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## CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

## INDIA - FEBRUARY 1955.

## 11. Political Situation and Administrative Action.

## Marked Improvement in Economic Situation: President's Address to Parliament.

Dr. Rajendra Prasad, President of India inaugurated on 21 February 1955, the Budget Session of Parliament. Addressing a joint session of both Houses of Parliament the President reviewed the international situation and the progress made by the country in the Economic front.

Improvement in Economic situation - Referring to the economic situation in the country Dr. Prasad said there were marked improvements. Many of the targets laid down by the Five Year Plan were exceeded even in three years. The output of foodgrains in 1953-54 exceeded the Five Year Plan target by about 4.4 million tons. The index of agricultural production which was 96 in 1950-51 rose to 114 in 1953-54, This index has increased at an average rate of 10 per cent per annum during the last 4 years. As a result of the improvement in production many of the controls have been removed. The President said that the Government have decided to acquire effective control over the Imperial Bank of India in order, more especially to afford increasing banking, facilities in rural and underdeveloped areas. The establishment of Indian Industrial Credit and Investment Corporation was expected to prove of great benefit to the private sector of Indian industry.

Dr. Prasad also referred to the considerable progress made in the production of fertilisers at Sindria. The Hindustan Shipyard at Visakapatam delivered three ships in the course of the year. The Telephone Cable Factory at Rupnarainpur in West Bengal had gone into production. The Penciliin Factory at Pimpri and the D.D.T.Factory at Delhi were about to commence production.

<u>Iron and Steels</u> The President said that the Government attached great importance to increasing the iron and steel production in the country. With this end in view, two new steel plants, to be owned by the State, have already been decided upon. A preliminary agreement in regard to one has been arrived at with the Government of U<sub>2</sub>S<sub>2</sub>S<sub>2</sub>R<sub>4</sub> Dr. Prasad stated that the Government attached great importance to the growth of cottage and small scale industries. Theximized To introduce modern techniques in these industries, four regional institutes of technology were being established.

The river valley schemes he said, had shown considerable progress and a number of new projects were being started,

<u>Community Projects</u>. Dr. Prasad speaking about the progress made by the Community Projects and National Extension Service Programme, said that at present about 88000 villages were being served by this programme. It was proposed to cover by the end of the second Five-Year Plan the entire country by the National Extension Service.

Second Five-Year Plan. The President said that the preparation of the second Five-Year Plan had now begun. It was expected that this plan will be a far reaching one than the first plan and that it will lay greater emphasis on the establishment of capital goods industries, on the provision of greater employment and on a reorientation of the system of education,

Business before the Session.- Dr. Prasad said that the Parliament would consider the Constitution Fourth Amendment Bill. These amendments had became necessary in order to further economic and social progress and to give effect to the Directive Principles of State Policy as embodied in the Constitution.

(The Statesman, 22 February 1965),

## Leftist Parties Merge to Form New Mazdoor Kisan Party.

A new political party provisionally nemed as the Mazdoor Kisan Party (Worker Peasant Party) has been formed recently, out of the merger of a number of leftist political parties in the country. The decision to set up the new party was taken at a conference held at Bombay from 27 to 29 January 1955, which was attended by delegates representing, among others, Peasants and Workers Party, Revolutionary Socialist Party, Mazdoor Communist Party, Forward Communist Party, Socialist Front of People's Democratic Front of Hyderabad and League of Socialist Workers of Hyderabad The immediate aim of the new Party is to replace the ruling Congress Party which, according to the policy statement adopted at the conference, represents the capitalists, landlords and other vested interests and establish a socialist Government. While not severing itself from the traditions of the national and social struggles of the Indian People, the new Party adopted the tenets of Marxism-Leninism as its guiding principles. For achieving its goal of a socialist Government in India the Party has expressed faith in militant mass action in addition to the use of the existing democratic institutions.

The Party's own organisational structure according to the policy statement will be based on the principles of democratic centralism and will, consistent with the fundamental political and ideological outlook of the party, ensure freedom of expression at all levels to various opinions. The Party does not believe in the totalitarian dictatorship of one party. It believes that the rule of working class must usher in a higher form of democracy - democracy for the masses of toiling people as against capitalist-landlord oligarchy.

The Party will maintain a fraternal approach to the U.S.S.R., the People's Republic of Shina and the new democracies of Eastern Europe but its attitude towards their policies will be one of critical appraisal. The Party will not link itself with the Cominform but at the same time will not associate itself with any anti-Communist world movement. It will evolve an independent Marxist approach suitable to Indian conditions. It will also endeavour to co-operate with the Communist Party of India and the Praja Socialist Party on specific class and mass issues.

The conference set up a provisional Central Committee for convening the plenary session of the Party in September this year, for drafting a constitution and for finding out a proper symbol for the Party.

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(The Times of India, 31 January 1955).

#### Delhi: Cabinet reshuffled: Mr. Nihal Singh elected Chief Minister.

Following discussion amongst the Congress Party in the Delshi State Legislature, a meeting of the party was called under the guidance of Mr. Pant, the Union Home Minister at which Mr. NihalSingh, Speaker of the State Assembly, was unanimously elected leader of the Party. A three-man Ministry headed by him was sworn in on 12 February 1955. The other two ministers are Mr. Brahm Prakash the former Chief Minister, and Dr. Yudhvir Singh.

Dr. Yudhvir Singh, one of Delhi's elder Congressman, will be in charge of relief and rehabilitation, and industries and labour.

(The Statesman, 13 February 1955).

## Congress forms Government in Travancore-Cochin State: Five-man Ministry Sworn in.

The Congress Party came back to power in Travancore-Cochin State after extending "responsive co-operation" to the Praja Socialist Government which fell on a no-confidence motion early in February. The Congress Ministry, headed by Mr. Panampalli Govinda Menon HM was sworn in on 14 February 1955.

The Ministry is the sixth to be formed since the advent of popular Government in Travancore and the fifth after the integration of Travancore and Cochin. The first popular Ministry in Travancore came intobeing early in 1948 and was headed by Mr. Pattom A. Thanu Pillai. The second Congress Ministry and the first after integration was headed by Mr. Parur T.K. Narayana Pillai. Two other Congress Ministries, headed by Mr. C. Kesavan and Mr. A.J. John, followed and after the general elections early last year the first P.S.P. Ministry came into being under the Chief Ministership of Mr. Pattom Thanu Pillai. Though the P.S.P. is a minority party with a strength of only 19 in an Assembly of 118 members, including the Speaker, it formed a Ministry with the support of Congress Party, the largest single party in the Assembly. The Chief Minister, Mr. Govinda Menon, among other portfolios will hold that of Planning and Labour.

Mr. A.J. John, Revenue Minister, will hold the portfolios of Law and Order, Land Revenue, Food and Civil Supplies, Controls, Forests, etc.

Mr. K. Kochukuttan, Minister for Local Self-Government, will be in charge of Municipalities, Rural Uplift, including Panchayats, Harijans Uplift and Protection of Backward Communities, Co-operation, Housing, Resettlement, Beggar Relief, etc.

Mr. A.A. Rahim, Minister for Health, will be in charge of Medical, Public Health, Prohibition, Agriculture, Fisheries, Animal Husbandry, etc.

Mr. K.I. Velayudhan, Minister for Works, will hold the portfolios of Public Works, Transport and Miantanaty Electricity.

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(The Hindu, 15 February 1955).

## 12. Activities of External Services.

#### India - February 1955.

### Participation in Conferences, Meetings, etc.

On 3 February 1955, Mr. V.K.R. Menon, Director of this Office, delivered a lecture on "India and the I.L.O." at the Punjab University Camp College, New Delhi. (The text of the address has been sent to Geneva under this Office Minute H.3/201/55 dated 8 February 1955).

On 9 February 1955, the Director addressed the Students of the Meerut College on "Human Relations in Industry". (The text of the address has been sent to Geneva along with this Office Minute H.3/225/55 dated 11 February 1955).

Mr. Menon delivered a speech on "Labour Welfare in India" to the students of the Y.W.C.A., Delhi School of Social Work on 22 February 1955. (The text of this speech has been sent to Gemeva along with this Office Minute H.3/305/55 dated 24 February 1955).

Mr. Menon participated the Seminar on "Teaching about the United Nations" conducted at Allahabad under the auspices of the Allahabad University during the month. He delivered a lecture on the work of the I.L.O. at the Seminar on 26 February 1955 (vide this Office Minute H.3/334/55 dated 1 March 1955).

#### Publications

The I.L.O. Bulletin, Vol.II, No.2, was published during the month (vide this Office Minute H.9/249/55 dated 15 February 1955).

The Office brought out during the month a 50-page booklet entitled "Recent Developments in Certain Aspects of Indian Economy". (Copies of this publication has been despatched to Geneva under this Office Minute H.4/344/55 dated 1 March 1955).

#### Other Activities

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Mr. G.D. Ambekar, President of the Indian National Trade Union Congress, paid a visit to this Office, among others, on 12 February 1955.

#### CHAPTER 3. ECONOMIC QUESTIONS.

### INDIA - FEBRUARY 1955.

## 32. Public Finance and Fiscal Policy.

<u>Central Budget for 1955-56 presented:</u> <u>Uncovered Revenue Deficit of 84.7</u> <u>Million Rupees estimated: Fresh Central</u> <u>Taxes and Increased Development Expenditure</u> proposed.

Mr. C.D. Deshmukh, Union Minister for Finance presented the Budget for the year 1955-56 to the Parliament on 28 February 1955\*.

The Budget reflected an increasing tempo of Government expenditure during the closing year of the Five Year Plan. At the existing levels of taxation with increased provision for development expenditure, revenue was estimated at 4687.6 million rupees and expenditure at 4989.3 million rupees leaving a deficit of 301.7 million rupees. Fresh and increased taxation proposals included increase of custom/duties on certain articles, changes in the excise duties and further excise duties, reduction in super-tax limit and changes in the income-tax. As a result of changes in the taxation structure, the uncovered deficit on revenue account will be reduced to 84.7 million rupees.

\* Government of India: Budget 1955-1956: Finance Minister's Speech (Part A) and (Part B), 33 pages.

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The Finance Minister gave an encouraging account of the general economic situation in the country. Both agricultural and industrial production had increased and in some commodities the Five Year Plan targets were exceeded. Food controls were practically removed and the pace of industrial development was encouraging. 8

The following table shows the main features of the budget for 1955-56:-

REVE	REVENUE		(In Million Rupees)			
		Budget 1954-55	Revised 1954-55	Budge <b>t</b> 1955-56		
Customs		1,750+0	1,800.0	1,650.0 -5.0*		
Union Excise Duties	••	1,033.0	1,036.5	1,234.5 x177.0*		
Corporation Tax Taxes on Income other than	Corponation	38 <b>3</b> • 5	384 <b>.</b> 1	397 • 7		
Taxes on Income oblici onmit	Tax	706•7	706 <b>.</b> 3	724.6 x 45.0;		
Estate Duty		2.5 18.5	0•8 22•6	2.1 20.0		
Opium Interest Civil Administration		27.8 104.8	36.1 108.1	29,1 105,4		
Currency and Mint Civil Works		204.2	207.6	231.8 19 <b>.</b> 0		
Other Sources of Revenue Fosts and Telegraphs - Net	eontri buti on	79.2	98.4	192.1		
to general revenues Railways - Net contribution	<b>Ge</b>	15.0	14.0	7.0		
revenues Extraordinary Items		73 <b>.</b> 7 102 <b>.</b> 1	70.8 7.5	61.5 12.8		
TOTAL REV	VENUE	4,517.3	4,510.8	4,687.6 x217.0%		
EXPEN	DITURE					
Direct Demands on Revenue Irrigation		321.9 1.6	304.6 1.4	331 <sub>3</sub> 3 1.3		
Debt Services Civil Administration		400.0 860.8	394.0 839.3	392.0 1,117.6		
Currency and Mint Civil Works and Miscellane		26.3	34.9	33₄6		
Tenprovement	8	155.4 84.5	150•6 87•7	163.3 91.3		
Miscellaneous • Expenditure on Displace Other Expenditure	d Persons .	102.3	111.2	103.7		
Grant to States, etc. Extraordinary Items	•••	97,4 324.8	109.7 320.5	237•2 359•3 131•9		
Defence Services (Net) TOTAL EXPENDIT	ure ure	239.7 2,056.2 4,670.9	226.7 1,980.2 4,560.8	2,026.8		
Surplus Deficit	(x)	•153.6	<b>~50₀</b> 0	-84 <u>.</u> 7		
*Effect of Budget Proposal						

Mr. Deshmukh's speech: Review of economic conditions. - Reviewing the main features of the country's economy during the gurrent year, Mr. Deshmukh stated that the trend of prices for the greater part of the year was one of downward adjustment. The general index of wholesale prices which had stood at 392.6 at the end of December 1953 rose moderately to 404,2 by the middle of April 1954. Thereafter prices fell rather sharply to 378.4 by the end of June and, encept for a slight rise up to the end of September, there was a further fall with the harvesting of the Kharif cpop, and the index at the end of January 1955 stood at 360. The recent fall in prices has been dup in largely to a fall in prices of foodgrains, certain raw materials like oil seeds and certain miscellaneous articles like black pepper.

The fall in wholesale prices has, to some extent, been reflected in living costs in various industrial centres. The All-India Working Class Cost of Living Index declined by about 7 per cent between January and December 1954. Compared with the peak of 111 in July-August 1953, the index at 97 in December 1954 represents decline of about 13 per cent. In serveral centres, specially in the eastern parts of the country, the fall has been larger.

Food-grains productions The production of food grains in 1953-54, which amounted to 66 million tons, exceeded the Five Year Plan target by about 4.4 million tons; and that of oil seeds, at 5.6 million tons, by about 100,000 tons. The production of cotton amounted to 3.0 million bales and very nearly reached the Five Year Plan target. Production of jute, on theother hand, has shown some wide fluctuations in recent years. The increased production of food grains made it possible for the Government to further relax controls over the movement and distribution of foodgrains. With the lifting of restrictions in respect of rice in July 1954, the controls on food distribution have been practically dispensed with altogether. Only in regard to wheat there remain some restrictions on interzonal movement, which have been retained to make the best use of the stocks available with the Government.

Due to the increase in the internal production of foodgrains, it has been possible to reduce the import of foodgrains to only about 58 million tons in 1954 as against 4.7 million tons in 1951, 3.9 million tons in 1952 and 2 million tons in 1953. Further imports, which will not be large, will now be for purposes of strengthening our reserves.

Industrial production - Cloth production rose from 4,900 million yards in 1953 to 5,000 million yards in 1954. The production of yarn also increased during the year, the consumption of yarn by the handloom industry reaching a figure of 78,000 bales during the first lomonths of the year compared with 73,000 bales for the whole of 1953. With increased supply of yarn and other forms of assistance given to the handloom industry, the production of handloom cloth increased by 100 million yards over the figure of 1,300 million yards in the previous year. Cement production increased from 3.78 million tons in 1953 to 4.36 ten million tons in 1954. In jute, the production during the year was nearly 50,000 tons more than in 1953. Production of finished steel reached an all time high of 1.23 million tons in 1954, which was nearly 200,000 tons more than in 1953. Production of coal in 1954 was nearly one million tons more than in 1953. The only major industry to show a decline in production was the sugar industry in which, owing to adverse seasonal conditions and other special causes, there was a drop astrata of about 200,000 tons.

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Industrial development. During the year 110 licences were granted for the establishment of new industrial undertakings and 226 licences for existing undertakings to expand their units. Several new lines of production were first established in the country such as all-gear head lathes - 12  $1/2^{n}$ , motorised bench grinders, roller bearings, large size pumps, fuel injection equipment, staple fibre and chloromycetin. Two important steps were taken during the year with the object of assisting rapid industrialisation. The first was the setting up of the Government owned National Industrial Development Corporation. The first xwas xike Corporation is conceived mainly as an instrument af for securing a harmonious development of industries in both the public and private sectors. The Corporation will not undertake financing of industries except in so far as it is incidental to the development of industries. The second was the flotation, with the co-operation and assistance of Government and the good offices of the International Bank for Reconstruction and Development, of the Industriel Credit and Investment Corporation of India, a private institution with a capital of 50 million rupees subscribed by the investors in India, the U.K. and the U.S.A. This Corporation to which Government will give an interest-free loan of 75 million rupees and the I.B.R.D. a loan of 10 million rupees will assist the development of industries in the private sector.

<u>Small scale and Cottage industries</u> Small scale and cottage industries continued to receive special attention during the past year. On the recommendations of a team of Experts sponsored by the Ford Foundation, the Government of India hate set up four regional institutes of technology for small industries, a Marketing Service Corporation and a Small industries Corporation which would assist small scale industries in various directions.

State enterprises... State Industrial enterprises also had a satisfactory year. The Sindri Fertiliser Factory has reached its rated output capacity. Other Other industrial undertakings like Chittaranjan and the Indian Telephones have also recorded marked improvement. The Hindustan Cable Factory has recently been inaugurated; the Machine Tool Factory has started token production and the Penicillin and D.D.T. fretries factories are due to start production soon, Preliminary work on the new steel undertaking at Rourkela is well in hand and, an agreement has recently been signed with the U.S.S.R. for the installation of an additional steel plant with a capacity of 750,000 tons of finished steel. Proposals for the setting up of additional units for steel and fertilisers production and schemes for producing heavy electrical plant and synthetic oil from coal are under consideration.

Unemployment problem. Although satisfactory progress has been recorded in the field of production, and expanding production has, to some extent, meant increased employment, the employment situations continues to be a matter of some anxiety. The number of unemployed persons registered with the Employment Exchanges has risen continuously from about 522,000 in December 1953 to 581,000 in November 1954, reflecting partly the increase in population, but this again gives only a partial picture. It is only by accelerating development on the widest possible front, covering both the urban and rural sectors and with a diversified and, wherever possible, decentralised pattern of production that employment opportunity on a scale commensurate with the needs of the population can be procured, The nextFive-Year Plan will pay due regard to this very important aspect of the country's economic development

Balance of payments. Discussing the balance of payments position, the Finance Minister observed that taking the year as a whole, there will be more or less, balance in the country's external transactions as against a surplus of 550 million rupees in 1953. This is roughly indicated by the movement in the level of the sterling balances which rose by about 40 million rupees during the year from 7,270 million rupees on 1 January to 7,310 million rupees on 31 December 1954.

The net surplus with the dollar area in 1954 is expected to be smaller than in 1953. In the first half of 1954, excluding the official assistance received from the dollar area, the net surplus on Current Account with the dollar area was 70 million rupees as against 130 million rupees in During 1954 a sum of 12 million dollars 1953. was drawn from the Sterling Areas! reserves for meeting obligations in the dollar area. The corresponding figure for 1953 was a surplus of 15 million dollars. This was due to the fact that during 1954 a special payment of 47 million dollars was made to the Intennational Monetary Fund to repurchase a part of our currency from that Organisation. A further payment of 25 million dollars is to be made next month leaving an outstanding balance of about 28 million rupees, which will not involve the payment of any interest charges.

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Turning to external assistance received from friendly countries, Mr. Deshmukh mentioned that for the next year the total sum to be received by India by way of external assistance under the Colombo Plan and from friendly countries is expected to amount to 740 million rupees, while the country will be spending on the provision of such aid to other countries approximately 20 million rupees.

Financial year 1954-55... Turning to the revised estimate for the current year the Finance Minister indicated that the revenue deficit will amount to 50 million rupees only as against the anticipated deficit of 153.6 million rupees. The improvement is the result of a saving in expenditure of 110.1 million rupees offset by a small fall in revenue of 6.5 million rupees.

The revenue from customs is now put at 1,800 million rupees against 1,750 million rupees taken in the original budget, During the year, a number of export duties were abolished or reduced in the XEXX interests of our export trade but the resultant fall in revenue was more than offset by the increase from the enhancement of the export duty on tea which is expected to bring in an additional revenue of 66 million rupees this years. Larger imports of sugar, necessitated by the decline in indigenous. production, also resulted in increased revenue to the extent of about 100 million rupees. Against these increases the revenue under customs will lose this year about 60 million rupees owing to the gradual replacement of imports of motor spirit, kerosene and lubricants by indigenous production of oil refineries in India, one of which went into production this year.

The revenue from new excises introduced during the last Budget has been, more or less, according to expectations The credit of 90 million rupees taken in the Budget from repayment of partition debt by Pakistan has, however, not materialised.

The estimate of 40 million rupees from Estate Duty taken in the original budget has proved optimistic and only 12.6 million rupees is expected from this source during the current year. 11

Expenditure this year is now estimated at 4,560.8 million rupees of which civil expenditure will amount to 2,580.6 million rupees, a saving of 34.1 million rupees in the original budget and defence services to 1,980.2 million rupees, a saving of 76 million rupees in the original budget.

