

INTERNATIONAL LABOUR OFFICE

INDIAN BRANCH

- - - -

Industrial and Labour Development in August, 1948.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - AUGUST 1948.

11. Political Situation and Administrative Action.

United Provinces: Kanpur Tripartite Labour Conference: Standing Committee to Investigate Closure of Factories due to Short Supply of Material.

It is understood that at a tripartite labour conference held at Kanpur (new spelling for Cawnpore) on 1 August 1948, it was decided to form a Standing Committee of three members, including the Regional Conciliation Officer, Kanpur, to investigate the frequent demands for closure of factories on account of transport difficulties and the lack of coal, raw materials, etc. The Committee will ascertain if the reasons given for such closures are genuine and suggest ways and means to get over the difficulties. The findings of the committee may be submitted to the Labour Commissioner or the provincial Government as the case may be.

Procedure for dealing with complaints.- As regards the demand for laying down detailed procedure for dealing with the complaints received in the Labour Office, the Committee suggested that the machinery of the works committees may be extended to concerns employing less than 200 persons. It was made clear that the formation of works committees in mills did not preclude a dispute being taken up for conciliation and that labour complaints would be dealt with by the conciliation machinery in mills where no works committees were formed. In cases where the parties disagree to a dispute being taken up for arbitration as being time-barred, the Committee agreed that such cases may be referred to the Labour Commissioner for decisions, who will not take up any matter older than three months in ordinary cases and six months in cases where Payment of Wages Act is concerned.

Attendance of keymen.- On behalf of the employers, it was demanded that steps should be taken to ensure the attendance of key men and safety men during industrial disputes. The Committee agreed to the principle underlying the demand. It was, however, decided to appoint a committee consisting of one representative each of labour and employers and an officer of the Labour Department to decide upon (1) a list of key men and safety men; (2) what special privileges, if any, should be allowed to such employees; and (3) whether the proposal would be subject to any special condition.

Welfare.- It was further decided that a fund be created out of "the unpaid wages in all mills in the U.P." and placed at the disposal of the Labour ~~Department~~ Commissioner for purposes of organising labour welfare in the province. The employers' representatives, however, insisted that the action to be taken by the Government in this behalf should be on <sup>an</sup> all-India or at least provincial basis.

(National Herald, 5-8-1948).

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

INDIA - AUGUST 1948.

22. Regional Institutions.

India to be Headquarters of Regional Bureau  
of World Health Organisation.

Rajkumari Amrit Kaur, Minister for Health, Government of India, who was the leader of the Indian Delegation to the June 1948 session of the World Health Assembly at Geneva, stated in a Press interview on 28 July 1948, that a Regional Bureau of the World Health Organisation for the countries of South-East Asia would be set up in Mysore, India, shortly. The Regional Bureau, which is to be located in Mysore, would, to begin with, devote special attention to problems peculiar to South-East Asia, such as Malaria, maternity and child welfare, tuberculosis and venereal diseases.

(The Statesman, dated 29-7-1948 ).

Possibilities of opening Branch of  
South Asia Science Co-operation Office  
in India: Tour of Scientific Institutions  
by U.N.E.S.C.O. Principal Scientific Officer.

Possibilities of collaboration of the scientific institutions of Bombay with the United Nations Educational, Scientific and Cultural Organisation, and the opening of a branch of the South Asia Scientific Co-operation Office at Bangalore "in view of the great importance of the city's scientific institutions", were surveyed by Dr. Alexander Wolsky, Principal Scientific Officer of the UNESCO for South Asia ~~xxxx~~ during his recent visit to these cities according to a press release dated 6 August 1948 from the United Nations Information Centre, New Delhi.

Dr. Wolsky had established his headquarters in Delhi in May, 1948. In the course of his visit to Bombay, he held discussions with the heads of the Tata Institute of Fundamental Research, the Haffkine Institute, and the Royal Institute of Science, which is the main science department of Bombay University. A further visit for a detailed study of other institutions has been planned for a later date. In Mysore, Dr. Wolsky visited the Indian Institute of Science, Bangalore, the Serum Institute of Mysore, the Indian Dairy Institute, the Central College of Science and the Animal Breeding Farm at Hazaragatan. He also had consultations with the Dewan, Sir Arcot Ramaswami Mudaliar, ~~xxx~~ ex-chariman of the U.N. Economic and Social Council.

(The Statesman, dated 11-8-1948).

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CHAPTER 3. PROFESSIONAL ORGANISATION.

INDIA - AUGUST 1948.

31. Workers' Trade Union Movements.

Proposed Minimum Wages Inadequate: U.P. and Bihar  
Sugar Mill Workers' Federation criticises U.P. Labour  
Enquiry Committee's Recommendations.

The Executive Committee of the United Provinces and Bihar Sugar Mill Workers' Federation, at a meeting held in Benares on 3 August 1948, adopted a resolution criticising the recommendations of the U.P. Labour Enquiry Committee (vide paragraph 46, pages 25-31 of the report of this Office for July 1948). The resolution, while appreciating the Committee's effort to ameliorate the condition of the workers in the province ~~has~~ stated that the minimum wages recommended by the Committee could not be called a "fair wage". The workers would have welcomed the report had it accepted the suggestion for fixing 35 rupees as the minimum basic wage on pre-war scale. The gradation of workers in the sugar factories, further, did not include *all* employees.

The Executive Committee was of the opinion that the ~~retainer~~ "retainer" should be paid "consolidated wages" according to practice, instead of basic wage. Regarding "compulsory leave", it recommended that the workers should be paid full wages if a factory working for more than 80 per cent of the standard crushing days, and no deduction should be made in the retaining allowance of workers who were already getting 50 per cent retaining allowance. Clerks should also be classified as permanent workers. The Committee had failed to solve the question of dearness allowance satisfactorily and could not justify the discrimination it had made between certain industries in the same place. Agreeing with the principle of profit-sharing, the Executive was of opinion that the workers would not be benefited by the bonus-scheme as suggested by the Committee till they had a hand in the management of factories. It recommended that so long as the demand for a share in the management was not conceded, bonus should be granted on production basis linked with the price of sugar.

By another resolution, the Executive Committee characterized as undemocratic the policy of the Government to have representatives of the unions affiliated to the Indian ~~National~~ National Trade Union Congress only in the formation of works committees. It requested the Government to ask representative unions to form works committees or to direct the workers to send their own representatives to such committee.

(Janata, dated 15-8-1948).

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Meeting of Working Committee of Hindustan  
Sevak Sangh: Congressmen asked to support  
I.N.T.U.C.

At a meeting of the Working Committee of the Hindustan Mazdoor Sevak Sangh held in New Delhi on 24 and 25 July 1948, it was decided to hold a convention of all the workers of the Sangh at Ahmedabad in October 1948, to consider the question of reorganising the Sangh in the light of changed circumstances. The meeting was presided by Dr. Rajendra Prasad, President of the Indian National Congress, and attended, among others, by Mr. Jairandas Daulatram, Food Minister, Mr. Jagjivan Ram, Labour Minister, Mr. S.K. Patil, Mr. Shankarrao Deo, Mr. Guizari Lal Nanda, Labour Minister, Bombay, Mr. Khandubhai Desai, and Mr. V.V. D. David, Labour Minister of Madhyabharat Union.

Relations with I.N.T.U.C.— The Committee passed a resolution drawing the attention of the Congress Working Committee to the fact "that in some places there is not sufficient realisation on the part of Congressmen and Congress Committees of the valuable contribution to the stability and progress of independent India which the Indian National Trade Union Congress has made and can make in increasing measure". "It appeared to the Committee", the resolution said, "that if the implications of the various resolutions of the Congress Working Committee touching the work of the Hindustan Mazdoor Sevak Sangh and the I.N.T.U.C. were properly appreciated by all Congressmen and Congress Committees and if they were to act in full conformity with the spirit and the letter of these resolutions great benefits would accrue for the working class, the Congress and the country". The resolution further recorded the Committee's opinion "that at this critical juncture in the affairs of the country, any indifference to organisational work among the labour on the part of Congressmen and Congress Committees is fraught with grave risks and it is incumbent on them to give wholehearted and active support to the work of the Hindustan Mazdoor Sevak Sangh and INTUC and to take the initiative in forming and developing branches of the Sangh and in providing these branches with funds and facilities for carrying on their activities effectively".

(The Statesman, dated 27-7-1948).



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33. Employers' Professional Organisations.

India - August 1948.

1948 Annual General Meeting of United Planters' Association of Southern India, Coonoor, 16 - 18 August 1948.

The 55th annual general meeting of the United Planters' Association of Southern India, was held at Coonoor from 16 to 18 August 1948, Mr. F.G. Wallace presiding. Mr. B. Gopala Reddi, Minister for Finance, Government of Madras, inaugurated the meeting.

Mr. Reddi's address: Employers' obligation to provide houses. - Mr. Gopala Reddi, opening the meeting, expressed satisfaction that many recommendations made by the Labour Investigation Committee appointed by the Government of India had been accepted by the Association and that the Association had agreed to pay dearness allowance to estate labour and to see that no child under 12 years of age was employed on any estate in South India in future. The Payment of Wages Act, 1936, had been extended to plantation labour (vide paragraph 64, page 50 of the report of this Office for January 1948). Referring to the Kangani system, he said the Government had under consideration proposals for abolishing this system. He said that employers must provide greater facilities for housing those labourers who were employed in out of the way stations and at high altitudes. Proper housing facilities for labour was the test he wanted to put to every member of the ~~Association~~ Association. While some members had taken steps to provide houses, there were ~~many~~ still others who were hesitant to do the right thing by the labourer. In conclusion, he hoped that the question of affording better medical and educational facilities to the workers would not escape the attention of the Association.

Presidential address. - Referring to the economic and administrative problems that had arisen due to the constitutional changes in India, Mr. Wallace, in his presidential address, said that the Central and provincial Governments, even during their short period of office of 12 months, had shown an awareness of the need for a more practical approach to the urgent social and economic problems of the country and were doing their best to solve them. He added that the planters of South India who represented employers in one of the major ~~export industries~~ labour employing and ~~exporting~~ major export industries of the country would like the Government to recognise the special competence of the planting community to advise in certain matters of trade and commerce affecting the economic prosperity of India as a whole.

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Effect of food control.- Mr. Wallace emphasised that the provision of food supplies to the large labour forces in the estates continued to be a big problem throughout the year. This was primarily due to the operation of food and other controls in the planting districts of South India. Most estates were situated away from normal market centres and transport of foodstuffs was made more difficult by insufficient petrol allocation and bad condition of roads.

Increase of membership.- He said that it was a matter of gratification that the membership of the Association had been continually increasing. During the past year there had been an addition of more than 9,000 acres to its subscribing area. Except for one large European interest almost the whole of this increase was made up of Indian owners of estates.

Relations with labour.- As regards relations with labour, he said that the organisation of workers' unions in plantations received a new impetus during the year, and requests for recognition were received from more than one union by the newly inaugurated South India Estate Labour Relations Organisation. The policy of this Organisation was to recognise only such unions as were organised on an industry-wide basis. Both the U.P.A.S.I. and the S.I.E.L.R.O. welcomed the organisation of labour by unions properly established and were prepared to co-operate with such unions for the general well-being of plantation workers. During the year the Estate Staff Union of South India was granted recognition by the South India Estate Labour Relations Organisation. The Estate Staff Union of South India represented members of staff employed in estates over the whole of South India. The Council and the Sub-Committee of S.I.E.L.R.O. had discussions with representatives of the Union on the subject of classification and grading of staff employed on estates and determination of their scales of pay and terms of service. He was glad to record that negotiations were conducted in a friendly and conciliatory spirit and that agreements on the basis of a fair compromise were reached. It could now be stated that practically all outstanding matters connected with estate staffs have been satisfactorily settled by negotiations. It could rightly be claimed that the staffs were enjoying a scale of pay and allowances which were generally higher than those enjoyed by similar staffs in other industries and in Government service.

Referring to the demand for bonus by plantation labour, he said that the Association had asked estate managements to pay a bonus of 6 $\frac{3}{4}$  per cent of the cash earnings of workers for 1947, provided that this payment included the 4 per cent payment already recommended by the S.I.E.L.R.O. The Association had also forwarded a memorandum to the Government pointing out the economic implications of the continuous rise in labour and general production costs and he hoped the Government would appreciate the situation in which the industry was placed and of the practical impossibility of making further concessions.

Policy

Plantation Labour Code: Government's labour blamed for fall in production.- He then referred to the various labour enactments of the previous year, including the Industrial Employment (Standing Orders) Act, 1946, the Trade Unions (Amendment) Act, 1947, the Minimum Wages Act, 1948, and the Employees' State Insurance Act, 1948, and said at the second session of the Industrial Committee on Plantations held in Delhi during March-April, 1948 (vide paragraph 112, pages 113-115 of the report of this Office for April 1948), a separate Plantation Labour Code was promised in view of the repeated claim that plantation labour should be governed neither by industrial nor agricultural legislation, but by separate legislation suited to the particular needs of the plantation industry.

He pointed out that, in common with other industries, the plantation industry also had experienced a year of diminishing output per capita of workers, notwithstanding the continual increase in wages. The cause of this was the labour policy of Government which for a long time had laid far too little emphasis upon the urgency of increased production. It was, encouraging, however, that in its resolution on industrial policy announced in April 1948, the Government of India had laid particular emphasis on the expansion of production, both agricultural and industrial and in particular, on the production of capital equipment, of goods satisfying the basic needs of the people, and of commodities, like tea, the export of which would increase earnings of foreign exchange. In the furtherance of this objective, Government had foreseen the need to ensure the fullest co-operation between labour and management and the maintenance of friendly relations between them. But now, he asked, did the Government propose to achieve such co-operation and friendly relations? He emphasised that the true reward for labour was wages and wages alone: a fair wage for fair labour under fair conditions was the predominant need of industry in India. Profit-sharing could only succeed in promoting more efficient production so long as it remained a special form of reward not shared by everybody. When it became general it was part and parcel of the wage structure and, by whatever name it was called, the reward was in reality, wages.

Problems of Coffee industry.- Addressing the Coffee section of the Association, Mr. H.B. Athrey, Chairman, suggested that Government should take steps to remove the inequitable excise duty on coffee, so as to give relief to the consumer. There had been considerable post-war planning and he added that it would be possible to produce more coffee, cheaper to the consumer, if science and Government came to the aid of the industry. Scientific research for developing better strains was necessary, while the Government should extend all necessary help incidental to efficient production. The recent trend of labour legislation, and the raising of wages without any reference to the ability of the industry to bear the increase, and the increasing difficulty of getting manures and materials, and, last but not least, the difficulty of transport, was giving the planter a very trying time indeed. Transport after the second World War had

assumed an importance equal to currency, and the price of any article was as dependent on transport facility as on supply and demand.

Future of tea industry.- Addressing Tea Section of the Association Mr. C.J. Madden, Chairman, said that over 60 per cent of the production costs had been spent on labour and staff charges. The newly-formed Estates Labour Relations Organisation ~~was~~ looked after labour welfare, and the Labour Department of the Association ~~was~~ assisted in the supply of new labour. Surveying the problems of the tea industry Mr. Madden said the industry's biggest anxiety at the moment was the cost of production. This had risen and since last year in a phenomenal manner and was probably double what it was this time last year. The causes of this spectacular rise were increases in wages, enhancement of taxes both direct and indirect and the common rise in prices of all articles and their transport. The industry had managed to work satisfactorily because of the sellers' market and the fact that production had fallen short of demand. But there were signs that production in countries other than India such as, Dutch East Indies and Africa was increasing and an equilibrium was expected to be reached soon. When this came about Indian tea would have to compete in the world market on quality and cost.

(The Hindu, dated 17 and 18-8-1948).

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CHAPTER 4. ECONOMIC QUESTIONS.

INDIA - AUGUST 1948

41. Industrial and Mining Production.

India - August 1948.

India: The Mines and Minerals (Regulation and Development)  
Bill, 1948.

A Government Bill to provide for the regulation of mines and oilfields and for the development of minerals was introduced in the Constituent Assembly of India (Legislative) on 15 August 1948.

The Statement of Objects and Reasons appended to the Bill states that the Industrial Policy Resolution of 6 April 1948 (vide pages 32-36 of the report of this Office for April 1948) included minerals amongst the industries whose location must be governed by economic factors of all-India import or which require considerable investment or a high degree of technical skill and must consequently be the subject of Central regulation and control. The Bill seeks to regulate mines and oilfields and mineral development on the lines contemplated in the Industrial Policy Resolution and to give powers to the Central Government to frame rules for the regulation of the terms and conditions of mining leases, as also for the conservation and development of minerals. Provision has been made for modification of existing leases on payment of compensation and for delegation of powers to provincial Governments or any officers or authority as may be specified in this behalf, e.g., a Coal Commission.

The Bill as amended by the Select Committee was passed by the Assembly on 31 August 1948. One of the amendments made by the Select Committee extends the Bill to the acceding States.

Replying to the debate in the Assembly, Mr. Gadgil, Minister for Works, Mines and Power, stated that the main object of the Bill was to have a uniform policy and to utilise the output of the mines to the best possible advantage. For that, conditions would be laid down for new leases, and if it was found that the old leases were contrary to and might affect the realisation of the Government's objective, they would be modified or even cancelled. The Central Government might direct the provincial Governments to work particular minerals in particular areas; there was nothing in the Bill to prevent it.

(The Gazette of India, Part V, dated 21 August, 1948, pages 598-601 ).

12

India's Share of German Reparations: 15,340 Tons  
of Capital Equipment allocated upto April, 1948.

The total tonnage of capital equipment allocated to India, by way of reparations from Germany, upto April 1948, was 15,340, of which 5,220 tons have been dismantled and 4,063 tons shipped. So far 1,000 machines have been received and the Government proposes to utilise most of them in State-owned factories. The surplus, if any, will be given to private industrialists.

(The Statesman, 4-8-1948).

Marketing Organisation for Mica recommended:  
Interim Mica Advisory Committee's proposals.

The Interim Mica Advisory Committee, at a meeting held in New Delhi, on 5 and 6 August 1948, decided to set up a marketing organisation for mica to keep in touch with developments in foreign countries and help India's mica trade to secure the best possible deal.

The Committee recommended to the Government of India to appoint a Committee, which should report within three months on the possibility of setting up a Mica Marketing Control Board and ~~to~~ suggest the constitution and functions of such a Board. The Committee also recommended that the import of mica from Brazil should be totally stopped and that the practice of shipping mica abroad on a consignment basis be discontinued as it tended to reduce India's bargaining power with foreign purchasers.

(The Statesman, 8-8-1948).

13

42. Production and Export of Agricultural Products.

India - August 1948.

Reclamation of Waste Lands through Tractors:  
Large-scale Mechanical Cultivation in East  
Punjab proposed.

Reference was made at para 42, page 15, of the report of this Office for July 1948, to the work of the Central Tractor Organisation of the Ministry of Agriculture. It is understood that the Ministry now proposes to embark on a scheme of large-scale mechanical cultivation in East Punjab for the rehabilitation of refugees who do not possess the necessary implements. In the first instance, it is proposed to use 175 tractors for preparing certain areas of land for cultivation in the Ferozepur and Karnal districts.

