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

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CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.

INDIA - NOVEMBER 1953.

25. Wage-Earners' Organisations.

Strength of Main Trade Union Organisations.

On 17 November 1953, Mr. Abid Ali, Deputy Minister of Labour, replying to a question in Parliament stated that according to an enquiry conducted in early 1953 by the Labour Ministry, partially verified membership of each of the four main Trade Union Organisations was as follows:- 1) Indian National Trade Union Congress - 715,684. 2) Hind Mazdoor Sabha - 291,957. 3) All India Trade Union Congress - 120,390. 4) United Trade Union Congress - 37,991.

(Amritabazar Patrika, 18 November 1953).

Meeting of INTUC Working Committee: Suggestions for Solving Unemployment Problem.

A meeting of the Working Committee of the Indian National Trade Union Congress was held at Hyderabad on 25 and 26 October 1953. In the absence of the President, Mr. Michael John, Mr. P.K. Sawant presided.

Measures to combat unemployment.- The Committee adopted a resolution which recorded its "appreciation" of the action taken by the Government of India in issuing Ordinances to avert closure of industrial concerns and secure continuity of production and employment. While generally approving the measures adopted by the Government to meet the present situation, the Committee suggested the setting up of a statutory machinery to find out the real cause of depression if any; to prevent curtailment of production and maintain employment; to prevent interference with price trends and to encourage export trade consistent with the interests of consumers and to suggest steps to prevent closure and improve the quality of production.

The resolution added that it was the considered opinion of the Committee that in an uncontrolled capitalistic system of production cycles of depression were bound to recur occasionally. The only measure that employers generally adopted when demand was scarce was to curtail production to create artificial scarcity of goods and then again raise prices. Under the Five-Year Plan the private sector of industry had been

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retained with the distinct understanding that the industrialists concerned ~~would~~ would primarily produce goods required by the people and that profit motive would have only a secondary place. The Committee, therefore, desired that a permanent remedy should be found to prevent cycles of depression, leading to closures, less production, scarcity of goods and then again higher price. Production required for the country ~~and~~ had been properly assessed and where there was surplus export was permitted.

To encourage export trade the Working Committee suggested that the Government should appoint a Committee with the following functions: (1) the committee should investigate the hardships of industry as a whole if any and should suggest to the Government measures to remove these hardships; (2) the committee should investigate the case of each individual undertaking and should suggest measures to prevent its closure; (3) the committee should suggest steps with a view to improve the quality of production; (4) if the committee finds that a unit is too weak, the committee should have powers to transfer its management to others who can keep the unit running; and (5) no unit in the industry should be permitted to close down unless its case is examined by the Committee.

"It was the considered view of the Committee that no industry included under the plan should be permitted to curtail or stop production without the previous sanction of this authority. The authority might suggest ways and means to help the industry in its crisis period without adversely affecting the interests of workers and the community. The Committee deplored the attitude of those industrialists who on the least inconvenience to them such as larger stocks, lower prices, less or no profit, attempt to curtail production and thereby disturb the national economy by causing scarcity of goods and unemployment. Industries engaged in production of commodities essential for needs of the country must continue production. Workers employed in such industries must be assured security of employment in such industries and should be paid adequate retaining allowances by the industry to tide over the periods of involuntary unemployment.

The Committee by another resolution expressed the view that while constructive criticism of the Government's policies was an inherent right of the trade union movement, it was necessary that for proper development of the industries, the trade union movement should co-operate with the Government in the implementation of their policies for the economic development of the country. The resolution also laid down the policy of the INTUC towards the Congress organisation. It stated that no INTUC branch or worker should become involved in the policies of the Congress Party and they should devote themselves solely to trade union activities.

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Bombay Dockers' Union to increase activities.

At a meeting of the Bombay Dockers' Union, which has a membership of about 35,000, held recently in Bombay, it was decided to expand the activities of the union. As from 1 December 1953, the Union will start educational classes in English, Urdu and Marathi, and publish a fortnightly Urdu magazine in addition to its two other publications in Marathi and English.

By a resolution the meeting called upon the Government to include certain specified categories of workers in the Bombay Dock Workers Decasualisation Scheme. Another resolution directed the General Secretary to seek ~~an~~ affiliation with the International Transport Workers' Federation.

('Labour News Letter', dated 23 November 1953, Published by the Regional Information Office, of the International Transport Workers' Federation, Bombay).

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27. Salaried Employees' Organisations.

India - November 1953.

Classification of Journalists as Workmen:
Government considering Question.

Reference was made at page 3 of the report of this Office for September 1953 to a meeting of the Executive Committee of the Indian Federation of Working Journalists which among others, adopted a resolution demanding ~~wa~~ that working journalists be classified as "workers" for the purpose of the Industrial Disputes Act, 1947.

Replying to a question in Parliament on 17 November, Mr. Abid Ali, Deputy Minister of Labour, stated that the question of classifying working journalists as "workmen" was under serious consideration of the Government.

(The Hindustan Times, 18 November 1953).

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28. Employers' Organisations.

India - November 1953.

Factors obstructing Industrial Development:
Memorandum to Government by Federation of
Indian Chambers of Commerce and Industry .

In a memorandum to the Central Government, the Federation of Indian Chambers of Commerce and Industry has drawn the Government's attention to several factors - economic, administrative and psychological - which are obstructing industrial development*. After explaining the difficulties and impediments which industrialists are facing, the memorandum urges the Government to make a "realistic approach" to the problem of industrial expansion in the private sector.

The memorandum states that it is only by accelerating the pace of development that more employment opportunities can be created. For this purpose it is necessary to increase the pace of industrialisation because more employment in manufacturing industry would also help to create additional employment. Pressing for the acceptance of an "integrated policy" on the subject, the Federation does not favour the "piecemeal and at times belated" help which is at present given to the industry. Among the steps suggested to help private industrial enterprise are a ~~xxx~~ revision of taxation policies, simplifications of administrative procedure and a rational stand on labour matters.

Labour Policy and welfare legislation. - Regarding the Government's labour policy the memorandum says that there has been "a ~~xxx~~ spate of labour legislation much of which in practical application causes rigidity and dampens enthusiasm for expansion of economic activity". These measures should not be considered singly but examined in their cumulative effect. "Bit by bit they add up to a significant burden, a burden which industry is unable to bear without difficulty, and which deters new enterants from setting up factories". Wages and labour cost, it is pointed out, have been maintained at an artificially high level and as a result of that the demand for labour has been held to check. The Government's efforts to improve the lot of labour appear thus to have indirectly contributed to a worsening of the employment situation.

* Federation of Indian Chambers of Commerce and Industry. Memorandum. Impediments to Industrial Production (Roneoed). pp.27.

Discussing labour awards and their effect on capital formation, the Federation believes that most awards have the effect of increasing labour costs and some decisions on such questions as bonus and sharing of reserves have seriously interfered with the process of capital formation. Emphasizing the lack of uniformity in principles on which tribunals have based their awards prior to the setting up of the Labour Appellate Tribunal, the Federation points out that "some awards were based on production, some on gross profits, others on net profits, some on dividends and still others on social and psychological considerations". Apart from the confusion thus created, the effect of bonus awards has been to fritter away the profits of industry which are the main source of its strength. In the altered economic circumstances, the Federation feels, the entire question of bonus payments needs to be reviewed, particularly with a view to relating bonus with labour productivity.

Lay off and retrenchment.- Discussing restrictions in regard to lay off and retrenchment, it is stated that the policy of the Government and the attitude of labour have had the effect of cautioning the employer against adding to its labour force even when times are good. The whole purpose of these restrictions, which is to reduce unemployment, is defeated because the employer is reluctant to employ additional hands temporarily even when they are required.

Five-Year Plan.- The Five-Year Plan, the memorandum says, places great responsibility on the shoulders of private enterprise and holds it mainly responsible for the country's industrial development. But in spite of the important role assigned to it, the private sector is regarded by some as a "regrettable necessity to be tolerated rather than encouraged". Private enterprise cannot possibly contribute its best to the economic development "in an atmosphere in which its motives are in doubt or its mode of operation is unduly circumscribed by complex rules and regulations".

Industrial finance corporations.- Referring to the working of industrial finance corporations, the Federation, while it admits their usefulness, feels that their establishment is not the ideal method of financing new industrial ventures. "They are not a substitute for allowing the private sector to retain more resources in its own hands to finance new undertakings".

In this connection, the memorandum makes two suggestions. Firstly, the Government must declare an integrated policy of financial assistance to industry and, secondly, the investing class must be assured of a reasonable return and security of their investments. There should be no fear of such investments being confiscated or reduced in value through nationalisation and other measures.

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A pointed reference is made to the recent nationalisation of air companies and the Federation complains that the terms laid down in the Air Corporation Act were by no means fair to the investor. "Under the circumstances, it has become very difficult indeed for industry to tap private savings for industrial investments".

Describing transport as one of the major industrial bottlenecks, the memorandum records a "worsening of the transport position during the past few months". The two-fold transport problem according to the Federation, relates to an immediate need to ~~the~~ relieve congestion at some strategic points in the railway system and tightening up the utilisation of wagon capacity.

As part of a broader policy of creating an environment favourable for industrial development the memorandum urges the Government to consider a much larger network of railway track as one of the top-priority projects.

Indian Chambers of Commerce and Industry
~~HERE~~ urge Revision of Taxation Policy:
Need to encourage Private Investors*.

A radical change in the Government's taxation policy has been urged by the Federation of Indian Chambers of Commerce and Industry. In a 173-page reply to the Taxation Inquiry Commission's questionnaire, the Federation has reviewed the present taxation structure in relation to the plans for the country's economic development and recommended several modifications. The reply is marked by its emphasis on the role of the private sector in the development plans and a strong plea for the sector's unhampered functioning.

It is important, the Federation feels, that the economic and financial policy, of which taxation is an important constituent, is shaped in such a way as to enable the private sector to perform its functions efficiently and adequately.

* Brochure entitled: 'Federation's Reply to Taxation Enquiry Commission's Questionnaire', published by the Federation of Indian Chambers of Commerce and Industry, Ferozshah Road, New Delhi.

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Drawing attention to this aspect of the problem in his foreword to the reply, Mr. R.G. Saraiya, President, of the Federation, hopes that "our present tax system will soon be revised and modified in such a manner as to leave the private sector with sufficient resources to perform its tasks". Private enterprise needs initiative and ability to create its own resources and savings. "The present structure of direct taxation adversely affects both the ability to save as well as the willingness to invest".

Among the modifications which the Federation has recommended are, broadening the base of the tax system by bringing within the orbit of taxation commodity taxes such as salt tax and excise duties on liquor, lowering the rate of direct taxation on the higher income slabs and reducing the element of progression in direct taxation over certain range of income and special concessions in the form of lower taxes, higher depreciation allowances, etc., for new industrial investments.

The Federation has also favoured combining income-tax and super-tax into "a consolidated levy as super tax is only another name for an additional levy of income-tax on incomes above a certain level".

Opposition has been expressed to the levy of sales tax on "services". It is the considered view of the Committee of the Federation that "if services are made subject to tax the basis of tax will be income". It is also felt that transactions in the stock exchanges and in futures markets are not suited for the levy of a sales or purchase tax. Such taxation will stifle all forward markets as the essence of a forward market is that goods are sold many times over.

Tax on agricultural income.- In reply to a question regarding agricultural income-tax, the Federation does not believe that any major modification in the present system of taxing agricultural income will increase the revenue since a great majority of agriculturists will fall under the minimum exemption limit even if it is placed as low as 2,500 rupees or 3,000 rupees. Nor has the Federation favoured correlation of agricultural income-tax with non-agricultural income-tax. "The nature of these incomes is quite different and, therefore, correlation is not desirable".

Exemption limit.- With regard to the income-tax exemption limit, the Federation has suggested retention of the existing limit of 4,200 rupees for individuals subject to the grant of personal allowances. For Hindu undivided families, the exemption unit should be worked out on the basis of ~~members~~ co-partners in the family and "the benefit be given as if it were given to partners in a partnership firm".

Another element of the present taxation system which, according to the Federation, requires modification is the treatment of an individual's foreign income. At present, the foreign income is clubbed together with the Indian income and a resident assessee is taxed on his world income. Unilateral relief from the tax is given on foreign income by deducting from the ~~taxable Indian income~~ Indian income-tax payable the proportionate Indian tax on the foreign income or the foreign tax payable on that income in the foreign country, whichever is less. The Federation feels that foreign profits should be exempted altogether from taxation. This will give an entrepreneur incentive to improve his investments and trade abroad so that his earnings abroad are available not only as an invisible addition to India's exports but also for investment at home.

The Federation's reply to the questionnaire makes a pointed reference to the need to increase the rate at which investments take place in the country's economy. At the same time, care has to be taken that the level of consumption in the community, which in an underdeveloped country is very near subsistence level, is not unduly depressed. These two factors, the Federation feels, must form the background while formulating India's taxation policy.

Capital formation.— With a rapid rise in the standard of living as the main objective before the country, the taxation policy, and for that matter the general economic policy of the Government, must be directed towards assisting capital formation. Taxation must not be conceived as a means of obtaining revenue only "but as a means, through the adoption of a proper type of taxes and the proper combination of taxes, to nurse and develop the levels of savings, investment and consumption insofar as they are compatible". In this connection, the Federation has stressed three factors. The manner in which the Government spends the taxes has an important bearing on the assessee's willingness to pay taxes. It is imperative that the Government does not fritter away its resources on doctrinaire objectives or through inefficiency and incompetence.

The Government's economic policy must also positively encourage a feeling in the citizen that ~~his~~ his savings can safely be depended upon in the future, that the purchasing power of money will not depreciate and that his savings will not be confiscated or taken away by the authorities. Again, in a sound taxation policy, no section of the community should feel that it is being unfairly treated by being required to bear more than its due share of the tax burden while other sections enjoying more or less similar incomes have to pay lighter taxes.

The Federation has also dealt at some length with the question of taxation as a method of reducing inequalities of income and wealth and complains that the social intent behind this has often tended to obscure dispassionate thinking.

Development of private sector.- The Federation has emphasised that the basic problem in an underdeveloped economy is how speedily development can be effected so that the fruits of development may be shared. "If to start with policies are adopted to bring about reduction in inequalities of income only, then it becomes more a sharing of scarcity than of plenty". The very objective of increasing the standard of living, the Federation fears, will be defeated unless every attempt is made to augment the "distributable resources". On the subject of private enterprise versus nationalised enterprise, the Federation is "convinced that private enterprise is inseparable from democracy and the inroads of the Government in the economic field should be limited to only providing the assistance for the more effective functioning of private enterprise and no more".

The development needs of the private sector as envisaged in the Five Year Plan, it is asserted, are many and no less urgent than those of the public sector. The private sector must, therefore, be treated on a footing of equality with the public sector in assessing its requirements and providing resources.

Employment potential.- Attention has been drawn to the importance of the private sector as an agency for employment. Even when allowance is made for railway and other enterprise owned by the Government, according to the National Income Committee's report nearly 28 million people are engaged directly in the private sector, mining, manufacturing, banking, insurance, commerce, transport and communications. As against this, people engaged in Government service are 3.8 million in administration and a little over a million in other State enterprises including railways.

Of the non-agricultural employment the private sector thus accounts for 75 per cent to 80 per cent and as such in any policy which aims at the removal or mitigation of unemployment, high priority must be given to ways of increasing the employment potential of the private sector.

Examining the point whether or not the present system of taxation allows sufficient incentive and resources to the private sector, the Federation complains of the high rate of taxation and steep progression on the upper income brackets.

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In India, it says, as far as the higher income groups are concerned, the burden of taxation is as high as in other advanced industrial countries and in fact the progression has been more steep than in any other country on incomes between 50,000 rupees and 100,000 rupees. Also at levels above 150,000 rupees the rates are higher than in all other countries except the United Kingdom.

In the field of indirect taxation also the Federation feels, the tax policy has retarded further expansion. An outstanding example of such taxation is seen in the form of export duties. The levy of heavy export duty on jute manufactures has encouraged not only their manufacture in foreign countries but also the use of substitutes. Export duty on items such as tea, textiles, etc., has tended to reduce their competitive capacity in foreign markets.

To encourage growth of capital in the private sector, the Federation suggests that investments made in approved industrial undertakings be exempted from estate duty, that part of the income invested in approved industries be exempted from income-tax or subjected to a lower rate of tax and that export duties should ~~be~~ either be abolished or reduced.

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CHAPTER 3. ECONOMIC QUESTIONS.

INDIA - NOVEMBER 1953.

33. Full Employment Policy.

House of People Debates Unemployment Situation:
Expansion of Five Year Plan: Mr. Nanda's Analysis.

The House of the People continued on 21 November and 5 December 1953, the debate on a resolution of unemployment moved by Mr. A.K. Gopalan on the unemployment situation (vide pp.11-16 of the report of this Office for September 1953).

Finance Minister's views on the situation.- An optimistic view on the employment situation was expressed by Mr. C.D. Deshmukh, Finance Minister, Government of India, during the debate on 21 November 1953. He stated that in this, as in other economic matters, when sufficient time had elapsed it was necessary to reassess one's factual data. So far as the number of unemployed on the registers of employment exchanges was concerned, he did not think there had been any development for the worse. The figures were available only up to the end of September, and the number registered at the end of that month was 512,000 as compared to the previous figure of 466,000. The rate of monthly registrations rose to 120,000 in September. Vacancies notified declined from 26,000 in May to 17,000 in August ~~but~~ but rose again to 19,000 in September. The total placings, had also shown a downward trend. The position could be regarded as not very much worse, but considering the limited coverage of the employment exchange data, he did not think that the House could infer very much from these figures. The reports received by the Director-General of Resettlement and Employment in September were slightly more optimistic in regard to the employment outlook than the reports for the previous months.

As regards industries, Mr. Deshmukh said that in the textile industry, employment had increased from 819,000 in July 1953 to 821,000 in August 1953. In the jute industry the employment position had been fairly steady. In the cement industry there had been a distinct improvement, employment in that industry rising from about 22,200 in July to 25,900 in August. There had been a small increase in employment in the paper industry and the plywood tea chests industry. On the other hand, coal showed a drop of about 19,000, but that appeared to be on account of the migration of labour to the villages for cultivation. Machine tools, refractors and power alcohol had also registered a decrease in employment. Therefore, he concluded,

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these figures, as well as the figures of the employment exchanges, did not indicate any marked change in the employment situation as a whole.

