should be ~~exam~~ explored and exploited. The Board was informed that a scheme for the survey and exploitation of medicinal plants, had already been approved, while a scheme for setting up a woollen spinnery in the Tribal Areas was under the consideration of the Government. The Board generally agreed that the Central Government should pay due attention to the development of the Tribal Areas.

As regards the question of the control of capital issues the Finance Minister stated that it was necessary to have a check on capital issues, since a large number of applications were being received from people of no consequence who, if allowed a free hand, might misuse the money subscribed by the public. Representatives of business and industry suggested that the present rate of taxation was standing in the way of investment in industry. The Minister in reply, stated that the higher rates of taxation affected only a few individuals, and the broad policy of the Government was to allow concessions in income-tax and rate of depreciation for new industries, and people should take full advantage of these concessions. If, in spite of these concessions, capital was not forthcoming for investment in industrial development, the Board might suggest what further steps should be taken by the Government.

As regards provincial development the Board was of the opinion that overall planning had to be done centrally. It was, however, agreed that the provincial Governments should be free to appoint their own planning committees, and could speed up proposals coming from different departments of the provincial Governments, before they were submitted to Government.

Labour's co-operation assured.- The labour representative gave an assurance that labour in Pakistan would co-operate wholeheartedly to make Pakistan a strong State.

44

48. Public Finance.

India - February 1949.

Railway Budget for 1949-1950: Surplus of  
94 Million Rupees estimated.

Presenting the Railway Budget for 1949-50 in the Constituent Assembly of India (Legislative), the Minister for Railways and Transport, Mr. Gopala-swami Ayyangar announced a revised surplus of 158.3 million rupees for 1948-49 - an increase of 60 million rupees on the original estimate - and an anticipated surplus of 94.4 million rupees for 1949-50. There is to be no change in the fares and freights. The following are the revised figures for 1948-49 and the budget estimates for 1949-50.

	1948-49 Revised estimates (in Million of Rupees)	1949-50 Budget estimates
Gross earnings:	<u>2045.00</u>	<u>2100.00</u>
Gross expenditure:	<u>1687.10</u>	<u>1721.20</u>
Net Revenue	380.70	325.20
Less interest charges	<u>222.40</u>	<u>228.80</u>
Net surplus	<u>158.30</u>	<u>94.40</u>

It is proposed to allocate the 1949-50 surplus equally between General Revenues and Railways and to allocate to General Revenues 73.4 million rupees out of the surplus for the current year, the Railways' share being distributed between the Depreciation

45

Fund (76.5 million rupees) and the Betterment Fund (8.4 million rupees).

Among the major works for which provision has been made in the revised estimate were the locomotive building workshops at Chittaranjan, on the East Indian Railway, which are expected, when ready, to manufacture 120 locomotives and 50 additional boilers per year. The workshops ~~are~~ are expected to be in full operation by early 1951. Plans were also being examined, said the Minister, for the establishment of a central coach manufacturing workshop to construct all-metal light-weight coaches to supplement the existing available stocks.

Review of Railway problems: Mr. Ayyangar's speech.— Reviewing the financial position, Mr. Ayyangar said that the estimate of expenditure to be met out of the Capital, Betterment Fund and Depreciation Fund for 1948-49 had been placed at 540 million rupees of which 273 million rupees was under Capital, 37.9 million rupees under the Betterment Fund and 229.1 million rupees under the Depreciation Fund. This included important works like the Assam Rail link, the locomotive building project at Chittaranjan, and the doubling of lines on certain railways. The programme for 1949-50 was estimated to cost 711.5 million rupees and after the usual lump sum cut for probable savings, the net provision entered in the budget was 640 million rupees, of which 286.4 million rupees was under Capital, 15 million rupees on passenger amenities and 338.6 million rupees under the Depreciation Fund. The most important of the new works to be undertaken in the budget year ~~was~~ the marshalling yard at Vatva on the Bombay-Baroda and Central India Railway.

The Minister pointed out that on 31 March 1949 there would be 1,291 overage locomotives. Against these, 863 locomotives were ordered abroad, 640 broad gauge, 203 ~~metre~~ metre gauge and 20 narrow gauge. 19 broad gauge and 33 metre gauge locomotives had been received so far, and 120 more broad gauge locomotives ~~were~~ were expected by 31 March 1949. According to the scheduled delivery dates, a total of 337 broad gauge and 170 metre gauge locomotives were expected during 1949-50. The Minister attributed the difficult power position on Indian railways to their complete dependence on foreign manufacturers. To remove this, work was in progress on the erection of locomotive

building workshops at Chittaranjan, and the possibility of securing technical aid from foreign manufacturers to organise production and to train men was under examination. ~~Next~~ The workshop was designed to develop a capacity for manufacturing 120 locomotives, and 50 additional boilers. Without embarrassing production in India, it would be still necessary to import 400 to 500 locomotives.

Generally, conditions of passenger travel remained difficult because of the passenger traffic having steadily outgrown the available carrying capacity. There had been marked improvement in the punctuality of trains and measures were being taken to improve in particular the conditions of travel of Class III passengers by providing electric fans in third class waiting halls, covered platforms at important stations, increased seating accommodation, cleanliness of coaching stock and of station premises, adequate supply of drinking water, and appointment of social guides to assist Class III passengers. Special compartments and seats were now reserved for long distance passengers travelling over 300 miles.

As railway transport resources still fall substantially short of the demand, the Railway Priority Organisation, for their rationing and control from the public point of view, ~~will~~ continue. Considerable improvement had been effected in ~~recent~~ recent months through special measures such as careful programming of movements and a steady stepping up of operating efficiency. On the broad gauge 329 special trains were ~~run~~ run on different ~~roads~~ railways during December, 1948, for movement of traffic in full train loads; the daily wagon loadings on the broad gauge improved from 9,800 in June, 1948, to 11,267 in December 1948, the turn-round of wagons over the same period showing a decline from 15.03 days to 12.21 days. This improvement was reflected also in the daily averages of loadings from January to December 1948, which, compared with the corresponding period of last year, were 4 per cent higher for coal, 18 per cent for textiles and 9 per cent for cement.

Fair deal to labour promised.- Referring to the mounting demand by railway labour for large additions to wages, the Minister reaffirmed the Government's desire to deal justly and even generously with labour, but pointed out that the Central Pay Commission scales of pay, the Rajadhyaksha Award, the new rates of pay and allowances for running staff and the increases in the dearness allowance recently sanctioned, had added considerably to the financial strain on the railways and, therefore, on the community as a whole. In spite of the need for economy and the difficulty of obtaining materials at reasonable prices, the Railway Administrations were trying to put up as many houses as possible, especially for those belonging to the lowest income groups amongst the workers. Railway hospitals and dispensaries provided for the railway workers greater facilities for medical relief than

were available to the ordinary citizens of India. Other items of expenditure included maternity and child welfare, schools and institutes. It was proposed to review all these activities so that they might be fitted into an effective all-round programme of labour welfare. In order to enable Parliament as well as the railway workers to watch the progress of a scheme of this nature, the question would be examined whether all these items of expenditure could not from the next year be brought under one demand head as in the case of passenger amenities. The establishment of the most cordial of relations between railway managements and the railwaymen who worked with them would be the supreme test of the efficiency of Railway Administrations. Past traditions and present conditions had combined to bring about an atmosphere of apparent conflict and hostility between them. The right of workers to combine for the protection of their interests was undoubted. But, on combining together, Unions and Federations of workers should realise that nothing could be to the real interest of the workers themselves unless it was in unison with the interest of the community as a whole. To exploit trade unions for political party ends merely was a crime, whoever might resort to it. In conclusion, he appealed to all labour leaders, whatever school of politics they might belong to for other purposes, seriously to consider whether for subserving the real welfare of their primary clients, the general body of workers, they should not unite in a common organisation and confine its activities to the realisation of essentially trade union objectives.

Anti-corruption drive.- In order to put down corruption amongst railway staff a scheme had been evolved to co-ordinate the activities of the Special Police Establishment and Railway Administrations and to tighten up the executive machinery, both police and railways, dealing with the detection and investigation of cases. Up to the end of September 1948 the number of cases investigated by the Special Police Establishment was 786, of which 385 cases were sent up for trial to Courts or Tribunals. 273 persons were convicted and 179 acquitted. 155 cases were referred back to the Railway Administration for departmental action. The number of Railway Gazetted Officers implicated was 35.

(The Statesman, dated 16-2-1949 ).

48

India: Central Budget for 1949-50:  
Postal Rates enhanced, Increase in  
Excise Duty on Cloth and Sugar:  
Capital Gains Tax abolished.

Dr. John Matthai, Finance Minister, Government of India, presented the Budget for the year 1949-50 in the Constituent Assembly of India (Legislative) on 28 February 1949. The Budget contains a series of proposals in respect of relief and taxation to cover an overall deficit of 150 million rupees. For the year 1949-50 revenue is estimated at 3229.8 million rupees, expenditure at 3225.3 million rupees, showing a surplus of 4.5 million rupees.

The main features of the Budget are: Abolition of the capital gains tax; relief in income-tax for the lowest and the medium income groups; reduction in super-tax; removal of export duty on oil seeds and vegetable oils; relief in customs duty on raw materials for industry; abolition of ~~XXXXXXXXXX~~ surcharge on air mails; a revision of postal rates; additional customs duties on luxury goods; new export duty on cigars and cigarettes; an increase in the duty on motor spirit and an increase in excise duty on sugar, motor tyres, cotton cloth and the rationalisation of the duty on matches.

The following are the revised estimates for 1948-49 and budget estimates for 1949-50:-

1948-49      1949-50  
Revised.      Budget estimates

(in Million of rupees)

Revenue

Customs	..	1172.5	1072.5
Central Excise Duties	..	502.5	577.5
			x39.8*
			x115.2*
Corporation tax	..	572.5	418.1
Taxes on Income other than Corporation Tax	..	1007.5	1131.9
			-61.0*
Opium	..	10.8	11.8
Interest	..	14.2	11.9
Civil Administration	..	70.5	67.8
Currency and Mint	..	130.5	97.0
Civil Works	..	10.2	10.2
Pre-partition Receipts	..	134.0	..
Other Sources of Revenue	..	65.2	53.7
Posts and Telegraphs			
Net contribution	..	37.3	16.3
			x28.4*
Railways			
Net contribution	..	73.4	47.2
Deduct - Share of Income-Tax Revenue payable to Provinces	..	-417.9	-438.5
			x30.0*
Total Revenue	..	<u>3383.2</u>	<u>5229.8</u>

\* Budget Proposals.

