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#### CHAPTER 1. INTERNATIONAL LABOUR OFFAMISATION.

#### INDIA - JULY 1956.

#### 11. Political Situation and Administrative Action.

### Andhra: Heeting of Labour Advisory Board: Factories Act to be amended.

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A mosting of the tripartite Andhra Labour Advisory Board was held at Kurnool on 30 June 1956, Shri G. Latchana, Minister in charge of Labour presiding.

Factory legislation. The Board accepted in principle, the need for amending the Factories Act to suitably amplify the definition of the term, "worker" with a view to including in its scope, certain categories of employees of some establishments. It was suggested that the State Government should consult the Union Government before taking a decision on the subject, as to whether the State Government itself could take power through legislation, to include under the term "worker" those employees whom itself thought necessary.

The Board constituted a sub-committee with Shri S.R. Kaiwar, Director of Industries and Commerce as the convener to suggest amendments to the Factories Act, to provide for continuity of service of workmen, irrespective of change in the management of small industrial concerns, like rice and oil mills and operators running one or two buses.

The Board, by another resolution, held that it was not just or equitable to provide for payment of proportionate leave with wages to workers who voluntarily resigned as they lost their right to earn their leave by resignation.

Industrial Disputes.— The Board discussed at length the criticism of the labour representatives of the existing procedure for settlement of trade disputes arising in undertaking controlled either by the Government or the local bodies. The labour representatives urged that the set-up of the negotiating machinery, functioning in the railways and other undertakings of the Central Government should be adopted in respect of the State Government undertakings also, to rectify the present "dilatory procedure". Shri Latchana promised to exemine the suggestion for evolving a better procedure, after consulting the various departments concerned.

Industrial housing. The Board recommended that the setting up of industrial co-operatives for the construction of houses for workers should be "pursued vigorously" and that the managements be requested to advance interest-free loans to those societies towards their share capital and initial expenditure on construction.

Under the Industrial Housing Scheme of the Central Government, a workers' co-operative society will get a loan of 50 per cent and a subsidy of 25 percent of the cost from the Government. But the two-fold difficulties are, that the workers have to find the remaining 25 per cent of the amount and the subsidy of 25 per cent could be drawn only after the completion of the buildings. With a view to overcoming these difficulties, the Board made the above suggestions.

(Tho Hindu, 2 July 1956 ).

# 12. Activities of External Services. India - July 1956.

#### Participation in Meetings and Conferences.

The Director of this Office represented the I.L.O. at the Second Meeting of the Advisory Committee of the UNESCO Research Centre on the Social Implications of Industrialisation in South Asia held at New Delhi on 7 July 1956.

#### CHAPTER 2. DITERNATIONAL AND NATIONAL OFFICIALISATIONS.

MIDIA - JULY 1956.

22. Rogional Governmental Organisations.

UMESCO RESEARCH CENTRE ON Social Implications of Industrialisation: Second Meeting of Advisory Committee.

The second meeting of the Advisory Committee of the UNESCO Research Centre on the Implications of Industrialisation in South Asia was held at New Delhi on 17 July 1956. The meeting was attended by representatives of India, Pakistan and the Philippines and observers from international organisations, including UNESCO, F.A.O., I.L.O., the U.N., the World Federation of Trade Unions and Ford Foundation. Shri V.K.R. Henon, Director of this Office represented the I.L.O.

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For an account of the proceedings of the moeting, please see this Office Minute No. F.23/1819/56 dated 20 July 1956.

(Hindustan Timos, 18 July 1956).

#### 25. Wage-Earners Organisations.

#### India - July 1956.

### Bombay: Working of the Indian Trade Unions Act 1926 during 1954-1955.

Number of unions and membership. According to the annual report of the working of the Indian Trade Unions Act 1926, in the State of Bombay for the year onding 51 March 1955, there were 912 registered unions at the end of the period under report as against 812 at the end of 1955-54. The registration of 102 unions was cancelled for non-submission of annual returns, nine unions were amalgamated and 211 unions were registered during the year.

Out of the 912 unions, 760 unions submitted their annual returns for the year 1954-55, of which only 523 returns were in order.

Out of the 523 unions, 494 unions were State unions (including one federation) and 29 unions were Central unions (including four federations).

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The total mombership as reported by 518 unions (excluding five foderations) included in the aport was 321,599 at the beginning of the year and 595,597 at the end of the year. A total number of 173,132 members joined and 99,134 members left the unions during the year. The average membership of the unions included in the report which stood at 2,602 in 1945-46 has considerably declined during the last few years and was only 764 at the end of the year 1954-55. The total approximate membership of all the 907 unions (excluding five federations) at the end of the year 1954-55 was 789,672 as compared with the total approximate membership of 737,240 of 807 unions (excluding five federations) at the end of the year 1953-54.

<sup>\*</sup> Government of Bombay: Indian Trade Unions Act, 1926: Annual administration Report for the year 1954-55. Printed bt the Government Pross, Boroda: pp. 287; Price: Re.1 As.14 or 35.3d.

Information available regarding geographical distribution of trade union membership in Bombay State indicates that unions in Greater Bombay had 63.98 per cent of the total membership of 907 unions, while Ahmedabad and Poona Districts accounted for 14.80 per cent and 4.83 per cent of the total membership. Out of 907 unions (excluding five federations) registered as on 31 March 1955, 375 unions were in Greater Bombay, 67 unions in Ahmedabad District and 95 unions in Poona District.

The number of union s on the register, the number of unions submitting returns, their membership, etc. since 1944-45 are shown in the table below:

Year	No.of regist- ered unions.	<ul><li>unions included</li></ul>	Total membership of unions shown in column (3)			Average membership	Percentage of female members to
			Malos	Females	Total	por union included in the repa	total membership.
1944-45	± 101	86	191.935	17,100	209,035	2,431	8.18
1945=46		87	210,700	15,684	226,384	2,602	6.93
1946-47		140	306,946	25,265	332,211	2.373	7.61
1947=48		261	359,283	24,511	383,794	1,470	6.39
1948-49		319	493,328	31,090	529,155*	1,659	<b>5488</b>
1949-50		383	484.396	29,924	521,467*	1,561	5.74
1950-51		392	421,196	28,523	449,719	1,147	6.54
1951-52		408	411.384	26,876	440,507*	1,080	6.10
1952-53		148	510,131	31,123	541,254	1,208	5 . 75
1953-54		481	384,893	31,163	416,696*	866	7.48
1954-55	-	518*¤	360,969	33,928	395,597#	764	8•58

<sup>\*</sup> Details regarding sex are not available in certain cases.