Economic indicators.- Referring to certain general economic indicators, Mr. Deshmukh said that prices had taken a downward turn since September 1953. The cost of living indices in cities like Bombay and Delhi had not declined, but a downward trend was noticeable in several centres such as Ahmedabad, Calcutta, Madras and Cuttack, and indications were that in the coming months indices would register a fall all over. To the extent that a rising trend in prices was causing concern in the early part of the year, these trends were not unexpected and were, perhaps, welcome. But, of course, taken in conjunction with other trends, they did indicate a certain amount of insufficiency of purchasing power in the system.

Production of foodgrains in 1952-53 was about 5 million tons more than in the previous year, and the prospects for 1953-54 were equally good. There had also been a steady increase in industrial production on the whole. The general index of industrial production (base 1946 = 100) rose from 117.2 in 1951, to 128.9 in 1952. During the period January to August 1953, the average had been 133.6 as compared to 125.2 for the corresponding period in 1952. Cotton textiles, paper, matches, chemicals, bicycles, sewing machines, sheet glass and most of the engineering industries had recorded larger outputs during the first eight months of this year as compared to the corresponding eight months of the last year while jute manufactures, paints and varnishes, refractories, plywood, non-ferrous metals and diesel engines had shown a fall.

"So far", he observed, "on the surface there is little in the economic situation, according to me, to cause any serious concern. The question is whether the present situation is stable or whether there are in it signs of instability. The basic question, therefore, we have to ask ourselves is whether the aggregate demand in the economy is ~~what~~ increasing at a rate rapid enough to enable not only the absorption of the current production but also to induce an expansion in the same, so as to secure a rising level of income and employment. The central problem is: Is there sufficient investment in the economy to ensure a progressive increase in production and employment"?

"During the last two years, investment in the public sector has been stepped up considerably. Expenditure on development by the Centre and the State Governments is expected this year to be around 4,150 million rupees - 1,500 million rupees more than in 1951-52".

The data regarding investment in the public sector and its various constituents, the Finance Minister said, were not available. Judging, however, from the general signs of slackness in the economy and the increase in unemployment at a time when all should have been going well, it was clear that the rate of investment was still or had been insufficient. In which sector investment had fallen or was lagging behind it was at present difficult to say because of the inadequacy of data, but there could be little doubt as to the overall position.

Role of private sector.- "In this connection", he continued, "I would like to remove a misunderstanding which might have arisen on account of certain preliminary statements which were made in the progress report which was placed before the House on the Five-Year Plan in May last. It was stated in that report that the progress of industrial investment in the private sector had fallen considerably short of the target envisaged in the Five-Year Plan. In recent months the Planning Commission has looked into this matter and has found that the statement made in the progress report needs amplification.

"The Plan envisages over the five-year period an investment of 2,330 million rupees in industries in the private sector. The data available to the Planning Commission indicate that investment in the first two years was of the order of 520 million rupees. At this rate the total investment in the five-year period would amount to only 1,300 million rupees. Stated thus, the position appears unsatisfactory.

"On a closer examination, however, there appears to be no reason for taking a pessimistic view. The figure of 2,330 million rupees of total investment visualized in the five-year period includes 640 million rupees for petroleum refineries, 430 million rupees for iron and steel and 20 million rupees for aluminium. In other words, development in these three industries was expected to account for a total of 1,160 million rupees during the five-year period. For various reasons the investment in the first two years of the plan on development in these important industries was about 45 million rupees on iron and steel and 30 million rupees on petroleum refineries. If the case of these three industries is treated apart, then we find that in the first two years of the plan 440 million rupees were invested in the industrial sector towards the target at 1,170 million rupees for five years. Therefore, viewed thus, the progress in the first two years must be considered up to the target.

"For the petroleum refineries and for iron and steel expansion to go forward, the necessary preparations have now been made and heavy expenditure on them is expected for the remaining period of the Plan.

During the current year investment in the industrial sector is expected to rise to something like 530 million rupees and at that rate the target of 2,330 million rupees stated in the Plan would be almost attained. I mention these because statements have been made from time to time on the part of capitalists that the private sector is being starved in the ~~interests~~ interests of the public sector".

There were three indicators to be constantly watched, according to Mr. Deshmukh. One was the price level, the second was the state of employment and the third was the foreign exchange position.

The first indicated that investment in the economy could be stepped up without too much risk, because prices now were definitely showing a downward trend. If the prices were rising, then that would be regarded as some sort of a danger signal.

The second indicator, that is, the state of employment, showed again that investment must be stepped up, because "I do not think it can be doubted that there is a great deal of unemployment in the system at the moment".

The third indicator, namely, the foreign exchange position, was really a sort of "ruling indicator", and it reinforced the other two conclusions. If there was no sufficient investment expenditure and, therefore, there was no sufficient impact on total demand, including demand on resources to be imported from abroad, "then we would find that we are not spending enough from our foreign exchange resources".

As against a current account deficit of 1,340 million rupees in India's external account for the 12 months ending June 1952, said Mr. Deshmukh, there was a surplus of 635 million rupees for the period July to December 1952. The first half of 1953 showed a position of near-balance with a surplus of 140 million rupees in the first quarter and a deficit of 135 million rupees in the second quarter. Considering the level of food production in the country, there was ~~not~~ no reason to believe that there would be an adverse turn in the balance of payments in the near future. The sterling balances with the Reserve Bank, were now over 7,000 million rupees. Allowing for a normal currency reserve of about 4,000 million rupees and a further 1,000 million rupees for meeting certain liabilities on capital account as well as against any untoward developments, about 2,000 million rupees could be used in the remaining period of the plan for meeting the country's foreign exchange requirements.

There was in addition about 1,190 million rupees of external assistance available from this year's authorisation and the balance of last year's authorisation and, perhaps, it would not be unreasonable to expect that, further external assistance in reasonable amounts would also be forthcoming. "Therefore, the general aim of our economic policy should be to utilise these external resources to the full", said Mr. Deshmukh.

"A strong foreign exchange position is certainly good for the successful implementation of the Plan, but caution can be overdone and excessive accumulation of such reserves is undesirable if it goes hand in hand with inadequate investment and employment. Under such circumstances, it would be an important indication of the insufficiency of domestic expenditure whether in the private or in the public sector.

"Therefore the conclusion is inescapable that if the problem of unemployment was to be handled, the rate of investment must be brought up to such a level that it enables full utilisation of the foreign exchange resources available either out of past savings or by way of current external assistance. It would be quite ironical if a country which has a big development programme ends up with surpluses in its external account which really means that that country is making short-term loans abroad through the accumulation of its reserves. Considering all these three indicators, there is need as well as scope for increasing the rate of investment in the economy".

Replying certain points raised by a member, Mr. Deshmukh said the figures quoted by him showed there was not adequate expenditure here "such as to cause an impact on general demands of consumption, including demands on resources which we import from abroad. There should be sufficient expenditure here to ensure that we establish an import surplus in order to make use of our foreign exchange reserve. Then there might be a slight tendency for prices to rise, but so long as they do not get out of hand the situation may be said to be held. That is the problem before the Planning Commission and the fiscal and monetary authorities".

Mr. Deshmukh went on: "That is why the Planning Commission had decided recently to increase the size of the plan by some 1,750 million rupees. With this increase, the rate of development expenditure in the public sector will have to aggregate to 6,250 million rupees a year for the next two years as against a little under 3,000 million rupees a year for the first two years. We are more than doubling that rate of expenditure.

"As compared with the current year's expenditure, the development expenditure in the next two years will be more than 2,000 million rupees above the current year's rate. That is a fact which is important to bear in mind before one goes about seeking for further remedies to deal with the unemployment situation on a longterm basis. Expenditure of this order is bound to raise money incomes internally. It will increase necessarily the volume of employment and it will create additional demands by way of foreign exchange. That is the situation that we seek to create".

It was not easy to assess in quantitative terms the total employment effect of these increases in public investment, said Mr. Deshmukh. As regards the employment potential of some of the schemes already in hand, Mr. Deshmukh said that during the working season 1952-53, the Damodar Valley Corporation employed 31,000 to 38,000 people per month, the Hirakud Project 22,000 and the Bhakra-Nangal Project 70,900 per month. On community projects, said, Mr. Deshmukh, 4,500 persons were employed on the staff during the nine months ending June 1953 and an equal number were employed in the project area for the execution of the various works schemes. For 1953-54, the community development blocks and the national extension blocks ~~and the national extension blocks~~ were expected to employ about 11,000 workers on the staff and the estimated employment on the execution of works would probably be of the order of 10,000. The number of rural teachers who would be employed as a result of expansion in the educational schemes which had already been announced and had now been sanctioned was estimated at over 16,000 and further sanctions were under discussion.

"We recognise", said Mr. Deshmukh, "that we must do everything to encourage investment in the private sector. This has many aspects. One approach is through the setting up of an industrial development corporation. We have done a great deal of thinking on this and we hope to reach a decision shortly". Mr. Deshmukh assured the House that if industries are hampered for lack of long-term finance, the Government would be glad to extend assistance to them if they would put forward concrete schemes.

The question of unemployment, Mr. Deshmukh said, had a longterm and short-term aspect. He had already dealt with the long-term aspect. In regard to the short-term aspect, "I agree that wherever there is distress some kind of relief should be provided. My difference with the mover of the resolution lies in this, that whereas he thinks that doles would be a useful form of abating this distress, I think that, if possible, some kind of work, either fully productive or partially productive, should be found".

Mr. Deshmukh said he did not see how redistribution of land was going to help in this unemployment situation. It might just succeed in distribution of unemployment, so that a large-number of people would be under-employed instead of a smaller number of people. "That does not mean", he added, "that I do not attach importance to the problem of redistribution of land. Our philosophy in this may differ, but subject to that we are also proceeding in that direction".

Expansion of Five-Year Plan: Mr. Nanda's analysis..

Speaking on 4 December 1953, Mr. Gulzarilal Nanda, Minister for Planning, explained the Government's policy in regard to unemployment and also indicate the main lines along which the Five-Year Plan will be expanded.

Mr. Nanda stated that the basic task before the country today was to find gainful, useful, productive work and opportunities for employment for the large and increasing working force. He believed that when this problem was solved, "we will have in the process dealt with most of our other economic difficulties; we will have increased production and incomes and gone far in the direction of reducing economic inequalities and of more equitable distribution". The problem, he said, was difficult but not insoluble. "It is not inevitable that this country should for many years have a vast under-employment and unemployment problem. We have fortunately the physical resources. We have, it is true, not utilised all of them.

"There is is not a question of finance at all but certain difficulties regarding economic and social organisation and a suitable administrative set-up in order to harness fully our manpower and to create a suitable climate for the purpose. We have commenced that process but we have still to go far in that direction".

The problem of unemployment in India today, he said, was a symptom of the arrested economic growth of the country over a very long period. It was not possible to eradicate the consequences of a long period of neglect and stagnation in a year or two or even three years. At the same time "I am quite aware of the fact that there is an awakening in the country. People are not prepared to wait indefinitely, and rightly so. Therefore we have to proceed with a sense of urgency. We have to compress in a short space of time the question of development which might in the ordinary course have been covered in decades". The problem, therefore, was to accelerate development as soon as possible, and the Government had started in that direction too.

The Government, said Mr. Nanda, was not going to be circumscribed or limited by any attachment to a dogma or any prejudice of any kind in the process of economic development. "We have realized that to the unemployed in the country, the community has a very clear responsibility. It has been suggested to us that we may give doles to the unemployed, but I do not think that is a solution which is either practicable or desirable. We have indeed to make the solution of the unemployment problem the pivot of our plan, but we have to approach it in a different way".

There were three aspects of the unemployment problem, the Minister said. In the first place, there was the problem of unemployment in its emergency aspect both in the rural and urban areas. Calamities arose and in urban areas the threat of unemployment came because of fluctuations of the market. The Government had to deal with these occasions as the situation demanded. Recently, when the textile industry was threatened with a crisis, they took action promptly and thereby prevented thousands of families of textile workers from having to face distress. At the other end there was the long-term problem of economic development, which was the real answer to all these questions. Then there was the short-term aspect. The Government had to deal with a certain accentuation of the problem of unemployment in recent months.

Among the factors that brought about the accentuation was the change from one economic climate to another - change from a seller's to a buyer's market and a downward trend of prices - and the time lag involved in the implementation of the Plan. They knew that at the very outset of the Plan the start was not going to be in proportion to the whole period of the Plan. They had visualized that the investment, and consequently the rate of development, would be stepped up progressively during the later years. The first year was practically a period of status quo. There were difficulties. The administrative set-up in several States was not geared up to the rate of performance called for by the Plan. There was also the other factor that when the Government prepared schemes, between the time of formulation and the start of execution a certain period of time elapsed.

In the first year they did only one-eighth of the Plan and in the second year one-sixth. In the current year they were doing just the proportion - one-fifth. What remained in the next two years was more than half - that is as the Plan had originally stood. Now that the Plan was in the process of revision, it would be more than that. The question of revision of the Plan was considered by the Chief Ministers of States at the last meeting of the National Development Council and it was agreed that the Plan should be expanded to the extent of 1,500 million rupees to

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1,750 million rupees. The consideration of proposals affecting the Central Ministries had now reached an advanced stage.

Proposals for expansion. Giving an outline of the main proposals for the expansion of the Plan, Mr. Wanda recalled when the Plan was drawn up, the provision for the rehabilitation of displaced persons was made in the main for the first three years. The problem had been reviewed recently, and while some of the details would need further scrutiny, it was likely that about 450 million rupees would be made available during the next two years for rehabilitation over and above the balance of 60 million rupees in the existing Plan. One aspect to which it was hoped to devote special attention was the development of refugee townships, a number of which had become centres of chronic unemployment.

Apart from providing for rehabilitation of displaced persons as part of the revised Plan, a new road programme had been sanctioned at a cost of 100 million rupees. The objective was to take up certain roads not already included in the existing programmes of the Centre of the States but were important for development. The details of the programme were being worked out.

A number of other schemes at the Centre were also being approved at a cost of 150 million rupees so that the total addition to the Plans of the Central Ministries would be of the order of 700 million rupees. He could not give details, but the things the Government had under consideration included office and residential accommodation, some provision for health. Survey of India, additional provision for agricultural education, etc.

In the States, the Government of India had given special consideration to a problem which had existed for a long period, namely that of chronic scarcity areas in which there was so much suffering due to low purchasing power. Some of these areas were already being catered for under the Plan but there were others in which from time to time, when scarcity conditions obtained, it was still necessary to start works, mostly repairs to tanks and roads, so as to afford temporary relief and employment. The Government felt that there was need in these areas for a programme of permanent improvements so that the local purchasing power could expand and these areas could develop "according to our capacity to support future improvement programmes".

A special programme costing 400 million rupees had been recently sanctioned and the Central Government had agreed to grant loans extending to 30 years, which would be interest-free in the first five years. Since a few of the schemes which had been included already found a place in the existing plans of the State Governments concerned, the additional expenditure involved was of the order of 350 million rupees.

The programme extended to 12 States, including Assam, Bihar, West Bengal, Andhra, Madras, Hyderabad, Mysore, Saurashtra, Rajasthan and Ajmer.

In August last year, the State Governments were asked to consider additional schemes for their plans relating to small-scale and cottage industries, vocational and technical training, development of additional thermal capacity and development of road transport services. The proposals received from the States were now under separate consideration and consultation with the States concerned.

Mr. Nanda pointed out that at the Centre under the Plan a sum of 150 million rupees was provided for programmes of cottage and small-scale industries, a provision of which greater use must be made than had been hitherto possible. It was now proposed, he said, to set apart a further sum of 50 million rupees for assistance to States in setting up State Finance Corporations and for providing assistance to small-scale and cottage industries.

In a number of small towns and townships, Mr. Nanda said, if sufficient power could be available, greater employment could be created. With this end in view, a sum of 25 million rupees had been set apart for the installation of thermal power sets.

As the implementation of the Plan proceeded, said Mr. Nanda, the role of transport in furthering various projects, industrial as well as agricultural, was becoming increasingly clear. It was obvious that there must be a considerable and early expansion of road transport services so as to supplement the railways. "This is a complex subject and raises questions of taxation and licensing policies now being examined by a special working group. Lack of financial resources is, perhaps not the most important single factor in the development of road transport services, but to the extent this is a handicap we are willing to make provision for assistance by way of loans, if suitable schemes are recommended by State Governments, especially for the transport of goods".

Housing programmes he said, were another line of activity which should stimulate employment. There was already a large industrial housing programme under the Plan and he hoped that State Governments and other authorities would take further advantage of the assistance which the Central Government had offered to make available for the construction of houses for industrial workers. As a supplement to this programme, the Government of India was prepared to give assistance through loans to State Governments for urban housing schemes for low-income municipal and Government employees and for co-operative housing schemes in urban areas.

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There appeared to be need for some way of giving work to those who happened to be unemployed but were prepared to undertake any task given to them. It was for meeting an obligation of this kind that the Planning Commission asked the States to take up proposals for work training camps. Some States had welcomed the proposals in principle but definite schemes had not yet been worked out.

"We envisage", said Mr. Nanda, "that in many sizable projects for reconstruction, irrigation and power and other fields, it should be possible to establish work camps where anyone in need of work could go".

The Government, he added, also envisaged that for unemployed persons who were educated and had a degree of skill, there should be special training programmes. Some of these could be organised in existing technical and vocational training institutions. With the association of industry, arrangements could also be made for imparting practical training through suitable apprenticeship schemes. In various public enterprises too it should be possible to make similar arrangements. The Central Government would be quite prepared on their part to give financial assistance in carrying out apprenticeship and other training programmes.

Reform of education.— The problem of educated unemployment which confronted them today, said Mr. Nanda, was in a way a legacy of the system of education which had come down from past years. The Secondary Education Commission, which had recently reported, had made important recommendations. He hoped it would be possible to make some provision for assisting States in implementing recommendations which might have the effect of reducing the pressure of unemployment in the future.

Mr. Nanda said that the question of cottage industry and large-scale industry had become a matter of controversy. Provision had been made in the Plan for aid to cottage and ~~small-scale~~ small-scale industries and it was proposed to extend it. But he did not think that there was any conflict with large-scale industry. There was "a good deal of confusion" in regard to the policy and intentions of the Government. But the policy ~~and intentions~~ of the Government had been enunciated in the Plan and had secured the approval of the House. There had been some delay in implementation but that was mainly due to the fact that they had to create new organisations. Those who talked in terms of exclusion of one or the other, were not good friends of the unemployed. They had to raise the standard of living of the people but they had also to provide for a maximum level of employment. These two objectives had to be reconciled and balanced. Cottage industries had to be developed to attain a high level of technique.