The Finance Minister Budget for 1955-1956.estimated the revenue at 4,687.6 million rupees on the basis of existing taxation and expenditure at 4,989.3 million rupees, leaving a deficit of 301.7 million rupees. The revenue from customs in the coming year has been placed at 1,650 million rupees work against the current year's Revised Estimate of 1,800 million rupees. The much recent enhancement of the Export Duty on tea will bring an additional revenue of 110 million rupees over the current year's Imports of motor spirit, kerosene and yield. lubricants will, however, decrease to almost a quarter of the present level as a result of the. second oil refinery at Bombay also coming into full production. In consequence there will be a drop af about 200 million rupees mnder this Head as compared with the collections of the current year but a substantial part of this revenue will be realised through excises. Imports of sugar are also expected to be less than in the current year. In the result, the customs revenue will show a net drop of 150 million rupees next year. The revenue from excise duty is put at 1,234.5 million rupees next year as compared with the current year's revised estimate of 1,036.5 million rupees. Under income-tax the current year's figure of 1,650 million rupees is being repeated for next year. Revenue from estate duty is estimated at 30 million rupees next year and profits of the Reserve Bank payable to Government are expected to be 200 million rupees next year against 175 million rupees this year.

The expenditure next year is being placed at 4,989.3 million rupees, 2,026.8 million rupees under defence services and 2,962.5 million rupees undercivil heads. The stimates for Defence Services show an increase of 46.6 million rupees over the Mevised Estimates for the current year. This increase is mainly due to the normal expansion programme of the Navy and Air Force.

Civil expenditure next year shows an increase of 381.9 million rupees. The bulk of the increase represents larger allotments for development expenditure, which is inevitable in the final year of the Plan. The total expenditure on Nation Building and Development Services amounts to 753 million rupees against 506.9 million rupees in the current year. Allowing for a transfer of about 46 million rupees from otherheads, the net increase here comes to 200.1 million rupees. The budget for education increases by 73 million rupees to 183.1 million rupees which includes provision of 100 million rupees for grants to States for Basic, Social and Secondary Education. Development of village and small scale industries will cost an additional 22.3 million rupees. For development of khadi and handloom industries, a total provision of 42.5 million rupses has been made which will be met from the fund created out of the special cess on mill-made cloth.

There is an increase of 44.4 million rupees in expenditure on community development projects and National Extension Services; an increase of 24.1 million rupees in grants to Part C States with their own legislatures for financing their development schemes; an increase of 8.1 million rupees in grants for the development of scheduled tribes and scheduled areas; and an increase of 11 million rupees in grant for social welfare and welfare of backward classes. The total additional provision for Development services next year thus aggregates about 292.7 million rupees.

<u>Capital expenditure.</u> The Finance Minister gave an account of the provision for capital expenditure. The current year's budget provided for an expenditure of 1,457.5 million rupees while the expenditure is now estimated at 1,785.4 million rupees. The increase is accounted for by a worsenin g of 615.9 million rupees under Government trading schemes and saving of 288 million rupees in other items.

For next year, capital expenditure is estimated at 2,233 million rupees including 290 million rupees for Government Trading Schemes mostly for pur normal imports of wheat for the Central Reserve.

In addition to the provision for capital outlay, the estimates include, against the original provision of 2,490 million rupees, 3,060 million rupees this year and 3,550 million rupees next year for loans to State Governments and others mostly for their development projects.

Ways and means position. Discussing the ways MANN and means position the Finance Minister said that the overall deficit in the current year would be 2.080 million rupees against 2,390 million rupees in the budget estimates. As the opening balance was about 120 million rupees less than the minimum of 500 million rupees which it is necessary to maintain the expansion of Treasury Bills will. therefore, amount to 2,200 million rupees. During the year Government floated the 3 1/2 per cent National Plan Loan, 1964. The response to this Loan, which was a combined loan to oover the needs of both the Central Government and the States. was satisfactory and subscriptions amounted to 1,580 million rupees out of which 255 million rupees were lent to the States which would otherwise have approached the market independently for their loans

For the coming year the Finance Minister expected an overall deficit of 3,400 million rupees largely due to increased provision for development expenditure. During the coming year on e loan, the 2 1/2 per cent Loan 1955, which with an outstanding balance of 600 million rupees, falls due for repayment, while Government have the option to repay another, the 4 1/2 per cent Loan 1955-60, with an outstanding balance of 90 million rupees. It has been assumed that both these loans will be discharged next year. Credit has been taken for a new market loan of 1,850 million rupees. Small Savings next year may amount to 520 million rupees and foreign aid to 740 million rupees. Allowing for other miscellaneous transactions under debt and remittances head, it will be necessary to expand treasury bills by 3.400 million rupses to cover the overall deficits

Summarising the position the Finance Minister pointed out that Government would have to find next year 300 million rupees for meeting the revenue deficit, 5,780 million rupees for financing capital outlay and loan requirements of State Governments and others, and 690 million rupees for the repayment of the maturing debt. Against this it was hoped to raise 1,250 million rupees from the market loan, and 520 million rupees from small savings. Foreign aid expected next year amounts to 740 million rupees, and other miscellaneous debt and remittance transactions may bring in 860 million rupees. This will leave a gap of about 3,400 million rupees in the available resources to balance the budget. As the cash balance will have no margin left to be drawn upon, thewhole of this gap will have to be met by issue of treasury bills.

Taxation proposals. The Finance Minister estimated the deficit on/r evenue account in the coming year at 301.7 million rupees. He explained that it was a prudent principle to meet as much of the current expenditure as possible from current taxation and that he therefore proposed to meet themajor portion of the deficit by fresh and additional taxation. The Finance Minister announced the following taxation proposals.

Customs duties... The Finance Minister's proposals for changes in customs duties covered a wide range of articles.

In accordance with Government's general policy of gradually replacing, wherever possible, at least partly quantitative restrictions Mf by higher import duties, a number of import duties on goods such as articles made of paper, papier mache, etc., advertising circulars, and cutlery not plated with gold or silver are being raised.

It was proposed to abolish completely, subject to the margin of preference being maintained where this is bound by agreement, duties on dyeing and tanning substances, gums, resin, plumbago and graphite,

The export duty on cotton cloth was being reduced to 6 1/4 per cent as a measure of assistance towards the maintenance of the country's competitive position in world markets.

Lastly, a slab system was being prescribed for export duties, on tea in lieu of the existing flat rates.

The effect of these changes would be a loss of 5 million rupees in revenue.

Union excise duties the Finance Minister announced the following changes in the Union excise duties

Firstly, the existing duty of 3 rupees 12 annas per cwt. on sugar is raised to 5 rupees 10 annas per cwt. The additional revenue is estimated at 50 million rupees.

Secondly, to classify cotton cloth in categories of superfine and others instead of the existing four classifications. The excise duty on superfine cloth will be at 2 1/2 annas per square yard and on other cloth at one anna per square yard.

The special cess of three pies a yard for the development of the handloom industry will be levied in addition. The additional revenue from these readjustments will amount to 90 million rupees.

Thirdly, existing preference margin for medium-sized and cottage group of match factories to be raised. The existing margin in respect of match boxes of 40's for medium-sized factories which is one anna per gross of boxes will be increased to two annas per gross of boxes and suitable increases are being made in respect of other categories.

These concessions which are being given in pursuance of Government's policy of fostering the development of small-scale industries would result in a loss of revenue of 5 million rupees of which the States' share will be 2 million rupees.

The fourth proposal related to certain changes in excise duty on cigarettes having no revenue significance,

Further Excise Levies. The Finance Minister further announced levy of excise duty of ten per cent ad valorem on woollen fabrics, sewing machines, electric fans, electric lighting bulbs, electric dry and storage batteries, paper (excluding newsprint) and paper boards, paints and varnishes. The total estimated revenue from these would be 40 million rupees,

The net additional revenue from the change in excise duties will amount to 177 million rupees.

Incomestax. The Finance Minister announced the following changes in the incometax:

The existing tax exemption slab of 1,500 rupees was being raised to 2,000 rupees for married persons and reduced to 1,000 rupees for unmarried persons as a first step towards a scheme of family allowances, The net loss of revenue was estimated at 9 million rupees.

The existing slab of 5,000 rupees to 10,000 rupees was being broken into two, the tax on the ix slab of 7,500 rupees to 10,000 rupees being raised by six pies from one anna nine pies to two annas three pies. This was expected to yield a revenue of 13.5 million rupees.

In the next slab of 10,000 rupees to 15,000 rupees the rate was being raised from three annas to three annas three pies. Additional revenue expected was 8.5 million rupees. Earned income relief reduced. As a first step in the abolition of concession of earned income on higher brackets of income, the earned income relief of 4,000 rupees would be reduced by 200 rupees for each 1,000 rupees of income in excess of 25,000 rupees, ceasing altogether when the level of 45,000 rupees was reached. Additional revenue estimated was 19 million rupees. The super-tax slab would be readjusted, and the level at which super-tax was attracted reduced from 25,000 rupees to 20,000 rupees. The changes were estimated to yield an additional revenue of 57.5 million rupees.

Rebate on insurance premia. The existing limit of one-sixth of income subject to a ceiling of 6,000 rupees for rebate allowed for payment of premia on life insurance policies and subscriptions to provident funds was being raised to one-fifth of income with a ceiling of 8,000 rupees, corresponding increases being given to Hindu undivided families. This concession would cost the exchequer 2.5 million rupees. Hindu undivided families consisting of four members or more entitled to claim partition wanaka would be exempted from tax so long as their income did not exceed 12,600 rupees and for such families the exemption limit for the payment of surcharge would also be raised from 14,400 rupees to 21,600 rupees. The financial effect of these concessions was not likely to be substantials

A development rebate of 25 per cent of the cost of all new plants and machinery installed for business purposes would be allowed instead of the existing initial depreciation allowance of 20 per cent. Losses of business would also be allowed to be carried forward indefinitely instead of only six years.

Rationalisation of tax structures A number of changes were being made in the direction of rationalising the tax structures. Thus the tax value of any perquisite or benefit drawn by salary earners drawing over 18,000 rupees per annum and of directors of company, and entertainment allowances of all kinds were being made subject to tax and similarly compensation received for loss of managing agency or other agencies and compensation received for termination of employment would be subject to tax. A flat rate of super-tax of four annas in the rupee was being imposed on the undistributed profits of a company if 60 per cent of the profits had not been distributed.

The net effect of all the changes in income-tax was an increase in revenue of 87 million rupees of which the States! share would amount to 42 million rupees. The net effect of the proposals may now be summarised. The changes in customs duties will involve a loss of revenue of 5 million rupees and the changes in match excise a loss of the same amount, of which 2 million rupees will be passed on to the States. The new and increased excise duties will bring in a sum of 180 million rupees. Changes in income-tax will yield 87 million rupees, on which the States' share will amount to 42 million rupees. In the result, central revenue will increase by 217 million rupees leaving an uncovered deficit on revenue account of 84.7 million rupees. Including the additional taxation, the overall deficit for the year will stand at 3,180 million rupees.

The Finance Minister stated that this was the last budget of the first five year plan, and like the budgets of the previous years, it had been framed with the main purpose of securing the orderly implementation of the Plan. The second Plan must provide for more accelerated development consistent with the stability of the country's economy and declared policy of adherence to democratic methods, The success of the second Five-Year Plan will, depend upon two factors, organisation and finance, "Both have to be correlated and the maximum amount of resources currently raised for investment and production, It is because the raising the maximum resources is necessary for planned development that I make the large draft which I have made today on the tax payers' purse. There is the further justification for it, namely, that unless this is done, the objective of a welfare State enshrined in the Constitution will never be attained ".

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## Surplus Railway Budget for 1955-1956 presented: Readjustment of Passenger Fares announced.

Mr. Lal Bahadur Shastri, Union Minister for Railways and Transport, presented to the Lok Sabha on 22 February 1955, the Railway Budget for the year 1955-56\*. The Budget estimated a net revenue surplus of 71.4 million rupees. Receipts are estimated at 2,925.0 million rupees. There is a provision for 1,266.8 million rupees for works, machinery and rolling stock during 1955-56. The dividend to the general revenues will be 360.7 million rupees.

The Minister announced a re-adjustment of passenger fares on the basis of a telescopic structure of three legs under which long distance passengers for journeys of 301 miles or ever would be given relief, while on short distances upto 150 miles fares should be slightly enhanced. The Minister also announced certain modifications in freight rates an d concessional holiday return tickets.

The following table shows the details of the budget:

	• • •					
		Actuals 1953-54	Budget 1954 <b>-</b> 55	Revised estimate 1954-55	Budget 1955=56	
Gross Traffic Receipts.		2,742.9	2,732.5	2,828,0	2,925,0	
Working Expenses. Net Miscellaneous Expenditure. Appropriation to Depreciation		2,017.5 56.2	1,945.3 80,8	2,029,5 8 <b>3</b> ,2	2,068.0 74,9	
Reserve Fund, TOTAL.		300.0 2,373.7	300.0 2,326.1	300.0 2,412,7	350.0 2,492.9	
Net Railway revenues. Dividend to General Revenues.		369 <b>.</b> 2 343.6	406•4 355•0	415.3 349.6	432 <b>.1</b> 360 <b>.</b> 7	
NET SURPLUS.	, <b></b>	25.6	51.4	65 <b>• 7</b>	71.4	
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<u>Mr.Shastri's address:</u> Financial Year 1953-54. Mr. Lal Bahadur Shastri began his budget speech with a review of the financial position of the Indian Railways as disclosed in the completed accounts for 1953-54. The actual gross traffic

\* Government of India: Ministry of Railways. Speech of Shri Lal Bahadur Shastri, introducing the Railway Budget for 1955-56 on 22 February 1955. pp. 32.

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receipts and the ordinary working expenses for the year were 2,742.0 million rupees and 2,014.7 million rupees and against the revised estimates of 2,720.0 million rupees and 1,976.3 million rupees respectively. After allowing for contribution to the Depreciation Reserve Fund and payment of miscellaneous expenditure and Divided to General Revenues, the actual net surplus stood at 25.6 million rupees against the revised estimate of 31.8 million rupees. The entire surplus was credited to the Railway Development Fund.

Revised estimates for the year 1954-55. The Minister said that the revised estimate of surplus for the current yxar financial year was 65.7 million rupees against 51.4 million rupees estimated in the budget.

Fare Re-adjustment. The Railway Minister announced a readjustment of fares om the basis of a telescopic structure of three legs; the first leg covering distances up to 150 miles, the second between 151 and 300 miles, and the third covering distances of 301 miles and overs.

With regard to second, inter and third classes, he said, there would be no change in fares on journeys covering distances from 151 to 300 miles. In regard to distances of 301 miles and over, the fares would be reduced. In regard to journeys up to 150 miles, the fares would be slightly enhanced.

As regards airconditioned travel, the present rate of 30 pies per mile would be increased to 34 pies per mile for the first 300 miles and to 32 pies per mile thereafter. The existing extra charge of five rupees per night for bedding would, however, be discontinued.

Freight Rate Adjustments. After trying is to balance the needs of the country's economy as a whole and the needs of the railways with their RURFXXXXXXXXX ever increasing commitments, the Railway Minister said that he had decided to make certain modifications in freight rates,

The steady drop in the prices of foodgrains he said, increased proportionately the incidence of freight particularly as it affected the selling price of grain in deficit areas situated at considerable distances from the surplus regions. He proposed, therefore, to reduce the wagon-load scale of grains and pulses by 0.02 pie per mile or 7 percent for distances ranging from 301 to 600 miles and by 0.01 pie per mile or about 5.5 percent for distances beyond 600 miles. The maximum frag freight had been fixed at 1 rupee 13 annas per maund, the freight charged for 1.500 miles, so that the haulage beyond that distance would bear no charge. This proposal would involve a reduction in earnings to the tune of 12.5 million rupees a year. The same special treatment would be extended to fertilizers which are also important from the point of view of the agriculturist.

Other traffic. As regards the "class" rates. under the 1948 scales the drop in rates with increase in distance is very limited. In order to provide the requisite stimulus for long-distance traffic, the Railway Ministersaid, it was proposed to make an upward adjustment of freight in the cases of distances up to 300 milies and a downward adjustment in the case of distances covering 601 milies and over. No changes were proposed in thecase of were proposed in the case of distances from 301 to 600 miles. These changes were necessary "not only to afford the trading public a better taper of telescopic scale, but also to secure additional revenue which is necessary for the financial stability of the railways during the next quinquennium".

The actual proposal was to reduce the freight for distances beyond 600 miles by 15 pcr cent and to increase the rate for the first 300 miles by 10 per cent leaving the distances from 301 to 600 miles unaltered. The increase on most commodities in common use would not exceed about half a pie per seer; in the **HERE** case of distances up to 850 miles there would be a progressive and substantial reduction.

Rationalisation of "wagon load" scales was also proposed, bringing the telescopic legs of the scale into conformity with those of the class rates, except where these applied to commodities of very low value.

Budget estimates for 1955-56 - The Minister stated that for the budget year 1955-56, the overall gross traffic receipts were estimated at 2,925-0 million rupees againstian the regised estimate of 2,828.0 million rupees for the current year. The estimate of passenger earnings had been placed at 1,045.0 million rupees, an increase of 27 million rupees over the revised estimate. The increase was anticipated on the basis of the current trends of traffic and as a result of the efforts of the Railways to increase their capacity to deal with the additional traffic and, to a small extent, on account of the adjustments in fares. Similarly the normal increase in goods traffic which could be anticipated in the light of the trend noticeable during the current year, together with the effect of the proposed adjustments in freight rates, was expected to contribute to an improvement of about 79.0 million rupees over the revised estimates Goods earnings for 1955-56 accordingly had been placed at 1,639.0 million rupees. These increases, however, were expected to be counterbalanced by a reduction of about 10 million rupees under other coaching earnings,

The budget estimates of ordinary working expenses for 1955-56 had been placed at 2,965.9 million rupees, that is, 38.3 million rupees more than the revised estimate for the current year. The factors that have contributed to the increase are the annual increments to staff, additional staff required consequent on anticipated increase in traffic, increased charges on maintenance and repairs for additional stock and absence of credit on account of the restoration of dismantled lines.

The provision for contribution to the Depreciation Reserve Fund had been made at 350 million rupees in accordance with the revised Convention and that for payment of dividend to General Revenues at 360.7 million rupees. After making payment to worked lines of about 2.1 million rupees and miscallaneous expenditure of 74,9 million rupees the net surplus expected to accrue in 1955-56 was anticipated to be 71.4 million rupees, as a ainst the revised estimates of 65.7 million rupees for the current year. This was proposed to be credited to the Railway Revenue Reserve Fund as so as to be available for payment of contribution to General Revenues in the later years of the quinquennium.

Expenditure on works, rolling stock, etc. As against the revised estimate of 956.0 million rupees on works machinery, rolling stock, etc., during the current financial year, the estimate for the new year had been placed at 1,266.8 million rupees, representing an increase of 310.8 million rupees, This provision included 765.4 million rupees for rolling stock alone.

Referring to the encouraging progress in the construction of new lines, the Railway Minister said: "The railways have executed these works with efficiency and often ahead of the target **EAXENX** date".

Among the new lines under construction, the Chunar-Robertsganj line, the Rajkot TowneRajkot Junction realignment, the Murliganj-Madhepura line were opened to traffic in July, 1954 and the Gandhidham-Kandle line in August 1954 a

The construction of the following five new lines aggregating 335 miles miles was in progress: Mampa Champa Korba Coal fields railway; Pathankot Madhopur; Gop Karkola; Khandwa Hingoli; and Quilon Ernakulam. The Minister indicated that out of the new lines under survey, surveys totalling 255 miles had been completed. These were: Indore Dewas Ujjain; rail connection to Etah; Tildanga Kherjuria Malda; Bhavnagar Tarapur; and Fatehpur Churu. The other two surveys, namely, Mangalore Hassan and Diva Dassgaon were still in progress.

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With regard to other surveys in progress at the beginning of the year and those sanctioned during the year, those for Raniwar-Bhillad; Dohad-Indore, Hirdaygarh-Damua; Pathankot-Madhopur, Gua-Manoharpur, Arang-Mahanadi-Dhalli Rajhra, and Barabi-Boda-Koira (preliminary), had been completed. Surveys were in progress for Madhopur-Kashua via Lakhanpur; Sambalpur-Titilagarh; rail connection to Garo Hills; and Ramshaj-Binnaguri lines. Based on the surveys already completed, construction of the following lines has been sanctioned: Fatehpur-Churu; Pathankot-Madhopur; Indore-Dewas-Ujjain; Barabil-Joda; and Raniwara-Bhiladi.

Work on the Fatehpur-Churu and Pathankot-Madhopur projects had begun and it was hoped the Indore-Dewas-Ujjain and Barabil-Joda projects would be taken up during the current year. A provision had also been made in the budget estimates for 1955-56 for the construction of a broad gauge rail connection to Etah.

An aerial survey of the west cost is in progress to determine the possibility of railway communication in that area.