Expenditure

Direct demand on revenue	..	98.8	100.6
Irrigation	..	0.8	1.2
Debt Services	..	399.1	392.9
Civil Administration	..	383.5	405.0
Currency and Mint	..	27.6	22.3
Civil Works	..	81.5	73.2
Pensions	..	26.8	26.8
Miscellaneous -			
Expenditure on refugees	..	194.5	98.5
Subsidy on foodgrains	..	319.6	329.7
Other expenditure	..	53.0	51.2
Grants to Provinces etc.	..	29.6	29.6
Extraordinary items	..	22.1	20.6
Defence Services (net)	..	1554.3	1573.7
Pre-partition Payments	..	207.5	100.0
Total Expenditure	..	<u>5398.7</u>	<u>5225.3</u>
Deficit	..	-15.5	Surplus 4.5

Finance Minister's speech: Need for increased supplies to combat inflation.- Reviewing the post-war trends, ~~Dr. Matthai~~ Dr. Matthai said that in India, as in most other countries in the post-war period, the major problem had been that of keeping the inflationary trends under control. While as a result of the war the purchasing power in the hands of the community increased considerably, the available supply of commodities in the post-war period was not sufficient to meet the increasing demand for them. The shortage of essential commodities, particularly food and clothing, aggravated the situation owing to the rise in the money income of some sections of the community who in the past never competed for food and consumer goods on the same scale. Difficulties in transport and distribution accentuated the shortages, while partition, and the economic dislocation caused over considerable parts of the country by the movement of population between the two Dominions made the position worse. A steady rise in prices occurred throughout 1947, the general index number of wholesale prices rising from 290.5 at the beginning of the year to 314.2 at the end of December. In the first seven months of 1948 there was a further steep rise in prices, the index number of wholesale prices rising by as much as 76 points to 390.1. Since then the prices had slightly dropped and as a result of the various measures taken by Government prices had remained more or less steady.

The answer to the problem of inflation and high prices was to increase the supply of commodities to meet the existing demand and until that position was reached, to control the distribution of the available supply of the essential commodities. In the matter of food the supply position still continued to be difficult and last year, owing to the poor crops in certain parts of the country, India had had to import 2.8 million tons from overseas at a cost of 1,300 million rupees against an estimated import of 2 million tons at a cost of 1,100 million rupees. The position was expected to be still more difficult this year. The Government had already decided to re-introduce food control and it was hoped that this would secure an equitable supply of foodgrains throughout the country at fair prices. In respect of other commodities, the position in regard to internal production had been encouraging in recent months although it had not been possible in many cases to reach the peak production of the war years or the target that had been set. Last year the production of coal at 29.73 million tons and of steel at 854,400 tons just fell short of the production in the previous year while there was an increase in the production of salt, cotton yarn, cloth, art silk, plywood etc. The flow of raw materials to industry had also improved with the improvement in the transport position while, with the relaxation of import controls, there had been a larger flow of imported goods. Production had been greatly assisted by the occurrence of fewer strikes and labour disputes. If the present favourable trends



in production continued. He had no doubt that it would be possible not merely to arrest the rise of prices but to bring them down gradually.

Concern over state of capital market.- The Finance Minister said that the state of capital market in the year under review, had been a matter of concern to the Government. While there were obviously a large amount of money in the country competing for the limited supply of goods, the investment market had been stagnant and there had been little flow of money into Government loans or into industrial concerns. This stagnation was due in large measure to the prevailing uncertainty in regard to matters affecting industrial development and prospects. In this connection he analysed the various measures taken by Government to stimulate industrial production. His own view was that with the huge potential demand in India for both consumer and capital goods, there was bound to be for many years a wide field for private enterprise and that in this matter no one who invested money was taking a greater risk than in any other country in the world.

India's external financial position.- The main features in the external financial position of the country in the year under review had been the sharp decline in the sterling balances held by the Reserve Bank of India, the growing difficulty in the financing of imports from the hard currency areas and the emergence of Pakistan as a foreign country for currency purposes with the separation of its currency from that of India. The sterling balances, which reached the peak figure of 17,330 million rupees at the end of 1945-46, declined by 1,210 million rupees to 16,120 million rupees during 1946-47. This reduction was due mainly to the large imports of food but there were also substantial imports of other goods in satisfaction of the pent-up demand of the war years and a certain amount of repatriation of British capital.

During 1947-48 the reduction was somewhat smaller due to the restrictive import policy which was introduced towards the close of 1947 and the balances fell by only 670 million rupees to 15,450 million rupees. In the first ten months of the current year there had been a further drop of 5,560 million rupees in the balances. This heavy outgo was due to several causes. The first was the payment to the Government ~~United Kingdom~~ of the United Kingdom, in accordance with the agreement reached with that Government in July 1948, of 2,840 million rupees for the purchase of annuities for financing the payment of sterling pensions and the acquisition of the defence installations and stores left behind in India by the United Kingdom at the end of the war. The second was the payment to the State Bank of Pakistan of Pakistan's share of these balances following the separation of its currency from that of India. Sterling to the extent of 1,770 million rupees had so far been transferred to Pakistan. The third

52

factor responsible for the decline was India's adverse balance of payments on current and capital account.

The Finance Minister explained that the Government's import policy was largely determined by the trend of the balance of payments. The aim of that policy was so to regulate trade that while it was kept at the highest possible level consistent with the needs and requirements of the country, India did not have an overall deficit in her balance of payments on current account during any particular period of time of more than the amount by which it had been agreed with the United Kingdom Government India's sterling balances should be drawn upon. Under the present agreement it had been agreed that India's free sterling account which had a balance at the end of June 1948 of £80 million would be credited with an equivalent sum during the period July 1949 to June 1951. In pursuance of that policy and also with the immediate object of reducing the inflationary pressure in the country, import controls were relaxed during the course of the year, and these had resulted in substantially increasing the available supply of goods in the country.

While India's overall balance of payments position was on the whole satisfactory, her balance of payments with the dollar and hard currency countries was a matter of concern. In spite of the maximum possible limitation of imports from the hard currency areas and the maximum possible encouragement of exports thereto, India had a deficit in her balance of payments with the hard currency countries in the six months April to September, 1948 of \$45 million. The deficit for the next three months, for which preliminary figures were available, was expected to be \$48 million. Of these ~~deficits~~ *deficits*, the purchase of foodgrains was responsible for \$35 million and \$40 million respectively. These deficits which exceed by far the convertibility allowed under the Sterling Balances Agreement had been met by loans from the International Monetary Fund from which since March 1948 India had borrowed no less than \$92 million.

Financial year 1948-49. - For the current year the deficit was estimated at 15.5 million rupees against 21.4 million rupees provided in the budget. The revenue receipts are now estimated at 3383.2 million rupees against the budget estimate of 2552.4 million rupees, ~~with~~ *with* an increase of 830.8 million rupees. With the relaxation in the import controls during the course of the year there had been a considerable expansion of imports and the revenue from Customs ~~is~~ *is* expected to be 364.9 million rupees more than the budget estimate. The yield from the excise duties on sugar, matches, tyres and tubes and vegetable products had also shown a substantial improvement and with the excise duty on cotton cloth imposed last December and estimated to yield 70 million rupees in a full year the revenue from Central Excise duties

was likely to be 42.8 million rupees more. The total expenditure was now estimated at 3398.7 million rupees, an increase of 824.9 million rupees over the budget estimate which nearly wiped out the increase in revenue. Of this increase, Defence Services accounted for 343.5 million rupees and Civil estimates for the balance of 481.4 million rupees. The expenditure on Defence Services during the year had been affected by the continuance of the operations in Kashmir, and also by the unforeseen deterioration in the situation in Hyderabad. In view of these developments, the armed forces had to be maintained at a higher strength than was contemplated in the budget.

The increase of 481.4 million rupees in civil expenditure was mainly due to three causes. First, the revised estimates included a new provision of 207.5 million rupees for meeting prepartition liabilities for which no provision was made in the budget.

~~Another reason was that a lump sum of 25 million rupees had been provided for~~

Secondly, the expenditure on the relief and rehabilitation of refugees, which had always been difficult to estimate and for which a provision of 100.4 million rupees was made in the budget, was now expected to amount to 194.5 million rupees. This increase was partly due to the carry-over of certain liabilities from the previous year, mainly payments to provincial Governments, which could not be made before the close of last year and partly to increased expenditure on relief which had to be regulated with reference to the constantly changing requirements of the situation. Thirdly, the expenditure on the subsidising of imported foodgrains and the payment of bonuses to provincial Governments on internal procurement was now expected to exceed the original budget by 120.5 million rupees.

Another reason was that a lump sum of 25 million rupees had been provided for economies likely to result from the implementation of the recommendations of the Economy Committee. The work of this committee had taken somewhat longer than was originally expected and its report on a number of ministries were still under examination. No savings were, therefore, likely to be realised this year. As regards the work of the Income-tax Investigation Commission, the committee had not made much progress owing to a variety of reasons, such as lack of trained staff, etc. A few specific cases had been investigated and referred to Government. The Finance Minister added that general enquiries instituted and the collection of materials by the Commission had taken a considerable time, and the work was proceeding apace. Once this was completed it might be hoped that the disposal of specific cases would be expedited.

Financial position: estimate of expenditure.- The total expenditure for 1949-50 was estimated at 3225.3 million rupees of which Defence Services would account for 1673.7 million rupees and civil expenditure for 1651.6 million rupees. Analysing the details of estimates for the current year, Dr. Matthai said that the budget next year included 98.5 million rupees for the relief and rehabilitation of refugees. In addition, a provision of 232.7 million rupees had been made in the capital budget, 215.4 million rupees for loans for provincial Governments and the Rehabilitation Finance Administration and 19.3 million rupees for buildings. The expenditure on food subsidies and the payment of bonus on procurement under the revised policy was estimated at 329.7 million rupees. The estimates also included 100 million rupees for the meeting of pre-partition claims and 128.3 million rupees under the various heads of expenditure for development schemes. Of the total expenditure of 1651.6 million rupees provided in the budget for next year, 528.2 million rupees were accounted for by the expenditure on refugees, the payment for food subsidies and pre-partition payments, leaving 1123.4 million rupees for normal expenditure. This included 100.6 million rupees for tax collection, 419.7 million rupees for obligatory expenditure on payment of interest and pensions and provision for debt redemption, 20.4 million rupees for planning and resettlement, 22.3 million rupees for expenditure on currency and mint, 29.5 million rupees for grants-in-aid to provincial Governments and 242.0 million rupees for expenditure in the nation building spheres such as education, medical and public health, broadcasting, aviation and on scientific surveys and institutions in which the Central Government largely supplement<sup>ed</sup> the work of provincial Governments. The balance of 228.9 million rupees represented the provision for administration, civil works, etc., and represented only 17.5 per cent of the total civil expenditure. In addition to 242.0 million rupees in the nation building spheres mentioned above, provision had also been made for the grant of 268.1 million rupees to provincial Governments for development and 492.5 million rupees for loans.