The table balow gives the classification of the 907 987 registered unions (excluding five federations) and their membership according to industrial group as on \$1 March 1955:-

Group.	No.of rogistered Unions.	Membership (latest available).
Agriculture and Allied Activities.	10	1,941
Mining and Quarrying.	<b>-</b> S	6,273
Manufacturing.	<b>595</b>	434, 259
Construction	<b>-</b> 8	2,496
Electricity, Gas, Water and Sanitary Services.	<b>=</b>	8,163
Commorce.	225	24,174
Transport, Storage and Communications.	<b>-</b> 115	240472
Services.	111	40,259
Midwell -	_ 109	31,635
Miscellaneous. Total.	907#	789,672
* This excludes 5 federations.		

<sup>\*\*</sup> This oxcludes 5 Federations,

Trade Union Finances .- Me total income of the 518 unions (excluding five federations) during the year under report was 1,835,573 rupees with a balanco of 1,188,342 rupees at the beginning of the year, while the total expenditure for the same period was 1,582,737 rupces with a balance of 1,441,178 rupces at the end of the year. Fourteen unions maintained political Funds and collected 3,251 rupees during the year. They had an opening balance of 12,179 rupoes and a closing balance of 13,590 rupees in the political fund account after incurring an expenditure of 1,840 rupees. In addition to these 14 unions the Textilo Labour Association, Ahmedabad, also maintained a political fund. The Association had a balance of 8,651 rupees at the beginning of the year and 1,646 rupees at the end of the year in its political fund account and it incurred an expenditure of 7,032 rupoes during the year from that account.

The five federations (one State and four Central), had a total income of 325,079 rupess during the year with an opening balance of 269,100 rupess while their total expenditure during the same period was 502,831 rupess with a closing balance of 291,548 rupess.

Membership of State unions - A study of the membership of the 493 unions which submitted returns shows that the total membership which was 305,013 at the beginning of the year increased to 367,427 at the close of the year. Industry-wise classification shows that there was an increase in membership in all the nine industry groups. The highest increase in nembership was noticeable in the case of 'agriculture and allied activities group', (136,48 per cent), the construction group' (59.52 percent), coming net. The percentage increases in the other groups were follows: mining and quarrying . 34.90; !transport, storage and communications! 26.28; manufacturing 1 28.58; felectricity, gas, water and senitary services! 7.14; 'commerce' 6.35; 'sorvices' 3.17; and 'miscellancous' 9.45. The increase in the membership of the 'Agriculture and Allied Activities' group was mainly due to the membership of 4 newly registered unions in the group and also due to the increase in the membership of the Ginnin g Pressin g Factory Kemgar Union, Amalner and Cotton Ginning and Prossing Kampar Union, Amalner. The increase in the membership of the 'Construction' group was mainly due to the addition of one new union viz., Building Mazdoor Union, Bombay; in this group.

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As regards female membership the number of unions reporting female membership increased from 226 having a total membership of 31,110 in 1953-54 to 249 having a total membership of 33,657.

Finances of State unions.— The total income of the 493 State Unions was 1,552,100 rupees and the total expenditure 1,359,384 rupees with the result that the general fund which stood at 1,034,846 rupees at the beginning of the year increased to 1,227,562 rupees at the end of the year.

The main source of income was contributions from members, which accounted for 80.88 per cent of the total income. Out of 493 unions, only 205 unions supplied information regarding the contributions received from the members, contributions in arrears for three menths or less and contributions in arrears for more than three months. Out of the total contributions of 841,522 rupees of these 205 unions, 799,947 rupees were actually received from the members, 17,733 rupes were in arrears for 3 months or less and 23,842 rupees were in arrears for more than three months. Donations mostly from members and in some cases from unspecified sources amounted to 13.15 per cont of the total income. The amount of donations was the highest i.e., 126,450 rupees in the case of the 'manufacturing' group, while 'commerce', 'miscellaneous', 'services' and 'transport', Storage and communications groups reported aggregate donations of 41,677 rupees, 17,081 rupees, 8,213 rupees and 7,406 rupees respectively. The average income of the unions during the year was 3,148 rupees as compared with 3,547 rupees for the provious year.

As against the average income of the unions of 5,148 rupees, the average expenditure of the unions was 2,757 rupees for the year under report, while it was 2,926 rupees for the previous year. The table below gives the distribution of aggregate expenditure over various items:

Itoms of expenditure.	Amount of expenditure incurred.	Percentage to total expenditure.
	Rs.	Rs♠
Salaries, allowances and expenses of officers.	339,099	24.95
Salaries allowances and exponses of establishment	• •	
including rents, rates and taxes, stationery, printing and postage.	531,071	39.07
Auditors foes.	6,324	0•47 4•18
Logal expenses.	56,858 59,578	4,38
Expension in conducting trade disputes.		2900
Compensation paid to members for loss arising out	3,681	0.27
trado disputes. Funeral old age, sicknoss, unomployment benefits, etc.	- 7	0.49
Educational social and religious benefits.	52,650	S•87
Cost of and 14 and and Letterons pourse and	14,325	1.05
Cost of publishing periodicals. Expenses incurred under Section 15(j) of the Act.	115,643	8.51
whereas inoning muder pageron roll, or and	175,479	12.76
Other expenses. Total.	1,359,884	100.00

Only 17 unions ended the year with a credit balance.

The total assets of the unions were 1,848,895 rupees while the liabilities amounted to 593,443 rupees.

Agricultural trade unions. There were 11 unions who had as their members workers on sugar cane farms adjacent to sugar factories while one union enrolled as its members workers engaged on cotton and groundmut farms. Information furnished by four out of the 12 unions shows that 5,880 members out of a total of 16,054 or 36 per cent were engaged in agricultural operations on sugar cane farms.

State Federation --The Textile Labour Association, Ahmedabad, was the only registered State Federation at the end of the year under review. The assets of the Textile Labour Association, Ahmedabad were made up of cash amount 24 671,821 rupees, securities worth 354,307 rupees and miscollaneous assets amounting to 967,066 rupees. The Association had a general fund of 276,916 rupees, a political fund of 1,646 rupees, Shahapur Housing Society sinking fund of 68,025 rupees, staff providing provident fund and gratuity fund of 235,390 rupees, office building fund of 539,696 rupees, Gujarat famine relief fund of 29,202 rupees and other liabilities amounting to 1,042,519 rupees. Out of an income of 306,638 rupees during the year under review, 246,603 rupees were collected by way of contributions from members, 37,456 rupees by way of donations, 18,977 rupees as interestpn investments and the rest from miscellaneous sources. The total expenditure of the Association during the year was 286,455 rupees, out of which 141,081 rupees were spent on administration. The Association paid 85,190 rupoes by way of educations, social and religious benefits and 22,239 rupees by way of funeral, old age, sickness, unemployment, etc., benefits. The Association spent 18,714 rupees for publishing periodicals and 8,196 rupees for conducting trado disputes.

Affiliation of State unions. The available information regarding the affiliations of the unions to the All India Central Organisations of Labour is given in the table below:

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Name of the Central Organisation of Labour.