The Minister said that the following dismantled lines had been restored during the current year: Angadipuram-Nilambur (Southern Railway); Unao-Madhoganj (Northern Railway); Usillampatti-Bodihayakkanur (Southern Railway); Marga Nagrota-Jogindernagar (Northern Railway); Bhegalpur-Mandar Hill (Eastern Railway) and Sultapur-Zafarabad (Northern Railway). He added: "We have been able to resoftre completely ten out of the twelve dismantled lines, the restoration of which was approved by the Central Board of Transport. Work on the Utraitia-Sultanpur section, now in progress, is expected to be completed during the 1955-56, Restoration of the twelfth line, namely, Rohtake Gohana-Panipat, had to be postponed in order to release funds for the provision of a rail link to Chandigarh, the new capital of the Punjab, The question of the restoration of this line is under review".

He said that satisfactory progress had been made in implementing the policy of kkm self sufficiency in the matter of rolling stock. During the current financial year, the Chittaranjan Locomotive Works would have turned out 98 locomotives, equivalent to 120 average-sized locomotives-Chittarnjan's target figure. The production capacity of the works was being increased to 200 broad-gauge locomotives, while Telco had been advised to increase their production from 50 to 75 metre-gauge locomotives. They should even be prepared to raise it to 100. The Perambur Integral Coach Factory was expected to go into production during the budget year, and the phasing of its production was from 20 coaches in 1955-56 to 350 in 1959-60. "When full production is attained in this factory we would have reached a landmark in the programme of self sufficiency in coaching stock", the Minister observed. The manufacture of coaches in railway workshops mara was also being stepped up and the possibility of a further increase was being examined by the Workshops Reviewing Committee. The question of indigenous manufacture of electric multiple coaches was also under consideration.

Wagon-building was mostly confined to the private sector. Some time ago, the wagon-builders had been assured of the railways' willingness to purchase 12,000 wagons per year in five years. "The railways would be prepared to increase the orders placed with them if they show evidence of capacity to produce more", the Minister said. With regard to special type of wagons required in the country, he expressed the hope that the firms would consider the manufacture of such stock also.

As regards the manufacture of parts and mampanants components nowbeing imported, some progress had been made but much still remained to be done. A committee had recently been appointed to go into this problem and submit its recommendae tions early.

Line capacity works... To increase the line capacity on congested sections of the railways to meet the need of the current and the anticipated increase in traffic, a provision of 61 million rupees had been made during 1955-56, as against 21 million rupees in 1953-54 and 33 million rupees in 1954-55.

Five Year Plan. In Mk a brief reference to the progress made by the railways during the Five Year Plan period, the Railway Minister said that the total amount of 4,000 million rupees allotted to the railways would be spent. The expenditure might even exceed this figure by some 180 million rupees if deliveries of rolling stock on order from abroad were maintained according to schedule. Out of the total estimated expenditure of 4,180 million rupees, the railways had been able to find about 2,660 million rupees from current railway revenues, the balance of 1,520 million rupees being financed by general revenues. A planning cell had recently been set up in the Railway Board's office and senior technical officers had also been attached to the board, their main task being to formulate the railways' second Five Year Plan and give the necessary guidance to the railways. Instructions had been issued to the General Managers of the railways to set up similar units on their systems

Mr. Shastri said that it was premature to refer to the rail transport aspect of the second Five Year Plan. "The programme has to be planned on a big scale not only to meet the needs of our developmental economy, but also to open up new areas which so far had remained without rail transport facilities" he observed.

The railways, he declared, would not lag behind other sectors of the economy and were "determined to play their role as the spearhead amongst the instructions of transportation in the country". He said it was essential to plan for adequate expansion, not only of the railways but also of other forms of surface transport, namely, the road, inland water and sea.

Mr. Shastri announced that he intended setting up shortly a committee to examine certain specific suggestions bearing on co-ordination between the railways and the coastal shipping in order to promote the development of the latter on sound lines. The committee would also undertake a comprehensive examination of the comparative costs of operation on competitive routes by rail and by sea, and advise on the steps to be taken to promote transportation by coastal shipping of commodities which were specially suited to this type of transport.

Railway accidents. Referring to accidents on railways, the Minister said that the system of interlocking or other necessary safety devices would have to be extended over the entire railway system in accordance with a scheduled programme. He had decided to set apart at least 10,000,000 rupees every year for this work, the execution of which would be given very high priority.

Efficiency Bureau... Mr. Shastri said that the Efficiency Bureau under the Railway Board had studied a number of problems during the year, Its suggestions regarding the speeding up of goods trains and the rationalised use of the facilities available at certain transhipment points and of eff new routes to ensure minimum detention of wagons had resulted in appreciable improvement. He proposed extending the activities of the bureau to cover other important aspects of railway working.

Passenger manniticity amenities. As regards passenger amenities, Mr. Shastri stated that he was glad that the policy of the railways in regard to the provision of amenities had been generally welcomed in the country. On each railway a deputy general manager had been appointed to deal with amenities to the public and he looked forward to a substantial improvement in the standard of amenities. The question of 30,000,000 rupees for passenger amenities would be repeated during the next year also.

New sleeping coaches were being built with more conveniently designed hether berths, better lighting arrangements and an additional wash basin.

A new type of retiring rooms would be provided at important stations. The charges would be low, but there would be all the usual conveniences.

The possibility of running a vestibuled third class Janata train to assess its advantages was being examined. This would help to reduce over-crowding in individual compartments and also to minimise ticketless travelling.

The Minister said that a concerted drive would be launched to provide raised platforms wherever necessary. This work would be taken up first where voluntary labour was forthcoming. The railways would be prepared to supplement such voluntary labour by their own contribution.

The increased supply of coaches and locomotives, the Ministersaid, should go a long way towards giving relief in over-crowding in thyid class, which was still prevalent over certain sections. Other steps proposed were the use of diesel rail cars over short distances and an increase in the number of shuttle trains.

Mr. Shastri said that he had decided to set up a small committee to suggest remedies for reducing over-crowding during peak hours in the suburban services at Bombay, Calcutta and Madras.

Fare concessions. Mr. Shastri said that the Railways had been following in recent years a liberal policy of giving concessions, particularly in connection with travel for educational purposes and other nation building activities. The financial effect of these concessions is partially reflected in the fact that the average amount earned per passenger during 1953-54 had decreased from 5.22 pies to 5.17 pies per mile. The concessions generally available for students had been extended to those who have completed their school or University education and ceased to be on the rolls of their respective institutions up to a period of three months after their examinations. In the case of students' special trains the minimum charges prescribed for ordinary special trains would not be levied as it has been found that students and educational institutions cannot ordinarily afford to pay these charges. The usual minimum charges for such special trains are, therefore, being waived when the party is not less than 400. He proposed also that the same concession should be extended to parties of <u>kisans</u>(peasants) sponsored by State Governments.

The concessional round-tour tickets available for students travelling in parties of not less than four had been extended to teachers of primary and secondary schools,

Those undertaking journeys to National Extension Service Centres for giving voluntary service of returning home after giving such service had been granted the usual concessions.

In case of excussion and pilgrimage special trains for distances of 1,500 milles or over, fares had been prescribed at three-fourths of the ordinary rate and charges for detention of the stock en route have been waived for the first 12 hours of day-light at each halting station. He also proposed to re-introduce for the first time since the War, holiday return tickets at concessional fares for the next Dussehra and Diwali festivals.

The necessity for a reduction in the charge for platform tickets has been referred to on a number of occasions on the floor of both the Houses. He proposed to reduce this charge from two annas to one anna with effect from 1 April 1955.

Personnel relations.. Turning to railway services, Mr. Shastri stated that he hoped to take a final decision soon on the question of raising the contribution from Railway Revenues to the Staff Benefit Fund, in order to afford greater scope to the Administration concerned to spend money on the objectives of the Fund. These were to give educational assistance when no such assistance is admissible under the normal rules. to provide facilities for recreation and amusement for the staff and their children, to relieve distress amongst the members of ex-members of the staff or their families to the extent to which such releef cannot be provided for under the normal rules, and to assist schemes for sickness or maternity benefits to the families of the staff.

As regards railway colonies, Mr. Shastri said that except at larger centres, these colonies had grown up in a haphazard manner without a planned lay-out, but railway administrations had now been directed to pay greater attention to this matter, particularly in view of the fact that speedy construction of a very large number of staff quarters was being attempted.

Among staff amenities under consideration was the opening of rest homes for the staff at suitable hill-stations or sea-side resorts or other pleasant surroundings where they could spend their holidays inexpensively and in reasonable comfort.

A special officer was being appointed to ensure speedy examination of the **xarious** various representations for the improvement of medical facilities for staff, to plan for the future expansion of such facilities, and to progress action on the decisions taken.

New training institutions were being opened and the old ones enlarged to train all new recruits before they were appointed to posts for which prior training is necessary. They should be made familiar with the latest techniques and developments so that they could keep up a high standard of efficiency.

Labour relations. He was happy to say "that the best of relations have been maintained by the administrations with the workers and the Federation throughout the year". There was commendable unity amongst railwaymen and he hoped this would be carefully preserved. This unity had made the Federation really more effective and had helped in producing better results. Both the Federation and the Railway Administration, he said, should have a living faith in the common cause - the country's progress and prosperity. He appealed to all concerned to make a success of the negotiating machinery recently set up. For his part, he would be prepared to help in solving difficulties.

The sittings of the ad hoc Tribunal appointed to dispose of certain matters were likely to commence shortly, the Railway Minister said. He was considering the reference to this Tribunal, after consultation with the Federation, of any unresolved issues of importance that might have accumulated in the interim period.

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### 33. Full Employment Policy.

#### India - February 1955.

## Measures to meet Problem of Unemployment in West Bengal: Resolution adopted by Legislative Assembly.

The Legislative Assembly of the State of West Bengal adopted on 18 February 1955, a resolution on the unemployment in the State calling <u>inter alia</u> for special measures to create industries in the State.

The non-official resolution which was moved by Mr. Mangal Chandra Saran, a Congress member, was as follows: "In view of the considerable complexity and appalling nature of the problems of unemployment with peculiar and particular reference to the State of West Bengal, and the fact that the problem is of such magnitude that it is difficult for the State Government to solve the problem, more help, financial or otherwise, from the Union Government is needed, this Assembly is of opinion that Government of India should be approached for taking the following specific measures:=

(1) to give apecial aid for creating and fostering industrial estates in certain areas, for instance, Durgapur and Kalyani and to help in the location of basic industries essential for prosperity of those areas

(2) Government of India should reserve certain vacancies in all Central Government offices including those in New Delhi and in Railways and other Central Government undertakings for the displaced persons from East Bengal".

Mr. Saran moving the resolution, said that the whole of West Bengal today was in the grip of such acute poverty and distress as no other State in India or any other part of the world was experiencing. The peasantry were economically ruined and the middle-class intelligentsia were completely demoralised and in a state of despair.

Dr. Ramen Sen (Communist) felt that the resolution had not touched the real cause. The situation was getting more and more acute due to the policy of retrenchment pursued by employers in many industfrees and to the closing of various mills and firms in the State. He suggested that in thes emergency a deputation consisting of one representative each from the parties and groups in the West Bengal Legislature should wait upon the Sertari Central Government to appraise them of the seriousness of the situation. The deputation, he said, should represent to the Government of India the need for bringing suitable legislation to stop retrenchment in this State and to authorise the State Government to take over closed down mills, factories and other establishments and run them for expansion of employment and prosperity of the State. He pointed out in this connection that the State could profitably emulate the example of new China which had provided employment to millions of its people by cutting down the use of labour saving devices.

Mr. Annanda Gopal Mukherjee (Congress) said that under the impact of partition the social and economic structure of West Bengal had completely broken down, The truncated State was in the grip of a terrible calamity owing to the vast increase in the number of unemployed population. In this critical situation there was no way out other than developing basic industries. Durgapur and Kalyani offered unique facilities for developing heavy industries. Durgapur particularly was an ideal site - there was coal with 150 collieries; the region that was on the east of Durgapur was the granary of the State; it was well connected by rail and road with the additional facilities of navigation to be provided by the D.V.C. project. Unless Durgapur was developed sandstowing operation which was essential for saving collieries would be a difficult task. Kalyani was also an ideal site whoih being near Calcutta offered excellent possibilities for industrial development.

Chief Minister's address. Speaking on the resolution Dr. B.C. Roy, Chief Minister said that a recent survey showed that there were 0.45 million unemployed people seeking employment in the urban areas and 0.56 million in the rural areas of the State.

Dr. Roy said that there were four causes of unemployment. Firstly, due to varying demands of services and goods the employment capacity in a country was affected. It had been observed particularly in an industrial country that unemployment rose whenever the goods that were produced remained unsold. He was told recently that there was some trouble in the local electric bulb industry. He found that the industry was producing more than the demand. Naturally, sooner or later there was bound to be some unemployment.

While reading a book on Soviet Russia, he said, he came across the conclusion that 3 to 4 per cent of the workers from time to time became unemployed owing to what was called frictional unemployment. Whenever there was rationalisation in industrial concerns or modernisation of its machinery or change in its method of work with a view to produce more and better there would always be some amount of unemployment. The economists also said that unless the percentage of such frictional unemployment went up beyond 5 per cent it was not dangerous. The third cause was shortage of capital and equipment. This was more manifest in under-developed countries like India. In this country they had manpower, natural resources, also some energy and capital but they did not possess necessary equipment and also adequate capital resources.

Dr. Roy said that if they were to achieve results quickly they had to utilise more capital and equipment in order to develop industrially at a faster rate. The main question today was not merely MAXA one of having so many posts to be filled up but they must study how the resources - both human and material - could be utilised efficiently and fruitfully at a faster rate.

Durgapur Project.- The Chief Minister said that in Durgapur they were proposing to set up a Coke Oven plant and a thermal plant which could employ 12,000 to 13,000 people. Not merely the coke oven, gas and electricity plants were in their view but they also wanted to utilise the byproducts by setting up new industries near about the site. These could also provide employment for many people. With cheap electric power it would be possible for the young men to develop small and cottage industries which could provide employment to a large number of people.

(Amrita Bazar Patrika, 19 February 1955).

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# 34. Economic Planning, Control and Development.

# India - February 1955.

# Financial Assistance to Private Sector: Industrial Credit and Investment Corporationn floated.

The preliminaries for the formation of the Industrial Credit and Investment Corporation of India Limited, to which a reference was made on page 37 of the report of this Office for November 1954, having been finalised, the Company has been incorporated on 5 January 1955 with an authorised capital of 250,000,000 rupees. A summary of details as published in the Prospectus of the Company is given below:

Capital structure. The authorised capital of the Company is 250,000,000 rupees divided into 500,000 Ordinary Shares of 100 rupees each and 2,000,000 Unclassified Shares of 100 rupees each. The present issue is 500,000 Ordinary Shares of 100 rupees each, at par.

The Central Government has declared by a notification in the Official Gazette the Shares comprised in the present issue to be an approved investment for the purpose of Section 27A of the Insurance Act, 1938.

Out of the above issue and on the terms of the Prospectus: (a) Several Indian Banks, Insurance Companies and other nationals of the country have agreed to take up 200,000 Ordinary Shares of 100 rupees each; (b) Certain Nationals and Corporations of the U.S.A. have agreed to subscribe for 50,000 Ordinary Shares of 100 rupees each; (c) The British Eastern Exchange Banks and certain United Kingdom and other Commonwealth Insurance Companies and other British companies have agreed to subscribe for 100,000 Ordinary Shares of 100 rupees each. The remaining 150,000 ordinary shares have been offered for public subscription. A sum of 100 rupees per Share will be payable on application.

There are eleven Directors, eight Indian, two British nationals and one American. All of them are either industrialists or managers of big insurance companies of repute. Sir<sup>R</sup>Ramaswami Mudaliar is the Chairmana

The head office of the Company is located at Bombay.

Object. The Company has been incorporated for the objects mentioned in the Memorandum of Association and particularly forthe purposes of carrying on the business of assisting industrial enterprises within the private sector of industry in India by:

- 1. assisting in the creation, expansion and modernisation of such enterprises;
- 2. encouraging and promoting the participation of private capital both internal and external, in such enterprises;
- 3. encouraging and promoting private ownership of industrial investments and the expansion of investment markets;
- 4. providing finance in the form of long or medium-term loans or equity participations, making funds available for re-investment by revolving investments, etc.; and
- 5. furnishing managerial, technical and administrative advice and assisting in obtaining managerial, technical and administrative services to Indian industry.

The Government, under an Agreement with the Company, has agreed to advance REARER 70 million rupees free of interest repayable in fifteen equal annual instalments after the expiry of fifteen years from the date of receipt of the advance by the Company. In the event of the company being wound up voluntarily or by or subject to the supervision of a Court, any surplus assets shall be divided between theholders of the ordinary shares of the Company and the Government of India in proportion to the amount paid-up on the ordinary shares and the amount of the advance or part thereof outstanding at the commencement of the winding up. The agreement has also provided for a mutual manual consultation between the Government of India, the International Bank for Reconstruction and Development and the Company in case the liabilities exceed assets by twenty per cent of the aggregate of the paid up share capital of the Company. If, however, the capital of the Company is further impaired to the extent of thirty per cent, the Government of India by mutual consultation will have the right to make for the winding of the Company.

Under Articles of Agreement the International Bank for Reconstruction and Development has agreed to lend and advance to the Company from time to time an amount in various currencies equivalent to Ene 10 million dollars. The Government of India have sheet and the company of the the principal made by the Bank to the Company.

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# Development Councils of Heavy and Light Electrical Industries set up.

The Government of India has set up development councils for heavy and light electrical industries. The councils, set up under the Industries(Development and Regulations)Act, 1951, will among other things recommend targets of production, coeordinate production programmes and review progress from time to time. 1.1.

The EMARKE councils will also suggest norms of efficiency with a view to eliminating waste, obtaining maximum production, improving quality and reducing costs. They will recommend measures for the full utilisation of the installed capacity and promote arrangements for better marketing and standardisation of products. They will try to promote the adoption of measures for increasing the productivity of labour, safer and better working conditions and for the provision and improvement of amenities and incentives for workers.

The development council for light electrical industries will cover units engaged in the manufacture and production of telephones, telegraph apparatus and wireless communication apparatus electric lamps, electric fans, batteries dry cells and storage, radio receivers and house service main meters and panel instruments.

The development council for heavy electrical industries will cover units engaged in the manufacture and production of electric motors and machinery and equipment for the transmission, generation and distribution of electric energy (excluding house service meters and pane, instruments).

With the setting up of these two councils, six development councils have been created under the Industries (Development and Regulation) Act.

(The Hindustan Times, 22 February 1955).

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# 36. Wages.

#### India - February 1955.

# Kolar Goldfields Dispute: Tribunal's Award.

The Central Government published on 22 January 1955 the award of the Central Industrial Tribunal, Dhanbad, in the dispute between the four gold mining companies in Mysore State and their workmen. The tribunal has recommended the grant of a bonus equal to 2 1/2 months' basic wages for the year 1952 to the employees of the Nundydroog, Champion Reef and the Mysore gold mines in the Kolar Gold Fields, and the fixation of a minimum wage for unskilled surface workers at one rupee one anna, one rupee four annas and those for unskilled underground workers at 1 rupee 4 annas, 1 rupee 8 annas, The Industrial Tribunel has found that looking to the present financial condition of the working of the gold mines, the companies would not be in a position to contribute towards a gratuity fund and therefore the Tribunal would not frame any scheme for the same.

In March 1954, the Government of India referred the industrial dispute between the employees of the four gold mines in Kolar Gold Fields andtheir employers in respect of revision of wages, termination gratuity and bonus for 1952 was common to all the four gold mines, while the disputes regarding revision of wages and termination gratuity were common to the Nundydroog, the Champion Reef and the Mysore Gold Mines. There was no dispute regarding revision of wages and termination gratuity in respect of the Gorgaum Gold Mine as the said mine is now closed.

In 1950 there was an agreement between the gold mining companies and the labour unions by which the rate of dearness allowance was fixed at 2 annas 3 pies for every point in excess of 100 in the cost of living index figure instead of the flat rate of 22 rupees per month. The payment of grain concession which amounted to 2 rupees 9 annas and 9 pies per month **EX** was abolished.

triadfudication, of triadfudication, of which the last issue h After this agreement, the surface and underground workers got the minimum basic wages of 13 annas and 1 rupee 1 anna per day respectively. They also got monthly dearness allowance at the rate of 2 annas 3 pies per point in excess of 100. They further got an attendance bonus of 1 rupee 8 annas per month. These are the rates now in force.

It was urged on behalf of the management that in view of the fact that the wages and dearness allowance were fixed by mutual agreement, the Tribunal should not change them unless there was a change in circumstances. It was also argued on behalf of the companies that the management could not afford to pay higher wages.

After going into the whole question, the Tribunal has held that the maximum wages for an unskilled surface worker should be fixed at 1 rupee 4 annas and 1 rupee 8 annas per day respectively. Each of the two categories of workers should get an annual increment of one anna per day every year.

The Tribunal held that no change was necessary in the dearness allowance now paid by the companies to the employees. The contention of the employees that the revised wages should be given retrospective effect from 1948 has been negatived by the Tribunal. The revised wages would be given effect from 1 April 1954.