Development schemes.- Among the important Central schemes of development, Dr. Matthai mentioned the expansion of the Forest Research Institute, Dehra Dun, the development of the forest estate in the Andamans, the preliminary work on a number of river projects like the Kosi, the Assam Valley, the Harbada, Tapti, and Sabarmati schemes, investigations in ~~Coorg~~ Coorg, Central Provinces and Bastar, the reorganisation of the Central Waterways Navigation and Irrigation Research Station, the expansion of the Indian Agriculture Research Institute and the development of basic education. The budget also provided 21.9 million rupees for the Central Government's share of the expenditure on the Damodar Valley Scheme, 9.0 million rupees for buildings for development schemes,

49.3 million rupees for the fertilizer factory under construction at Sindri, 29.2 million rupees for the expansion of civil aviation and 9.6 million rupees for the expansion of broadcasting. In the sphere of industrial development a beginning was also being made in the starting of basic industries essential for national development. Among these were the Government Telephone Factory for the manufacture of telephone equipment, the setting up of a shipping corporation in which a total sum of 69.5 million rupees was expected to be invested this year and next year, the setting up of new steel works and ~~factories~~ factories for the manufacture of wireless equipment, synthetic oil, machine tools, cables, diesel engines and heavy electrical equipment.

New taxation proposals.- Referring to the new taxation proposals, the Finance Minister said that for 1949-50 a deficit of 147.9 million rupees had been estimated. In the present inflationary conditions the deficit should not be left uncovered. The problems before him was not merely that of raising the additional revenue to cover the deficit. He had also to consider the adjustments in taxation necessary in the light of the experience of the current year. "Fiscal policy", was not an end in itself but had to subserve the ends of national policy and in a transitional period like this, it was essential to keep the working of the taxation system under constant review and readjust it in the light of changing circumstances. Dr. Matthai referred to "a deep underlying fear of the future" as "the most disconcerting element in the economic life of the country today", and said that one of the most urgent tasks before a Finance Minister today was to concert measures to remove this fear and revive confidence. The Finance Minister announced the following proposals for relief and taxation: (a) abolition of the Capital Gains Tax. Loss of revenue from the abolition of the tax was estimated at 10 million rupees; (B) Tax on income up to 10,000 rupees would be reduced by a quarter anna, in the first slab from one anna to nine pies and in the second from 2 annas to one anna nine pies. The loss from this concession was estimated at 30 million rupees. In respect of earned incomes, the maximum rate of income-tax and super-tax charged would be 14 annas in the rupee. In respect of <sup>un</sup>earned income a reduction of six pies in the maximum rate of super-tax has been proposed. The cost of both these concessions would be 21.0 million rupees; (c) As regards indirect taxation ~~of the~~ he proposed the abolition of the export duty on oilseeds and vegetable oils with a loss of revenue of 15.0 million rupees. As a measure of assistance to civil aviation and to foster the development of flying clubs and the training of Indian pilots, it was further proposed to give a rebate of half the duty on aviation spirit used by air companies, flying clubs and ~~and~~ others. This would cost 4 million rupees. He also mentioned that in pursuance of the policy of giving relief in respect of customs duty on raw materials imported for industry,

relief would be given next year on a number of imported articles at a cost of 3.5 million rupees. The net effect of all these reliefs was a reduction in revenue of 53.5 million rupees, raising the deficit from 147.9 million rupees to ~~22~~ 201.4 million rupees.

To cover this, the following measures among others were proposed: (a) abolition of surcharge on air mail and the raising of the postal rates (all first class mail to be carried by air wherever possible). The net additional revenue estimated from these charges was 28.4 million rupees; (b) Surcharge on liquor equivalent to the basic import duty; (c) Doubling of surcharge on artificial silk, yarn and thread, earthenware and china; (d) Increase in Central excise duty on sugar from 3 rupees per cwt to 3 rupees 12 annas per cwt, expected to ~~yield~~ yield 15 million rupees; (e) Increase in excise duty on motor spirits from 12 annas to 15 annas; (f) Import duty on betel nut to be raised from 5 annas per lb to 7 annas 6 pies per lb. This would yield an additional 10 million rupees; (g) Excise duty of 6 1/2 per cent on fine cloth and half an anna per yard on medium and coarse cloth; (h) rationalisation of the excise duty on matches; and (i) increase in custom duties and export duties on cigarettes and cigars.

The final effect of these proposals, <sup>was to</sup> convert the deficit into a small surplus of 4.5 million rupees.

In conclusion, he stressed the need for a balanced budget. On a survey of world conditions today, he felt that he had good reason for taking a hopeful view of <sup>India's</sup> financial position. ~~She~~ was not alone in having to fight scarcities and inflation. These problems confront most countries in the post-war world. She could however, take comfort from the fact that, unlike some other countries, her financial position ~~was~~ intrinsically sound. ~~She~~ had only a moderate public debt in relation to her national income and had considerable external reserves with practically no external debt. India had made some headway in the fight against inflation. The ~~curve~~ curve of production was slowly rising and the Government had plans in hand for increasing the food production of the country.

(The Statesman, dated 1-3-1949).

Pakistan: Budget for 1949-50: Tax Relief  
For lower Income Groups and Pay Concessions  
for low-paid Government Employees.

Mr. Ghulam Mohammad, Finance Minister, Pakistan, presented the budget for the year 1949-50 in the Pakistan Constituent Assembly (Legislature) on 28 February 1949. The revenue receipts (including Railways and Post and Telegraph receipts) for the next year is estimated at 1112.6 million rupees and expenditure at 1120.0 million rupees, thus leaving a small surplus of 600,000 rupees. The Budget provides for various measures of relief for the poorer classes. Sales tax on foodgrains, fresh vegetables and milk is remitted, and the taxable minimum for income is raised from 2,500 rupees to 3,000 rupees. Other features of the budget are substantial provision for agriculture and industrial development, and liberal pay concession to low-paid staff. As a further measure of encouragement to the establishment of industries in Pakistan, the import duty on machinery has been reduced from 10 per cent to 5 per cent. The principal measures of additional taxation are the enhancement of import duties on manufactured tobacco and the imposition of an excise duty on jute exported to India which the Finance Minister said might not actually be imposed if India agreed to accord Pakistan the same treatment in the matter of excise duties as she did to other countries in accordance with the

55

agreed International Convention.

The Budget figures for 1949-50 are:

<u>Gross Revenue</u>		<u>In Million of rupees.</u>
Principal heads of revenue	..	554.3
Railways, Post and Telegraphs	..	390.5
Other heads	..	<u>137.1</u>
Total	..	<u>1081.9</u>
<u>Gross expenditure</u>		
Defence services	..	472.2
Railways, Post and Telegraphs	..	379.0
Otherheads	..	<u>220.8</u>
Total	..	<u>1072.0</u>
Surplus	..	x9.9
Net extra cost on account of implementation of Pay Commission report	..	<u>40.0</u>
Deficit	..	-30.1
Receipts from new taxes	..	<u>52.7</u>
Surplus	..	x22.6
Expenditure on account of relief measures	..	<u>22.0</u>
Final surplus	..	<u>x .6</u>

Budgetary position.- Dealing with the financial year 1947-48 the Finance Minister stated that the deficit for that year would be less than 100 million rupees against 230 million rupees originally estimated. Expenditure during the year was estimated to exceed Budget estimated by 57.8 million rupees, but due mainly to improved receipts from customs and Central excises and the improvement in railway earnings, the additional expenditure would be more ~~more~~ than offset by increased revenue and the year was expected to close with a surplus of 4.3 million rupees as against the surplus of .5 million rupees provided for in the Budget.



Estimates for 1949-50.- On the basis of the existing rates of taxation, revenue receipts for the next financial year ~~would~~ were estimated at 702.5 million rupees against 587.0 million rupees in the current year - an increase of approximately 115.5 million rupees. These figures included the net receipts of the Railway and the Posts and Telegraphs Departments after allowing for the working expenses of these two departments. This increase was due mainly to improvement in the collections from central sales tax, income tax and income from currency and mint. Excluding the working expenses of the Railway and the Posts and Telegraphs Departments, expenditure next year was estimated at 692.6 million rupees against 582.7 million rupees in the current year, or an increase of 109.9 million rupees. The revenue receipts were estimated at 702.5 million rupees on the existing basis of taxation and there would normally be a surplus of 9.9 million rupees. After, however, taking into account the cost of implementation of the recommendations of the Pay Commission, this surplus would be converted into a deficit of 30.1 million rupees for the next year. In order to make good this deficit, the Finance Minister proposed the following taxation measures:- (a) Increase in export and import duties; the import duty on manufactured tobacco to be increased to 16 rupees 1 annas per pound. The existing import duties on fabrics made of silk, fabrics containing gold and silver thread, articles plated with gold or silver and certain other luxury items to be increased by 15 per cent ~~and~~ 'ad valorem'. Import duties would also be collected on non-essential imports from India. Exemptions, however, would continue on a large number of items, including all cotton piecegoods whose value ~~was~~ less than 1 rupee 8 annas per yard. Tobacco manufactured would be liable to reduced rates of duty on imports from India, the rate being 10 per cent 'ad valorem' for 'biris', 15 per cent on cheaper qualities of cigarettes and 20 per cent on other tobacco production of Indian manufacture. These charges in import tariff and in its application to India were expected to produce a total additional revenue of about 25.0 million rupees. Export duties of 10 rupees per ton would be levied on cement, 5 rupees per mannd on fresh fish, 8 rupees per cwt. on dried fish (unsalted) and 4 rupees per cwt. on dried fish (salted). The export duty on bamboo would be at the rate of ten per cent 'ad valorem'. These export duties would produce a total additional revenue of 7.5 million rupees; (b) Excise duty on raw jute. Excise duty to be levied on raw jute at 1 rupee 8 annas per bale for cuttings and 5 rupees per bale for jute other than cuttings. This would yield 18.0 million rupees; and (c) Increase in postal rates. The rate for inland telegram to be increased from 13 annas to 14 annas for ordinary and from 1 rupee 10 annas to 1 rupee 18 annas for express telegrams. The rate for postal parcels to be increased from six annas to eight annas per 40 tolas. Money order commission to be increased from 2 annas to 2 annas 6 pies for every ten rupees. ~~Inland telegrams for letters and~~

60

Inland insurance fee for letters and parcels to be increased to 8 annas for all packets up to 300 rupees and three annas for every 100 rupees in excess of 300 rupees. Telephone rents to be increased to 400 rupees for Lahore, Rawalpindi, Peshawar, Dacca and Chittagong, and to 350 rupees for other places. These changes in postal and telephones rates would produce an additional 3.2 million rupees. The net effect of these proposals would be to convert the deficit of 30.1 million rupees into a surplus of 22.6 million rupees.

Relief measures.- This surplus, the Finance Minister proposed to utilise in the following relief measures: (a) Remission of sales tax on essential foodgrains, fresh vegetables and milk. This was expected to cost 15 million rupees. (b) Raising of the taxable minimum for income tax from 2,500 rupees to 3,000 rupees. (c) Certain additional concessions in respect of depreciation of machinery and plant used in industrial undertakings. This and the income tax relief would cost about 2 million rupees. (d) Reduction of import duty on machinery from 10 to 5 per cent as further encouragement to new industries. This would cost about 2.5 million rupees. (e) Remission of additional duty of 1 anna on kerosine, which would cost about 1.5 million rupees. (f) And reduction of import duty on sheep and goat skins which would cost about 1 million rupees. As a result of these remissions the final estimates for next year would be:

Revenue (including Railway and Post and Telegraph working receipts), 1112.6 million rupees.