Increased demand for tractors.- The success achieved in the reclamation of waste lands through tractors supplied by the Central Tractors Organisation has resulted in increased demands for these machines from provinces and Unions of States. The Madhya Bharat Union has asked for three units of fifteen tractors each, the Central Provinces and Berar for six units while the United Provinces proposes to continue its existing three schemes in Ganga Khadar, Nainital Terai and Jhansi on which 45 tractors are engaged.

(The Hindu, dated 2-8-1948 ).

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Measures to increase Jute Production:  
Fixing of Minimum Prices suggested .

The Indian Central Jute Committee at its meeting held in Calcutta on 30-7-1948 decided that the Central Government should accept the policy of fixing minimum prices as soon as a point was reached where jute growing was likely to become un-remunerative. It was suggested that the Jute Planning Committee, which meets after the jute harvesting season, should review the position and approach the Central Government for the fixation of minimum prices to safeguard the interests of the cultivator.

Sir Datar Singh, President of the Committee, in his address, stated that it was estimated that about 150,000 acres of additional land would be brought under jute cultivation during 1948 and the increased cultivation would yield an additional quantity of not less than 100,000 bales of raw jute. An overall increase of about 20 per cent in the acreage had already been recorded. Referring to the steps taken by the Committee for increasing production, he pointed out that 1,00 tons of chemical fertilizers had been distributed to West Bengal, Bihar, Assam and Orissa. Jute seeds were also supplied to deficit areas for distribution to cultivators through the provincial Directors of Agriculture.

In West Bengal, the largest jute producing province in India, the Government had agreed to amend the Jute Regulation Act to allow additional acreage to be brought under jute cultivation. Other measures undertaken included quick land survey in the different jute growing provinces for a rough estimation of areas of land which could be utilised for the production of jute and assistance to provincial Governments in the establishment of seed multiplication farms, by way of interest free loans. A jute seed multiplication farm was being established by the Government of West Bengal. Further, the possibility of producing jute in some areas in Madras, and the States of Travancore and Cochin was also explored and experimental sowing was undertaken in different areas.

The Committee decided to intensify its activities in regard to seed procurement. Seeds would be supplied to cultivators in deficit areas at a subsidised rate, in order to popularize the use of improved type of seeds and an improved strain of seeds would be supplied to provincial Governments, who would carry on the seed multiplication scheme in their own farms as well as in farms of registered growers.

(The Statesman, 1-8-1948).



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43. Foreign Trade and Exchanges.

India - August 1948.

Inspector-General of Trade Commissioners in Europe to be appointed: Meeting of Export Advisory Council, New Delhi, 5-2-1948.

The ~~only~~ early appointment of an Inspector-General of Trade Commissioners in Europe, the possibility of appointing similar officers for Asia and other large geographical blocks and the setting up in overseas countries of permanent exhibitions of Indian products available for exports, among the more important subjects stressed by Mr. K.C. Neogy, Minister for Commerce, presiding over a meeting of the Export Advisory Council in New Delhi on 5 August 1948.

Geneva Trade Agreement.- Referring to the Protocol of provisional application of the general Agreement on Tariffs and Trade which had been signed by India, ~~and which guarantees India, against...~~ Mr. Neogy said that, under the terms of the Agreement, India would enjoy certain reciprocal concessions. These were of two types, namely, those which had been secured as a result of direct negotiations with individual countries and those which would be secured as a result of the operation of the most favoured nations' clause of the general agreement. It was estimated that through direct and indirect concessions India had obtained, in terms of 1938-39 trade, concessions to the value of 285 million rupees on exports as against similar concessions given by India amounting to 142 million rupees.

Importance of foreign contacts.- The Government was aware of the benefit of sending out trade delegations to ~~foreign~~ foreign countries, as also of invitations to foreign delegations to visit India as an important instrument of closer trade relations. Another method of direct contact with overseas markets which Government had adopted was participation in national and international exhibitions. It was also considering a scheme for organising permanent exhibitions at the offices of the Trade Commissioners.

Rise in value of exports.- Referring to the rise in the value of India's exports, Mr. Neogy said that the value of the export trade, including re-exports, was 2810 million rupees in 1946-47. The total value of export trade for 1947-48 had been estimated at 4110 million rupees. It must, however, be recognised that much of this increase was undoubtedly due to rising prices. As regards imports, import prices had in many cases risen more than export prices, with the result that the terms of trade had moved against India. In 1947-48,

3,780 million rupees worth of goods were imported into India as against 2,580 million rupees in 1946-47. Another salient feature in import statistics was that the increase in the value of capital goods had contributed substantially to the rise in the total value of imports. The balance of trade in private merchandise amounted approximately to 350 million rupees in India's favour in 1947-48, as against 250 million rupees in 1946-47. Exports of Indian merchandise in the first half of 1948 showed encouraging signs of expansion. They amounted to ~~Rs~~ 2050 million rupees as against 1650 million rupees in the corresponding period of 1947.

Due to the partition of the country, India's export earnings, particularly in respect of jute and other staple commodities like hides and skins and raw cotton were bound to be adversely affected.

In conclusion, Mr. Hoogy stressed the need for trade and industry to strive together to accelerate production and research. He stated that to co-ordinate the activities of several offices in an integrated area, the Government of India had decided to establish an office of Inspector-General of Trade Commissioners in Europe. The question of appointing ~~z~~ similar officers for Asia and other large geographical blocs would be taken up after Government had ~~accumulated~~ experience of the working of the office in Europe.

(The Times of India, 6-8-1948).

44. Prices and Cost of Living.

India - August 1948.

India: Government of India re-imposes Controls on Cotton Textiles.

A Resolution of the Ministry of Industry and Supply in the Government of India, dated 31 July 1948, announced the decision of the Government of India to re-impose, with immediate effect, a measure of control over the production, distribution and prices of cloth and yarn. Explaining the reasons for the decision, the Government pointed out that the lifting of the controls on cloth (vide page 18 of the report of this Office for January 1948) had resulted in immense hardship to consumers on account of the subsequent sharp rise in the prices of cotton textiles (vide paragraph 44, pages 16-17 of the report of this Office for July 1948).

The main points of the new policy are:-

The existing stocks of cloth and yarn with the mills as on 31 July 1948 and all future production of the mills will be stamped with fair prices to be fixed by the Government in accordance with the recommendation of the Tariff Board. Pending a decision on the Tariff Board's report, the Government will fix prices ad hoc. The distribution of stamped cloth to the provinces and States will be made through ~~wholesale~~ wholesale dealers, duly approved or nominated by ~~the~~ the provincial or State Governments. The cloth distribution ~~to~~ buted to provinces and ~~States~~ States will reach the consumer through either Government-controlled shops or consumers' co-operative societies or the normal trade channels. Provincial and State Governments will make arrangements either for opening retail shops of their own or for selecting from the existing shops such as are to be entrusted with selling cloth under Government control.

Retail dealers will be permitted to charge an extra commission over the stamped mill prices. Provincial and State Governments will determine this margin within the "maximum" charge to be specified by the Central Government.

The dealers would be permitted to sell their present stocks of unstamped cloth up to 1 October this year. After that date, every bit of cloth sold in the market must observe the price schedule to be laid down by the Government.

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In accordance with the above decisions, the Government of India has, in exercise of the powers conferred by Section 3 of the Essential Supplies (Temporary Powers) Act, 1946, made the Cotton Textiles (Control) Order, 1948 re-imposing control over the production, distribution and prices of cloth and yarn.

The Government has also decided that side by side with the reimposition of controls over cotton textiles, control should be imposed on the prices of Indian raw cotton. This control will be exercised through specification of floor and ceiling prices and Provinces and States have been asked to take the necessary measures to implement this decision.

(The Gazette of India, Extraordinary,  
dated 31 July 1948, pages 1187-1189;  
The Gazette of India, Extraordinary,  
dated 2 August 1948, pages 1191-1202;  
The Statesman, dated 22-8-1948 ).

India: All-Round Increase in Prices  
Following Decontrol: Government  
considering measures to fight  
Inflation.

"The rapidly rising price and cost structure resulting from the introduction of a policy of gradual decontrol now dominates every other aspect of the economy of the country and more than neutralises the little that was being achieved in the field of production", states the report of the Central Bank Board of Directors of the Reserve Bank of India for the year ended 30 June 1948. The main developments of commodity prices and decontrol are summarised below.

Commodity prices and decontrol.- Analysing the recent trend in this sphere the report declares that the policy of gradual decontrol of prices became the main factor affecting the course of events, particularly during the latter half of 1947-48. The Government first removed, as an experimental measure, control over the production, distribution and prices of pulses other than grams, with effect from 15 November 1947. This was followed by decontrol of sugar with effect from 8 December, 1947, and the announcement on 10 December of the Government's revised food policy of gradual decontrol (vide pages 67-70 of the report of this Office for December 1947).

The Government also relaxed the existing controls over cotton and cloth with effect from 20 January 1948. The action taken by it included, among other things, the removal of the 'floors' and 'ceilings' in respect of cotton prices and the discontinuance of control over prices and distribution of cloth. Following these measures, prices of the decontrolled commodities soared above the controlled rates, a very steep ~~price~~ rise occurring in the case of cloth. At their peak levels, the wholesale prices of finer varieties of cloth in Bombay were 200 to 250 per cent above the ex-mill prices fixed in January under the voluntary price control, the rise in coarser varieties being as much as 100 per cent although there has since been an appreciable fall. The rise in the price of cereals like wheat and rice in some deficit areas ranged from 100 to 250 per cent, above the controlled rates. The actual prices paid by consumers were still higher in a number of cases but these were probably lower than those paid in the black markets which prevailed under the scheme of controls. The effects of the policy of decontrol and the other factors mentioned above on the general level of prices of the more important groups of commodities can be seen from the steep rise in the Economic Adviser's Index Number of Wholesale Prices since December 1947, given in the table below:

Monthly variations in the Economic Adviser's Index  
Number of Wholesale Prices, January-July 1948  
(Base August 1939=100).

Commodity Groups.	Jan.	Feb.	Mar.	Apr.	May.	June.	July.
Food articles.	347.7	348.5	347.1	348.8	557.6	577.0	592.1
	*(+9.5)						
Industrial							
Raw Material.	403.9	404.8	597.5	414.5	442.3	451.5	449.9
	(+12.3)						
Semi-manufactures.....	272.9	293.9	285.8	299.8	317.9	323.4	338.2
	(+5)						
Manufactured articles	292.9	321.3	324.5	325.8	351.3	370.1	370.2
	(+15.1)						
Miscellaneous	455.7	429.5	447.1	478.5	504.2	520.0	537.3
	(+0.3)						
All Commodities.	329.2	342.3	340.6	348.0	367.2	382.2	390.1
	(+1.8)						

\* Figures in brackets indicate the percentage rise over the corresponding figures for December 1947: Source: Statements issued by the Office of the Economic Adviser to the Government of India, showing Weekly Wholesale Prices of Certain commodities in India with their Index Numbers.

Rise in Workers' cost of living index.- With the steady rise in wholesale prices the working class cost of living indices also have risen sharply. For instance in Lucknow, the cost of living index for low-paid Government servants which was 382 in January 1947 and 442 in January 1948 touched 551 points in the first week of July 1948. In Kanpur the subsidiary cost of living index prepared by the Office of the provincial Labour Commissioner which stood at 315 points in January 1947 rose to 367 in January 1948. By June 1948 it had gone up to 462 and is now reported to have exceeded the 500 mark.

Debate in Legislature.- This steady upward trend in prices and ~~in~~ cost of living has naturally caused much concern, and on 11 August 1948, the Constituent Assembly of India (Legislative) debated a non-official resolution urging the setting up of a Commission to investigate the causes of inflation, and to recommend measures for bringing down prices of foodgrains, cloth and ~~miscellaneous~~ other necessities. The resolution reads: "This Assembly views with grave concern the continuing rise in the prices of the necessary commodities of life in the country and is of opinion that the Government should forthwith appoint a commission to visit the different provinces and to report within three months upon the causes of such abnormal rise and to suggest measures for effectively bringing down immediately these soaring prices of all necessities, especially of foodgrains, eatables and cloth".

Intervening in the debate the Prime Minister said that during the present session, the Government hoped to put before the House more precise proposals with regard to economic policy. The resolution suggested the appointment of a commission. If the House wanted it, the Government was prepared to appoint a commission but he did not see the value of doing so. A commission could not provide more facts or figures than the Government had or could possess. The Government proposed in this connection to meet certain representatives of various groups of economic interests—labour, industry, experts, economists, etc.—and consult and confer with them. Emphasising that he was only thinking aloud, the Prime Minister also referred to the need for a Minister of Economic and Social Affairs to co-ordinate and shape the Government's economic policy.

Conference with Economists, New Delhi, 18 and 19 August 1948.- In accordance with the Government's policy enunciated by the Prime Minister, the ~~Finance~~ Finance Minister convened a conference of 9 leading economists on 18 August, 1948 to make recommendations for solving the serious economic crisis facing the country.

Suggestions from other interests such as employers' and workers' organisations, also being studied and the Government is expected to announce the measures it proposes to take to fight inflation, sometime in September 1948.

(Annual Report of the Central Board of Directors of the Reserve Bank of India for 1947-48; The Gazette of India, dated 7-8-1948, Part 1, Sec. 1, pp. 958-974; The Statesman, 12, 18 and 19-8-1948 ).

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45. Economic Development and Control.

India - August 1948.

India: New Functions for Tariff Board: Enquiries  
into Costs of Production and Monopolies  
Authorized.

A Resolution of the Ministry of Commerce in the Government of India, dated 6 August 1948, announced the decision of the Government of India to extend the functions of the Tariff Board. In addition to the ~~present~~ functions entrusted to the Tariff Board in November 1945 and November 1947 (vide page 25 of the report of this Office for November 1947) the Tariff Board is now required: (1) to enquire, as and when required by Government, into the cost of production of a commodity produced in the country and to determine its wholesale, retail or other prices, and to report on the same; (2) to recommend to Government, as and when required, measures necessary for the protection of India's industries from dumping from abroad; (3) to undertake studies, as and when necessary, on the effects of ad valorem and specific duties and tariff valuations on various articles and the effects on tariff concessions granted to other countries; and (4) to report to Government, as and ~~when~~ when necessary, on combinations, trusts, monopolies and other restraints on trade, which may tend to affect the industries enjoying protection by restricting production, or maintaining or raising prices and to suggest ways and means of preventing such practices.

The Board has also been authorized to maintain a continuous watch over the progress of protected industries by conducting enquiries, as and when necessary, on the effect of the protective duties or other means of assistance granted, and advise Government regarding the necessity or otherwise of modifying the protection or assistance granted. The Board is also to keep a careful watch to ensure, that conditions attached to the grant of protection are fully implemented and that the protected industries are being run efficiently.

(No. 50-T(1)/48, dated 6 August 1948;  
The Gazette of India Extraordinary,  
dated 6 August 1948, pages 1255-1256).

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India: The Reserve Bank (Transfer to Public Ownership) Bill, 1948, introduced.

Mr. Shanmukham Chetty, Finance Minister, Government of India, introduced in the Constituent Assembly of India (Legislative) on 9 August 1948, a Bill to bring the share capital of the Reserve Bank of India into public ownership and to make consequential amendments in the Reserve Bank of India Act, 1934 (II of 1934).

Object.- The Statement of Objects and Reasons, appended to the Bill, explains that with a view to implement the Government policy that the Bank should function as a State-owned institution and to meet the general desire that the control of Government over the Bank's activities should be extended to ensure a greater co-ordination of the monetary, economic and financial policies, the Bill has been framed to provide: (1) for the acquisition of all the shares of the Bank held by members of the public against payment of compensation; (2) for enabling Government, after consultation with the Bank's Governor, to give directions to the Bank in matters of policy; (3) for amending the constitution of the Central and Local Boards which at present mainly represent the shareholders; and (4) for effecting certain amendments including consequential amendments in the Reserve Bank of India Act, 1934.

(The Gazette of India, Part V, dated  
14 August 1948, pages 482-487 ).



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Madras: The Madras Land Requisition and  
Acquisition Bill, 1948.

The Government of Madras gazetted on 5 August 1948 the text of the Madras Land Requisition and Acquisition Bill, 1948, which it proposes to enact in order to provide for the requisition and speedy acquisition of land for the purpose of maintaining supplies or services essential to the life of the community, and for other public purposes.

The Statement of Objects and Reasons appended to the Bill states that the Government considers that it should have power to requisition lands and buildings for storing foodgrains, housing of refugees and other public purposes and to acquire, if necessary, such lands and buildings. The Bill is intended to give effect to this object. Provision is made for the payment of compensation, in respect of any land (which is defined to include a building) requisitioned or acquired, to the person or persons having an interest in the land. If the amount of compensation can be fixed by agreement with such person or persons, it will be paid in accordance with such agreement. If no such agreement can be reached or where there is any dispute as to the title to receive the compensation or to the ~~apportionment~~ apportionment thereof, or where there is no person competent to alienate the land, the matter will be determined by an arbitrator appointed by the Government, subject to an appeal to the High Court in certain cases.

(The Fort St. George Gazette, Extraordinary,  
Part IVA, dated 5 August 1948, pages 369-373).

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Economic Conditions in India during 1947-1948:  
Reserve Bank of India Review.

Referring to the dominant economic trends in India during 1947-48, the report of the Central Board of Directors of the Reserve Bank of India for the year 1 July 1947 to 30 June 1948, declares: "the price situation emerged once again as the most important aspect of the economic problem during the year and needs the most careful watching not only for its likely repercussion on social welfare but also for the almost certain reactions on financial policy which this is bound to create, when the effects of these price increases percolate widely into the income structure". The main developments during the year under review in the various spheres of India's economic life as reviewed in the report are summarised below:

General economic conditions.- The general economic situation in India was dominated during the year mainly by the developments following the partition of the country which added to, and at times entirely overshadowed, the already grave problems of industrial reconversion that had arisen on the termination of the war. Inflationary pressures again gathered momentum, particularly following decontrol in certain spheres and renewed additions to currency circulation resulting mainly from the depletion of Government balances accumulated during the war. Industrial production declined owing partly to a general sense of frustration on the part of industrialists after the imposition of fresh taxation in the budget for 1947-48 and partly to growing labour unrest and the dislocation arising from widespread political disturbances. Shortages of essential goods were further accentuated by transport difficulties, and the adoption by Government of a more restrictive import policy with a view to conserving foreign exchange. The renewed additions to currency circulation ~~were~~ were due in no small degree to the refugee rehabilitation work, which imposed a heavy strain on the country's administrative and financial machinery; the provision made by the Government of India in the interim budget for 1947-48 and the annual budget for 1948-49 being respectively 148.9 million rupees and 100.4 million rupees. The general price level and the cost of living showed an almost uninterrupted rise and led to a weakening of confidence and affected business activity as evidenced by the working of the Stock Exchanges. The steps taken to attain ~~exchange~~ internal stabilisation included (i) the adoption in December by the Tripartite Industries Conference of a Three-Year Industrial Truce, (ii) legislation for the establishment of the Industrial Finance Corporation, (iii) the grant of tax concessions in the 1948-49 budget and (iv) the announcement by Government of its industrial policy, demarcating the spheres in the industrial field of State and private enterprise.