Referring to the question of bonus - the different unioms claimed four months' pay as bonus for 1952 - the Tribunal held that so far as the Oorgaum Mine is concerned, there would be no available surplus in 1952 even if all the contentions of the workmen were accepted. The company has since the been closed, because it was working at a loss. There was no available surplus even for providing some interest on share capital. The workmen of the Oorgaum Mine were not entitled to any bonus for the year 1952.

Dealing with the case of the other three companies, viz, Nundydroog, Champion Reef, and the Mysore Gold Mine, the Tribunal held that the total available surplus was 2.194 million rupees and that looking to the fact that the workmen had not got the minimum wages, that they ought to have got, the workmen should be given bonus equal to 2 1/2 months' basic wages for the year 1952. This bonus would be payable to the workmen of the above three mines, including their electricity departments and other allied establishments,

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The Trihunal directed that the bonus shall be paid by the companies within six weeks from the date the award becomes enforceable. (The award was given on 31 December 1954). The payment of the bonus would be subject to the usual conditions applicable thereto.

The Tribunal observed that in the case of the three companies, Nundydroog, Champion Reef and the Mysore Gold Mines, the share-holders, between the years 1939 and 1952 "have got a total dividend of about 190 per cent. In other words, they have got back almost the whole of their capital, in addition to more than six per cent interest during these years". Considering these facts, the Tribunal thought that a return at the rate of 9 per cent on capital would be sufficient.

It is estimated that the bonus equal to 2 1/2 months' basic wages to be given to the workmen of the three mines, would come to 1.06 million rupees.

> (The Gazette of India, Part II, Section 3, 22 January 1955, pp.212-228; The Hindu, 6 February 1955 );

# Bombay: Minimum Wages Act, 1948, to apply to Printing Industry and Cotton Ginning or Cotton Pressing Manufactories.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Bombay has added the following employments to Part I of the Schedule to the said Act with effect from the dates noted against them.

1. "Employment in any industry in which any process of printing by letterpress, lithography, photogravure or other similar work or work incidental to such process or book binding is carried on" - with effect from 19 January 1955, (Notification No.2458/48 dated 19 January 1955; Bombay Government Gazette, Part IVA, 3 February 1955, page 50).

2. "Employment in any cotton ginning or cotton pressing manufactory" - with effect from 2 February 1955.

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(Notification No.2619/48 dated 1 February 1955; the Bombay Government Gazette, Part IVA, 10 February 1955, page 51 ).

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# 38. Housing.

#### India - February 1955.

# Subsidised Industrial Housing Scheme: Progress during December 1954.

The Government of India sanctioned 1,017,913 rupees to various applications during December for the construction of 483 one-room single-storey tenements under the subsidised industrial housing scheme.

Of this amount the Government of Bombay will get 67,500 rupees as subsidy and an equal amount as loan for the construction of 50 tenements at Nadiad, 540,000 rupees divided equally as subsidy and loan, will be given to the Government of Bhopal.

Messrs Raj Traders Ltd., Jaipur, will receive 16,255 rupees and 24,398 rupees as subsidy and loan respectively, for putting up 33 one-room tenements at their factory premises at Jaipur.

A subsidy of 120,900 rupees and a loan of 181,350 rupees have been sanctioned to the Andhra Co-operative Spinning Mills Ltd., Guntakal(Andhra) to construct 200 tenements at their factory premises at Guntakal.

(The Statesman, 4 February 1955).

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#### 39. International Economic Relations.

#### India - February 1955.

# Indo-Soviet Agreement on Installation of Steel Plant in India.

An agreement between the Governments of India and the Union of Soviet Socialist Republickfor the setting up of a steel plant in India with Russian Gollaboration was concluded at New Delhi on 2 February 1955. The project provides for the construction and equipment of a modern integrated iron and steel plant, with an initial capacity of one million tons of ingots to be rolled into about 750,000 tons of rolled products.  $\{1, i\}$ 

A team of steel experts from the U.S.S.R. who submitted a preliminary report on the scheme in January this year, have recommended Bilhai region of Madhya Pradesh as a suitable site for the proposed plant. The Government of India has accepted this recommendation.

According to the terms of the agreement, the works will consist of coke oven plant, a blast furnace plant, facilities for casting, handling and stripping ingots, soaking pits, and for the production, supply and transmission of water, power and gas for the works and township, plants for the recovery of by-products and repair and other auxiliary shops. The agreement laid down the completion of three coke oven batteries, two blast furnaces, two open hearth furnaces and a blooming mill by 31 December 1958, and the rest of the departments of the works by 31 December 1959.

The Soviet experts have estimated the cost of the plant, machinery and equipment to be supplied by them a proximately 434.0 million rupees f.o.b. Black Sea and Baltic Sea Soviet Ports: The Agreement provides for payment for the plant to be spread over 12 equal annual instalments, subject to an interest of 2 1/2 per cent and repayment will start one year after the credit is raised. The payment will made in Indian rupees and can be utilised by the Soviet organisations for purchase of goods in India and/or be freely convertible into pounds sterling. The cost of salaries, travelling and other allowances and expenses of the Soviet personnel for rendering the technical assistance and supervision in India will be determined additionally between the parties. The Soviet authorities will have no participation in the capital investment in the project.

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The Agreement provides for full association of Indian experience and talent at all stages of the planning, designing and execution of the The Soviet team of experts will prepare project, a scheme for the training of Indian nationals on an appropriate scale specifying the number of trainees and the type of training. They will also provide qualified instructors at suitable centres of training in India and the U.S.S.R. for training under the scheme Indian personnel selected by the Indian authorities, for the operation and maintenance of each department of the works, and in particular afford such training in works where the plant and equipment of the type selected for the works are in use.

While the Soviet experts will undertake the responsibility mf for the technical supervision of the construction of the works, erection, installation and commissioning of the plant, machinery and equipment, the Indian authorities will be responsible for collecting all necessary data for the works site, levelling, drilling and other works necessary. Further, the Indian authorities will also undertake to supervise the construction of building, roads, tracks, town planning and construction and provide all essental amenifies like power, and water connection and transportation.

The Soviet authorities, under this agreement, will give a guarantee that the performance of the plant, machinery and equipment supplied from the U.S.S.R. will be according to their respective stated capacities, and in case of any defect<sub>1</sub>, they will, at their cost, correct the defects or replace such plant and machinery as may be found unsatisfactory.

The Agreement has stressed the need for mutual understanding, co-operation and consultation in case of any interference in the performance of the Agreement by disputes, embargoes, blockades, war or any other cause beyond the reasonable control of either party.

(The Hindustan Times, 3 February 1955).

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#### Ten-Year Protection to Dyestuffs: Central Gevernment accepts Tariff Commission's Recommendations.

The Government of India by a Resolution dated 2 February 1955 has accepted the recommendations of the Tariff Commission to the effect that protection to the dyestuff industry should, subject to periodical reviews, be granted for a period of ten years ending 31 December 1964; that the prevailing revenue duty of 12 per cent ad valorem on fast solour salts, rapid fast dyes, rapidogen dues and solubilized vat dyes assessable under the Indian Customs Tariff Item No. 30(1) should be converted into a protective rate and that the duty on "Congo Red", acid azo dyes, direct azo dyes and sulphur black, which are assessable under the Indian Customs Tariff Item No. 30(13), should be raised to 20 per cent ad valorem and converted into a protective rate.

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Another recommendation accepted by the Government relates to the reduction of the standard rate of duty on certain specified intermediates used exclusively in the manufacture of dyes to 10 per cent <u>ad valorem</u>, the concession to remain in force for the present until 31 December 1955, when the position would be reviewed. Necessary notifications giving effect to the decision to accept these recommendations have been issued.

> (The Gazette of India, Extraordinary, Part I, Section 1, 2 February 1955, pp. 39-44 )

# Protective Duties 66r Caustic Soda and Bleaching Powder Industry announced.

The Central Government by a resolution dated 28 January 1955 has accepted the following scheme of protection for the caustic soda and bleaching powder industry recommended by the Tariff Commission,

The existing preferential rate of duty of 27.3 per cent ad valorem on caustic soda of United Kingdom origin should be converted into a protective duty, the standard rate of duty being fixed in accordance with the relevant trade agreements. In regard to bleaching powder and bleaching paste, a protective duty of 15 per cent ad valorem should be levied. The protective duties mentioned above should be in force up to the end of 1948. A notification has been issued separately, bringing into force the protective duties mentioned km above.

The Government has taken note of various ancillary recommendations for the future expansion and development of this important heavy chemical industry on sound lines. These recommendations are being examined by the Government.

The Government has drawn the attention of the industry to the Commission's recommendations urging the industry to intensify its efforts to develop new uses for chlorine, to improve the strength and stability of indigenous bleaching powder, to remove defects in the quality and packing of caustic soda, etc.

> (The Government of India, Gazette of India, Extraordinary, Part I, Section 1, 28 January 1955, pp. 35-38 ).

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# CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES OF THE NATIONAL ECONOMY.

#### INDIA - FEBRUARY 1955.

#### 41. Agriculture.

# National Extension Service to be extended to Seven Million more People.

The coverage under the National Extension Service which already has brought within its orbit one-fifth of the total rural population of India is to be further expanded, according to a decision taken on 4 February 1955, by the Community Projects Administration.

On 1 April, 10,000 more villages with over 7 million people will be added to the existing Extension Blocks, bringing the total number of villages under the programme to nearly  $\alpha$  100,000, as against a target of 120,000 villages during the first Five-Year Plan period.

The new blocks have been allocated to 19 States. The criteria of allocation are mainly the readiness of the State Governments to take up new areas for improvement, the availability of trained personnel and the targets of coverage during the first Five-Year Plan of individual States.

The States to which new blocks have been allotted are Bihar 30, Bombay 3, Madhya Pradesh 1, Orissa 9, Punjab 5, Uttar Pradesh 20, West Bengal 10, Hyderabad 2, Madhyabharat 1, Mysore 5, P.E.P.S.U. 5, Travancore-Cochin 1, Ajmer 2, Kutch 1, Bhopal 2, Manipur 1, Himachal Pradesh 1, VindhyaPradesh 5, and Tripura 1. (Each block approximates to 100 villages with a population of about 66,000 people).

Work on these blocks will begin on 1 April but in the meantime work of a preliminary nature, for example, survey, will be undertaken,

By the allotment of these new blocks the total number of villages receiving attention under the Community Programme, inaugurated 2 1/2 years ago, would reach the figure of 95,400 comprising a population of about 62 million. At present, 847 blocks consisting of 84,700 villages and a population of about 56 million have been receiving attention under the National Extension Service with which the Community Projects have been integrated. Of these 355 blocks with about 23 million people are being covered under the intensive community programme, while 49,200 villages comprising over 32 million people have come under the orbit of the extension programme. (The Hindustan Times, 5 February 1955)

#### Madhya Pradesh Land Revenue Code, 1954.

The Government of Madhya Pradesh gazetted on 12 February 1955 the text of the Madhya Pradesh Land Revenue Code, 1954 (Act II of 1955) which received the assent of the President on 5 February 1955. The Act consolidates and amends the law relating to land revenue, the powers of revenue officers, rights and liabilities of holders of land from the State Government, agricultural tenures and other matters relating to land a nd the liabilities incidental thereto in Madhya Pradesh.

Chapters XII, XIII, XIV and XVI of the Act deal respectively with tenure holders, government lessees, tenants and consolidation of holdings. The Act recognises two classes of tenure holders, namely bhumiswami and bhumidhari. Every person, who at the coming into force of the Code belongs to any of the following classes, shall be called a Bhumiswami and shall have all the rights and be subject to all the liabilities conferred or imposed upon a Bhumiswami by or under thas Code, namely: (a) every person in respect of land held by him as a <u>malikmakbuza</u> or a plot proprietor in the Central Provinces or the merged territories; (b) every person inrespect of land lawfully held by him as house site in abadi in the Central Provinces or the merged territories; (c) every person in respect of land held by him as a raiyat malik in the Central Province; (d) every person inrespect of land held by him as an absolute occupancy tenant in the Central Provinces; (0) every person in respect of land held by him as an occupant in Berar; and (f) every person in respect of land held by him as an ante-alienation tenant or a tenant of antiquity in Berar in respect of which he has become lessee of the State under sub-section (2) of section 68 of the Madhya Pradesh Abolition of Proprietary Rights (Estates, Mahals, Alienated Lands) Act, 1950. Bhumidhari tenure holders include: (a) every person in respect of land held by him as an occupancy tenant in the Central Provinces; (b) every person in respect of land held by him as a raiyat or raiyat sarkar. in the Central Provinces; (c) every person in respect of land held by him as a raiyat or tenant in the merged territotires; and (d) every person in respect of land held by him as a lessee of the State Government under sub-section (2) of section 68 of the Madhya Pradesh Abolition of Proprietary Rights (Estates, Mahals, Alienated Lands) Act, 1950, not falling under Clause (F) of section 146. A <u>Bhumiswami</u> holder may transfer any interest in his land and a Bhumidhari may transfer, otherwise than by way of mortgage, any interest in his land. A Revenue Officer may, on an application made by a <u>Bhumidhari</u> and on his depositing three times the revenue for the time being assessed on the holding, declare such <u>Bhumidhari</u> to be a <u>Bhumiswami</u> of the land comprised in the holding,

Government lessees include every person who holds land from the State Government or to whom a right to occupy land is granted by the State Government or the Deputy Commissioner and who is not entitled to hold land as a tenure-holder. The Government lessee shall, subject to any express provision in these Code, hold his land in accordance with the terms and conditions of the grant which shall be deemed to be a grant within the meaning of the Government Grants Act, \$1895.

There are two classes of tenants specified in the Code, namely, ordinary tenants and occupancy tenants. Any persons who holds land for agricultural proposes from a tenure-holder and who is not an occupancy tenant or a protected lessee under the Berar Regulation of Agricultural Leases Act, 1951, shall be an ordinary tenant of such land. An ordinary tenant shall hold land on such terms as may be agreed upon between him and his tenure holder, and the right of an ordinary tenant shall on his death pass by inheritance or survivorship in accordance with his personal law. Every person, where who, there before the coming into force of this Code, has been declared an occupancy tenant of a malik-makbuza, shall be called an occupancy tenant and shall have all the rights and be subject to all the liabilities conferred or imposed upon an occupancy tenant by or under this Code.

An occupancy tenant is entitled to purbhase the right in the land of a tenure-holder from whom he holds the land and may apply to the Deputy Commissioner in the prescribed form and deposit with the application a sum equal to ten times the rent if he holds the land from a <u>Bhumiswami</u> and seven times the rent if he holds the same from a <u>Bhumidhari</u>. On such deposit being made, the Deputy Commissioner shall declare such tenant to be <u>Bhumiswami</u> or <u>Bhumidhari</u>, as the case may be, of the land in question, fixthe amount of land, revenue payable for such land and pay the tenure-holder the amount deposited by the tenant. The interest of an occupancy tenant in his holding shall on his death pass by inheritance or survivorship in accordance with his personal law.

The rent payable by an occupancy tenant shall be the rent agreed upon between IRRENT such tenant and his tenure-holder, or where there is no agreement or either party to the agreement considers the agreed rent as unreasonable, such reasonable rent as may be fixed by the Deputy The maximum reasonable rent as Commissioner. determined above shall not exceed: (a) five times the land revenue on the land in respect of which announcement of settlement has been made at any time whit within thirty years immediately preceding the coming into force of this Code, or is made at any time after such coming into force; and (b) ten times the land revenue in other cases. Other provisions deal inter alia with termination of tenancy, occupancy tenants: rights of transfer, and surrender of rights by an occupancy tenant.

The provisions relating to consolidation of holdings in chapter XVI of the Code follow the provisions in the Central Provinces and Berar Consolidation of Holdings Act, 1928. The definition of consolidation of holdings has been modified to mean the redistribution of all or any of the land in a village so as to allot to the tenure holders contiguous plots of land for the convenience of cultivation.

Other provisions of the <sup>C</sup>ode deal, <u>inter alia</u>, with board of revenue, revenue officers and their powers, procedure of revenue officers and revenue courts, appeal, revision and review, land and land revenue, revenue survey and settlement in nonurban areas, assessment and reassessment of land in urban areas, land records, realisation of land revenue, village officers, and miscellaneous.

The Code repeals a large number of enactments including the Central Provinces Tenancy Act, 1920, and the amending Acts, Berar MM Land Revenue Code, 1928, and the amending Acts, Central Provinces MM Land Revenue (Amendment) Acts, Central Provinces Consolidation of Holdings Act, 1928, and the amending Acts, Madhya Pradesh Agricultural Raiyats and Tenants (Acquisition of Privileges) Act, 1950, and certain sections of Madhya Pradesh Abolithon of Proprietary Rights (Estate, Mahals, Alienated Lands) Act, 1950,

> (Madhya Pradesh Gazette, Extraordinary, 12 February 1955, pp. 81-176).

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# Hadras: Congress Party Committee's Proposals for Land Reform.

The Tamil Nad (Madras) Congress Committee appointed sometime ago a committee to enquire into and place proposals on land reform in the State. The committee has submitted its report recently.

The committee's interservated inter-related proposals numbering 70 in all constitute a brief document divided into seven sections. Section 1 is entitled 'Resident landowners and Personal Cultivation." Section 2 "Cultivating Tenants and Security of Tenure"; Section 3 "Fair Waram Rates and Fair Rents"; Section 4 "Topes, Inams and Mortgages with Possession;" Section 5 "Land Management Corporation"; Section 6 "Government Lands"; and Section 7 "Minimum Wages for Agricultural Labour". The proposals are applicable to ryotwari pattadars and landhold ers with kudiwaram rights and to cultivating tenants under them. Institutional lands are covered by Propasals in Section 5.

The proposals embodied in these seven sections are based on the opinion and facts elicited from landowners on the one hand and tenants and labourers on the other at its enquiry sittFings at about 100 centres in Tamil Nade The landowners were sounded on the maximum concessions they were willing to allow, in the interests of agrarian peace, in the matter of rights in land, security of tenure, rents and crop-shares and wages of agricultural labour; the kisans were likewise sounded on the minimum concessions they required in the interests of their standard of living. Thanks to the helpful attitude displayed by an enlightened section of landowners and a balanced section of tenants and labourers, the Committee has succeeded in evolving what it believes to be a generally acceptable and just programme of land reforms representing the gbeatest common measure of agreement.

Although the Committee's brief questionhaire did not vover the issue of celling on landownership and although no discussion on the subject was initiated by the Committee at any of its enquiry sittings, representations, both for and against, were in fact duaxconsiderationxby were the heard by it. The Committee has also given them due consideration by meeting both landowners and tenants half-way in the land reform programme it has finally proposed. It is no secret that a democratic reform of the kind has necessarily involved compromise and adjustment even at the stage of formulation.

# Proposals. The following is a rough, incomplete outline of the proposed programme:

(1) All lands in respect of which a landowner is not a "resident landowner", as defined, to be cultivated only by tenants if they are not already so cultivated.

(2) Only 'resident landowners' can have lands under their 'personal cultivation' upto a sertain maximum extent, such personal cultivation being defined to include cultivation by labour, hired for daily or monthly wages according to the schedule of minimum wages fixed but not for any crop\_share, under the resident owners' personal direction and/or supervision.

(3) Well-knit, compact and integrated farms, involving large capital investment and most efficiently cultivated by their owners, to be exempted from the application of the ceiling limit on the recommendation of a specially constituted Board, Grazing lands reserved for cattle farms and topes to be similarly exempted.

(4) On lands in excess of the ceiling limit proposed, wherever such lands are now personallycultivated, tenants evicted since 1 July1951 (the date of publication of the Subramaniam Committee Report) to be fixed up if they are not already in possession of other lands for cultivation. Next in the order of eligibility for tenancy on the personally-cultivated excess lands are the permanent farm labourers, if any, who have been working on those lands.

(5) A 'resident landownerg' who has all or a part of his lands cultivated by tenants now is to have the right to resume land for personal cultivation upto the ceiling limit prescribed subject to the conditions "that in he does not exercise this right during the period 1955-58" and "that if after 30 April 1958, he wishes to resume land from hi s tenants, he should do so within a period of three years, at the end of which his right of resumption will lapse automatically if it has not been exercised, such resumption being authorised by Government in such areas as it may notify".

(6) All existing tenants, whether cultivating for a fixed rent or for a crop share to be confirmed in their possession of the respective holdings subject to tenant-cultivation. An 'existing tenant' is defined as a tenant who has cultivated a holding for all the crops in the agricultural year 1954-55 or for the first or the main crop in the agricultural year 1954-55. (7) All existing tenants, all new tenants fixed up under the reform legislation and all tenants fixed up in future to have permanent security of tenure subject to (i) payment of fair rents according to the schedule of fair rents proposed; (ii) possible resumption of land by eligible landowners in notified areas; and (iii) some simple grounds for eviction. 'Permanent security of tenure' is defined as 'a permanent cultivation right which cannot be sub-let, partitioned, alienated, mortgaged except to a Government credit agency, or attached'. Such a right could, however, be inherited by a major son, widow, or brother, or brother's son, if he or she has not any other holding already under cultivation.