Expenditure (including Railway and Post and Telegraph working expenses), 1112.0 million rupees.

Thus there was a nominal surplus of .6 million rupees. Since the changes in import and export duties would come into force at once there should also be a net additional revenue of about 2.0 million rupees in the current year. The estimated surplus for this year would therefore, be increased to 6.3 million rupees.

The following other points were made by Mr. Ghulam Mohammad in his speech:-

Pakistan Railway.- The general position of the working of the Pakistan railways continued on the whole to be somewhat reassuring, but the working of the East Bengal Railway had been far from satisfactory. This railway registered a loss of 14.5 million rupees in 1947-48 and was likely to show a loss of 13.9 million rupees and 4.831 million rupees in the current and the next year.

Economy Committee.- A committee was appointed in 1948 to review the organisation, structure and the level of expenditure of the various ministries, departments and offices of the Government of Pakistan. The committee had recommended economies amounting to about 3.7 million rupees in a full year, of which 2.3 million rupees was represented by the cost of the Resettlement Department and its employment exchanges. The committee had recommended that these exchanges should be handed over to the provinces in whose sphere of responsibility they really lay and that it should be for the Provincial Governments to decide if their continuance was necessary. The suggestions of this committee had been given careful consideration by the Government and although decisions had not yet been taken on all points it was expected that it should be able to effect savings of at least 3.3 million rupees per annum in Central expenditure including the 2.3 million rupees on the Resettlement Department. Since the committee's report was submitted a number of new organisations had been sanctioned and certain existing organisations had been expanded. It was necessary to have a further review of the establishments and level of expenditure in various Government organisations, including the more important subordinate organisations. The work involved would be much bigger in scope than what the Economy Committee had to deal with and it would be desirable that the committee should be re-constituted for this purpose. It hoped to be able to introduce a motion for this purpose during the current session.

Pay Commission Report.- Last year Government announced the appointment of a Pay Commission to enquire into the conditions of service of Central and provincial ~~Government~~ services with particular reference to the scales of pay and allowances and to recommend modifications wherever considered necessary. The Commission had submitted its report in respect of services under the control of the Central Government. As regards the provinces, certain necessary information called for was still awaited from the provincial Governments. On its receipt the Commission would consider and report in respect of the provincial services. The Government had accepted certain recommendations of the Commission with immediate effect involving an expenditure of 40 million rupees. Other suggestions were under consideration.

Railway grainshops.- A Committee was appointed by Government to enquire into the running of these grain shops and to make recommendations about their continuance or otherwise. The Committee had come to the conclusion that, of the total outlay incurred by Government on these shops, certainly not more than 75 per cent reached the workers in the shape of benefit. For this reason and because of abuses and mismanagement the committee had recommended the abolition of the shops. The Pay Commission ~~also~~ made a similar recommendation.

The Government had, therefore, decided to abolish them from 1 April 1949, and to give railway employees from that date the same rates of cost of living allowance as have been agreed to for other Government servants.

The improved scales of pay for railway employees would, however, be given as in the case of all other Government servants, from 1 January 1949. The net result would be that the future cash emoluments of railwaymen would be a marked improvement on their present pays plus grain concessions. The estimated extra expenditure in the year 1949-50 resulting from these decisions was approximately 77.6 million rupees which included 55.8 million rupees for Railways and 4.7 million rupees for the Posts and Telegraphs Department. After deducting the budget provision of 37.6 million rupees for the Railway cheap grain shops, the net extra cost would be approximately 40 million rupees per annum. This did not include the cost of certain subsidiary benefits which were still under Government's consideration.

Housing problem.- There was a general lack of housing accommodation in the bigger cities in Pakistan and the situation had been particularly acute in Karachi and Dacca. Government was doing its best to provide residential accommodation for Government servants in order to relieve the serious housing shortage. It had accordingly been decided to build 3,000 quarters for non-gazetted staff and 80 flats for gazetted staff in Karachi at a cost of about 13.0 million rupees. A sum of 8.4 million rupees including 5.0 million rupees for Railway and 1.9 million rupees for the Posts and Telegraph Department had also been provided in the Budget for building accommodation for Central Government servants in Eastern Pakistan. The Government had also decided to reopen the grant of house-building advances on more liberal terms than in the past to enable the Government servants to build their own houses. For this purpose a provision of 5.0 million rupees had been made in the next year's Budget.

Capital expenditure.- In the current year's budget a provision of 196.5 million rupees was made for capital outlay not met from Revenue. The expenditure on this account was now expected to amount to 447.2 million rupees. The increase of 250.7 million rupees was due mainly to larger outlay on Defence (128.5 million rupees), purchase of an annuity for sterling pensions (103.9 million rupees) and payment to the State Bank of Pakistan of 30 million rupees to enable it to constitute its Reserve Fund. The capital expenditure next year was estimated to be of the order of 407.5 million rupees. This included 271.3 million rupees for Defence, 55.3 million rupees for industrial development including 15.3 million rupees as Government's share of the capital of the Industrial Finance Corporation and

63

10 million rupees for schemes of agricultural improvement and research.

Foreign exchange position.- Pakistan's earnings of sterling, exceeded her expenditure by 210 million rupees. This was inevitable as the period under review was one of unprecedented exports of jute and cotton. The import trade on the other hand was seriously affected by the migration of old established importers and the inexperience and lack of foreign contacts of new importers. The difficult supply position of a number of essential consumer and capital goods also made it impossible for imports to be arranged on any large scale within the short period available to importers. The unutilised licences had, therefore, to be revalidated for the next shipping period. In so far as hard currencies were concerned, Pakistan was able to utilise all her earnings and also draw upon a portion from the release from Central reserves. The unspent balance was taken into account in securing the release for the next period. While, on the whole, it may be stated that Pakistan's excess of earnings over its expenditure of foreign exchange was an indication of the country's strong exchange position, the period under review could not, for the reasons stated be regarded as representing her normal position.

The operation of the system of six-monthly releases was not found to be satisfactory as it did not permit of advance planning. The new agreement with the Government of the United Kingdom, which was negotiated in London in summer last, provided for releases being made on an annual basis.

Import and export policy.- The improvement in Pakistan's external trade coupled with the experience gained from the independent working of the system of controls after partition, enabled the Government to review the whole position in its entire perspective. Keeping the special needs of the country in regard to capital and essential consumer goods in view, the import policy was considerably liberalised during the year. As a result of this policy, practically all imports from soft currency countries were free of restrictions and the imports of machinery and capital goods from hard currency countries had been freely licensed. The import of essential consumer goods from hard currency areas had also been liberalised. The new policy coupled with the improvement in means of communication and the emergence of new import and export agencies, had already given a considerable stimulus to the country's trade. Large quantities of goods so badly needed and in short supply were now being imported. The volume of imports from countries other than India rose from 115.1 million rupees in the first half of 1948 to 310.5 million rupees during the second half of the year. The imports have eased the supply position to an appreciable extent and have consequently resulted in the lowering of the prices of a number of important articles.

The new policy had been of material help in rehabilitating and building up the trade and commerce of the country. He however, added that Pakistan capitalists had not utilised available resources in the interest of the industrialisation of the country and the imports of capital goods and machinery on private account had been scanty.

Government had reason to believe that public investment in industry and joint stock companies and banking had not been satisfactory, and that the majority of the capitalists ~~and find~~ attraction in the somewhat large and quick profits that could at present be made in trade and commerce, and ~~therefore~~ were reluctant to make investments in the industrial field. In order to examine the present and prospective position of investments, an Inquiry Committee consisting mostly of industrialists and businessmen had recently been set up. The committee would examine the various causes that had contributed to the lack of investment in industries in the country, and suggest measures for remedying the position in ~~the~~ this respect.

Price level.- With the re-establishment of trade and the increase in imports due to the liberalisation of import policy there had already been a reduction in the prices of a number of articles including cloth. Pakistan enjoyed a natural safeguard against inflation in that it was formally self-sufficient in food. The position would improve further when the development of the textile industry ~~was~~ able to provide cloth for the internal market. ~~Another measure~~ An Anti-hoarding and Anti-blackmarketing Act had also been passed which prescribed severe punishment for these anti-social activities. In the monetary sphere, apart from a purely seasonal increase in the note issue which must ~~inevitably~~ inevitably accompany the financing of jute, cotton and other crops and which was of a purely temporary nature, there had been no expansion of currency in Pakistan after partition. He gave an assurance that Government was fully alive to the need for reducing the general cost of living and would continue to take all possible steps to keep the price-level within control.

Industrial development.- The Minister said that it was his view that in order to promote the orderly and balanced development of Pakistan and to ensure the maximum utilisation of her resources at the earliest possible time, a master plan for development should be evolved and targets and target dates laid down for development measures in industry, agriculture, communications, etc. As mentioned in the last budget a Development Board was set up last year for co-ordinating development plans. A Planning Advisory Board had also since been established for advising Government on matters relating to planning and development and reviewing the progress made in implementing the various plans. In order to secure day-to-day co-ordination in economic matters between the various ~~units~~

675

ministries of Government and to co-ordinate planning, a Ministry of Economic Affairs was brought into being on 1 March 1948, to which the Development Board, the Planning Advisory Board and the office of the Economic Adviser were attached. During the course of the ~~1947-48~~ current year, the Development Board examined 143 schemes relating to industry, agriculture, irrigation, communications, etc., and approved 52 Provincial and Central schemes involving an expenditure of 130 million rupees, of which the provincial schemes accounted for 120 million rupees.

An Economic Resources and Requirements Committee was also set up which had made a general survey of the short-term and long-term requirements of Pakistan in the more important fields of development and had also made tentative estimates of the requirements of plant and machinery needed for such development during the next few years.

1948-49  
Loans to the tune of 120.2 million rupees were made available to the provincial Governments during the current financial year to enable them to proceed with their productive development schemes. A provision of 100 million rupees was again being made on this account in the estimates for the next year. In the field of private enterprise Government had already taken steps to encourage industries by liberalising the depreciation allowance on plant and machinery and exempting from income tax profits up to 5 per cent of the capital employed by new industrial undertakings during the initial period of five years. The Bill to establish an Industrial Finance Corporation in Pakistan had been passed by the House and it was hoped that this Corporation would be able to make a material contribution to the development of industries in Pakistan.

After referring to the Pakistan Industries conference, held in December 1947, the Finance Minister stated that judging by the interest shown by the investing public and the industrialists and after taking into account the fact that Pakistan lacked both in technical skill and managerial ability, and that large sums of money required for some of the important industries were perhaps outside the limits which industrialists could at present raise in the market in Pakistan, Government had been considering the possibility of taking steps to give a fillip to industry and remedy some of the weaknesses of ~~the~~ its existing position. One such step would be taken when the Industrial Finance Corporation was established. The Government had also under consideration proposals for giving a lead in the matter of establishing certain essential industries. The form that Government's proposals would take ~~was~~ still to be determined after taking all the relevant factors into consideration. In view of the urgency of the matter, such a decision, it was hoped, would be taken within

the next few weeks. The machinery to be set up for this purpose would require careful consideration as Government departments, as at present organised, were not suited for running industries on proper commercial and industrial lines.