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Besides the rising price level, the food situation also threatened early in the year to lead to a breakdown of the entire rationing system. The crisis, however, was averted by a reduction in ration scales, a better harvest of 'kharif' crops and a substantial improvement in imports. Following the adoption in December by Government of a policy of progressive decontrol of foodgrains, there was a sharp rise in prices, the food index registering a rise of 21 per cent between November and May.

Commodity prices.- This part of the report is summarised at pages 18-20, Paragraph 44, of this report.

Balance of trade: Effect of partition.- During the period first half of 1947, the gap in India's balance of trade with the hard currency countries widened further, owing mainly to the inflow of nonessential goods in substantial quantities and the imports of foodgrains at rising prices. The Government revised its import policy in July 1947 and again in December 1947. Under the new arrangements the policy pursued hitherto of non-discrimination regarding the sources of India's imports was abandoned, imports for the period January to June 1948 being classified into those which would be licensed freely from dollar areas, those which would be licensed freely from non-dollar areas and those which would not be licensed at all. In view, however, of a subsequent improvement in the sterling exchange reserves, the restrictions on imports from sterling area were slightly relaxed as from January 1948. As regards export controls, there was considerable measure of liberalisation during the year.

In view of the economic interdependence between India and Pakistan, particularly in the sphere of trade, the two Dominions entered into a standstill agreement which provided for the maintenance of the status quo in regard to import and export controls and customs tariffs during the interim period ending 29 February 1948. On the termination of this agreement, Pakistan was declared a foreign territory, and movement of goods from and to Pakistan was brought within the purview of the Imports and Exports (Control) Act, 1947. The maladjustments resulting therefrom were, however, partially mitigated by an agreement arrived at between the two Dominions in April, which provided, among other things, for the removal of restrictions whether imposed by a Central or provincial Government on the movement between the two Dominions of a number of commodities and the customs duties thereon. The commodities included fresh fruit, vegetables, milk and its products, poultry and eggs, ~~in~~ local spices, bamboo and firewood. Later, another agreement was arrived at, which provided for the mutual exchange of essential commodities on short-term basis upto certain agreed limits. The more important commodities which India, under this agreement, assured ~~supply~~ supply to Pakistan included coal, cloth and yarn, jute manufactures, steel and railway stores. In return, Pakistan would supply to India mainly raw jute, raw cotton and foodgrains, (vide paragraph 45, page 16 of the report of this Office for June 1948).

Preliminary figures in respect of the foreign trade (both on private and Government accounts) of India and Pakistan during the seven months ended January 1948 showed a surplus of 118 million rupees as against a deficit of 189 million rupees during the corresponding period in the previous year.

Exchange control.- There were no changes in the basic principles of exchange control during the year, although its scope was greatly extended. Pending the completion of the sterling balances negotiations which commenced early in July, 1947, restrictions were imposed, inter alia, on transfers of capital from India to the United Kingdom and other sterling area countries with a view to preventing possible movement of capital. Following the first Interim Agreement in August 1947, these restrictions were made more comprehensive. During the year, permission was granted for the resumption of commercial and financial transactions with the ex-enemy countries, viz., Rumania, Germany, Bulgaria and Japan.

Industrial share market.- The Economic Adviser's general index number of prices of variable yield securities ~~(1927-28=100)~~ (1927-28=100) for the eleven months ended May, 1948, averaged lower at 183.0 as compared with 261.2 for the ten months of the corresponding period of the preceding year. The prices at the close of the year also kept lower than those at the close of last year, the general index for May, 1948, being 173.3 as against 200.5 for June, 1947, representing a decline of 13.4 per cent. The bearish tendency witnessed since September, 1946, continued almost unabated during the greater part of 1947, the main factors affecting the market being fears and doubts as regards various factors in the political, economic and financial spheres, e.g., the partition of the country, communal riots, Government's economic policies, particularly in the matter of removal of control over the distribution and prices of commodities, regulation of the stock exchanges by Government, and the probability of limitation of dividends and the introduction of profit-sharing, as well as a tendency for profits to show a marked decline due to rising costs of commodities and labour. At the close of the year under review the market witnessed a quiet and hesitant tone under the influence, on the one hand, of favourable factors such as the approval by the Dominion Parliament of the resolution embodying Government's industrial policy indicating the demarcation of the industries between private and State enterprise, the rise in cotton textile prices consequent on the removal of cloth control and the rumours about possible increase in steel prices, and on the other, of such bearish factors as the adverse news regarding the Hyderabad situation and fears, regarding the possibility of acquisition by the Government of the textile industry units if cloth prices did not come down.

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Agricultural Credit Department.— The Agricultural Credit Department continued as before to study the problems connected with the co-operative movement, land mortgage banks, debt legislation, regulation of money-lending, warehousing legislation, marketing and other cognate matters. The services of the Department were utilised by co-operative banks, Registrars of Co-operative Societies and Governments for consultation. At the request of the Government of India the Department prepared a scheme and a draft Bill for the establishment of a Central Agricultural Finance Corporation for India.

During the year credit limits against bills or promissory notes drawn for financing seasonal agricultural operations or marketing of crops at a special concession rate of 1½ per cent below the Bank Rate were sought for by some Provincial Co-operative Banks to a considerably larger extent than ever before and were sanctioned almost to the full extent asked for.

Department of Banking Operations.— The Department of Banking Operations continued to deal with all problems relating to the scheduled and non-scheduled banks both in India and Pakistan and to keep a close watch over their affairs. Among the more important activities of the Department may be mentioned the inspection of banks on behalf of the Government of India, the ~~Banking Companies~~ examination of applications under the provisions of the Banking Companies (Restriction of Branches) Act, 1946, the examination of applications for issue of capital forwarded by the Governments of India and Pakistan for Reserve Bank's opinion and in general the tendering of advice on banking and financial matters to banks and Governments.

During the year under review, a permanent branch of the Department in charge of a Deputy Chief Officer was established at Madras. The branch started functioning from 17 May, 1948.

The Banking Companies (East Punjab and Delhi) Ordinance, 1947, and the Banking Companies (Pakistan) Ordinance, 1947.— After the partition of India it was found that a few middle-sized and small banks with registered offices in the East Punjab and Delhi had most of their assets in the West Punjab while the bulk of their deposit liabilities had been transferred to their branches in India. In view of the difficulties regarding access to their records or assets in the West Punjab, some of these banks found it difficult to make any immediate arrangements for meeting the claims of their depositors. With a view to avoiding damage to the banking structure of the country and unnecessary distress to the depositors, many of whom were refugees, the Government of India, in consultation with the Reserve Bank, promulgated on 27 September 1947, the Banking Companies (East Punjab and Delhi) Ordinance, 1947. The Ordinance empowered the Central Government to make an order staying for a period of three months the commencement or continuance of all actions and proceedings against a banking company applying in this behalf whose registered office was situated in the Province of the East Punjab or Delhi. The Government of Pakistan also promulgated a parallel

Ordinance, the Banking Companies (Pakistan) Ordinance, 1947, on 22 October, 1947, but without any provision for Government assistance. The Ordinance lapsed on 27 March, 1948, and 22 April, 1948, respectively.

Control of Capital Issues.- Control continued to be exercised over the issue of capital during the year under review under the Capital Issues (Continuance of Control) Act, 1947. During the eleven months ended May, 1948, sanction was given to 400 companies for an issue of 1367.7 million rupees as against 612 companies for 3551.5 million rupees during the corresponding period of the previous year. The total number of companies permitted to issue capital and the amount sanctioned since the inception of the control in May, 1945, were 5,474 and 8317.9 million rupees respectively. The following table gives the groupwise distribution of consents. Figures upto 14 August, 1947, relate to undivided India while those subsequent to it relate only to the Dominion of India.

Classification.	Number of companies.	Amount allowed (in million of rupees).
Industrial .....	2,813	4,893.9
Agricultural.....	377	295.2
Financial .....	785	1,324.3
Trade and Transport.....	1,133	1,505.2
Other Services.....	366	299.3
Total Non-Industrial.....	2,661	3,424.0
Grant Total (Industrial and Non-Industrial).....	5,474	8,317.9

Since the promulgation of the Defence of India Rule 94A on 17 May 1948 to the end of the year under review, the Reserve Bank of India has been called upon to give its opinion on 1,083 applications from the existing banks or proposed banking companies for issue of capital, some of the banks having applied more than once. Out of the 1,083 applications, 437 were recommended for acceptance, 637 for rejection and 9 were returned without comments to the Governments concerned. The number of applications received during the year under review was 66 of which 18 were recommended for acceptance, 39 for rejection and 9 were returned to the respective Governments without comments.

Department of Research and Statistics.- The Department of Research, and Statistics continued to issue monthly the Reserve Bank of India Bulletin which completed its first year of publication in December 1947. Among the subjects studied by the Monetary Division were (1) Pakistan's requirements of (a) Small Coin and (b) Inscribed Pakistan Notes, ~~which~~ during the first year of their issue, 1948-49, (2) Limitation of Return on Capital, (3) Stock Exchange Reform, (4) U.S. Public Debt Pattern, (5) The Present Price Situation in India,

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(6) Recent trends in gilt-edged markets and (7) The Future of cheap money. Some of these have been published in the Bank's monthly ~~bulletin~~ bulletin. The Government of India, by a notification on 23 October, 1947, conferred upon the Bank necessary powers to call for such information as the International Monetary Fund may require. In pursuance of this the Division collected detailed information in regard to gold and foreign exchange assets and liabilities of the Central Government, the Reserve Bank of India and Scheduled Banks.

The Division of Statistics continued to compile the statistical portion of the Bank's monthly bulletin. The work in connection with the compilation of index numbers of (1) Wholesale Prices, (2) Security Prices, (3) Bullion Prices, (4) Industrial Production and (5) Mineral Production was completed and memoranda on these are being circulated for comments. The experimental work undertaken last year to investigate into the applicability of sampling technique in the field of bank inspection was completed during the year and a report was submitted to the Deputy Governor. The sampling technique is also being tried out in other directions such as certain investigations conducted by the Exchange Control Department. Notes prepared during the year by the Statistics Division include (1) Economic Consequences of Partition with special reference to Agriculture and Population. (2) Estimates of circulation of rupee coin for the years 1935-1943. (3) Yield on 4 per cent Victory Bonds. (4) Industrial Finance Corporation and Quality Control and (5) a note on the Compilation of National Income Statistics for India. The Division of Rural Economics continued to work on Survey of rural indebtedness in the Bombay Province. The work of tabulating the data collected from the Pandharpur-Sangola Debt Adjustment Board was completed and the report analysing and interpreting the data was being examined by the Director. The survey of rural indebtedness in Murbad taluka in Thana district, has now been undertaken. The Division proposes to undertake, in association with the Indian Council of Agricultural Research, a survey of the present economic and financial conditions of some villages round about Delhi. These villages have been selected by the Council to implement, as an experimental measure, a scheme for the intensive application of scientific methods of agriculture and animal husbandry. A comprehensive study of the Indian Food Problem was published in the Reserve Bank Bulletin in two instalments.

Fall in sterling assets.- The sterling assets of the Reserve Bank declined during the year by 294.8 million rupees as compared with a net decrease of 1,282.5 million rupees in the preceding twelve months. The decline resulted mainly from a deficit in the country's international transactions on current account caused among other factors by heavy imports of food on Government account as well as by permissible capital transfers. The total holdings in the Issue and Banking Departments as on 30 June, 1948, amounted to £1,152.50 million or 15,366.7 million rupees which are maintained in the form of cash and investments in short-term British Government securities.



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Under the terms of an agreement reached between the two countries in July 1948, the United Kingdom has agreed to release to India, during the three years ending June 1951, £80 million. This amount together with the current balance in India's No.1 Account of about £80 million constitutes roughly a sum of £160 million available for expenditure over the next three years. A sum of £15 million is to be made available in dollars and other hard currencies over a period of one year, this amount being available to India in addition to India's current earnings in dollars and other hard currencies, supplemented by borrowings from the I.M.F. if any. Agreement has also been reached over the purchase of military stores and installations by the Government of India at a cost of £100 million and the purchase of a tapering annuity from H.M.G. for the payment of pensions at a cost of £168 million, (vide paragraph 48, pages 37-38 of the report of this Office for July 1948 ).

Economic prospects.- Against the world economic background, the report points out that for India and the countries of the Near and Far East, it has been, and continues to be, difficult to obtain at reasonable prices such capital goods, as are required for even the maintenance of the existing industrial and agricultural production and transport systems, not to speak of further progress in organising new enterprises. This added to the other unfavourable factors, such as uncertainty about Government's economic policy, high taxation and transport difficulties, has been holding up the country's development plans and the much needed recovery in production. ~~By the Government's early~~ With the reduction of the tax burden on industry imposed by the 1947-48 budget and by the formulation by the Government early in April of the broad outlines of its economic policy in regard to nationalisation, labour and capital, some signs of improvement became visible in the volume of production and in respect of the capital-labour relations; but a great deal still remains to be done in this direction. In any case the rapidly rising price and cost structure resulting from the introduction of a policy of gradual decontrol now dominates every other aspect of the economy of the country and more than neutralises the little that was being achieved in the field of production. It points out that in a comparatively backward economy like that of India production is not very elastic to price changes and the degree of scarcity even in regard to the ordinary needs of life is very high. In such an atmosphere where the root of the trouble is not so much over-spending as underproduction, the removal of controls has to be especially slow and cautious. Otherwise the restoration of freedom is likely only to lead to an increase in the price levels, not necessarily accompanied by an increase in production of the required magnitude. In fact in the kind of small-scale agricultural economy which is not geared too well to a market economy it is even likely that increased prices might, at the margin, actually lead to a lower volume of output. If this were to happen, "decontrol can only lead to a high and rapid rise in prices with all the attendant consequences of an inflationary spurt. This undoubtedly is what is being witnessed today so vividly in the movement of the price structure in



India".

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(Annual Report of the Central Board of Directors of the Reserve Bank of India for 1947-48; The Gazette of India, dated 7-8-1948, Part 1, Section 1, pages 958-974 ).

Rationalisation of Power Supply: Electricity (Supply) Bill, 1948, passed by Constituent Assembly of India (Legislative), 16-8-1948.

On 16 August 1948, the Constituent Assembly of India (Legislative) passed the Electricity (Supply) Bill, 1948, moved by Mr. M.V. Gadgil, Minister for Works, Mines and Power. The Bill seeks to provide for the rationalisation of the production and supply of electricity in the provinces of India.

Constitution of Central Electricity Authority.- Under the ~~provisions~~ provisions of the Bill the Central Government shall constitute a body called the Central Electricity Authority, whose functions will be to: (i) develop a sound, adequate and uniform national power policy, and particularly to co-ordinate the activities of the planning agencies in relation to the control and utilisation of national power resources; (ii) act as arbitrators in matters arising between the provincial Government or the Board and a licensee or other person as provided in the Act; (iii) carry out investigations and to collect and record the data concerning the generation, distribution and utilisation of power and the development of power resources; and (iv) make public from time to time information secured under the Act and to provide for the publication of reports and investigations.

The Authority shall consist of not more than six members appointed by the Central Government, of whom at least three shall be full-time members.

Provincial Electricity Boards.- It further requires that, unless the Central Government otherwise directs, provincial Governments shall set up a Provincial Electricity Board within a specified period. The Provincial Board will, co-ordinate and stimulate electrical development by methods conducive to a progressive reduction in the cost of generating electricity, and effect a form of financial control over commercially-owned undertakings whereby the investor is assured of fair return, the industry of adequate capital and the consumer of low rates.

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Moving the third reading of the Bill, Mr. Gadgil said that the Bill was a compromise between two extreme views—those who stood for Socialism and State ownership and control all at once and those capitalists who refused to budge an inch to meet the demand of the times. It was "an experiment in mixed economy".

(The Gazette of India, dated 20-3-1948,  
Part V, pages 201-250 ;  
The Statesman, dated 17-8-1948 ).

46. Wages.  
India - August 1948.

Madras: Claims Authorities appointed under  
Minimum Wages Act.

In exercise of the powers conferred by section 20(1) of the Minimum Wages Act, 1948, the Governor of Madras has appointed the members of certain Industrial Tribunals constituted under the Industrial Disputes Act, 1947, ex Officio, to be the Authorities to hear and decide all claims arising out of the payment of less than the minimum rates of wages to employees employed or paid in certain specified areas. The authorities who have been so appointed and the area of their jurisdiction are as follows:-

<u>Persons appointed to authorities.</u>	<u>Area for which appointed.</u>
The Member of the Industrial Tribunal at Madras.	Districts of Madras, Chingleput, South Arcot and North Arcot.
The Member of the Industrial Tribunal at Coimbatore	Districts of Coimbatore, Salem, Malabar, South Kanara and the Nilgiris.
The Member of the Industrial Tribunal at Madura.	Districts of Madura, Tinnevelly, Ramnad, Tiruchirappalli and Tanjore.
The Member of the Industrial Tribunal at Vizaviada.	Districts of Vizagapatam, East Godavari, West Godavari, Krishna, Guntur, Hellore, Chittoor, Cuddapah, Anantapur, Kurnool and Bellary.

(G.O. No. 5994, Development, dated 29 July 1948;,  
The Fort St. George Gazette, Part I, dated  
17-8-1948, page 765 ).

47. Reconstruction Plans.

India - August 1948.

India: Government sets up Atomic Energy Commission.

Under Clause 13 of the Atomic Energy Act (Act No. XXIX of ~~1948~~ 1948), (vide page 28 paragraph 47 of the report of this Office for June 1948) the Government of India has decided to set up an Atomic Energy Commission with the following personnel: Dr. H.J. Bhabha, Chairman; Dr. K.S. Krishnan, member; Dr. S.S. Bhatnagar, member and Secretary.

The work of the Commission will be carried on directly under the guidance of the Prime Minister. Among the functions to be discharged by the Commission would be the following: (i) to take such steps as may be necessary from time to time to protect the interests of the country in connection with atomic energy, by the exercise of the powers conferred on the Government of India by the provisions of the Atomic Energy Act; (ii) to survey the territories of the Indian Dominion for the location of useful minerals in connection with atomic energy; and (iii) to promote research in their own laboratories and to subsidise such research in existing institutions and universities.

Special steps are to be taken to increase teaching and research facilities in nuclear physics in Indian universities.

(Government of India Press Note;  
The Statesman, dated 10-8-1948 ).

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48. Public Finance.

India - August 1948.

Control of Stock Exchanges suggested:  
Economic Adviser's Report on Regulation  
of the Stock Market in India .

Central Legislation to regulate the stock market and the setting up of a competent public authority to administer the law are among the more important recommendations made by Dr. F.J. Thomas, Economic Adviser to the Ministry of Finance, Government of India, in his "Report on the Regulation of the Stock Market in India". The inquiry was undertaken to find out if peace-time regulation of the stock market in India was necessary, and is based on data collected mainly in 1945 and 1946. The report was completed early in 1947.