(8) All existing 'fixed rent' tenancies to continue only on the basis of fixed rents according to the schedule of fair rents proposed.

(9) All existing or new waram tenancies to be converted into fixed rent tenancies at the end of five years.

(10) No tenants to have in his possession a holding of more than a certain extent of land prescribed.

(11) Failure to pay the rent in full before 30 April every year, sub-letting in any form except in the case of **bettert** betel vine cultivation, wherever necessary, and partitioning or alienating his cultivation right or mortgaging it except to a Government credit agency - these three to be the chief grounds for eviction of a tenant.

(12) No future transaction in land by its owner to be allowed to result in the eviction of a tenant from the concerned holding.

(13) A tenant to have the right to KXM purchase the landowners' interest in the concerned holding, whenever he decides to sell it, at prices agreed upon between the parties concerned and within six months of the owners' notice.

(14) The possibilities of transferring the landowners' interests in their holdings to the concerned tenants under a suitably evolved tenant purchase programme financed by a tenant-purchase fund to be explored.

(15) Institutional lands to be brought under the management of an autonomous public corporation called the "Land Management Corporation". The cultivating tenants, existing or new, of these lands to have all the prescribed tenant-rights except the right to purchase their holdings. Model co-operative farms to be organised wherever the lands taken over an entire village or a major pre portion thereof.

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(The Hindu, 14 February 1955).

# Travancore-Cochin: Tripartite Talks on Plantations abandoned.

The fourth tripartite conference on plantations at Eravancore-Cochin inaugurated by the State's Labour Minister on 23 January 1955, had to be abandoned owing to two walk-outs, one by the workers' representative on 23 January and the other by the employers' representatives on 24 January 1955.

The workers! representatives, 30 in number, did not participate in the plenary session as a protest against what they called the "unhelpful attitude" of the employers in respect of demands made by the workers' representatives. The employers! representatives withdrew from the following day's session programmed to discuss problems relating to Kanganis (contractors for recruiting labour) taking the stand that the tripartite conference was not the place to discuss matters affecting Kanganis. At the same time they saidthat they were prepared to consider all demands of a conference composed of their representatives and those of the Kanganis. They also expressed their willingness to hold such a conference on hearing from representatives of Kanganis

(The Hindu, 26 January 1955).

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#### 42. Co-operation.

#### India - February 1955.

#### Madras: Committee set up to enquire into Co-operation in the State.

The Government of Madras has set up a Committee to enquire into the working of the co-operative movement in th**2s** State and make recommendations for its improvement. The Committee consists of eight members with Mr.T.M. Narayanaswamy Pillai as chairman and Mr.A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras, as Secretary.

Terms of reference... The terms of peference of the Committee are more particularly to review the working of village credit societies and to make recommendations for their reorganisation so that they might function as economic units and cater to the essential economic needs of the agriculturists; to examine the working of the Co-operative Central Banks, the State Bank and the Land Mortgage Banks, and the position in regard to the consumers' movement in the State; to review the progress made by co-operative housing societies with reference to the policy of the Government in regard to financing them; to examine the working of land colonisation societies in the State, the progress made by co-operative marketing societies, the working of the weavers! co-operative societies and to formulate measures for their improvement with particular reference to the financial assistance provided by Government; to make recommendations for carrying out propaganda, education, training and research in co-operation; to consider the adequacy of the present cadres of officers to make man the various posts in the movement; to explore the possibilities of applying the co-operative method to development plans particularly in the fields of agriculture, cottage and small-scale industries and the amelioration of the economic condition of depressed flasses; to emamine the need for and the adequacy of concessions and privileges granted by the Government to co-operative institutions; to examine the present system of audit and to make recommendations for any change considered necessary; to examine the claim of industrial co-operatives for exemption from various labour laws; to examine whether co-operative societies, more particularly, consumers' co-operative societies, should confine their activities and service to members; to examine whether non-cooperative organisations should be allowed to join the working of co-operative land colonisation societies and motor transport societies for

ex-servicemen. and to make recommendations for placing them on a firm footing, and to examine if any amendment or modification is necessary to the Madras Co-operative Societies Act and the Rules framed thereunder.

In the order constituting the Committee. the Government states that it is now considered desirable to review the progress made by the co-operative movement since the report of the Vijayaraghavachariar Committee in 1940 and to indicate the possible lines of consolidation. development and reform of the movement. Since the appointment of the Vijayaraghavachariar Committee, at last three major events have baken place which have had profound effect on the co-operative movement and its possibilities, namely, the World War II, the attainment of Independence by the country and the partition of the Madras State. The War brought about scarcity of food, increased prices and various new Governmental controls. Independence introduced a new enthusiasm and urge forprogress in various The partition of the State created fields. opportunities for the more intensive economic development of a compact area. In this context, the co-operative movement in this State requires to be examined now as to how far these events have afforded it opportunities for progress and greater service and as to the need for consolidating the progress made so far and providing safeguards against abuses creeping into the movement. The order also points out that there are several new agencies for national development such as the Planning Commission, the National Extension Service, the Community Projects, the All-India Handloom Board and the Reserve Bank of India, which are anxious to make increasing use of the co-operative movement to achieve their objects and to promote the economic welfare in the country. It has to be examined whether the co-operative movement has availed itself fully of the opportunities for expansion and development provided by these agencies. The Government consideriit desirable, the lines on which the co-operative movement can effectively participate in the workin g of these agencies should be investigated and practical lines of action indicated. For these reasons, they have appointed the Enquiry Committee

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# West Bengal: Working of Co-operative Societies for the Year ending 30 June 1951.

The Government of West Bengal recently published the annual Report<sup>#</sup> on the working of the co-operative societies in the State for the year ending 30 June 1951. A brief summary of the report is given below.

General. - The movement gradually recovered from the effects of the partition and was put on its feet again. Consolidation rather than expansion was the guiding principle. Thas in this year the total number of societies stood at 15,530 as against 15,538 of the previous year though the working capital of the entire movement registered a slight increase and stood at 177.918 million rupees as against 176.172 million rupees of the last year and total membership increased from 899,847 to 941,718. The members in general began slowly to be conscious of their role in the movement. A sixs closeer collaboration between the people and the Government in evolving its policies and programmes was facilitated by the formation of the Co-operative Council which opened out new possibilities for the movement. Within the movement there was indication of a greater appreciation of the part the co-operatives might effectively play in the urgent task of an energetic reconstruction of our agriculture,

The financing of current agricultural operations, the principal obligation of the credit co-operatives, had algays been ineffective for want of sufficient funds. During the year under review the movement was able on the basis of the A State garant guarantee to borrow from the Reserve Bank of India for the first time a sum of 5 million rupees for distribution through the credit co-operatives. A sum of 792,000 rupees was also received by the movement from the State Government for issue as crop-loan.

While short-term credit of a limited amount had been arranged from the Reserve Bank the State Government in their anxiety to provide longerm agricultural credit had sanctioned the setting up of two additional Land Mortgage Banks. State Government loan to the two Land Mortgage Banks

\* Government of West Bengal: Annual Report on the Working of Co-operative Societies in the State of West Bengal for the year ending 30 June 1951. Superintendent, Government Printing, West Bengal Government Press, Alipore, 1954, pp. 79. Price Rs. 1/12/-, or 2s, 11d.

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amounted to 100,000 rupees during the year. One of these two newly sanctioned Land Mortgage Banks had already been organised.

Important developments took place in the administrative side of the co-operative Directorate. The permanent set-up of the Directorate including that of the Co-operative Training Institute which had been under consideration of the State Government for sometime was finally sanctioned during the year.

Number of societies... The total number of all classes of societies as at the beginning of the year was 15,538. During the year 535 societies were dissolved and 527 societies were registered bringing the total number of societies at the end of the year to 15,530. Different classes of societies and their numbers are shown below:...

			societies.
(1)	Credit - (a) Agricult ural (b) Non-Agricult ural	0 <b>*</b>	9 <b>,657</b> 398
(2)	Production (Farming and Ir	rigation eties)	929
(3)	Production and sale = Agricult ural	<b>e</b> ===	172
(4)	Non-A ricultural Purchased and sale - Agricultural		1,405 17
	Non-Agricult ural Multi-purpose Societies Social Service Societies		395 1,702
	<ul> <li>(a) Health</li> <li>(b) Transport</li> <li>(c) Education</li> <li>(f) Relief</li> <li>(e) Others</li> </ul>		698 9 1 10 11
(7) (8)	Housing and Colonisation	eties Total.	117 9 15,530

Agricultural credit societies. At the end of the previous year there were 9,598 societies and during the year 146 societies were registered and 131 useless societies were dissolved bringing down the total number of agricultural credit societies to 9,613 at the close of the year. The total number of members increased from 220,058 to 226,374 effecting nearly 3 per cent increase. These societies, except a few, have very little funds of their own and have to depend entirely on the Central Banks for finance. Total loans issued during the year amounts to 3.325 million rupees against 2.369 million rupees of the previous year. 55

Number of

Total loan outstanding is 6.446 million rupees of which 3.686 million rupees is overdue. Total working capital of these societies is 37 million rupees. i.l.

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Non-agricultural credit societies.-Total number of primary non-agricultural credit societies was 398 against 385 of the pregious year. The bulk of these societies consisted of employees and salary earners' societies and rest were urban The main feature of these societies was banks. that their entire capital was formed of paid-up share and members' and non-members' deposits. Vary little loan or subsidy from Government or other source have been received by them. The other important feature of these societies was that the total working capital of these societies formed 47.5 mixin per cent of the total working capital of all the societies in this State.

Production societies - Agricultural associations and farming societies, irrigation societies and a number of multipurpose societies functioning as farming or irrigation societies formed the bulk of agricult ural production societies. The necessity for joint efforts for increasing production of crops economically through Co-operative Farming Societies is being increasingly felt by some section of the people. This led to the registration of a number of farming societies during the year. Out of these societies the Saddya Samabaya Krishi Samity, Barpalasan Samabaya Krishi Samity and Kunur Anchalik Krishi Samity in Burdwan district, Dhappa Co-operative multipurpose Societies in 24-Parganas district, Fatapukuria Co-operative multipurpose society and Mohitnagar co-operative multipurpose society in Jalpaiguri district, did appreciable work. They adopted either collective farming or better farming method. The rate of production per acre of these societies was higher than the rate of the neighbouring lands. These societies either acquired lands or pooled together the members! lands for joint cultivation.

Milk and dairy societies. One central dairy society, five primary dairy societies and 153 primary milk societies formed the entire bulk of this type of societies. Out of these the Calcutta Milk Union and 107 societies in the districts of 24-Parganas, Nanda and Hooghly were working. Production, sale and working of these societies as compared with those of the previous year are shown below:

Industrial societies. Two provincial industrial societies, 19 industrial unions(Central), 928 weavers' societies, three silk societies, one silk societies' union (Central), 58 cocoon rearers and one cocoon realers societies and one woellen goods industrial society, were engaged in the production and sale of textile, silk and woollen goods. Besides these, there were 123 industrial societies engaged in various types of industries.

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The provincial industrial societies, the industrial unions and weavers' societies having a total membership of 67,168 weavers, constituted the entire machinery for developing this handloom The provincial industry by co-operative methods. societies and industrial unions were engaged in supply of yarn and raw materials to primary societies for distribution amongst the weavers. These unions and provincial societies thus helped production of handloom goods and they also purchased the products of the members of the weavers! societies for marketing. But due to successive control and decontrol of textile goods and inadequate supply of yarn to these societies, the financial position of these accieties were shaken and consequently production was hampered.

The other industrial societies engaged in production and sale, such as bellmetal, shoe-makers, black-smith, carpenter, toy-makers, potters, chitrakars, gur industry, salt industry, bidimakers and thers did not develop appreciably. The total working capital of these societies have increased from 0.104 million rupees to 0.221 million rupees only.

Fishermen societies. There were 270 fishermen societies at the close of the year against 269 of the previous year and the membership increased from 13,217 to 14,383. The working of the fishermen societies is shown in the table below:-

<b>Apple</b>		(Rupees in 1948-50	Million) 1950-51
	<b>,</b> '	2010 00	
Share capital	<b>a</b>	0.050	0.056
Reserve and other funds		0.123	0.167
Deposits	·····	0.058	0,066
Loan		0.010	0.011
Working capital	د مع معد معد معد	0.241	0.320
Production	·····	0.132	0.142
Sale		0.363	0.296

Purchase and sale societies. Two provincial wholesale societies, six central consumers' stores, 384 primary consumers' stores, 1,702 multipurpose societies, 16 purchase and sale societies, a number of central banks and urban credit societies doing side-business were engaged in purchase and sale of essential commodities, either foodgrains or consumers' goods. The two provincial wholesale societies ueased to function. On the agricultural side, six multipurpose societies were engaged in procurement and marketing of foodgrains and were working as D.P. Agents.

Housing societies.-There were 117 housing and colonisation societies at the end of the year under review as against 103 of the previous year. The membership of these societies increased from 7,098 to 8,515 working capital from 1.593 million rupees to 2.331 million rupees. Most of these societies were organised byrefugee people from East Pakistan. They either secured lands out of their own efforts or Government acquired lands and made over to them for rehabilitation of refugees. Relief and Rehabilitation Department also advanced house-building loans to individual members of some societies. These are all colony societies. There was no housing society in its strict sense. The West Bengal Secretariat Land Mortgage and Housing Society is the biggest of these societies. It has as its members the Officers and employees of the Secretariat and other Government officers.

Insurance societies. There were nine thrift and insurance societies at the close of the year as against ten of the previous year. These societies made Appreciable progress during the year. Total membership increased from 27,295 to 34,189 and working capital increased from 5.650 million rupees to 7.098 million rupees.

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#### 43. Handicrafts.

#### India - February 1955.

# Assistance to Small Industries: Corporation registered.

A Small Industries Corporation with an authorised capital of one million rupees which will be subscribed entirely by the Government of India, was registered on 4 February 1955. as a private limited company under the Indian Companies Act. The Corporation will accept contracts for supplying orders to the Government and issue sub-contracts for these goods to small-scale industrial units. It will provide such units with loans and technical assistance, secure co-ordination between large scale and small scale industries so as to enable small industries to manufacture ancillaries, components and other articles required by large scale industrial units.

The Corporation is empowered to underwrite and guarantee loans to such units from banks and similar institutions.

The Corporation will try to secure co-ordination in a smilar way between large-scale and small-scale industries so as to enable small industries to manufacture ancillaries, components and other articles required by large-scale industrial units.

The setting up of the Corporation was one of the International Team of Experts of the Ford Foundation which surveyed the problems of smallscale industries in India in 1953.

The Development Commissioner for Small Scale Industries, under the Ministry of Commerce and Industry will be chairman of the Board of Directors of the Corporation, which will consist of nine members. Representatives of the Director-General, Supplies and Disposals and the Ministries of Finance, Railways and Defence will be members of the Board. Representatives of small industries and banking interests are also to be nominated on the Board.

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(The Hindustan Times, 6 February 1955).

#### Madras: Rehabilitation of Handlooms: Government's Efforts outlined.

Mr. M. Bhaktavatsalam, Minister for Agriculture, Mahu, in a statement in the Legislative Assembly on 15 February 1955 on the rehabilitation of the handlodm weaving industry, pointed out that the normal sale of about 2.1 million rupees a month had increased to 2.7 million rupees. While the average production was worth 1.8 million rupees a month prior to the introduction of the scheme the present production rate was 3.2 million rupees.

Mr. Bhaktavatsalam said that thanks to the liberal assistance of the Union Government, the Madras Government had undertaken several measures for the rehabilitation of the handloom industry in the State. They had so far sanctioned a sum of 12.1 million rupees for the implementation of the various schemes for the benefit of weavers organised in co-operative societies. For the year 1953-54 and 1954-55, the total share of the State from out of the Cess Fund was 21.6 million rupees. The Madras Government had submitted to the Government of India schemes estimated at 21.6 million rupees. So an far, the Government of India had canctioned schemes for 15.9 million rupees out of which the Madras Government had sanctioned and taken up schemes for 12.1 million rupees.

Handloom Co-operatives.- After surveying the measures taken to improve the handloom industry the Minister pointed out that as a result of the working of the schemes the industry had shown signs of improvement. The weavers were able to get better wages and to find market for their goods. Before the introduction of the scheme there were 566 weavers' co-operative societies with 97,642 looms. At the end of the year (1954), there were 779 societies with 125,847 looms in the comperative The number of looms had increased by field. 28 per cent. A sum of 0,486 million rupees was given as loan for share capital to be taken up by the weaver-members. The Co-operative Central Banks had made available 5.976 million rupees to weavers! co-operative societies by way of working capital upto 31 December 1954 from their resources and from the amount placed at their disposal from the Cess Fund. The Madras Handloom Weavers' Co-operative Society was provided with a working capital of 1.14 million rupees to assist in marketing activities.

Marketing facilities. - Arrangements for the marketing of handloom cloth had been undertaken on a State-wide basis through the agency of the Madras State Handloom Weavers! Co-operative Society. In addition to the 53 depots existing in the State on the date of the introduction of the scheme, 104 depots were opened in various parts of the State. As a result of the arrangements made, there had been an increase in the sales effected. The State Society had opened depots under the Cess Fund Scheme outside the State in places like Vijayavada A new feature in the marketing and Delhi. activities of the State Society was popularising the sale of handloom goods through mobile vans. One van was now in use in Madras and Chingleput districts and five more vans were expected to be put on the road by the end of next month. A sum of 1.217 million rupees was sanctioned as subsidy to the co-operative institutions which had resulted in stimulating trade.

<u>Increasing production efficiency.</u> In order to improve the technique of the handloom industry, Mr. Bhaktavatsalam said, arrangements were in progress for the supply of take-up motion attachments to the looms to weavers' co-operative societies, supply of standard reeds and pedal looms, establishment of dye houses and patternmaking factories. Schemes for the establishment of housing colonies for 200 weavers, one at Ammapet (Salem) and another in Aruppukottai area (Ramanathapuram) were under the consideration and they were expected to cost 1.85 million rupeese

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(The Hindu, 17 February 1955 ).

# CHAPTER 5. WORKING CONDITIONS AND LIVING STANDAR DS.

# INDIA - FEBRUARY 1955.

# 50. General.

# Conditions of Work of Gorakhpur Labour: Tripartite Committee's Recommendations.

The following are the main recommendations of the Tripartite Committee set up by the Indian Labour Conference to consider all aspects of the question of conditions of work of Gorakhpur labour employed in coal mines:-

- (1) Two advisory bodies should be constituted at Gorakhpur and Dhanbad respectively to guide labour recruiting organisations. These Advisory Committees will also emamine charges against individual supervisors as well as recommend measures for general welfare of emigrant labour.
- (2) Any compulsion to force Gorakhpur workers to stay in the camps should be stopped. The workers should be allowed to bring their families if they so choose. No restrictions should be imposed on movement of workers staying in the camps.
- (3) They should be allowed to spend their earnings as they like.
- (4) Their wages, terms and conditions of employment should be at part par with those of the locally recruited miners.
- (5) They should have the same benefits under the Provident Fund Welfare Schemes.
- (6) Within a month of his arrival, the worker should be given a designation appropriate to the work allotted to him in consonance with the practice applicable to other workers on appointment at the relevant colliery.
- (7) Effective publicity should be given to the fact that this labour, like other labour, is free to join trade unions.

(8) The responsibility in regard to the application of standing orders and terms and conditions of service concerning this labour would rest with the management of the colliery as in the case of other labour, and not with the Goalfields Recruiting Organisation.

> (Indian Labour Gazette, Vol.XII, No.6, December 1954, pp. 555-557 ).

#### Bihar Shops and Establishments Rules, 1955.

The Government of Bihar published on 26 January 1955 the Bihar Shops and Establishments Rules, 1955, made under the Bihar Shops and Establishments Act, 1953 (vide pages 42-44 of the report of this Office for March 1954). The rules deal, inter alia, with the procedure for registration of establishments, notice of weekly holidays and period of work for employees, mede of computation of cash value of wages, deductions from wages, list of acts which may be termed as missconduct and powers of inspecting officers.

> (Bihar Gazette, Part II, 26 January 1955, pp. 189-220).

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#### 51. Hours of Work.