No. of unions reporting affiliations.

Total Strength on 51 March 1955 of the the unions mentioned in column No.2.

		The state of the s
Indian Mationel Trade Union Congress. Hind Mazdoor Sabha. All India Trade Union Congress. United Trade Union Congress. Not affiliated.	112 51 19 2 233	220,360 45,391 12,396 505
Affiliation not known.	76 493	57,616 51,359 367,427

Central unions. The total number of Central Unions (excluding four federations) registered under the Act was 38 at the end of the year under report. The statistics of 25 unions (excluding four federations) only have been included in this report and the statistics of the remaining 15 unions were not found to be in order. These 25 unions had a total membership of 28,110 at the end of the year as against 16,586 at the beginning of the year. The highest increase of 10,675 in membership was in the transport, storage and communications group; the group had the largest membership, i.e., 25,105 out of 28,110.

At the end of the year 1953-54 there were 11 unions with 55 female members, while during the year under review there were 12 unions with 271 female members which shows considerable increase in the female membership.

Income and expenditure of Central unions.— The total income of the Central unions during the year under report was 283,473 rupoes, out of which 244,762 rupees or 86.35 per cent was by contribution from members. Income from miscellaneous sources amounted to 4.30 per cent of the total income, while donations from members and in several cases from unspecified sources formed 9,28 per cent of the total income. The average income of the unions was 11,339 rupees during the year under report as compared with 6,746 rupees for the previous year.

As against the total income of 283,475 rupees the total repert-expenditure was 225,555 rupees with the result that the general fund which was 155,496 rupees at the beginning of the year increased to 215,616 rupees at the end of the year. An amount of 141,564 rupees was spent on the salaries, allowances and expenses of officers and establishment, which represents 65.29 per cent of the total expenditure. Amount spent on other miscellaneous expenses such as moetings and propagands, irrecoverable subscription and depreciation written off, stood at 52,504 rupees. Thus the expenditure was on administration amounted to 175,868 rupees which is 77.84 per cent of the total expenditure, while only 22.16 per cent of the expenditure was incurred on other items.

The amount of 13,079 rupeos was spont for expenses in conducting trade disputes, while 1,446 rupecs and 1,072 rupees were spent on funeral, old ago, sickness, unemployment benefits etc. and educational, social and religious benefits respectively. The amount of 25,319 rupees was spend for expenses under section 15(j) of the Act as against 8,230 rupees during the last year. The average expenditure of the unions during the year was 8,934 rupees as compared with 6,143 rupees of the previous year.

The general fund was the principle liability of all the unions except two. The amount of general fund of all the union sected at 213,763 rupees as against 117,074 rupees as other liabilities. The total assets amounted to 330,837 rupees which included securities worth 32,002 rupees. There were only three unions which held securities, out of which the Maritime Union of India alone held securities worth 26,028 rupees.

The Jahazi Mazdoor Union, Bombay, continued to collect the Political Fund during the year and it had a balance of 785 rupees in its Political Fund Account at the end of the year.

Central Federations.— At the end of the year 1954-55 there were four Central Federations, namely (1) Federation of Bank Employees, Bombay, (2) Federation of the Bank of India Staff Unions, (3) Federation of Press Trust of India Employees' Unions, and (4) The Insurance Employees' Federation, Bombay, registered under the Indian Trade Unions Act.

Affiliations. The table below gives the relative strength of unions affiliated to the different organisations:

Name of the Con	tral Organisation of Labour.	· · · · · ·	No. of unions affiliated.		
		·			
<del></del> .	Trade Union Congress.	• •	<b>-</b>	3,715	
Hind Mazdoor Sa			2	5.551	
Not affiliated.	Union Congress.	;	14	7,972	
Not known.	· · · · · · · · · · · · · · · · · · ·		5	10,932	
	Total.		25	28,170	
				• • •	

Employers' unions. There were eight unions of the employers registered under the Act at the end of the year.

The report reviews the important activities of trade unions, such as their educational and welfare work, legal aid, etc.

(The review of the working of the Act in Bombay during 1955-54 was reported at pages 15-19 of the report of this Office for June 1955 ).

Fifth Annual Session of Hind Mazdoor Sabha, Jharia, 9-12 March 1956: Resolutions on Second Five Year Plan, Rationalisation and Unemployment adopted.

The fifth annual session of the Hind Hasdoor Sabha (HHS) was hold at Theria from 9 to 12 Harch 1956, under the presidentship of Shri R.A. Khedgikar, President of the HHS. Hearly 300 delegates from all over the country representing various services and industries attended the session. Shri Liu Hing I, Vice-President of the All-China Federation of Trade Unions, Shri G. Mapara of the Asian Regional Organisation of the ICFTU were among the observers present.

Resolutions. The conference adopted about 26 resolutions including those on second Five-Year Plan, industrial relations, social insurance, rationalisation and unemployment. The more important of the resolutions are reviewed below:-

1) Second Fivo Year Plan. The conference stated that the draft second Fivo Year Plan sufferred generally from the said shortcomings as the first Plan so far as the service and living conditions are concerned and fell far short of a genuine socialist plan. It also stated that the assurances to labour in respect of housing, employment, social security, and improved labour legislation given in the first Plan has remained largely unfulfilled. Consequently, though both the productivity of labour and the national wealth had increased materially in the first Plan period, the conditions of labour had remained largely stagnant and in certain respects like employment, workloads and housing, actually deteriorated.

period that Labour must assess the proposals in the second Plan. In a plan which has as its objective the rapid industrialisation of the country and a socialist pattern of society. Labour is entitled to expect that its minimum basic domands like a fair wage, wider freedom of organisation, adequate housing, increased social services and full employment should be unequivocally accepted as principal objectives. This Confecence notes with regret that the proposals of the draft plan in these respects are at best vague and inadequate and in point of employment, grossly unsatisfactory. This Conference calls upon labour to wage a determined and organised agitation to ensure that its legitimate gaspirations will not once again be thrown into the background.

The conference also expressed its anxiety about likely inflation that may arise out of deficit financing in the second Plen and urged the Government to give highest priority to schemes of production and development which will give work to the unemployed and enable them to make their contribution in nation building.

The Conference noted the Planning Commission Labour Panel's suggestions on cortain statutory and administrative measures to ensure that the rights and benefits offered to Labour did not merely remain on paper but become a reality and urged upon the comment that it must spare no efforts in the speedy and effective implementation of these measures if it desired the willing co-operation of labour in the second Plan.

The Conference also welcomed the increased awarness in the country for the need for workers' participation in the running of industrial enterprise, as evidenced by the various proposals for workers' chare in management, and welcomed the Labour Panel's proposal about Hanagement Councils and called upon Unions to earnestly co-operate in their working.