While the Government's proposals had not yet been finalised, a provision had been made for a sum of 40 million rupees in the Budget estimates under 'Capital' to provide funds for financing industrial projects which might be sponsored by Government under this plan. As soon as considered proposals had been formulated in this behalf, it was the intention of the Government to place them for the approval of the legislature.

Agriculture.- Provision had been made in the budget for grants to provincial Governments to the extent of 10 million rupees for the financing of projects for the improvement of ~~agricultural~~ agriculture, like extension of irrigation, soil conservation, production and utilisation of manures, etc.

(Dawn, dated 1-3-1949 ).



67

49. Rehabilitation.

India - February 1949.

Three Million Refugees rehabilitated:  
Minister's Statement in Legislature.

On 3 February 1949, Mr. Mohanlal Saksena, Minister of State for Relief and Rehabilitation, answering a number of questions regarding refugees and their rehabilitation, in the Constituent Assembly of India (Legislative) stated that there were now approximately 800,000 refugees in various camps under the control of the Central and provincial Governments. It was estimated that about 3 million refugees, of whom roughly 2 million were rural refugees, had so far been rehabilitated. Mr. Saksena said that it was estimated about 5.0 million refugees had migrated from Western Pakistan. Refugees who had come away from Eastern Pakistan were about 1.8 million, of whom 1.5 million were in West Bengal and the rest had migrated to Assam and other parts of India.

Sir Homi Mody enquired whether in view of the impossibility of satisfactorily rehabilitating all the people who had come away from Pakistan, the Government would approach the Dominion of Pakistan for the repatriation of some refugees. Intervening, Pandit Jawaharlal Nehru, Prime Minister stated the Government did not contemplate repatriation of refugees.

The Prime Minister further explained that so far as ~~west~~ East Bengal was concerned it was the Government's policy to encourage refugees to go back. The Government did not wish to force anybody to return, but merely encouraged them, and the Government of India had been assured by the East Bengal Government that it would welcome the return of East Bengal refugees. It was difficult to judge how far conditions had improved. He believed some people had gone back and more might return. So far as Western Pakistan was concerned Pandit Nehru pointed out that very large migrations had taken place and probably a larger number from India than those who had come from the other side. There was the possibility of some exchange of population, but it could not be in terms of a large number of people coming to India from Western Pakistan as was the case some months ago. While the Government of India welcomed people coming here, the position in India was rather difficult and there was no room. Millions and millions had been uprooted on either side. Both the Governments had to tackle their problems and it was not as though there was empty land available. It must be recognised, however, that so far as Western Pakistan was concerned any large-scale movement of population was unlikely.

Chapter 6. General Rights of Workers.

62. Right of Association.

India - February 1949.

India: Indian Trade Unions Recognition  
(Central Regulations) 1949: Draft published.

The Government of India published on 29 January 1949 the draft of the Indian Trade Unions Recognition (Central Regulations) 1949. The draft regulations have been framed for giving effect to the provisions of Chapter IIIA of the Indian Trade Unions Act, 1926 relating to compulsory recognition of trade unions by order of a Labour Court (vide pages 1-2 of the report of this Office for December 1947).

The draft regulations which apply to trade unions consisting of workers employed by the Central Government or by a Federal Railway or in a major port, mine or oilfield, seek *inter alia* to prescribe the procedure to be followed by trade unions in applying to a Labour Court for recognition or by the Registrar of the Trade Unions or an employer in applying for the withdrawal of such recognition; and to lay down the procedure to be followed by the Labour Court in disposing of such applications.

(The Gazette of India, Part I, Section 1,  
dated 29 January 1949, pages 128-132 ).

77

64. Wage Protection.

India - February 1949.

Madras: Proposal to extend Payment of  
Wages Act, 1936 to Dock, Wharf or Jetty  
Services.

The Government of Madras published on 8 February 1949 a draft notification notifying its intention to extend the provisions of the Payment of Wages Act, 1936, to the payment of wages to all classes of persons employed in dock, wharf or jetty services. The draft notification will be taken into consideration after 1 June 1949.

(Notification No.96. G.O.Ms.No.405  
Development, dated 27 January 1949;  
The Fort St. George Gazette, Part I, dated  
8 February 1949, page 126 ).

India: Proposal to extend Payment of Wages  
Act to persons employed in Mines other than  
Coal Mines.

The Government of India notified on 22 January 1949 its intention to extend the provisions of the Payment of Wages Act, 1936 except sub-section 4 of section 8, to the payment of wages to all classes of persons employed in mines other than coal mines to which the Indian Mines Act, 1923 applies. The proposal will be taken into consideration after 1 May 1949. (Section 8 sub-section 4 of the Payment of Wages Act 1936 provides that the total amount of fine which may be imposed in any one wage period on any employed person shall not exceed an amount equal to half an anna in the rupee of the wages payable to him in respect of that wage period).

(No.Fac.52(8) dated 17 January 1949;  
The Gazette of India, Part I, Section 1,  
dated 22 January 1949, page 94 ).

Bombay: Bombay Wage Board Rules, 1948.

The draft Bombay Wage Board Rules, 1948 (vide paragraph 64, page 57 of the report of this Office for December 1948) have been approved and gazetted on 17 January 1949.

(The Bombay Government Gazette,  
Extraordinary, Part IV-B, dated  
17 January 1949, pages 64-66 ).

Madras: Appointment of Inspectors under  
the Minimum Wages Act, 1948.

In exercise of the powers conferred by section 19(1) of the Minimum Wages Act, 1948, the Government of Madras has appointed the Chief Inspectors of Factories, Deputy Chief Inspector of Factories, Deputy Commissioner of Labour, Assistant Commissioner of Labour, Inspectors of Factories, Labour Officers and Assistant Inspectors of Labour, to be Inspectors of Factories for the purposes of the Act within their respective jurisdictions.

(G.O.No.138 Development, dated  
8 January 1949;  
The Fort St. George Gazette, Part I,  
dated 25 January 1949, page 43 ).

Central Provinces and Berar: Minimum Wages Act, 1948: Draft Amendment to Schedule .

By a notification dated 25 January 1949, the Central Provinces and Berar Government has published the draft of an amendment, which it proposes to make to Part I of the schedule to the Minimum Wages Act, 1948. The amendment seeks to add to the schedule the following 5 industries: employment in glass industry, employment in oil mills, employment of in transport services, employment in cement industries, and employment in potteries. The draft will be taken into consideration after 29 April 1949.

(The Central Provinces and Berar Gazette, Part I, dated 28 January, 1949, page 49 ).

66. Strike and Lockout Rights.

India - February 1949.

Prevention of Strikes in Essential Services: Government seeks Additional Powers.

An official Bill giving the Government enhanced powers to prevent strikes in certain essential services was introduced in the Constituent Assembly of India (Legislative) on 25 February 1949. The Bill enables the Government, by a notification in the official Gazette, to prohibit strikes in any essential service for an initial period which may not exceed 6 months. It also prescribes a penalty for illegal strikes and any participant in such a strike shall be punishable with imprisonment for a term which may extend to 6 months and a fine of 200 rupees or both. The penalty for instigation or giving financial aid to illegal strikes will be imprisonment for a term which may extend to 3 years or with a fine which may extend to 1,000 rupees or with both.

The proposed legislation, which is an emergency measure and will remain in force only upto 31 March 1950, will extend to all the provinces and also to every acceding State to the extent to which the Dominion Legislature has power to make laws for that State.

Definition of "essential services".- "Essential Services" are defined as railways, posts and telegraphs or telephone services, ordnance depots and factories, any industry which supplies power, light or water to the public and any industry engaged on work in connection with the loading, unloading, movement or storage of cargoes in a major port.

Statement of Objects and Reasons.- The Statement of Objects and Reasons, appended to the Bill, says that the Government has gone to the utmost limits possible in a very ~~stiff~~ difficult inflationary ~~situation~~ situation to meet the genuine demands of labour and this has been recognised by most sections of employees themselves. But there are certain subversive elements which seem determined to foment strikes in essential services, with the object of disrupting the country's economy and causing confusion and chaos. It is therefore considered necessary that the Government should have power to meet the emergency created by such attempts and to ensure the maintenance of services which are essential to the life of the community.

The Bill is an enabling measure. It defines essential services, and authorizes the Central Government (and in certain cases provincial ~~and~~ and State Governments) to prohibit strikes in such services. It declares prohibited strikes to be illegal and provides for enhanced penalties for persons participating in such strikes as well as for persons instigating such strikes.

(Note: A detailed summary of the provisions of the Bill will be included in subsequent report of this Office on receipt of the Official Gazette ).

(Subsequently, the Prime Minister of India, Pandit Jawaharlal Nehru, announced the withdrawal of the Bill, in the Constituent Assembly of India (Legislative) on 5 March, 1949 ).

(The Statesman, dated 26 -2-1949).

Working of Industrial Disputes Act  
criticised: Meeting of Madras Trade  
Union Workers.

Under the auspices of the South Indian Cinema Employers' Association a meeting of representatives of all Trade Unions in the city was held in Madras on 6 February 1949. The meeting passed a number of resolutions criticising the working of the Industrial Disputes Act and appealing to the Central Government to promulgate in its stead an Ordinance based on social justice which alone, in the opinion of the workers, could bring about industrial peace.

Mr. T.S. Ramanujam, who presided over the meeting, appealed to the workers to shed their differences and unite into a single body so that the Trade Union movement could be really strong. Referring to the Industrial Disputes Act, he said that in ~~fact~~ its actual working and in its application the Act only benefitted the Government in taking away from the workers the little rights they had. He said that it was high time that the provincial Government either brought in a suitable amendment to the Act so that the workers' lot may be improved or impressed on the Central Government the necessity ~~was~~ to promulgate an Ordinance which would bring social justice ~~to~~ the workers.

Mr. S.C.C. Anthony Pillai ~~was~~ said that workers did not want compulsory arbitration; they wanted freedom for collective bargaining. In respect of the working of the Industrial Disputes Act, he said that Government themselves had transgressed the provisions of the Act in several cases. Even in regard to the matter of compelling private managements to implement the Act the record of the Government was equally bad.

(The Hindu, dated 7-2-1949 ).



Madras: Sugar Industry declared as  
Public Utility Service under the  
Industrial Disputes Act, 1947.

The Government of Madras by a notification dated 8 January 1949 has declared the sugar industry in the province to be a public utility service for the purposes of the Industrial Disputes Act, 1947 for a period of six months from the date of publication of the notification.

(G.O.Ms.No.160 Development, dated  
8 January 1949;  
The Fort St. George Gazette, Part I,  
dated 25 January 1949, page 46 ).

United Provinces: Sugar Industry declared  
Public Utility Service under U.P. Industrial  
Disputes Act.

By a notification dated 7 February 1949, the Governor of the United Provinces has declared the sugar industry and every undertaking connected with the manufacture or distribution of sugar to be a public utility service for the purposes of the United Provinces Industrial Disputes Act, 1947, for a further period of 6 months with effect from 10 February 1949.

