

INTERNATIONAL LABOUR OFFICEINDIAN BRANCH

C 1903/63

Report for February 1934.N.B. Every section of this Report may be taken out separately.Contents.

	<u>Pages.</u>
1. <u>References to the I.L.O.</u> ...           ...           ...	1 - 10
2. <u>Ratifications</u>	
Why India is unable to ratify Forced Labour Convention: Statement by Sir S. Hoare.           ...	11
3. <u>National Labour Legislation</u>	
(a) The Indian Criminal Law Amendment (Prevention of Besetting) Bill, 1933: Consideration Postponed.           ...           ...           ...	12
(b) The Code of Civil Procedure Amendment (re: attachment of wages, etc.) Bill, 1933: Consideration Postponed.           ...           ...	12 - 13
(c) The Trade Disputes (Extending) Bill, 1934.	13 - 14
4. <u>Conditions of Labour</u>	
(a) Permanent Employment Officers in Railways; To Supervise Conditions of Work.           ...	15
(b) New Scales of Pay for Railwaymen: Statement by Financial Commissioner.           ...           ...	16 - 17
(c) Wrongful Dismissal and Right to Gratuity: Important Mysore Decision.           ...           ...	17 - 19
(d) General Wages in Bombay Presidency: Decision to Conduct Census in 1934.           ...           ...	20
(e) Conditions in Bombay Cotton Mill Industry: Special Investigation by Bombay Labour Office.	20 - 21
(f) Ahmedabad Textile Crisis: Decide on 25% cut in Wages.           ...           ...           ...           ...	21 - 24
(g) Textile Strike in Sholapur.           ...           ...	24 - 25
5. <u>Industrial Organisation</u>	
<u>Employers' Organisation:</u>	
Statutory Railway Board: Control by Assembly and Labour Representation Urged.           ...           ...	26 - 29
<u>Workers' Organisations:</u>	
(a) 1st South Indian Washerman's Conference, Trichinopoly, 1934.           ...           ...           ...	30
(b) Progress of Bangalore Textile Labour Union, 1931-33.           ...           ...           ...           ...	31 - 32

	<u>Pages</u>
6. <u>Intellectual Workers</u>	
(a) Salaries of Government Servants: 5% cut to continue up to 31-3-1935. ... ..	33
(b) Government Servants and Politics: Amendment to Government Servants' Conduct Rules. ...	33 - 34
7. <u>Economic Conditions</u>	
(a) Budget of Government of India - 1934-35.	35 - 37
(b) Future of Jute Industry: Government Enquiry Committee's Report. ... ..	38 - 42
(c) Rationalisation of Indian Railways: Mr. Pope's "Job Analysis" Report. ... ..	43 - 45
(d) Implementing Indo-Japanese Agreement: Tariff (Textile Protection) Amendment Bill, 1934.	45 - 46
(e) New Industries in Kolhapur: Bauxite Mining and Aluminium Manufacture. ... ..	46 - 47
(f) Protection for Cotton Mill Industry: Tariff Board Report. ... ..	47 - 50
(g) Sericulture Industry: Tariff Board recommends Protection. ... ..	51 - 53
(h) Bombay Textile Crisis: Bakhale Advocates Nationalisation of Industry. ... ..	53 - 54
(i) Relief to Coal Industry in Bengal and Bihar: C.F. Coal Freight Rates to be raised. ...	54 - 55
8. <u>Employment and Unemployment.</u>	
(a) Relief for Middle Class Unemployed: U.P. Colonisation Scheme. ... ..	56 - 57
(b) Free Training in Manufacture of Cutlery Goods: Bengal Government Scheme. ... ..	57 - 58
9. <u>Co-operation</u>	
(a) Progress of Co-operation in Delhi Province, 1932-33	59 - 60
(b) Co-operation in Mysore, 1932-33. ...	60 - 61
10. <u>Women and Children</u>	
Women Cabaret Performees in Liquor Shops: Burma Bill to permit Employment. ... ..	62
11. <u>Education</u>	
(a) Diplomas in Technical Subjects: Bombay University's Decision. ... ..	63 - 64
(b) Co-ordinated Plan of Technical Studies: 3rd Inter-University Conference, Delhi, 1934.	64 - 66
12. <u>Agriculture</u>	
(a) Relief of Rural Indebtedness in N.W.F. Province: <del>in</del> Scheme of Director of Agriculture. ...	67 - 68
(b) Reorganisation of Rural Economy in Bengal: Rural Development Commissioner appointed.	68 - 69
(c) Agricultural Indebtedness: Bombay non-Official Committee's suggestions. ... ..	69 - 71

13. Migration.

(a) Resumption of Labour Recruitment for Malaya:		
Decision of Government of India.     ...     ...		72 - 73
(b) Colonisation Committee's Report: Opposition of		
South African Indians.     ...     ...     ...		74 - 76

References to the I. L. O.

The February 1934 issue of "India and the World", Calcutta, publishes an article under the caption "Albert Thomas: A Tribute" contributed by Dr. S. Mack Eastman of the Geneva Office.

\* \* \*

"Commerce and Industry", Delhi, of 27-2-34 publishes a summary of Mr. H.B. Butler's article, published in the International Labour Review, on the national recovery measures recently introduced in America. Reprints of the article were forwarded by this Office to some of the more important Indian journals.

\* \* \*

Federated India, Madras, of 28-2-34 publishes under the caption "The Crisis and the League" the full text of the speech of M. Avenol before members of Parliament in London on 11-12-33.

\* \* \*

The January 1934 issue of H.E.H. the N.S. Railway Employees' Union Bulletin reproduces under the caption "The International Labour Organisation" the article contributed by the late M. Arthur Fontaine to the I.L.O. Souvenir Album published in 1930.

\* \* \*

The Abstract of proceedings of the Committee of the Bengal Chamber of Commerce, during November 1933, publishes the communiqués issued by the Government of India announcing the items on the agenda of the 18th session of the I.L. Conference and calling for suggestions regarding the nomination of non-Government delegates to the Conference. The Bengal Chamber of Commerce recommended

Seth Kasturbhai Lalbhai for nomination as the Indian Employers' delegate.

The text of the communiqué has been published also in the December 1933 issue of Labour Gazette, Bombay, and the Planters' Chronicle, Madras, of 10-2-34.

\* \* \*

The Excerpts from the Proceedings of the Bombay Chamber of Commerce during December 1933 publishes a short note to the effect that the Chamber recommended Rai Bahadur P. Mukerjee as Indian Employers' Delegate to the 18th I.L. Conference.

\* \* \*

The Times of India of 2-2-34, the Leader of 3-2-34, Labour Times, Madras, of 5-2-34, and the Guardian, Madras, of 8-2-34 publish a short note intimating the change in the date of the I.L. Conference. <sup>Labour Times, Madras, of 5-2-34 also</sup> ~~and~~ announcing that the session will be attended by Miss Perkins <sup>of the</sup> U.S.A. <sup>Labour Department</sup> ~~Secretary for Labour~~.

\* \* \*

The printed Proceedings of a meeting of the Committee of the Indian Mining Association, Calcutta, dated 24-1-34, contain a note to the effect that the Association recommended Mr. Kasturbhai Lalbhai for nomination as Indian Employers' delegate to the 18th I.L. Conference.

\* \* \*

Indian Finance, Calcutta, of 3-2-34, and Labour Times, Madras, of 5-2-34 publish the communiqué issued by this Office on the unemployment situation during the last quarter of 1933, based on a Geneva communiqué on the subject.

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(For a list of other papers which published the communiqué,  
vide page 7 of our January 1934 report).

\* \* \*

The Guardian, Madras, of 9-2-34 publishes a short note summaris-  
ing the salient features of the note and tables on the world  
unemployment situation published in I. & L.I. of 8-1-34.

\* \* \*

The Statesman, the Hindu and the National Call of 2-2-34, the  
Hindustan Times of 3-2-34 and the Leader of 7-2-34 publish a  
communiqué issued by this Office on 1-2-34 on the replacement of  
Sir Atul Chatterjee by Sir B.N.Mitra in the Governing Body.  
Copies of the communique were forwarded to Geneva with this  
office's minute H.2/466/34 dated 1-2-34.

The Leader of 11-2-34, commenting editorially on the communiqué  
says;

We have had occasion more than once to express our appreciation  
of the ability with which Sir Atul Chatterji discharged his duties  
as a member of the Governing Body, and we shall hope that Sir  
Bhupendranath Mitra will also acquit himself with credit. But  
if it is desirable that the Government of India should be represent-  
ed ~~on~~ the Governing Body of the I.L.O., and if the Indian members  
have been able to give such a good account of themselves, what  
harm would come to Geneva or to New Delhi if India were similarly  
represented ~~on~~ the Council of the League of Nations? Surely  
there should be no dearth of Indians who could be relied on to  
fulfil the duties of the office. Why have then the Government of  
India never once during the whole period of the League's existence,  
sought election to a seat on the League Council?

\* \* \*

The Hindu of 20-2-34, the Leader of 25-2-34 and other papers  
publish a communiqué issued by this Office on 14-2-34 on the 1935  
Maritime session of the I.L.Conference. Copies of the communiqué  
were forwarded to Geneva with this Office's minute H.2/367/34  
dated 15-2-34.

\* \* \*

The Planters' Chronicle, Madras, of 10-2-34, publishes a brief summary of the proceedings of the Sixty-Fourth Session of the Governing Body of the International Labour Office.

\* \* \*

Federated India, Madras, of 21-2-34 reproduces under the caption "I.L.O.'s Many-sided Activities" the Note on the activity of the I.L.O. during 1933 published in the December 1933 issue of the Monthly Summary of the I.L.O., a copy of which was forwarded by this Office to the weekly.

The Press Report dated 31-1-34 issued by the All India Railway-men's Federation also publishes a short summary of the note.

\* \* \*

Labour Times, Madras, of 19-2-34 reproduces an article under the caption "International Campaign for the 40-hour Week: 10 reasons for Reduction of Hours of Work", contributed by W. Schevenels in the Press Reports of the I. F. T. U. dated 18-1-34. The article makes numerous references to the efforts of the I.L.O. to secure general support for reduction of hours of work.

\* \* \*

The January 1934 issue of the Labour Gazette, Bombay, reproduces the note under the caption "Japan and Conference Decisions" published in I. & L. I. of 18-12-1933.

\* \* \*

The Hindu of 13-2-34 and the Times of India of 14-2-34 publish a cable from London to the effect that Sir Samuel Hoare, in answer to an interpellation in Parliament, said that the Forced Labour Convention could not be ratified by India while the

definition of forced labour in it extended to labour exacted in connection with reclamation work for criminal tribes and similar activities and that the Government of India were taking action on the other provisions of the Convention.

\* \* \*

The January 1934 issue of the Labour Gazette, Bombay, reproduces from I & L. I. of 4-12-33 the note on the Advisory Committee on Professional Workers.

\* \* \*

The Leader of 31-1-34 publishes an editorial note on the statement of Mr. I. Wallach, South African Employers' delegate to the 17th I.L. Conference, that since the first conference in Washington in 1919, the International Labour Office had accomplished excellent work and had been largely responsible for much of the social advancement of the workers of the world.

Commenting on Mr. Wallach's statement the Leader says:

We also are admirers of the International Labour Office whose efforts have greatly benefited the Indian worker, but if the white people and white government of South Africa also sympathize with the aims and objects of the Geneva organisation, it may be pointed out that it is not the intention of the Labour Office, which is trying to remove the grievances of all classes of workers, without distinction of race or nationality, that the non-European labouring classes of South Africa should not be treated on a footing of equality with the white workers. The Union Government have ordained, for instance, that non-European labouring classes should not be employed in certain professions. How this racial discrimination will lead to the social development of all classes which is the objective of the International Labour Office, to whose good work Mr. Wallach paid such a high tribute, we are unable to understand. Or do the European community of South Africa want that the International Labour Office should not concern itself with the affairs of the non-European workers of the dark continent who should be left to the tender mercies of their white masters to deal with ~~them~~ as they like?

\* \* \*



The annual Report of the Karachi Indian Merchants' Association <sup>for the year 1932</sup> contains the following references to the I. L. O.:

1. At pages 83 and 139-143 are published the texts of the Questionnaire re. Abolition of Fee-Charging Employment Agencies and the detailed reply of the Association thereto.

2. At pages 84-85 is published a note regarding the report submitted to the Federation of Indian Chambers of Commerce and Industry by Mr. D.S. Erulkar on the Special Session of the Governing Body of the I.L.O. held in September 1932 which considered the question of reduction of hours of work in industry. Mr. Erulkar's report was considered by the Association and the Federation was advised to urge the Government not to support the move for a reduction of work as far as India was concerned in view of the special labour and industrial conditions prevailing in the country.

3. At pages 87-88 are published the communiqué of the Government of India announcing the items on the agenda of the 16th session of the I.L.Conference and inviting suggestions for the nomination of non-Government delegations to the Conference and the recommendation made by the Association.

4. At page 88 are published the items on the agenda of the 17th I.L.Conference and the recommendations of the Association regarding the Indian Employers' delegate to the Conference.

\* \* \*

The Advocate, Bombay, of 18-2-34 and the Indian Labour Journal, Nagpur, of 8-2-34 publish an article under the caption "Trade Union Unity" contributed by Mr. R.S. Rikar, Vice-President, All India Trade Union Congress. In the course of the article Mr.