Referring to what he called "a delicate aspect of the question" Mr. Nanda said that it had become a matter of serious dispute whether cottage and small-scale industry products could be cheap and could compare with products of large-scale industry. But price was not the only factor. They had to realize the social aspects too. A difference of one pie in price might drive the costlier product out of the market. But what was their social objective. "We want a decentralized economy and we want to develop the integrity and welfare of the villages. So far as I can see there is going to be a large and increasing place in our country for small-scale and cottage industries".

The Planning ~~Min~~ Minister said that with the increasing population and the need to rationalize agriculture large sections of the population could be provided for, not through large industries, but only through small-scale industries, especially in view of their limitations of capital. "The existence of higher and lower techniques of production in the same field is an inevitable feature of our economy if we want to progress peacefully".

Speaking during the debate Dr. A. Krishnaswami (Independent) said that the problem of unemployment should be tackled in a "practical spirit" and in a manner satisfactory to large sections of the country. The present rate of Governmental expenditure on development schemes was "absolutely inadequate", and if something practical was to be done, "the first essential" was that more money be spent. The immediate problem was to have at least the "Korean level of employment in this country". The main purpose of expenditure today was to boost the economy. Today the country's economy was "slumbering and seems to have no life. Everybody seems to have reached a stage of stagnation".

The talk of the Government spending an additional 1,500 million rupees to 1,750 million rupees would merely remain glib talk and carried no conviction to millions of people "unless they have a definite idea of how this money is to be spent". He wanted to know what exactly the Government's plan was for spending this amount. There was already a lag in expenditure in three different parts of the economy - Central Government sector, State Governments' sector and the private sector.

Dr. Krishnaswami suggested that the Government should concentrate on the capital goods needs of the ~~country~~ country. Every type of machinery necessary to strengthen the capital goods industry should be imported not on private account but on Government account. "If we are to increase imports on Government account, we have to think of starting many basic industries".

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Referring to the Five Year Plan, he said the time had come not merely to revise it radically but to scrap it and draw up an entirely new plan. There was great need to reform the Planning Commission. It was "a most overworked" body and had taken upon itself too many tasks. The Commission should be a body to formulate policies only. "I would suggest that there ought to be an entire revision of the Planning Commission and there ought to be more dispersion of responsibility among different agencies rather than concentration of authority in the hands of a few".

He suggested by way of supplemental measures that the Reserve Bank pursue a new, open-market policy in respect of purchasing securities and reduce the lending ~~lending~~ rate simultaneously.

Mr. N.V. Gadgil (Congress) said that unemployment was growing rapidly. All evidence that one could get from close quarters by meeting people in one's constituency went to show that the position had worsened. The problem was so menacing that if something was not done immediately the country would be overtaken by a crisis the like of which had never been seen. There might be long-term solutions about decreasing the rate of increase in population or making some change in the import policy, but the occasion today demanded that something be done immediately and on an adequate scale. He suggested that India should adopt some of the methods outlined in the "new deal" initiated in the USA in 1932 when that country had to meet a crisis of this character. A simple programme of having roads in rural areas would provide ample scope ~~scope~~ for employment for not only unskilled workers but also "the white collar tribe". He opposed the idea of giving doles to the unemployed. He suggested that the rationing staff be utilised to ascertain the incidence of unemployment. A new column could be added to the ration card requiring the holder to indicate whether he was employed and how many members of his family were unemployed. This would bring about 100 per cent correct results without much expenditure.

Referring to the private sector, Mr. Gadgil said that the Government should think broadly before agreeing to having Development Finance Corporations. If the Government was to lend money to the private sector it could as well start its own factories.

Mr. R.V. Dhulekar (Congress) urged reform in the educational system and said that more stress should be laid on vocational training. The Government should also make a definite declaration about its industrial policy and clearly demarcate economic spheres which would be left to be exploited by large-scale industries and cottage industries.

Mr. G.D. Somani (Independent) ~~announced~~ said that the private sector was able to do more than the targets laid down in the Five Year Plan for it to be completed. These targets were too modest. He did not agree, with the Finance Minister's contention that no fiscal incentives should be given to the private sector until the report of the Taxation Inquiry Committee had been placed before the Government. Mr. Somani suggested that every industrial concern in the country should be allowed to set apart a certain portion of its profits for its further expansion plans which should be exempt from income-tax.

(The Hindustan Times, 22 November and
5 December 1953).

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Plans for the Relief of Urban Unemployment:
State Governments' Proposals received.

Mr. G.L. Nanda, Minister for Planning, placed on the table of the House of the People on 19 November 1953, a statement showing the proposals received from the State Governments on the Planning Commission's 11-point programme for relief of urban unemployment (vide pp. 9-13 of the report of this Office for August 1953).

These proposals relate to the State Governments' preliminary assessment of the urban and rural unemployment problem in their States and their proposals for strengthening the State Plans in the field of small-scale and cottage industries, vocational and technical training, road development and in other directions.

It is proposed to expand the Five-Year Plan to the extent of about 1,500 million rupees to 1,750 million rupees. Within these broad limits, the detailed proposals from the States and the Ministries are being examined by the Planning Commission. After a decision is reached, Government, Mr. Nanda said, would present to Parliament a statement of schemes approved and any other action to be taken towards the study of the problem of unemployment and the expansion of employment opportunities.

A list of proposals from the States relating to cottage ~~and~~ and small-scale industries, which are at present under considerations, is given below:

Assam.- (i) Starting of training institutions for manufacturing of implements used by agriculturists and by the tea industry;

(ii) Setting up of handloom, bell-metal, pulp for paper and card board and compressed fibre industries;

Orissa.- (i) Increased aid to individuals and groups for setting up small industries under the State Aid to Industries Act;

(ii) Setting up of a training-cum-production centre for some new industries.

Punjab.- (i) Loans to deserving individuals or groups for starting new cottage industries;

(ii) Establishment of a technical service unit for small-scale industries;

(iii) Development of lac industry in Kangra and Hoshiarpur districts;

(iv) Quality marking for hosiery and agricultural implements;

(v) Marketing of handloom goods.

Uttar Pradesh.- (i) Development of handloom industry;

(ii) Development of tanning and leather industry;

(iii) Development of cottage industries in the eastern districts of Uttar Pradesh to relieve chronic scarcity conditions;

(iv) Formation of co-operatives for brick-kiln industry.

West Bengal.- (i) Starting of work-cum-training centres for the following industries: local industry, sports goods, daries and carpets, wood, pottery, cane and bamboo products;

(ii) Training of 500 young men every year as trade apprentices in the various industrial undertakings;

(iii) Development of small engineering industries.

Mysore.- (i) Mat-weaving;

(ii) Pottery;

(iii) Manufacture of ceramic ware and porcelain articles;

(iv) Leather tanning industry;

(v) ~~MANH~~ Production and utilization of glass articles and bangles;

(vi) Manufacture of simple mathematical instruments;

(vii) Loans to educated unemployed for starting ~~an~~ new industries.

P.E.P.S.U.- (i) Starting of 10 cotton spinning and weaving centres for development of khadi industry;

(ii) Sericulture;

(iii) Finishing plant for handloom industry;

(iv) Central cycle parts workshops;

(v) Sewing machine parts workshop;

(vi) Footwear and leather goods;

(vii) Leather tanning;

(viii) Glass ~~gan~~ industry;

(ix) Sports goods industry.

Saurashtra.- Grant of loans to small-scale and cottage industries.

Ajmer.- (i) Organisation of co-operative societies for small-scale and cottage industries such as bidi-making, weavers, palm gur industry, chatai, moonj and broom-making;

(ii) Neem oil industry.

Bhopal.- (i) Opening of training-cum-production centres;

(ii) Opening of a polytechnic;

(iii) Increased aid to existing industries under the State Aid to Industries Act.

Delhi.- (i) Increased aid to cottage and small-scale industries;

(ii) Khadi development scheme - increased aid to recognised private body;

(iii) Scheme for intensive propaganda;

(iv) Establishment of a commercial showroom and an industries museum;

(v) Development of handloom industry;

(vi) Establishment of Delhi industries emporium;

(vii) Training-cum-production centres.

Kutch.- (i) Constitution of a cottage industries board;

(ii) Staff for Industries and Commerce Department (to be constituted);

(iii) Deputation of an officer to Mysore to study the development of cottage industries.

Manipur.- (i) Creation of an industries department;

(ii) Increased provision for development of cottage industries in the plan.

Tripura.- Increased provision for development of cottage industries in the State Plan.

Vindhya Pradesh.- Opening of training-cum-production centres in each district.

(The Hindustan Times, 20 November 1953).

Measures for the Relief of Educated Unemployed:
Over 16,000 Teachers to be recruited.

Financial sanction for the recruitment of over 16,000 rural teachers and 670 social education workers by 11 States has been made by the Central Government in implementation of the Educational Scheme for relieving educated unemployment (vide pages 13-14 of the report of this Office for August 1953).

The period of Central assistance in this scheme is for three years and the Centre will contribute 75 per cent, 50 per cent and 25 per cent of the salaries of the teachers in the first, second and third year of the scheme respectively, the States contributing the remainder. After the three-year period, the States will have to maintain the schools out of their own resources. In the case of new social education centres, the Centre will contribute 50 per cent of the salaries or honoraria to the teachers and the expenditure on contingencies up to a certain maximum till the end of March 1956.

Proposals have been received from about 20 States and the present allocations have been made in the case of the States whose proposals do not need further discussion.

(The Statesman, 28 November 1953).

Census Survey of Unemployment in Bombay, Saurashtra and Kutch in 1951: Only about One Per Cent not employed.

The overall percentage of those declaring themselves as unemployed and seeking work during the 1951 census in Bombay, Saurashtra and Kutch States to those gainfully employed is less than one per cent with the exception of the unit of Greater Bombay which records a percentage of 2.62. The figures for the unemployed in rural areas are practically negligible.

These findings are contained in an article by Mr. J.B. Bowman, Superintendent of Census Operations for Bombay, Saurashtra and Kutch, published in the July issue of the quarterly Bulletin of the Bombay State Government's Bureau of Economics and Statistics.

The proportion of persons between the ages of 16 and 60 years who were gainfully employed to the total number of persons of all ages returned as self-supporting or earning dependents is 92.5 percent for Bombay State, 95.7 percent for Greater Bombay, 96.8 per cent for Gujarat, 88.1 percent for Deccan Northern, 93.3 per cent for Deccan Southern and 91.0 percent for Konkan.

The total population between the ages of 16 and 60 years of the three States is over 20 million and 2.4 million out of which about 10 million and 1.7 million are men and about 10.7 million women. The self-supporting persons and earning dependants among all ages were about 17.4 million out of whom about 11.5 million were men and about 5.9 million women. The figures of persons gainfully employed in the age-group 16-60 are about 16.2 million including about 10.6 million of men and about 5.5 million of women.

The percentage of the unemployed to the gainfully employed works out to 2.62 for Greater Bombay, 0.38 for Gujarat, 0.30 for Deccan Northern, 0.38 for Deccan Southern and 0.52 for Konkan. The district wise figures show that the percentage for Greater Bombay of 2.62 was followed by 1.36 for Ahmedabad; the number of persons employed in Thana district was also high.

This is explained by the fact of proximity of Thana to Greater Bombay and also because of large population of displaced persons living in the township of Ullhasanagar. The figures recorded would thus appear to justify the conclusion that, even after making allowance for persons in rural areas giving inaccurate information the real problem in these areas is one of probable underemployment more than that of unemployment.

In Greater Bombay where more than 1.2 million persons are gainfully employed, the total percentage of the unemployed to the gainfully employed is 2.62. The percentage represented by those, who have had middle school education is 4.36. The percentage of the illiterate and partly-literate are 2.07 and 2.60, respectively. The percentage of the literates is 2.89 while that of the matriculates or the S.L.C. higher secondary trained is 3.16. Those trained in intermediate in arts and science record a percentage of 2.98.

Among those who possess higher collegiate education and hold university degrees and diplomas, 115 agriculture graduates are employed while 9 (7.83 per cent) are unemployed. The percentage of the other categories are: graduates in arts and science 2.56 percent; teaching 1.61 per cent; engineering 2.03 per cent; veterinary 1.05 percent; commerce 2.05 per cent; legal 1.26 percent; medical 0.96 percent; and others 3.16 per cent.

So far as women are concerned, a large number among them are placed outside the labour force. However, out of the total number of 17.4 million of illiterates among women of all ages in the three States, about 5.8 million women between the ages 16 and 60 were gainfully employed. Among 2.2 million literate women of all ages, only about 250,000 women between the ages of 16 and 60 years were gainfully employed. There were 9,236 women with teaching degrees or diplomas and 6,543 among them were gainfully employed. There were 2,426 women with medical and nursing degree or diploma and, out of them, 1,524 were gainfully employed. There were, 8,059 women graduates but only 2,351 among them were gainfully employed.

The total figure of persons registered for employment in clerical and non-clerical posts in the employment exchanges in Bombay State was 33,224 during the time the census figures given above were collected. On 1 January 1953, the figure went up to 60,628. On the basis of the statistics discussed above, it is safe to assume that despite the increasing tendency for unemployed persons to register themselves, the total percentage of the unemployed to those gainfully employed is not excessive or abnormal.

(The Times of India, 24 October 1953).

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Development of Small-scale Industries:
Team of International Experts to visit
India.

Mr. D.P. Karmarkar, Minister for Commerce, replying a question in the House of the People on 27 November 1953, stated that a seven-member international team of experts in cottage and small-scale industries would be shortly visiting India to advise the Government on the development of small-scale industries in selected areas. The Ford Foundation had promised a grant of 92,000 dollars in connection with the work of these experts.

Mr. T.T. Krishnamachari, Minister for Commerce and Industry, added that the team would be examining the prospect of small-scale industries situated in certain community projects in Burdwan, Faridabad, Nilokheri and Ranchi. The type of industries existing there would be taken into account for the purposes of the survey. "Two of the experts come from Sweden and that country has synthesised to a very large extent the claims of medium and small-scale industries with those of large-scale industries". Their experience would be of great value for planning and locating a few small-scale industries, he added.

(The Hindu, 28 November 1953).

Rural Reconstruction in India: 53 More
Community Projects Blocks approved.

It is understood that 53 more Community Project blocks have been approved by the Planning Commission and work on them will start immediately. These blocks, distributed in 19 States, would cover nearly 5,300 villages and a population of 4 million.

With the approval of the new projects, rural development work, either in the form of community programme or National Extension, now covers nearly 1/11th of the total number of villages in India and about 1/10th of the rural population.

The programme covers 456 blocks of which 217 are operating the community programme and the rest, 239, are receiving attention under the National Extension Service. The number of villages covered comes to 44,600 with a population of 27.22 million.

The expenditure on the 53 new blocks now approved would come to 79.5 million rupees for a period of three years.

(The Statesman, 5 November 1953).

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Increase in Agricultural Production during
1952-1953: Official Review of Trends.

According to an official review, the year 1952-53 was remarkably favourable for agricultural production, especially for foodgrains. The total production, as ascertained by crop cutting surveys, was 4.4 million tons higher than the production in the base year, 1949-50. Of this, 1.1 million tons are accounted for by rice, 0.5 million tons by wheat and 2.5 million tons by other cereals, mainly millets.

The States which recorded a decrease over the base year were Assam, Bihar, Bombay, Madhya Bharat and Mysore. On the other hand, Orissa, Uttar Pradesh, Hyderabad, Rajasthan, Punjab, PEPSU, and West Bengal have increased their production.

While the production of cereals in 1952-53 rose compared with the previous year, the position in respect of other crops was less satisfactory. In 1951-52 jute, for instance, had recorded a large increase reaching the total of 1.9 million acres compared with 1.4 million acres in 1950-51 and 1.2 million acres in 1949-50. During 1952-53, on the other hand, it suffered a decline of about 100,000 acres compared with that of the previous year.

In oilseeds, too, there has been a slight decline both in area and in production. The decline is particularly notable in the case of sugarcane in which the area has come down this year to 4.4 million acres compared to 4.7 million acres in 1951-52 while the production has been reduced to 5.2 million tons compared with 5.9 million tons in the previous year.

These variations suggest that while the grow-more-food and other irrigation programmes, in progress for several years, are beginning to bear fruit, the price factor has also been an important consideration.

The fall in the prices of commercial crops in 1952 have induced farmers to increase the area under food crops. The total area under cultivation is estimated to have increased during the past two years by about 7 million acres. This is probably due to the relatively favourable prices which have prevailed, the assistance given to large numbers of farmers in extending and intensifying cultivation and the general emphasis which has been given in the past two or three years to measures for increasing agricultural production.

Nevertheless, the official review warns: "It would be too early to suggest definite conclusion from the increase in the production of food-grains which the crop cutting survey has revealed during 1952-53".

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Grow More Food Scheme.— How the grow more food programme has been augmented during the last two years is shown by the following figures:

	Loans	Grants	(Rupees in Million)	
			Total	Remarks
1950-51	79.5	75.9	155.4	(Actual)
1951-52	92.5	61.4	153.9	(Actual)
1952-53	165.2	62.1	227.3	(Sanctioned)
1953-54	199.0	50.0	249.0	(Budget)

About two-thirds of the expenditure, it is stated, is devoted to irrigation schemes. The distribution of grow more food expenditure, including the additional allocation of 100 million rupees a year for minor irrigation, is shown below:

	(Rupees in Million)	
	1951-52 (Actual)	1952-53 (Sanctioned)
Irrigation -----	95.4	146.7
Land improvement -----	13.9	18.3
Seeds, manures and fertilizers-----	24.6	36.5
Other schemes (plant production, etc.)-----	20.0	25.8
Total-----	<u>153.9</u>	<u>227.3</u>

The grow more food campaign is stated to suffer from two weaknesses. In the first place, over the past two years, there has been relatively slight progress in the total consumption of chemical fertilizers. With Sindri coming into production and imports of fertilizers available under the Indo-U.S. Technical Co-operation Programme, it is felt that a special effort should be made to educate the farmer to the balanced use of fertilizers. The target assumed in the Five Year Plan was 600,000 tons. This is far from being realised yet. The urgency of setting up an efficient network of sale and promotion agencies, associated with Sindri and the Agricultural Departments in the States is recognised. The seed distribution arrangements also appear to require improvement.