(Notification No.371(ST)/XVIII-1(ST)-49,  
dated 7 February 1949;  
The Government Gazette of the United  
Provinces, Part I, dated 12 February, 1949,  
page 109 ).

68. Labour Courts.  
India - February 1949.

Jurisdiction of Industrial Tribunals  
contested: Appeals filed in Federal  
Court by Employers.

Eleven appeals have been filed in the Federal Court by various business firms against the decision of the Calcutta High Court regarding jurisdiction of the Industrial Tribunal under the provisions of the Industrial Disputes Act, 1947. The main questions raised in these appeals are whether the Tribunal can legally give an award ordering reinstatement of dismissed employees and whether the Tribunal has powers to adjudicate in disputes between employers and employees and make awards interfering with the terms of service or contracts between the parties. The reply of the Calcutta High Court to these questions was in the affirmative (vide paragraph 68, page 48 of the report of this Office for October 1948).

In all these appeals the Tribunal and the employees' unions constitute the respondents.

(The Statesman, - dated  
7-2-1949 ).

69. Workers' Participation in the Management  
or Profits of Undertakings.

India - February 1949.

Bombay: Works Committees to be set up  
by 57 Industrial Establishments: Government  
Order published.

By an order dated 4 February 1949 the Government of Bombay has required the employers specified in the schedule annexed to the order, to constitute works committees in the industrial establishments under their respective control, in the manner prescribed in the Industrial Disputes (Bombay) Rules, 1947 (vide paragraph 67, page 50 of the report of this Office for June 1948). The order has been served on 57 managements, connected with insurance companies, electric companies, automobile firms, air services, etc.

(No.267/48 dated 4 February 1949;  
The Bombay Government Gazette,  
Part I, dated 10 February 1949,  
page 638 ).

United Provinces: Works Committees to be  
constituted in Industries employing 200  
Workmen or more: Fresh Government Order  
issued.

The Government of the United Provinces gazetted on 9 February 1949 a fresh order relating to the constitution of Works Committees in supersession of an earlier order dated 2 August 1948 (vide paragraph 69, pages 68 and 50-51 of the reports of this Office for August and October 1948). According to this order every industry in the United Provinces employing 200 or more workmen or in which 200 or more workmen were employed on any day during the preceding twelve months shall constitute a works committee composed of representatives of the employer and of the workmen, while the earlier order related only to factories employing 200 workmen or more. The rules relating

to the constitution and functions of Works Committees, prescribed by the new order, ~~and~~ are based on the rules issued previously with the following modifications:-

Under the revised rules in cases where a particular member of a works committee is considered unsuitable by the Government or the Labour Commissioner, the Government or the Labour Commissioner, may pass an order displacing the unsuitable member from the works committee and directing a substitute to be chosen in his place. Unanimous decisions of the works committees shall, subject to the provisions of the proviso to clause 23 of the order, be binding on the parties. Clause 23 provides that if there is any matter on which the Committee cannot agree, the officials of the trade union concerned, or ad hoc representatives of the workmen where no trade union exists, may negotiate with the management of the concern, or if so desired with the recognized employers Organisation for reaching a settlement over the matter. The question may thereafter, if necessary, be referred to the appropriate Conciliation Board appointed by the Government, where such a Board exists, otherwise to the Labour Commissioner, United Provinces. The officials of the trade union concerned, or ad hoc representatives of the workmen where no such trade union exists, may, in any case, refer the question to the appropriate Conciliation Board or to the Labour Commissioner, United Provinces, where no such Board exists, whether or not there has been any negotiation with the management of the concern or with the recognized employers' organisation.

(Notification No.81(LL)/XVIII-4(LL)-49,  
dated 9 February, 1949;  
The Government Gazette of the United Provinces  
Extraordinary, dated 9 February, 1949,  
pages 1-4 ).

East Bengal: Draft Amendment to Bengal  
Industrial Disputes Rules, 1947: Procedure  
for setting up Works Committees.

The Government of East Bengal published on 13 January 1949, the draft of certain amendments it proposes to make to the Bengal Industrial Disputes Rules, 1947 (vide page 2 of the report of this Office for May 1947) in exercise of the power conferred under section 38 of the Industrial Disputes Act, 1947. The rules, which lay down the procedure for setting up Works Committees and outline their functions and duties, are on the same lines as the West Bengal amendment to the Industrial Disputes Rules, summarised at page 3 of the report of this Office for October, 1947.

(The Dacca Gazette, Part I, dated 13 January, 1949,  
pages 17-18 ).

CHAPTER 7. EMPLOYMENT AND UNEMPLOYMENT.

INDIA - FEBRUARY 1949.

71. Organisation of the Labour Market.

India: Employment Exchanges: Working during December 1948.

Employment situation.- During December 1948, a slight improvement in the employment situation was reported from many areas. In Bihar, Dhanbad reported that the employment situation was improving as the Damodar Valley Corporation and the Sindri fertilizer factory were making progress with their plans. Jamshedpur reported that recruitment to the Bihar Home guards was expected to increase opportunities for employment. In Bombay region, Poona reported ~~an~~ improvement in the employment situation. Similar trends were reported from Central Provinces, Delhi, East Punjab and Orissa. On the other hand, in West Bengal, the jute industry was still feeling handicapped on account of delay in the arrival of raw jute from Eastern Pakistan. In United Provinces also, shortage of raw materials and difficulties of transport were retarding the expansion of industrial undertakings and consequently, of the volume of employment. During the month the shortage of skilled technicians continued. Shortage of stenographers was also reported from almost all the exchanges. On the other hand, there was a surplus of clerks, semi-skilled technicians, peons, and unskilled labourers.

The number of employers using the exchanges during December was 3,930 an increase of 413 over the figure for November 1948. The number of vacancies notified was also 6,512 more than in November 1948.

Registrations and placings.- The total number of registrations for employment assistance effected at employment exchanges, district employment offices and the Special Employment Bureau and the total number of persons placed during the month are shown below:

	December 1948	November 1948
Total number of registrations (including re-registrations).	84,916	70,533
Total number of persons placed in employment.....	24,164	19,568

Of those placed in employment, 3,030 were ex-Services personnel and 4,510 were refugees. Of the total number of placings effected, 426 were in posts carrying a basic pay of 101 rupees or more. As many as 16 of these placings were in salary groups 300 rupees to 1,500 rupees.

Increases in placings were reported by all regions except Bihar and Assam. The highest increase was recorded in the United Provinces region where 2,665 more applicants were placed in employment than in the previous month. In Madras region, too, the increase was substantial, the number of placings being higher by 1,879 than in the previous month. The increase in United Provinces was due primarily to the opening of sub-Offices at important centres of employment, while in Madras it was the result of an intensive publicity drive.

Placings by wage groups.- Figures relating to placings during December 1948 analysed according to wage groups were as follows:-

<u>Wage groups: basic monthly pay</u>	<u>Number of placings</u>
Above 101 rupees -----	426
61 to 100 rupees -----	3,209
36 to 60 rupees -----	11,879
21 to 35 rupees -----	7,592
20 rupees or less-----	1,258

Employment exchanges in Indian States.- Returns received from employment exchanges in Indian States show that up to end of December 1948, 92,610 applicants had been registered of whom 19,540 had been found employment. This information does not, however, illustrate completely the work performed by all State exchanges, as up-to-date information had not been received from many of them. These figures are in addition to the all-India figures quoted above.

Employment of displaced persons.- 19,032 displaced persons were registered during the month as against 15,844 during the November 1948. 4,510 were placed in employment. 36 per cent of the total registrations were effected in East Punjab where 2,976 applicants were placed in employment.

Technical and vocational training.- During the December 1948 there were 83 technical training centres and 107 vocational training centres functioning, with 5,066 and 2,744 ex-Servicemen trainees respectively under training. In the former group, 845 trainees passed the trade tests, bringing the total of passed out trainees to 8,698. In the latter group, 94 trainees passed out, bringing the total to 1617. 8,869 male refugees were undergoing training at the training centres in Bihar, Bombay, Central Provinces and Berar, Delhi and Ajmer Merwara, East Punjab,

United Provinces and West Bengal. 294 refugees girls and women were undergoing training at the New Delhi centre run by the Ministry of Labour. 13 trainees passed the prescribed trade test, bringing the total of passed out trainees to 36. 330 disabled ex-Servicemen were undergoing training in the three special training centres. 95 trainees passed the prescribed trade tests, bringing the total passed out to 986. During the month 14 more firms (2 in Assam, 6 in Delhi and Ajmer-Merwara, 1 in East Punjab, 1 in Madras and 4 in United Provinces) agreed to participate in the apprenticeship training scheme, while training was withdrawn from 1 firm in West Bengal. In total number of apprenticeship training centres was thus 241 and 668 ex-Servicemen and 1774 refugees were under training at these centres.

The number of ex-Servicemen selected and posted for technical training during December 1948 and to date is shown below:-

Administrative Region.	Technical Training		Vocational Training	
	During the month.	Cumulative to date.	During the month	Cumulative to date.
Assam-----	13	336	-	225
Bihar-----	29	3,409*	19	1,247*
Bombay-----	-	4,354**	43	2,336
C.P. and Berar..	10	1,841	3	848
Delhi and Ajmer-Merwara-----	43	1,640	24	701
East Punjab*----	162	446	52	170
Madras.....	1294	25,383	1221	7,525
Orissa**.....	10	42	15	50
United Provinces.	262	7,083	431	8,819
West Bengal----	9	2,917	25	1,134
<b>Total-----</b>	<b>1832</b>	<b>47,451</b>	<b>1833</b>	<b>23,055</b>

\* Includes trainees appropriate to Orissa region selected and posted upto 30 September 1948, separate figures for which are not available.

\*\* Figures relate to November 1948.

\*\* Cumulative figures are for the period beginning with 15 August 1947.

\*\* Cumulative figures for the period beginning with 1 October 1948.

(Review of the work done by the Directorate General of Resettlement and Employment during the month of December 1948, issued by the Government of India ).

India: Full Employment hampered by Lack  
of Capital Goods: Government's Reply to  
U.N. Questionnaire.

In reply to a series of United Nations questions asking United Nations members to indicate what they were doing to achieve or maintain full employment, the Government of India has informed the United Nations that although no special steps were being taken to deal with unemployment in India, the Government's programme of industrial, agricultural and social development were expected to open new avenues of employment and help to eliminate unemployment. The reply adds that India's need for more foreign capital and the high cost of importing goods were slowing down efforts to provide full employment and raise the standard of living.

According to the reply, the main reasons for present unemployment are: (1) The transfer of about 2,000,000 people to India from what is now Pakistan. (2) The demobilisation and the closing down of establishments catering to the war. (3) Shortage of capital goods, both for replacement of worn-out equipment and for expansion of existing industries. The reply does not give any exact estimate of the number of unemployed but figures from the employment exchanges show that ~~the~~ 226,400 industrial workers were without jobs in 1947. Of this, 53,763 were displaced persons from Pakistan. There are no figures on agricultural, construction and shopworkers.