2) Industrial relations. The resolution on industrial relations charged that the Industrial Truce resolution had been "deliberately dishonoured" in spirit and letter by all other parties except labour. "Industrial strife and failure of numerous industrial agreements which have been violated, have contributed to the mounting labour tension which is manifest everywhere today. The industrial relations machinery is too dilatory, ineffective and often essentially partisan. The oxisting lebour laws also have proved to be inefficient instruments for affording social justice to the workers and do not, in fact, confer any substantial rights or reliefs on them. The condition has worsened by non-enforcement of even such meagre rights as laws permit. For the last coverel years the Government have held out the hope of so modernising the labour laws as to give adequate and over-due relief to the workers. Further, multiunionism fostered by Government has crippled labour consolidation badly and Government by so doing have caused serious damage to the industrial democracy. It has foisted on the unwilling workers progovernment and company-unions to choke the voice of free labour. The Government and semi-Government employees hade done their worst also to thwart unionisation of Government and semi-Government employees. The cumulative effect of all these has been an all-round doterioration in the living standards of workers and considerable loss of freedom. The Convention points out that the Hind Mardoor Sabha has done its very best to set things right by advising and warning all parties concerned against the progressive deterioration of the industrial relation; but the response of the Government and the employers has not only been negative but often hostile." The Conference therefore called for radical and immediate improvement in labour relations, especially provision of an offective machinery for early settlement of industrial disputes.

- 3) Rationalisation The Conference stated that moves for rationalisation were ill-conceived when unemployment was spreading in the country and underemployment remained a permanent feature of the country's economy. It expressed the opinion that in an under-developed country like India where labour is the only surplus factor of production and vast natural resources and potential market remain untackled, high degree of mechanisation of industries is irrational", and strongly folt that "rationalisation of industries in our under-developed country with everpopulation can be taken up only with ? great caution and when avenue of alternate employment to absorb surplus personnel is absent, rationalisation without safeguards to protect continuity of employment of the workers must be resisted. While the principles based on the conditions of rationalisation as agreed to in the Tripartite Conference will be adhered to. the working class in this country must rally all its forces against the present move for unconditional rationalisation in the present context".
- 4) Social Insurance .- The Conference expressed its deep concern over the extremely slow pace of social insurance legislation in India and the totally inadequate relief provided to working class by the present legislation. It demanded that the Government should immediately make a comprehensive legislation incorporating the various social insurance schemes and make provisions providing that the workers' families should be covered by the health insurance schemes and the conditions of minimum instalment of contribution entitling cash benefits was gradually abolished. Provident Fund schemes should be universally applicable and the maximum limits of permissible contributions be released. Old age and superanmuation pension should be immediately introduced for the workmen. It drew the attention of the Covernment particularly to the problem of unemployment insurance. As yet 23 countries of the world have adopted legislation for unemploymen t insurance and undoubtedly India needed it more than many of them. Immediately steps should be taken in this direction by the Government; and working class should be prepared to agitate for this most important demand.
- 5) Partisan policy of Government. By a resolution the Conference charged the Government with attempts "to subvert the working class by making frequent use of its repressive machinery. It appears that the bolstering up of INTUC unions to disrupt working class unity on the one side and the unleasing of repression that has no regard for human life and dignity under the supposed protext of maintenance of law and order, on the other, form a pincer attack to obtain a completely servide and terror-stricken working-class in the country".

6) Unemployment. The Conference stated that during the first Five-Year Plan inspite of promise of increase of employment possibility, incidence of unemployment increased appreciably. In spite of repeated varning by the Hind Hazdoor Sabha during the course of the first Plan period, the course of the first work-load was increased and percapita production intensified through un-planned and irrational methods under the false name of rationalisation, resulting in rampant unemployment throughout the country. While Government looked on complacently, the overall condition of the working class deteriorated precipitously; and even in Government establishments retrenchment has been often followed by offer of subsequent inferior employment at much reduction of wages.

"This Convention of the Hind Mazdoor Sabha has given its serious consideration to this abnormal position and have docided that the working-class must face this onslaught in a planned manner. This Convention, therefore, calls upon the affiliated unions, as a first step, to hold meetings and pass resolutions demanding that the Government forthwith appoint a Commission to make a through survey and to precisely find out the number of unemployed and under-employed persons with a view to launch a plan for granting unemployment allowance, to provide employment in industries and concerns to be set up under the second Plan. It calls upon the affiliated unions to make a census of the under-employed and unemployed persons themselves, in case the Government fails to accept the above domand and work up to it, or and fails to initiate an unemployment allowance plan within six months; and raise the slogan "either give us work or give us bread"; and immediately commence preparation for the above purpose with the ultimate objective of country-wide direct action on the issue of unemployment".

Office-bearers - The session elected the following office-barers for the year 1956-57: President - Shri Jatin Mitra; Vice-Presidents - Shri Adhir Banerjee, Rajani Mukherjee, Kumari Maniben Kara, Shri Basawan Sinha and Shri G.D. Bajpai; General Secretary - Shri Bagaram Tulpule; and Joint Secretaries - Shri R.C. Pradhan and Shri S.B. Giri.

(Hind Mazdoor, Vol. III, No.1, April 1956 ).

#### Homination of Worker Dolegates to I.L.O. Heetings: H.M.S. Working Committee's Decision.

A note in Hind Mazdoor, the Official organ of the Hind Mazdoor Sabha, for April 1956, stated that every year the Ministry of Labour, Government of India, invites the HMS to recommend names for nomination to various I.L.O. bodies. Equally regularly the Comment Government exercises its discretion in this matter in favour of the INTUC nominees to the exclusion of all others. The Working Committee on a similar request by the Government to recommend names of a certain ILO Committee, decided to seek from the Ministry of Labour an assurance that its policy hithertofore will be changed in future and that workers' representatives will be more fairly and impartially nominated. The Working Committee decided that the HMS should recommend names only on obtaining an appropriate assurance.

(Hind Mazdoor, Vol.III, No.1, April 1956 )

#### 29. International Co-operation.

#### India - July 1956.

#### U.S. Technical Aid to India: 16 Agreements concluded.

- Sixteen agreements under the Indo-U.S. technical co-operation programme were signed on 29 June 1956, between the Government of India and the U.S.Technical Co-operation Mission.

The total aid to be provided to  $I_n$  dia under these agreements for projects by the U.S.A. amounts to more than \$2.4 million.

The agreements include one relating to the Calcutta milk scheme for which the U.S.A. will make available \$340,000. Another \$500,000 will be given for the national dairy development programme in India.

Under another agreement the U.S.A. will make available \$800,000 in furtherance of the water supply and sanitation programme.