Unhealthy growth of stock exchanges: regulation necessary.- According to the report, stock exchanges in India have been springing up in cities and towns without the sanction of any authority, and in some cities many competing stock exchanges have been set up in the same street. The number of exchanges in India rose from 3 in 1934 to 21 in 1945. Many of these worked without proper rules of business. In some cities, side by side with these exchanges, street markets and independent dealers also carried ~~on~~ trade in shares. Though these conditions have somewhat changed since the end of the war, question of regulation still remained urgent. Rectification of the investment market is an essential preliminary to the launching of any plan for the improvement of the present economic structure.

To achieve this end, the report suggests, first, Central legislation to regulate the stock market; secondly, the setting up of a competent public authority to administer the law. In the legislation contemplated, the Central Government should have power to regulate the stock market by licensing stock exchanges and other dealers in stocks and to make rules and by-laws; to register securities seeking to be enlisted on stock exchanges and insist on certain periodical returns regarding them; to impose restriction on blank transfer and other "objectionable practices"; to administer laws relating to the securities trade by setting up suitable agencies for the purpose; to fix margins for stock dealings from time to time; to call for books of members of firms, and to examine the financial position of, and call for explanation from, brokers; and to levy a sales tax on sales of stock.

Other proposals.- Among ~~the~~ other proposals are:-

No competing stock exchanges should be permitted on one and the same city or town; All stock exchanges, curb markets and independent firms, if any, should be licensed, and in future no such concern should be started without its first taking out a licence; ~~Stock~~ Rules of business of stock exchanges should be uniform throughout the country; Ready delivery contract should be strictly defined, and only in exceptional circumstances should any extension of the period be made; Strict listing regulation should be enforced on all stock exchanges; Provision should be made for compulsory margins; Margins should be prescribed also in respect of bankers' advances on stocks and shares; Members should be prohibited from trading with their clients as principals; A schedule of minimum brokerage should be fixed and enforced; A period of apprenticeship and training should be provided as a necessary qualification for membership. A diploma on this subject in the Universities of Bombay and Calcutta may be ~~its~~ desirable; The number of holidays on stock exchanges must be curtailed; Clearing Houses should be attached to all stock exchanges; Provision should be made in Company Law for a close scrutiny of the underwriting and first sale of company shares, and of the share transaction of directors and other officers of companies; and the cost of administering the law should be most largely from the licence fees for registration, but it may be desirable to levy a sales tax at low rates on all share dealings, the proceeds to go largely to provincial Governments.

(The Statesman, 26-7-1948 ).

Indo-British Agreement on Sterling Balances  
approved by Constituent Assembly of India  
(Legislative).

The Indo-British Agreement on Sterling Balances, the terms of which were summarised at paragraph 48, pages 37-38, of the report of this Office for July 1948, was approved by the Constituent Assembly of India (Legislative) on 13 August 1948, after a two-day debate. The debate arose out of Government's two supplementary demands for the grant of about 2,160 million rupees in respect of capital outlay for sterling pensions and 650 million rupees for the "defence capital outlay". Both demands were granted.

(The Times of India, 14-8-1948).

Consideration of Estate Duty Bill, 1948,  
postponed.

On 9 August 1948, the Constituent Assembly of India (Legislative) agreed to a Government motion asking for the extension of time till the next budget session for submission of the final report on the Bill providing for the levy and collection of estates duty (vide paragraph 48, pages 52-53, of the report of this Office for July 1948). The reasons given by the Finance Minister for such a course of action were, firstly, the provinces had to be consulted for bringing within the purview of the Bill agricultural land, secondly, the States had to be persuaded to fall in line to avoid the flight of capital from the provinces and, thirdly, implications of the Bill in regard to the Hindu Joint family had to be studied fully.

(The Times of India, dated 10-8-1948).

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49. Rehabilitation.India - August 1948.India: The Resettlement of Displaced Persons  
(Land Acquisition) Ordinance, 1948 (XX of 1948).

The Governor General of India promulgated on 2 August 1948 the Resettlement of Displaced Persons (Land Acquisition) Ordinance, 1948, providing for the speedy acquisition of land for the resettlement of displaced persons from areas now forming part of Pakistan. The Ordinance comes into force at once and extends to the Chief Commissioners' Provinces of Delhi and Ajmer-Merwara. It empowers Government ~~to~~ whenever it is considered necessary or expedient to acquire land speedily for the resettlement of displaced persons, to acquire such lands by serving a notice on the owner or occupier. Provision is made for the payment of such compensation as may be fixed by agreement and where no such agreement can be reached, the Provincial Government is empowered to appoint an arbitrator to determine the compensation. An appeal lies to the High Court from the award of the arbitrator and the decision of the High Court is final.

(The Gazette of India-Extraordinary,  
dated 2 August 1948, pages 1205-1206).



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CHAPTER 5. WORKING CONDITIONS.

INDIA - AUGUST 1948.

51. Hours of Work.

Three Shifts in Textile Mills proposed:  
Bombay Industrial Conditions Inquiry  
Committee's Report.

The Industrial Conditions Inquiry Committee, set up by the Government of Bombay (vide page 15 of the report of this Office for January 1947), in a report submitted to the Government proposes the immediate introduction of a third shift in textile mills as a temporary measure until the cloth situation in India improves.

Nine hour shifts unnecessary.- The report emphasises that increased production is necessary "to clothe India, to export in order to feed India, and to retain India's foreign markets". It suggests that the first shift should be from 7 a.m. to 11 a.m. and 11-45 a.m. to 3-45 p.m., the second shift from 5-45 p.m. to 7-45 p.m. and again from 8-30 p.m. to 12-30 p.m., and the third shift from 12-30 a.m. to 7 a.m. with half an hour's break from 5 to 5.30 a.m. It is estimated that, with machines running for 22 hours daily instead of for 16 as under the double shift, the production of mills would automatically increase by 37.5 per cent. It is recommended that a third shift should be made compulsory for all spinning mills and for all weaving mills for which the necessary labour force can be found. The recommendation for adoption of a third shift, the report adds, "necessarily involves total rejection of the proposal to revert to nine-hour shifts".

Rationalisation.- The <sup>report</sup> ~~Committee~~ also recommends rationalisation as a principle to be firmly accepted and intelligently applied, and adds that if any persons displaced by rationalisation cannot be found employment either in the third shift or in other departments, they must be left to seek another industry, and their case must not be made an excuse for resisting what cannot fail to be of the greatest benefit to the industry and the country as a whole. It, at the same time, warns that the effect of rationalisation must fall only on "lazy and inefficient workers" and managements must avoid even the suspicion of getting rid of workers merely because of their trade union activities. The <sup>Committee</sup> ~~Committee~~ also proposes that mills should go back to their war-time counts until the cloth situation improves.

Other recommendations.- Calling for the removal of "acute mistrust and even hatred" between mill managements and workers, the report recommends so far as it is practically possible prior consultation of workers by ~~the~~ managements upon all proposals which will affect their work and welfare. The grant of efficiency and attendance bonuses, standardisation of wages and better working conditions including air-conditioning, dust removal, spacing of machines and introduction of industrial colour schemes are also recommended.

(The interim recommendation<sup>s</sup> of the Committee with regard to the cotton textile industry in the Khandesh region of Bombay Province were summarised at pages 24-25 of the report of this Office for May 1947).

(The Times of India, 20-8-1948).

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52. Welfare and Workers' Leisure.

India - August 1948.

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Assam: Rules under Factories Act: Provisions  
for Canteens in Factories.

Reference was made at page 4 of the report of this Office for December 1947 to the draft of certain rules, the Government of Assam proposed to make under Section 33A of the Factories Act, 1934, for the provisions of canteens in factories. The draft rules have now been approved and gazetted. A summary of the provisions of the rules was given at page 4 of the report of this Office for December 1947.

(The Assam Gazette, Part II, dated  
4 August 1948, page 713 ).

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Bombay: Co-ordination of Departmental Welfare  
Activities: Recreation Board constituted .

A Recreation Board, under the chairmanship of Mr. L.M. Patil, Minister for Excise and Reconstruction, has been constituted by the Government of Bombay for the purpose of achieving the effective co-ordination of the recreational activities conducted at present by different Departments, viz., Labour, Education and Industries and Prohibition.

Functions.- The functions of the Board will be (1) to organise equipment, facilities, etc., for recreational activities, such as dramatic performances, cinema shows, visual instruction with particular reference to education, prohibition and labour welfare; provision of swimming pools, gymnasia sport, music, nira or milk bars, bhajan parties, (sing-songs), reading rooms, libraries, lectures, holiday homes for industrial labour and activities pertaining to labour welfare centres; and (2) to take steps to co-ordinate the administration of the above recreational activities under the Education, Industries, Labour and Prohibition Departments, and to advise the Departments on all necessary measures.

Mr. A.S. Iyengar, Director of Labour Welfare, will be the Secretary to the Board.

(People's Raj, dated 7-8-1948, issued by the Directorate of Publicity, Government of Bombay ).

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Women and Child-bearing: Inquiry regarding  
Effects on Health.

The All-India Institute of ~~Progressive Hygiene~~ and Hygiene and Public Health, Calcutta, has undertaken medical research to assess the extent to which the health of a woman is affected by the frequency of child birth and other factors such as nutrition and environmental conditions.

The investigation is the first of its kind in India, and women workers are collecting information from more than 2,000 women between the ages of 12 and 50, belonging to different strata of society.

(The Statesman, 25-8-1948 ).

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56. Labour Administration.

India - August 1948.

United Provinces: Resident Labour Inspectors  
for Industrial Centres proposed.

It is understood that the Government of the United Provinces proposes to appoint resident labour inspectors at all industrial centres with industrial undertakings employing about 2,000 or more workmen. At present there are seven regional conciliation officers in the province who have been entrusted with the work of dealing with labour troubles.

The five centres at which labour inspectors will be posted are: Ferozabad, Aligarh, Hathras, Benares and Saharanpur.

(National Herald, 5-8-1948).

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59. General.

India - August 1948.

Conditions of Work in Indian Railways in  
1946-1947: Annual Report of Railway Board\*.

The following information regarding the conditions of work of railway employees in India during the year ended 31 March 1947 is taken from the Annual Report for 1946-1947 (Volume I), on Indian Railways, issued by the Railway Board.

General review of Working of railways.- The year under review was the first complete working year after the end of the war. As compared with the preceding year there was a marked decline in military traffic, both in coaching and goods. The loss of military passenger traffic was, however, made up by the increase in civilian passengers, but the quantum of goods traffic showed a very considerable decline. There was also a decline in coaching earnings other than passenger earnings, chiefly due to decline in military parcels traffic. While the earnings from passengers on all Indian Railways increased by a little over 3 per cent, the earnings from goods traffic recorded a decrease of 10.6 per cent. The gross traffic receipts of Indian Government Railways declined from 2257.4 million rupees in 1945-46 to 2055.5 million rupees in 1946-47. Excluding traffic moved by military specials, passenger miles in 1946-47 totalled over 42 millions as against only 18.7 millions in 1938-39—an increase of 124 per cent. As compared with 1945-46, the increase in passenger miles in 1946-47 was 1.8 per cent. The volume of goods traffic during the year, measured in terms of net ton miles, showed a decline of 7/2 per cent over 1945-46. Compared with 1938-39, however, there was an increase of over 22 per cent. There was an appreciable decline in the volume of military traffic handled, while other traffic continued to be subject to priority regulations. An analysis of the movements during the year shows that coal accounted for 42.8 per cent of the total net ton miles and foodgrains, pulses and oilseeds together for 12.1 per cent as compared with 38.5 per cent and 11.3 per cent in 1945-46. "Other commodities" accounted for 45.2 per cent of the traffic as compared with 50.3 per cent in the preceding year.

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\* Government of India Ministry of Railways (Railway Board): Report by the Railway Board on Indian Railways for 1946-47 Volume I: Published by the Manager of Publications, Delhi: Printed by the Government of India Press, Calcutta, India, 1948: Price: Rs.3-2 or 5s.: pp. vi+80.

The year under review saw the introduction of the first practical measure towards simplification of the rating structure on Indian Railways. In accordance with the recommendations of the Post-war Rating Committee, a telescopic class rate on a continuous mileage basis was introduced from 1st February 1947 as an experimental measure for a small number of commodities. The articles included manures, oil-cakes and bone meal for manure. On the commercial side, passenger fares were increased by 6 $\frac{3}{4}$  per cent over the prevailing rates, with effect from 1 March 1947.

Number of railway employees.- The total number of employees (permanent and temporary) on all Indian Railways and in the office of the Railway Board and other offices subordinate thereto (excluding staff employed on construction) at the end of the year 1946-47 was 1,046,843 as compared with 990,863 at the end of 1945-46. The total route mileage at the end of the year was 40,524.

The total number of staff employed on the open line of Indian Government Railways increased by 55,799 during the year, while the number of construction staff decreased by 1,365. During the year under review, staff numbering 17,059 rendered surplus on Indian Government Railways were re-absorbed in employment, while 1,898 men were discharged, of whom only 56 were recruited earlier than 15 September, 1945.

The total cost of staff, including that of staff on loan from the Indian Audit and Accounts service increased by 58,835,759 rupees during the year. Increases were recorded both in the numbers and cost of staff on Indian Government Railways. The general increase in numbers was due to employment of additional staff to cope with the increased volume of work and on certain items of the post-war programmes. The rise in cost, apart from that resulting from the increase in staff, was due mainly to the payment of arrears of dearness allowance to the staff concerned at enhanced rates and to the grant of interim relief to all railway servants drawing pay of 250 rupees and below.

Direct recruitment and promotions to superior services.- During the year 1946-47, 52 appointments were made to the Superior Railway Services by direct recruitment, while 19 vacancies were earmarked for promotion from Class II and Class III services, but the selection for filling up the vacancies could not be completed during the year. One Specialist post in the Superior Service was, however, filled up by promotion of a subordinate during the year. Twenty-two promotions were made to the Lower Gazetted Service in the various Departments.

Railways and Labour: Reduction of Hours of Work.- With the termination of hostilities and resultant shrinkage of traffic to normal levels, railway-men feared that there would be large scale retrenchment of staff. It was contended that the existing hours of work for several classes of railway employees were far too long, that the leave reserves were inadequate, that leave rules and holiday concessions required liberalisation and that if necessary reforms in



this regard were introduced, there would hardly be a case for retrenchment. In response to the demands of the All-India Railwaymen's Federation, the Government of India appointed, in April 1946, an Adjudicator to adjudicate on questions relating to hours of work, compulsory periodic rest, leave reserve, leave rules and holiday concessions of staff not governed by the Factories Act, 1934. The report of the Adjudicator was submitted to the Government in May 1947. The report recommended reduced hours of work and included proposals which would entail the engagement of about 79,000 more men by the Indian Railways and an additional recurring expenditure of 65 million rupees per annum. These recommendations were accepted by the Government of India and came into effect from 15 June 1948. (For details see paragraph 67, pages 65-68 and 51 of the report of this Office for March 1948 and June 1948 respectively).

Increased in Pay: Central Pay Commission's Recommendations.- The second important event was the appointment, in May 1946, of the Central Pay Commission to enquire into the conditions of service of all Central Government servants, with particular reference to the adequacy of their pay scales and standards of remuneration. Following the recommendations of the Pay Commission and the Government of India's acceptance thereof (vide pages 45-50 of the report of this Office for May 1947), a Tribunal was appointed in April 1948 to facilitate the classification of railway workers for purposes of application of the scales recommended by the Pay Commission. The Tribunal submitted its report in June 1948 and all Government Railway Administrations were instructed to implement the award as early as possible, and in full measure, in accordance with undertakings given by the Government (vide paragraph 46, pages 26-27 of the report of this Office for June 1948).

Meeting with AIRF.- At the 25th half-yearly meeting held between the Railway Board and the All-India Railwaymen's Federation on 6 February 1947, the following were among the subjects discussed: (a) extending service conditions as on Indian Government Railways to other Indian Railways; (b) compensation to railwaymen for expenses incurred in evacuating their families away from vulnerable areas during the period of war; (c) claim for enhanced rates of military ration allowance to militarised staff with retrospective effect; (d) acting allowances to employees officiating in higher posts; (e) the future of railway grainshops; (f) facilities for representatives of recognised unions to attend meetings of the unions and of the Federation; and (g) discharge of railway employees as a result of court convictions.

Grain and grocery shops.- The Railway Grainshop Organisation continued to function satisfactorily during the year under report. The acute shortage of cereals in the country, which had resulted in the general reduction of the scale of cereal ration in 1945-46 continued during the year. To meet the shortage in the case of railway employees the following measures were adopted:

(a) sale of alternative foodstuffs at concessional rates such as maize, barley, dehydrated potatoes, as recommended by the provincial Governments concerned; and (b) increase of the ration of pulses from 4 seers to 6 seers per adult per month. In addition to these measures, it was decided to increase the scale of the potato ration sold through Railway grainshops as a temporary measure till the end of June 1946, by 1 1/2 seers per adult per month, the additional ration being subject to a maximum of 4 seers per family per month. Owing to the general scarcity of foodstuffs in the country, Railway Administrations experienced considerable difficulties in getting adequate supplies of commodities, e.g., sugar, gurr, mustard oil, pulses, for Railway grainshops.

At the close of the year, there were in all 775 grainshops, of which 587 were static and 186 mobile. The number of ration card holders who purchased foodstuffs, etc., at these grainshops during March 1947 was 971,000 and the average number of ration cards per month was 954,000 during the year. Foodstuffs to the extent of 19,275,000 maunds (1 maund = 40 seers = 82 lbs approximately) were sold by the shops during the year with an average of 1,606,000 maunds per month or 1.68 maunds per month per ration card holder. The amount realised by the sale of commodities through these grainshops during the year was about 210 million rupees at an average scale of about 17.5 million rupees per month or 18.5 rupees per ration card holder per month. The expenditure on the purchase of the commodities sold during the year, however, amounted to about 375 million rupees so that the loss on sales incurred by affording relief in kind to the staff was approximately 165 million rupees. The relief afforded during the year to the staff employed on all Indian Government Railways assessed in terms of the difference between the railway selling prices and the local market prices was 190 million rupees with an average relief of 16.6 rupees per ration card holder per month. The corresponding figures for 1945-46 were: total relief - 150 million rupees; relief per head - 13.7 rupees. The cost of the organization for the year under review was approximately 52 million rupees. The total cost of the scheme including loss on concessional sales during the year was about 200 million rupees.

The facilities afforded by grainshops, helped greatly in stabilising the Railway servant's cost of living and to relieve him from the difficulties connected with the procurement of essential articles of foodstuffs.

In October 1946, the working of the Grocery Shops Organisation on Railways was further reviewed by the Railway Board, who came to the conclusion that in view of the continued improvement in the availability of imported stores in the market, the justification for continuing this organisation no longer existed and orders were accordingly issued to Railways that the organisation should be closed down by 31 March 1947. Grocery shops on Railways were accordingly closed down by the end of the financial year.