#### India - February 1955.

# Working of the Hours of Employment Regulations in Railways for the Year 1952-53.

According to the report of the Chief Labour Commissioner (Central) on the Working of the Hours of Employment Regulations in railways for the year 1952-53, the total number of workers covered by the Regulations during 1952-53 was 686,056 as compared to 688,289 in 1951-52. The distribution of employees for 1952-53 classified two ways by Railways and the nature of work i.e., intensive, continuous, intermittent and excluded is shown in the table below:=

Name of the Railway	1952-1953				
	Intensive	Continuous	Intermi	ttent Exc]	uded Tota
- 	No.	NO.	NO.	NO .	No •
Ex-E.I.Zone of the Regrouped Eastern					
Railway.	234	97,127	11,467	4,384	113,212
	(0•2)	(85.8)	(10,1)	(3,9)	(100)
Ex.B.N.Zone of the Regrouped Eastern					
Railway.	182	71,371	12,896	2,997	87,446
	(0.2)	(81.6)	(14.8)	(3.4)	(100)
Northern Railway.	234	97,363	16,621	4,105	118,323
	(0,2)	(82,3)	(14.0)	(3.5)	(100)
North Eastern Railway.	(-) 9	51,169 (72.8)	6,098	12,978 (18.5)	70,254 (100)
Central Railway.	`379	100,108	15,039	3,944	119,470
	(0•3)	(83,8)	(12.6)	(3.8)	(100)
Western Railway.	107	60,871	11,413	4,597	76,988
	(0.1)	(79,1)	(14.8)	(6,0)	(100)
Southern Railway.	482	80,215	14,752	4,914	100,363
	(0,5)	(79,9)	(14.7)	(4.9)	(100)
Total.	1,627	558,224	88,286	37,919	686,056
	(0,2)	(80.4)	(12,9)	(6.5)	(100)

# N.B. Figures within breackets indicate percentage to total.

The Conciliation Officers and Labour Inspectors of the Office of the Central Chief Commissioner of Labour, who are responsible for the administration of the Regulations, inspected 5,771 establishments during the year and detected 11,610 irregularities as compared to the figures of 4,756 inspections and 7,013 irregularities in the previous year. Of the 11,610 irregularities detected during the year. 3,455 related to non-display of rosters or display of defective rosters, 1,030 to non-display of regulations, 958 to work beyond rostered hours, 1,522 to working on rest days, 208 to continuous employment on night duty and 434 to non-payment of overtime wages. Irregularities numbering 9,091 mf were rectified, 202 were objected to by the Railway Administration and 2,317 were under their consideration. Of the total number of irregularities rectified, 27 per cent were rectified within 3 months and 61 per cent within 6 months. The General Manager of Central and Western Railways have agreed that they would try to rectify the minor irregularities within a month and the major ones within 6 months.

(The Working of the Regulations during the previous year was reviewed at pp. 71-72 of the report of this Office for December 1954).

# (Indian Labour Gazette, Vo.XII, No.6, December 1954, pp.558=560 ).

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#### 52. Workers' Welfare, Recreation and Workers' Education.

#### India - February 1955.

# Activities of the Bombay Labour Welfare Board during 1953-1954.

According to the Annual Report of the Bombay Labour Welfare Board for 1953-54, attendance at the 54 labour welfare centres in Bombay State during the year totalled almost 15 millions. This total was made up of the presence of as many ay 1,500 men, women and children living around each of the "A" type centres and about 600 living around each of the 36 "C" type centres and 11 "B" types centres. Over 40 per cent of attendance consisted of boys and girls under 15 and about 10 per cent of adult women, the remaining 50 per cent 26 being men mostly between the ages of 15 and 30.

Recreation for women. While a centre's activities were organised essentially from a recreational angle as far as women were concerned, sewing machine was the main spring of their attraction to centres. They were taught tailoring on a carefully drawn up curriculum at the end of which examinations were held and ceptificates given to successful REARCHER candidates. Having learnt the use of machines, these women were very regular in bringing their own work to the centres, thus saving tailoring charges for their personal needs. With the increasing demand for sewing machines, the Board, as an experimental measure, introduced an additional sewing machine each at 24 centres. This was greatly appreciated by the women who not only stitched their own personal and family needs but also obtained job-work from their neighbours, to be done at the centres, thus earning an additional income. Since the number of women who sought use of the machines was greater than the number of machines, those that had to wait for their turn were induced to take part in other activities such as games, reading of books and newspapers, etc.

<u>Supplementary income for low income group</u> <u>families</u> The Bombay Labour Welfare Board prepared and put into effect a scheme for providing supplementary incomes for the family whose members were regularly visiting the centre, who HERE were from the low income group; the scheme was designed with a view to: (a) increasing the volume of employment; (b) giving some training in useful occupations that would help individuals to earn some money, if mecessary by work in their own homes; and (c) taking up such work that normally goes through contractors and middlemen and by handing this directly to the workers, eliminate the middlemen's profit, by a proportionate increase in the earnings of the workers.

The Board, therefore, appointed a woman handicraft teacher in Bombay who spent about 3 to 4 maaka weeks at each centre teaching various simple handicrafts. The response to this was encouraging. Already, over 100 women picked up toy-making. Their interest in learning this occupation was so keen that they spent maney out of their own pockets to purchase raw materials such as cloth, towelling cotton, beads, etc., necessary for making these toys. Some women with an artistic bent took much interest in the making of framed pictures from waste materials such as feathers, wood-shavings, used match sticks, etc. With the help of colours. simple but impressive pictures of land-scapes, birds, etc., were constructed on cloth and after completion fitted into frames. In addition, the women were also taught how to make fancy embroidery, handkerchiefs, pull-overs and cardigans from wool, and ready-made articles of clothing for women and children.

In preparing these articles, an important limitation that had to be borne in mind was the facility for marketing. The articles were, however, exhibited and sold at various exhibitions. Sales at the exhibitions earned about 436 rupees while the making of stationery articles, cloth badges, etc., brought in 1,363 rupees.

Occasional programmes. The more important of the occasional programmes during the year included a drama festival, for which about 31 centres were made, an Athletic and games meet for men and women and an open competition for <u>hututu</u> (an Indian group game) for teams in Bombay City for which a number of employers contributed valuable trophies.

Welfare facilities for children and young persons. The Board runs two creches at Sholapur for the children of handloom weavers and six regular nursery schools at Bombay, Ahmedabad and Sholapur, besides children's playgrounds and libraries. Children's sections in all 'B' and 'C' class centres are conducted between 11.30 a.m. and 1 p.m. for children below eight.

Medical advice and guidance. With regard to medical advice and guidance, the Welfare Board was able to obtain the free services of a number of doctors who spent one or two hours a week at the manitume centres examining patients, giving advice and guidance and prescribing medicines which were given to deserving cases at nominal cost. As a main result, in some cases where individuals were suffering from ailments of which they were practically unaware, it was possible to guide them on the right lines to the extent of hospitalisation and preventive treatments. Prohibition propaganda. Anti-Drink propaganda is an important feature at all Labour Welfare Centres. Apart from close co-operation with the various Prohibition Committees and other voluntary agencies, members of the staff of Welfare Centres, by keeping in frequent touch with the chawls and working-class tenements around their centres, were able to gauge the effect of and reaction to prohibition in their neighbourhoods. Further, by offering a varied programme of recreation, the leisure time of workers living around the anti-social influence of drink. (Prohibition is in force in the entire State of Bombay).

Staff training. During the year under review the Board was able to arrange for the participation of members of its staff in three training and coaching courses organised by the Government of Bombay through the Kandivli Physical Training Institute, by the Y.M.C.A., Bombay, and the Bharat Scouts Association, Bombaye

> (Labour Gazette (Issued Monthly by the Office of the Deputy Commissioner of Labour (Administration), Government of Bombay), Vol. XXXIV, No.4, December 1954, pp. 392-395 ).

#### 55. Protection of Minors.

#### India - February 1955.

# Working of the Employment of Children Act, 1938, in Indian Railways during 1951-1952.

The Employment of Children Act, 1938, which is applicable to Indian Railways and major ports. makes the employment of children under 15 years of age, in certain occupations an offence punishable by fine upto 500 rupees. During 1951-52 the Act was amended to make the penal provisions dealing with contraventions stricter. The amendment also makes the following provisions: (1) Children between 15 and 17 years of age may be employed on Railways and ports provided their periods of work allow an interval of rest of not less than 12 consecutive hours, which should include 7 consecutive hours between 10 p.m. and 7 a.m.; (ii) a register of children between 15 and 17 years of  $a_{Re}$  employed is to be maintained; and (iii) a notice in English and the local languages containing an abstract of Sub-Section (1) and (2) of Sections 3 and 4 of the Act relating to prohibition of employment of children in certain occupations and penalties to be imposed, shall be displayed at every railway station and port.

The Report of the Chief Labour Commissioner on the working of the Act on Railways during 1951-52 shows that during the year 2,472 establishments were inspected, when 98 cases of irregularities were detected. The corresponding figures for of the preceding year were 1,478 and 62 respectively. The irregularities defected by the Inspectors were referred direct to the employers concerned for rectifications. The Chief Labour Commissioner, the Regional Labour Commissioners, the Conciliation Officers and the Labour Inspectors continued to be appointed as 'Inspectors' for the purpose of the Act. The procedure for inspection remained the same as in the case of the Payment of WMM

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(Indian Labour Gazette, Vol.XII, No.6, December 1954, page 562).

# All-India Body on Child Education to be formed.

A decision to form an all-India body to co-ordinate all efforts of private Government and aided institutions in the field of pre-school education was taken at the first All-India Child Education Conference held at Indore from 29 to 31 January 1955. Dr. Zakir Hussain, Vice-Chancellor, Aligarh University presided.

The Conference appointed a Committee with Dr. Hussain as chairman to draft the constitution and formulate the aims and objectives of the All-India Body.

#### (The Hindu, 1 February 1955).

# Draft Travancore-Cochin Employment of Children (Workshop) Rules, 1955.

The Government of Travancore-Cochin published on 8 February 1955 the draft of the Travancore-Cochin Employment of Children (Workshop) Rules,1955 proposed to be made under the Employment of Children Act,1938. The draft rules define the powers of inspectors appointed under the Act and prescribe the procedure for the grant of certificates of age in respect of young persons in employment or seeking employment in a workshop and the form of such certificate. The draft rules will be taken into consideration by the Government after 8 April 1955.

> (Travancore-Cochin Gazette, Part I, 8 February 1955, page 195 ).

# 57. Family Budgets Including Nutrition.

# India - February 1955.

# Eighty-Seven Per Cent of Textile Workers in Indebted: Osmania University Survey.

With a view to assess the nature and causes of the indebtedness among textile workers of Hyderabad city, a survey was conducted in 1952 by the Osmania University<sup>\*\*</sup>. The investigation revealed that 87 per cent of the total workers are in debt and that the volume of debt totals 9,081 rupees. This total debt is shared by 267 workers so that the average debt per worker is 340 rupees. Considering the low living standards and the earnings of workers in question this figure indeed presents an alarming picture.

The mills selected for intensive investigations were the Ramgopal Mill, the Hyderabad Spinning and Weaving Mill, the Jeevan Textile Mill and the Mahabir Silk Mill. In order to facilitate the inquiry, workers had to be selected at random from the various income groups. Thus out of a total of about 3,000 workers, 304 were questioned and their statements recorded to complete the data.

Income and Expenditure. To obtain an idea of indebtedness and the income and expenditure, the workers were classified according to the monthly income per head of families. Group A consists of those whose families have a monthly income per head of less than 10 rupees; group B between 10 rupees and 15 rupees; group C between 15 rupees and 20 rupees; group D between 20 rupees and 25 rupees; group E between 25 rupees and 30 rupees; group F between 30 rupees and 40 rupees; group G between 40 rupees and 50 rupees and family group H consists of those workers whose families have a monthly income per head of 50 rupees and above. While making their classification due weight has been given to the number of earning hands in the family, the number of persons who share in the consumption and above all their supplementary incomes. On the basis of this inquiry, the following table reveals the income and the expenditure of the workers in the various groups:

\* Indebtedness of Textile Workers in Hyderabad City, 1952 (Department of Economics, Osmania University), The Hyderabad Government Bulletin on Economic Affairs, July-August 1954, pp. 258-281.

Incon Group		Total No.of workers	Total Income	Expendit on Food			opensity to save.	
			Rs.	Rs.	Rs.			
A		7	574 0 0	53500 (70)	765 2 0	-191	- 0.30	
В	• •	38	3001 0 0	2421 0 0 (65)	3704 9 0	-704	-0.20	
C	6 8	70	6593 0 0	4733 4 0 (68)	6947 4 0	<b>-</b> 534	-0.05	
D		67	7109 0 0	4495 0 0 (64)	<b>6966 4 0</b>	143	0,02	
E	80	51	6739 0 0	3763 8 0 (65)	5793 1 0	946	0.14	
F		46	5666 0 0	3075 0 0 (63)	4899 1 0	767	0.12	
G		11	1675 0 0	810 8 0 (55)	1484 14 0	190	0.11	
H		14	1822 0 0	932 0 0 (59)	1424 1 0	398	0.22	
		304	33179 0 0	20765 4 0	31989 4 0	1195	0.03	

Supplementary incomes are included in the total incomes and it has been observed that supplementary incomes increase as the income category rises. The average monthly income perhead of textile workers taken as a whole is 22.31 rupees and it turns out that an average worker has between 4 to 5 adults to support.

The total expenditure given in the above table does not include any deduction such as contribution to provident fund or remittances to the village or amounts paid for liquidating debts. A detailed study of expenditure shows that expenditure on food among the lowest groups is between 65 per cent to 70 per cent of the total expenditure and taking all the groups together, the expenditure on food is 65 percent of the total expenditure. There has been an unmistakable tendency for the expenditure on luxuries to rise as a ratio of total expnditure, when income As for expenditure on clothing, housing, fuel rises. and light are concorned, there has been found to be a trend for the percentages to fall with increasing incomes, then rise and then fall again. The fall in the ratios of these expenditure with increase in incomes is explained by the fact that people in the lower range income groups were almost the same type of clothes, live in the same type of houses and consume almost identical types of fuel and light. When incomes of people in group A rises to the level of workers in Group D or to that of to workers in groups lower than this, the expenditure on clothing, housing, fuel and light do not vary much in absolute terms. Of course people belonging to the higher income groups within the range spend slightly more on clothing, housing and fuel, but the increase of expenditure on these items is very much low than the increase of income, with the result that ratio of

expenditure on these items register a fall. But when monthly incomes per head begin to rise above 25 rupees the living standards of workers appear to undergo a rather drastic change. It looks as though workers begin to change their houses or perhaps in some cases they are allotted bigger and better houses with higher rants, and once having attained a higher standard of housing, they do not spend any more on them.

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From a study of the expanditure textile workers of Hyderabad it may be concluded that as monthly income per head increases, percentage expenditure on food falls, that on pleasures rises while the percentage of expenditure of clothing, housing and fuel and light declines up to the income level of 35 rupees per head permonth and then rises up to the income level of 45 rupees and declines again.

It is significant that for the poor income groups from A to C the actual monthly expenditure per head is bigger than the incomes and therefore their propensity to save is negative. In the case of the higher groups although the propensity to save rises as far as 22 per cent, it has to be remembered that out of this apparent excess workers have not only to finance social expenditure such as marriages, births and deaths but also to keep somethin g for the rainy day - as a safeguard against unemployment, sickness and other clamities. Thus the savings of even the higher groups are only illusory and taking all the workers together the average propensity to save is only 0.03 per cent of income.

Indebtedness. In the table given below is given the volume of debt for each income group along with the number of workers in each group.

Income Groups	Total No. of worker		Workers in debt	Per capita debt (Rg.)	Multiple that <b>fiebt</b> forms of total monthly income	
A	7	4130	7	68	7,19	
В	38	11019	36	48	3.67	
C	70	20946	65	56	3.17	
D	67	18472	56	57	2.59	
E	51	14510	45	59	2.15	
F	46	14984	40	86	2.64	
G	ii	2470	7	63	1.47	
H	14	4360	11	85	2.39	
11	304	90891	267	61	2.74	

Various customs, religious observances and ideas of social prestige make it imperative for workers to spend. Unemployment and high costs of living add to their plight. This strain on the slender resources of workers drives them into the hands of the moneylenders and continued deficits prevent them from obtaining any xx release from the money-lenders' shackles. Thus most textile workers are immersed in debt and the majority of the workers have neither the means nor the intention to repay. The only form of payment seem to be the interest which, if paid regularly, makes themeligible for further loans.

One of the chief reasons for borrowing is marriage, There is no single income group which does not borrow on this nurns account at least twice as much as it does for any other single purpose. The total debt for purposes of marriage is not only more than three times the debt incurred on the next most important itme illness - it forms a bigger total than the debt on all the other items put together. In fact, it is 55.18 per cent of the total. Next to marriage, the most important cause of debt is illness. Owing to a multitude of factors, such as malnutrition, constant changes in the quality of rationed articles, sometime undesirable working condition, etc., the workers become susceptible to various diseases and, in the absence of social insurance, are compalled to borrow for medical attention, 15.47 per cent of the total debt owes its origin to this factor.

Sources of Credit and the Rates of Interest... There is a complete absence of any organised institution - a bank or a co-operative society - to supply the credit requirements of textile workers in Hyderabad. Professional moneylenders are easily the most important source of credit, accounting for 78.6 per cent of the credit supply. Relatives and friends who lend a helping hand in times of need supply no more than 15.43 per cent. The shop-keeperg as a supplier of credit is very unimportant, accounting only for 4.22 per cent of the total supply. Whisfxfands Chit funds and Governments supply respectively 1.43 and 0.11 per cent of the workers' credit needs.

The rates at which workers borrow depend partly on the security they can offer but mainly on the agency supplying the credit. Beyond service, status and wages, there is hardly any security worth the name which the textile workers can offer. The money-lender therefore charges a rate of interest as high as the customer can bear.

According to the data collected by the enquiry, it has been found that 68 percent out of the total credit of 78.8 per cent has been contracted at rates varying between from 20 per cent and 15 per cent. Although more than 25 per cent of the total debt has been contracted at rates above 50 per annum, the rates which seem to be most popular are those between 20 per cent and 29 per cent. <u>Conclusion</u> The colossal indebtedness in relation to income at fabulous rates of interest not only lowers the standard of the workers but also undermines their efficiency inasmuch as it removes the incentive to work.

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Through the benefit fund, the worker can be helped to borrow in times of emergency - death, marriage, sickness, etc. - at low rates of interest which would make private lending business unprofitable. Educating the worker into habits of thrift and removing from his path the various temptations to borrow would of course b e the more lasting remedies. though slow and difficult of attainment. The management can also help by making it compusiory for all employees to save by initiating a provident fund scheme. Substituting loans at lower rates of interest in place of higher rates would be a boon to the workers. Existing debts could also be scaled down with the help of the management if the employing agency could advance loans, say, at less than 5 per cent interest and realising these in small The management could also assist in the amounts formation of a co-operative store which would also safeguard the workers against being exploited in their day to day purchases. The establishment of Boards of health and welfare by the Social Service Department or other public institutions would go a long way in improving the health of the workers and curtail the periods of illness.

Last but not least without education it would be **idel** idle to hope for an improvement in the efficiency and living standards of workers whose poverty leaves them without a laudable ambition and makes them a victim of rank superstition. A State Social Insurance Scheme would, of course, go a long way in solving the problem, but until it is forthcoming, employers would have to help by organising their own welfare funds.

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# 59. Social Research.

#### India - February 1955.

# Census Figures on Literacy Published.

According to 1951 census published by the Registrar-General in his "Census of India Rapager Paper No.5", 60 million out of India's 360 million population or 16.6 per cent sx are literate, i.e., they can read and write a simple letter in some language. Of this, about 600,000 can only read but cannot write and over 50 million do not even have a middle school standard of education. About 3.8 million have passed the higher secondary school standard and about 1.6 million of the 3.8 million have reached still higher standard of education; 466,000 have attained up to intermediate in arts and science and 1.17 million are holders of degrees and diplomas.

The Cenus while giving the literacy figures on all India basis has also given separate figures for various zones. West Indiar has the largest percentage of 23.8, perxs while North India has the lowest of 10.8. The percentage for the whole country for male and female are 24.9 and 7.9 respectively. South India has the largest female literacy with 13.5 per cent and North India the lowest with 3.6.

According to the livelihood classes, 12.1 per cent of the agricultural classes are literate, while 29.0 per cent of the non-agricultural classes are literate. The percentage of literacy among the eight livelihood classes into which the population was divided for the 1951 census are:

- 1. Cultivators of land wholly or mainly owned and their dependents 13.3 per cent (21.8 males and 4.5 females).
- 2. Cultivators of land wholly or mainly unowned and their dependents - 11.2 per cent (17.3 males and 4.8 females).
- 3. Cultivating labourers and their dependents -6.2 per cent (10.0 males and 2.5 females).
- 4. Non-cultivating owners of land, agricultural rent receivers and their dependents - 32.8 per cent (47.7 males and 20.4 females).
- 5. Persons, including dependents, deriving their principal livelihood from production other than cultivation = 22.2 per cent (32.3 males and 10.8 females).

- 6. Persons depending on commerce for livelihood 37.9 per cent (51.6 males and 22.6 females).
- 7. Persons depending on transport for livelihood -32.7 per cent (41.7 males and 21.7 females).
- 8. Persons depending on other services and miscellaneous sources for livelihood -30.5 per cent (40.6 males and 19.4 females).