Mr. Ruikar appeals for unity in Indian labour ranks on the basis of keeping the issue of participation in I.L.Conferences an open question to be decided each year by the All India Trade Union Congress. The following is extracted from the article:-

Once it is realised that both sections of Indian trade unions are agreed to the basic task of a Trade Union, then the ground for Unity is made much more smooth. The T.U.C. stands today committed to the Platform of Unity, first initiated by the G.M.Ni Kamgar Union of Bombay (vide pages 30-32 of our Sept.1932 report). The first item on this Platform of Unity is the definition of a Trade Union as an organ of Class Struggle. The basis of a Trade Union and its task is what matters most in the T.U.Movement; all other questions recede in the background. That is why the definition of Trade Union finds the foremost place in the Platform of Unity adopted at Madras. (vide pages 30-31 of our July 1932 report). Those who now swear by this Platform forget this Fundamental and basic idea on which this Platform of Unity is based. That is why the learned author of this Platform of Unity kept the Geneva question an open one. The reason is very plain and simple. Once we are agreed that our task in the T.U.Movement is to carry on the Class Struggle, it matters not in what particular way and manner we carry on this Struggle. This is purely a question of tactics which will vary according to the exigencies of time. Geneva - according to its opponents, is to be boycotted because it is intended to reconcile the interests of Capital and Labour. If this argument is carried to its logical conclusion, why not boycott the Legislatures and Parliaments, where one has to take the oath of allegiance to His Majesty the King Emperor? The boycott of Geneva may sound well if it comes from a follower of Mahatma Gandhi but it ill becomes a Communist, who believes in capturing all Institutions, created by Capitalism and Imperialism and turning them to the advantage of the Working Class. That the principle of election should govern sending delegates to Geneva, is a position which will be acceptable to the Federation people too. As a matter of fact, in practice the Government of India has accepted this principle of election. There is a suggestion that this question of sending delegates to Geneva, should be decided by the vote of majority at every Session of the T.U.C. I am sure that the Federation leaders will give this suggestion their careful consideration. In any case I can state, with some authority, that those of us, who are in the T.U.C., are not prepared to divide our ranks on the question of Geneva. I hope the Federation leaders will also adopt the same attitude and will not allow the question of Geneva to stand in the way of Unity.

\* \* \*

The Indian Labour Journal of 25-2-34 and the Advocate, Bombay, of 25-2-34, publish an article under the caption "Trade Union Unity" contributed by Mr. V.B.Karnik, Organising Secretary, All India Trade Union Congress. Mr. Karnik's view~~s~~ point ~~out~~ that it would be unfortun~~ate~~ if the question of co-operation with the I.L.O. should be allowed to remain the sole cause of divid~~ion~~ among Indian trade unionists; in his opinion, however, the Geneva issue is~~is~~ not the only or main cause of difference. The following are extracts:

A compromise move has been suggested by Mr. Ruikar which would keep the Geneva question open, to be decided each year by the Congress. This would give opportunity to both the sections to place their views before the Congress and to agitate for them. It would not be difficult to persuade the Congress to accept this compromise move. But are the Federation leaders prepared to liquidate the Federation and to join the I.L.O. on these terms? If Geneva were the only stumbling block in the way of unity they would ~~and~~ the long cherished dream of unity would be realised.

But Geneva is not the only stumbling block, nor is it ~~an~~ important one. It is only an outer and more palpable indication of the inner, deeper and more fundamental differences which divide the two sections. Whether or not to send delegates to Geneva may not in itself be an important and fundamental or live issue on which one would like to divide the working class. But the very approach to the question of Geneva reveals a fundamental difference in the outlook, methods and objectives of the two sections. The keen anxiety of the Federation leaders to send delegates to Geneva is an indication of their pro-imperialist tendencies, their blind faith in parliamentary methods and their general reformist outlook in the ~~x~~ trade union movement. These again spring from the refusal to accept the principle of class-struggle and the denial to carry it on in the day to day trade union work. What divides the two sections is not, therefore, the isolated and much too remote issue of Geneva, but the fundamental and living question of whether or not and how to carry on the day to day class struggle of the workers.

\* \* \*

The Hindu of 3-2-34 publishes an article under the caption "Boycott of Women Workers; Will it Solve Unemployment?" contributed by Dr. J.M.Kumarappa. The writer disputes the validity of ~~Six~~

Sir Herbert Austin's statement that the solution for unemployment would be found by eliminating women from industry and states that this theory is effectively disproved by the statistics and facts collected by the I.L.O. The article analyses the statistics and facts relating to this question published by the I.L.O. in its various publications.

\* \* \*

The Times of India of 9-2-34, publishes a "Safety First" article under the caption "Investigation of Accidents" in the course of which extracts from the I.L.Conference resolution on industrial safety are quoted.

\* \* \*

The Hindu of 17-2-34, and other papers publish the news that Mrs. Subbarayan has been invited by the Government of India to represent India on the Advisory Commission of the League of Nations for the protection of children and young persons. The Hindustan Times and the Statesman of 27-2-34, and the Times of India and the Amrita Bazar Patrika of 28-2-34 publish the Government of India communiqué on the subject. The Leader of 23-2-34 and the Statesman of 28-2-34 publish short editorial notes expressing satisfaction at the invitation extended to Mrs. Subbarayan.

\* \* \*

At pages 302-335 of the Legislative Assembly Debates of 30-1-1934 is published the text of the debates on the resolution of Mr. N.M.Joshi re. protection of workers against unemployment

and reduction of wages. During the debate several references ~~WERE~~ were made to the Director's Report to the 1933 I.L.Conference and to other publications of the I.L.O. on unemployment.

Mr. Joshi's speech was reproduced in the Servant of India of 8-2-34, the Amrita Bazar Patrika of 14-2-34, Sunday Chronicle, Madras, of 18-2-34, Federated India, Madras, of 21-2-34, the Guardian, Madras, of 15 & 22-2-34, and Labour Times, Madras, of 26-2-34.

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RATIFICATIONS.Why India is Unable to Ratify ForcedLabour Convention; Statement in Commons by Sir S. Hoare. ✓

At pages 10-14 and 16 of the report of this Office for October 1931 reference was made to the decision of the Indian Legislature not to ratify the Draft Convention on Forced Labour.

On 12-2-34 Sir Samuel Hoare, Secretary of State for India, made a statement ~~for~~ in the House of Commons on the subject of ratification of the Forced Labour Convention by India in answer to a question put by Mr. Parkinson. Sir Samuel Hoare informed Mr. Parkinson that the Forced Labour Convention could not be ratified by India while the definition of forced labour therein extended to labour exacted in connection with reclamation work for criminal tribes and similar beneficial activities. Sir S. Hoare added that the government of India were taking action on other provisions of the Draft Convention.

(The Hindu, 13-2-34)

National Labour Legislation.The Indian Criminal Law Amendment Bill, 1933,(Prevention of Besetting Industrial Establishments);Consideration Postponed. ✓

At pages 11-13 of our March 1933 report was given the text of the Indian Criminal Law Amendment Bill, with statement of Objects and Reasons, introduced by Mr. N.M. Joshi in the Legislative Assembly on 24-3-1933. The object of the Bill, it will be remembered, is to give effect to the recommendations of the Royal Commission on Labour designed to prevent besetting of industrial establishments. On 8-2-34 Mr. Joshi moved that the Bill be taken up for consideration by the House. The motion was opposed on the ground that the opinions received on the Bill were not circulated by the Government to the Members of the Assembly. Sir Frank Noyce explained that opinions, not on the Bill, but on the proposals of the Government of India on the subject sent to all Local Governments and Administrations, (vide enclosure to our Minute A.8/2630/32 dated 17-11-1932), will be circulated to the members and the decision of the Government of India in the matter explained at a later date. On this undertaking Mr. Joshi agreed to move his motion at a later stage.

(Summarised from Legislative Assembly Debates of 8-2-34, vol.I.No.11 pages 703-705).

The Code of Civil Procedure Amendment Bill, 1933(Re. Attachment of Wages & Provident Fund & Arrestfor Debt); Consideration Postponed.

At pages 13-16 of our March 1933 report was given the full text.

of the Code of Civil Procedure (Amendment) Bill, 1933, introduced by Mr. N.M.Joshi in the Legislative Assembly on 24-3-1933. On 8-2-34 Mr. Joshi asked the Government whether they would circulate to the members the opinions which they had elicited on the Bill. Sir Frank Noyce, Member-in-charge of Industries and Labour, declined to do so and explained that the action that the Government of India proposed to take on the three subjects covered by the Bill was different. In regard to one of the subjects, viz., the prevention of attachment of wages for debt, Government proposed to bring forward a measure themselves later on in the present session. In regard to the second proposal—the abolition of arrest and imprisonment for debt—the position is that the Government have addressed local Governments on the subject and that their replies have only just come in. They have not yet been examined and it is, therefore, not possible to state what action the Government of India would take. In regard to the third proposal—the safeguarding of contributions to Provident Funds against attachment, it has been decided that action should await the amendment of the Provident Funds Act.

(Summarised from Legislative Assembly Debates of 8-2-34, vol.I.No.11, page 705).

The Trade Disputes (Extending) Bill, 1934.

At pages 15-17 of our June 1935 report was given a summary of a circular letter issued by the Government of India on 14-6-1933 to all local Governments and Administrations asking for their views



regarding the Government proposals for the revision of the Trades Disputes Act, 1929. Opinion was invited on the following two points: (1) the desirability of converting the Trade Disputes Act into a permanent measure and (2) the amendment that should be made to the Act. In view of the facts that there has been a consensus of opinion on the desirability of the Act being made a permanent measure and that the present Act is due to expire on 7-5-1934, the Government of India introduced the following Bill in the Legislative Assembly on 26-2-1934 to make the measure permanent.

Legislative Assembly Bill No.21 of 1934:

A Bill to extend the operation of the Trade Disputes Act, 1929.

Whereas it is expedient to extend the operation of the Trade Disputes Act, 1929; It is hereby enacted as follows:-

1. This Act may be called the Trade Disputes (Extending) Act, 1934.  
Short title.

2. Sub-section (4) of section 1 of the Trade Disputes Act, 1929, shall be omitted.  
Amendment of section 1, Act VII of 1929.

STATEMENT OF OBJECTS AND REASONS.

The Trade Disputes Act, 1929, is due to expire on the 7th May, 1934. Opinions have been collected on the question of converting it into a permanent measure. The majority of Local Governments and the bulk of non-official opinion favour this course, and the Bill seeks to make the Act permanent.

(Extracted from Gazette of India of 3-3-34. Part V page 42).

Conditions of Labour.

Permanent Employment Officers in Railways:

To Supervise Hours & Conditions of Work, ✓

The proposal of the Railway Board for making permanent certain temporary posts of employment officers on the East Indian, the Madras and Southern Mahratta, the South Indian, the Assam-Bengal and the Great Indian Peninsula Railways was sanctioned by the standing committee of railways which held its sittings at the beginning of the month under review. It was pointed out by the Railway Board in recent years, with the development of the trade union movement and passing of legislation in India to give effect to the Washington and Geneva conventions regarding hours of work and rest periods in industry, it had become increasingly necessary for railways to employ whole time officers with special knowledge of ~~the~~ rules, regulations and conditions of service and, also, with aptitude for dealing with labour. Such officers had been appointed on individual railways even before the Labour Commission was appointed and the advisability of appointing such officers was recommended by the Whitley Commission too. Accordingly, the Railway Board from time to time sanctioned temporary posts on different railways. The results so far achieved have been very encouraging and the Agents of the various Railways have unanimously recommended that the posts of employment Officers be made permanent.

(The Leader 11-2-1934).

New Scales of Pay & Provident Fund Scheme  
for Railwaymen; Statement by Financial Commissioner. ✓

Information of considerable importance to railwaymen was elicited by Mr. N.M.Joshi in answer to a series of questions in the Assembly on 16-2-34.

Provident Fund Scheme. - Mr. P.R.Rau, Financial Commissioner of Railways, said it was true that the Government had undertaken an actuarial examination of the working of the State railway provident fund scheme. Necessary data was being collected to enable the Government Actuary to undertake investigation. It was not possible to state when the investigation would be completed.

Joint Standing Committee. - As regards the creation of machinery for a Joint Standing Committee, Mr. Rau said the suggestions put forward by the All India Railwaymen's Federation (vide page 37 of our February 1933 report) were at present under the consideration of the Railway Board.

Maximum Weekly Hours. - Mr. Joshi asked whether the Government proposed to amend the Indian Railways Amendment Act of 1930 to reduce the statutory maximum of hours of permissible employment of railway servants in a week. Mr. Rau said no such proposals were under consideration at present.

New Scales of Pay. - Mr. Joshi asked whether the new scales of pay for subordinate railway employees had been issued. Mr. Rau replied that the Government were endeavouring to introduce a new scale of pay as early as possible in the next financial year. The principle on which the Government had asked the railways to proceed

~~or~~ was that future scales of pay would be fixed in order to suit the existing conditions, in view of the decline in the cost of living in India during the last few years. They had not prescribed fixed percentages of reduction in the different categories of the staff, as they realized that the scope for reduction varied. The railways have also been advised that ~~the~~ incremental scales should generally be restricted to earlier years of service, but that, if it was considered desirable to retain incremental scales in the later stages, they should be confined to a very short range.

(The Statesman, 17-2-34)..