(The Statesman, 19 November 1953).

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Factory for Manufacturing Commercial Explosives
in India: Agreement with I.C.I.(London) signed.

An agreement for the setting up of a factory in India to manufacture the country's entire requirements of commercial high explosives used for blasting purposes, has been signed between the Government of India and the Imperial Chemical Industries Ltd., of Great Britain.

Mr. R.C. Todhunter, a Director of I.C.I.Ltd., London, who signed the agreement on behalf of the company, said at a Press conference at Calcutta on 23 November that the types of high explosives to be manufactured in the proposed factory would not cover those which the country was already producing. Mr. Todhunter said that they had selected a site at Hazaribagh, district of Bihar, for the proposed factory. The factory, which would have an annual capacity of some 5,000 tons of blasting high explosives, would employ a considerable number of workers.

Mr. Todhunter further stated that they would first set the factory to production and then would invite Indian capital to participate. Under the terms of agreement with the Government of India, they would form a new Company to be called, "Indian Explosives Limited" for undertaking the manufacture of explosives in this country. He thought that it would be possible for them to start the factory before three years. The I.C.I. would be responsible for the design and layout of the factory, for the purchase and installation of plant and equipment and for its erection and starting up. "We are placing all our technical know-how at the disposal of the new Company and, in accordance with our established policy, we shall be training Indians to take over responsible position in the factory as soon as possible".

The manufacture of special types of high explosives needed indispensably for blasting rocks to construct roads, build dams and open railways in mountainous parts of the country, had never before been attempted in India due to lack of technical know-how and the prevailing belief about uncertainty of its venture. With the activities in connection with execution of the Five-Year Plan rising to a crescendo, India's annual requirement of high explosives for blasting purposes has now reached an estimated figure of 5,000 tons. In addition, to this there is also a soaring demand for these stuffs for the mining of coal and iron ore. To meet the demand the Government of India had hitherto been allowing a liberal import of blasting high explosives from United Kingdom and other countries.

Mr. Todhunter stated that most of the ingredients for explosives were available in India. There were, of course, sulphur and a few other things that they would have to import from abroad.

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Dhoties (Additional Excise Duty) Bill, 1953.

Mr. T.T. Krishnamachari, Minister for Commerce and Industry, Government of India, introduced in the House of the People on 21 November 1953 the Dhoties (Additional Excise Duty) Bill, 1953. The Bill provides for the levy and collection of an additional excise duty on dhoties issued out of mills in excess of the quota fixed for the purpose.

According to the statement of objects and reasons, with a view to assisting the handloom industry, the Government of India in January 1953 passed orders restricting the production of dhoties by mills to 60 per cent of their average monthly production during the period April 1951 to March 1952.

While mills have, by and large, conformed to this restriction, certain units had produced dhoties in excess of their quota. Government has, therefore, been considering what would be the most suitable method of achieving its objective, namely, to put a check on the production of dhoties by all mills and it has been decided that the levy of an additional excise duty on dhoties issued from a mill in excess of its permissible quota would ~~xxxx~~ serve the purpose in view. The duty would be on a graduated scale ranging from two annas per yard to eight annas per yard on the quantity of dhoties so issued.

The Bill when passed will replace the Dhoties (Additional Excise Duty) Ordinance, 1953 (No.6 of 1953).

(The Gazette of India, Extraordinary,
Part II, Section 2, 21 November 1953,
pp. 957-960)

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36. Wages.

India - November 1953.

Hyderabad: Wage Boards for Industries set up
by Government.

The Government of Hyderabad has constituted wage boards to recommend fixation of basic wages and dearness allowance for those employed in a number of industries after taking into consideration various factors such as cost of living, paying capacity of the industry and effects of demonetization of Osmania currency, if any, on the economy of the State.

The industries for which the boards have been set up are: Cement and cement products; glass and clay works; chemical and chemical products; textile and silk industry; sugar, paper, rayon silk, distilleries and power alcohol and cigarettes; electricity; general engineering and metal works; printing presses and drainage and water works.

The constitution of these boards is in accordance with the understanding reached between the State Government and workers' organisations in the State in April 1953 (vide pp. 25-26 of the report of this Office for May 1953).

(The Hindustan Times, 26 October 1953).

Madras: Minimum Wages(Madras)Rules,1953.

The Government of Madras published on 11 November 1953 the text of the Minimum Wages(Madras) Rules,1953, made in exercise of the powers conferred under the Minimum Wages Act,1948. The rules prescribe, inter alia, the terms of office of the members of the Board, Committee and Advisory Committee and their qualifications, the procedure for the summoning of witnesses by the Committee, Advisory Committee and the Board, the mode of computation of the cash value of wages and the deductions permissible from the wages, the number of hours of work which constitute a normal working day, the procedure for claims under the Act, and the scale of costs in proceedings under the Act.

(The Fort St. George Gazette, Rules Supplement to
Part I, 11 November 1953, pp. 353-364).

Bonus for Textile Workers in Coimbatore:
Agreement reached with Millowners' Association.

On 23 October 1953, the Southern India Millowners' Association, Coimbatore, and the Coimbatore District Textile Workers' Union, Singanallur, arrived at an agreement in their dispute in respect of bonus and arrears thereof for the years 1948, 1949, 1950 and 1951, pending before the Labour Appellate Tribunal in respect of bonus for 1948 and before the Industrial Tribunal, Coimbatore, for 1949-51.

According to the agreement, 27 mills will pay 50 per cent of the basic earnings and two mills will pay 33 1/3 per cent in accordance with the award of the Industrial Tribunal, Coimbatore.

For 1949, 1950 and 1951 there is no award as the dispute is pending before the Tribunal. For 1949, 28 mills will pay two months' bonus and one mill one month's bonus. For 1950, 27 mills will pay two months' bonus and one mill one month's bonus. For 1951, 26 mills will pay three months' bonus and the one mill two-and-a-half months' bonus and another two months' bonus.

The agreement provides that no deductions should be made by the management towards any ~~advance~~ advance made by them from bonus payment under this agreement. All workers who have worked for the respective years are entitled to the bonus irrespective of the number of days of attendance. For women, who had been on maternity leave, actual maternity allowance drawn by them will be included in their earnings for purpose of calculating bonus. The total payment of bonus will be made in two instalments, one before 31 October 1953 and the other on or before 31 December 1953.

(The Hindu, 24 October 1953).

Madhya Pradesh: Nine Textile Mills directed to
Pay Bonus to Workers for 1950-1952.

Mr. N.H. Majumdar, Chairman of the State industrial court, in an award published on 16 November 1953, directed nine textile mills in Madhya Pradesh to pay their workers bonus ranging from half a month to three months' basic wages for 1950-51 and 1951-52.

The court said that half the amount of bonus awarded should be paid to the workers within one month and the balance should be paid in trust by the mills for the workers and invested in Government securities, the interest earned on which should be paid to the workers in proportion to their investments. This would not, however, apply to workers who had left service and to whom payments should be made in cash.

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The dispute relating to grant of bonus for 1950-51 and 1951-52 between nine textile mills and their workers numbering about 26,000 was referred for arbitration to the industrial court in March 1953.

In his award, Mr. Majumdar said that in applying the Labour Appellate Tribunal's formula for bonus determination, the question arose whether the mills which had not actually set apart sums of money for purposes of rehabilitation, replacement and modernisation of machinery should be given the benefit of the formula. Where the mills had failed to make provision by actually setting apart sums of money out of gross profits for this purpose, they should not be allowed to deduct these amounts from the gross profits in determining the available surplus for payment of bonus. Where they had set apart amounts smaller than that permitted by the formula, only such smaller amounts should be allowed to be deducted out of gross profits in the determination of the available surplus.

Mr. Majumdar observed that the reserve fund was really a fund set apart for a certain purpose and millowners were not entitled to use the fund in any way detrimental to the interest of workers on the ground of their ownership of such fund under the present civil law.

Explaining the principle followed in calculating the bonus payable by the mills, Mr. Majumdar said that out of gross profits, amounts were to be set aside as a provision for depreciation and for rehabilitation, replacement and modernisation of machinery. Provision had also to be made for payment of taxes and for a fair return on paid-up capital as also on reserve fund used as working capital. After amounts were set apart for these purposes, of course, subject to the mills doing so in their statements of accounts, the available surplus was to be determined and bonus was to be paid out of it to the workers.

The workers, however, could not claim payment of bonus where the mills made no profits on the ground either of maintenance of peace or social justice, he added.

Mr. Majumdar said that all loss suffered by the mills in previous years could not be allowed to be set off against profits earned during the years in dispute and in determining the available surplus, only the ~~xxxx~~ trading result of the year for which bonus was claimed was to be taken into account.

(The Hindustan Times, 18 November 1953).

Rajasthan Government Minimum Wages Rules, 1953.

The Government of Rajasthan gazetted on 31 October 1953 the Rajasthan Government Minimum Wages Rules, 1953, made in exercise of the powers conferred under the Minimum Wages Act, 1948. The Rules prescribe, inter alia, the qualifications and terms of office of the members of the Board, Committee and Advisory Committee, the procedure for the summoning of witnesses by the Committee, Advisory Committee and the Board, the mode of computation of the cash value of wages, procedure for claims under the Act and the scale of costs in proceedings under the Act.

(Rajasthan Gazette, Part IV-B, 31 October 1953, pp. 101-118).

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38. Housing.

India - November 1953.

Industrial Housing in Mysore: New Schemes
approved.

Addressing a press conference at Bangalore on 6 November 1953, Mr. A.G. Ramachandra Rao, Minister for Law and Labour, Mysore, stated that the Government of India, under its subsidised industrial housing scheme, had sanctioned four new schemes submitted by the Mysore Government for the construction of 296, 224, 496 and 480 one-roomed single-storeyed tenements in Bhadravati, Davanagere, Mandya and Mysore, respectively, the total cost of these being 3,952,160 rupees.

These schemes are in addition to the scheme for the construction of 3,400 houses already programmed and for which the outlay will be 8,180,000 rupees.

The Labour Minister revealed that the question of amending the Mysore Labour Housing Act, so as to bring within its scope the lower middle classes who were deserving of at least as much attention as industrial labour, was under the consideration of the State Government. A draft Housing Board Bill had been prepared by the Chairman of the Labour Housing Corporation. Suitable legislation he said, would be passed shortly.

(The Hindu, 7 November 1953).

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39. International Economic Relations.India - November 1953.

File No:

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India-Czechoslovakia Trade Agreement concluded.

A trade agreement between India and Czechoslovakia was signed at New Delhi on 18 November 1953. The agreement comes into force immediately and is valid until the end of 1954.

The principal items available for export from India are tea, spices, tobacco, iron ore, manganese ore, cashewnuts, ilmenite, linseed oil, hydrogenated oil, groundnut oil, essential oils, shellac, mica, raw goat and sheep skins, animal hair, preserved fruit, raw wool, crushed bones, myrobalan and myrobalan extracts, Indian handicrafts and films exposed.

The chief items available for import from Czechoslovakia are: marine type diesel engines, machinery for shoe-making, tannery and rubber-making, wood-working machinery, welding machines, hydraulic presses for workshops, diesel generating ~~sets~~ sets, various sorts of paper, including newsprint, cellophane paper, laboratory and technical glassware, dyestuffs, saccharine, ammonium hydrofluoride, potassium permanganate, lithopone, machine tools, agricultural tractors and implements, textile machines, graphite machinery, component parts of wireless reception instrument and apparatus, industrial ~~and~~ sewing machines, photographic and motion picture cameras and appliances, microscopes, motor cycles, laundry machines, refrigerators, motor car equipment, domestic hardware, food machinery, fibre boards, hardboards, textile accessories, asbestos cement goods, abrasive materials, ship chains, plastics and artificial leather, road building machinery, including rollers, building machinery, stone-grinding machinery, narrow-gauge diesel locomotives, foundry machinery, machines for chemical industry, diesel generating pumps and films exposed.

Under the agreement, India will enjoy the same status for import and export of goods as Czechoslovakia has accorded to any other country with whom it has signed a bilateral trade agreement. India will treat Czechoslovakia as a country in the soft currency area, as at present, for the purpose of import and export licences.

It was also agreed that payments relating to commercial and non-commercial transactions between the two countries may be effected in Indian rupees or in pound sterling. It was also agreed that Czechoslovakia may establish a trade representative in India to look after its trade interests with this country.

The following figures (in rupees) show the imports from and exports to Czechoslovakia during the last three years:

	1950-51	1951-52	1952-53
Imports -----	27,698,165	28,107,712	13,509,960
Exports -----	5,541,263	11,886,976	10,503,004

(The Statesman, 18 November 1953).

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

INDIA - NOVEMBER 1953.

41. Agriculture.

Delhi: Land Reforms Bill passed by Assembly.

The Delhi Land Reforms Bill (vide pp.36-37 of the report of this Office for October 1953) as amended by the Select Committee was passed by the Delhi State Assembly on 5 November 1953.

The Bill, which consists of 192 clauses, seeks to modify the zamindari system in Delhi so as to create a uniform body of peasant proprietors and to unify the Punjab and Agra systems of tenancy laws now in force in the State.

No ceiling or land holding has been fixed at present, but after the Select Committee's report the rates of compensation in respect of occupancy and non-occupancy tenants have been respectively reduced from 20 times to 8 and 16 times the land revenue. Similarly the rate of compensation to be paid by sub-tenants which was earlier fixed at 30 times the land revenue, has been scaled down to 20 times.

In future, the large variety of existing tenure and sub-tenure holders will be replaced by a single body of tenure holders to be called "bhumidars" and one of the sub-tenure holders called "asamis".

A tenant or sub-tenant can pay compensation either in lump sum or in instalments. In all cases the compensation will be deposited in the court and the court will order its payment to the party concerned as soon as the right of the tenant is declared.

To avoid multiplication of uneconomic holdings a restricted table of devolution has been laid down for all "bhumidars" as well as "asamis" and future partition of holdings which would result in uneconomic holdings, has been prohibited.

When Delhi State was made a separate Province in 1912, it was carved out of a portion of the Punjab and about 65 villages were taken from Meerut district of U.P. The former tract has ever since been governed by the Punjab Tenancy Act of 1887 and the latter by the Agra Tenancy Act of 1901. The present Ministry after assuming office in March 1952, decided to undertake tenancy legislation in Delhi State.

(The Statesman, 6 November 1953).

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Patiala and East Punjab States Union Tenancy
and Agricultural Lands Act, 1953 (No. 8 of 1953).

The President of the Union enacted on 18 November 1953 the Patiala and East Punjab States Union Tenancy and Agricultural Lands Act, 1953 (No. 8 of 1953), to amend and consolidate the law relating to tenancies of agricultural lands in the State. The Act prescribes the permissible limit of lands which can be reserved for personal cultivation at 30 standard acres of land and confers on the tenant the right to acquire from his landlord in respect of the land comprising his tenancy, his right, title and interest of the landowner in such land. On such acquisition of proprietary rights the tenant shall be liable to pay to the landowner compensation at the rate of 90 times the land revenue or two hundred rupees per acre whichever is less. Such lands in respect of which proprietary rights have been acquired shall not be transferred by sale, mortgage, gift or otherwise during a period of six years.

Other provisions of the Act deal, inter alia, with general rights of tenants, determination of rent, right of tenant to make improvements on land, devolution of tenancy on death of tenant, acquisition and disposal by the State of uncultivated lands, and procedure for the acquisition of proprietary rights by tenants.

(The Gazette of India, Extraordinary, Part II,
Section I, 18 November 1953, pp. 385-402).

Rajasthan Tenancy Bill, 1953.

Mr. Mohan Lal Sukhadia, Revenue Minister, Government of Rajasthan, introduced on 8 September 1953 in the State Assembly the Rajasthan Tenancy Bill, 1953, which seeks to consolidate and amend the law relating to agricultural tenancies in the State of Rajasthan.

According to the statement of objects and reasons the need for a uniform tenancy law for the whole State had arisen, since the integration of various States into Rajasthan. A bill was introduced in the State Assembly for the purpose in 1952 but was subsequently withdrawn, as it contained several drafting defects and as public opinion required several changes in the Bill. A revised Bill has now been introduced in the Assembly.

The provisions of the Bill deal, inter alia, with the classes of tenants and their primary rights, devolution, transfer, exchange and division of tenancies, surrender, abandonment and extinction of tenancies, right of Government and of landholders to make improvements on lands, procedure for determination of rent and its maximum limits, payment and recovery of rent, procedure and jurisdiction of revenue courts to hear all suits,

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cases, appeals, applications, references and proceedings under the Act.

(Rajasthan Gazette, Extraordinary, Part III,
26 October 1953, pp. 317-367).

Abolition of Permanent Settlement in
West Bengal: Estates Acquisition Bill
Passed by Assembly.

The West Bengal Legislative Assembly passed on 25 November 1953, the Estates Acquisition Bill (vide pp. 29-30 of the report of this Office for May 1953), which seeks to abolish the 175-year old Permanent Settlement introduced by Lord Cornwallis. The Bill will now go before the Upper House before it is sent for the President's assent.

The Bill, as redrafted by the Select Committee, provides for the State acquisition of estates and of the rights of intermediaries, on payment of compensation, at a rate varying from two times the annual net income for annual net incomes of 100,000 rupees and above to 20 times in the case of annual net incomes of 500 rupees and less. A maximum of 20 acres has been fixed as the area of land comprised in a homestead together with non-agricultural land which an intermediary would be entitled to ~~hold~~ hold in khas.

During the debate on the Bill on 11 November 1953, Mr. S.K. Basu, Judicial and Revenue Minister, indicated that another Bill is under preparation for carrying land reform a step further. While this bill provided merely for the abolition of the intermediaries and transference of land, the new land reforms bill "will when enacted, supplement and if necessary modify, the provisions of the present Bill. That Bill will indicate the manner in which land will be distributed and the terms and conditions under which the tenants will in future hold their land, the rent, if any, which will be payable by the tenants, the position of the bargadars under the new scheme, the manner in which the small tiller will get his finances for purposes of cultivation and the help that can be given to him for irrigating or manuring the land, the procedure to bring about co-operative agricultural organisation through which small holders can till the soil scientifically and effectively using every modern contrivances to increase production, and all such matters. We will also have to consider the measures which are to be taken to secure to the small uneconomic holders of land sufficient subsidiary income. The present Bill has been framed as a clearing ground for securing all these objects in view".