The paper has also published index of literacy based on another yardstick. Since all children below five years and even some above must normally be illiterate, the index has been drawn up on the basis of percentage of literates aged 10 and over to the total number of people aged ten and over. These indices show that out of 100 men living in urban areas, 54.6 are literates and of every 100 women in urban areas 27.0 are literate. In rural areas, of every 100 women 6.9 are literates.

Zonewise the percentages show great variations:

North India: Urban - 88.0 males and 20.4 females; rural - 17.6 males and 2.2 females.

East India: Urban - 52.9 males and 31.6 females; rural - 24.2 males and 5.3 females.

South India: Urban - 59.1 males and 30.8 females; rural - 34.8 males and 12.7 females.

West India: Urban - 62.3 males and 31.7 females; rural - 33.2 males and 8.1 females.

Central India: Urban - 50.5 males and 19.1 females; nural - 14.0 males and 2.0 females.

North-Hest India: Urban - 45.0 males and 21.0 females; rural - 14.0 males and 3.3 females.

The literate persons who have attained some educational standards have been analysed in separates tables and statewise and according to various livelihood classes.

Of the 60 million of literates, only 2.8 million have passed the higher secondary school standard for the country, as a whole. They are thus eleven out of 1000 persons for 64 out of 1000 literate persons. This includes 500,000 of women. The number of women who have passed the higher secondary school standard is only three out of every 1000 women or four out of every thousand literate women.

Of the 1.6 million who have reached standards higher than higher secondary, 407,000 males and 59,000 females have reached up to intermediate in arts and science. Among holders of degrees and diplomas, 993,304 are males and 183,094 are females. Of the degrees or diploma holders, 284,408 mals and 36,944 females are graduates in arts and sceince, 57,918 males and 6,837 females are post-graduates in arts and sceince, 150,812 males and 37,777 females in teaching, 63,763 males and 873 females in law, 63,884 males and 8,106 females in health and medicine, 35,022 males and 632 females in engineering, 31,583 males and 1,035 females in commerce, 8,259 males and 243 females in agriculture, and 4,112 males and 223 females in veterinary. Degrees or diplomas in other subjects account for 293,943 males and 90,442 females.

The Census has also analysed age-groupwise, the literacy figures for the ten per cent sample population.

The census has given separate literacy figures for agriculturists: Of the 50,218,858 literate persons below middle school standard, 25,863,936 (21,000,329 males and 4,863,607 females) belong to the agricultural classes and 24,354,922 (17,124,767 males and 7,230,155 females) belong the to the non-agricultural classes.

There are 5,242,523 persons qualified up to middle school standards, Of these 1,851,344 (1,622,110 males and 229,234 females) are from the non-agricult ural classes.

Of the 21,156,858 persons educated up to matriculate or equivalent qualifications, 413,477 (372,899 males and 40,576 females) are from agricultural classes and 1,743,381 (1,491,899 males and 251,482 females) are from non-agricultural classes.

Of the 466,477 persons educated up to intermediate in arts and or science, 77,651 (72,731 males and 4,920 females) are from agricultural classes and 388,826 (334,307 males and 54,459 females) are from non-agricultural classes.

Graduates in Arts or Science. Total 320,952. Agricultural classes - 37,856 (35,505 males and 2,352 females), non-agricultural classes - 283,096 (248,503 males and 6,248 males).

Teachers: Total 188,589. Agricultural classes - 37,076 (33,526 males and 3,550 females), non-agricultural classes - 151,513 (117,286 males and 34,227 females).

Engineering: Total 35,654. Agricultural classes - 1,891 (1,860 males and 31 females), nonagricultural classes - 33,763 (38,162 males and 601 females).

Agriculture: Total 8,502. Agricultural Classes = 2,561 (2,555 males and 6 mxix females), non-agricultural classes = 5,941 (5,704 males and 237 females). Veterinary: Total 4,337. Agricult ural classes -447 (441 males and 6 females), non-agricultural classes - 3,890 (3,671 males and 219 females).

Commerce: Total 32,618. Agricultural classes - 2,271 (2,227 males and 44 females), non-agricultural classes - 30,347 (29,356 males and 991 females).

Medical: Total 171,990. Agricultural classes -7,841 (7,409 males and 432 females), non-agricultural classes - 64,149 (56,475 males and 7,674 females).

Others: Total 384,385. Agricultural classes -152,688 (129,092 males and 23,596 females), nonagricultural classes - 231,697 (164,851 males and 68,846 females).

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(The National Herald, 6 February 1955),

# INDIA - FEBRUARY 1955.

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64. Wage Protection and Labour Clauses in Employment Contracts with the Public Authorities.

# Working of the Payment of Wages Act, 1936 on Railways during 1951-1952.

During 1951-52, the Payment of Wages Act, 1936, applied to 1,221,053 workers in Indian railways, according to the annual report of the Chief Labour Commissioner (Central) on the working of the Act in railways. XME Of this 307,918 were employed through contractors. Mixkin The table given below shows the number of employees, the total wages and average annual earnings in three zones:

	No.of employme	Total wages	Average ea the yea	
	·		1951-52	1950-51
			Rs.	Rs.
	Fact	ory Labour		
Southern Zone Western Zone	19,734 48,079	17,752,628 54,102,681	899.6 1,102.4	1,169,2 1,328,4
Eastern Zone	62,915	71,301,228	1,133.3	1,046.9
	Non-	Factory Labour		
Southern Zone	115,324	111,724,759	968.8	931.1
Western Zone	259,983	230,087,320	885.0	954.8
Eastern Zone	286,452	275,224,896	960.8	897.2

During the year under report 5,357 railways establishments, contractors' establishments and offices of the pay-masters were inspected. It was noticed in the course of inspections, that the registers of fines, damages, etc., were not properly maintained in the paymasters' establishments. During the year, 12,371 cases of irregularities were detected, as against 9,357 in 1950-51. Most of the irregularities related to the non-payment of wages within the prescribed time. Of, 9,353 irregularities of this nature, 2,879 related to the Eastern Punjab, Oudh and Tirhut, and Jodhpur-Bikaner Railways, 1,901 to the Southern Railways, 1,514 to the Central Railway and 1,049 to the Western Railways. Out of the irregularities referred to the railway administrations, 4,500 were rectified, 149 were disputed and 7,722 were under consideration at the close of the year. LO

On the Southern Railway the system of imposing fines was abolished several years ago, and, therefore, there was no case of imposition of fimes on the persons directly employed by that Railway Administration. Even the railway contractors were generally not imposing fines. However, 20 cases of imposition of fines in excess of the permissible limits and 760 days by the Railway Administration were detected. On the Western Railway, 18 cases of fine in excess of permissible limit and 75 cases of fine INXEXERS recovered after the expiry of 60 days were detected. The total amount of fines in 24,660 cases, in which fines were imposed during the year came to 36,290 rupees. This amount was credited to the staff benefit funds of the Railways. The amount deducted in 30,912 cases of damage or loss during the year was 220,686 rupees.

No instances of breach of the provisions relating to deductions for amenities and services were noticed during the year under review. Also there were no cases of deductions for attachment orders from the Courts. There were no violations on any of the Railways of the provisions with regard to deductions on account of payment of for supply of stores and loans to co-operative societies. provisions regarding the display of list of acts and omissions for which fines may be imposed and notices showing the dates of payment of wages do not appear to have been observed satisfactorily, particularly on the Ex-Saurashtra, Western, Ex-Bengal Nagpur, Ex-Eastern Punjab, S.S. Light and Jodhpur-Bikaner State Railways. Contractors also were instructed to maintain the requisite registers for wages, to display notices showing dates of payment, and lists of acts and ommissions in respect of which fines may be imposed. In 145 establishments of the railway contracts on Central and Western Railways and 58 on Ex-Eastern Punjab and Oudh-Tirhut Railways inspected, it was observed that the contractors were gradually becoming conscious of their statutory obligations.

> (Indian Labour Gazette, Vol.XII,No.6, December 1954, pp. 560-562).

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and bo cases & times recovered after the expiring & the premismible limit of

# 66. Strike and Lockout Rights.

#### India - February 1955.

# Madras: All Labour at Minor Ports declared as Public Utility Service.

The Government of Madras has, under the Industrial Disputes Act, 1947, declared all labour at minor ports in the State to be a public utility service for the purposes of the said Act for a period of six months from 18February 1955.

## (G.O.Ms.No.389 Industries, Labour and REM Co-operation dated 8 February 1955; Fort St.George Gazette, Part I, 16 February 1955, page 202 ).

#### Mysore: Iron and Steel Industry declared a Bublic Utility Service.

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In EXERSE of the powers conferred under the Industrial Disputes Act, 1943, and by a notification dated 1 February 1955 the Government of Mysore has declared iron and steel industry in the State to be a public utility service for the purposes of the Act for a period of six months from 1 January 1955.

> (Notification No.LS 8153-Lw 129-54-4 dated 1 February 1955; Mysore Gazette, Part IV, Section 2c, 3 February 1955, page 81).

#### Uttar Pradesh: Hosiery Industry declared a Public Utility Service.

In exercise of the powers conferred under the U.P. Industrial Disputes Act, 1947, and by a notification dated 15 February 1955 the Government of Uttar Pradesh has declared the hosiery industry and every undertaking connected with the manufacture or distribution of hosiery to be a public utility service for the pruposes of the said Act for a period of six months from 1 March 1955.

> (Notification No.1523(TD)/XXXVI-A-56(TD)-154, dated 15 February 1955; Uttar Pradesh Gazette, Part I, 19 February 1955, page 253 ).

# 67. Conciliation and Arbitration.

# India - February 1955.

# Labour-Management Disputes in Amritsars Conciliation Board set up at Tripartite Conference.

A tripartite conference of labour, employers and workers convened by the Punjab Federation of Industry and Commerce was held at Amritsar on 8 February 1955, to discuss the unsatisfactory labour-management relations in the area.

Mr. Gurdial Singh Uppal, who presided, stressed the need of settling differences in a conciliatory way rather than indulging in litigation. He advised employers to respect labour, and that profit-making should not be their chief motive. Every act of theirs should be guided by humane considerations and national prosperity.

To the labour, he suggested, that despite differences production should not be allowed to suffer. Industrial units which make surplus profits should voluntarily pay workers due bonus. Likewise workers should not claim bonus from units which are not making surplus profits.

Mr. Uppal exhorted the workers to adopt peaceful methods and not to resort to go-slow methods, strikes and sabotage.

He made the following suggestions:

1. Before starting adjudication proceedings, a dispute should be examined and scrutinized by the district magistrate in consultation with the labour officer and the industries officer along with one representative each of industry and labour.

2. There should be a wholetime tribunal of not less than three members who should be sessions judges.

3. The district authorities should be empowered to take effective measures to counteract activities interfering with production in an industry.

4. For implementing the second Five-Year Rax Plan, the Labour and the Industries Departments should be amalgamated.

5. The State Government should provide and finance adult education centres, housing accommodation, medical facilities and recreation parks for labour.

Mr. Satyapaul Dang, president of the local All-India Trade Union Congress, while appreciating the motives of the conference, stressed that minimum wages for textile labour should be fixed.

Mr. Joshi of the Indian National Trade Union Congress, s aid that all efforts should be made to stabilise labour conditions in the city.

The conference decided to establish a conciliation board of eight members, four being representatives of employers and four of employees represented by the Indian National Trade Union **EXAMPLES** Congress and All-India Trade Union Congress. The board will find ways and means of resolving the existing employer-employee disputes. Mr. Chandanlal Jaura, M.L.A., has been appointed chairman of the board.

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(The Hindustan Times, 10 February 1955).

# 68. Labour Courts.

## India - February 1955.

# Labour Appellate Tribunal: Fourth Bench set up in Madras.

The Labour Appella te Tribunal of India has established its fourth bench at Madras to deal with appeals and applications in industrial matters in the southern region, it was officially learned here today.

Hitherto the Lucknow bench of the Tribunal was hearing appeals and applications arising out of awards and decisions of tribunals within Southern India, comprising the Statesof Madras, Mysore, Travancore-Cochin, Andhra and Coorg.

The tribunal has now four benches with headquarters in Bombay and benches in Calcutta, Lucknow and Madras,

(The Hindu, 13 February 1955 ).

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#### CHAPTER 8. MANPOWER PROBLEMS.

# INDIA - FEBRUARY 1955.

# 81. Employment Situation.

## Employment Exchanges: Working during December 1954.

According to the review of work done by the Directorate General of Resettlement and Employment for the month of December 1954, after an encouraging improvement in the number of vacancies notified during the month of November, and reports that the employment situation in general was showing some signs of improvement, expectations were belied by a decline in the number of vacancies notified during the month of December. The number of placements effected increased very slightly in the country as a whole, but most of this improvement was due to a substantial increase in West Bengal where the employment situation was still reported to be encouraging. The number of fresh registrations increased only slightly, and this fails to explain a notable increase of over 26,000 persons on the live registers at the end of the month bringing the total to well over 600,000. In particular, the live registers in Bombay, West Bengal, Madras and Bihar rose to levels higher than had been reached before. Such increases in the live registers normally follow an improvement in the number of vacancies notified, such as occurred last month, but the registers usually adjust themselves very soon after vacancies decline. This did not happen in the regions mentioned above during the month of December. No satisfactory explanation for this abnormal increase in the number of registered unemployed is at present available.

A dearth of efficient stenographers, trained teachers, fast and accurate typists, qualified draughtsmen, overseers, surveyors, compounders, midwives and nurses continued to persist in most of the exchange areas. A shortage of qualified and experienced engineers, doctors, sanitary inspectors, welders, electricians and boilerattendants was also fairly widespread.

Persons fresh from schools and colleges, applicants for elerical jobs, untrained teachers, unskilled office workers, carpenters and motor drivers continued to form the bulk of the surplus categories at most of the exchanges.

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Registrations and placings. The following table shows the registrations for employment and placings during December axe 1954 as compared to November 1954.

	December 1954	November 1954
Registrations	135,001 14,164	131,579 13,909

Registrations recorded an increase of 3,422 over the previous month. The increase in registrations was comparatively large in the States of Uttar Pradesh (1,920), the Punjab (1,116), Bihar (681), Rejasthan (580), Delhi (505) and West Bengal (482). On the other hand, a fall in registrations was reported by the exchanges in Orissa (672), Andhra (606) and Madras(505).

Placements recorded a small increase of 255 over the previous month's figure. Employment exchanges in West Bengal and Bihar showed an increase of 628 and 194 mm placements respectively. A decline on the other hand, was reported by the exchanges in the Funjab (190), Bombay (138) and Assam (106). Of the total number of placements effected 10,599 were in Central and State Government establishments and 3,565 were with private employers.

Placings by wage groups. The table below shows the number of placings by wage groups during December 1954.

Wage groups		Number placed
101 rupees and above	. 0.	1,852
61 rupees to 100 rupees		7,109
30 rupees to 60 rupees		4,520
Below 30 rupees	-	683

Vacancies notified and submissions. The number of employers who used the exchanges during the month was 4,510 as against 4,652 during November 1954. The number of vacancies notified by them was 21,076 as against 23,097 during the previous month i.e., a decline of 2,021. A comparatively large decrease in the number of vacancies notified was reported by the exchanges in the States of West Bengal (659), Bihar (504), Madras (389), Bombay (266) and Uttar Pradesh (200). Employment exchanges in Andhra, Assam, and P.E.P.S.U. on the other hand, showed an increase of 227, 155 and 92 respectively. Of the **XHXHARKER** vacancies notified 15,069 were in Central and State Government Departments and 6,007 were in the private establishments. There was a decline of 1,734 vacancies in the public sector and of 287 in the private sector. 88

A total of 72,685 applicants were submitted to employers for selection during December 1954, as against 71,663 during the preceding monthe

<u>Register of unemployed.</u> The number of persons seeking employment assistance through the exchanges on the last day of December 1954, was 609,780 which 26,566 more than the figure as at the end of the previous month and was the highest on precord. Of those on the live register 3,445 were known to be employed persons who desired further employment assistance.

The composition of the live register occupationwise is shown in the table below:-

Occupations	•	No, on Live Register as
		on 31 December 1954
Industrial Supervisory	-	5,202
Skilled and semi-skilled		55,234
Clerical	-	173,130
Educational		17,773
Domestic service	~ ~	21,231
Unskilled		299,181
Others		38,029
Total	-	609,780

Employment position of special types of applicants.- The employment position in respect of special types of applicants during December 1954 is shown in the table given below:.

Category Total No. of Total No. of Total No. on the registrations placements live register 1. Displaced persons. 9,597 1,101 49,682 2. Ex-Servicemen. 9,472 1,316 31,198 14,367 3. Scheduled caste applicants. 1,809 59,637 4. Scheduled tribe applicants. 443 1,605 5,212 5. Surplus and discharged 2,219 886 10,332 Government employees. 161 6. Highly qualified applicants. 893 5,048 4,826 605 23,009 7. Women.

> (Reyies of work done by the Directorate General of Resettlement and Employment for the Month of December 1954, issued by the Ministry of Labour, Government of India).

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#### 83. Vocational Training.

#### India - February 1955.

# Labour Ministry's Training Scheme: Progress during December 1954.

According to the review of work done by the Directorate General of Resettlement and Employment for the month of December 1954, the number of trainees on the rolls of various training institutes and centres on 31 December 1954 was 5,760. There were 4,080 trainees in the technical trades and the remaining in vocational trades.

Training of displaced persons. The total number of displaced persons trainees on the rolls at the end of December 1954 was 2,222, of them 1,837 were in technical trades. The remaining were undergoing training in vocational trades.

Apprenticeship training for displaced persons. A total of 842 displaced persons were undergoing training as apprentices in industrial undertakings and establishments in Uttar Pradesh and West Bengal against 900 seats sanctioned. They were recruited and posted direct to the undertakings and establishments concerned.

Training of women.- Five hundred and seventyseven women were undergoing training at the end of the month under report at the three women's training institutes in New Delhi, Dehra Dun and Madrase In addition, 18 women at the industrial training institute, Kakinada, 61 at the industrial training institute, Almora, 28 at the industrial training institute, Alambagh, Lucknow and 4 at industrial training centre, Orissa Poor Industries Cottage, Cuttack, were also undergoing training alongside men.

Training of supervisors and instructors. The 14th regular session commenced from 15 November 1954 and 100 supervisors and instructors were receiving training at the end of the month under report. Youth welfare programme. In order to develop the interest of youth in mechanical work and handicrafts a start has been made in Uttar Pradesh by opening a "Hobby Centre" attached to the industrial training institute, Allahabad, The students of schools and colleges at Allahabad who are desirous of training will receive instructions for two hours in the evening for three days in the week. A nominal fee of two rupees and one rupee per month will be charged from the students whose parents and guardians earn income above 500 rupees and 500 rupees and below respectively. Admission fee to be paid by each trainee is 5 rupees and the maximum number of candiates to be admitted will be 200.

> (Review of the Work done by the Directorate General of Resettlement and Employment, during the Month of December 1954, issued by the Ministry of Labour, Government of India).

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#### CHAPTER 9. SOCIAL SECURITY.

# INDIA - FEBRUARY 1955.

# 93. Application.

#### Employees' State Insurance Scheme extended to Certain Areas in Madras and Madhya Bharat States.

In exercise of the powers conferred under the Employees State Insurance Act, 1948, the Central Government has appointed the 23 January 1955 as the date on which the provisions of Chaper IV (except sections 44 and 45 mf which have already been brought into force), chapter V and Chapter VI (except subsection 1 of section 76 and sections 77, 78, 79 and 81 thereof which have already been brought into force) of the said Act shall come into force in the following areas of the State of Madhya Bharat and the State of Madras.

Madhya Bharat. Municipal limit and areas of one mile in radius surrounding the municipal limits of: (1) Indore including Residency area, (2) Greater Gwalior, (3) Ujjain, and (4) Ratlam.

(Notification SRO 225 dated 17 January 1955).

Madras... (1) Area comprised within the limits of Coimbatore municipality.

(2) The area comprised within the revenue
villages of:(a) Telungapalayam, (b) Sanganur,
(c) Ganpathy, (d) Uppilipalayam, (e) Sawripalayam,
(f) Singenallur, and (g) Kurichi, in Coimbatore
taluk of the District of Coimbatore.

(3) The revenue villages of: (a) Irugur and (b) Oddarpalyam in Palladam taluk of the district of Coimbatore.

> (Notification SRO 227 dated 17 January 1955). (Gazette of India,Part II,Section 3, 22 January 1955, pp. 229-230).

Inaugurating the scheme on 24 January 1955, in Madhya Bharat, Mr. V.V. Dravid, State Development and Labour Minister, said that their cherised goal was the establishment of a welfare State and the implementation of the Employees' State Insurance Scheme was an important step in that direction.

Stating that the scheme provided it safeguard against future accidents in the lives of workers and office employees, Mr. Dravid hoped that they would extend full co-operation for the success of of the scheme. Col. V.M. Albuqargue, Director-General of the Employees' State Insurance Corporation, said that 600,000 workers in the country had been insured so far under the scheme. Over 30,000 workers would now be covered with the coming into force of the scheme in the State and at Coimbatore in Madras State, he added.