Other allocations include \$197,600 for additional support to the fisheries programme, \$39,200 for financing cortain engineering studies of the Indian railways system, \$45,000 for additional technical advisory services to the Central Water and Power Commission, \$12,000 for assistance in industrial research, \$85,000 for development of building materials, \$95,500 for providing additional technical services and equipment for the completion of the pilot paper and pulp mill at the Forest Research Institute. Dohra Dun, \$24,000 as assistance to the Malaria Institute, \$196,000 for the procurement of modern electronic equipment for the Civil Aviation Training Centre at Allahabad, \$80,000 for the supply of equipment to medical colleges in Cuttack and Hyderabad and \$162,800 for the provision of an industrial design specialist to each of the four regional small industries institutes at Delhi, Bombay, Calcutta and Madras.

The U.S.A. will provide technicians and professional experts as well as training opportunities abroad for selected Indian personnel.

(The Statesman, 50 June 1956 )

#### CHAPTER 3. ECONOMIC QUESTIONS.

IIDIA - JULY 1956.

32. Public Finance and Fiscal Policy.

### Finance for Second Plan: New Loans floated by Central Government.

The first public borrowing by the Central Government for the Second Five-Year Plan, amounting to 1,500 million rupees, was completed on 18 July 1956. This was in the form of three loans of varying maturities which were opened on the 16 July and closed on 18 July.

The three loans were: the 3 1/4 per cent bonds 1962; the 3 1/2 per cent National Plan bonds - Third Series (1967); and the 3 3/4 per cent loan 1974. The issue price was 98 rupees per 100 rupees for the first loan, and 98 rupees 8 annas per 100 rupees for the other two loans. No specific amount was fixed for either of the three loans.

The Union Finance Minister, had stated in his budget speech that during the current financial year he would borrow 1,000 million rupees by way of market loans.

During the Second Five-Year Plan period, the Government is to borrow 7,000 million rupees through market loans, an aveage of 1,400 million rupees a year.

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The total amount of loans maturing during the period of the Second Plan states that gross borrowings in the five years "will, therefore, have to be of the order of 11,300 million rupees", an average of 2,260 million rupees a year.

(The Hindu, 19 July 1956 )

### Foreign Aid for Second Plan: 1,580 Hillion Rupees promised.

Replying to a question in the Lok Sabha on 18 July 1956, Shri B.R. Bhagat, Deputy Finance Minister, said that the total amount so far promised by foreign countries in loans and export credits to help finance the second Plan was 1,380 million rupees.

Shri Bhagat said that the United Kingdom had promised a 20D million rupees loan and export credit of 150 million rupees for the Durgapur steel plant.

The U.S.A. had offered a loan of 400 million rupees for purchasing commodities and equipment for development purposes. Of this sum, about 380 million rupees had still to be drawn.

The U.S.S.R. had promised export credit of about 630 million rupes for setting up the Bhilai Steel plant.

In addition to these sums the U.S.A. and Commonwealth countries had agreed, as in previous years, to give "considerable amounts" to India as grants.

World Bank Loan. Loans for certain projects had also been authorised by the International Bank for Reconstruction and Development. The balance left for use in the second Plan was about 260 million rupees. The Bank had agreed to authorise a further loan of 360 million rupees for the Tata Iron and Steel Company's expansion scheme.

Supplementary questions focussed attention mainly on the U.S. loan which, Emri Bhagat said, was, repayable in 40 years in half-yearly instalments. The rate of interest would be 4 per cent if the repayment was in rupoes and 3 per cent if in dollars.

(The Statesman, 19 July 1956 ).

### Expansion of Bank Credit: Banking Trends in 1955.

According to the annual report of the Reserve Bank of India on the 'Trend and Progress of Banking in India', the year 1955 was significant not only for the increased volume of banking business but also for far-reaching organizational changes.

During the year 1955 scheduled bank credit expanded by 800 million rupees, as against an increase of 570 million rupees in 1954 and a fall of 100 million rupees in 1953. This figure, however, conceals seasonal variations. The expansion of bank credit in the busy season of 1954-55 at 1,070 million rupees was lower by 50 million rupees than in the busy season of 1953-54. The report observes that the tendency towards contraction of the 'financial' slack season, noticed recently, might be interpreted, not so much as an aberration of the pattern but as a reflection of the beginning of an underlying trend of a general increase in, and lengthening of, credit demands as a result of the growing diversification of the Indian economy.

The resources position of the Indian banking system was, taking a broad overall view, fairly comfortable in 1955. An interesting feature as regards the Resorve Bank's lending has been that while hitherto the Indian banks had been the main horrowers under the Bill Market Scheme, in 1955 exchange banks also exhibited considerable interest in the Scheme. This development gives ground for the belief that the Indian money market is acquiring a greater degree of autonomy.

Increase in deposits.— In 1955, in continuation of the trend in the two preceding years, the deposits of scheduled banks increased by 910 million rupees to 10,130 million rupees, passing the 10,000-million rupees level for the first time in seven years. The expansion in deposits in 1955, though similar in magnitude, differed markedly from that which occurred in 1954. In 1954, demand deposits had shown a much larger rise, at 560 million rupees than time deposits which had gone up by 350 million rupees, whereas, in the year under report, the expansion of time deposits was somewhat more significant at 470 million rupees, as against an increase in demand deposits of about 430 million rupees.

Over the year, the relatively larger increase in bank deposits than in bank credit and the reduction of cash recerves helped scheduled banks to add to their investment pyotfolios by as much as 420 million rupees. Of this, more than 360 million rupees represented investments in Government securities. The additional gilt-edged investments were entirely accounted for by Indian scheduled banks and were made in the second half of the year, partly through subscription to the Central Government Loan floated in July 1955. The maturity pattern of scheduled bank gilt-edged holdings underwent some interesting variations.

During the year, the total number of offices of banks recorded an increase for the first time in the post-war period. The increase was mostly in the offices of scheduled banks which increased by 91 to 2,793. There was an increase by 1 to 65 in the offices of exchange banks, while the number of offices of non-scheduled banks declined by 28 to 1,258.

State Bank branches --Referring to the State Bank's branch expansion programme, the Report says that according to the State Bank Act, the Bank has to establish not less than 400 additional branches within a period of five years or such extended poriod as the Central Government may specify; as a first step in its expansion programme, a list of 100 centres covering mostly the important district centres has been prepared with the approval of the Central Government and the selection of centres has, for the time being, been confined to Part 'A' and Part 'C' States. Up to June 30, 1955, the (former) Imperial Bank of India had opened 63 branches in Part 'A' and Part 'C' States out of the 114 it was expected to open in pursuance of the recommendations of the rural Banking Inquiry Committee (1950). In the first six months of its working, the State Bank opened branches at 20 centres out of the 51 left over to be opened by the Imperial Bank of India. Thus, the trends in branch banking as a whole reflected the steady widening of the area of the banking system by extension of branches into the interior of the country.