Wrongful Dismissal & Right to Gratuity:

Important Mysore High Court Decision. ✓

Reference was made at pages 16-19 of our August 1932 report to a case which came up for decision before the District Judge, Bangalore, in which the Binny Mills, Bangalore, was the defendant-appellant and one Krishnaswamy Meidu was the plaintiff-respondent. The point at issue was whether the plaintiff was wrongfully dismissed and, if so, whether he was entitled to claim the gratuity fund accrued to his share and the half-yearly bonus. The District Judge decided in favour of the respondent and the Binny Mills preferred a further appeal, against the decision of the District Judge, before the High Court of Mysore which recently delivered judgement in the case. ~~The following are extracts from the judgement:-~~

judgment in the case. Two points have been pressed before the High Court in the second appeal by ~~the~~ counsel for the appellant. His first contention was that there was no contract at all between the parties regarding the payment of bonus or gratuity for which there is no consideration, that it was only a 'gift', that the defendant-company was, therefore, not ~~is~~ liable to pay it, and that the plaintiff was not entitled to enforce payment by means of a suit. His second contention was that even granting that there was a breach of contract or wrongful termination of service by the defendant company, the plaintiff was entitled only to a month's salary and nothing more. The following are extracts from the judgment:-

Plaintiff Wrongfully Dismissed. - Rules 4,7,8,12,13,14 & 15 (rules for workmen provided by the company) provide for punishment in the case of unauthorised absence, leaving of employment without notice, disobedience, misconduct, negligence, theft, etc., on the part of any workman who is liable to be dismissed from service. It is worthy of note that the above rules provide that the workmen guilty of the offences referred to therein will forfeit, as a punishment, only the 'wages then due' and not the 'bonus' or the 'gratuity'. The plaintiff is not guilty of any of the above offences and has been wrongfully dismissed without notice and the rules framed by the defendant company regulating the conduct of workmen do not provide for the forfeiture of 'bonus' or the 'gratuity'.

Bonus not to be Capriciously Withheld. - It is true that it is provided in the rule that the contribution of bonus in addition to ~~the~~ gratuity depends upon the satisfactory working of the mill and that the said contribution is in the absolute discretion of the company. But, after a bonus is actually declared from the profits of the company, there is nothing in the rules to enable the company to capriciously withhold its distribution from the workmen ordinarily entitled to it. If the company really intended to pay the bonus or the gratuity as a mere 'gift' as now contended, according to its own pleasure, there was certainly no need for the defendant company to have framed such elaborate rules to regulate the formation and distribution of the fund and prescribed conditions to justify "claims" to it and to get them printed in three different languages for the information of those desiring to accept service under them.

Gratuity - An Inducement for entering Service. - Rule 13 refers

to the question of charge, mortgage or assignment of any 'interest or rights, present or future' and the grounds on which the workmen forfeit their rights or interests are laid down in Rule 14. In the face of these terms and conditions, and the "interest" and "present or future rights" expressly created by the rules, it is very difficult to hold that the payment of the gratuity amount is a mere "gift" payable at the pleasure of the company and that it does not form part of the contract of service. There is not the slightest indication in the form of the declaration to suggest that it is a mere "gift". Both the oral and documentary evidence point to the conclusion that the defendant company have formed a "gratuity fund" for the benefit of their workmen and devised a scheme to regulate payment out of that fund, that the benefit of the said fund naturally acts as an inducement to the workmen to accept service under the defendant company and that there is no substance in the contention that it is a mere "gift" depending upon the pleasure of the company.

Wrongfully Prevented from Completing Qualifying Period. - The "interest" ~~expressly recognised by the rules of the company and~~ ~~expressly recognised by the rules of the company and~~ Nor can it be said that the prospect of earning a gratuity and a bonus which are the incidents of service under the defendant company, as expressly provided in their rules, did not influence the plaintiff in accepting service under the company. Their own rules indicate the recognition of a right though it could not be enforced before 10 years. But if plaintiff - for no fault of his own - as held by both the courts below - is prevented by the defendant company from completing the required period of 10 years, can it be said that the right has no remedy under the law?

Bonus no 'free gift'. - The "interest" or "right" acquired by the plaintiff in the present case in the bonus and gratuity is one that is expressly recognised by the rules of the company and it cannot be said to be extinguished by the wrongful act of the defendant in improperly dismissing him. The defendant company seeks to forfeit what the plaintiff has earned by long service, by calling it a "free gift" though the rules framed in this behalf do not say so and it is difficult to find any principle of law or equity to justify the action of the defendant. We have no hesitation in holding that the contentions raised on behalf of the appellants are unsustainable.

The appeal of the Binny Mills was therefore dismissed with costs.

(The Hindu, 11-1-34)

General Wages in the Bombay Presidency;

Government Decision to hold Census in 1934.

The Government of Bombay have decided that a General Wage Census covering all factories in the Bombay Presidency, excluding Sind, should be held this year. In the case of perennial factories the Census will relate to the month of May 1934 and seasonal factories will be covered for one month of intensive working during the following winter. The preliminary work in connection with the Census will consist of visits by the two ~~Assistant~~ Assistant Commissioners of Labour and the Labour Investigator at Ahmedabad to all individual factories in order to make enquiries regarding systems of wage payments, methods adopted in maintaining muster and pay rolls and the designations used for describing occupations. The enquiry is to be conducted on the basis of the muster roll, i.e., information will be required for every individual worker except in the larger concerns where a sample of one in three will be taken for the numerically large occupations. The form for the enquiry will be drawn up on the conclusion of the preliminary investigations.

(The Labour Gazette, Bombay, vol.XIII.No.4)

Conditions in Bombay Cotton Mill Industry:

Special Investigation by Labour Office, Bombay.

In the Bombay Legislative Council on 26-2-34, Sir Chulam Hussain Hidayatullah, leader of the House, made a statement that Government had instructed the Labour Office, Bombay, to make a special investigation into the condition of the cotton mill industry in view

of the reduction in wages which have been effected or are in contemplation in several centres. The inquiry will be on the following facts:

- (1) The extent of reduction in wages of workers employed in cotton mills in the Presidency since January 1, 1928;
- (2) whether these reductions have been uniform at every centre;
- (3) whether the cost of living of the working classes has fallen, and, if so, to what extent;
- (4) the average rise or fall in real wages during this period in various centres;
- (5) whether wage reductions have been effected or are contemplated and the reasons therefor;
- (6) the extent to which rationalisation has been introduced in the cotton mills and the effect such schemes have had upon the wages and the condition of work of the operators, and
- (7) the extent of unemployment in the cotton mill industry and its causes.

Sir Ghulam Hussain said that it was desirable that the fullest possible information should be obtained on the above facts and made available to the public. The Government have instructed the Labour Office to make the special investigation after considering evidence, written or oral, submitted by the interests concerned.

(The Times of India, 27-2-34)

Ahmedabad Textile Crisis; Millowners'

Decide on 25% Cut in Wages. ✓

References were made in the previous reports of this Office (vide pages 39-40 of September 1933 report, 13-14 of October 1933 report and page 33 of January 1934 report) to the dispute between the Ahmedabad Millowners' Association and the local labour



Association on the question of the millowners' decision to reduce the wages of their workmen, and to the reference of the dispute to the Arbitration Board consisting of Mahatma Gandhi and Seth Chimanlal Girdharilal. Though the dispute is still under consideration of the arbitrators, by the middle of February, the committee appointed by the Ahmedabad Millowners' Association in connection with the contemplated wage cut, decided, without waiting for the decision of the arbitrators, to declare a direct cut of 25 per cent. in the wages, <sup>to be</sup> very soon followed by a general lock-out if this cut is not accepted. The committee also decided to stop the collection of subscriptions from the members of the Labour Association by the mills, which is being done now in accordance with the award of the Board of Arbitration given in 1928.

(The Times of India, 17-2-34).

The millowners' case for the wage-cut is that as there has been a wage-cut in Bombay and other textile centres from 15 to 25 per cent, wages paid in Ahmedabad have become the highest in India, while the wage cost per unit of production is the highest in the world on account of lesser efficiency of the workmen. Millowners also point out that owing to the abnormal cost of living, increments in wages were granted during War time and as prices have fallen since then there <sup>is</sup> was no need to maintain the existing high level of wages. A majority of millowners are stated to have lost faith in the system of arbitration, which, they say, ~~they have~~ <sup>have</sup> long tried and found ~~to~~ too dilatory and tedious. Nearly one year was spent in privately negotiating the present wage cut with the Labour Association, and six months more were spent after referring it to arbitration, without knowing when ~~the~~

final decision would be reached. The Millowners' Association has therefore, decided upon a direct cut in wages. How and when it will be effected depends upon ~~preparations~~<sup>the</sup> for solidarity ~~of~~<sup>the</sup> ~~the ranks of~~<sup>the</sup> millowners; ~~though~~<sup>however</sup> the majority of them have already signified their assent. (The Hindu, 20-2-34)

Having decided upon this course of action, the Committee are circulating a pledge to be signed by members of the Association as well as non-members who intend to join the move for cut in the wages. It is not compulsory on the members of the Association to sign the pledge, which binds the signatories to it only to carry out the decisions of the committee. The pledge authorises the committee (1) to penalize a mill for a breach of the pledge to the extent of Rs.10,000; (2) to compensate mills for any loss suffered in carrying out the decisions of the committee in a manner to be decided by the committee; (3) to levy ~~an amount~~ a contribution of Rs.10 per loom ~~on~~<sup>for</sup> each mill. (The Times of India, 21-2-34)

The Labour Association has issued a statement protesting against the move of the millowners, ~~and~~<sup>and</sup> declaring that their decision to effect the wage-cut without waiting for the arbitration award and their refusal to collect the subscriptions of members are breaches of the convention existing between the Millowners' Association and the Labour Association. (The Times of India, 17-2-34). A meeting of the Joint Board of Representatives of the Labour Association was held at Ahmedabad on 3-3-34 at which resolutions were passed protesting against the move of the millowners to effect a wage-cut. The resolutions stated that the millowners' move did grave injustice to labour and imperilled

peace in the industry by <sup>the</sup> ~~assuming an~~ <sup>attitude</sup> of suspicion <sup>of</sup> towards the Labour Union. The Union was of opinion that co-operation on the part of the employers and employees with a spirit of conciliation on both sides would guarantee the security of the industry, and the resolutions requested the millowners and the workers to do their best to preserve harmonious relations. (The Times of India, 5-3-34).

By 27-2-34, 45 mills had signed the pledge.

(The Times of India, 28-2-34).

#### Textile Labour Strike in Sholapur.

The Sholapur textile millowners announced their decision in December last to effect a 12½ per cent cut in the wages of workers and since then discontent was brewing among the workers in the Sholapur mills. On 15-2-34, ~~partial strikes occurred in a number of mills~~ on which day the reduced rates of wages from January were paid, partial strikes occurred in a number of mills. On 21-2-34, 7,000 workers of the Morarji group of mills, representing roughly one-third of the total textile labour force of Sholapur, declared a strike which spread to other mills involving half the textile labour force of the city. As there was possibility of violence, police help was requisitioned by the millowners, but no serious breach of the peace occurred. On 21-2-34 itself Messrs. Beke and Dandekar, labour leaders of Sholapur, were served with notices asking them not to address meetings within the Municipal area and two miles around for two months. By 22-2-34 the number of strikers increased to 14,000 and by the 23rd the figure went up to 17,000. The managements of <sup>the</sup> three mills of the Morarji group

and the Vishnu Mill put up notices on 25-2-34 to the effect that the mills would remain closed until further notice and a move to declare a lock-out was noticeable in other mills. The millowners justify the 12½ per cent cut not only on the ground of general trade depression, but also on the ground that it will not materially affect the workers in view of the reduction in prices of food. They are not prepared to consider either the removal of the cut or any variation.

Newspaper reports <sup>imply that</sup> ~~go to show that~~ communist influence is at work among the operatives. After 26-2-34 the strike began to fizzle out, the attendance in mills increasing day by day. This has been explained by the secretary of the local Labour Union as being due to want of necessary funds to carry on the strike. (The Times of India 26-2-34). By 4-3-34 all the mills reopened with full complement of workers, but discontent is still rife among the workers. The mill area and important parts of the city are still under police guard.

(The Times of India, 5-3-34)

Industrial Organisation.Employers' Organisations.Statutory Railway Board: Control by Assembly & Labour RepresentationUrged. ✓

At pages 29-33 of our August 1933 report were given details regarding the proposal for setting up a Statutory Railway Board under the new constitution and the criticisms against the creation of such a Board, <sup>by the Parliament in 1934</sup> in nationalist circles in India. A debate on the subject of the Statutory Railway Board was initiated in the Legislative Assembly on 22-2-1934 as the result of a motion for a token cut in the Railway Budget proposals. The following is a summary of the criticisms levelled against the proposal by various members of the Legislative Assembly:

Raja Bahadur Krishnamachariar drew the attention of the House to the clash that had arisen over the question of such a Statutory Railway Board constituted in the year 1909 in South Africa and indicated how the Board had to be reconstituted in 1916, as the result of which, the Statutory Authority in that country had become an advisory body. He stated that the Board, as visualised by the Secretary of State, would be subjected to too much political pressure from England and would deprive Indians <sup>of</sup> an effective voice in laying down the policy and controlling the working of the Board. He strongly supported the proposal that legislation on Statutory Railway Authority should be submitted for consideration to the Assembly.