(Amrita Bazar Patrika, 11 and 26 November 1953).

Farmers' Union Formed in Hyderabad.

A convention of farmers of Hyderabad State was held at Hyderabad on 12 November 1953. Prof. N.G. Ranga presided. The convention approved the formation of a new non-political organisation of agriculturists to be called the Hyderabad Farmers' Union.

Welcoming the formation of the Union, Mr. B. Ramakrishna Rao, Chief Minister, ~~said~~ said that an occupation which absorbed over 70 per cent of the State's population needed to be organised, properly represented and its rights safeguarded. He cautioned that the deliberations and decisions of the Union should not be permitted to be governed by politicians but should be based on conclusions of experienced cultivators.

Explaining the aims and objects of the union, the Chairman of the Reception Committee of the convention, Dr. M. Chenna Reddy, said that the union would be non-political and would devote all its energies for improving agriculture and betterment of farmers in the State. In foreign countries the prices of foodgrains were fixed by the Government only after consulting farmers' unions. He said membership of the union was open to all farmers, co-operative societies engaged in farming, agricultural scientists and veterinary doctors.

Prof. Ranga advised the union always to keep in view the common interests of agriculturists. Referring to the current controversy on ceilings on land, he said it would be foolish to give more land to the cultivator than he needed. Political parties and groups which were vying with each other to keep the ceilings down, considered this question not from the standpoint of the cultivator but from a political point of view. It was necessary to give as much land to a cultivator as he was capable of handling. If he used a tractor he could cultivate more than with a plough. Prof. Ranga also wanted the land owners to be paid adequate compensation at market values.

(The Hindustan Times, 10 November 1953;
The Statesman, 15 November 1953).

42. Co-operation.

India - November 1953.

Experimental Co-operative Farming on the Model of Israel: Food Ministry Experts' Recommendation.

An expert mission of officials of the Ministry of Food and Agriculture, Government of India, which visited Israel recently, has recommended that co-operative farming should be started as an experiment in India in the community project areas.

In their report to the Government, the four officials who went to Israel for three months at the invitation of the Israel Government, said that co-operative farming was extremely essential for raising the productivity of Indian agriculture. They have also suggested that promotion of mixed farming should form an important aspect of the development of co-operative farming.

Dairying, poultry farming and fruit and vegetable growing should especially be encouraged on co-operative farms situated near urban centres. Such development schemes should, however, be well conceived. Arrangements for provision of credit on reasonable rates, facilities for transport of farm produce, proper storage and handling of milk, vegetables, fruit and eggs etc., provision of veterinary services, artificial insemination, and training of technical and managerial personnel and accounts etc., and creation of efficient marketing organisations, should be given serious attention for success of modern co-operative farms.

In their report, the officials have commended the Moshav Ovdim type of co-operative farms prevalent in Israel for adoption in India for farmers having small holdings. Under this system in Israel, the land is owned by the State and is leased out to the small-holder for a long period of 49 years. Every farmer has got his own allotment which he cultivates independently, either partially or wholly. It is compulsory that all the surplus produce shall be sold through, and all the farm requirements purchased from the co-operative society organised for the settlement as a whole. The family is the primary unit of the society. In Israel there were 217 such societies each consisting of 100 families, out of which 80 are agricultural families, and 20 different types of families, working in different fields of activity like doctors, nurses, teachers, artisans etc. Every farmer gets his own household allotment of land. The houses are constructed on uniform basis consisting of three to four rooms. Generally the lands are on the backyard of the house. There is also a cowshed and poultry farm near the house. Every farmer has to pay to the settlement taxes or a fixed amount to cover expenses such as rent, education, library,

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agricultural organisations, labour services, sickness and insurance, water and irrigation. The farmer sells all the produce through the local society and there are no shops competing with these societies. The farmer is independent to raise the crops as he likes but must obey the general policy of the society in taking the pedigree seed in order to get the advantage of the common marketing of ~~the society~~ the society.

(The Hindustan Times, 26 November 1953).

Bihar: Annual Report on the Working of the Co-operative Societies for the Year 1950-51*.

According to the annual report on the working of the co-operative societies in Bihar State for the year 1950-51, the total number of working societies of all kinds including the Bihar State Co-operative Bank, the Bihar Co-operative Federation and the Provincial Handloom Weavers' Co-operative Union was 14,730 on 30 June 1951 as against 13,645 on 30 June 1950. Out of these 14,730 societies, 5,547 were canegrowers' societies and 9,183 non-cane societies. The total number of members, individuals and societies stood at 657,259 of which 195,342 were in cane societies and ~~and~~ 461,917 in non-cane societies. The total number of membership on 30 June 1950 was 527,995. There was thus an increase of 1,085 societies and 129,264 in membership during the year under report.

In 1948 a scheme for the organisation of multi-purpose co-operative societies was sanctioned by Government and the work was taken up on ~~the~~ an intensive scale in June 1949 after necessary training of the staff.

The object of these multi-purpose societies was the satisfaction of the diverse needs of village life, including supply of articles of daily use, better marketing of village products, supply of manures, fertilisers and seed, education, rural sanitation, improvement of communication, etc. Till the close of the year under report, organisation of these societies on an intensive scale was undertaken in certain areas. Besides the organisation of new multi-purpose co-operative societies in the various parts of the State attempts were also made to convert the old primary credit societies with unlimited liabilities into multi-purpose co-operative societies with limited liability and as many as 810 ~~societies~~

* Report on the Working of the Co-operative Societies in Bihar for the Co-operative year 1950-51; Superintendent, Government Printing, Bihar, Patna, 1953, pp. 180. Price Rs.4/4/-.

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primary credit societies were converted into multi-purpose co-operatives societies during the year under report. Thus the total number of multi-purpose co-operative societies both new and converted stood at 4,717 on 30 June 1951 as against 2,829 on 30 June 1950. Different occupational groups like weavers, vegetable growers, blacksmiths, harijans, oilmen, shoemakers, fishermen, teachers, etc., were also brought into the co-operative field by organising special co-operative societies for them.

Agricultural societies.- The number of agricultural societies of all types was 13,736 on 30 June 1951, as against 12,832 on 30 June 1950. Out of these 13,736 agricultural societies there were 3,468 credit societies and 10,268 non-credit societies. The number of primary credit societies with unlimited liability was 3,439 on 30 June 1951, against 4,664 on 30 June 1950 and 6,010 on 31 December 1949. The total membership was 88,723 as compared to 112,146 on 30 June 1950 and 116,372 on 31 December 1949. The decrease was mainly due to the conversion of this type of societies into multi-purpose co-operative societies. There were 22 grain golas (warehouses) on 30 June 1951, having a total membership of 14,565, paid up share capital of 8,000 rupees and reserve fund and working capital amounting to 425,814 rupees and 477,004 rupees respectively. They advanced loans of 140,082 rupees during the year. The total loans due at end of the year by individuals were 343,110 rupees of which 222,717 rupees was overdue.

From 29 vegetable growers' co-operative societies in 1949 their number rose to 65 on 30 June 1951, with a total membership of 1,637. Their paid up share capital and reserve fund amounted to 9,416 rupees and 222 rupees respectively and their working capital stood at 96,747 rupees.

During the year under report as many as 540 canegrowers' co-operative societies were organised and 18,163 new members were enrolled thus raising the total number of canegrowers' co-operative societies to 5,486 with 190,084 members. There are 61 co-operative development and cane marketing unions. During the year 25,993,180 maunds of cane were supplied to the factories through canegrowers' co-operative societies. The co-operative supply came up to 43.5 per cent of the total supply in the year under report as against 40 per cent of the total supply of the previous year. The total cane price received was 45,420,136 rupees and the commission received for the supply of cane made on this account was 1,011,663 rupees.

Non-agricultural societies.- The total number of non-agricultural societies of all kinds on 30 June 1951, was 864 as against 686 on 30 June 1950. The membership increased from 99,818 to 124,820.

The number of weavers' co-operative societies both limited and unlimited stood at 146 having a membership of 13,181. The paid up share capital, reserve and working capital amounted to 285,553 rupees, 104,235 rupees and 670,547 rupees respectively. They purchased goods to the total value of 2,032,411 rupees and sold to the extent of 2,114,310 rupees. Their profit and loss amounted to 135,853 rupees and 21,930 rupees respectively.

The number of primary co-operative stores stood at 284 on 30 June 1951, including the Jamshedpur co-operative stores which is the biggest store in this State having its business nearly equal to all the other stores taken together.

The number of teachers' co-operative stores increased from 7 in 1949 to 99 in 1951 and the membership from 210 to 5,270. Their paid up share capital amounted to 53,209 rupees and the reserve and other funds to 2,354 rupees. They had a working capital of 64,176 rupees. They sold goods to the total value of 258,943 rupees and had a total profit of 14,546 rupees. These societies are engaged in the marketing of school text-books and educational ~~requirements~~ requisites.

The number of industrial vishwakarma co-operative societies rose to 28 on 30 June 1951, from 23 in 1950 and 21 in 1949. There were 2,628 members and the paid up share capital stood at 53,621 rupees. The reserve and other funds amounted to 1,434 rupees and the working capital to 61,898 rupees. They purchased goods to the total value of 112,269 rupees and sold to the extent of 130,692 rupees. Their profit and loss amounted to 6,252 rupees and 2,024 rupees respectively.

A scheme for the development of oil crushing industry and organisation of co-operative societies of telis (a caste of professional oil crushers) was sanctioned by Government in June 1949 with a special staff for the same. Government advanced a loan of 25,000 rupees ~~for~~ for the purchase of ghanis and another loan of 50,000 rupees for the purchase of oilseeds, for these societies. In 1949, nine oilmen's co-operative societies were registered for the first time. Their number rose to 26 in 1950 and to 60 in 1951. These societies are spread over all the important districts. The total number of their members stood at 629. Their paid-up share capital was 5,504 rupees. Their reserve fund and working capital amounted to 210 rupees and 19,114 rupees respectively. They purchased goods to the total value of 18,302 rupees and sold to the extent of 16,892 rupees. They had a profit of 158 rupees and loss of 177 rupees.

In 1947-48 the Bihar co-operative federation took the lead in organising fishermen's co-operative societies and employed an organiser for this purpose. The number of fishermen's co-operative societies organised in 1949 stood at 12. It rose to 19 in 1950 and to 22 in 1951 (30 June 1951).

The number of housing co-operative societies was five out of which two had not started functioning in 1951. The total membership of the three working societies was 402. They had a paid up share capital of 25,049 rupees and reserve fund of 2,945 rupees. Their working capital was 123,366 rupees.

Provincial and Central non-credit societies.- A number of provincial unions of special types of societies were organised with their headquarters at Patna and these are (1) the Bihar handloom weavers' co-operative union, Ltd., (2) The Bihar Provincial Vishwakarma Industrial Co-operative Federation Ltd., (3) The Bihar Fishermen's Co-operative Union Ltd., and (4) The Bihar Provincial Teachers' Co-operative Union Ltd., Their total membership (both individual and societies) on 30 June 1951 stood at 725, their paid up share capital was 40,588 rupees, reserve fund 13,207 rupees and working capital 96,482 rupees. They purchased goods to the total value of 677,322 rupees and sold to the extent of 674,750 rupees. The Bihar Provincial Teachers' Co-operative Union Ltd., earned a profit of 9,386 rupees, while the Bihar Provincial Handloom Weavers' Co-operative Union and Bihar Provincial Vishwakarma Industrial Union sustained a loss of 12,006 rupees and 1,633 rupees respectively.

The total number of central non-credit societies stood at 73 which comprised of 61 cane development and cane marketing unions, five multi-purpose and producers' unions and seven central stores.

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44. Merchant Marine and Fisheries.

India - November 1953.

Welfare Facilities for Seafarers: Hostel to be opened in Calcutta.

A new 260-bed seamen's home and hostel, will soon be opened for the benefit of seamen at the port of Calcutta. Built by the Government of India at a cost of 1.2 million rupees, the building will provide residential accommodation and recreational facilities for 300 seamen.

At present, out of 4,000 active seamen registered in Calcutta, it is estimated that about 5,000 are obliged to live in houses situated in slums in and around the city. This accommodation in addition to being costly, is unsatisfactory from the point of view of health and sanitation.

The decision to build a sailors' home for Calcutta it is understood, was taken by the Government of India as far back as 1940 and the foundation-stone was laid in 1942. Owing to the exigencies of the war, construction, however, could not be undertaken before July, 1952. The cost of the building has been met from a fund raised at the instance of the Government of India by the Commissioners for the Port of Calcutta.

The home is expected to be formally opened shortly.

(National Herald, 22 November 1953).

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CHAPTER 5. WORKING CONDITIONS AND LIVING
STANDARDS.

INDIA - NOVEMBER 1953.

50. General.

Labour Conditions in the Principal Ports of
India during 1952.

An article, based on data collected by the Labour Bureau, Ministry of Labour, Government of India, on conditions of labour in the five principal ports of India, viz., Bombay, Calcutta, Madras, Cochin and Visakhapatnam, during the year 1952, has been published in the Indian Labour Gazette, Vol. XI, No. 3, September 1953.

Employment.- The following table shows the number of persons employed in the major ports in India, during June 1951 and September 1952:-

Name of Ports	June 1951			September 1952					Percentage increase (x) or decrease (-) in the number of persons directly employed in September 1952 as compared with June 1951
	Directly employed	Employed by Stevedores	Total	Directly employed Men	Employed Women	Total	Employed by Stevedores	Total	
1	2	3	4	5	6	7	8	9	10
Bombay	13,938	3,407	17,345	13,073	126	13,199	3,449	16,648	- 5.3
Calcutta	20,983	N.A.	20,983	18,421	189	18,610	10,525	29,135	-11.3
Madras	3,249	500	3,749	3,140	79	3,219	N.A.	3,219	- 0.9
Cochin	1,649	1,208	2,857	1,078	9	1,087	2,577	3,664	-34.1
Visakhapatnam.	2,197	1,500	3,697	1,737	31	1,768	1,020	2,788	-19.5
Total.	42,016	6,615	48,631	37,849	434	37,883	17,571	55,454	- 9.8

N.A. - Not Available.

The number of contract labour employed in the four ports, viz., Calcutta, Bombay, Visakhapatnam and Cochin is 1,586, 184, 1,800 and 577 respectively.

Due to the non-availability of the information regarding the number of persons employed through stevedores in Calcutta port during 1951 and in Madras port during 1952 no conclusion can be drawn regarding the rise or fall in total employment in all the ports since 1951. However, judging from the figures for individual ports it will be seen that employment fell by 24.6 per cent in Visakhapatnam and by 4.1 per cent in Bombay. Employment in Cochin port increased by 28.2 per cent. If employment of persons employed directly is taken into account it will be seen that employment fell in all the ports by 9.8 per cent. The percentage fall was highest in Cochin (34.1) and lowest in Madras (0.9).

Of the 37,883 workers employed directly in the five major ports, as many as 33,004 or about 87 per cent were permanent. It is reported that normally a temporary worker is brought on to the permanent cadre after completing 12 months' continuous service provided he is otherwise fit and permanent vacancies are available.

Recruitment. - In the ports of Calcutta, Cochin and Visakhapatnam, the recruitment of labour is made through the employment exchange. In Madras port the selection of workers is generally done by the heads of departments concerned under intimation to the employment exchange. In the case of regular staff, the recruitment is done by a committee. In regard to share labour of this port, it is stated, that mazdoors for 'B' category posts are selected from the extra gangs and are offered work after they are declared physically fit by medical officers of the port. Promotions to 'A' category posts are made from persons holding 'B' category posts, by virtue of their seniority as and when vacancies arise. In Bombay port all vacancies are normally filled in first from amongst the retrenched employees of the department in which the vacancies occur, next, from amongst those borne on the central register of retrenched employees of the Port Trust, maintained by the Chief Labour Officer. This scheme applies only to non-scheduled employees who have been retrenched on grounds other than those of foreign nationality and inefficiency. If suitable candidates are not available from amongst these persons, the employment exchange is requested to direct candidates of whom 20 per cent may be displaced persons for interview and selection. In the port department, vacancies are filled in by 'badli' labourers who have put in an appreciable period of service in leave vacancies. In the dock department, recruitment of labourers is made by interview by a board comprising senior officers. The selected candidates are required to undergo a medical examination, before they are appointed.

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Apprenticeship.— All the major ports except Cochin have reported that the system of apprenticeship and training exists in their ports.

Length of service.— The information in respect of length of service of permanent workers is available for four ports only. This is shown in the following table:—

Ports	Total No. of permanent workers	No. of workers having service between			
		0 and 1 year	1 and 5 years	5 and 10 years	10 years and above.
1	2	3	4	5	6
Bombay	10,234	--	3,550	3,435	3,249
Calcutta	17,793	445	8,148	5,478	3,722
Madras	2,748	62	215	1,808	663
Cochin	755	--	2	105	648
Total.	31,530	507	11,915	10,826	8,282

It will be seen that 26.3 per cent of the permanent workers in the four ports have more than 10 years' service, while those having less than one year's service form only 1.6 per cent of the total.

Wages and earnings.— There has been no change in the basic wages admissible to workers employed directly in all the ports during the period October 1951 to September 1952. In the port of Cochin, however, there has been a slight change in the daily rates of wages of casual workers. The following table shows the existing rates of wages of daily rated workers in this port.

Category	Wages per day		
	Rs.	A.	P.
(a) Skilled workers—			
1. Selection grade	4	0	6
2. First Class	3	3	6
3. Second Class	2	13	6
(b) Semi-skilled	2	11	0
(c) Unskilled workers—			
1. Mazdoor Mistry	2	15	6
2. Head Mazdoor	2	11	0
3. Mazdoor - Men	2	8	0
Women	2	0	0

The rates of dearness allowance admissible to workers on monthly scales of pay in the ports of Bombay, Cochin and Madras are regulated in accordance with the rates sanctioned by the Central Government for their own employees. In Visakhapatnam port the workers receive dearness allowance at the following rates:-

Pay	Dearness Allowance
Up to 50 rupees p.m.	40 rupees p.m.
51 rupees to 100 rupees p.m.	50 rupees p.m.
101 rupees to 150 rupees p.m.	55 rupees p.m.

The workers of this port who are on railway rates of pay and are eligible for grainshop facilities, receive dearness allowance at the rate of 17 1/2 per cent of the pay plus 5 rupees per month subject to following minima.