Branch banking. The report points out that the scope of branch banking is greatly influenced by costs of operations - mainly by ostablishment charges. In this regard, it refers to the appointment of the Bank Award (Gajendragadkar) Commission to conduct a factfinding inquiry and make recommendations as regards further modification, if need be, of the decision of the Labour Appellate Tribunal as modified by the Government in August 1954. The recommendations of the Bank Award Commission submitted towards the end of July 1955 were accepted in full by the Government and, accordingly, the Industrial Disputes (Banking Companies) Decision Act, 1955, was passed in September, under which the Award terms and conditions of the Award will remain in force for a period of five years from 1 April 1954.

Profit and loss account. The profit and loss accounts of 18 larger Indian scheduled banks showed that during 1955 their gross earnings registered a rise of 38 million rupees to 350 million rupees over three-fifths (24 million rupees) of this being accounted for by the rise in interest and discount earned. Total expenses also rose significantly - by 34 million rupees, more than one-third of which was made up of an increase in interest paid on deposits, borrowings etc. Net profits, therefore, went up by 4 million rupees to 57 million rupees.

Banking organisation. In the sphere of banking organisation and control, the outstanding event of the year was the inauguration of the State Eank of India. The Report briefly recapitulates the circumstances which led to this major step in the building up of a co-ordinated banking system.

Rural finance. The expansion programme of the State Bank, and its role in the fields of industry, trade, commerce and rural finance are also explained briefly in the Report. With its not work of branches reaching into the interior of districts the State Bank is expected to be of assistance in devising institutional remedies for difficulties connected with short-term finance for rural and small-scale industries. the developmen t of which has been accorded high priority in the secon d Five-Year Plan. Apart from this, the State Bank's part in furthering rural credit may be visualized in the provision of vastly extended remittance facilities for co-operative institution, and of financial assistance, illustratively, through purchase of debentures of land mortgage banks or through direct advances against agricultural produce of small-scale industryproducts, and generally in co-ordinating its activities with those of co-operative institutions in a variety of ways.

indirectly

The report indicates how some of the other important recommendations of the Rural Credit Survey Committee were also translated into law. Thus, to enable the Reserve Bank to play an active part in the organisation of the co-operative structure and to facilitate the supply of rural credit, the Reserve Bank of India Act was amended so as to provide for the setting up of the National Agricultural Credit (Long-Term Operations) Fund and the National Agricultural Credit (Stabilization) Fund.

Efforts continued to be made to tone up the quality and standards of the existing banking system.

During the year licences were issued to 12 Indian scheduled banks under Section 22 of the Act thus raising the total number of licences issued to 46. Besides these, there are four banks, namely, the State Bank of India and three other major State-associated banks to which the provisions of Section 22 of the Banking Companies Act are not applicable. The deposits of these 50 banks as at the end of the year, aggregated 9,809 million rupees which accounted for 90.8 per cent of the total deposits of banks (both scheduled and non-scheduled) in India.

Second Five-Year Plan-Reviewing the developments of banking activity and banking structure that have taken place in the context of the demands that might be made on the banking system during the period of the second Five-Year Plan, the Report points out that the secon d Five Year Plan would naturally entail for banks not only an extension of both their area of operations operation and range of functions but also an expansion in the magnitude of that type of banking business which is now being performed, vis., the provision of working capital requirements to trade and industry. Attempts are being made to correct the lopsided branch distribution of Indian banking with its concentration in the towns through a programme of branch expansion of the State Bank of India and the enlargement of facilities for remittance of funds,

With the establishment of the integrated credit structure as contemplated by the Hural Credit Survey Committee, the range of functions of banks will be considerably widened. The importance of sound management is of particular relevance in a period of sizable increase in bank resources and the wider opportunities for credit expansion which the growth of the economy would open out.

#### 53. Full Employment Policy.

#### India - July 1956.

### Problem of Unemployment in India: Prof. Mahalanobits' Observantions on Sample Survey Results.

Analysing the results of a proliminary survey of urban unemployment conducted by the National Sample Survey towards the end of 1953, which have been published now. Prof. Mohalanobis has urged that there must not be any increase in unemployment during the Second Five-Year Plan and that efforts must be made to create enough work to absorb at least the new entrants into the labour force during the period.

He stated that the estimated total urban unemployment in the country is of the order of five million. Unemployment and under-employment constituted the greatest social problem in the country at present, he said. That was why it had been decided that an important aim of planning in India must be to get rid of unemployment in ten years.

Prof. Mahalabobis added: "Unlike in industrially advanced countries, in India both unemployment and underemployment are chronic and structural because of a lack of economic development. Minor adjustments can no doubt be made through employment exchanges and similar devices. but the fundamental remedy lies only in economic development. It is necessary, therefore, to take a dynamic view of the way in which more and more posts would be created or greater opportunities would be opened up to facilitate earning on own account. It is also necessary to determine how educational and training facilities would be expanded to ensure an adequate supply of technical personnel, which would be required in an increasing number for occurate development and how housing. transport, medical welfardand otherhmentities would be provided in an increasing measure in future. Gotting rid of unemployment and under-employment would then appear as the central task of planning from the point of view of both individual and national needs."

The survey stated that the fact that the information presented is based ultimately on date collected from only 23 towns all over the country necessarily puts some limitation on the fully representative character of the estimates. They should be viewed more as indicators of the order of magnitudes than as anything else, having high precision. Even such order of magnitudes, however, is of great value in a field where there is hardly any information of a quantitative nature. The National Sample Survey had undertaken another large-scale enquiry on unemployment all over the country last year and the results are being studied.

(The Statesman, 28 June, 1956).

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The draft copy of the report was made available to this Office some time ago and a summary of the conclusions have been given at pp.15-22 of the report of this Office for December 1955.

#### 34. Economic Planning, Control and Development.

#### India - July 1956.

State Agricultural Ministers Conference Mussoorie.
28 - 30 June 1956: Minimum Prices for Farm Produce urged.

A conference of Food and Agricultural Ministers of the States was held at Missoorie from 28 - 30 June 1956. It was inaugurated by the Union Minister of Food and Agriculture and attended, among others by the Union Planning Minister.

Inaugural address: Higher production not possible without additional allocations .- Opening the conference Shri A.P. Jain referred to the Planning Commission's recent proposal for a 40 per cent increase in the target of egricultural production in the second Five-Year Plan. and said that this could not be achieved without additional allocations. He was also critical of another suggestion of the Commission that as a means of combating inflation prices of ferm produce should be reduced by 20 per cent. In his opinion the remedy suggested was worse than the discase. He said: "Any farmer who does not increase his production by at least 20 per cent - most of the medium and small farmers will be in that category - will lose by the reduction of price. The terms of the trade will be against him and any such reduction is bound to act as a damper to more production. You will have to give serious thought to the problem of agricultural prices", he addod.

Cash crops. Referring to the urgent need for export of cash crops as a means of securing the much-needed inflow of resources to fill the considerable gap in foreign exchange, the Hinister said: "For the success of the Plan, which will to a great degree depend upon the quantity of capital goods we are able to acquire, we must export larger quantities of cash crops such as oilseeds, cotton, tobacco and plantation products".