Mr. Neogy, leader of the Democratic Party and the principal speaker in the debate, pressed the need for according the Legislative

Assembly the right to legislate in whatsoever manner it liked for setting up a managing agency for the administration of railways in India, and urged that the right should remain unfettered for the future central legislature. He wanted the Railway Board to be subordinate to the central legislature and to act as its agent. Mr. Neogy described ~~the~~ Railway systems as the biggest socialist institution of the world, as they were owned by <sup>the</sup> people, <sup>and</sup> worked for the people, ~~and for the benefit of the people.~~ The legislature might not exercise full <sup>or</sup> detailed control, but the fundamental principle that tax-payers of the country were <sup>owners</sup> ~~principals~~ of railway property must be fully recognised and not left in any doubt. They could delegate the authority for administering Railways to any body. It could be by legislation, or by convention as was done in the case of separation of railway finance from general finance. India would, therefore, object to legislation by means of the adaptation clause, for that really meant Parliamentary control, as the meaning of that phrase was brought out during the discussions on the Reserve Bank Bill. This would mean that in the matter of appointments and dismissals, power was largely in the hands of the Governor-General and it would be the Governor-General taking orders from the Secretary of State. It had been clearly specified that the President of the Board should be appointed by the ~~Board which he appoints~~ Governor-General and would have the right of access to the Governor-General. Then the Governor-General would appoint half the number of the members to the Board and in the case of the Chief Commissioner of Railways, his appointment would be subject to confirmation by the Governor-General

which meant again taking of orders from the Secretary of State. Mr. Neogy referred to the voting powers of the Assembly and said that the moment separate authority was appointed without the ~~Assembly~~ <sup>Assembly</sup> being given the right to legislate for and control ~~of~~ its managing agency, then the Public Accounts Committee's scrutiny of the railway accounts, now exercised, would disappear and this technical check over extravagance would be gone. As regards recruitment for services to railways, Mr. Neogy thought that the Secretary of State would interfere, not only when questions connected with communal claims came up, but also in questions of Indianisation, ~~it, the Secretary of State exercising control by regarding railway service as a key service.~~

Mr. N.M. Joshi wholeheartedly supported Mr. Neogy and stated that <sup>Parliamentary</sup> ~~Parliamentary~~ control was undesirable as it had no time to devote to all the problems connected with the Board which would arise. For the proper management and working of the Indian railway system, it was absolutely desirable that the railway authority to be established, should be endowed with ~~the~~ authority conferred by the Indian Legislature. As for the members who constituted the Board, he stressed that every interest, including labour and agriculture, should find local representation.

Dissatisfaction with the present proposals was voiced by all sections in the House, except the government section, which, beyond an indication from the Commerce Member that he would impress upon the Secretary of State the unanimity of the agreement arrived at by the whole House over the question, took no part in the

debate. The agreed formula arrived at by the non-official parties read as follows:

The Constitution Act should merely contain a clause requiring the establishment of a Statutory Railway Authority and that its constitution, functions and powers shall be subject to legislation, initial as well as amending, in the Indian Central Legislature.

(The Legislative Assembly Debates of  
22-2-1934).



1st South Indian Washermen's Conference - Trichinopoly -1934.

The first provincial conference of dhobies (washermen) of South India was held in the Town Hall, Trichinopoly, on 22 & 23-1-34 under the presidentship of Mr. N.Sivaraj, M.L.C. There were about 500 delegates present from various districts in the Madras Presidency.

The conference was formally opened by the Hon. P.T. Rajan, a Minister of the Madras Government. The president, in his address, exhorted the washermen to sink their caste and communal differences in order to achieve the solidarity of their profession as a whole. He also dwelt on the importance of educating the children of the community and enjoined ~~on~~ them to lead frugal and economical lives by avoiding drink and restricting expenses on occasions of marriages and deaths.

The resolutions passed related to the registration of Washermen's Sangams under the Trade Union Act, the need for compulsory education of their boys and girls under 12, need for free education of their children in higher classes, and need for Washermen's organisations in all villages, taluk and district centres. Reform was also urged in their social and economic status by the starting of co-operative societies, etc., and representation was asked for in the Pudukottah, Travancore and Cochin Legislative Councils for members of the washermen community.

(The Hindu, 24-1-1934)

The Bangalore Textile Labour Union, Report for 1931-33. ✓

The following information about the progress and financial condition of the Bangalore Textile Labour Union, is taken from the printed combined annual report for 1931-32 & 1932-33 issued by the Union.

Membership. - The union's had a membership of 2,000 on the rolls in June 1931 and 2,400 in February 1933. The number of members who actually paid their subscriptions ranged from 921 in June 1931 and 978 in August 1932 to 90 in April 1932 and 326 in April 1933. Commenting on the disparity between the figures of paying members, the report observes: "Here we are pitched against the forces of opposition engineered by our adversaries who penalise the workers for participation in the Union's work. Many of our members have the heart to pay, but are often coerced to neglect payment by threats of economic suffering and victimisation."

Meetings. - The annual General Body meeting for the year 1931 was held on 25th January 1931 for the election of office-bearers for that year and for the year 1932 on 8-1-1932 and for 1933 on 24-2-1933. Many were present and the full quota of members for the Committee was elected. The Executive Committee of the Union met as many as 24 times. The monthly meetings of the Managing Committee provided for in the Union constitution to pass the monthly accounts of the Union went on without a single default. Ordinary general body meetings for the year 1931 were 27 and for 1932 - 19 and one only in 1933. All these meetings were attended by large number of members and some of them were fortunate to have amidst them distinguished labour leaders who delivered speeches. During the period under review the first Mysore Labour Conference was held, the initiative in the matter being taken by the Union. The report states though organised trade unionism has not made much progress in Mysore State, the Conference which was presided over by Mr. V.V.Giri, evoked considerable enthusiasm and was attended by over 20,000 workers and their friends.

Labour Research Bureau. - For comprehensive study of and ensuring publicity for conditions of labour existing in Mysore an organisation under the name "Labour Research Bureau" was brought into existence. It intends to give periodic advice to the workers, employers and the public. The Bureau could not turn out much substantial work, in spite of its best efforts, the reason being lack of adequate finance.

Labour Union Dispensary. - A new departure undertaken by the Union was the setting up of a Labour Union Dispensary. The initiative in the matter was taken by Dr. S. Rengaswamy, ~~was taken~~ ~~by~~ ~~Dr.~~ ~~S.~~ ~~Rengaswamy~~, M.A. L.C.P. & S., medical practitioner. The dispensary proved

of the greatest service to the workers and was well patronised by the workers and their families.

Political Outlook. - The report states: " Even though we are blessed with a saintly ruler and sympathetic Dewan, still we are left in the immediate hands of unfeeling subordinates who, either for want of correct understanding or due to a mistaken sense of duty, have always proved themselves antagonistic to our aspirations and ideals. The voice of labour is still kept in a muffled condition. The shadow of a labour constituency that was ushered in with such ceremonial pomp and ostentatious announcements has disappeared. In the administration of the State it is imperative that labour must be heard. Our "Model State" will be fated to remain a "Medieval State" if it persists in ignoring the claims of labour. It is our Union alone, by virtue of its experience and continuous touch with the live problems of labour, that can supply the want by electing its representatives to the Legislature and administrative bodies of the realm. "

Office bearers for 1933-34. - President: Mr. K.T.Bhashyam Iyengar, B.A., B.L., Vice-Presidents: Mr. B.S.Chendrasekhara Rao, B.A., LL.B., Mr. Ramalal Tiwari, Municipal Councillor; H.K.Veeranna Gowda, Journalist; and K.Phangavelu Pillai, Municipal Councillor. General Secretary: Mr. H.S.Narasiah, B.A., B.L. Assistant Secretary: Mr. S. Rangaswamy, L.C.P. & S., Medical Practitioner.

Reviewing the conditions of life and service of workers in Mysore State, more particularly in the textile industry of the State, the report says:

Every effort is made by employers to set up, foster and encourage rival organisations which masquerade as bodies championing the labour cause but, in reality, act as tools of the capitalists. Differential treatment between Union members and non-members, victimisation, bribery and coercion are still rampant in the textile mills. Several grievances such as compulsory overtime working, unwarranted wage cuts, non-closure of mills on Saturdays an hour and a half earlier than on the usual working days, whimsical dismissals etc, remain still the order of the day. In short most of the recommendations made by the Whitley Commission have remained thoroughly unheeded.

Intellectual Workers.Salaries of Government Servants:5 Per Cent Cut to Continue during 1934-35. ✓

As the result of an interpellation put in the Legislative Assembly on 1-2-1934, the following statement on the Government policy regarding the restoration of the five per cent cut in the salary of Government servants was elicited from Sir George Schuster, Finance Member:

The Government of India, after most careful consideration, have been forced to the conclusion that the conditions which made it necessary to continue the cut in pay throughout 1933-34 at the rate of five per cent have not improved sufficiently to make it possible for them to recommend the final removal of the cut in the next financial year and they, therefore, propose, after consultation with the Secretary of State, to provide for the continuance of the temporary cut at this rate for a further year, that is to say, on pay earned up to the 31st March, 1935. In making this announcement, the Government of India wish to repeat and emphasise their intention that the remission of the cut in pay should be the first measure to be undertaken when any improvement of their budgetary position justifies a relaxation of the various exceptional measures which have had to be taken since September, 1931.

(Legislative Assembly Debates of 1-2-34, Vol.I.No.7).

Government Servants and Politics:Amendment to Government Servants' Conduct Rules. ✓

As the result of a resolution by the Secretary of State in Council, the following amendment in the Government Servants' Conduct Rules has been published in the Gazette of India of 17-2-1934 (Part I-page 220-221):-

For sub-rule (1) of rule 23 of the said rules, the following shall be substituted, namely:-

23. Taking part in politics and elections. -(1) (1) Subject to

the provisions of rule 22 and of any general or special order of the local Government, no Government servant shall take part in, subscribe in aid of or assist in any way any political movement in India, or relating to Indian affairs.

Explanation. - The expression "political movement" includes any movement or activities tending directly or indirectly to excite disaffection against, or to embarrass, the Government as by law established, or to promote feelings of hatred or enmity between different classes of His Majesty's subjects, or to disturb the public peace.

(ii) No Government <sup>servant</sup> shall permit any person dependent on him for maintenance or under his care or control to take part in, or in any way assist, any movement or activity which is, or tends directly or indirectly to be subversive of Government as by law established in India.

Explanation. - A Government servant shall be deemed to have permitted a person to take part in or assist a movement or activity within the meaning of clause (ii), if he has not taken every possible precaution and done everything in his power to prevent such person so acting or if, when he knows or has reason to suspect that such person is so acting, he does not at once inform the local Government or the officer to whom he is subordinate.

24

Economic Conditions.

Budget of the Government of India, 1934-35. ✓

The Budget of the Government of India for 1934-35 was presented in the Legislative Assembly on 27-2-1934 by Sir George Schuster, the Finance Member. The outstanding features of the budget are: new excise duties on sugar and matches and abolition of the export duty on hides; one anna postage for letters and cheaper telegrams; handing over half the jute export duty to Bengal, Bihar and Assam; lowering of the silver import duty; readjustment of tobacco duties; lowering of the annual debt redemption provision to Rs. 30 millions; and generous help for Bihar. The net effect of all the budget proposals is to give an estimated surplus of Rs. 1.9 million for 1934-35.

Budget at a Glance.-

	(All figures in millions of rupees)		
	<u>1932-33</u>	<u>1933-34</u> (Revised)	<u>1934-35</u> (Budget)
Gross revenue	12,64.0	11,93.1	11,65.7*
Expenditure (excluding Debt Redemption)	11,80.1	11,50.2	11,51.0
Balance	<del>83.9</del> 83.9	<del>42.9</del> 42.9	<del>14.7</del> 14.7
Debt reduction provision	68.4	30.0	30.0
Transfer Earthquake Relief Fund		12.9	
Final Balance			—15.3

\* Excluding new taxation proposals.

Revenue from additional taxation proposals of 1934-35 (sugar excise, tobacco duties, ~~reduction of duty~~ silver additional revenue on reduction of duty, and match excise).

Final surplus of 1934-35 budget

+17.2

+ 1.9

Changes in Taxation.- The budget proposals for 1934-35 provide for:- The imposition of an excise duty on factory produced sugar at Rs. 1-5-0 per cwt.; an increase in the duty on raw tobacco from Rs. 2 per lb. to Rs. 2-6-0 per lb. on standard product and from Rs. 1-8-0 to Rs. 1-14-0 per lb. on preferential tobacco; a revised duty on cigarettes of Rs. 5-15-0 per thousand plus 25 per cent. ad valorem; reduction in the duty on silver by  $2\frac{1}{2}$  annas to 5 annas per ounce; the abolition of the export duty on raw hides; reduction from 5 pice to 1 anna in the postage rate on letters weighing only half a tola; remission of the extra pice per five-pice embossed envelope which was imposed in 1931; increase in the postage rate on Indian book packets not exceeding 5 tolas in weight from 6 to 9 pies; a new minimum charge of 9 annas for a telegram not exceeding eight words; and the imposition of an excise duty at the rate of Rs. 2-4-0 per gross of boxes of matches made in British India.

Unemployment: Increase of Purchasing Power of Masses.- Referring to the growing problem of unemployment and the remedy to be sought for it by increasing the purchasing power of the masses, Sir George Schuster said: "An important point in this connection is how to increase India's Internal purchasing power for agricultural produce. The development of India's own industries is one method which has been for a long time followed and which has gone much further than most people realize; but we must never forget that this has another side to it, and that if we produce what other countries used to sell to us, their purchasing power for our exports will diminish, unless we can raise the general standard of living in India and provide an increased market capable not only of absorbing the products of Indian industries, but also of continuing the use of imported

commodities. This opens out an interesting and intensely important field of work, and it is a field in which industrialists themselves ~~must~~ ought to take an active part and not ~~may~~ shift all the burden on to Government. I venture to think that much is to be gained by co-operation between Indian and British manufacturers in this matter.