Pay	Dearness Allowance
Below 40 rupees p.m.	10 rupees p.m.
40 rupees and above.	21 rupees p.m.

In Calcutta Port, the workers get dearness allowance at the following rates:-

Pay	Dearness Allowance
Up to 50 rupees.	40 rupees p.m.
Exceeding 50 rupees and up to 70 rupees.	50 per cent of pay plus 15 rupees p.m.
Exceeding 71 rupees and up to 100 rupees.	50 rupees p.m.

In the docks department of the Bombay Port Trust dearness allowance is paid at the rate of 1 rupees 9 annas per day to a mazdoor on daily rate of pay of 2 rupees 2 annas. No worker gets the grain concession but the staff of the lighthouse and the crew of the pilot vessel of the port department are supplied free rations. Compensatory allowance is also paid to the workers/are ~~admissible~~ admissible to the Central Government employees stationed at these places. In Madras a least skilled worker in marine and engineering departments is entitled to a compensatory allowance of 5 rupees and 3 rupees per month respectively. Workers in Cochin and Visakhapatnam ports do not receive any compensatory allowance.

of Calcutta and Bombay ports at the rates which

In Bombay and Calcutta ports the least skilled worker who is not provided with housing accommodation by the port authorities is entitled to 10 rupees per month as house rent allowance. However, in Calcutta port, a worker without family and not living in the Commissioners' quarters is entitled to a house rent allowance of 5 rupees per month only. In Madras port, a house rent allowance of 10 rupees is paid to a worker of this category when he is employed in the marine

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department and 7 rupees per month when he is employed in the Engineering and Traffic departments. A house rent allowance of 5 rupees per month is paid to a worker in receipt of pay less than 55 rupees per month in the Visakhapatnam port.

In Bombay port an incentive bonus is paid to the worker of the hydraulic establishments of the engineering department and to the mazdoors employed in the docks department. In the engineering department a sum of 35,378 rupees 14 annas was paid in 1950-51 and a sum of 17,248 rupees 14 annas was paid in 1951-52. In the docks department registered and casual labourers numbering 20,569 in 1951 and 13,309 in 1952 earned bonuses amounting to 132,416 rupees 14 annas and 39,070 rupees 10 annas respectively. The bonus is paid as an incentive and is directly related to output.

Working conditions.— Workers in all the ports surveyed generally work from 8 to 9 hours with a break of 45 minutes to one hour in the noon as rest interval. They are ~~also~~ also allowed a weekly rest of one day. In the engineering departments of all the ports and in coal docks and railway yards of the ports of Bombay and Calcutta, the work is arranged in more than one shift consisting of eight hours each. There exists regular arrangement of change-over of workers from one shift to another in all the ports. In the Calcutta port only the night shift workers under the Chief Mechanical Engineer and the casual labour working in the traffic department are paid khoraiki allowance of four annas each per night. In the Bombay port, night shift workers on the dredgers in the engineering department only are paid at the normal rate of wages for the first six hours and overtime at 1 1/2 times the normal rate of pay for the next six hours. The watchmen on night shift are provided with woollen clothing. In Cochin port, night shift workers do not receive any extra allowance. The position in respect of Madras and Visakhapatnam ports is reported to have remained unchanged.

All the ports except Visakhapatnam have provided rest shelters where arrangements for drinking water also exist.

Overtime is worked in case of emergency. Generally it is not compulsory but the ports of Bombay and Calcutta very often work overtime in their docks and engineering departments. The rate of payment for overtime work is regulated by the provisions of the Factories Act. The rates of payment of overtime to workers who do not come under the purview of the Factories Act remain ~~unchanged~~ unchanged since September 1951.

Standing Orders relating to conditions of work, hours of shifts, etc., have been framed in all the ports surveyed except the port of Bombay which has been exempted from the provisions of the Industrial Employment (Standing Orders) Act, 1946 subject to the condition that a pamphlet bringing together all the rules and regulations governing the conditions of employment is published and

a copy of thereof is supplied to each worker. The publication in question has since received the sanction of the Central Government.

Housing.- The Bombay port has provided 2,126 quarters for its workers of which 1,802 are pucca built. The quarters are provided in several labour settlements of which those at Antop village and at Wadi Bunder are the largest. The Antop village labour colony consists of 571 cottages and at Wadi Bunder 687 tenements have been provided in chawls. The Calcutta port provides housing to about 50 per cent of its employees; no rent is charged from class IV staff. The Madras port does not provide any housing accommodation, while in Cochin only some essential service personnel who form about 10 per cent of the total staff have been provided with quarters.

Welfare.- All the major ports maintain dispensaries with qualified medical staff. Employees and their families are given medical treatment free of charge. The Calcutta port also maintain two hospitals. In Bombay a maternity home with 13 beds and a clinic for women and children is maintained where ante-natal and post-natal treatment is given. All ports have provided canteens for their workers. Co-operative societies exist in the ports of Madras, Visakhapatnam and Bombay while in Calcutta a loan fund for Class IV employees has been provided. The Bombay and Calcutta ports have provided primary schools for the education of workers' children. A few scholarships are being granted every year by the Bombay, Madras and Cochin ports to the children of the employees. Facilities for workers' recreation are provided by all the major ports. The Bombay Port Trust runs nine play centres in the residential localities providing indoor and outdoor games, a circulating library, five reading rooms and sewing and handicrafts classes.

Provident Fund and Gratuity.- There was no change in the provident fund schemes in force in the major ports during the period under report. The following table furnishes details regarding the number of workers who are members of provident funds and the amount contributed by Port authorities in four major ports.

Name of the Port.	No. of workers contributing to the Provident Fund.	Amount contributed by Port Authorities. Rs.
Calcutta -----	24,500	797,778
Madras -----	3,065	121,018
Cochin -----	750	19,447
Visakhapatnam-----	1,474	114,000

The statistics for Bombay port are not available, but it is reported that all scheduled temporary employees or non-scheduled permanent employees have the option of subscribing to the provident fund. The contribution is at the rate of 8 1/2 per cent of the basic or officiating

pay. In the case of dock labour, however, the contribution to the Fund is limited to the following pay even when the actual earnings are higher: Labourers - Rs.35-1-50 per month; Morplas or Baroots - Rs.48-1-53 per month; and Special Morplas - Rs.55-1-60 per month.

Gratuity is paid to workers when they leave service in the ports of Bombay, Madras, Visakhapatnam and Cochin. In Calcutta Port, instead of gratuity liberalised pension rules have been sanctioned for their employees. The conditions of eligibility for gratuity slightly vary in the different ports. Gratuity is paid to workers in Bombay, Madras and Visakhapatnam ports, calculated on the basis of half a month's pay for every completed year of service, subject to a maximum of 15 months' pay, provided the worker has put in not less than 15 years' service. In Cochin port all permanent and temporary workmen who have put in more than three years' continuous service are being ~~paid~~ paid gratuity at the rate of half a month's wages for every completed year of service subject to a maximum of nine months' wages for services rendered prior to the introduction of the contributory provident fund scheme. The gratuity is paid on the workers being discharged due to medical unfitness, superannuation or reduction of establishments as the case may be.

Accidents. - The table below gives statistics of accidents in the major ports during 1952.

Port	No. of accidents			Total
	Fatal	Major	Minor	
Bombay	5	16	856	877
Calcutta	-	Not available		-
Madras	1	412	372	785
Cochin	-	23	8	31
Visakhapatnam	-	1	109	110

The number of accidents for which compensation was paid by the Port authorities of Bombay, Calcutta, and Madras was 390, 98 and 206 respectively and the amount of compensation paid was 35,556 rupees 10 annas, 80,423 rupees 8 annas and 13,161 rupees 15 annas and 6 pies respectively. The Cochin port authorities paid 1,713 rupees 11 annas by way of compensation for 23 major accidents only. The amount of compensation paid by the Visakhapatnam port authorities for major and minor accidents during the year ending 30 September 1952 was 3,000 rupees and 3,430 rupees respectively.

Industrial relations.- The workers in all the ports are organised and have formed trade unions which are recognised by the Port authorities. The grievances of the workers are enquired into by the officers of the labour department in different ports. With the exception of Madras, all the ports have appointed labour officers to look after the welfare of labour. Works committees have been formed in the ports of Madras and Cochin only. Efforts were made to constitute works committees in Bombay and Calcutta ports but so far they have not proved successful.

(The conditions of Labour in principal ports of India during 1951 was reviewed at pp.20-26 of the report of this Office for August 1952).

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53. Women's Work.

India - November 1953.

Supplementary Income for Middle Class Families:
Welfare Centre opened at Delhi to provide Part-time
Employment for Women.

A family Welfare Service Centre sponsored by the Central Social Welfare Board (vide pp. 40-41 of the report of this Office for August 1953) for providing part-time work at home or near home to women in middle class families within the income group of 60 rupees and 250 rupees per month, was formally inaugurated by the Commerce and Industry Minister, Mr. T.T. Krishnamachari at Delhi on 26 November 1953. At the site a match factory is to be opened as the first of a series of family welfare service centres the Board intends to organise all over the country.

The centre has been opened in accordance with the new scheme evolved by the Central Social Welfare Board in consultation with the Ministry of Commerce and Industry, with a view to provide financial relief and employment to middle class families. The scheme aims at providing mainly work to women in middle class families with small incomes in urban areas.

Under the scheme work would be carried to the families and the products purchased and marketed through co-operatives specially organised. Family groups with income between 60 and 250 rupees per month will be selected in various parts of the country through the agency of the Central Social Welfare Board assisted by Government. Women who are willing to take up work will be provided preliminary training in these particular aspects of cottage industries in which they are interested. A machinery will be set up whereby the goods produced could be marketed on a co-operative basis assisted by the Government.

For the Centre opened at Delhi, 500 family units are being selected for forming a co-operative society to run the factory with assistance from the Government and the Social Welfare Board. The women will prepare *outer, and* matchboxes, inner and *arrange* the splinters. The chemical processes will, however, be carried out in the factory. Those under training will receive 12 annas a day, and after training from 1 rupee 4 annas to 1 rupee 8 annas.

(The Hindustan Times, 6, 20 and 27 November, 1953).

CHAPTER 6. GENERAL RIGHTS OF WORKERS

INDIA - NOVEMBER 1953.

66. Strike and Lockout Rights.

West Bengal: State Transport Service declared
a Public Utility Service.

The Government of West Bengal has under the Industrial Disputes Act, 1947, declared the State transport service of the transport directorate under the Government to be a public utility service for the purposes of the Act for a period of six months from 1 November 1953.

(Notification No. 2806 Dis/D/1A-2C/53 dated 24 October 1953; the Calcutta Gazette, Part I, 29 October 1953, page 3562).

Assam: Inland Steamer Services and Ghat
Establishments declared Public Utility
Services.

The Government of Assam has declared the following services to be public utility services under the powers conferred under the Industrial Disputes Act, 1947, for the periods noted against them.

- 1) All Inland Steamer services in Assam - for a period of six months from 16 November 1953.
- 2) All ghat(ferry) establishments engaged in transshipment, storage, loading and unloading and stocking goods ancillary to the inland steam vessel service - for a period of six months from 15 November 1953.

(Notification No. GLR 86/50/55 and 56 dated 2 November 1953; the Assam Gazette, Part II-A, 11 November 1953, page 1876).

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CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN
CATEGORIES OF WORKERS.

INDIA - NOVEMBER 1953.

74. Indigenous Labour.

All-India Tribal Welfare Conference, Lohardaga,
11-13 November 1953.

The second session of the All-India Tribal Welfare Conference was held at Lohardaga (Ranchi) from 11 to 13 November 1953. The Conference which was attended by over 1,000 welfare workers, was inaugurated by the President.

Dr. Prasad's address.- Dr. Rajendra Prasad, President of India, opening the Conference urged adivasi welfare workers to approach tribal people with a spirit of humility and not with an attitude of superiority, if they wanted to serve them truly. He was glad to find during the last General Elections the interest shown by adivasi men and women. They showed greater interest than other sections of the people and returned such people to legislatures in whom they had confidence. In pursuance of the directives of the Constitution, both the Central and State Governments, Dr. Prasad pointed out were now spending large sums of money for the welfare of the adivasis. But as these people had been backward for long it would be idle to expect that they would be able to make up their deficiencies in a year or two. Still there was ground for satisfaction that they were progressing fairly rapidly. He hoped the day was not far off when no community in India would remain backward. Till that day it was necessary that the work to uplift the adivasis should continue with unabated vigour.

Presidential address.- Dr. H.N. Kunzru, M.P., who presided, stated in the course of his presidential address that the adivasis were in no way inferior to non-adivasis. Owing to force of circumstances and time they had ^{be}come backward today but they did not lack qualities ~~with~~ which others possessed. Those qualities, he added had to be developed. Those who were working to uplift the adivasis should try to win them over first by showing genuine love and affection for them. He wanted the more advanced sections among the adivasis to come forward to take up the work of uplift of their backward brethren. Those who depended upon others for the development of their own selves would find it difficult to depend on their own efforts. The Constitution provided that whenever the tribals lived there should be a council

to advise the Government on the measures for the uplift of the adivasis. Such councils had been formed in every State and they must function properly, he added.

The Central Government, Dr. Kunzru said, was spending annually about 20 million rupees and State Governments about 30 million rupees for the welfare of 20,000,000 adivasis of India. Bihar was spending annually about 7.7 million rupees for the development of the tribals. Stress was being laid on the spread of economic betterment and provision for medical facilities. These were necessary, as also education without which no community could progress. Dr. Kunzru wanted particular attention to be paid to the construction of good roads in adivasis areas so that they could easily go out of their secluded habitations and come in to contact with the outside world. Their development would be quicker if they were afforded facilities to know the world beyond the confines of the tribal areas. Education that was imparted to the tribals should be such as to develop not only their mind but also to make them fit to earn their living without aspiring for jobs, he said.

Dr. Kunzru suggested that the disposal and sale of forest produce, should not be done through non-adivasis contractors. The adivasis should be allowed to undertake this job and Government should see that they were not exploited. Co-operative societies of ~~handxxx~~ adivasis should be encouraged. Such societies had been formed in Bombay with good results.

Dr. Kunzru pointed out that the special privileges granted to adivasis, under the Constitution, were for 10 years only beginning from 1951. It should, therefore, be the endeavour of welfare workers to speed up their work so that the tribals were able to depend on their own efforts and were in a position to do without the special privileges when those were withdrawn. In this connection, Dr. Kunzru said that efforts should be made to create leaders from among adivasis. One way was to train adivasis in welfare work. He also suggested that young adivasis should be encouraged to join the Scout and the Girl Guide movement.

Mr. Shrikant's speech: non-official agencies asked to share responsibility for tribal welfare.-
Mr. L.M. Shrikant, Commissioner for Scheduled Castes and Scheduled Tribes, who presided at the second day of the Conference, in his address said that in view of the limited State resources, the responsibility for welfare work among the tribal people should be shared by the non-official agencies.

Mr. Shrikant said that according to the directives laid down in the Constitution, India's first Five Year Plan had given a very important place to social services and allotted 16.4 per cent of its total provision for this purpose. A similar responsibility had been thrown on the shoulders of the State Governments to look after the welfare of such under-privileged classes as the Scheduled Tribes. In future there might be a Ministry for Social Welfare instead of the Ministry for Harijan or Tribal Welfare or Backward Classes. The Government of India had provided enough money for grants to different States for promoting the welfare of Scheduled Tribes and raising the level of administration of Scheduled Areas in different States and special provision had been made for Assam. The amount that had been sanctioned in 1951-52 was 14.775 million rupees; in 1952-53, 17.436 million rupees; in 1953-54, 24.800 million rupees and the total amount for five years, that was being included in the Plan for the Scheduled Tribes and the Scheduled Areas under Article 275, was 180 million rupees, including the earmarked sum of 30 million rupees for North-East Frontier Agency of Assam. He added that some of the States like Madhya Pradesh, Bihar, Orissa and Madhya Bharat had been encouraged by this grant to formulate tribal welfare schemes for three to five years. On account of technical and departmental difficulties the State Governments could not utilise the full amounts for 12 months but since last year, most of the States had tried to utilise as much of the grants as possible. The Government of India had adopted the policy of giving preference to non-official agencies in all ~~welfare~~ welfare work and if the State Governments were prepared to ~~give~~ give 80 per cent of the approved expenditure to non-official agencies doing welfare work, the Government of India might give 60 per cent of that expenditure to the State Governments. The balance of 20 per cent could be got from the Gandhi Smarak Nidhi, who try to help such institutions when public charity has dried up.

Dearth of workers.- Mr. Shrikant said that there was a great dearth of social workers and there was urgend need for training courses on social welfare on scientific lines.

Mr. Shrikant observed that in the various institutions doing welfare work among the tribals the first place was given naturally to education. The Central Government had suggested to the State Governments the starting of cultural institutes for the development and preservation of tribal culture, their dances, folk-lores, songs, customs etc., with an earmarked grant. Orissa had made a beginning

in this direction. Madhya Pradesh and Bihar were thinking of starting ~~xxx~~ similar institutions. This would go a long way in the study of tribal culture.

In conclusion, Mr. Shrikant emphasised that no comparison was possible between the official and non-official work among the tribal people. The non-official work had a uniqueness of its own. It pulsed with life and could be an experiment for the guidance of the State Governments. On account of limited State resources in the nature of welfare work among the tribal people, the responsibility should be shared by the voluntary welfare agencies.

(The Statesman, 13 November 1953).

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CHAPTER 8. MANPOWER PROBLEMS.

INDIA - NOVEMBER 1953.

81. Employment Situation.

Compensation for Lay Off: Industrial Disputes (Amendment) Bill, 1953, introduced in Parliament.

Mr. V.V. Giri, Labour Minister, Government of India, introduced in the House of the People on 18 November 1953 the Industrial Disputes (Amendment) Bill, 1953. The Bill seeks to add a new chapter (VA) to the Act containing provisions for payment of compensation to workmen in the event of their lay-off or retrenchment. According to the provisions of the Bill, whenever a workman, other than a badli workman or casual workman, who has completed not less than one year of continuous service, is laid off, he shall be paid by the employer for the period ~~of~~ laid off, compensation equal to fifty per cent of the total of the basic wages and dearness allowance that would have been payable to him, had he not been so laid off. In regard to retrenchment the Bill provides that a workman who has been in continuous employment for not less than one year under an employer shall not be retrenched until he has been given one month's notice or one month's wages in lieu of such notice and also a gratuity calculated at 15 days' average pay for every completed year of service or any part thereof in excess of six months.