Canteens.- With a view to provide staff with cheap and wholesome meals and to meet the reduction in rations and also to improve the working conditions of workers, 8 Cooked Food Canteens were established during the year under review, mainly at workshops on Indian Government Railways, where tea and light refreshments were served, while in a few canteens full meals were also served. The total number of Railway servants, who were served in all these canteens with tea, snacks, etc., averaged 18,000 per day.

Dearness allowance.- In April 1946 the rates of dearness allowance drawn by railway servants (vide pages 14-15 of the report of this Office for August 1946) were further reviewed and it was decided to give some further relief to railway servants. Orders were accordingly issued to Railways on 10 April 1946 giving retrospective effect to the existing rates of dearness allowance from 1 July 1944 instead of from 1 January 1945. It was also decided to grant an additional allowance of 5 rupees per month for the period from 1 July 1944 to 31 December 1944, to those non-gazetted Railway servants, who were drawing dearness allowance at certain minimum rates prescribed in the Railway Servants' Dearness Allowance Rules.

Railway staff and the war.- The tempo of the release of Railway staff from the Army which had been considerably speeded up during 1945-46 was maintained throughout the year under review with the ~~result that~~ result that only 7 Railway officers and 1,220 men were working with the War Department on 31 March 1947.

Railway Services Commissions.- The North Western Railway Service Commission which was set up in July 1942 was made permanent in July 1946. In view of the satisfactory work done by the Commission, it was decided to set up similar Service Commissions on other Indian Government Railways with headquarters at Madras, Calcutta, Bombay and Lucknow. The Commission at Madras started functioning in February 1947, while the other Commissions were still under formation during the year under review. It was further decided that, in addition to the work of recruitment of subordinate staff, the work of advising General Managers on appeals received by them from subordinate staff should also be entrusted to the Service Commissions as an experimental measure for one year in the first instance. The North Western Railway Service Commission took over this work from January 1947.

Labour legislation affecting Railway labour.- During the year under review three important Acts ~~are~~ affecting Railway Labour were enacted viz., the Factories (Amendment) Act, 1946, the Factories (Amendment) Act, 1947, and the Industrial Disputes Act, 1947 (vide pages 1-2 and 1 of the reports of this Office for March 1946 and 1947 *respectively*).

The Factories (Amendment) Act, 1946, reduced the hours of work from 54 hours to 48 hours per week in the case of workers employed in perennial factories and from 60 hours to 50 hours per week in the case of workers employed in seasonal factories; and the daily hours of work, from

10 to 9 in the case of perennial factories, and from 11 to 10 in the case of seasonal factories. The rate of payment of overtime was also enhanced from one and a half times the ordinary rate of pay to twice the ordinary rate of pay.

The Factories (Amendment) Act, 1947 inserted a new section in the Act of 1934 authorising provincial Governments to make rules requiring that in any specific factory where more than 250 workers were ordinarily employed an adequate canteen should be provided for the use of the workers and laid down what provisions the said rule might make.

Under the Industrial Disputes Act, 1947, which repeals the Trade Disputes Act of 1929, conciliation is ~~mandatory~~ ordinarily compulsory in public utility services, and, strikes and lock-outs are prohibited during the pendency of proceeding, and till the findings of the Tribunal (the setting up of which is provided in the Act) could be enforced on both parties by the appropriate Government. Provision is also made for the setting up of Joint Works Committee consisting of representatives of employers and workers for internal settlement of disputes as far as possible. The point of particular significance to Railways is that in the new Act any Railway Service is a public utility service whereas under the ~~amended~~ repealed Trade Disputes Act the term "public utility service" covered only a railway service which, in ~~the official~~ railway, the provincial Government, might by notification in the official gazette declare to be a public utility service for the purpose of that Act.

Central Railway,  
Government,  
Case of any other

Staff Councils.- Staff Councils, Welfare Committees and other similar bodies have been in existence on the various railways for a number of years. It was decided to systematize their organisation and the Railway Board issued rules during the year under review regulating the composition and functions of these bodies which thereafter are to be known as Staff Councils. Under the new rules, the functions of staff councils are as follows:-

(i) "To maintain good relations and a spirit of co-operation between the Administration and all classes of non-gazetted staff by providing a means whereby:- (a) staff can bring questions in connection with their conditions of service to the notice of the Administration; (b) matters of common interest connected with the working of the undertaking may be discussed with a view to improve efficiency".

(ii) "To function as relief committees to operate on the funds allotted for the purpose by the Staff Benefit Fund Committee at the discretion of the General Manager".

The franchise for these councils includes all permanent non-gazetted employees and of these, employees with more than three years continuous service are eligible for election to the Councils.

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India: The Factories Bill, 1947 passed by  
Central Legislature.

The Facto<sup>re</sup>ries Bill, 1947, (vide pages 2-4 and 50-55 of the reports of this Office for December 1947 and February 1948 respectively) as amended by the Select Committee of the Legislature was passed by the Constituent Assembly of India (Legislative) on 28 August 1948.

(The Statesman, 2-9-1948;  
The Gazette of India, Part V, 21 August  
1948, pages 551-590).

(The text of the Bill as finally passed by the Legislature has not yet been gazetted. The debate in the Legislature and the provisions of the Bill as finally enacted will, therefore, be summarised in a subsequent report of this Office.).

Labour Conditions in Indore: Special  
Officer's Report.

It is understood that the Officer on Special Duty in the Labour Ministry, Government of India, who was specially invited by the Government of Indore, to inquire and submit a report on labour conditions in the State has submitted a comprehensive report on the conditions of labour in that State. Starting with a preliminary survey of the textile industry with special reference to trade unionism, labour personnel, industrial stoppages and complaints, the report suggests the immediate adoption of the (Central) Factories Bill of 1948 and the Bombay Industrial Relations Act of 1946 for highly organised industries; the Industrial Disputes Act of 1947 for less organised industries and the Industrial Employment (Standing Orders) Act of 1946 for all other ~~industries~~ factories. Minor modifications in the other industrial labour laws are suggested. Defining the responsibilities of Government to labour in general which includes the self-employed, non-industrial and agricultural workers in various spheres such as legislative, employment, wages, housing, health, education, social insurance and recreation, the report suggests an expenditure spread over three years of an amount equal to 10 per cent of the revenue, out of which 1 per cent should be earmarked for expenditure on industrial workers.

Constitution of Labour Advisory Board.- The report recommends the constitution of a State Labour Advisory Board, for advising Government on labour matters, consisting of equal number of representatives of workers and employers, with limited nominations ~~or~~ for Government, consumers, and non-industrial labour. The Board will be assisted in technical matters by six separate committees for such specific subjects like industrial production, industrial peace, industrial wages working conditions, industrial welfare and industrial housing, which will consist of equal representatives of workers and technical staff re-elected from the elected workmen on the works committees of individual mills.

Reorganisation of Labour Department.- For the purpose of the implementation of the labour policy of Government and the enforcement of labour laws, the report recommends the reorganisation of the Labour Department in five divisions consisting of the Labour Commissioner's office; Inspectorate of Factories and Wages; Government Labour Office, Industrial Welfare Department and Department of Industrial Statistics with new sections for specialised duties relating to industrial health, employment organisation, recreation, special insurance and industrial co-operative societies.

Social Welfare.- With regard to social welfare the report suggests a scheme for the payment of cash benefits to workers in sickness; and a statutory Industrial Provident Fund to which a workman can contribute at three different rates, with the employer's contribution being limited to 6 3/4 per cent. It also contains a scheme for the payment of death benefits equal to 20 months' wages of the deceased worker on a monthly contribution of 6 pias in the rupee of basic wages.

(The Indian Textile Journal, July, 1948).

50 Per Cent Decrease in Railway Workshops' Output: Efficiency Experts' Findings.

According to official sources, says 'the Statesman' of 4-8-1948, the output of railway workers in Indian railway workshops had decreased by about 50 per cent.

The fall in efficiency varies in different sections of the workshops from 29 per cent to 62 per cent, according to efficiency experts who are now investigating machine and labour utilization on some Indian railway workshops. Labour utilization is worked out by comparing the optimum man-hours required to complete a job and the actual man-hours taken for it, and on this basis, the efficiency of labour in Indian workshops is found to be 50 per cent of the normal standard. In an average working day of eight hours, it has been computed that two hours are lost by railway workmen in starting and stopping work, attending to their toilet, smoking and in idle conversation. Even if the remaining six hours were employed in steady productive work, it is stated that efficiency would go up by 100 per cent.

Workers deliberately avoid work.- Railway officials state that workers deliberately employ various methods to avoid sustained effort. Sometimes vital components required for completing a job of work are misplaced thus rendering idle the entire gang until the missing component ~~has~~ is found. A carpenter will not lift even a small plank on to the saw-bench and will wait for a coolie to come and do this work. Crane-men render a considerable part of the shop idle by leaving their cranes on some pretext or other. Troublemakers seize every opportunity to foment trouble.



Lame Excuses for Inefficiency.- War weariness, overwork and similar excuses are offered in extenuation of the lethargy alleged to be shown by railway workers. The railway authorities contend that the workers have no reason to complain of overwork when the Factories' Act or Hours of Employment Rules, are being ~~applied~~ <sup>applied</sup> to all railway workers in India. Another excuse which is offered by labour leaders is inadequate nutrition due to difficulties in procuring foodstuffs. It is pointed out that the 850,000 workers employed on Indian railways are comparatively ~~in~~ better paid than workers in industry in general and are assured of a minimum ration of essential commodities. The railways spend 260 million rupees in running cheap grainshops for the benefit of railway workers who thus get, it is stated, a further invisible benefit of more than 25 rupees per head per month, besides other facilities, like free travel.

It is further pointed out that at present passenger traffic ~~was~~ twice that of the pre-war period. If twice the number of existing ~~trains~~ <sup>trains</sup> could be run, there would be enough passengers and goods for these trains. There would therefore be enough work and more to keep at work all the staff that were now employed on Indian railways. Apart from the problems of maintenance of existing rolling ~~work~~ <sup>stock</sup> and the need for producing spare parts and components in India, intensified effort was needed to catch up with considerable arrears of rehabilitation and maintenance work.

(The statesman, dated 4-8-1948).

Bombay: Employment, Hours of Work and Earnings in Mines during 1943-1945 .

The following information relating to the employment, hours of work and earnings of workers in mines in the Province of Bombay is summarised from an article on the subject appearing in the June 1948 issue of the 'Labour ~~Statesman~~ <sup>Gazette</sup>', Bombay.

Classes of mines and number of persons employed.- The number of mines working in the province and the number of persons employed in them, arranged according to the classes of mines ~~working~~ are given below:

Year	Total number of working mines.	Classes of mines		
		Manganese	Saunite Ore	Gravel or Stone and Kurum
1943.....	17	2	1	14
1944.....	18	1	2	15
1945.....	20	1	2	17



Number of Persons Employed

Class of Minesmen	1943			1944			1945		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Manganese	876	456	1,312	550	289	839	407	217	624
Bauxite Ore	2	..	2	52	12	64	15	..	15
Gravel or Stone and Murum	988	199	1,187	1,669	862	2,531	522	209	731
<b>Total</b>	<b>1866</b>	<b>655</b>	<b>2,501</b>	<b>2,271</b>	<b>1163</b>	<b>3,434</b>	<b>944</b>	<b>426</b>	<b>1370</b>

Hours of Work.- The following table gives the number of men and women employees whose weekly hours of work were (a) below 48, (b) over 48 but below 54, and (c) over 54:-

Weekly Hours of Work	1943			1944			1945		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Below 48	601	59	640	1,401	816	2,217	420	99	519
Over 48 but below 54	1095	596	1,691	709	547	1,056	525	327	850
Over 54	170	..	170	161	..	161	1	..	1
<b>Total</b>	<b>1866</b>	<b>655</b>	<b>2,501</b>	<b>2,271</b>	<b>1,163</b>	<b>3,434</b>	<b>944</b>	<b>426</b>	<b>1,370</b>

Average daily earnings.- The average <sup>daily</sup> earnings of foremen and mates working underground in the manganese mines in the Broach and Panch Mahals District amounted to 2 rupees 8 annas and 6 pies in 1943, and rose by 15.3 per cent to 3 rupees and 1 anna in 1944. They fell to 2 rupees and 7 annas in 1945. Foremen and mates engaged on open workings in Bombay City, earned <sup>daily</sup> 2 rupees and 7 pies in 1943, 2 rupees 7 annas and 2 pies in 1944 and 2 rupees 11 annas and 10 pies in 1945. In 1943 the earnings for this category in the Thana District stood at 2-rupees and 4 annas, being the highest for the whole Province. In 1944 the earnings for foremen and mates in ~~Thana~~ Thana District amounted to 3 rupees and were highest in the Province, but declined to 2 rupees in 1945. Quarry workers in Bombay & City earned 1 rupee 10 annas and 1 pie in 1943, ~~1 rupee~~ 1 rupee 15 annas and 5 pies in 1944 and 1 rupee 15 annas and 7 pies in 1945. In Thana District earnings were higher than in Bombay ~~City~~ ~~City~~ i.e. 2 rupees in 1943, 1944 and 1945. Skilled labour in Bombay City in 1943 earned 2 rupees 4 annas and 6 pies in open workings and 1 rupee 11 annas and 6 pies on the surface. In 1944, they earned 2 rupees 7 annas and 5 pies in open workings. In 1945, they earned 2 rupees 8 annas and 2 pies and 2 rupees 15 annas and 5 pies respectively. (Labour Gazette, June, 1948, published by the Directorate of Labour Information, Government of Bombay).

Bombay: Employment Situation and Wage Trends  
in Engineering Industry during Period 1937-1946.

The employment situation and wage trends in engineering industry in Bombay City during the period 1937-1946 are reviewed briefly in a note published in the June 1948 issue of the Labour Gazette, Bombay. The following is a summary of the note.

Number of units and workers employed.— 246 engineering units employing over 36,000 workers were recorded in the returns to the Factory Inspectorate of the Province for the City of Bombay on 31 December 1946. The corresponding figures for 1937 were 123 and 13,537 respectively. Since 1939, there has been a steady increase in employment and, on 31 December 1944 there were 50,596 workers employed in 237 factories. During 1945 and 1946 the number of workers, however, decreased to 46,745 and 36,047 respectively, while the number of factories rose from 237 to 241 and 246. The following table gives the number of units and the workers employed therein during the period 1937 to 1946:—

Year	Number of units	Average daily number of workers employed.	Indices (1939=100).
1937.....	123	13,537	84.48
1938.....	133	15,177	99.10
1939.....	138	16,023	100.00
1940.....	153	18,900	117.33
1941.....	170	27,537	171.86
1942.....	192	37,593	233.42
1943.....	217	48,235	301.04
1944.....	237	50,596	315.77
1945.....	241	46,742	291.72
1946.....	246	36,047	224.97

The employment index on the basis of these figures for the ten-year period (December 1939=100) recorded a rise from 84.48 in 1937 to 315.77 in 1944, and thereafter a fall to 291.72 and 224.97 in 1945 and 1946 respectively.

Percentage of women workers.— The maximum number of men employed in the industry was recorded for the year 1944, 50,078—and the minimum in 1937, 13,313. For women workers the maximum was recorded in 1942—570—and the lowest in 1939—199. The percentage of women workers to men ranged from .9 to 1.7; the highest being in 1937 and the lowest in 1945.

Earnings.— During the period under review the per capita total annual earnings of the workers in the industry in the City of Bombay has never fallen below 449 rupees. The highest earning, 900 rupees (75 rupees per month) was recorded in 1946

and the lowest, 449 rupees (37 rupees per month) in 1938. From 1938 onward earnings continued to show an upward trend but it was only after 1943, that a ~~marked~~ steep rise in wage trends was recorded. The following table gives details of per capita annual earnings from 1937 to 1946:-

Year	Per Capita Earnings (Annual)			Increase(+) or decrease (-) over previous year.			Percentage increase (+) or decrease (-) over previous year.		
	Rs.	a.	p.	Rs.	a.	p.	.....	.....	.....
1937.....	515	7	3	.....	.....	.....	.....	.....	.....
1938.....	449	1	11	- 65	5	4	-	12.62	
1939.....	474	12	7	+ 25	10	8	+	5.79	
1940.....	512	4	3	+ 37	7	8	+	7.79	
1941.....	533	4	8	+ 21	0	5	+	5.10	
1942.....	576	0	8	+ 42	12	0	+	8.07	
1943.....	798	11	5	+222	10	7	+	38.71	
1944.....	847	3	7	+ 48	8	4	+	6.15	
1945.....	879	3	5	+ 51	15	10	+	5.78	
1946.....	900	14	10	+ 21	11	5	+	2.50	

Earnings indices showed a progressive increase throughout the period. The highest level was touched in 1946, the index being 189.68. The following table shows the indices of earnings during the period 1937-1946:-

Year	(Base 1939=100)			Indices
1937	..	..	..	108.42
1938	..	..	..	94.53
1939	..	..	..	100.00
1940	..	..	..	107.75
1941	..	..	..	112.21
1942	..	..	..	121.26
1943	..	..	..	168.21
1944	..	..	..	178.32
1945	..	..	..	185.05
1946	..	..	..	189.68

(Labour Gazette, June 1948, published by Directorate of Labour ~~Research~~ Information Government of Bombay ).

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Chapter 6. GENERAL RIGHTS OF WORKERS.

63. Individual Labour Contracts.

India - August 1948.

Pakistan: West Punjab: Industrial Employment  
(Standing Orders) West Punjab Rules, 1948.

The Government of West Punjab has published on 13 August 1948, the Industrial Employment (Standing Orders) West Punjab Rules, 1948, framed by it in exercise of the powers conferred by Section 15 of the Industrial Employment (Standing Orders) Act, 1946.

The Rules prescribe the manner in which draft Standing Orders may be submitted for certification and include a set of model standing Orders.

(Notification No. 5467-LPR-48/52612 dated  
4 August, 1948;  
The West Punjab Gazette, Part I, dated  
13 August, 1948 ).

64. Wage Protection.  
India - August 1948.

Bombay: Wage Board for Cotton Textile  
Industry constituted.

In exercise of the powers conferred by Section 86A of the Bombay Industrial Relations Act (vide paragraph 67 page 59 of the report of this Office for June 1948) the Government of Bombay constituted on 4 August 1948 a Wage Board for the cotton textile industry in the province, consisting of seven members and appointed Mr. Purshottam Kanji, one of the members, to be the chairman of the Board.

(The Bombay Government Gazette, Part I,  
dated 12 August 1948, page 3745 ).

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Wages of Railway Employees: Annual Report  
for 1946-47 on the working of the Payment  
of Wages Act.

According to the annual report for 1946-47, of the Chief Labour Commissioner (Central) on the working of the Payment of Wages Act, 1936, in Indian Railways, the total amount of wages paid to railway workers covered by the Act was 509,409,855 rupees.

Number of workers and delays in payment.- The Act gives protection to all persons employed by Indian Railways directly or by a contractor and who are in receipt of wages below 200 rupees per month. The total number of railway staff to whom the provisions of the Act were applicable was approximately 1,579,000, including about 590,495 workers employed by contractors. During the year under report, 5,051 cases were reported involving delays in the payment of wages occasioned by disputes relating to leave salaries, etc.