Public Works Programme: Limited Application.- "There is one method which has often been mentioned in this House, that of stimulating purchasing power by undertaking expenditure on public works and other projects. This method is obviously worthy of consideration, but if it is to do good it must be governed by certain essential conditions. It must be directed mainly to purposes which will directly or indirectly increase the economic strength of the country, and it must not be employed beyond what the credit and resources of the country will stand. This means that the extent of the possible application of this method is limited, and therefore, that it should be applied at the time when it can have the maximum effect. It is quite possible that the proper time has come when we may utilize this method with beneficial results.

Railway Construction Programme: Delhi Capital Project.- "As was announced when introducing the Railway Budget, we have this year made quite a substantially increased allotment for works expenditure on the railways, and as a matter of financial policy we have informed the railways that we can now encourage sound projects of capital expenditure. We have also as another step in this direction reopened the Delhi Capital Project and have a programme for buildings amounting to about 10 millions of rupees on hand.

Development Programmes in Provinces.- "We are offering generous assistance to Bihar and Orissa for their earthquake rebuilding programme. We have removed the ban on capital expenditure in the provinces and have pressed them to consider road construction and other development programmes for which we are prepared to offer facilities at the lowest possible rates of interest. The Provincial Governments have naturally shown caution in taking up these ideas for they are having a hard struggle to maintain equilibrium, and do not wish to mortgage their future by heavy loan charges. In any case this is a line of policy in which the main initiative must be taken by the Provincial Governments and it is one which we propose to explore fully with them".

(Statesman and Times of India, 28-2-34)



Economic Conditions.Future of Jute Industry:Report of Government Jute Enquiry Committee.

At pages 50-51 of our March 1932 report and in subsequent monthly reports of this Office references were made to the serious dislocation in the jute industry in Bengal caused by over production. The Government of Bengal appointed early in 1933 a committee of thirteen with Mr. R.S. Finlow, C.I.E., as Chairman, to inquire into the conditions in the jute industry and to make recommendations for improving its position (vide pages 44-45 of our February 1933 report). The following were the terms of reference of the Committee:

(1) the question of regulation of the production of jute; (2) the marketing of jute, including the establishment of regulated markets, and the supply of market information in a suitable form to the producers; (3) the creation of a Jute Committee for the province of Bengal on the lines of the proposed Central Jute Committee and the minimum amount required to finance such a Committee; (4) the extent to which other materials have displaced jute and the likelihood of further substitutes being found in the near future; and (5) the possibilities of making any other economic use of jute to an extent that might relieve the present situation.

The findings of the Committee have recently been published. The members of the Committee could not arrive at unanimous conclusions. Three reports have emerged: first, a majority report signed by seven members; a second report signed by five members; and a third report over the signature of Moulvi Azizul Haque alone. The following is a summary of the majority report:

THE MAJORITY REPORT.

Regulation of Jute Cultivation. - The report states that low prices and propaganda were able to regulate production of raw jute since 1930-31 and therefore compulsory regulation by legislation

was not justified. The report recommends instead better organised and more intensive propaganda among cultivators in favour of ~~more~~ ~~more~~ ~~more~~ restricted production of jute and cultivation of other crops like paddy and sugar-cane in its stead.

Marketing of Jute. - "Allowances" are to be eliminated as soon as possible and standard weights, stabilised by agreement within the trade on a basis of warp and weft content of the fibre ~~is~~ to be used. There were differences of opinion as to whether standards should be fixed by legislation. It is also recommended that prices of jute should be published widely in the "Mufassil" during the jute season.

A few experimental village ~~in~~ Jute Societies to be established for sale of jute are recommended. Opinion is divided as to whether credit societies working along side the jute co-operative societies should advance money only to cultivators who are willing to join the jute societies. A few regulated jute markets on a trial basis, and on the lines of the regulated cotton markets of Berar and Bombay, are to be established. These markets being experimental, are to be financed by the Jute Committee, about the establishment of which suggestions are made later. Opinion is divided as to whether or not legislation is necessary for the success of regulated markets. Standard weights and measures are to be fixed by legislation.

There is division of opinion as to whether or not Future Markets for jute are necessary. In the present circumstances no legislation is called for and the remedy lies in the hands of the trade itself.

Before sowing season propaganda officers are to disseminate information regarding stocks of jute in India and abroad; and also regarding average prices of jute in the preceding two or three seasons.

The Jute Committee. - A Jute Committee is to be established by statute. Its function will be advisory, and it will carry out agricultural, technological and economic research such as the improvement of crop forecasting and statistics; the production, testing and distribution of pure seed; enquiries and recommendations relating to marketing and transport facilities and transport routes; the improvement of marketing, and dissemination of information in the interests of the jute industry. This Committee would employ a permanent Secretary and a trained technical staff, and would establish technological laboratories with chemical, physical, fibre testing, and microscope sections and technical institute. In addition to investigations into large scale manufacturing operations, the technological institute is to devote attention to developing cottage industries which would tend to increase the use of jute. The Department of Industries is to be fully utilised in carrying out work in this direction. The members

hope that the proposal now before the Indian Jute Mills Association for a technological institute of their own will materialize, and if so, that it will work in collaboration with the technological institute under the Jute Committee,. Three of the members are in favour of a Bengal Jute Committee, while four prefer a Central Jute Committee. The Jute Committee is to be financed from its own statutory fund to be provided out of the jute export tax.

Jute Substitutes and Research. - Jute is meeting with competition which has developed along two main lines:- (a) Progressive elimination of jute sacks as containers for grain in transit owing to increased adoption of bulk handling, and (b) Substitution of jute by paper, and to a less extent by cotton, for the making of bags. The danger, it is emphasised, is real and the remedy lies in putting forward every effort to retain trade which the industry now holds; and in initiating and vigorously pursuing a policy of research with the object of discovering fresh markets and new uses for jute. Agricultural research is to continue with the object of obtaining new strains of jute which may give better results, either in the matter of yield, or quality, or both.

The majority report is signed by Mr. Finlow and six other members out of a total of thirteen members.

The Minority Report. - The minority report, signed by five of the thirteen members, stresses the importance of the jute industry for Bengal and states that, in spite of the rapid growth of the industry in the past, a distinct lack of variety in manufacture has all along remained a striking feature and was partly responsible for the present fall in demand. Other factors which have operated to bring about the present crisis are: (1) tariff hindrances inside and outside India, (2) want of organisation among cultivators while other interests are well organised, and (3) the catastrophic decline in the price of jute since the last three years due to the artificial over-valuation of the rupee. The following is a brief summary of the recommendations contained in the minority report:

Regulation of Production. - Three methods of controlling

production are suggested; the first on a voluntary basis, the second by compulsory regulation, and the third by compulsory measures after an initial trial of voluntary restriction. The report suggests that the functions of the Bengal Jute Committee, contemplated in the report, should comprise: (a) preparation of the estimates of probable demand for jute in the ensuing year to be published before sowing commences; (b) apportionment of the entire jute growing area in the Province into "economic" blocks; (c) allotment of specified quotas of acreage to the different blocks, to be carried into effect by local agricultural associations or by other agencies such as union boards. The Government are to encourage, through the Agricultural and Co-operative Departments the organisation of these agricultural associations. Better organised, systematic and intensive propaganda are to be adopted to give the cultivator necessary data as would help him to decide what would be a reasonable area of jute to sow in order to secure an economic return. The report recommends that interim weekly or fortnightly reports containing information regarding the estimates of sowing as compared with the previous year, the progress of the jute crop, stocks, the effect of weather, rise or fall of rivers, pests, etc., should be published in the "Calcutta Gazette", and in English and vernacular press and made available to subscribers as early as possible.

Marketing of Jute. - The average cost of movement of jute from the cultivators to balers or jute mills comes to Re.1/- per maund (= 80lbs nearly) which is considered very exorbitant; the freight charges are therefore to be reduced, especially during periods of depression, and possibilities of encouraging boat traffic examined. All "allowances" are to be abolished and weights standardised. The expansion of co-operative sale societies among cultivators has been suggested and direct contact between growers and merchants is to be encouraged.

The report fully endorses the recommendation of the Royal Commission on Agriculture for the establishment of properly regulated markets for jute, on the lines of the regulated cotton markets of Bombay and Berar. In order to secure uniformity in the organisation and regulation of these markets, legislation on the lines of the Central Province Cotton Market Act is to be passed. These markets are to be regularly supplied with information regarding stocks in Calcutta, day to day Calcutta price, weather reports, etc.

The Banking Enquiry Committees (both Central and Provincial) recommended standardisation of the qualities of jute by legislation; similar proposals were urged upon the Government by various commercial interests including the Federation of Indian Chambers of Commerce and Industry, but no action in this regard has been taken so far. Legislation is to be passed to fix the standards and no alteration is to be made therein unless the Government

is satisfied that any change is necessary. ~~It~~ To provide a necessary supplement to the re-organisation of marketing methods and practices proposed in the report, and to strengthen the bargaining power of the growers of jute, the establishment of licensed warehouses furnishing suitable storage facilities, and granting temporary financial accommodation to cultivators against their stocks in the warehouse is suggested.

The report states that the unique bearing of jute on the whole economic fabric of Bengal and the monopoly condition in which the fibre is grown strongly indicate the necessity and feasibility of a complete rationalisation of the entire jute trade, though such rationalisation may not be immediately achievable. It is also suggested that legislation should be passed providing for the inspection and certification of jute exported and the proposed Jute Committee is to undertake this work. The report is of opinion that the establishment of a jute futures market is justifiable and recommends that the market should be established by statute but that the actual organisation should be left to private initiative.

Jute Substitutes and Research. - The members express the opinion that jute is not threatened with displacement by other competing fibres or synthetic materials but that the real threat is from the use of materials like paper, mechanical contrivances like grain elevators, and the protective fiscal policy deliberately adopted by several countries to encourage local manufacture of substitutes. The determining factor is remarked to be comparative prices and jute is ultimately likely to stand on a vantage ground against most of the substitutes. While the question of research, for which the establishment of a research organisation by the jute mills is recommended, is of great significance to the future of the jute trade, an attempt is to be made by the mills to reduce the cost of jute goods; such reduction is deemed justifiable in view of the disproportionately wide gap between the harvest price of jute and the price of jute manufactures. It is remarked that there is no reason to believe that the potentialities of the handloom industry have been completely exhausted, and it is recommended that the Jute Committee, when established, should make strenuous efforts to develop the use of jute in the handloom industry.

Bengal Jute Committee. - The report recommends the establishment of a Bengal Jute Committee. The functions of the Committee fall under three different categories, viz., research, information and propaganda, and control of production.

(The Amrita Bazar Patrika, 15 & 16-2-1933).

In this connection attention is invited to the report of a sub-committee of the Indian Jute Mills Association, appointed to enquire into the causes for the growing competition which the jute industry has been experiencing, a summary of which was given at pages 48-50 of our June 1933 report. (A copy of the report was forwarded to Geneva with this Office's minute D.1/1401/33 dated 10-8-1933).

Rationalisation of Indian Railways:"Job Analysis" Report of Mr. Pope. ✓

The Diminished income from railways, which has been a feature of Indian railway budgets during the last few years, has necessitated the initiation of vigorous measures of economy adversely affecting the service conditions of Indian railway workers. Drastic reductions in personnel, cuts in wages, and short-time working have already been resorted to in several railway systems. A reduction in the heavy administrative expenditure of railways, it has been felt, would lead to an easing of the financial situation and eventually to improvement of service conditions. To ascertain what further economies were possible in Indian railways, the Government of India obtained the services of Mr. F.A. Pope, an Officer of the London Midland and Scottish Railway who had been closely in touch with various processes of rationalisation put into practice in recent years on the L.M. & S. Railway. The following is a summary of the memorandum submitted by the Railway Board to the Standing Finance Committee for Railways, on the enquiry conducted by Mr. Pope.

Job Analysis on Ten Railway Systems. - In view of the shortness of Mr. Pope's visit lasting from December 1932 to February 1933, it was decided that he should concentrate his attention on the Railway and inaugurate a detailed analysis of important activities of railway operation - "job analysis" - on that line. It was arranged to associate with him certain officers of other Railways who could observe his methods and, if necessary, continue the investigations after his departure from the country. Mr. Pope and these officers worked on the ~~xxxx~~ Railway during the months of January and part of February 1933. By the end of February, Mr. Pope presented a report to the Railway Board. In his covering letter, Mr. Pope pointed out that already a large number of economies had been effected on Indian Railways and there were no big individual economies left except the better use of locomotive

power, and possible further amalgamation of railways, both of which are now under separate consideration. He, however, was emphatically of opinion that considerable savings would be found possible if a detailed analysis of every operation conducted on a railway ("job analysis") were undertaken. For this purpose, he pointed out that it was necessary to have a continual organized research and investigation. In accordance with this recommendation it was decided to start job-analysis on all State-managed Railways, and the State Railway officers who were originally associated with Mr. Pope were selected to carry on the various investigations. Later similar organizations were started on most Company-managed railways as well and at the present moment such organisations exist on ten railways.

First Six Monthly Progress Reports. - When this research work was initiated, the Railway Board asked Railway Administrations to report progress every six months to indicate what economies had been recommended by these officers. The first six monthly progress reports from the important State Railways have been received and show that, while the research work is only in its initial stages, the analyses already undertaken cover a large variety of railway operations, including such widely diverse matters as administrative organisation, intensive use of locomotives, reduction of shunting charges, savings in shed maintenance, painting of structures, reduction in the use of stationery, bigger loads of trains, improved routing of traffic, better utilization of scrap, and many others. Moreover, on the principle of no saving being too small to be ignored, small economies have been suggested in such items as the process of copying correspondence, the cleaning of points, the use of lights and fans, and even in the curtailment of number of newspapers taken. The Railway Board's memorandum states that so far as can be gauged at present, it is apparent that substantial savings in working expenses may be anticipated from the work now being carried on by these officers, justifying the small research organisations which have been set up on each railway.