Mr. M. Bhaktavatselam, Minister for Labour, Government of Madras, inaugurating the employees: State insurance scheme at Coimbatore on 26 January 1955, said the scheme was a joint effort and with the assistance and co-operation of employers, employees and the medical profession, more and more benefits could be included under the scheme, thereby bringing about prosperity to the wage earners in the next five years.

About forty-five doctors have been selected to work as panel doctors in Coimbatore and round-about and about 10 whole-time and part-time dispensaries have also been started in the subarbs. To cater to the needs of the employees inring residing in out-of-the-way places and for sparsely populated. areas, a mobile dispensary will be running with all necessary equipment, doctor and the ancillary staff. For indoor treatment, arrangements for the time being have been made with the Government Hospital, but an independent hospital is also going to be provided in the near future with sufficient number of beds for general serious sickness, T.B. and maternity. For disbursing the cash benefits to the employees, four local offices have been started in Coimbatore from where the workers can draw their cash benefits. In case an employee is unable to go to a local office to receive cash payments, he can get the same through his authorised representative. Payments can also be made in deserving cases, by moneyerders at the cost of the Corporation. Local Committees will also be formed with a view to ensuring quicker and efficient administration of the Scheme in this area, The intention is that the employees should get the medical treatment as well as the cash hauns benefits in as easy and as best a manner as possible.

About 100 factories and 38,000 workers in and around Coimbatore would be benefitted by the introduction of the State Insurance Scheme.

(The Hindu, 28 January 1955)

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# VI. Compensation in case of Employment Injury 62 Occupational Disease.

# Madras: Working of the Workmen's Compensation Act, 1923, during the year 1953.

According to the annual report on the Working of the Workmen's Compensation Act, 1923, in the State of Madras in 1953", there were during the **NEWE** period 1 January to 30 September 1953, for the composite State of Madras1, 265 cases pending at the commencement of the year and five hundred and ninety-six cases were filed and eight were received from the Commissioners of other States for disposal. Of these 869 cases, 591 cases were disposed of during the period.

For the residuary State for the remaining period, there were 278 cases pending on 1 October 1953. One hundred and forty-four cases were filed and four cases were received from Commissioners of other States for disposal, making a total of 148 cases. Of these 426 cases 138 were disposed of. Consequent on the separation of the Andhra State, 123 cases were transferred to the Commissioner for Workmen's Compensation, Andhra, and 31 to Mysore. Out of the one hundred and thirty-four cases pending on 31 December 1953, forty-four have since been disposed of.

During the period January-September 1953, there were 86 cases of award of compensation under section 10 of the Act, pending at the commencement of the year. Sixty-six cases relating to death, 72 relating to permanent disablement and two relating to temporary disablement were filed during the period. Of these 226 cases, 127 cases were disposed of during the period.

- \* Department of Industries, Labour and Co-operation: Government of Madras: Report on the Working of the Workmen's Compensation Act, 1923, for the Year 1953, Printed by the Superintendent, Government Mf Press, Madras, 1954. Price 6 annas, pp.15,
- 1 On 1 October 1953, a new Part A State of Andhra was formed out of the territories of the composite State of Madras.

For the residuary State during the rest of the year, therewere 99 cases pending on 1 October 1953. Twenty-three cases relating to death and 16 relating to permanent disablement were filed during this period. Of these 138 cases, 43 were disposed of, 43 transforred to the Commissioner for Workmen's Compensation, Andhra, and 5 to Mysore. Eleven out of the 47 pending cases have since been disposed of.

Distribution of compensation. As regards distribution of compensation for accidents to be made by Commissioner, after a deposit is made of the amount of compensation, there were 112 cases pending at the beginning of the year. One hundred and forty-four cases were filed and 8 were received for disposal from Commissioners of other States upto 30 September 1953. Of these 264 cases, 179 were disposed of during the period. The compensation deposited was distributed to dependents of deceased workmen in 170 cases and was refunded to depositors in seven cases, and the deposits in two cases were transferred to Commissioners of other States under section 21(2) of the Workmen's Compensation Act for disposal.

For the rest of the year, 85 cases were pending on 1 October 1953. Thirty-eight cases were filed and four were received for disposal from Commissioner of other States during thas Of these 127 cases, 22 cases were period. disposed of, 48 cases were transferred to the Commissioner for Workmen's Compensation, Annara State, 7 to Mysore State and one to the Commissioner for Workmen's Compensation, Trivandrum. Twanty of the 48 panding cases have since been disposed The compensation deposited was distributed of to dependents of deceased workmen in 22 cases, in one case the compensation amount was transferred to the Commissioner for Workmen's Compensation, taxthe Trivandrum, in 48 cases the Compensation amount was transferred to the Commissioner for Workmen's Compensation, Andhra, and in 7 cases the amount transferred to the Registrar of Mysore. In one case the compensation amount was refunded to the employer,

For the composite State, there were 5 cases of deposits in favour of women and persons under legal disability at the commencement of the period and 19 were filed during the year, of these 24 cases, 21 cases were disposed of. For the residuary State, for the period October-December 1953, there were 8 such cases pending 1 October 1953, and 3 were filed during the year. Two cases were disposed of, 3 cases were transferred to the Commissioner for Workmen's Compensation, Andhra State, and 2 cases to the Registrar of Mysore Government. Two of the four pending cases have since been disposed of.

Agreements. At the beginning of the year 27 agreements were pending registration and 202 agreements relating to permanent disablement and 39 relating to temporary disablement were filed upto 30 September 1953 and 222 out of 268 cases were registered. The total amount of compensation paid in respect of the 193 agreements relating to permanent disablement registered during the period was 106,616 rupees 6 annas and 11 pies.

For the period October - December 1953 for the resuduary State, 46 cases of agreements were pending on 1 October 1953. Fifty-Bix agreements relating to permanent disablement and two relating to temporary disablement were filed during this period. Sixty-three agreements were registered during the period. Sixteen agreements were transferred to the Commissioner for Workmen's Compensation, Andhra State, and nine were transferred to the Registrar, Mysore Government.

Accounts. The following table shows the deposits and disbursements under the Workmen's Compensation Act for the period 1 January - 30 September 1953:

	·
	Rs. As. Ps.
Opening balance including miscellaneous receipts.	234,356 11 1
Rapp Deposit during the period.	284,019 5 1
Receipts under the Workmen's Compensation (Transfer of Money) Rules.	60,450 8 10
Miscellaneous receipts.	7,593 11 0
Total.	586,420 4 0
Disbursements including miscellaneous payments.	392,405 11 2
	194,014 8 10
Deduct deposit received on 30 September 1953	
and credited to account in October 1953.	3,000 0 0
Closing Balance.	191,014 8 10
	· · · · · · · · · · · · · · · · · · ·

The accounts for the rest of the year is given below:-

	Rs.	As.	Ps
Opening balance including miscellaneous rece	ipts		
as on 1 October 1953.	191,014	8	10
Deposit during the period.	66,168	13	8
Receipts under the Workmen's Compensation			
(Transfer of Money) Rules.	13,638	2	7
Miscellaneous Receipts.	2,872	11	7 6 7
Total	273, 694	4	7
Disbursements including miscellaneous			
payments	154, 539	13	9
	119,154	6	10
Add-			
Deposit received on 30 September 1953 and			
credited to account in October 1953.	3,000	0	0
	122,154	6	10-
Deduc t-			
Deposit received on 31 December 1953 and		-	_
credited to account in January 1954.	150	0	
Closing Balance.	122,004	6	10

The following statement shows the number of accidents and compensation paid as reported by employers for the year 1953, for the residuary State of Madras only:-

Establishments	Number employed	Death Permanen disable	nt Tempo Deat	nent rary
	2	ment 3 4	disable- ment 5 6	disable-disable ment ment 7 8
Factories(A	261,272	-12	<del></del>	

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Establishments	Number employee	s Deet	umber h Perm	resulti	ng in	Amon th	int paid	for	1	
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			men							
	2	3	4	5	<u> </u>	A D	7		8	
Factories(A (B	261,272 3,613	12	130	1 <u>,</u> 793	18460			A.P. 6 0	Rs. 41869	A.P. 96
Mines (A	746	-	-	· • • • ·	-	,	-		•	
(M	· •	-	-	-	-		-		-	
Tramways (A	•	•	•	-	-		-		-	
(M	-	-	-	-	-		-		0	
Ports and (A	5,758	2	21	327	2850	00	11360	11 6	5 9944	7.0
Docks (M			-	-			•	_	-	
Buildings (A	31,055	11	20	275	10773	0 0	12381	20	4780	49
and Const-(M ruction	2,166	•	<b>-</b>	-	-	•			-	
Plantations (A	60,721	4	17	215	4430	~ ~	<b>7</b> 700			
(M	2,060	4	17	× 8	4410	00	7398	40	5061	10 C
Local boards	2,000	• •	·· .		-		6		· ·	
and Muni- (A	102		-		_		-			
cipalities(M	-	<b>.</b> .	-		-		_		_	
Miscellaneous-			•				-		-	
1)Fire (A	411	-	•	-	-	,	-		•	
brigades (M		-	-		: 🕳					
11)Manufac- (A	1,266	3	<b></b>	1	3000	0 0			21	50
turing (M	257	с. с	-				-			•••
and hand-	9		(2, 1, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2,							
ling of										
explosives								*		
111)Genera- (A	8,433	9	7	76	17550	0 0	2906	6 0	2361	15 9
tion and (M	785	•	•	æ	-		•		· •	
sta trans-										
formation							i i			
and distri- bution of		•	•	.'						
electricity.										*
iv)Cinemato-(A	1,153	_	-		• •		· · ·			
graphy. (M	<b>Tj TOO</b>		-	-	-		· _		-	
v)Light= (A	6	-		-	-		-			
houses. (M	-		-		_		_		-	
v1)Motor (A	441	-	-							
transport (M	8	-		-	-		-		<b>.</b>	
vii)Others (A	669	-	<b>•</b> .	7	•		-		178	15 6
(M	27	-	-	<b>.</b>	•		-		-	
lii)Institu- (A	271	-	•	-	-		• 🕳		ð	
tions										
engaged in										
the process of handling										
and manipula-		•								
tion of Radium		• -								
or X-Rays appa-										
ratus or contact										
with radio activ										
substances.(M	•	-	•	-				2		
Miscellaneous (A	12,650	12	7	84	20550	0 0	2906	60	2562 3	3 6
Total. (M	1,077			0 604	50047	·	-			
Grand Total (A	372,304	41	195	2,694	57043	υυ	77835	13 6	64218	320
(M A.Adults. M. Minor	8,916	<b></b>								

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# CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

#### INDIA - EEBRUARY 1955.

# 111. General.

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#### Working of the Indian Dock Labourers' Act, 1934, and the Indian Dock Labourers' Regulations, 1948, During the year 1953.

Satisfactory progress in the matter of compliance with the statutory requirements in regard to safety under the Indian Dock Labourers' Act, 1934, and the Regulations issued thereunder, according to the annual report of the Chief Adviser, Factories, Ministery of Labour, Government of India, on the working of the Act and the Regulations during the year 1953". The report states that from the comments received from certain of the Dock Workers' Unions as also those appearing in certain newspapers, it is encouraging to note that the problem of safety, health and welfare has started receiving some attention. A brief summary of the report is given below.

<u>Testing facilities.</u> During the year under review, a new annealing furnace was installed in the Visagapatam Port Workshop and an old 20-ton testing machine in Mazagaon Docks was replaced by a new 100-ton testing machine. It is understood that proposals are under consideration for increasing the testing facilities at Madras and Vizagapatam and for providing annealing facilities in Cochin.

<u>Amendment of the Regulations.</u> Certain amendments were made during the year, which <u>inter alia</u>, placed the responsibility for reporting accidents, higherto laid upon the port authorities, on the employers of workers.

<u>Compliance with Regulations</u> Compliance with the Regulations has been satisfactory. On ships, most of the contraventions were in respect of maintenance of registers and certificates of testing, annealing and examination of lifting machinery and gear. Eleven hundred and four ships were inspected during the year and details with regard to the contraventions observed are given in the **kxkim** following table. The information

\* Government of India. Ministry of Labour. Office of the Chief Adviser Factories. Annual Report for the Year 1953 on the working off the Indian Dock Labourers' Act, 1934, and the Indian Dock Labourers' Regulations, 1948, pp.22 (Mimeograph).

relates only to Regulations in Parts III and IV of the Indian Dock Labourers! Regulations where the responsibility for compliance with the Regulations is directly on the Shipping Authorities.

Regulation No.	No. of ships on which contravent: was noticed.	ion
16	80	
17	1	
18	32	•
19	8	
20	<b>e</b> 46	
21	46	
22	43	
23	5	
24 26		
26		
27	110	
. 28	21	
29	139	
30	27	
31	24	
32	201	
33	36	
34	17	
35	22	
36	2 1	
37		
38	56	
39	26	
40	• • • • • • • • • • • • • • • • • • •	
41	72	
42	1	• .
43	1	

Total No. of Ships Inspected: 1104

Accidents ... The total number of reportable accidents in all the five ports has gone up to 2654 as compared to 2459 in 1952 and 2002 in 1951 m The number of fatalities has, however, come down to 13 as compared to 18 in 1952 and 20 in 1951, The rise in the total number of accidents from year to year is being looked into, No doubt one of the important reasons for this is the improvement in reporting, Under the Regulations, an accident is reportable only when the injury disables a worker for 48 hours or more. But the stress laid down on the requirements relating to the reporting of accidents has probably resulted in a large number of accidents being reported irrespective of the period of disablement. It is difficult for employers. to ascertain the period of disablement because of the casual nature of the work.

As in the previous years, the highest number of accidents (961) was under the Head "E-Handling Goods"; the percentage of accidents under this Head comes to 36.2 per cent as compared to 35 per cent in the years 1952 and 1951. Accidents under the Head "C-Struck by Falling Bodies" and "DePersons Falling" together constitute about 38 per cent of the total number of accidents. Out of 651 accidents under Head 101, 635 shown under Sub-Heads 1, 3 and 5 were due to articles or goods dropping down from trays, slings, nets, etc., or falling from a stack or pile or pieces of ores or coal falling out of baskets or buckets. Similarly a large number of accidents, 238 out of a total of 356 under the Head 'D' were due to persons falling on the level either on board the ship or on shore. This large number of accidents coming under the Heads 'C', 'D', and 'E' and totalling about 74 per cent of the total reportable accidents. emphasises the need for systematic training in safe methods of handling goods. The table given below shows the accidents classified according to cause during 1953:-

Causations	Number of Accidents
. Lifting Machinery.	23(4)
- Transport.	49
C. Struck by fallin g bodies.	651(4)
D. Persons falling.	336(3)
E. Handling goods	961(1)
Stepping on or striking against	
objects	157(1)
G. Use of Hand Tools.	12
H. Miscellaneous.	467
GRAND TOTAL.	2656(13)

Note: "igures in brackets denote the Number of fatal accidents.

The total number of dangerous occurrences reported during the year was 78 as compared with 131 in 1952 and 146 in 1951. The number of chain breakages in Bombay has come down from 65 in 1951 and 48 in 1952 to 33 in 1953. The question of breakages was discussed with the officers of the Engineering Department of the Bombay Port Trust. Whenever irregularities in actual operation of loading and unloading were observed during inspections, they were brought to the notice of the supervisory staff and workers on the spote 140

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As can be seen from the figures given below the number of non-reportable accidents and dangerous occurrences that are brought to the notice of the Inspectors, Dock Safety, has been rising from year to year:-

	1951	1952	1953	
Calcutta	474	785(6)	714(4)	
Bombay	757(6)	566	535(5)	
Madras	294(3)	240(5)	672(5)	
Vizagapatam	49	13	46(4)	
Cochin	12(1)	26	29	
Total	1586(10)	1630(11)	1996(18)	

Most of these accidents and dangerous occurrences were during handling of goods in the sheds and other similar places not covered by the definition of the term 'process' under the Indian Dock Labourers' Regulations. Though technically non-reportable, some of these are investigated by the Inspectors, Dock Safety, when it is felt that such investigations can lead to some useful information in suggesting preventive measures.

Inspections and prosecutions. A statement on the inspection work under the Act and Regulations during the year 1953 is given below:

•	Madras					
Details of work	Madras	Cochin		Total	Bombay	Calcutta
Number of visits		· · ·				
(a) Ship inspections.	291	21	13	325	441	342
(b) Dock inspections.	58	17	7	82	104	205
(c) Other places.	83	33	14	130	227	123
Total.	432	71	34	537	772	670
Number of days spent on inspection work. Number of interviews at	102 <u>1</u>	9	5	116 <u>1</u>	131	148
office. Number of attendance at	131	17	6	154	78	64
inquests.	-	٠	•	, <b>–</b> <sup>1</sup>	-	•
Number of attendance at Cou	rts:			•		
(a) for prosecution cases.	6	3	· · · · ·	· 9	2#	3
(b) for other work.	· 3	2	•	5	-	ė
					¥	

\* One at Cochin and the other at Madras.

One prosecution was launched against a Master of a Ship in Calcutta, five in Madras and one in Cochin.

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Two Serious Accidents in Jharia Coal Mines Area: 45 Killed in Colliery Explosion.

Two serious accidents occurred in the Jharia coal mine area during February 1955, in which a number of miners were killed.

On 2 February 1955, 9 persons, including four women and three children, were killed and seven injured when a portion of the Model Dharmabad Colliery and the adjoining workers' residential dwellings suddenly collapsed.

On 5 February 1955, about 45 miners of Amlabad Colliery were killed in an underground explosion. The colliery, which is situated on the banks of the Damodar about 12 miles from Jharia is fairly big but the full complement of miners was not working underground on that day though it was a working day. The cause of the explosion is not known but it is presumed to have been caused by gas.

The Ministry of Labour, Government of India, has appointed a Court of Enquiry intexts to inquire into the accident.

(The Hindustan Times, 4 and 7 February 1955).

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LIST OF THE PRINCIPAL LAWS PROMULGATED DURING THE PERIOD COVERED BY THE REPORT FOR FEBRUARY, 1955.

# INDIA - FEBRUARY 1955.

#### Chapter 3. Economic Questions.

Essential Commodities Ordinance, 1955 (No.1 of 1955). (Gazette of India, Part II, Section 1, Extraordinary, 21 January 1955, pp. 1-6).

# Chapter 4. Problems Peculigir to Certain Branches of the National Economy.

- (a) Madhya Pradesh Land Revenue Code, 1954 (No.II of 1955). (Madhya Pradesh Gazette, Extraordinary, 12 February 1955, pp. 81-176).
  (b) Jammu and Kashmir Big Landed Estates Abolition
- (b) Jammu and Kashmir Big Landed Estates Abolition (Amendment) Act,2011 (No.XXXV of 2011). (Jammu and Kashmir Government Gazette,3 February 1955, Part III, pp. 305-310).

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### RECORD OF PRINCIPAL DECISIONS ON LABOUR AND ALLIED SUBJECTS.

# INDIA - FEBRUARY 1955.

#### CHAPTER 3. ECONOMIC QUESTIONS.

#### Development Councils for Heavy and Light Electrical Industries set up.

In exercise of the powers conferred under the Industries (Development and Regulation) Act, 1951, the Central Government has set up Development Councils forthe following groups of scheduled industries.

- (1) Scheduled industries engaged in the Manufacture and production of telephones, telegraph apparatus and wireless communication apparatus, electric lamps, electric fans, batteries dry cells and storage, radio receivers and house service meters and panel instruments.
- (2) Scheduled industries engaged in the manufacture and production of electric motors and of machinery and equipment for the generation, transmission and distribution of electric energy (excluding house service meters and panel instruments).

The Central Government has assigned the following functions to the said development councils:

- (1) Recommending targets of production, co-ordinating production programmes and reviewing progress from time to time.
- (2) Suggesting norms of efficiency with a view to eliminating waste, obtaining maximum production, improving quality and reducing costs.
- (3) Recommending measures for securing the fuller utilisation of the installed capacity and for improving the working of the group of the said scheduled industry, particularly of the less efficient units.

- (4) Promoting arrangements for better marketing and helping in the devising of a system of distribution and sale of the produce of the group of the said scheduled industries wix which would be satisfactory to the consumer.
- (5) Promoting standardisation of products.
- (6) Promoting or undertaking the collection and farmatt formulation of stabistics.
- (7) Promoting the adoption of measures for increasing the productivity of labour, including measures for securing safer and better working conditions and the provisions and improvement of amenities and incentives for workers.

(Notification No.SRO 353 and 354 - IDRA/6/ 1 & 2, dated 1 February 1955; Gazette df India, Part II, Section 3, 12 February 1955, pp. 305-308 ).

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- \*(b) Annual Report on the workingof the Co-operative Societies in the Presidency of West Bengal for the year ending 30 June 1954. Price 1/8/-, pp.84. (One copy sent to Geneva with our Minute No. D.3/179/55 dated 4 February 1955).

\* Publications received in this Office.

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#### Chapter 4. Problems Peculiar to Certain Branches of the National Economy (Continued):-

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