Inspections.- The number of Railway and contractors' establishments and offices of the Paymaster inspected during the year was 2,739 and irregularities reported totalled 4,224. In 410 cases it was found that the requirements of the law had been overlooked in imposing fines. All irregular recoveries were refunded to the employees concerned at the intervention of the Industrial Relations Machinery. Similarly, cases on unlawful deductions in respect of damages or loss were taken up with the Administrations and the amounts recovered were refunded.

Fair wage clause in contracts.- The report points out that the question of introducing a fair wage clause in railway contracts <sup>was</sup> still under consideration during the year. Meanwhile amendments were made to the Payment of Wages (Federal Railways) Rules, bringing within their scope contractors employing 20 or more persons daily in any month (vide pages 2-3 of the report <sup>of</sup> this Office for December 1946). Some railways framed also rules regarding imposition of fines and maintenance of advance registers by contractors. In railways where no rules have yet been framed, a number of irregularities and delays in payment of wages to contract labour were noticed and rectified by persuasion.

Employment of children.- Inspect<sup>ions</sup> were also carried out to see if the provisions of the Employment of Children Act were being observed. Most of the contraventions were found in contractors' establishments, such as railway book-stalls and caterers. Out of 118 cases detected, nearly 90 were rectified.

In general the report concludes that the Act has proved a boon to Railway labour and that its provisions have prevented the imposition of indiscriminate fines. It is understood that certain lacunae in the Act in respect of withholding of increment or promotion, demotion, suspension and similar penalties are to be made good shortly by legislation.

The report on the Working of the Payment of Wages Act for the year 1945-56 was reviewed at page 16 of the report of this Office for May 1947.

(Press release, dated 28-7-1948, issued by the Press Information Bureau, Government of India).

Workers' Right to Bonus: Enforced by Recent Awards of Adjudicators.

Mr. J.N. Srivastava, adjudicator, in a trade dispute between the management and employees of six different rice and dal (kind of pulse) mills of Balrampur in the United Provinces, accepted the workers' right to demand payment of bonus. Most of the firms submitted statements that they had never paid any bonus nor was there any contract between them and their employees in which payment of bonus was included. They further contended that bonus was an ex-gratia payment. The adjudicator, however, was of the view that the question of bonus could no longer be considered as something which solely rested on the discretion of employers. It was now recognised as the workers' inherent right and had become correlated to profits. Where there were profits the workers must receive bonus also. After citing certain figures relating to profits, made by the mills during the last four years, the adjudicator recommended that 25 per cent of accumulated profit be distributed amongst the workers as bonus.

The award has been enforced by the Government of the United Provinces.

*also,*  
In another dispute between the Firestone Tyre and Rubber Company of India Ltd., Bombay, and their workmen, the adjudicator also opined that the workers' demand for bonus could not be reasonably opposed on the ground that it was an "ex-gratia" payment. With regard to the amount of bonus, he recommended a bonus equal to one-sixth of the earnings during the year i.e., an amount equal to two months' wages excluding dearness allowance as reasonable. He further accepted the demand that the bonus should be paid in one lump sum.

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The award has been accepted by the Bombay Government  
and made binding on both parties for one year.

(National Herald, 21-8-1948;  
The Bombay Chronicle, 28-7-1948).



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66. Strike and Lockout Rights.  
India - August 1948.

United Provinces: Sugar Industry declared  
Public Utility Service under U.P. Industrial  
Disputes Act, 1947.

By a notification dated 10 August 1948 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 six months with effect from the date of the notification.

(Notification No. 444(L)-(V)/XVIII-217(L)-47  
dated 10 August 1948;  
The United Provinces Gazette, Part I,  
dated 21 August 1948, page 537 ).

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Number of Strikes and Lockouts during  
April and May 1948: Improvement over  
Figures for Previous Three Months .

Consideration

Considerable improvement in the labour situation in India is suggested by the ~~dispute's~~ latest available figures of industrial disputes and the number of workers involved in ~~the~~ strikes and lock-outs during April and May 1948, published in the Hindustan Times of 22 August 1948. This is in marked contrast to the situation prevailing in the first quarter of this year, when a large number of strikes, involving a far greater number of workers, took place in most of the industrial centres. In March, the number of disputes recorded was 168; in May, it was 150. Similarly, the number of man-days lost in strikes and lock-outs came down from 1,530,000 in March to 460,000 in May 1948.

The ending of a two-and-a-half month old strike in the Coimbatore Textile Mills and the improvement in the labour situation in Bombay were mainly responsible for the ~~improved~~ situation recorded in April 1948. In Bombay nearly 580,000 man-days were lost in March 1948; in May, the figures came down to 180,000. Improvement was also noticed in the coalmines and at the ports. The biggest strike during May was in jute mills at Calcutta, involving about 20,000 workers and lasting for about three weeks.

The following table gives comparative figures of industrial disputes in India during 1947 and the first five months of 1948:

Month	Number of disputes resulting in work stoppages.	Number of workers involved.	Number of man-days lost.
<u>1947</u>			
July	160	148,921	929,151
August	160	109,245	664,935
September	179	289,022	1,655,275
October	147	270,622	859,946
November	127	124,951	470,012
December	115	85,040	535,365
<u>1948</u>			
*January	169	155,482	858,617
*February	151	128,950	1,256,875
March	168	142,326	1,553,030
*April	141	69,088	663,550
*May	150	76,542	458,590
*Figures provisional. (Hindustan Times, 22-8-1948).			

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Bhopal: Quick settlement of Industrial  
Disputes: Ordinance promulgated.

The Government of Bhopal has promulgated an Ordinance for quick settlement of industrial disputes and for the removal of causes leading to illegal strikes and lock-outs.

(The Statesman, 13-8-1948).

Frivolous Strikes In Railway Workshops:  
310,000 Man-Days lost in first half of  
1948.

Over 310,000 man-days were lost in railway workshops owing to illegal strikes and hartals (cessation of work) during the first half of 1948 according to statistics published by the Government of India. It is estimated that this loss of man-days is equivalent to a complete close-down for four months of a locomotive workshop employing 3,000 men, who could have placed in service 50 locomotives after thoroughly overhauling and reconditioning them, as also maintained the repair and manufacture of spare parts to keep in order 300 locomotives. With the engine power so lost it is estimated that the railways were unable to move 2,500 wagons or 50,000 tons of goods each day.

According to a railway official, the reasons for these stoppages of work were quite often frivolous and totally unrelated to working conditions of railway employees. In Bombay some workers thought that members of a certain party were implicated in the assassination of Mahatma Gandhi and demanded their arrest, failing which they went on strike. Some tinsmiths on one railway went on strike because outsiders were recruited to fill vacancies caused by the staff migrating to Pakistan. On another occasion railway workmen went on strike because of the arrest of a worker, who was taken into custody for alleged theft of coal belonging to the railway.

(The Statesman, dated 7-8-1948.)

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67. Conciliation and Arbitration.

India - August 1948.

India: Industrial Tribunal set up <sup>at</sup> Calcutta.

The Government of India constituted on 6 August 1948 an Industrial Tribunal, with headquarters at Calcutta, consisting of a single member, Mr. S.P. Varma, for the adjudication of such industrial disputes as might be referred to it under section 10 of the Industrial Disputes Act, 1947.

(The Gazette of India, dated 7 August 1948,  
Part I, Section 1, page 977 ).

West Bengal: Bengal Industrial Disputes Rules, 1947  
draft Amendments.

The Government of West Bengal has published the draft of certain amendments which it proposes to make in the Bengal Industrial Disputes Rules, 1947 (vide ~~page 2~~ page 2 of the report of this Office for May 1947). The draft amendments relate to the manner of service of any notice, summons, process or order issued by the Government or Board or Tribunal, and to the procedure to be adopted by such authorities when ~~with~~ <sup>with</sup> the employers and the ~~works~~ <sup>work</sup> workmen ~~fail~~ fail to appear before them after due service of notice or summons or process or order. The draft will be taken into consideration on or after 19 August 1948.

(The Calcutta Gazette, Part I, dated  
29 July 1948, pages 975-976 ).

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Madras Industrial Tribunal Not competent to  
discuss matters unconnected with terms of  
Service : Madras High Court's Ruling.

Mr. Justice Subba Rao, of the Madras High Court, gave a ruling on 15 August 1948, that the Madras Industrial Tribunal had no jurisdiction to enquire into matters unconnected with the terms of service between managements and workers. His Lordship held that promotion or increase of wages of any of the workmen or reinstatement of any person formerly under the employ of a company, were not matters to be enforced by the Tribunal, unless these formed the terms of ~~contract~~ contract of service.

History of the case.- On 8 March 1948, the Management of the East India Distilleries Sugar Factory, Ltd., Ranipet, discharged certain clerks who were members of the Parry Employees' Union. The Union complained to the Government of Madras that the discharge of these clerks was both illegal and unjustified. The Government, under section 10 of the Industrial Disputes Act, set up a Tribunal, to enquire into the dispute and adjudicate. Issues were framed by the Tribunal on points of reinstatement, promotion and automatic increase of pay, etc. The Management then filed an application in the High Court to direct the Tribunal to forbear from adjudicating on these issues on the ground that the Tribunal had no jurisdiction to dispose of such questions.

The contention of the Management was that automatic increase of pay, promotion and re-instatement of discharged employees could not be done without regard to good and satisfactory service required by the terms of the contract between employer and the employee and that if those subjects were left for the Industrial Tribunal for adjudication, it would have serious adverse consequences on discipline and efficient ~~management~~ maintenance in industry.

On behalf of the ~~industry~~ Union, it was submitted that the employer agreed before the Government that the matter under dispute might be referred to the Tribunal and therefore they could not now object to the jurisdiction of the Tribunal to adjudicate on those points.

The decision.- Mr. Justice Subba Rao, agreeing with the contentions of the plaintiff, held that the Tribunal had no jurisdiction to enquire into matters unconnected with the terms of service between managements and workers. His Lordship added that promotion or increase of wages of a workman or reinstatement of any person formerly under the employ of a company, were not matters to be enforced by the Tribunal, unless these formed the terms of contract of service.  
(The Hindu, 18 and 22 August, 1948).

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

India - August 1948.

United Provinces: Fresh Government Order  
relating to the Constitution of Works  
Committees in Factories.

The Government of the United Provinces gazetted on 2 August 1948 a fresh order relating to the constitution of Works Committees, in supersession of the earlier orders dated 29 March 1948 and 1st May 1948 (summarised at pages 81-82 and 72-74 of the reports of this Office for April and May 1948 respectively). The rules relating to the constitution and functions of Works Committees, prescribed by the new order, are based on the rules issued in May 1948 (summarised at pages 73-74 of ~~the~~ the report of this Office for May 1948) with the following modifications.

The Works Committees, among other matters, will not now have any power to come to an agreement inconsistent with any order of Government enforcing the recommendations of a Labour Court, Industrial Court or Adjudicator or any settlement made in the course of conciliation proceedings. Further any agreement concluded by a Works Committee may at any time be ~~superseded by an order of Government enforcing the recommendations~~ superseded by an order of Government enforcing the recommendations of a Labour Court, Industrial Court or Adjudicator or any settlement made in the course of conciliation proceedings. With regard to the constitution of Works Committees, in the case of a seasonal ~~and~~ workmen in the Committee has been stepped up from 3 to half of the representatives of the workmen in the Committee. Detailed provisions have been ~~not~~ made regarding the election of the representatives of workmen in cases where there are no registered trade unions ~~and~~ affiliated to the recognised workmen's organisation. The employer has been made responsible for holding fortnightly meetings and he is to exercise this responsibility through the chairman of the Committee. The Government, the Labour Commissioner or a Regional Conciliation Officer are also empowered, notwithstanding anything contained in the rules, to refer any industrial dispute to a Regional or Provincial Conciliation Board, without following the procedure prescribed in the rules.

(Notification No. 604/LL-XVIII-776(L)/48, dated 2 August, 1948;

The Government Gazette of the United Provinces,  
Extraordinary, dated 2 August, 1948, pages 1-4).

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West Bengal: Works Committees in Jute Mills: Functions defined by Indian Jute Mills Association.

Reference was made at paragraph 69, page 56, of the report of this Office for January 1948, to the West Bengal Government's decision to proceed with the constitution of Works Committees initially in various jute mills in the province. The Indian Jute Mills Association was later informed by the Government that Works Committees should begin to function "so that the first meeting of the Committee is held within one month from the date of publication of members' names in the Calcutta Gazette", and ~~since~~ the majority of Works Committee lists have since been gazetted.

The Committee of the Indian Jute Mills Association has circularised a list to all its members defining the scope and functions of these joint councils. It has further suggested that, at the first meeting of the Work Committee in each mill the list should be placed before the members for selection of a mutually agreed list of functions for the Committee. The proceedings of the Committee might thereafter be conducted on the basis of the matters agreed to between the management and workers, subject however to such additions or alterations as might be dictated by experience from time to time. In compiling the list of functions for Works Committees, the Committee, has pointed out that under Rule 2A (20) of the Bengal Industrial Disputes Rules it was provided that the Works Committee "shall be competent to discuss any matter that affects the relations between the employer and the workmen". The wide latitude thus given by law to these committees as regards matters which might be discussed at their meetings was no doubt intended to allow them the maximum scope for growth and development according to the varying circumstances and needs of different industrial concerns. So far as jute mills were concerned, however, the Committee was of opinion that initially, having regard to the novelty of the venture, the average type of person employed in mills and the almost total lack of experience in joint consultation ~~and~~ of Indian industry, it was desirable to have the ambit of these councils defined, without however impairing their capacity for growth and expansion by a too severe limitation of their functions.

Functions of Works Committees.- The functions of Works Committees are to be advisory and include discussion of the following: (a) Promotion of physical welfare and improvement of working conditions—provision of drinking water, sanitary facilities, washing accommodation, lighting, accident prevention and provision of safety appliances, rest sheds and supervision of canteens; (b) the distribution of working hours, starting and closing times and rest periods; (c) leave scheme for statutory holidays; (d) entertainments and sports; (e) questions of discipline and conduct as between management and workers (bad time keeping, absenteeism, malingering, bullying, etc.); (f) prevention of ~~money lending~~ bribery and corruption, particularly in connection with appointments and the grant of leave; (g) prevention of money lending; (h) training of apprentices and young persons; (i) procedure for allocation of rooms in workers' quarters; (j) suggestion of improvements in methods and organisation of work; (k) investigation of circumstances tending to reduce efficiency or in any way to interfere with the satisfactory working of the mill; (l) education of workers in their rights and duties under the labour laws of the land; (m) education of workers in matters of national economy; and (n) wages-time of payment, form of wage ticket, explanation of calculation of piece rates and holiday wages, points arising from implementation of Tribunal awards regarding wages.

(Jute Bulletin, June 1948, issued by the Indian Central Jute Committee, Calcutta ).



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Profit-Sharing On Experimental Basis  
Proposed: Experts Committee's  
Recommendations.

Reference was made at paragraph 69, page 72, of the report of this Office for July 1948, to the deliberations of the Experts Committee on Profit-Sharing, appointed by the Government of India. The Committee, at its final session concluded on 1 August 1948, is understood to have evolved a qualified scheme of profit-sharing between industry and labour on a fifty-fifty basis. The scheme, in the first instance, is to be applied to the three major industries—textile, iron and steel, and jute—and certain other minor industries. The coal and sugar industries will, however, be exempted from the operation of the scheme. While the majority view is understood to have been that surplus profits should be equally distributed between capital and labour, the Committee was of the opinion that establishment of a depreciation fund ~~xxxx~~ should be made compulsory for all undertakings. No agreement is understood to have been reached on the question of a fair remuneration for capital, but it is believed that the majority view was that it should be six per cent on paid-up capital ~~xx~~ plus reserve. As regards the managing agency system, one of the suggestions was that it should be altered or terminated. Labour had all along objected to it, because, first, "it sustains hereditary vested interests" and secondly, it encouraged the growth of industrial cartels. It was ~~xxxx~~ suggested that the managing agency should be substituted by full-time directors.

The consensus of opinion among members is understood to have been that the linking of distributable profits with production would be impracticable, and that profits should be shared between capital and labour factory-wise, and not on a regional basis. The Government of India, it is believed, will bring forward a Bill during the forthcoming session of the Dominion Parliament to ensure Central control and co-ordination of major industries, thus eliminating interference from the provinces.

The Committee's recommendations, it is understood, will be incorporated in a report to be circulated to the members of the Committee, who will append to it their own amendments, if necessary. The report is expected to be available to the Government of India in its final form by the first week of September. It is also understood that the Government of India will shortly set up a tripartite Advisory Council, consisting of representatives of labour, capital and Government, to advise the Labour Ministry on the various problems connected with profit-sharing. The Council will, in turn, be split up into a number of sub-committees to deal with the questions of fair wages, fair return on capital, industrial relations

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and revision of the managing agency system and company law. The sub-committee on fair wages will draw up general principles according to which fair wages will be computed, while special wage boards may be set up to determine the quantum of fair wages industry-wise.

(The Times of India, 2-8-1948 ).

CHAPTER 7. EMPLOYMENT AND UNEMPLOYMENT.

INDIA - AUGUST 1948.

71. Organisation of the Labour Market.

India: Employment Exchanges: Working during June, 1948.

Employment situation.- During June 1948, good prospects for increased opportunities of employment were reported from the Bihar and Orissa region ~~mainly~~ owing to increased activities of the Sindri Fertilizer Factory, commencement of work on new industrial undertakings in Jamshedpur and the recruitment to the Bihar Regiment in Patna. In the Bombay region, the proposed re-enlistment of ex-Naval ratings and recruitment to the Armed Forces was expected to help in the absorption of ex-Servicemen. In Poona, the closing down of the Dehu Ordnance Depot resulted in a large number of unskilled workmen being thrown out of employment, but the establishment of the National War Academy had created a number of employment opportunities. In Delhi, large demands for building labour were anticipated owing to the desire of Government to execute their housing schemes with the least possible delay. In East Punjab, the revival of industry and execution of public work schemes were expected to provide employment for a large number of employment-seekers.

Registration and placings.- The total number of registrations for employment assistance effected at employment exchanges and district employment offices during June, 1948, are given below:-

	<u>June 1948</u>	<u>May 1948</u>	<u>June 1947</u>
Total number of registrations (including re-registration).	95,907	68,808	41,192
Total number of persons placed in employment.....	25,379	21,126	10,785

For the ninth month in succession the exchanges thus achieved a record number of placings.

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Of those placed in employment 5,741 were ex-Service personnel as compared with 6,051 in the previous month. The opportunity of being considered for employment was offered to 23,078 applicants who declined to take advantage of the opportunity offered (of this number, 9,590 were in East Punjab). 4,170 declined because the pay offered was felt to be inadequate, while 11,316 declined for various other reasons. The number who failed to report for interview with employers, without offering any satisfactory explanation, was 7,590. The number of ex-Service personnel who failed to take advantage of the opportunity of obtaining employment was 7,568 (30.5 per cent).