According to the statement of objects and reasons of the Bill the provisions relating to lay-off are based on an agreement entered into between the representatives of employers and workers who attended the 13th Session of the Standing Labour Committee. The Bill when passed will replace the Industrial Disputes (Amendment) Ordinance 1953 (No. 5 of 1953) (vide page 61 of the report of this Office for October 1953).

(The Gazette of India, Extraordinary,
Part II, Section 2, 18 November 1953,
pp. 951-956).

Employment Exchanges: Working during September 1953: Over Half a Million Unemployed.

According to the review of work done by the Directorate-General of Resettlement and Employment during the month of September 1953, for the first time, for several months, there was a slight increase in the number of vacancies notified to the employment exchanges. Several regions reported slightly more optimistically about future employment opportunities. The situation, however, still remained unsatisfactory and the number of applicants on the live register continued to rise and, for the first time, passed the 500,000 mark. A special investigation has revealed that about 74 per cent of the persons seeking clerical jobs are between the ages of 18 and 24 years.

A shortage of experienced engineers, trained teachers, draughtsmen, overseers, diesel engine mechanics and armature winders was reported by a number of exchanges. Applicants desirous of clerical jobs, untrained teachers and unskilled office workers were reported to be surplus by a large number of exchanges.

Registrations and placings.— The following table shows registrations for employment and placings during the month as compared to the previous month.

	September 1953	August 1953
Registrations -----	121,600	114,208
Placings -----	12,507	13,114

During the month registrations recorded an overall increase of 7,392 as compared to the previous month. There was an increase in registrations in the regions of Uttar Pradesh (3,533), Madras (2,265), Delhi, Ajmer and Rajasthan (1,750), Orissa (1,381) and West Bengal (1,211). Employment exchanges in Bombay and Bihar regions on the other hand, showed a decline of 1,843 and 818 respectively.

Of the total number of placements effected, 3,448 were placed with private employers and 9,059 in Central and State Government establishments. There were a decline of 607 in placings as compared to the previous month. Placements recorded a fall in Hyderabad (591), Bihar (235) and Uttar Pradesh (220). Orissa and Delhi regions on the other hand showed an increase of 157 and 144 respectively.

Placings by wage groups.— The following table shows the placings by wage groups:—

<u>Wage groups</u>	<u>Number placed</u>
101 rupees and above -----	1,548
61 rupees to 100 rupees -----	4,996
30 rupees to 60 rupees -----	5,326
Below 30 rupees -----	637

Vacancies notified and submissions.- The number of employers who used the exchanges was 4,348 as compared to 3,940 during the previous month. The number of vacancies notified by them was 18,557 as against 17,389 during August 1953, i.e. an increase of 1,168. Of the vacancies notified 13,448 were by Central and State Government establishments and 5,109 by private employers. There was an increase in the number of vacancies notified in the regions of Uttar Pradesh(732), Delhi, Ajmer and Rajasthan(560), Punjab (401), Madras(282), Orissa(257) and Bihar (248). Hyderabad and West Bengal regions on the other hand showed a decline of 855 and 556 respectively as compared to ~~the~~ previous month.

The number of persons submitted to employers during September 1953, was 62,354 as against 61,420 during the previous month.

Employment of displaced persons and ex-servicemen.- During the month 9,326 displaced persons were registered and 765 were placed in employment as against 8,960 and 819 respectively during the previous month. Of those placed in employment 253 were migrants from East Pakistan and 512 migrants from West Pakistan. The number of displaced persons still requiring employment assistance at the end of the month was 45,125.

A total of 7,619 ex-service personnel were registered during ~~the~~ September 1953, and 1,050 were placed in employment. The number still requiring employment assistance at the end of the month was 29,207.

Placement of scheduled caste and tribal applicants.- A total of 12,269 scheduled caste applicants were registered at the employment exchanges during September 1953, as compared to 12,041 during the previous month. One thousand nine hundred and thirty eight such applicants were placed in employment, of them 873 were placed in Central Government vacancies, 409 in State Government vacancies and 656 in other vacancies. Two hundred and eighty five vacancies specifically reserved for scheduled caste applicants were notified to the employment exchanges during the month. A total of 45,335 such applicants remained on the live register at the end of the month, of whom 2,271 were women.

The number of scheduled tribe applicants registered by the employment exchanges during the month was 1,673 as against 1,060 during the previous month. Two hundred and thirty five such applicants were placed in employment as against 180 during the previous month. The number of vacancies notified specifically for this type of

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applicants was 59. At the end of the month 3,971 scheduled tribe applicants remained on the live register seeking employment assistance.

Re-employment of surplus and retrenched Government employees.- A total of 2,425 State Government employees were registered during the month as against 1,720 during the previous month and 528 were placed in employment as against 729 during August 1953. Of those who were found employment 243 were discharged Central Government employees and 285 ex-State Government employees. At the end of September 1953, 8,070 such applicants remained on the live register, of whom 4,648 were ex-Central Government employees and 3,422 were ex-State Government employees.

During the month 9 retrenched Central Government gazetted and commissioned officers were included in the all India register. The number of such applicants on the register on the last day of September was 225.

Twentytwo class I or class II vacancies were notified by the various ministries during the month. Twenty submissions were made against them and non-availability certificates were issued in respect of 12 vacancies.

Employment of highly qualified applicants.- Nine hundred and ninety-nine applicants possessing high technical, scientific, professional or administrative qualifications and experience were registered during the month as against 885 during the previous month, and 96 such applicants were placed in employment. The number of such applicants still requiring employment assistance at the end of the month was 5,236 representing an increase of 157 over the figures of the previous month.

Employment assistance to women.- A total of 4,333 women applicants were registered for employment assistance during the month and 1,009 were placed in employment as against 3,958 and 883 respectively during the previous month. The number of women remaining on the live register of the employment exchanges at the end of the month was 18,222 as against 18,274 at the end of August 1953.

The live register.- The number of persons seeking employment assistance through the exchanges on the last day of September 1953, was 512,353 a record figure. This was 13,462 more than the figure on the last day of August. Of those in the live register 2,385 were known to be employed persons who desired further employment assistance.

Special investigation: analysis of applicants for clerical jobs by age groups.- An ad hoc enquiry was conducted in September 1953, in order to find out the age distribution of applicants registered at exchanges in the clerical trades. The results of the enquiry are summarised below:-

<u>Age groups</u>	<u>No. of applicants for clerical jobs on the Live Register as on 20.9.1953.</u>	<u>Percentage of each group to the total.</u>
1. Below 18 years -----	14,557	9.2
2. 18 years and above but less than 24 years. -----	117,164	73.7
3. 24 years and above but less than 40 years. -----	25,156	15.8
4. 40 years and above but less than 45 years. -----	1,184	0.7
5. 45 years and above -----	956	0.6
Total	159,017	100.0

It will be observed from the above analysis that 83 per cent of the applicants belonging to the clerical group are below 24 years of age. This clearly brings out the fact that most of these applicants are ~~fresh~~ fresh matriculates and graduates who are desirous of "White Collar" occupations. Clerical applicants with some experience appear to form only 17 per cent of the total.

(Review of Work done by the Directorate-General of Resettlement and Employment during the Month of September 1953; issued by the Ministry of Labour, Government of India).

Employment Exchanges in Punjab to be closed down:
State Government expresses Inability to pay
Financial Contribution.

The employment exchanges in Punjab have been directed by the Government of India to close immediately, and has issued instructions that notices be served on the subordinate staff working in the exchanges by 1 December 1953 to terminate their services.

The step has been taken as a result of the Punjab Government's decision to discontinue the contribution of 40 per cent of the expenditure on the maintenance of the exchanges in the State with effect from 1 November 1953.

Besides a Regional Exchange at Ambala there are three sub-regional exchanges, nine district exchanges and a special exchange office at Chandigarh. The closure would throw about 400 people, including about 25 officers, out of employment.

(The Statesman, 30 November 1953).

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Ceylon: Activities of Private Employment
Agencies to be regulated: Legislation on
I.L.O. Model.

The Government of Ceylon has accepted the recommendation of the Minister of Labour, Dr. M. C. M. Kaleel, to regulate by legislation the activities of all private employment agencies in the Island.

Dr. Kaleel told a 'Times of Ceylon' correspondent on 25 November 1953 that the time had come for introducing special legislation to safeguard the interests of those who sought employment through private employment agencies. He added that it was no secret that certain employment agencies had long exceeded their legitimate functions. He said: "It is absolutely essential that the strictest supervision should be exercised over the activities of some of the agencies in the interests of those who seek employment through such agencies as well as those of the employers". Dr. Kaleel said representations had been made by the public and the police exposing the method used by certain employment agencies to exploit persons, particularly village women, who sought employment as domestic servants in private homes. Even in cases where legitimate employment was found there was evidence that the agencies had compelled domestic servants to pay them a monthly fee in addition to the "gratuity" usually charged from the employers.

Special legislation.- The special legislation which the Minister will shortly place before the House of Representatives will provide for the closest supervision of the activities of private employment agencies by the police and officers of the Department of Labour. Regulations governing the agencies will be modelled on lines of Part III of the International Labour Convention concerning fee-charging employment agencies conducted with a view to profit. This Convention was ratified by Ceylon recently.

(The Times of Ceylon, 26 November 1953).

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83. Vocational Training.

India - November 1953.

Labour Ministry's Training Schemes:
Progress during September 1953.

Training of adult civilians.- According to the review of work done by the Directorate-General of Resettlement and Employment for the month of September 1953, the number of trainees on the rolls of various training institutes and centres on 30 September 1953, was 7,717. There were 5,763 trainees in the technical trades and the remaining in the vocational trades.

Training of displaced persons.- The total number of displaced trainees on the rolls, at the end of September 1953, was 1,984; of them 1,650 were in technical trades. The remaining were undergoing training in vocational trades.

Apprenticeship training for displaced persons.- Six hundred and ninetyfour displaced persons were undergoing training as apprentices in industrial undertakings in West Bengal and Uttar Pradesh against 700 seats sanctioned. They were recruited and posted direct to the undertakings' concerned.

Training of women.- A total of 417 women were undergoing training at the end of the month at the three women's training institutes in New Delhi, Dehra Dun and Madras. In addition 57 women at industrial training institute, Almora, and 4 women at industrial training centre, Cuttack were undergoing training.

Training of supervisors and instructors.- In the eleventh regular session at the industrial training institute for instructors, Koni, the total number of supervisors and instructors under training on 30 September 1953, was 109.

(Review of work done by the Directorate-General of Resettlement and Employment, during the month of September 1953; issued by the Ministry of Labour, Government of India).

85. Migration and Colonisation.

India - November 1953.

Economic and Demographic Data from 1951 Census published: 70 Per Cent of People are Agriculturists.

Agricultural classes in India account for 249,074,991 persons and non-agricultural classes 107,553,411 persons, according to a summary of demographic and economic data of the 1951 census just published*.

The tables shows that among the agricultural classes 71,049,356 persons are self-supporting, 146,956,640 non-earning dependants and 31,068,905 are earning dependants. Among the non-agricultural classes 33,350,447 are self-supporting, 67,334,634 non-earning dependants and 6,868,330 are earning dependants.

Among the agricultural classes, 58,514,694 males and 12,534,662 females are self-supporting, 47,193,466 males and 20,589,610 females are earning dependants. Among the non-agricultural classes 28,662,536 males and 4,687,911 females are self-supporting, 25,407,927 males and 41,926,707 females are non-earning dependants, and 2,937,036 males and 3,931,294 females are earning ~~dependants~~ dependants.

Among the agricultural classes 167,326,578 persons are cultivators of land wholly or mainly owned, and their dependants, 31,618,073 are cultivators of land wholly or mainly unowned, 44,809,019 are cultivating labourers and their dependants and 5,321,231 are cultivating owners of land, agricultural rent receivers and their dependants.

Among the non-agricultural classes, 37,671,902 persons (including dependants) are engaged for their livelihood in production other than cultivation, 21,311,898 in commerce, 5,620,717 in transport and 42,948,894 in other services and miscellaneous sources.

Total population.- On an average every house in India is occupied by 5.5 persons.

According to the tables, India has an area of 1,176,864 sq. miles and has 558,089 villages and 3,018 towns with a total population of 356,879,304. This excluded the area and population of Jammu and Kashmir State and the population of the "Part B" tribal areas of Assam but includes the population of Chandernagore.

* Census of India. Paper No.3, 1953. Summary of Demographic and Economic Data 1951 Census.

Out of a total of 64,361,676 occupied houses in the country, 54,056,388 are rural houses occupied by 295,004,271 persons and 10,305,288 are urban houses occupied by 61,875,123 people. This gives in average of 5.4 persons per house in the rural areas and 6.0 persons per house in the urban areas.

Of the total population of the country, 222,424,929 persons live in 536,057 towns and villages with a population of less than 2,000; 79,862,709 live in 23,609 towns with a ~~xxxx~~ population between 2,00 and 10,000; and 54,591,756 live in towns with a population of ~~xxxx~~ 10,000 and above.

Of villages with a population of less than 500, there are 380,020 with a total population of 78,347,691; of those between ~~xxxx~~ 500-1000 population there are 104,268 villages and towns with a total population of 72,920,756; of those between 1,000-2,000 - 51,769 villages and towns with a total population of 71,156,482. Between 2,000-5,000 there are 20,508 towns and villages with 59,108,973 persons; between 5,000-10,000 - 3,101 towns with 20,753,756 persons; between 10,000-20,000 - 856 towns with 11,680,768 persons; between 20,000-50,000 - 401 towns with 11,804,047 persons; between 50,000-100,000 - 111 towns with 7,555,324 persons and above 100,000 population - 73 towns with 23,551,517 persons.

Employers and workers. - Independent ~~xxxxxx~~ workers outnumber both employers and employees amongst self-supporting persons in the non-agricultural classes.

Of the 32,366,883 self-supporting persons who are engaged in various industries and services, 1,104,629 are employers, 14,796,001 employees and 16,466,253 are independent workers.

The classification of self-supporting persons does not include 983,529 persons who do not produce any commodity or render any service. In this class some persons living principally on income from non-agricultural property; persons living principally on pensions, remittances, scholarships and funds; inmates of jails, asylums, alms houses, and ~~xxxxxx~~ recipients of doles; beggars and vagrants; and all other persons living principally on income derived from non-productive activity.

For the purpose of this classification, an "employer" is only that persons who has necessarily to employ other persons in order to carry on the business from which he secures his livelihood. Thus if a person employs a cook or other person for domestic service, he has not been recorded as an employer merely for that reason.

An "employee" is a person who ordinarily works under some other person for a salary or wage in cash or kind as the means of earning his livelihood. Persons employed as managers, superintendents, agents, etc., who in that capacity control other workers are still classified as employees for the purpose of this classification.

An "independent worker" is a person who is not employed by anyone else and who does not also employ anybody else in order to earn his livelihood.

Among self-supporting persons in the non-agricultural classes, a little over nine million are engaged in processing and manufacturing industries and nearly six million in commerce. Health, education and public administration account for just over another three million. Other services such as domestic services, hotels, recreation and unclassified services account for seven and a half million persons.

The following table shows the total number of employers and employees:-

	Employers	Employees	Independent workers	Total
Primary industries.-----	46,758	1,253,287	1,100,633	2,400,678
Mining industries. -----	5,936	445,113	115,821	566,870
Processing. -----	181,657	2,170,143	3,158,274	5,510,074
Metals. -----	39,674	693,345	504,028	1,237,047
Petroleum and coal.-----	81,804	616,503	1,730,840	2,429,147
Utilities. -----	31,560	713,203	840,963	1,585,726
Trade.-----	503,675	1,134,886	4,262,757	5,901,318
Communications.-----	37,296	1,290,973	573,702	1,901,971
Education.-----	22,708	3,032,414	235,205	3,290,327
Domestic services.-----	155,561	3,446,134	3,944,030	7,543,725

Age and civil conditions.- An analysis of the table on age and civil condition of the population reveals that there are 133,828 women of the same age group who are either widows or have been divorced and 66,038 men who are either widowers or divorced. The table also shows that of the total population, the number of unmarried men - 88,147,296 - outnumbers the unmarried women population of 65,950,673. The census age tables were not based on the entire population. A 10 per cent sample of the population (excluding displaced persons) was taken at the preliminary sorting of the enumeration slips for villages and wards of towns and the age tables are based on this sample population. The sample data for men and women have been raised with reference to the total male and female population, respectively, of each of the six zones into which the country has been divided for census purposes, and the all-India figure arrived at by adding up the zone figures.

Despite the Sarda Act, nearly 14.5 per cent of women and 6.3 per cent of men between 5 and 14 are married. The tables also reveal that the ~~evil~~ evil of child marriage exists more in the rural areas than in the urban. Thus 5.6 million out of 35.6 million women and 2.6 million out of 37.7 million men of the ages 5-14 are married in the rural areas. This gives a proportion of 15.7 per cent for females and 6.8 per cent for males. In urban areas, half a million out of 6.5 million women or 7.8 per cent and 0.2 million out of nearly 7.0 million men or 2.8 per cent are married.

The highest percentage of child marriages is found in Central India and North India.

The civil conditions of all the age groups put together are: unmarried - 88,147,296 males and 65,950,673 females; married: 82,253,086 males and 82,387,997 females; widowed or divorced - 9,033,458 males and 21,811,014 females.

Prevalence of polygamy, though on a limited scale, is revealed from the fact that married females exceed married males by 124,911 persons.

Census Commissioner's Report: need for limiting families stressed. - In his report to the Government on the 1951 census, the Census Commissioner, Mr. R.A. Gopalaswamy has advocated effective steps to limit the growth of population in India, coupled with increased agricultural productivity on a larger scale than that envisaged in the Five-Year Plan.

The need for all or most married couples avoiding "improvident maternity" or births to mothers who have already had three or more children when at least one of them is alive is emphasised in this connection.

On a study of the data made available in the present census and comparing it with the data for the last 60 years, the Census Commissioner had come to the conclusion that if the people continued to get food during the next 30 years as well as in the past 30 years, India's population would increase from about 360 million in 1951 to about 410 million in 1961, 460 million in 1971 and 520 million in 1981.

After taking into account all technological possibilities of development of agricultural ~~max~~ productivity in the country, the Census Commissioner has reached the conclusion that the assumption about availability of undiminished rates of food supplies is unlikely to hold good. There is a possibility of growing food shortage in the country leading to breakdown of distribution of food supply, thus opening the way to the natural checks on population like famine and pestilence which operated in the 30 year period before 1921.