Other Economy Measures. - In addition to the "job-analysis" organisations working on each railway, the Railway Board themselves are examining certain other subjects recommended in Mr. Pope's report, among them being:- (a) the better use of locomotives; (b) the better use of railway land; (c) the more careful listing of surplus track, equipment, and accommodation; (d) additional research and experiments; (e) improved workshop practice, especially in regard to standardisation of pattern design, the use of scrap, and the compilation of "cost" data; and (f) possibility of reducing hot axles. As regards item (e) a small Committee is now engaged in investigating the compilation of "cost" data.

In view of the satisfactory results obtained, Mr. Pope's services have again been secured during the winter season 1933-34

and he has been employed in making a more detailed investigation into the State-managed Railways and examining the work done during the year by Railway Administrations themselves.

(Extracted from the Proceedings of the Meeting of the Standing Finance Committee for Railways of 2-2-34).

(For previous references vide pages 54-55 of December 1932 report, pages 32-35 of May 1933 report and page 62 of December 1933 report of this Office).

Implementing Indo-Japanese Agreement:

Indian Tariff (Textile Protection) Amendment Bill, 1934. ✓

On 5-2-1934 Sir Joseph Bhore, Commerce Member, introduced in the Legislative Assembly a Bill to amend further the Indian Tariff Act, 1894, called the Indian Tariff (Textile Protection) Amendment Bill, mainly for the purpose of affording protection to the sericulture industry and to the cotton and silk textile industries in British India. The following is the Statement of Objects and Reasons appended to the Bill.

By the Cotton Textile Industry (Protection) Act, 1930, the Indian industry was given a temporary measure of protection which will cease to have effect on 31st March, 1934. In accordance with the undertaking given when the Act was passed, the claims of the industry to substantive protection have been examined by a Tariff Board. The Tariff Board has found that the Indian cotton textile industry has established a claim to substantive protection, but the Government of India, while accepting this conclusion, have found it necessary to review the measures of protection recommended by the Tariff Board in the light of events subsequent to the submission of its Report. The denunciation of the Indo-Japanese Trade Convention and the subsequent conclusion of a new trade agreement with Japan together with the unofficial agreement between



representatives of the Indian and United Kingdom textile industries have introduced entirely new factors into the situation. The present Bill gives statutory effect to the aforementioned agreements which the Government of India accept as a satisfactory basis for a protective scheme subject to any readjustment which may be found necessary on the expiry of these agreements. The opportunity has also been taken of incorporating into the Bill the decisions of the Government of India on the recommendations of the Tariff Board appointed to investigate the claims of the sericultural industry to protection.

The new tariff rates sought to be introduced by the Bill shall have effect only up to 31-3-1939.

(Extracted from Gazette of India, of  
10-2-1934, Part V, Pages 15-17)

New Industries in Kolhapur State:

Bauxite Mining and Manufacture of Aluminium.

Kolhapur, an Indian State in the Bombay Presidency, has launched out a big programme of industrial expansion, which, it is expected, will provide employment for a considerable number of workers. According to the Times of India dated 12-2-34, a charter granting to a London Syndicate important concessions for the provision of hydro-electric power, the mining of bauxite and the manufacture of aluminium in Kolhapur State, was signed by the Maharaja in the first week of February. Legal and technical advisers of the State and the syndicate have been in conference at Kolhapur city and Delhi during the past three months, and these investigations and negotiations having been successfully <sup>Concluded, the Syndicate Plans</sup> begin ~~the~~ the hydro-electric portion of the scheme immediately after the next monsoon.

The company hope to be in a position to supply power and light to the State and aluminium for the needs of India and the East

before the end of 1936. The possibility of manufacturing aluminium in the State has been seriously engaging the attention of the Darbar for some time, in view of the fact that the supply of high-grade bauxite in this area is regarded by eminent geologists as practically inexhaustible. In the process of manufacturing aluminium, the availability of cheap electrical energy, in sufficient quantities, is essential. The natural contours of the country, as indicated in the consulting engineer's report, are considered admirable for the installation of a hydro-electric system, and surrounding the site there exist immense fields of ore.

(The Times of India, 12-2-34)

Tariff Board's Report on Indian Cotton Mill  
Industry; Grant of Protection Recommended.\* ✓

At pages 54-56 of our March 1932 report details were given regarding the reference to the Tariff Board by the Government of India of the question of continuing the protection given to the textile industry by the Cotton Textile Industry (Protection) Act, 1930. Though the report was signed on 10-11-32, it was released for publication by the Government of India only on 5-2-1934. The following is a brief summary of the findings and recommendations of the Board in respect of the cotton textile industry;

\* Report of the Indian Tariff Board regarding the grant of protection to the cotton textile industry. - Calcutta; Government of India Central Publication Branch -1932. - Price Re.1-8 or 2s.6d. *11-238*

Statistics of Mills. - The number of mills at work in India has risen from 274 in 1925 to 312 in 1931. Bombay and Ahmedabad together contain just under half of the mills at work. In Bombay the number of spindles working has fallen by 15 per cent., the number of looms working by 5.4 per cent and the number of persons employed by 13.5 per cent.

Production of Yarn and Piece-goods. - Between 1925-26 and 1931-32 the production of yarn and cloth has increased in Bombay by 23.4 and 32 per cent, in Ahmedabad by nearly 50 per cent and in the rest of India by 52.8 and 62.9 per cent. Between 1926-27 and 1931-32 the annual production of yarn has increased by nearly 160 million lbs. or just under 20 per cent. The production of piecegoods has increased by 32 per cent in these six years. There has been a substantial increase in the production of the finer qualities of cloth. There has been a fall in the imports of yarn, and much of the yarn which used to come from Japan now comes from China. There has been a phenomenal fall in the imports of piecegoods from 1,919 million yards in 1929-30 to 890 million yards in 1930-31 and 776 million yards in 1931-32. The United Kingdom has lost much more trade than Japan; and though there has been a fall in the volume of imports from Japan in the last two years, she has steadily increased her proportion of the Indian import trade.

Cotton Production Statistics. - The United Kingdom has lost much more trade than Japan; and though there has been a fall in the volume of imports from Japan in the last two years, she has steadily increased her proportion of the Indian import trade. 1925-26 was a record year for the Indian cotton-growers when 28.4 million acres were sown and ~~5,125~~ 6,215 thousand bales produced. The area sown in 1931-32 was only 23.5 million acres. The number of bales consumed in Indian mills has risen from 1,983,000 in 1926 to 2,345,000 in 1932; but there has been a falling off of exports from 3,729,000 bales in 1931 to 1,582,000 bales in 1932. The proportion of effective long staple cotton in the total Indian crop has risen from 6 per cent in 1925-26 to 18 per cent in 1931-32. In 1927-28 there were large imports of American cotton; and in 1930-31 and 1931-32 there was a great increase of imports from Egypt and Kenya, while imports from America rose again in 1931-32. Indian cotton has a notorious reputation for watering and false packing. The East Indian Cotton Association and the Indian Central Committee should investigate methods of preventing the malpractices.

India has a virtual monopoly of short staple cotton. She also produces sufficient long staple cotton to meet the country's requirements of yarn up to counts 40s. The consumption of cloth represented by yarn of counts above 40s. is not more than 20 per cent of the total consumption in the country and it is to this extent alone that India is dependent upon imported cotton. Thus, so far as raw material is concerned the industry substantially fulfils the first condition of the Fiscal Commission. Although

the imports into India in 1931 represented only 15 per cent. of the total consumption in the country, India is the largest single export market for piecegoods both for the United Kingdom and for Japan. The higher cost of power per unit of output in Indian mills as compared with Japan is due partly to the higher price of electricity but mainly to the lower efficiency of the Indian mills.

Labour Efficiency and Wages.- There has been a slight improvement in the percentage of absentee labour in Bombay from 12.25 per cent. in October 1926 to 10.04 per cent. in March 1932. Attempts to improve the efficiency of mill labour in Bombay by the introduction of 'efficiency schemes' led to a series of strikes which culminated in the general strikes of 1928 and 1929. One consequence of these strikes has been the collapse of organised representation of labour in Bombay, so that it has not been possible to make further progress with the introduction of 'efficiency schemes' or standardised rates of wages. A labour dispute in Ahmedabad in 1930 was settled by arbitration, weavers obtaining an increase of 5 per cent. and spinners an increase of 8 per cent. in their wages. This increase of wages in Ahmedabad has raised the level of wages there above that of Bombay wages.

Labour Cost and Efficiency.- The greatest disability of the Indian industry as compared with Japan is in respect of labour. The labour cost per pound of yarn of average count 16s in a Bombay mill exceeds the cost in a Japanese mill by over 60 per cent. and the labour cost per loom per day on plain grey cloth in a Bombay mill is over 3 times the cost in a Japanese mill. The labour cost of weaving in a Bombay mill is estimated at 15 per cent. below that in an American mill; and the labour cost per pound of yarn in Bombay is less than half the cost in a Lancashire mill. The number of hours worked per week (single shift) in India is 25 per cent. higher than in Lancashire. The complement of labour in each department is larger in India. The efficiency of loom and spindle in India is lower. But the rates of wages in India are so much lower that in the aggregate the labour cost in India per unit of the staple line of goods is generally not higher than in Lancashire. Attempts to increase the output of the labour in Bombay mills have largely failed owing to the opposition of organised labour; but there is scope for securing economy in this direction. The efficiency of Indian labour may be improved by the establishment of closer personal contact between the management and labour as well as by the adoption of the recommendations of the Royal Commission on Labour in India.

Managing Agency System.- The managing agent still plays an important part in financing the industry, both by direct loans and by guaranteeing advances made by banks and upon the reputation and influence of the managing agent depends to a great extent the facility with which a company can obtain share capital or attract deposits. It is not at present possible to transfer these financial responsibilities to any other agency. Abuses of the managing agency system can best be checked by the influence of the better managing agents themselves and of the Millowners' Associations, and by increased co-operation between managing agents and organisations representative of the interests of investors. Legislation is desirable in order to define the extent and nature of the control and supervision to be exercised by the directors and shareholders of

the company over the managing agents. A committee should be appointed to report on the manner in which the Company Law should be amended.

Developments in Cotton Industry.- The cotton textile industry in India has been affected by two developments since 1926-27. One is the rapid progress made by Japan in technical efficiency. The other is the general economic depression since 1929, which has reduced the purchasing power of the consumer and necessitated a substantial cut in prices. The introduction of protective duties on piecegoods in 1930 prevented a greater fall in their prices than is explained by the fall in the prices of raw cotton. The reduction of purchasing power diverted the demand from high priced to low priced goods, and so favoured the Indian industry, which was also assisted by the swadeshi movement. But the withdrawal of protection before the depression is past will cause a serious setback to the industry.

Protection Suggested.- The Board has suggested a basic specific duty coupled with an alternative ad valorem duty. The period of protection suggested is ten years.

Hand-loom Industry.- It is remarked that the Board's investigation of the handloom industry has been hampered by the absence of authoritative statistics. The number of handlooms appears to be not less than 2,500,000 and the number of persons wholly or partly dependent on the industry must be in the neighbourhood of ten millions. Many of the looms must be idle for the greater part of the year. The best estimate the Board can make of the average annual production of handspun yarn is about 24 million lbs. This represents about 6.6 per cent. of the total quantity of yarn used on handlooms, mill spun yarn amounting to 85.2 per cent. and imported yarn 8.2 per cent. The chief competition between mill yarn and imported yarn is in counts 30s to 60s. Since most handloom weavers are entirely financed by middlemen who supply yarn and market the cloth, the only item of cost which matters to the weaver is the rate at which he is paid for his labour. The wages which a hand-spinner can earn amount to rather less than two annas a day. At the present depressed rates a weaver can earn from 7½ annas to Rs. 1-4-0 a day according to the kind of cloth upon which he is working. In Bombay the increase of the duty on yarn led to a reduction in wages only in places where the industry is not organised and where the handloom industry is producing cloth in competition with the mills. In Madras a dhoti which costs 6 annas 1 pie a yard to weave on a handloom is sold for 7 annas a yard in competition with a similar article woven in a mill which sells at 5 annas a yard. The evidence, though far from precise, points to the fact that there is little competition between mills and handlooms in the finer qualities that there is some competition in the coarse varieties: but that in the medium ranges, woven from counts 20s to 40s, the competition of the mills is severely felt. The protective duties on cotton piecegoods have been a benefit to the handloom industry. The protective duty on cotton yarn by enabling the mills to raise the prices of the yarns which they spin has injured the handloom industry. The Board has recommended reduction of specific duty on yarn.

have been the fall of world prices and the depreciation of Chinese exchanges from 1926 onwards, the American crisis of 1929 and the consequent disorganization of the world's financial and economic arrangements, the general decline of purchasing power, and finally the sharp fall in Japanese exchange since the abandonment of the gold standard in December, 1931, and the bounty granted to exports of Chinese silk.

Recommendations re. Protection. - The Board has recommended protection for five years while the industry is reorganized and a further inquiry at the end of that period to ascertain what use the industry has made of its opportunity and whether it needs further protection. A specific duty of Rs.2-6-0 a pound of raw silk and the raising of the alternative rate of ad valorem duty from 25 to 50 per cent for filature silk, to 83 per cent for silk goods and 60 per cent for silk mixtures. The Board suggests that emergency action be taken on their report under the provisions of the Safeguarding of Industries Act, 1933.