Shri Jain said that from the study made in the Ministry for increasing production of cereals, they had come to the conclusion that production of food grains could be increased by 16.5 million tens in 1950-61 over the 1955-56 level as against the figure of ten million tens proposed in the second Plan, provided certain requisites were fulfilled. This would represent an increase of 25 per cent as against 15 per cent proposed in the Plan.

"Through accoleration of the seed multiplication scheme and its expansion to cover all Mational Extension Service blocks in the first three years of the second Plan, we believe that it will be possible to achieve an additional production of 1.9 million tens. The expansion of facilities for minor irrigation is likely to give an additional production of 0.7 million tens. Schemes for intensification of distribution of fertilizers and better use of farm-yard mairs may add another 0.9 million tens", he said.

In the matter of increase of cash crops, proposals had been worked out to step up the targets for the increased production of cotton from 31 per cent now envisaged to 57 per cent. For jute, sugarcane and cilsceds the new targets proposed were 37.5 per cent, 31 per cent and 36.4 percent as against the present targets of 25 percent, 22 per cent and 27 per cent respectively. These increased were primarily nimed to be achieved by the intensification of measures already contemplated.

Agricultural income --Shri Jain said agriculturel incomes the world over lagged behind the industrial. In India as against an average per capita income of about 967 rupees of the factory worker in 1950, the income of the ogricultural labouror in 1950-51 worked out to an average of about 200 rupees only. The second Plan provided for an increase in the national product of 25 per cent whereas the increase in the agriculture sector was only 18 per cent. The disperity in the incomes of the two sectors at the end of the Plan would be greater than at present. This was against the fact that seven out of every ten person s in the country derived their livelihood from agriculture and they would not have bettered their lot to the same extent as those dependent on industry and trade. "This aspect of our planning cannot be overlooked lightly and should legitimately be a cause of concern, he said.

Increase in prices. Reforring to the upward trend in prices of agricultural commodities during the past few months, Shri Jain said: "It should not be overlooked that the price level of most of the agricultural commodities lest year was uneconomic and the Government had to enter the market for the purchase of food grains in order to maintain the prices. The present prices, though higher than those of last year and 1954, are still lower than what they were in 1955."

"I do not think there is cause for anxiety. We are keeping a close watch on the prices and have been releasing wheat at 14 rupees per maund and rice at 15 rupees per maund whenever the prices have shown a tendency to rise unduly. So far we have not failed and we have no reason to be pessimistic about the future. In the case of commercial crops, efforts to maintain a proper price level are being made by regulating exports. Some monetary and fiscal measures are also under contemplation. A few have already been undertaken in the case of paddy and rice for stabilizing prices."

Shri Jain added: "Most of the success of the first Plan was due to the higher production in the agricultural sector and the fate of the second Plan equally rests on the tempo of agricultural production."

Shri Manda's statement. Shri G.L. Manda, Union Planning Minister, intervening in the deliberations, declared it was notimpossible to achieve a higher target than that proposed in the Plan, though he would not ask them to the themselves to any particular figure. Shri Manda vittually rejected proposals for additional allocations when he said the ceilin g of outlay of 48,000 million rupees for the Plan was not going to be increased. Any increase in production would have to come only by re-adjustment of the existing allocations for the various schemes. Such an increase was largely based on fuller utilisation of the unused resources and the know-how, he said.

Resolutions: Minimum prices for farm produce urged.—
The conference passed various resolutions for achieving new targets for agricultural production and for a price policy for agricultural commodities.

The conference decided to increase the target of 3,715 seed multiplication farms by another 534 farms at an additional expenditure of 69 million rupees, the entire programme to be completed in three years instead of five Besides, a number of seed stores would be doubled at an additional expenditure of 42 million rupees.

Great emphasis was laid by the conference on minor irrigation schemes for which additional 450 million rupoes out of the total additional outlay of 1,080 million rupees required for additional targets had been carmarked.

In the view of the conference nearly 500,000 tens of nitrogenous fertilizers, 120,000 tens of phosphoric acid and 720,000 tens of superphosphate would be required for obtaining the required increased yield.

It is proposed to give 25 per cent subsidy on nitrogenous fortilisers, excluding ammonium sulphate, for the firstfure years, 20 percent in the third year and 15 per cent in the fourth year. The present subsidy of 25 percent on green manure seeds is proposed to be continued. Short-term loans to cultivators for purchase of all kinds of fertilisers are also envisaged.

The conference recommended an additional provision of 62.1 million rupees for comploting soil conservation schemes in three years instead of five years. A provision of 18 million rupees has been recommended for subsidizing the supply of pesticides and insecticides as plant protection measures. This measure is expected to yield at least on million tons of additional food grains.

The conference laid stress on the development of research facilities in States to supplement elaborate researches being conducted by the Union Food and Agriculture Hinistry. A sum of 60 million rupees at the rate of 20 million rupees annually had been earmarked for the purpose. It is proposed to upgrade eight regional institutions for post-graduates classes in agriculture at a cost of 11,100,000 rupees.

Price policy. The mesolution on price policy urged that reasonable minimum prices for important agricultural commodities should be ensured to the grower and the Government of India should take early steps to achieve the objective. Beforethe resolution was passed a note of warning was given by Shri M.M. Shah, Union Hinister for Heavy Industries, pointing out that the price support based on the system of controls was impracticable in many agricultural commodities. For instance, perishable commodities could not be stored indefinitely. In case of international commodities like jute and cotton prices had to be fixed on a competitive basis.

The conference recommended closer co-ordination between normal agricultural programmes of State Governments and activities of National Extension Service and community projects in regard to agricultural production.

The conference urged the States to take up dry farming experiments on the Bombay model. A provision of 4.7 million rupees should be made in this connection.

Land reclamation. The conference also stressed the necessity of taking up more land reclamation schemes. It favoured the system of particular crop campaigns as conducive to increased average yields in different crops. It was recommended that botter agricultural practices as distinguished from the use of manures and improved seeds could be expected to give an invisible additional yield of 1.5 million tons of agricultural products.

(The Hindustan Times, 29 June 1956 and 2 July 1956 ).

## Seventh Session of Central Advisory Council of Industries: Production Targets under Second Plan reviewed.

The seventh session of the Central Advisory Council of Industries was held at New Delhi on 20 June 1956, Shri T.T. Krishnamachari, Union Minister for Commerce and Industry presided.

Industry in the Plan: Minister's address. Addressing the Council, Shri Krishnamachari stressed the need for constant review, revising and readjusting of individual targets engisaged in the Second Five-Year Plan in the light of changing conditions obtaining in the economy. He said that it was essential that in considering the targets a longer view of the problem should be taken.