The reply stresses the fact that India has been suffering not only from internal inflation but also from a very large increase in the price of her imports. India hopes to use the following methods, to overcome her difficulties: (1) Welcome investment of private foreign capital "free from any political conditions". (2) Encourage private and Government sponsored investments. (3) Increase production of foodstuffs in the country with a view to stopping, or at least restricting the food imports from abroad. (4) Control on imports which will be confined to durable capital goods and other essential goods. (5) Convert an adequate portion of sterling balances into hard currencies to finance purchases in the West, particularly the United States. (6) Seek food grants from Food and Agricultural Organisation, grants of drugs and medicine from the World Health Organisation, and monetary loans and grants from the International Monetary Fund and the International Bank.



Pakistan: Essential Personnel (Registration)  
Ordinance: Extension to 58 more Occupations.

By a notification dated 3 February 1949, the Pakistan Government has included 58 more professions, occupations and employments to schedule I of the Essential Personnel (Registration) Ordinance, 1948 (vide paragraph 71, page 64 of the report of this office for February 1948).

These, among others, include armourer, blacksmith, engine driver both steam and internal combustion engines, aircraft mechanic, air craft fitter, certain occupations connected with power house, electrical and civil engineering and miscellaneous occupations such as cabinet maker, stenographer (having a speed of 80 words and above), shipwright, telecommunication mechanic, wireless operators, aircraft pilot, etc.

(The Gazette of Pakistan, Part I,  
Section 1, dated 11 February, 1949,  
page 58 ).

## 72. Vocational Guidance and Training.

India - February 1949.

### Training of Technical Instructors: Central Institute opened at Koni.

On 19 February 1949, Mr. Jagjiwan Ram, Labour Minister, Government of India, inaugurated the Central Institute for training instructors at Koni (Central Provinces). The Institute is the first of its kind to be established in India. The main object of the scheme is to raise a pool of efficient instructors of requisite standard to meet the requirements of Central, provincial and State Governments and even private institutions engaged in imparting technical and vocational training. The training camp is ~~instituted~~ situated on a 750-acre plot. Training in the camp is free and in addition the trainees will get besides their pay, free boarding and lodging.

Speaking on the occasion, Mr. Jagjiwan Ram appealed to labour leaders in industries to apply themselves more to the study of labour problems and to the question of increasing the efficiency of labour. He pleaded for attention being given to medium-sized industries, which would be the outcome of reconciliation between heavy and cottage industries. This could be fulfilled if employers and employees co-operated in getting technical education. If the demands of planned production, planned distribution and everything that planned economy had to be fulfilled, then on account <sup>no</sup> cottage industries be ignored. They played a vital role. He did not share the view that only large-scale industries would guide the country towards progress. Cottage industries would also help to solve the problem of both unemployment and shortage of technical labour.

Referring to the place of the Institute in the economy of the country, the Labour Minister said that it would be an important limb in the national economy for training instructors who in their turn, would train future craftsmen of India and thus step up production. After partition, most of the skilled workers in workshops in northern India had left for Pakistan. Work in factories thus suffered for dearth of skilled labour. The problem of money could be solved by borrowing from the International Bank. The problem of installing heavy machinery also could be met by aid from foreign countries. But there was a class of labour between skilled and unskilled categories which could not be had through the aid of foreign countries. This class of labour had to be trained in India. The Koni Institute was a step in this direction, and he hoped that the paucity of technicians in the country would be overcome by making the maximum use of the Institute by the Central and provincial Governments as well as by private industries.

(National Herald, dated  
21-2-1949 ).

88

Meeting of Pakistan Council of Technical  
Education: Widespread Technical Tuition  
urged.

A meeting of the Council of Technical Education for Pakistan, was held under the chairmanship of the Hon'ble Fazlur-Rehman, Minister for Education and Industries, at ~~Pakistan~~ Karachi on 2 February 1949.

The Council discussed various recommendations made by the Technical Education Committee (vide paragraph 72, page 60 of the report of this Office for October 1948). The Committee's recommendation that Technical High Schools should be immediately started so as to provide suitable students for higher technical education, was accepted. It was also agreed that such a course should also provide a stepping stone into industry for those students who are unable to continue their education further. The Council also accepted the recommendations of the Committee that for the present only one Technical High School should be started in each province, the bigger States and Centrally-administered areas, as a model and, later, the number ~~of~~ be increased according to demand. It was decided that till the present system of education remains in vogue, the Intermediate stage should continue but a technical basis should be given to the course of studies.

The Council accepted the recommendations of the Committee that there should be an entrance examination for admission to technical degree courses. It agreed that the courses at the three engineering colleges should be standardised. The Committee's recommendation that the duration of the technical degree courses should be three years, with one year's compulsory training in addition, was also accepted. It was accepted that post-graduate course should be provided for in the technical branches.

The Committee's recommendation that two Industrial Research Institutes should be established, one in Western and the other in Eastern Pakistan, was accepted. The Council accepted the recommendation for setting up polytechnics immediately in Pakistan and decided that three polytechnics - one in Karachi, one in the rest of Western Pakistan and the third in Eastern Pakistan, should be established. It was decided that artisan classes should be started and boys, after completion of the primary stage, should be admitted to such schools and ~~industries~~ that, similarly, Trade Schools and Industrial Schools should also be established. The Council agreed that, where practical training facilities in works or industrial concerns were not available, model factories, to be run on commercial lines, should be started by the Government.

73. Migration and Colonisation.

India - February 1949.

India: The Indian Emigration (Amendment) Bill, 1949 published: Act to apply to Acceding States.

The Government of India published on 5 February 1949 the Indian Emigration (Amendment) Bill, 1949. The Bill seeks to amend the Indian Emigration Act of 1922 so as to make the Act applicable to States acceding to the Indian Union.

The Statement of Objects and Reasons, appended to the Bill, points out that according to sub-section (2) of section 1 of the Indian Emigration Act, 1922, the provisions of the Act extend only to the provinces of India and do not apply to the Acceding States. Consequently, emigration through ports in maritime Indian States is not now subject to control in the manner in which control is exercised over emigration through ports in the provinces, with the result that Indians, whose departure out of India is not in conformity with the provisions of the Act, are now free to embark at ports in maritime States. The lack of power to control emigration through ports in Acceding States may thus operate to the detriment of Indians proceeding through those ports. It has, therefore, been considered desirable to extend the application of the Act to all Acceding States.

(The Gazette of India, Part V; dated 5 February 1949, pages 13-14 ).

Ceylon: The Indian Residents (Citizenship)  
Bill passed by House of Representatives.

On 21 January 1949, the Ceylon House of Representatives passed the third and final reading of the Indian Residents (Citizenship) Bill (vide paragraph 73, page 78 of the report of this Office for December 1948). *The title of the Bill had been amended to read the Indian and Pakistan Residents (Citizenship) Bill.*

(The Statesman, dated ~~23~~ 23-1-1949).

CHAPTER 8. SOCIAL SECURITY.

INDIA - FEBRUARY 1949.

87. Public Health.

Pakistan: East Bengal Government's 7.5 Million Rupees Scheme of Medical Relief.

According to a press note issued by the East Bengal Government on 16 February 1949, a scheme for providing medical relief, in East Bengal particularly in rural areas, costing about 7.5 million rupees in five years had been drawn up.

The scheme will cost about 3.2 million rupees in 1949-50, ~~xxx~~ and 4.0 million rupees in 1950-51. After five years about 7.5 million rupees are expected to be spent on the scheme. Fifty rural dispensaries are proposed to be established during the next year. The existing 77 unattached Auxiliary General Hospitals will be turned into outdoor dispensaries. About 100 dispensaries which had Auxiliary General Hospitals attached to them will be provided with four beds each. With a reasonable period one rural dispensary is expected to serve two unions. The improvement of sub-divisional hospitals will be carried on simultaneously. The scheme further provides for co-ordination between the health staff and the medical staff which, it is pointed out, does not exist at present.

(Dawn, dated 18-2-1949 ).

92

CHAPTER 9. LIVING STANDARDS.

INDIA - FEBRUARY 1949.

94. Education.

Bihar: Primary Education to be free:  
Teachers' Salary raised: Government's  
Decision.

Mr. Sri Krishna Sinha, Bihar Premier, announced at a press conference at Patna on 11 February 1949 that Bihar Government had decided to make primary education in the province entirely free. He also announced the Government's decision to increase substantially the salaries of teachers in non-government educational institutions from schools to colleges.

Bihar will be the first province ~~xxxxxx~~ in India to make primary education free up to class five. There are about 20,000 primary schools in the province. The increased additional cost of the new schemes would be as follows: Aided colleges - 600,000 rupees; recognised secondary schools - 2,000,000 rupees; primary and middle schools - 10 million rupees and 5.3 million rupees.

New scales for teaching staff.- The new scales announced for teaching staff, are as follows: for principals of colleges admitted up to the degree standard range, from 500 rupees to 850 rupees; for principals of colleges admitted up to the intermediate standard, from 350 rupees to 500 rupees; for teachers of degree colleges, from 175 rupees to 400 rupees; for headmasters of recognised secondary schools, from 150 rupees to 250 rupees; for headmasters of middle schools from 75 rupees to 150 rupees; for trained graduates, from 75 rupees to 150 rupees; for untrained graduates, Acharyas and Pundits, matriculates, etc., from 35 rupees to 100 rupees; for primary school teachers, from 50 rupees to 40 rupees and for untrained primary school teachers, from 20 rupees to 30 rupees. This would entail a recurring annual expenditure of 17.7 million rupees.

(The National Herald, 12-2-1949;  
The Statesman, dated 12-2-1949 ).



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

INDIA - FEBRUARY 1949.

111. Agriculture.

Madhya Bharat: Committee appointed to draw  
up Scheme for Abolition of Zamindaries.

The Madhya Bharat Union Government has appointed a Committee to draw up ~~scheme~~ a scheme for the abolition of the zamindari system in the Union. The Committee consists of 7 members with Mr. Sobhagya Mal Jain as chairman.

(The Times of India, dated  
12-2-1949 ).

Central Provinces: Occupancy Rights for  
Tenants and Ryots in Chhatisgarh: Government  
Order issued.

With a view to improving the lot of the cultivating classes and liberalising the rights of ryots and tenants in the area comprising the Chhatisgarh States, which have been integrated with the Central Provinces and Berar, on the lines of occupancy tenants in the Central Provinces, the Government of the Central Provinces and Berar has issued the Central Provinces States Land Tenure Order on 26 January 1949, under which heritable and transferable rights will be conferred on the ryots and tenants in their holdings.

The order also entitles ryots and tenants in the State areas to make improvements in their land and powers have been taken to provide for proportionate remission or suspension of rents or revenue consequent upon similar relief being granted to tenure holders in the event of crop failure. Under the order, all kinds of "beggar" had been abolished and ryots, have been granted the same right in the trees standing in their land as they have in the holding itself. Other provisions have also been enacted so as to save the ryots from harassment in the payment of rent.

In order to safeguard the interests of the aboriginals, transfer of land in favour of a non-aboriginal is prohibited unless the previous approval of the Deputy Commissioner is obtained.