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

<u>Wage groups: Basic monthly pay</u>	<u>Number of placings</u>
Above 101 rupees.....	500
61 to 100 rupees.....	1,153
36 to 60 rupees.....	15,285
21 to 35 rupees.....	8,826
20 rupees or less.....	1,315

During the month under review the Darjeeling and Howrah Exchanges were able to place one applicant each on 400 rupees per mensem. Three applicants were placed in employment by the Bombay Exchange on 390 rupees, 300 rupees and 200 rupees per mensem respectively, two of whom were women.

The regions which were principally responsible for the record increase in placings were East Punjab and Madras, where the increase over the figures for the previous month was 2,507 and 1,333 respectively. Increased placings were also reported from the United Provinces, Delhi and Ajmer-Merwara, West Bengal and Central Provinces and Berar regions. Recruitment to the Army and the Police was responsible for increased placings in several areas. The acceptance of manual work by an increasingly large number of displaced persons in East Punjab and placings in the textile industry in Kanpur also helped considerably in achieving a high all-India figure of placings.

The shortage of skilled personnel in the engineering trades and certain other specialist occupations continued to exist. Muzaffarpur, Patna, Raipur, Lucknow, and Vijayawada reported demands for tractor drivers which could not be met. Masons were in short supply in Bombay, Jullundur, Calicut, Agra, Lucknow, Asansol and Meerut. Shortage of highly qualified draughtsmen, surveyors and overseers was also reported from Cuttack, Dhanbad, Jamshedpur, Muzaffarpur, Raipur, Jullundur, Madras and Barrackpore.

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Surpluses of applicants requiring employment in clerical, semi-skilled and unskilled posts were reported from many Exchanges. Motor drivers and grade III mechanics, whose experience was not considered by employers as sufficient for civil employment, were also reported to be in surplus.

Employment of displaced persons.- 42,794 displaced persons from Paklstan were registered during the month, compared with 25,215 during May 1948. 8,726 persons were placed in employment, and increase of 2,565 over the number placed in May, 1948. Displaced persons who could not find means to set themselves up in business or were unwilling to accept manual work, were found to be most keen to join the training schemes. In Calcutta alone, 7,500 applicants were awaiting absorption in the technical training scheme. It was reported from East Punjab that owing to the introduction of the scheme for the discontinuance of free rations to displaced persons who refuse to accept employment offered to them, such persons were now coming forward to accept manual work offered by the Public Works Department. The Meerut, Allahabad, and Kanpur Exchanges arranged for the selection of 306,674 and 57 persons respectively for resettlement on land in the United Provinces.

(Report on the work of the Directorate of Employment Exchanges for the month of June, 1948, issued by the Directorate-General of Resettlement and Employment, Ministry of Labour, Government of India ).

Pakistan: Working of Employment Exchanges during June 1948: 3,851 Applicants placed.

3,851 persons were found employment by the 18 Employment Exchanges in Pakistan in the month of June 1948, bringing the total number of persons placed in employment since August 15, 1947 to 59,704. This shows an increase of 1,014 over the figure for May 1948. Of the number of persons placed, 1,154 were refugees as compared to 1,599 in May 1948. According to provinces, the number of placings were: East Bengal, 897; West Punjab 1,586; North-West Frontier Province 655; and Sind and Baluchistan 733.

1,579 ex-Servicemen were placed in employment in June, 1948 as against 884 in May 1948. Registrations of ex-Servicemen for the purpose of employment in June, 1948 were 4,567, as against 4,282 in May, 1948. 423 trainees were posted during the month to different training centres under the Central Government as against 275 in May, 1948. The total number of such postings upto June, 1948 were 9,076 for technical training and 2,586 for vocational training.

( 'Dawn', dated 16-8-1948 ).

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72. Vocational Guidance and Training.

India - August 1948.

Bombay: Refrigeration School started.

To provide technical training facilities for refrigerator mechanics, the General Motors Refrigeration School has been opened in Bombay. The course, which at present is to be for one month, covers all aspects of household and commercial refrigeration and training is available to the employees of Frigidaire dealers. It is hoped to enlarge the scope of the scheme, at a later date, to embrace other ~~students~~ students. Those who already have some knowledge of the principles of mechanical refrigeration are preferred but the course has been planned so that any man with a mechanical background can follow the instruction. The early lessons of the course cover theoretical work but, in the later stages, students spend most of their time on practical work. The school is equipped with household refrigerators of all types: a walk-in cold room, a reach-in cabinet and two low temperature cabinets. Before they complete the course the students are required to install, charge and start all types of machines and later must correct typical defects in them.

The number of household refrigerators imported into India during 1959 was approximately 3,500 and today's annual demand is estimated at a minimum of 10,000.

(The Indian Textile Journal, July, 1948).

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Expansion of Technical Training Facilities  
in India: All Round Development of Indian  
Institute of Science, Bangalore proposed .

It is understood that the question of expansion of technical training facilities in India is under consideration by the Central Ministry of Education. In this connection it is proposed to bring about an all-round development of the Indian Institute of Science at Bangalore and a number of schemes have been prepared for this purpose. It is estimated that these schemes will involve a total capital expenditure of ~~Rs. 6,500,000~~ 6,500,000 rupees. Two new departments will be established. One of these will be ~~concerned~~ concerned with the education and training of power engineers. The organisation for this scheme is being set up at a capital cost of 4,000,000 rupees. In the beginning, the annual recurring expenditure on this department is expected to be about 1,120,000 rupees, but this may be ultimately reduced to 390,000 rupees. Another new department will deal with the teaching of economic and other social sciences and supply a sufficient number of persons, trained in business management. This department will entail a total annual expenditure of 111,000 rupees of which 40,000 rupees will be recurring. A four-year plan for the expansion of the existing departments has also been prepared.

Development of the Bangalore Institute is only a major item in Government's overall plan for technical education. It is proposed to make a move in other directions also. Sites for the establishment of Western and Eastern Higher Technical Institutes have been selected, while the question of acquisition of sites for two other institutes is engaging the attention of the Government. Each of these institutes will have a ~~capital~~ capacity to train 5,000 students and involve a capital expenditure of ~~Rs. 50,400,000~~ 50,400,000 rupees and a recurring expenditure of 4,461,000 rupees. Efforts are also being made to expand the Delhi Polytechnic and equip it fully with workshops and laboratories at an estimated cost of 7,970,000 rupees.

(The Eastern Economist, 20-8-1948 ).



Pakistan: Technical and Vocational Training  
for Ex-Servicemen: Facilities offered by  
Resettlement and Employment Department.

To meet the shortage of skilled personnel required in connection with the industrial development of Pakistan, the Department of Resettlement and Employment, Government of Pakistan, has arranged for technical and vocational training in various institutions for both ex-Service and civil personnel. Under the scheme, the period of training will vary from trade to trade and, on an average, will extend to about 12 months. Ex-Service trainees will be provided ~~housing~~ with free board and lodging, medical treatment and games facilities. In addition, each ex-Service trainee will receive a stipend of 10 rupees a month on the vocational side and 15 rupees a month on the technical side.

Training in the following institutions in Lahore will be available: (a) the Central Government Training Centre, Lahore, will train ~~in~~ blacksmiths and welders (gas and electrical), electricians, motor mechanics, diesinkers, armature winder painters and mechanics; (b) the School for Electricians, Lahore, will provide training for radio mechanics; (c) the Training Centre for War Disabled, Moghalpura, will provide training in cabinet making, soap making, tailoring, weaving of woollen fabrics and spinning and weaving of cloth; (d) the Government Institute of Dyeing and Calico Printing, Shahdara, will offer training in calico printing, bleaching and dyeing of yarn and cloth, power loom weaving; and (e) the National College of Commerce, Lahore will train stenographers.

(‘Dawn’, dated 10-8-1948).

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Junagadh: Vocational Training Class for  
Widows opened.

According to a Press note, released by the Junagadh Government on 9 August 1948, a vocational training class has been opened at Junagadh, especially to impart training to widows in various arts and crafts with a view to enabling them to be self-reliant and self-supporting. 40 monthly scholarships of 20 rupees each during the period of training have been sanctioned by the Government. Examinations will be held at the end of one year's training and successful candidates will receive certificates which will qualify them for preference in the State service, ~~a large number of people~~. So far the scheme has received encouraging response and is expected to provide work for a large number of people.

(The Bombay Chronicle, dated:  
11-8-1948 ).

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75. Migration and Colonisation.  
India - August 1948.

Burma: The Union of Burma Citizenship Bill,  
1948.

The Government of the Union of Burma published on 21 August 1948 the Union of Burma Citizenship Bill 1948. The Bill ~~provides~~ provides for the acquisition of citizenship in the Union of Burma either by birth or by naturalization. Under the provisions of the Bill, an alien in Burma is entitled to the grant of a certificate of naturalization if he applies for the grant of such a certificate and satisfies the Minister of the Union Government nominated for the purpose — (1) that he has completed the age of 18 years; (2) that he has resided continuously in the Union and been subject to its jurisdiction for not less than 5 years before the application; (3) that he is of good character and can speak one of the five indigenous Burman languages; and (4) that he intends, if a certificate is granted, either to reside in the Union or to enter or continue in the service of the Government of Burma or in an undertaking of a religious, charitable or commercial character ~~is~~ established in the Union.

(The Burma Gazette, Part I, dated  
21 August, 1948, pages 705-707).

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Terms of Entry Into Ceylon: Immigrants and Emigrants Bill introduced in Legislature .

On 4 August 1948, Mr. Senanayake, Prime Minister, introduced in the Ceylon House of Representatives, the Immigrants and Emigrants Bill to make comprehensive provision for controlling entry into Ceylon of persons other than citizens of Ceylon and for regulating their departure. The main provisions of the Bill are summarised below:

Rules governing entry: Issue of passports and visas.-  
Under the provisions of the Bill, a person, if he is not a citizen of Ceylon, may not enter Ceylon unless he has in his possession a valid passport which bears endorsement and if so required, a visa or permanent residence permit issued to him. Under certain circumstances no endorsement, visa or residence permit shall be granted to any person who is unable to support himself and his dependents, or if a person is of unsound mind or mentally defective, or is certified medically that it is undesirable to admit into Ceylon such a person, or has been sentenced outside Ceylon for extradition crime, or is a prostitute or a procurer or a person living on the prostitution of others, or fails to fulfil such other requirements as the Minister may impose in public interest by special or general instructions, etc. The Minister is empowered to declare any person, to whom these conditions apply and who is deemed by the Minister to be an undesirable person for purposes of admission to Ceylon, a prohibited visitor or a prohibited immigrant. With regard to deportation from Ceylon of persons other than citizens of Ceylon, the Minister may make an order requiring any person to whom these conditions apply to leave Ceylon.

Control over emigration.- The Bill further provides that no citizen of Ceylon shall leave the Island unless he has in his possession ~~the~~ a Ceylon passport, or, if he is not a citizen of Ceylon, unless he has a valid passport. For purposes of controlling the departure from Ceylon of persons to whom these regulations apply, regulations may be made, inter alia, relating to the issue of refusal of passports and their renewals, prohibition and control of departure from Ceylon of persons for service in any foreign State, prohibition of departure from Ceylon of such persons when recruited ~~as~~ for employment as labourers outside Ceylon, unless such recruitment is carried out in accordance with the terms laid down in the regulations.

The Bill does not apply to a person who is a member of His Majesty's forces or is duly accredited to the Government of Ceylon by the Government of any other country, or has entered or is under agreement to enter the service of the Government of Ceylon.

(The Hindu, 6-8-1948).

Citizenship By Descent And Registration:  
Citizenship Bill passed by Ceylon Parliament.

On 19 August 1948, the Ceylon House of Representatives passed the Ceylon Citizenship Bill by 55 votes to 35. In moving the Bill, Mr. Senanayake, Prime Minister, informed the House that ~~that proposed~~ he proposed to introduce two other Bills, namely, Indian Citizenship Bill and Quotas Bill, as soon as negotiations on these which were now proceeding on a high level between the Ceylon and Indian Governments, were concluded.

Provisions: Citizenship by descent.- Under the Bill citizenship of Ceylon will be granted by descent as well as by registration, persons being referred to as citizen by descent or citizen by registration. A person born in Ceylon before a date, to be fixed later, will be given the status of a citizen of Ceylon by descent, if his father was born in Ceylon or if his paternal grandfather and paternal great-grandfather were born in Ceylon. A person born outside Ceylon before the appointed date will be given the status of citizen of Ceylon by descent, if his father and paternal grandfather were born in Ceylon or his paternal grandfather and paternal great-grandfather were born in Ceylon. A person born in Ceylon on or after the appointed date will be given the status of citizen of Ceylon by descent if at the time of his birth his father was a citizen of Ceylon. A person born outside Ceylon on or after the appointed date will be given the status of a citizen of Ceylon by descent if at the time of his birth his father was a citizen of Ceylon and if within one year from the ~~birth~~ date of his birth, it is registered at the office of the Consular Officer, Ceylon, in the country of birth, or, where there is no such officer at the appropriate Embassy or Consulate in that country or at the office of the Minister in Ceylon.

Prohibition of dual citizenship.- The Bill provides that no person who is a citizen of ~~or~~ any other country under any law in force in that country shall have the status of a citizen of Ceylon by descent unless he renounces the citizenship of that country in accordance with the law of that country.

Citizenship by Registration.- As regards persons who will be entitled to Ceylon citizenship by registration the Bill lays down that they should have the following qualifications: (1) That the applicant is of full age and of sound mind. (2) (a) That the applicant is a person whose mother is, or was, a ~~or~~ citizen of Ceylon by descent or would have been a citizen of Ceylon by descent if she had been alive on the appointed date and who, being married has been a resident of Ceylon throughout the period of seven years immediately preceding the date of application or being married has been a resident of Ceylon

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throughout the period of ten years immediately preceding the date of application; (b) that the applicant is the spouse or widow or widower of a citizen of Ceylon by descent or registration and has been a resident of Ceylon throughout the period of one year immediately preceding the date of application; or (c) that the applicant is a person who ceased to be a citizen of Ceylon by descent upon his acquiring the citizenship of any other country wherein he has been a resident and thereafter he renounced that citizenship in accordance with the law of that country. (3) That the applicant is and intends to continue to be ordinarily a resident of Ceylon.

The Bill also provides for registration as citizen of Ceylon provided an application is made to the Minister on the following grounds: that the applicant is a person who, firstly, has rendered distinguished public service or is eminent in professional or commercial, industrial or agricultural life or, secondly, has been granted in Ceylon a Certificate of Naturalisation under the British Nationality and Status (Aliens) Act, 1914 of the United Kingdom or Letters Patent under the Naturalisation Ordinance and has not ceased to be a British subject and secondly, that he is and intends to continue to be ordinarily resident in Ceylon. The number of persons registered as citizens of Ceylon under this particular section shall not exceed 25 in any year.

Minister's powers.— The Minister may refuse an application for registration for citizenship and his decision shall be final and shall not be tested in a court of law. The Minister is also empowered to make all necessary regulations but, such regulations are subject to approval of the Senate and the House of Representatives.

Indian Workers penalised: Opposition: Criticism.— During the debate in the House, Dr. Colvin R. de Silva, opposing the Bill, said that the Bill substituted the normal principle of citizenship by birth by the extremely restrictive principle of citizenship by descent. Under the Bill the Indian population, particularly plantation workers, would be "decitizenised". By bringing the Bill before the Indo-Ceylon negotiations were completed, the Ceylon Government was seeking to bring pressure on India and reduce the immigrant labourer to the position of helot. The Bill was the first step in a reactionary move against Indian residents. It would have the way for depriving immigrant workers of the right to vote on the ground that they were not citizens of Ceylon.

Dr. W.M. Perera said that the provision of the right of citizenship by descent might prove beneficial to the privileged and educated classes, but it certainly was disadvantageous to the working class which comprised the predominant section of the Indian population, in Ceylon. People who had toiled and laboured for the country and who were desirous of being citizens should be granted unqualified citizenship.

Government's reply.- Replying to the objection that the Bill was a discriminatory measure against the Indian population in Ceylon, Mr. Bandaranaike, Leader of the House, stated that the Prime Minister of India, when approached on this subject, had said that if Ceylon did not want the services of Indian workers she was free to send back all of them; but if Ceylon needed them, Indian workers should enjoy the same rights and privileges of citizenship as the Ceylonese. The Government was of the opinion that the continuance of the services of a major section of the Indian working population in Ceylon adversely affected the employment situation. It was, therefore, desirable, to send back these Indian, who were no longer needed.

As stated earlier the Bill was passed by the House by 53 votes to 35.

(The Hindu, 6 and 22-8-1948).

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CHAPTER 8. SOCIAL SECURITY.

INDIA - AUGUST 1948.

81. Social Insurance.

Madras: Working of Workmen's Compensation Act, in 1947.

Accidents and amounts of compensation paid.- During 1947 the number of accidents in Madras Province amounted to 3,452; the total number of workers employed in factories coming under the Act was 379,396, including 14,718 minors. 56 of these accidents resulted in death, 149 in permanent disablement and 3,247 in temporary disablement. Of the 56 cases of death, 50 were reported from factories, 18 from estates and 8 from electric generating and transforming stations. No accident was reported in case of minors.

The total amount of compensation paid amounted to 126,167 rupees; a sum of 27,070 rupees was paid in cases of death, 48,078 rupees for permanent disablement and 51,019 rupees for temporary disablement. Of the 451 cases in which compensation was either awarded or disbursed by the Commissioner for Workmen's Compensation, 186 related to workers in the group of wage earners earning up to 50 rupees a month and 189 to workers in the wage group "above 50 rupees - upto 60 rupees"; 40 of these cases, 28 in the former category and 12 in the latter, related to women.

Proceedings before Commissioner.- At the commencement of the year there were 136 cases pending before the Commissioner for Workmen's Compensation. During the year 435 cases were filed and 8 were transferred for disposal by other Commissioners making a total of 443 as against 519 during 1946. Of these 579 cases, 408 cases were disposed of during the year. 179 cases were pending at the close of the year of which 79 cases have since been disposed of. Of the number of cases disposed of, 252 cases related to registration of agreements.

General.- Final orders were passed during the year extending the scope of the Act to workers employed for the purpose of loading and unloading mechanically propelled vehicles.



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(The report on the Workmen's Compensation Act, for the year 1946, was reviewed at page 42 of the report of this Office for June 1947 ).

(Report of the Commissioner for Workmen's Compensation on the Working of the Workmen's Compensation Act for the year 1947. Government of Madras G.O. No.3352 dated 21-6-1948, received in this Office on 28-8-1948 ).

C.P. and Berar: Working of the Workmen's Compensation Act, 1925, during 1947.

Accidents and amount of compensation.- According to the schedule attached to the report for 1947 on the working of the Workmen's Compensation Act, 1925, in the Central Provinces and Berar, there were, during the year under review, 951 cases of injuries in respect of which compensation was paid. Of these, 16 cases resulted in death, 110 in permanent disablement and 825 in temporary disablement. The total amount of compensation paid was 48,569 rupees 7 annas and 6 pies; and an amount of 8,850 rupees was paid in the cases of death, 28,008 rupees 15 annas and 9 pies for permanent disablement and 11,710 rupees 9 annas and 9 pies for temporary disablement. The incidence of fatal accidents was highest in the group of workers whose monthly wages were between 27 to 30 rupees.