This possibility is not, however, likely to be permitted to materialise in view of planned State trading in foodgrains. If India holds fast to State trading in foodgrains, then food shortage will be kept under control and prevented from developing into a breakdown of food supply.

Sufficient time will, therefore, be available for wise planning and efficient execution of measures designed to overcome food shortage permanently. For this purpose over the next 15 years development of agricultural productivity must be undertaken on a scale larger than that in the first Five-Year Plan.

Effective steps should also be taken concurrently to limit births to approximate parity with deaths and thus achieve a substantially stationary population.

The Census Commissioner has suggested that the target for agricultural productivity should be an increase from the present 70 million annual tons to about 94 million annual tons. Improvident maternity should also be reduced from the present incidence of over 40 per cent to under five per cent.

"The attainment of the target for reduction of improvident maternity", the Census Commissioner continues, "will necessitate prior creation and permanent maintenance of a nation-wide organisation of maternity and child welfare. This is difficult but feasible and essential. If these two targets are accorded equal priority and ranked higher than all other development targets, they can be attained before the population increased beyond 450 million and our total number will become substantially stationary round about 450 million".

Growing food shortage.- After dealing with the growth of food shortage in the country since 1921 and the rise in prices of foodgrains right up to the levels of the Korean War, Mr. Gopaldaswamy observes: "The tap root of the continued pressure still remains - the fundamental disparity between the demand for the supply of foodgrains, and the fact that the consumer cannot stand out against a rise in grain prices in the same way in which he can stand out against a rise in prices of almost any other commodity".

India's shortage of foodgrains round about 1951 was about 3.4 million tons, being the difference between 59 million tons of consumption and 55.6 million tons of harvested yield (less seed). Though the shortage is equivalent to the ~~the~~ foodgrains needed for consumption during 21 days it should be realised that "free trade cannot function in a market which is ~~generally~~ genuinely short of foodgrains - however small the shortage".

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"It seems likely that when population grows in number in conditions of growing food shortage, the average level of food consumption does tend to fall; that this tendency was fully operative during the forties also, though not perhaps to the same extent as during the thirties".

Population control.- According to the report an analysis of available birth and death data and life and death tables shows that there has been a significant increase in the expectation of life which means decline in mortality rates. Maternity data also shows that unless there is widespread use of contraceptives the birth rate will not materially differ from the past.

Discussing possibility of increasing the area under irrigation as a method of increasing agricultural productivity, the report says that India, with 15.5 per cent of the total area sown under irrigation, has a higher proportion than the world as a whole and no other country excepting China irrigates a higher proportion. The Five-Year Plan envisages, through major projects, to bring under irrigation 16.09 million acres compared to the 14.94 million acres brought under irrigation in one century of British Rule. But, the entire increased yield from the major irrigation projects will be less than one-fourth of the yield required. The minor irrigation works under the Plan will irrigate 11.3 million acres and together with the major projects will meet two-fifths of the requirements for 1961.

As regards other methods of increasing productivity such as increased manuring etc., "we should face the fact that we are probably up against the impossibility of progress without subsidisation".

All these methods of increasing production will only yield 24 million annual tons of which one-sixth is to be secured by increase of acreage under crop, one-third by increase of acreage under irrigation and one-half by all methods of increasing a yield other than irrigation. But even this increase will fall short of India's needs before 1971 and will be just sufficient to overcome the present shortages and meet growing needs until our ~~max~~ number reaches 450 million which will be round about 1969.

Population control, the report continues, is not only necessary but is unlikely to come about quickly without Government taking some steps to bring it about. The aim should be to limit the number of births so that they do not materially exceed the number of deaths and thus achieve a substantially stationary population before our number exceeds 450 million.

According to the report every married couple could have a maximum of three children without creating a national problem. Births above this number ~~was~~ would be "improvident maternity" which at present is about 40 to 45 per cent. If this improvident maternity is avoided, the national birth rate will fall from 40 per 1,000 to 23 per 1,000.

Of the 27 deaths at present among 1,000 people, 11 children are of under five years. With a reduction in the birth rate there will be a corresponding reduction to six in these deaths.

Thus the reduction in birth rate will bring about a reduction in the death rate from 27 to 22 per 1,000. This would mean that the net population growth will be reduced from 13 per cent per decade to one per cent per decade, even if improvident maternity is not altogether avoided but reduced to two per cent per decade.

With general improvement of health standards, people who had got rid of improvident maternity will pass over from "avoidance of improvidence to positive prudence" and an increasingly large proportion of mothers will limit themselves of their own accord to two children.

(The Hindustan Times 24 October and 12 November 1953).

Interim Compensation to Displaced Persons:
Scheme approved by Government.

Mr. A.P. Jain, Central Minister for Rehabilitation, announced on 6 November 1953, that the Government of India has approved an interim compensation scheme for certain categories of displaced persons.

The scheme.— The scheme is in the nature of payment of the first instalment of compensation due by way of immediate relief. Interim compensation will be paid either wholly in cash or wholly in property or partly in cash and partly in property. It will be applicable to claimants of high priority categories from whom applications have already been invited. These categories are: (a) Widow, old and infirm persons in receipt of maintenance allowance; (b) Inmates of women's Homes and infirmaries; (c) Other widows who have verified claims in their own ~~names~~ ^{names}; (d) Persons living in certain Government-built townships and colonies; and (e) Residents of mud-hut colonies in Punjab.

Implications of scheme.— The interim compensation scheme will have the effect of conferring quasi-permanent ownership rights on claimants who are in occupation of Government-built houses or evacuee houses. They will stop paying rents from a date to be specified by the Government, and arrears of rent as well as loans due to the Government will be adjusted against payment due under this scheme. After the specific date, the claimants will themselves be responsible for repair and maintenance of the houses they occupy, because neglect to the property thereafter will be detrimental to their own interest.

It is intended that the quasi-permanent ownership should through a formal agreement be made permanent when there is a settlement of the evacuee property dispute with Pakistan or a decision in the matter has otherwise been taken. Until then the ownership rights of evacuees would remain legally intact.

Scale of payment.— The interim compensation plus rehabilitation grants payable to those who have verified claims up to 2,000 rupees will amount to 60 per cent of their claim. As the amount of the verified claim increases, the percentage of interim compensation and grant will decrease proportionately, reaching 50,000 rupees. The following table gives a rough indication of compensation that will be payable.

Rupees	Interim Compensation Plus Rehabilitation Grant
Claim up to 2,000	60 per cent
" " 5,000	46.5 per cent
" " 10,000	38.0 per cent
" " 20,000	30.7 per cent
" " 30,000	23.4 per cent
" " 35,000	20.9 per cent
" " 40,000	18.9 per cent
" " 45,000	17.3 per cent
" " 50,000	16.0 per cent

According to the table, a person with a claim of 50,000 rupees will get interim compensation plus rehabilitation grant totalling 8,000 rupees. It has been decided that all those with claims above 50,000 rupees will also receive 8,000 rupees as interim compensation plus rehabilitation grant. Such claimants form only about five per cent of the total number of persons benefiting under the present scheme. It may be observed that although the "scheme" is called ~~interim~~ "interim" compensation scheme in fact the major portion of the total compensation payable to the claimants is being paid now, and only a small percentage is being withheld for final payment. This last instalment will be paid when the main compensation

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scheme is implemented, as soon as negotiations with Pakistan are completed or decision is taken otherwise by the Government.

Earlier decisions.- During May 1953, the Government of India had announced certain decisions on the question of payment of compensation to displaced persons having verified claims relating to immovable property left in West Pakistan. It was then stated that the final decision on the proposals of the Ministry of Rehabilitation in this respect would be taken after the conclusion of talks with Pakistan. Discussions with the Government of Pakistan have subsequently taken place and have not yet concluded. It was also announced that the Ministry of Rehabilitation would, in the meantime, take certain interim measures for implementation of the Government's decision. The Ministry of Rehabilitation proceeded to invite applications for compensation in respect of urban property from certain categories of displaced persons who, in the opinion of the Government, were entitled to priority on account of their needs. The last date for applications was 31 July 1953.

(The Hindustan Times, 6 and 8 November 1953).

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CHAPTER 9. INCOME SECURITY.

INDIA - NOVEMBER 1953.

92. Legislation.

Employees' Provident Fund (Amendment) Bill
passed by Parliament.

The Employees' Provident Fund (Amendment) Bill, 1953, which was introduced in the Parliament on 14 September 1953 (vide pages 81-82 of the report of this Office for September 1953) was passed by the Council of States on 24 November 1953 and by the House of the People on 1 December 1953. An Ordinance to bring into effect the provisions of the Bill was promulgated on 21 October 1953 (vide page 63 of the report of this Office for October 1953).

The Bill seeks primarily to remedy the defects in the Employees' Provident Funds Act, 1952, which the working of the Act has brought to light. One of the amendments provides that the Central Government may make the provisions of this Act applicable to a factory the majority of whose employees and the employer are agreeable to it. It also provides for inspection of factories whether covered by the Act or not to ensure strict compliance with its provisions. It also gives the Central Government powers to exempt some factories from the operation of the Act on grounds of financial difficulties.

Debate in the Council.- Moving the Bill for consideration, Mr. Abid Ali, Deputy Labour Minister, said that there was need for continuous improvement in social security legislation of which the present one was a part. He also explained in detail the various amendments.

Mr. S.N. Mazumdar (Communist) strongly attacked the provision which gives the Government power to exempt from the operation of the Act factories which were suffering economic difficulties. He charged that exemptions were granted in some cases without a proper inquiry and without justification. If such exemptions were really justified in some cases, then the Government should pay the contribution of the employers so that workers did not suffer. He urged that the Government should publish a report on the working of the Act and expose the devices by which employers tried to evade and nullify the provisions of the Act.

Mr. M.P.N. Sinha (Independent) urged the conversion of the Provident Fund Scheme into an insurance-cum-provident fund scheme so that the workers got an extra amount in case of premature death. He suggested that a unified machinery for executing social security legislation should be evolved to avoid duplication of work. He also urged that organisations like the

Damodar Valley Corporation should be brought under the operation of the Act.

Mr. S. Guruswamy (Independent) General Secretary of the Indian National Railway Workers' Federation, while generally supporting the provisions of the Bill, said they did not meet the minimum requirements of the workers. He said exemption to factories belonging to the Government or any local authority had resulted in "greatest injustice" to the employees of those factories. This "dangerous practice" of giving exemption from the ~~scope~~ operation of the Act was without any precedent, he said.

Another defect in the Bill, Mr. Guruswamy said, was that the benefits provided for the contribution made by the workers were not equal to the benefits enjoyed in other countries where there was provision for a comprehensive social security scheme. He supported the proposal that the Provident Funds scheme should be converted into an Insurance-cum-Provident Fund Scheme which would secure for workers' families greater facilities.

Mr. P. Sundarayya (Communist) Leader of opposition group in the Council, said there were 30,000 factories in India, employing 3,000,000 workers but only 1,643 factories employing 1,360,000 workers were covered by the Provident Fund Scheme. Criticising the restriction of the scope of the Act, he said there were many industries like plantations and heavy chemical industries which had not been brought under the scheme. He was also sorry to note that the Board of Trustees had decided on a policy of liberal exemptions.

Mr. Mathai Manjuran (Kerala Socialist Party) said the Bill did not apply to the important industries of Travancore-Cochin like timber, coir and match manufacture. These shortcomings would probably not be there if such Bills which concerned States to a great extent were discussed in State Legislatures also.

Replying to the debate Mr. Abid Ali said the scope of the Bill had been misunderstood by some members. The object of the Bill was to amend the original measure because in the working of the ~~the~~ Act for one year, Government noticed some difficulties and had also received representations from the workers. Most of the points raised by members were discussed when the original Bill was considered by Parliament. The object of the amendment was to make the implementation of the provisions of the Act more effective.

The provision relating to the power of giving exemption from the operation of the Act to some units, he pointed out, did not mean complete exemption from liability of the employers to carry out the provision of the Act. It was not that the Government of India would pass orders and grant exemptions to all and sundry. It would be done after scrutiny and workers' representatives of the units concerned would have an

opportunity to tender advice. It would be an established convention that if the workers' representatives were against it, no exemption would be granted.

Mr. Abid Ali denied the suggestion that the employees of the Provident Fund organisation had no heart in the working of the scheme because of the possibility of retrenchment. So far as he was aware no one had been retrenched. Forty per cent of the employees were of permanent cadre and 60 per cent ~~of the~~ had been employed directly and there was no risk of anyone being retrenched.

The total number of workers covered by the scheme at present was, "exempted" 816,000 and un-exempted 547,000. The number of factories "exempted" was 473 and unexempted 1,170. The amount collected monthly was approximately 7.5 million rupees from exempted and 5 million rupees from unexempted categories.

Mr. Abid Ali assured the House that the inquiry process before granting exemption to factories ~~and~~ would be rigid. There would be strict scrutiny and only when the Government was losing and the deficit and losses were increasing, the Government would grant exemption. He would further assure the House that the power would be very sparingly used and would be used in the interest of the industry and workers.

As for the demand to extend the Act to industries other than ones specified in the Bill, he said that as the Government gained experience in the working of the Act and as the Act became stabilized, it would be extended to other industries, along with social welfare schemes to better the conditions of workers in the country.

Debate in Lower House.— The House of the People adopted the Bill on 1 December 1953, after a brief debate.

(The Hindustan Times, 24 and 25 November, ~~December~~ 1953).

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Draft Rajasthan Silicosis Rules, 1953.

The Government of Rajasthan published on 7 November 1953 the draft of Rajasthan Silicosis Rules, 1953, proposed to be made under the Workmen's Compensation Act, 1923. The rules shall apply to certain specified industries involving exposure to the risk of silicosis. These include mining, porcelain and pottery, cement, glass, china clay, sandstone, quarrying or crushing or cutting of stone, manufacture of bricks and tiles and foundries and metal works industries. The rules require the compulsory medical examination of persons desiring to work in the scheduled industries and prescribe the procedure for getting compensation for silicosis of lungs. The rules will be taken into consideration by the Government after 1 February 1954.

(Rajasthan Gazette, Part III, 7 November 1953, pp. 403-414)

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94. Application.

India - November 1953.

Expansion of Medical Facilities for Insured
Workers: Employees' State Insurance
Corporation's Decision.

At a meeting of the Employees' State Insurance Corporation held at New Delhi on 28 November 1953 under the chairmanship of Mr. V.V. Giri, Minister of Labour, Government of India, a plan to set up hospitals and special medical treatment centres for insured workers was approved.

The plan will cost 22 million rupees and provides for 1,250 beds in the new hospitals and 400 beds in annexes to the existing hospitals. The Corporation agreed that hospital treatment should be provided to those of the insured persons who suffer from tuberculosis and it directed that a survey be undertaken to determine to what extent the existing tuberculosis hospitals could be utilised.

The Corporation also sanctioned the establishment of two X-ray-cum-laboratory centres in Calcutta and Howrah districts at a capital expenditure of 1.9 million rupees for both the centres and a recurring expenditure of 75,000 rupees for each of them. The Corporation will meet the capital expenditure initially.

Mr. Giri's address: Need to expedite scheme.- In his address to the Corporation Mr. Giri said that unless substantial progress was made in the implementation of the Employees' State Insurance Scheme in 1954 the forces of discontent and opposition might gather so great a momentum that even the scheme itself may be wrecked.

(The Hindustan Times, 29 November 1953).

Employees' State Insurance Scheme extended
to Madras State: Regional Board inaugurated.

A further step in the progress of the Employees' State Insurance Scheme under the Employees' State Insurance Act, 1948, was taken, when Mr. V.V. Giri, Central Minister of Labour inaugurated the Madras Regional Board of the Employees' State Insurance Corporation.

In Madras region, the scheme would initially be applied in the Coimbatore district of Madras State, covering 100 employers and 36,000 employees. The benefit of the scheme would be ultimately shared by all the 222,280 labourers engaged by 1,441 employers in the State. The Regional Board would cover Madras,

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Mysore, Hyderabad, Travancore-Cochin, Coorg and Andhra. Dr. U. Krishna Rao, Minister of Industries and Labour, Government of Madras, is the chairman of the Regional Board.

Inaugurating the Board, Mr. V.V. Giri, called for speedy and adequate implementation of the Employees' State Insurance Scheme throughout the country. He said that employers who had been paying special contribution all these months had reason to be restive. If their legitimate discontent was allowed to simmer too long, the social security scheme would receive a serious setback, from which recovery would be difficult for a long time.

The Minister said that the experience of working the scheme in Delhi and Kanpur for the last 18 months and in the Punjab during the last six months had been "favourable", the payment of cash benefits having generally given satisfaction and the claims made being not unduly high.

There were, however, numerous complaints regarding medical care but he was sure that in due course, the doctors serving industrial labour would develop the necessary sympathetic outlook to their patients. He disclosed that the Corporation had decided that efforts should be made to provide hospitalisation on the scale of one bed for every 1,000 insured persons. It had also decided that the appreciable savings of implementation of the Scheme would be diverted towards the construction of hospitals for insured persons or towards adding annexes to the existing hospitals.

(The Hindu, 13 November 1953).

Punjab Maternity Benefit (Amendment) Act, 1953
(No. XXXVIII of 1953).

The Punjab Maternity Benefit (Amendment) Bill (vide page 82 of the report of this Office for September 1953) as passed by the Punjab Legislature received the assent of the Governor of Punjab on 28 October 1953 and has been gazetted as Act No. XXXVIII of 1953. Under the Act, as amended, provision is made for the grant of maternity benefit to women workers for 42 days in case of delivery, miscarriage or abortion.

(Punjab Government Gazette, Extraordinary,
2 November 1953, pp. 1675-1676).

LIST OF THE PRINCIPAL LAWS PROMULGATED DURING
THE PERIOD COVERED BY THE REPORT FOR NOVEMBER
1953.

INDIA - NOVEMBER 1953.

Chapter 4. Problems Peculiar to Certain
Branches of the National Economy

Patiala and East Punjab States Union Tenancy
and Agricultural Lands Act, 1953 (No. 8 of 1953)
(Gazette of India, Extraordinary, Part II,
Section 1, 18 November 1953, pp.385-402).

Chapter 9. Income Security

Punjab Maternity Benefit (Amendment) Act, 1953
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