Other Recommendations. - Other recommendations of the Board are that research should be carried out by provincial and State governments and their results co-ordinated by a sericultural committee of the Council of Agricultural Research, which should arrange for such financial assistance as may be required and suggest legislative action when necessary. This committee should explore the possibility of improving facilities for sericultural education. Improvements in marketing should be undertaken, and the establishment of conditioning houses should be taken up. Generous financial assistance should be provided. The collection of statistics should be improved. The Government should watch the course of prices and be ready to apply the provisions of the Safeguarding of Industries Act, if need arises. Steps should be taken to include raw silk in the list of Imperial preferences.

### Bombay Textile Crisis: Bakhale Advocates

#### Nationalisation of the Industry. ✓

~~It will be remembered that~~ The textile industry of India, and of Bombay in particular, has been going through a period of great strain during the last three years as a result of which severe retrenchments have been made in the number of workers employed in the industry and heavy cuts in wages instituted for those already in employment. Sir Ghulam Hussain Hidayatullah, Finance Member with the Bombay Government, in the course of his budget

speech in the Bombay Legislative Council on 19-2-34, stressed the importance of the textile industry for the general prosperity of the Presidency and stated that the present grave difficulties which the industry was experiencing were causing great concern to the Government.

Mr. R.R.Bakhale, representing labour in the Council, welcomed in the course of the discussion over the budget, the recognition by the Finance Member of the great importance of the industry but said that he was sorry to notice that Government had not intervened, while Bombay millowners had been effecting drastic cuts in the wages of the operatives. It was regrettable that a cut should be resorted to, despite the abolition since 1925 of the excise duty on cotton and the grant of protection to the industry by the Government of India. In view of the attitude of the millowners, Mr. Bakhale considered that it was time the Government of India reconsidered their views on the question of protection. He ~~said~~ said that he offered the suggestion not so much in the interests of workers as in the interests of the general taxpayer. Mr. Bakhale said that the only way out of these difficulties was to nationalise the whole industry.

(The Times of India, 23-2-34).

Relief to Bengal & Bihar Coal Industry:

Freight Rates on C.P.Coal to be Raised. ✓

References were made in the earlier reports of this Office (vive pages 46a to 46c of October 1933 report, page 56 of November

1933 report, and pages 59-62 of January 1934 report) to the crisis in the Bengal and Bihar Coal industry and to the various measures suggested by mine owners to the Government of India for relieving the situation. It will be remembered that one of the complaints of the Indian Colliery Owners' Association was the disparity in the basic rate of railway freight between Central Provinces and Bengal coal to the disadvantage of the latter. On 24-2-34, Sir Joseph Bore, Member in charge of Commerce and Railways, announced in the Legislative Assembly that the basic rate of railway freight on C.P. coal would be raised from 1-4-34. According to the special correspondent of the Statesman, it is the intention of the Railway Board to raise the basic rates on Central Provinces coal above the existing rates, but still to leave them lower than the rates on Bengal coal; speaking generally the new rates will be about half way between the existing rates for Central Provinces coal and the rates for Bengal coal.

(Statesman, 25-2-34).



Employment & Unemployment.Relief for Middle Class Unemployed; U. P. Colonisation Scheme. ✓

Reference was made at page 49 of our January 1933 report and at <sup>page</sup> 48-49 of our February 1933 report to the appointment in January 1933 by the Government of the United Provinces of a Committee to investigate the feasibility of a proposal to give relief to educated middle-class unemployed in the province by settling a few of them on land. The Committee has now concluded its enquiry.

The committee was on the whole convinced of the feasibility of the colonisation scheme, but postponed for consideration at a later date a scheme which it had in view for the starting of a big colonisation project on a few large tracts of land. Meanwhile, it <sup>has been</sup> ~~was~~ decided to utilise half of the Government agricultural farm at Faizabad for the purpose of launching the scheme on an experimental basis, the object of which will be to ascertain if the educated young men ~~would~~ be willing to settle down as farmers and whether that vocation ~~would~~ be a paying proposition to them.

The experiment is to last for three years. In the first instance it is to provide intensive practical training on business lines in agriculture, fruit and vegetable gardening, poultry farming and cattle breeding. The proposal provides for training for ten years of young men by allotting to them ten acres of land each for a period of three years under a clear understanding that they will have to move out after that period to make room for others by finding land for permanent settlement elsewhere themselves. The farm is to be treated purely as an instructional colony. Government is to provide the settlers ~~with planned farming~~ with necessary

expert advice and supervision, facilities for tagavi loans on an easy instalment system for seeds, implements, bullocks and wells etc, and also residential accommodation. Five settlers are to work on individualistic lines, while others are to work on the system of collective co-operation.

(The Times of India, 12-2-34).

Free Training in Manufacture of Cutlery Goods:  
Bengal Government's Scheme to Relieve Unemployment.

Reference was made at pages 43-44 of our May 1933 report to the starting of free training classes by the Department of Industries of the Bengal Government in order to relieve middle-class unemployment. It is now understood that the Department of Industries, Bengal, in the Engineering Section, is making arrangements for enlisting a new batch of students for giving them free training in the manufacture of cutlery goods, such as razors, knives, spoons, daos, etc., as well as surgical and medical instruments of every description. A thorough practical training in the heat treatment of steel and other metals ordinarily used in the manufacture of cutlery goods and training in the manufacture of surgical and medical instruments have newly been added to the original course.

A Press Communique issued by the Director of Industries announcing the new programme states that the training class will be held at the Industrial Research Institute Laboratory, Calcutta, and that the full course of training will cover a period of 8 to 9 months. The manufacture of surgical instruments opens out a field

58

of industry almost new in the country and removes a long-felt want. With the amount of help and encouragement the Department usually renders to its trained students in starting factories of their own as well as for the successful working of the same, the industry promises to be full of immense possibilities. Only unemployed youths of Bengal, who are genuinely keen on following the industry as a means of livelihood after the completion of their training and are ready to give an assurance to that effect, are eligible for admission.

(The Hindustan Times, 28-1-34).

Co-operation.

Progress of Cooperation in Delhi Province, 1932-33. ✓

The following information is taken from a review published in the Statesman of 20-1-34 of the Report on the Working of Co-operative Societies in Delhi Province during 1932-33.

During the year 1932-33 the total number of cooperative societies in Delhi increased from 279 to 283, 6 new societies having been registered and the registration of 2 cancelled. Of the societies registered, were non-agricultural credit societies and one consolidation of holdings society. The total membership of the societies was 9,927 as compared with 8,812 during the previous year. There were in 1932-33, 224 agricultural societies, including one cattle breeding and seven consolidation of holding societies, against 223 in the previous year. Agricultural societies had 5,236 members in 1932-33 against 5,249 in the previous year. Agricultural conditions continued as depressing as ever, and efforts were made to meet the situation by cutting down expenditure to the minimum. Moneylenders were more cautious in making advances. In such depressing conditions expansion of the movement in rural areas was not desirable or possible and efforts were directed towards consolidation. The thrift and credit societies on the whole withstood the difficulties and the progress made was encouraging.

The number of agricultural credit societies in 1932-33 was 216, as in the previous year, but the number of members fell to 4,636 against 4,757 in the previous year. Of the total number of villages in the province, 54 per cent have credit societies and one-fifth of the rural population has joined the movement. Members showed a tendency to withdraw as soon as a loan is paid off in order to avoid the consequences of unlimited liability later on. Well-to-do people are still keeping aloof from the movement.

Recoveries of principal and interest during 1932-33 were Rs. 31,627 and Rs. 56,696 against Rs. 30,999 and Rs. 60,880, respectively, during the previous year. The total amount of loans to members was Rs. 713,449 against Rs. 721,152 in the previous year. The amount overdue on account of principal and interest was Rs. 3,482 and Rs. 247,164, respectively, against Rs. 4,815 and Rs. 211,875 during the previous year. The arrears of interest work out at about 38 months' interest as against 28 months' interest last year, and 24 months' interest the year before. Efforts are being made to decrease indebtedness. Owned capital of these societies rose from Rs. 312,400 in 1932 to Rs. 334,160 in 1933 and is 37 per cent of the working capital. Deposits have increased

from Rs. 31,148 to Rs. 34,696 or about 4 per cent of the whole working capital of the societies. Loans given to members amounted to Rs. 23,924 against Rs. 11,760 during the year 1952.

The Registrar remarks that, with a few notable exceptions, women as a class are still out of the co-operative fold. In the urban areas there is reported to be a move in this direction. Little has been achieved in connecting children with the movement.

(The Statesman, 20-1-34).

Co-operation in Mysore, 1932-33. ✓

The number of societies working in the State by the close of the year ending 30-6-33 was 2,180 with a total membership of 144,481, a total working capital of Rs. 22.509 millions, of which the paid-up share capital amounted to Rs. 5.04 millions, and a total turnover to Rs. 72.8 millions. The societies attracted deposits amounting to Rs. 12.3 millions, issued loans to the extent of Rs. 10.45 millions, earned a profit of Rs. 464,000 and built up a reserve fund aggregating to Rs. 2.640 millions. There were 14 central societies as in the previous year.

The number of agricultural societies which form the bulk of the co-operative societies working in the State was 1,723 with a membership of 71,134. Of these societies, 1,605 were agricultural credit societies. The number of non-agricultural societies was 443 with a membership of 70,320 and a total working capital of Rs. 9.932 millions, of which the paid-up capital was Rs. 3.121 millions. They held deposits to the extent of Rs. 4.07 millions and built up a reserve fund of Rs. 1.29 millions. There were 89

stores societies, with a membership of 15,734 and a total working capital of Rs. 1.669 millions. They purchased provisions and clothing to the value of Rs. 1.214 million and effected sales to the extent of Rs. 1.2 million. There were other types of non-credit societies working in different parts of the State, namely, 53 house-building societies, ~~working in different parts of~~ 20 sericultural societies, 69 weavers' societies and 15 land mortgage societies. There were also societies for areca growers, gidigars, cartmakers and artisans. The number of societies formed for the benefit of the depressed classes was 250 with a membership of 6,060 and a paid-up share capital of nearly Rs. 50,000. An equal sum has been advanced by the Government to the depressed classes' ~~and~~ societies towards their working capital.

With a few exceptions almost all the agricultural credit and non-agricultural societies are reported to have worked satisfactorily during the year and made steady progress. The Government of Mysore observe that the working of the Department was satisfactory on the whole, though there was need for a more thorough and systematic inspection of the societies by the Superior staff of the Department.

(The Hindu 12-2-1934.)

Women & Children.

Women Cabaret Performers in Liquor Shops:

Burma Bill to Permit Employment. ✓

A Bill has been introduced in the Burma Legislative Council to further amend sub-section (2) of section 22 of the Burma Excise Act, 1917. The sub-section debars the holder of a licence for sale of foreign alcohol and liquor from employing women for any purpose whatever in any part of the premises where such liquor is consumed. By oversight, the employment of women for purposes other than the sale or serving of liquor has been permitted up to a recent date. When the legal position was realised and the law began to be enforced, it became clear that there was a large body of opinion in favour of permitting the employment of women as cabaret performers. Therefore, the present Bill, while continuing the prohibition against the employment of women for purposes of selling or serving alcoholic liquor, will enable them to be employed under such conditions as may be prescribed by the Collector with the previous approval of the Excise Commissioner.

(The Times of India, 12-2-34).

67

Agriculture.

Rural Indebtedness Relief in N.W. Frontier Province;

Scheme of Director of Agriculture. ✓

A scheme for the relief of agricultural indebtedness in the North-West Frontier Province has been drawn up by Lt. Col. Noel, Director of Agriculture. He proposes that the Government should found an agricultural bank with branches in every tehsil, introduce legislation to allow of the debts being compounded on a reasonable basis; pay the moneylenders the value of the compounded debts in bank shares, and introduce further legislation, firstly, for the recovery of the loan as arrears of land revenue and, secondly, denying the money lenders recourse to courts for further recoveries from agriculturists on any subsequently contracted loan.

Lt. Col. Noel contends that the annual payment of a very large sum as interest is out of all proportion to the services rendered by the moneylenders. Rs. 100 million is estimated as the secured or unsecured rural debt in the North-West Frontier Province on which the annual interest actually paid is Rs. 12 millions, <sup>which is</sup> or six times the land revenue. The gross income from land might be put at Rs. 60 millions. The moneylenders, if they choose to hold the bank's shares would receive  $3\frac{1}{2}$  per cent and recover their capital in 32 years. Alternatively, they could realise their shares in the open market.

It will be necessary to approach the Central Government for a loan of Rs. 10 millions to provide the working capital and meet the expenses of the establishment of the bank. Lt.-Col. Noel contends that land revenue is a first class security and if the peasant is freed from debt he could and would pay three times the present land



revenue. With the recoveries treated as arrears of land revenue, the security would be first class and would justify the province borrowing from the Central Government at the same rate of interest as loans of a productive nature.

These proposals are contained in a circular issued by the Agricultural Department, North-West Frontier Province, to officers of the various Departments concerned for opinion. If the local Government approve the proposals, steps are to be taken to embody them in a legislative enactment.

(Commerce & Industry, Delhi, 13-2-1934).

Reorganisation of Rural Economy in Bengal;

Rural Development Commissioner Appointed.

The question of rural indebtedness which has become acute due to the economic depression has been engaging the special attention of the Central and Provincial governments for some time past and measures have already been devised or are in the process of being adopted, in almost all the provinces to accord relief to the rural masses from the burden of indebtedness.