Proceedings before Commissioner.- As regards proceedings before the Commissioner for Workmen's Compensation, there were 36 cases pending at the commencement of the year. During the year 92 cases were filed and 105 cases were disposed of. 25 cases remained pending at the close of the year.

(The report on the working of the Workmen's Compensation Act in the ~~Central~~ Central Provinces and Berar during 1946 was summarised at page 33 of the report of this Office for May, 1947).

(Report on the Administration of the Workmen's Compensation Act, 1925, in the Central Provinces and Berar, during 1947 ).

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82. Social Assistance.

India - August 1948.

Aid to Ex-Service Personnel: Voluntary Welfare  
Association formed.

To fill up the gap between the Government and ex-service men and women, a voluntary and charitable organisation, known as the Indian Ex-Servicemen's Welfare Association, has been formed by ex-service personnel in Delhi with a council consisting of senior service and ex-service officers.

The activities of the new association will cover all classes of Indian ex-sailors, soldiers and airmen, who have served in any war or campaign, and their dependents, and also those members of the Red Cross organisation who rendered service with the fighting forces. Ex-members of the Allied Forces resident in India will also be eligible for consideration and temporary help.

One of the objects of the association is to perpetuate the memory of those who have laid down their lives in the service of India, to safeguard the interests of the widows and children of such men, and to render financial and other assistance to ex-service men and women in general where Government aid is not admissible. Other objects are to assist those who have left the services and their families in matters relating to pensions; grants, war gratuities, resettlement and rehabilitation; to open industrial and other homes for disabled, old and destitute ex-service men and women, and to promote schemes for training and education of their children.

(The Statesman, dated 2-8-1948 ).

85. Benefits Organized or paid by Employers.

India - August 1948.

India: The Coal Mines Provident Fund and Bonus Schemes Bill, 1948.

A Government Bill to make provision for the framing of a provident fund scheme and a bonus scheme for persons employed in ~~and~~ coal mines, was introduced in the Constituent Assembly of India (Legislative) on 15 August 1948.

The Statement of Objects and Reasons appended to the Bill points ~~out~~ that the Coal Mines Provident Fund and Bonus Schemes Ordinance, 1948, (vide pages 90-91 of the report of this Office for May 1948), promulgated on 25 April 1948, will cease to be effective on 25 October 1948. As the schemes which are being framed under it must be continued beyond that date, the Bill seeks to replace the Ordinance by an Act.

(The Gazette of India, Part V, dated  
21 August 1948, pages 604-607 ).

86. Social and Industrial Medicine.

India - August 1948.

India: X-Ray examination declared amenity for deductions from railway workers' wages under the Payment of Wages Act, 1936.

In pursuance of clause (e) of sub-section (2) of section 7, read with section 24, of the Payment of Wages Act, 1936, the Central Government has, by a notification dated 24 July 1948, ~~authorised~~ authorised the X-ray examination as an amenity for which deductions from the wages of persons employed by a railway administration may be made.

(Notification No. Fac.61(24) dated 24 July 1948,  
The Gazette of India, Part I, Section 1, dated  
31 July 1948 ).

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87. Public Health.

India - August 1948.

Health Ministers' Conference, New Delhi,  
2 to 5 August 1948: Need for integrated  
Curative and Preventive Health Service  
Organisation urged.

The 2nd Health Ministers' Conference was held in New Delhi from 2 to 5 August 1948, under the presidency of Rajkumari Amrit Kaur, Health Minister, Government of India. The conference, which was inaugurated by the Prime Minister, was attended, among others, by officials and Health Ministers from Madras, West Bengal, Bombay, United Provinces, East Punjab, the Central Provinces, Bihar, Orissa, Assam, Delhi, Ajmer-Merwara, Coorg, Himachal Pradesh, Cochin, Baroda, Travancore, Mysore, Patiala, Saurashtra, Vindhya Pradesh, Rajasthan, Matsya, Madhya Bharat and Kashmir.

Recommendations.- An important resolution adopted by the conference emphasised that a health service, which was designed to provide only curative measures for the rural areas, would not meet the requirements of India and the organisation of an integrated curative and preventive health service was essential. The resolution urged that the question be reviewed by the Central and provincial Governments, and recommended the appointment of a committee for the purpose.

The main points brought out in the more important of the other recommendations of the conference are summarised below:

Governments should explore the possibility of restricting private practice by doctors in their service in successive stages; steps should be taken to ensure that the operations undertaken by the Railways, the Works Department and other Central Government authorities concerned with engineering operations did not create malarionogenic conditions; a country-wide attack should be organised against eye diseases by bringing treatment facilities and down to the remotest villages; the Central Government should appoint a Registrar-General of Vital and Population Statistics attached to the Ministry of Health, and provincial and State Governments should have their own organisations under the charge of a Registrar of Vital and Population Statistics with district organisations for the registration of vital statistics; the Central Government should take early steps to create an all-India Medical Register which should include medical licentiatees also; the Drugs Act should be more strictly and uniformly enforced and early steps should be taken under Governmental auspices to set up factories for making essential drugs and appliances in the country; health services should be expanded

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in the provinces ~~and States~~ and States in order to make it possible to absorb a large part of the remaining displaced health personnel; provincial Governments should set up Nutrition Committees and Nutrition Units should be formed and considered as integral parts of the Health Departments at the Centre and in the provinces; and provincial Governments should appoint provincial tuberculosis and leprosy officers and generally strengthen their campaign against these diseases.

(The Statesman, 3 and 7-8-1948).

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Chapter 9. LIVING STANDARDS.

92. Housing.

India - August 1948.

Housing of Industrial Workers: Question in  
Constituent Assembly of India.

Replying to a question by Mr. R.K. Sidhwa, Mr. R.K. Shanmukham Chetty, Finance Minister in the Government of India disclosed in the Constituent Assembly of India (Legislative) on 13 August 1948 that the Government of Bombay had applied for a loan of 40 million rupees for its housing scheme, which covered all the chief industrial areas in the province. The request had not been complied with, but in connection with the examination of the housing scheme of India as a whole, the Government of India was considering Bombay's request. So far as ~~he~~ he remembered, the present examination related to industrial workers.

A detailed scheme for the setting up of central and provincial housing boards and the financial arrangements necessary, for building and maintaining the houses for labour were at present under the Government's consideration, and a decision would be arrived at shortly.

(The Times of India, 14-8-1948).

Plant for Manufacturing Pre-Fabricated Houses to  
be set up in Delhi: Government of India's decision.

On 18 August 1948, replying to a question in the Constituent Assembly of India (Legislative), Dr. S.P. Hookerjee, the Minister for Industry and Supply, stated that the Government of India had decided to erect a factory near Delhi to manufacture prefabricated houses. The factory when completed would manufacture materials for 5,000 houses a year and each house would cost 2,500 rupees. Accommodation in each house would be two living rooms of 9 feet by 10 feet, a verandah and a kitchen. The total cost of putting up the factory would be 2 million rupees. The matter was inquired into by a special representative of the Government, who was sent to England. It was also examined by Mr. Shanmukham Chetty, the then Finance Minister, when he went to England.

Replying to supplementary questions, the Minister stated that iron and steel would not be required in building these houses. The only materials required were aluminium and cement. It was not possible to indicate exactly what the life of each house was but it would be somewhere between 30 and 50 years.

(The Statesman, 19-8-1948).

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Separate Housing Department to be  
set up by Government of India .

Inaugurating the second Health Ministers' Conference held in New Delhi on 2nd August 1948, the Prime Minister stated that the Government had decided to institute a separate housing department under the Ministry of Health to tackle the difficult problem of housing which had been made much worse on account of the influx of a large number of refugees from Pakistan into India. The Government would also start shortly a factory for building prefabricated houses. Prefabrication would eliminate the need for steel and, to a large extent, also of cement which were in short supply. The cost of a prefabricated tenement, consisting of two small rooms, a kitchen, bath room, small verandah and courtyard would be in the ~~xxx~~ neighbourhood of 2,500 rupees. These houses would be cool and durable.

(The Statesman, dated  
3-8-1948 ).



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Reserve Bank of India takes steps     to  
house its Employees.

In pursuance of its policy to assist its staff, wherever possible, in the present allround shortage of housing accommodation, the Reserve Bank of India has, purchased a property at Bombay for housing officers and also a plot of land at Dadar where it is proposed to construct quarters for the subordinate staff. Also, with a view to giving relief to the refugee staff transferred from Pakistan offices to Kanpur, construction of temporary quarters has been undertaken in the compound of the Bank's premises. The Bank is also exploring the possibilities of starting housing schemes at each of the other centres where its offices are situated.

(Report of the Central Board of  
Directors of the Reserve Bank of  
India, for 1947-48;  
The Gazette of India, dated 7-8-1948,  
Part I, Section 1, page 960 ).

93. Co-operation.

India - August 1948.

Co-ordination of Co-operative Planning:  
Advisory Council appointed by Government  
of Bombay.

In accordance with the recommendations of the Co-operative Planning Committee, appointed by the Government of India (vide pages 45-47 of the report of this Office for December 1946), the Government of Bombay has appointed a separate Provincial Co-operative Council. The Council will be a deliberative body for formulating plans of co-operative development generally and will advise the Government on various questions relating to the co-operative movement.

The Council will consist of the Executive Committee of the Bombay Provincial Co-operative Institute together with the following representatives, nominated and ex-officio members: (1) One representative for each of the four Provincial Co-operative Institutions, (2) one representative of the Bombay Provincial Industrial Co-operative Association, (3) one representative of Housing Societies—rural and urban, (4) three members of the Bombay Legislative Assembly representing the three revenue divisions, (5) one member of the Bombay Legislative Council, (6) one economist, (7) the Chairman of the village Industries Committee, (8) the Secretary to Government, Revenue Department, ex-officio, (9) the Secretary to Government, Finance Department, ex-officio, (10) the Secretary to Government, Agriculture and Rural Development Department, ex-officio, (11) the Registrar of Co-operative Societies and Director of Agricultural Marketing and Rural Finance, ex-officio, and (12) the Joint Registrar for Industrial Co-operatives and Village Industries.

The Chairman of the Bombay Provincial Co-operative Institute will be the Chairman of the Council and the Registrar of Co-operative Societies and Director of Agricultural Marketing and Rural Finance will be the Secretary.

(People's Raj, dated 21-8-1948, Issued  
by the Directorate of Publicity,  
Government of Bombay ).

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

INDIA - AUGUST 1948.

111. Agriculture.

Assam: The Assam State Acquisition of Zamindaris  
Bill, 1948.

The Government of Assam gazetted on 11 August 1948, the text of the Assam State Acquisition of Zamindaris Bill, 1948, which it proposes to introduce in the provincial Legislative Assembly. The Bill seeks to provide for the acquisition by the Crown of the interests of the proprietors and tenure holders and certain other interests, in the permanently settled areas in the province.

According to the statement of Objects and Reasons appended to the Bill the Zamindari system has rendered land revenue almost entirely inelastic for about a century and a half, and deprived Government of the benefit of higher prices of crops, increase in the value of land, extension of cultivation or growth of towns and has also resulted in the inequalities of assessment, having no relation to the productive capacity of land. As it has not been possible to evolve a co-ordinated plan on agrarian reform with a fair rent, fixity of tenure, and to undertake planned irrigation for increase of crop yield and reclamation of land for extension of cultivation, the Government has decided to abolish the Zamindari system and to replace it by a ryotwari system analogous to that existing in the rest of the province.

The Bill provides that on the publication of a notification by the provincial Government the interest of the proprietors and tenure-holders in respect not only of rents but also of hats, bazars, forests, fisheries, undiscovered mines and minerals, shall vest in Government. Government will pay compensation to the outgoing Zamindars or tenure-holders calculated on the net income of the property, i.e. the income after deduction of certain specified items, according to the slabs given in the Bill. These vary from an amount equal to ten times the net income in the case of incomes of 5000 rupees and below to three times the net income in the case of incomes exceeding 100,000 rupees. The compensation will be payable, either in cash or in bond, as may be prescribed.

(The Assam Gazette, Part V, dated 11 August 1948,  
pages 99-116 )

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Bombay: The Bombay Tenancy and Agricultural Lands  
Bill, 1948.

The Government of Bombay gazetted on 23 July 1948, the Bombay Tenancy and Agricultural Lands Bill, 1948; the Bill seeks to amend the law in the province relating to tenancies of agricultural lands and to make certain other provisions in regard to those lands.

The Statement of Objects and Reasons appended to the Bill states that the working of the Bombay Tenancy Act, 1939, as amended in 1946 (vide page 34 of the report of this Office for December 1946) throughout the Province disclosed certain difficulties in the administration due to the variety of tenures, customs and usages prevailing in the different parts of the Province. The change in the political status of the country has also necessitated the shaping of a definite policy of agrarian reforms to achieve improved production and agricultural efficiency at the same time safeguarding the interests of the ryots. In order to implement this ideal it is considered necessary to assume management of estates held by landholders, to impose restrictions on transfer of agricultural lands, to prevent uneconomic cultivation, and to create and encourage peasant proprietorships in respect of holdings of suitable sizes.

The present Bill is directed towards the further achievement of this objective. It is proposed in this Bill to repeal the Bombay Tenancy Act, 1939, but to reincorporate its useful provisions. The Bill puts together general provisions regarding tenancies, their duration, maximum rent, ~~maximum~~ commutation of crop-share rent into cash, prohibition of receiving rent in terms of service or labour, abolition of all ceases, haks, etc., as well as the special rights and privileges of protected tenants.

The following are some of the main features of the Bill:

- (i) The maximum rate of rent has been statutorily fixed at  $\frac{1}{3}$ rd and  $\frac{1}{4}$ th of the total produce in the case of non-irrigated and irrigated lands respectively. The Government can, however, fix a lower rate of rent or can fix maximum rate of rent in multiples of assessment; (ii) A protected tenant can purchase his holding at a reasonable price, if such protected tenant does not possess more than 50 acres of land or by his purchasing the holding the land belonging to the landlord is not reduced to less than 50 acres; (iii) With a view to improving the economic and social conditions of peasants and ensuring the full and efficient use of land for agriculture, powers have been taken for the Government to assume management of land-holders' estates. Provision has been made for payment of net-surplus in respect of estates ~~assumed~~ taken over for management to the lawful holders, after deduction of appropriate costs incurred by Government and the amount if any required for liquidation of debts; (iv) With a view to eliminate further handicaps arising out of absentee landlordism restrictions have been imposed on

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transfer of agricultural lands which under these provisions can be transferred, firstly to the tenant cultivating the land, secondly to the cultivator of contiguous or neighbouring land, and thirdly to co-operative ~~societies~~ societies, and fourthly to any other agriculturist. Provision has also been made to enable non-agriculturists to become agriculturists with the permission of the Collector of the District concerned.

(The Bombay Government Gazette, Part V,  
dated 23 July, 1948, pages 264-297).

114. Officials.

India - August 1948.

Orissa: Ministerial Officers' Federation  
accused of Political Activities: Recognition  
withdrawn.

The Government of Orissa has withdrawn recognition from the All-Orissa Ministerial Officers' Federation, as it feels that the Federation has been engaging in political activities. Explaining the factors that led to the withdrawal, a Government Press Note states that, because of its political activities, the Federation has lost its original character of a bonafide service organisation. The Note emphasises that politics in a Government employee is "an unforgivable sin" and that recognition is accorded to service associations with the sole object of enabling the employees of Government to communicate their needs and grievances to Government as organised bodies.

(Amrita/Bazar Patrika, 29-7-1948).

Orissa: Pay of Government Employees revised:  
16 Rupees and 1500 Rupees fixed as Minimum  
and Maximum Basic Pay.

On 8 August 1948, the Government of Orissa passed orders revising the scales of pay of Government employees. The minimum basic pay has been fixed at 16 rupees and the maximum at 1,500 rupees a month. The revised scales will entail an additional annual expenditure of 3,500,000 rupees.

Dearness allowance to continue:- In revising pay scales, the Government was guided by the general expectation that prices would in future stabilise round about the cost of living index figure of 160; 100 being the prewar cost of living index. Since the cost of living index was now considerably higher than 160, it had been decided to continue the system of dearness allowance, though on a modified scale. At the present cost of living index figure of 260 the lowest paid employee will be entitled to get a dearness allowance of 14 rupees a month, and, provided there is no appreciable reduction in the cost of living, the minimum monthly remuneration of a Government employee will be 50 rupees.

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The Government has still under consideration the question whether Government servants drawing pay above 1,000 rupees a month should be allowed dearness allowance, and, if so, to what extent and at what rate.

(The Statesman, 9-8-1948 ).

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116. Handicrafts.  
India - August 1948.

Government of India sets up Cottage Industries Board.

In accordance with the recommendations of the Industries Conference and the Government of India Resolution on Industrial Policy dated 6 April 1948 on development of small-scale and cottage industries on sound lines (vide pages 32-36, ~~xx~~ paragraph 45 of the report of this Office for April 1948) the Government of India has decided to constitute a Cottage Industries Board under the chairmanship of the Minister for Industry and Supply.

The Board will consist of representatives of the Central Government, the provincial Governments, major States and Unions and of important organisations representing the interests of small-scale and cottage industries. Some non-officials will also be nominated as members of the Board.

The task of the Board will be: to assist Government in the organisation and development of cottage and small-scale industries; to examine how these industries can be co-ordinated with large-scale industries; to examine schemes of provincial and State Governments for promotion of these industries and to assist in ~~the~~ co-ordinating them; and to advise on the marketing of their products in India and abroad.

Though smaller States and Chief Commissioner's provinces have not been represented on the Board, their interests will be given due attention and the Governments of these areas will be kept informed of the activities of the ~~Board~~ Board. They will also be invited to depute representatives whenever it is considered necessary.

(Government of India Press Note;  
The Statesman, dated 11-8-1948.)



117. Shopworkers.  
India - August 1948.

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Madras: Shops and Establishments Act,  
1947: Exemptions.

In exercise of the powers conferred by section 6 of the Madras Shops and Establishments Act, 1947, the Governor of Madras has exempted all restaurants, eating houses and residential hotels in the Province from section 15 of the Act, subject to the condition that the periods of work of a person employed in any such establishment, along with intervals of rest, shall not spread over more than 14 hours in any day. (Section 15 of the Act prescribes that the periods of work of a shopworkers along with his intervals of rest shall not spread over more than 12 hours in any day).

(G.O. No. 3412 Development dated 25 June, 1948;  
The Fort St. George Gazette, Part I, dated 27 July 1948, page 695 ).

List of the more important publications received  
in ~~this~~ the New Delhi Office during August, 1948.

Working Conditions

- 1) Bombay Municipality - Administration Report of Municipal Chief Auditor for the year 1946-47: Municipal Printing Press, Bombay.
- 2) Administration Report of the Municipal Commissioner for the City of Bombay for the year 1946-47: Municipal Printing Press, Bombay.

*See  
part*