(The Central Provinces and Berar Gazette,  
Extraordinary, dated 26-1-1949, pages  
37-50;

The Times of India, dated 31-1-1949 ).

Hyderabad State: Ruler's personal Estate  
to be taken over by Government.

On 6 February 1949 , at Hyderabad (Deccan), Major-General Chaudhry, Military Governor of Hyderabad announced at a Press conference that H.E.H. the Nizam has agreed to give up his personal estate known as the Sarf-i-Khas to the State Government. The Sarf-i-Khas lands extending to nearly 7,000 square miles and ~~which~~ yield an annual revenue of nearly 30 million rupees. In this connection a firman issued by the Nizam stated that he had, keeping in view the requirements of the administration of the Sarf-i-Khas and the need for uniformity of standards with the divani (Government lands) entered into certain arrangements whereby the Government of the State would take over the control of the Sarf-i-Khas as if they were part of the divani.

(The Hindu, dated 7-2-1949 ).

112. Indigenous Workers.

India - February 1949.

Madras: Report on the Socio-Economic Conditions of the Aboriginal Tribes\*: Setting up separate Department for tribal Welfare recommended.

The Aboriginal Tribes Welfare Inquiry Report, *Committee* appointed by the Government of Madras in November 1946 (vide page 29 of the report of this Office for November 1946) to enquire into the Socio-economic conditions of the aboriginal tribes in the Madras Province, has submitted its report recently. The following are the more important of its recommendations:-

State and tribal welfare.- The report recommends the establishment of a department of tribal welfare for Madras Province, with a senior administrator at its head. This officer should be in charge of all the special work to be undertaken by Government for the improvement of the material conditions of the aboriginal tribes and other backward communities, including those designated 'criminal'. He should have directive and supervisory functions over the special welfare work undertaken in the Agencies (a predominantly tribal area in the Province).

land alienation problems.- The report recommends suitable legislation to prevent tribesmen's land passing to non-tribesmen. The first right of tribal should also be recognised. In areas where non-aboriginals have deprived tribesmen of all good

---

\* Report on the Socio-Economic Conditions of the Aboriginal Tribes of the Province of Madras: by A. Aiyappan, M.A., Ph.D., Secretary, Aboriginal Tribes Welfare Enquiry Committee: Printed by the Superintendent, Government Press, Madras 1948: Price, 2 rupees 8 annas, pages ix x 187.

97

land, and in other areas where there are landless tribesmen living in privately owned forest areas, Government should acquire land under the Land Acquisition Act for the public purpose of aboriginal rehabilitation. Regarding the system of podu or shifting system of cultivation (under which a part of the forest is burnt and cultivated) the report recognises that large-scale podu cultivation should be discouraged but limited podu in unreserves has to be allowed and it should not be stopped suddenly. If the Government deprived tribesmen of this means of livelihood it should provide them with alternative and more permanent means of subsistence.

Co-operation.- The report suggests that the co-operative department can help the tribesmen by starting multi-purpose co-operative societies. The societies in ~~the~~ tribal areas will have to be run with the help of staff provided by the co-operative department itself. Co-operative stores would be a ~~real~~ real boon in tribal areas; ~~where~~ credit facilities provided by the societies alone would facilitate the elimination of the usurious system of the money-lenders.

Industries for tribesmen.- According to the report ~~there are numerous~~ minor industries which the Government might encourage in the tribal areas are numerous. It suggests that the tribesmen could be trained to do the preliminary processing of many articles. The first need would be to produce cheaply, the numerous simple tools which they require; there should be facilities to repair these tools and also to repair carts, etc., which, the tribesmen might ~~begin~~ to own in course of time. The artisan tribes ~~who~~ who are quite good at smithy ought to be encouraged and their technical skill improved. Some could be taught weaving and dyeing and pisciculture. Other tribes who look after the villagers' cattle ought to be made use of for breeding improved strains of cattle.

Forced labour.- The report points out that forced labour and debt bondage are both still in existence, though prohibited by law. It points out that greater effort is required in this respect.

Education.- The education in tribal schools should be craft-based and should be suited for the cultural background of the tribes. No pucca buildings are required. Most tribal children have natural aptitude for handicrafts, particularly ~~and carpentry~~ carpentry and woodwork. In selecting the chief craft for the basic school, this factor should be taken into consideration. Aboriginal youths should be trained as teachers, to staff schools in tribal areas. To teach the tribes better modes of agriculture, small farms should be a feature of all tribal schools. The games should be those prevalent among the tribes. Archery, fishing and trapping games and tribal dances ~~may be~~ are mentioned as examples. ~~Special Readers~~

Special Readers for school use should be produced for the larger aboriginal tribal tracts, particularly the Agencies. Prizes for regular attendance and on passing examinations, and bonuses to teachers for every

aboriginal child who passes the fifth Standard might be tried as inducements in addition to those now given by Government.

Setting up of tribal welfare fund.- To facilitate the financing of welfare schemes, specially intended for the backward tribes, the report recommends a trust fund with an annual grant from the provincial Government. The provincial Government should also ask for grants to this fund from the Central Government.

Public health measures.- The report recommends extension of anti-malarial operations and touring medical units for men and livestock, for tribal areas.

---

113. Navigation.

India - February 1949.

Cochin: The Cochin Dock Workers (Regulation of Employment) Bill.

With a view to provide for regulating the employment of dock workers in or in the vicinity of the part of Cochin, the Cochin State Government has published the Cochin Dock Workers (Regulation of Employment) Bill, which it proposes to introduce in the Cochin Legislative Assembly. The bill is on the same lines as the Dock Workers (Regulation of Employment) Act, 1948 (vide paragraph 113, page 87 of the report of this Office for March 1948).

The Statement of Objects, and Reasons, appended to the Bill, ~~says~~ says that the Government of India had, based on the demand for the reduction of hardship due to unemployment or under-employment of dock labour, passed the Dock Workers (Regulation of Employment) Act, 1948. That act ~~gives~~ gave power to Government to frame a scheme for the registration of dock workers with a view to securing greater regularity of employment and for ~~regulating~~ regulating the employment of dock workers, and in particular for the terms and conditions of employment of workers. It was considered necessary to enact a similar legislation in the State with a view to co-operate with the Government of India in the framing of a scheme in respect of the Cochin port on the lines of similar schemes in other ports.

(The Cochin Government Gazette, Supplement to Part I, dated 12 February 1949, pages 1-5 ).

100

115. Working Conditions of Intellectual  
Workers and Liberal Professions.

India - February 1949.

Service Conditions of Bank Employees:  
Regulation of Awards on All-India Basis  
contemplated.

Mr. Jagjiwan Ram, Labour Minister, Government of India replying to a welcome address presented by the Benares Bank Employees' Union on 11 February 1949, stated that the Government of India ~~is~~ negotiating with the provincial Governments to regulate the banking and insurance companies' awards on an all-India basis.

(The Hindu, dated 13-2-1949 ).

Bihar: Dearness Allowance increased for  
Low-paid Government Employees.

The Bihar Government has decided to give an additional dearness allowance of 5 rupees per month to ~~their~~ <sup>Government</sup> employees drawing salaries up to 250 rupees. The decision is to take effect from 1 January 1949.

(The Hindustan Times, 28-1-1949).



117. Shopworkers.

India - February 1949.

United Provinces: The United Provinces  
Shops and Commercial Establishments  
(Amendment) Act, 1948 (U.P. Act No.1 of 1949).

The United Provinces Shops and Commercial Establishments (Amendment) Bill, 1948 (vide paragraph 117, pages 87-88 of the report of this Office for October 1948) as passed by the provincial legislature, received the assent of the Governor-General of India on 25 January 1949 and has been gazetted as the United Provinces Shops and Commercial Establishments (Amendment) Act, 1949 (U.P. Act No.1 of 1949 ).

(Government Gazette of the United Provinces, Part VII-A, dated 5 February 1949, page 31).

Pakistan: Sind Shops and Establishments  
Act, 1940: Exemption.

By a notification dated 26 January 1949, the Government of Sind has exempted, all Banks in Sind from the operation of provisions 10, 11 and 12 of the Sind Shops and Establishments Act, 1940, specifying opening and closing hours, weekly and daily hours of work and spread-over of periods of work, for a period of one year from 26 January 1949, subject to the conditions that extra wages will be paid for overtime work and loss of weekly holidays, that employees will get accumulated holidays and that a notice showing the overtime allowance due to each employee will be put up on the notice board.

(Notification No.5-2-L/48, dated 26 January 1949; The Sind Government Gazette, Part I, dated 3 February 1949, pages 49-50 ).

Bombay: The Bombay Shops and Establishments  
Rules, 1949.

The Government of Bombay published on 15 January 1949 the draft Bombay Shops and Establishments Rules, 1949 proposed to be made under the Bombay Shops and Establishments Act, 1948 (vide pages 109-110 of the report of this Office for January 1949) to carry out the purposes of the Act. The rules prescribe inter alia the manner of registering establishments, the methods of cleanliness in establishments, the qualifications and duties of Inspectors and the maintenance of registers and records by employers. The draft rules have been approved and gazetted on 8 February 1949.

(The Bombay Government Gazette, Extraordinary,  
Part IVB, dated 8 February 1949; pages  
234A-234P ).

LIST OF THE MORE IMPORTANT PUBLICATIONS/RECEIVED  
IN THE NEW DELHI OFFICE DURING FEBRUARY 1949.

Professional Organisations

Proceedings of the Annual General Meeting of the Associated Chambers of Commerce of India held in Calcutta on the 13th December 1948: Bengal Chamber of Commerce, Calcutta: pp.38.

Economic Questions

- 1) Where is Capital Gone? Pamphlet prepared by A.C. Sampath Iyengar, Adviser, Indian Chamber of Commerce, Calcutta.
- 2) Trade Statistics Relating to the Maritime States in Kathiawar and the State of Travancore: (September, October, November and December 1945 and January, February and March 1946): Issued by Department of Commercial Intelligence and Statistics, India: Price Rs.5/14/- or 9s.3d., each volume.

Working Conditions

- \* Government of the Central Provinces and Berar: Annual Review on the District Reports on Working of the Indian Mines Act, 1923 in the Central Provinces and Berar for year ending 31 December 1947: pp.5; price Re.0-4-0.

Employment and Unemployment

- \* The Role of Employment Exchanges in Pakistan: (A Collection of Radio Broadcasts): Issued by the Ministry of Law and Labour, Department of Resettlement and Employment, Government of Pakistan.

Living Standards

- \* Statements showing the Working of Co-operative Societies in Bihar for the Year 1945: Superintendent, Government Printing, Bihar, 1948: Price Rs.2-15-0; pp.xxii.

Problems Peculiar to Certain Occupations or Categories of Occupations

- \* Report on the Socio-Economic Conditions of the Aboriginal Tribes of the Province of Madras: by A. Aiyappan, Secretary, Aboriginal Tribes Welfare Committee: Printed by Superintendent, Government Press, Madras: pp. 185; price Rs.2-8-0.