According to a press note issued recently by the Government of Bengal, the Bengal Government have decided to appoint a Rural Development Commissioner with the object of placing a single officer in direct relation with the problem of the reorganisation of the rural economy of the province. This problem presents many features which are normally the concern of different departments of the Government. It is not intended that the distribution of work amongst these departments should be disturbed. The Rural Development Commissioner in handling a particular problem will work in close collaboration with the department concerned and will, where necessary, assist in the co-ordination of the activities of the different departments without derogation from the responsibilities of the heads of Department and Ministers concerned.

The problems that the officer will be required to handle are many. One of the most important problems that will engage his attention is that of rural indebtedness in the province and he will have to consider the various suggestions for its solution with a view to the evolution of a plan designed to lighten the burden of rural indebtedness and to build up a sound system of agricultural finance. These suggestions include among others:- (a) schemes of debt conciliation on a voluntary basis, (b) the compulsory adjustment of existing accumulated debts, (c) a rural insolvency procedure in a simpler form, (d) measures designed to protect the agriculturist against the evils of extravagance in new borrowing, (e) the establishment of land mortgage banks (an experiment has already been decided upon), and (f) the creation of approved credit institutions designed to provide the major part of the credit required by the agriculturist. This will naturally require also a consideration by officer of the present state of the Co-operative Movement in the country.

Another important problem that will come in for examination is the question of flood irrigation in the decadent areas of the province and, linked with it, the problem of ensuring the continued productivity of the existing and future irrigation schemes.

The Rural Development Commissioner will, for administrative purposes, be subject to the supervision, direction and control of the Chairman of the Economic Committee of the Government of Bengal and will be charged with the preparation of materials to be laid before the Board of Economic Enquiry (vide pages 52-54 of our December 1933 report for details re. the Board).

(The Amrita Bazar Patrika, 23-2-1934).

Agricultural Indebtedness:

Bombay Non-Official Committees' Suggestions. ✓

The Rural Economic Committee appointed by the Democratic Swarajya Party, Bombay, with Mr. Jamnadas Mehta as Chairman, (Mr. Mehta is the Indian Workers' delegate at the ensuing 18th session of the I.L.Conference), to draft proposals to solve agricultural indebtedness (vide pages 54-55 of our December 1933 report details) have <sup>made</sup> recommended the following suggestions:-

- (1) ~~That~~ <sup>which is proposed</sup> under the Act, one or more judicial committees should be appointed for investigating, fixing and declaring the amount due by each holder of land to sewans or other creditors.

(1) That an Act should be passed by the Provincial Legislature, embodying the provisions of the scheme.

(2) That under the Act, one or more judicial committees should be appointed for investigating, fixing and declaring the amount due by each holder of land to sowgars or other creditors.

(3) That after the amount is thus ascertained and declared the State should take it over as its own debt and issue to the creditor a bond for a corresponding amount, bearing four per cent interest and repayable within 60 years.

(4) That delivery of the bond to the creditor should extinguish the debt owed by the agriculturists to his creditor against his land.

(5) That the State should add one per cent to the rate of interest for redemption of the bond and also for service of debt. This five per cent should be recovered as land revenue.

(6) During the currency of the debt the land shall not be alienable.

(The Hindu, 12-34).

The above scheme of agricultural debt redemption prepared by the Democratic Swaraj Party was considered at a conference, convened by that party of the representatives of co-operative societies in Bombay, at the Servants of India Society, Bombay, on 12-2-34. Mr. Jamnadas Mehta explained it to the co-operators, whereupon suggestions were offered and recorded. After over two hours' deliberation, the conference adjourned, to conclude their labours on another day to be notified later.

In opening the proceedings, Mr. Jamnadas Mehta explained the points enumerated in the questionnaire, copies of which had been previously circulated to the co-operative institutions. After the debt amount was ascertained and declared, it would be for the State to take over as its own debt and issue to the creditor a bond for the corresponding amount bearing 4 per cent interest and repayable within sixty years. The delivery of the bond to the creditor, according to the scheme, should extinguish the debt owing by the agriculturist to his creditor against his land. The State would add one per cent to the rate of interest for the redemption of the bond and also for the service of the debt. Thus 5 per cent would be recovered from the agriculturist. During currency of the debt redemption loan, the land, in respect of which the bond would be issued, would not be alienable and the 5 per cent interest would be a first charge on the land and also on the crops, if the latter were considered desirable.

Mr. Mehta pointed out that the peasants in Bombay Presidency including Sind were indebted to the extent of about Rs. 810 millions

while those of India as a whole were indebted to between Rs.7000 and 1,2000 millions. Owing to continued agitation for the relief of the agriculturist, on the part of the late Mr. Gokhale, the Deccan Agriculturists Relief Act came to be passed. While it brought about some redress, it was used to a certain extent by the peasants to evade the demands of the creditors. Consequently, it was now felt that the act needed a drastic revision.

The Co-operative Societies' Act was passed in 1904, and at present there were over 8,000 co-operative societies in this Presidency. In addition to these ordinary societies, in recent years, land mortgage banks had been started and Madras Presidency could justly be proud of having taken a lead in that matter. Despite all the efforts, the problem of agricultural indebtedness had not been solved. In conclusion, Mr. Mehta said that the committee which considered the scheme included men like Prof.V.G. Kale, Vice-President of the Bombay Provincial Co-operative Institute. He said that the greatest need of the agriculturist was long term credit and the committee thought that a period of 60 years would be quite sufficient.

Mr. V.P.Varde suggested whether a scheme for the repudiation of debts under the depressing conditions prevailing at present could ~~be~~ not be considered as an alternative scheme. That suggestion was considered too drastic. Another suggestion was that when a sum equal to the principal was paid, either by way of repayment of part of the principal or interest of both, whether the remainder of the amount should not be discontinued. This suggestion also did not find favour.

(The Times of India, 13-2-34)

Migration.Resumption of Labour Recruitment for Malaya;Decision of Government of India.

Reference was made at pages 88-90 of our November 1933 report to the Malayan Government's request that the scheme of assisted non-recruited emigration be revived by the Government of India, considering the fact that the price of rubber had gone up in the Malayan Peninsula and there was an inclination on the part of South Indian labourers to proceed to Malaya if opportunities were given to them. The Standing Committee on Emigration of the Legislative Assembly which considered the question in November last referred the question to the Madras Government in view of the fact that the majority of workers going for work in the rubber plantations in Malaya belong to that Presidency. On 4-2-34 the Standing Committee met to consider the views expressed by the Government of Madras <sup>and</sup> to decide what reply they should give to the application.

In

Views of the Madras Government. - ~~The~~ expressing their views on the question of resumption of recruitment for Malaya, the Madras Government stated that wages in Malaya are somewhat better than in Madras, but the distance from the mother country, the cost of passage, the maintenance of a higher standard of living there, the risk of unemployment in a foreign country owing to fluctuating trade conditions — these and similar considerations should be set off against the somewhat higher rates obtaining in that country. The Madras Government suggested the following safeguards in the event of resumption of recruitment being sanctioned: firstly, every applicant for assistance to emigrate should produce a certificate from the local magistrate or get his application endorsed by his village munsif or headman, if the application is made at the port of embarkation; secondly, the Agent to the Government of India in Malaya should supply direct to protectors at ports once every fortnight or once a month up-to-date information as to the actual conditions in Malaya in respect of money rates and real wages and of the likelihood of continued employment.

Views of Agent of Government of India in Malaya. - According to the views expressed by the Agent of the Government of India in Malaya, the position as regards the demand for labour would be

cleared if and when the scheme for restriction of rubber production is introduced. He has suggested that the standard of wages should be fixed for morning work only and a separate rate per hour should be fixed for afternoon work. He is of opinion that a definite provision should be made to prevent over-supply of labour.

Emigration Standing Committee's Decision: Repatriation Rights.-  
The Committee accepted the recommendations of the Madras Government and expressed the opinion that if the situation was such as would warrant a scheme of assisted emigration, the Committee would have no objection to it, provided in the first instance, there is a clear understanding that in the event of any labourer finding the conditions in Malaya not conducive to his stay there, there should be a provision for his repatriation within six months of his arrival in Malaya to India at the expense of the Malayan Government irrespective of the period agreed to.

Emigration to be Voluntary.- The Committee were also of the opinion that considering the enormous unemployment in the country, and especially in the Madras Presidency, as pointed out by the Madras Government, nothing would be lost by permitting Indian labourers to go to Malaya where the incidence of wage worked up to a much better figure than in a typical district of the Madras presidency. The Madras Government's suggestion that each emigrating labourer should be duly certified by the official in the village from which he went abroad or by the District Magistrate that he was proceeding at his own instance and was fully aware of the rate of wages in Malaya and other implications, was also considered to be a satisfactory one by the Committee.

Restriction on Numbers. - The Committee also expressed the opinion that emigration should be restricted to a certain number of persons per year, say, about 3000, a figure, which the Madras Government would seem to have arrived at from the average of labourers proceeding abroad when the scheme of assisted emigration had not been stopped. It was felt, however, that decision regarding restricting the number of labourers etc., should be left to the Government of India who were of the opinion that the policy and direction of emigration be left in their hands.

It is understood that the Government of India would place all these details before the Malayan Government for its consideration and, subject to the scheme indicated above, would have no objection to the scheme of assisted non-recruited labourer to Malaya.

(The Hindu, 6-2-34)

Colonisation Inquiry Committee's Report:Opposition of S.African Indians.

Reference was made at pages 70-71 of our June 1933 report to the appointment by the South African Government of a Colonisation Inquiry Committee to ascertain the possibilities of settling Indians in South Africa outside the territorial limits of the Union. The Times of India of 12-2-34 publishes a message from its Durban correspondent to the effect that the Colonisation Inquiry Committee has signed its report, but that it will not be released for publication till it has been officially forwarded to the Government of India. It is understood that the Committee is unanimously of opinion that opportunities for the colonisation of Indians in the Union exist outside its territorial limits, and that a joint investigation by an Indo-South African Commission should be undertaken.

It will be remembered that Indian opinion both at home and in South Africa has been opposed to the move to get Indians in South Africa settled elsewhere. Though a section of Indian opinion, namely, that represented by the South African Indian Congress, sent a deputation to give evidence before the Colonisation Inquiry Committee, it is as much opposed to the scheme as the rival group represented by the newly formed Colonial-born and Settlers' Indian Association. The only difference between the moderates and the extremists is that while the former have been working in close co-operation with Kunwar Sir Maharaj Singh, the Agent-General of the Government of India, and are prepared further to argue the case against colonisation, the extremists, led by Mahatma Gandhi's son, have adopted an attitude of non-co-operation.

Commenting on the report of the Colonisation Inquiry Committee, the Hindu of 7-2-34 observes:-

The suggestion that a Commission should sit in order to find outlets in the colonies for Indians now settled in South Africa and Indians in India implies that the Committee has been able to discover some place suitable for the purpose of colonisation. We hope that the Government of India would scrutinise the report carefully before it agrees to be represented on that Commission, especially after the unequivocal statement made by the Indian Agent before the Colonisation Committee that there were no colonies suitable for colonisation and that India at the present moment was not prepared to do anything in the matter.

According to the Cape Town Correspondent of the Hindu, the Committee has recommended that Borneo should be made an Indian colony controlled by India, and inhabited by Indians. New Guinea should also be acquired for the same purpose. The third country recommended is British Guiana, though this has lukewarm support. The Committee altogether considered some thirteen countries including Tanganyika, but finally these were reduced to those mentioned above.

Borneo. - Of the three countries suggested by the Colonisation Committee for emigrating Indians, the northern part of the Island of Borneo is now a British protectorate under the jurisdiction of the British North Borneo Co., and administered by a governor (appointed with the approval of the Secretary of State) and a Court of Directors in London appointed under a Royal charter of 1881. The state has an area of about 31,106 sq.miles with a population of 257,804 persons of whom 533 are Europeans. The chief products of this state are timber, sago, rice, coconuts, gums, coffee, fruits, nutmegs, cinnamon, pepper, gambier, gutta-parcha rubber, camphor, rattams, tapioca, sweet potatoes and tobacco.

New Guinea. - Politically New Guinea is divided into Dutch New Guinea (area= 151,789 sq.miles), British New Guinea (area= 90,540 sq.miles) and Mandated territory of New Guinea (area= 93,000 sq.miles). For purposes of Indian settlement, the Committee have suggested opening up of the latter two sections only. British New Guinea is comprised of Papua, the South-Eastern part of the island of New Guinea and certain small islands. The area



of this territory is 87,786 sq. miles on the mainland of New Guinea and 2,754sq. miles in the islands. It has a population of 1,128 Europeans and 275,000 Papuans and is under the Federal Government of Australia. The territory is governed by an executive council of 8 officials and 1 non-official and a legislative council consisting of the executive councillors and 5 other members 4 of whom ~~being~~ <sup>are</sup> nominated by the Lt.-Governor and appointed by the Australian Governor-General. The 5th is nominated by the Lt. - Governor of Papua and represents the interests of Christian missions in the territory. 195,951 acres have been leased mostly by planters who cultivate coconuts, rubber and sisal hemp. Freehold alienation is prohibited but leases may be obtained at low rentals for long terms. Indigenous sago is plentiful in the western portions of the territory. A regulation strictly enforced requires that each native shall plant coconuts or other economic trees in his land. There is a tax not exceeding 10sh. for indentured native labourers and exceeding 20sh. on other natives.

The mandated territory of New Guinea is also under the Australian government and the laws of the Commonwealth, subject to local modifications, prevail in this territory. It has an area of 93,000 sq.miles and has a native population of 400,135 and a non-indigenous population of 4,155. The chief products of this territory are coconuts, coffee, cocoa, kopak, yam, tropical fruits, sago and bananas.

(The Hindu, 16-2-1934).