The Minister said that the most frequent readjustment would be required in regard to consumer industries. The increased demand for consumer goods was one that had to be met. He added: "I for one, have persistently maintained that austerity is a virtue which only the prosperous can indulge in. If economic progress is to have any meaning for the average Indian, he must be able to raise his standard of living an A to afford some of those things which he has at least begun to clamour for. You cannot ask the people who are starying to tighten their belts. In fact they can afford no belts".

Regarding the Industrial Policy resolution of the Government of India (vide pp. 21-24 of the report of this Office for May 1956) the Minister said that the statement was the outcome of a great deal of deliberation and hoped that it would set at rest "the kind of internal argument which used to crop up over the respective roles of the private sector and the public sector in our economy".

Work of development Councils reviewed. The working of the dovelopment councils set up by the Government of India for various industries was reviewed at the meeting. Opinion on the working of the development councils was divided. Shri K.C. Mahindra said that, while these bedies were charged with tasks of coordinating production programmes and evolving forms for achieving efficiency, the annual reports on their working did not disclose that these two purposes were being adequately fulfilled.

Shri Kala Shri Ram said that if they wanted these councils to help and develop industries, they should have adequate finance at their disposal and have the services of experts on the industries concerned.

Dr. Vikram A. Sarabhai, Shri Lagshmipat Singhnia and Shri S.R. Vasaveda were among those who held that the development councils were doing useful work. They urged that separate councils should be set up for non-ferrous metals, vanaspati, confectionery and cotton textile industries.

Shri T.T. Krishnamachari, held that the experiment of Development Councils had proved a success. The Development Council on pharmacouticals had done particularly good work. It was Government's idea to see that these Councils functioned as policymphers in respect of industries dealt with by them subjects Covernment's approval. He hoped that Government would be able to make more use of these Councils in their scheme of industrialisation.

Industrial production targets.— The Council also had a discussion on industrial development and targets under the Second Five-Year Plan and also the working of the National Industrial Development Corporation.

Shri R. Lakshmipat Singhania said transport was going to prove a serious bottleneck in the implementation of the Plan. Unless serious consideration was given to this problem, many industries would be affected. The target for road transport should also be increased, he said.

Shri S.R. Vasavada referred to the new textile policy and urged Government to see that the question of installation of automatic looms was not mixed up with rationalisation. It would be a hard blow to handloom industry, if automatic looms were going to make an inroad on the home market, he said. He regretted that while production had increased as a result of the first Five-Year Plan, workers remained exactly where they were in 1951. If a fair deal had to be given to workers so as to give them an incentive, was it not proper that some share in the increased wealth be was equitably distributed. He suggested that Government should immediately set up a machinery which would satisfy the claims of the workers for a share in the increased wealth.

Lala Shri Ram said the targets in respect of a number of items needed an upward revision while Shri K.C. Thapar urged great attention to the transport problem.

Shri K.C. Mahindra wanted to know how far the private sector would be allowed to participate in the National Induthrial Dovelogment Corporation.

Shri Krishnamachari said the Mational Industrial Dovelopment Corporation had more or less become a Government machinery for the purpose of filling up the gap in the industrial structure but there was no "philosophic" objecting to the participation of private enterprise. However, the dominant voice would be that of Government.

The Railway Minister, Shri Lal Bahadur Shastri, intervening in the discussion, assured the Council that "we will do much better than what is actually expected from us within the limited allotment made by the Planning Commission".

Winding up the deliberations, Shri Krishnamachari referred to Shri Vasavada's plea for equitable distribution of the increased wealth and said it was a matter which Government faced with one mind.

We do feel that the plan must bring something to people lower down and the benefits we get from the Plan must either be conserved for national development or diverted towards the improvement of the standard of living of the workers. We have not made up our mind as to how much should go for national development and how much to the workers.

Shri Krishnamachari said the Labour Minister had some proposals in mind to be placed before the workers and the industrialists which would enable them to implement the targets under the Plan and make workers feel that in working for the nation they were also benefitting themselves. It was a matter to which the Cabinet attached the greatest importance.

(The Hindu, 21 June 1956 ).

### Life Insurance Corporation Act, 1956(Ho.51 of 1956): Nationalisation of Life Insurance.

The Life Insurance Corporation Bill (vide pp.62-63 of the report of this Office for February 1956) as passed by the Parliament received the assent of the President on 18 June 1956 and has been published as Act No.31 of 1956.

The Act provides for nationalisation of life insurance and for the setting up of a Life Insurance Corporation to take over life insurance business from existing life insurers.

(The Gazette of India, Extraordinary, Part II-Section 1, 19 June 1956, pp. 655-684),

## Hydro-Electric Resources Total 35 Hillion K.W.: Power Commission Survey.

A survey undertaken by the Central Water and Power Commission shows that India's hydro-electric resources roughly amount to 35 million k. .

The survey was intended to ensure adequate preparedness of the vast power expansion ahead.

In carrying out the current survey, the country was divided into six regions: (1) the Wost flowing rivers of the Western Chats; (2) the East flowing rivers of Southern India; (3) the rivers of Central India; (4) the Ganga basin; (5) the Brahmaputra basin and (6) the Indus Basin.

All possibilities of development in each basin were examined by a study of typographical maps and other readily available data. The most economic alternatives were chosen for purposes of calculation.

These schemes have now been outlined in detail, indicating the location of dam sites with dimensions of dams and reservoir capacities, the type and details of the water channel systems and location of power houses.

Twenty-six such proposals, aggregating 5.7 million k.fl., 45 proposals aggregating 6.8 million k.w. and 36 proposals aggregating 5.9 million k.w. have been incorporated in the first three reports on the current hydro-electric survey entitled "West Flowing Rivers of the Western Ghats", "East Flowing Rivers of Southern India", and "Rivers of Central India".

The fourth report on the Ganga basin is awaiting publication while work on the remaining river basins is in progress.

The survey of the entire country is expected to be completed by 1958. Then the country's "real wealth" of hydro-electric resources, its distribution and characteristics, will be fully established.

(The Statesman, 11 July 1956 ).

# State Trading in Cement: APrice for both Imported and Indigonous Varieties.

Cement, indigenous and imported, will be sold at all railhead destinations in the country at a uniform price with offect from 1 July 1956. With a view to achieving this objective the Government of India on 26 June announced the introduction of State trading in cement.

A Press note issued by the Commerce and Industry Ministry says that the overnment has been considering for some time past the problems arising from the import of coment at substantially higher prices than indigenous cement and the need for rationalisation in the movement of cement within the country. The Government considers that coment, whether indigenous or imported, should be made available to the consumer at a uniform price at all railhead destinations. It also considers that movements of cement should be so ordered as to cause the minimum strain on the transportation system.

The Government has accordingly decided to introduce State trading in cement and to introduce a uniform price for it. It is proposed to implement this decision with effect from 1 July 1956.

It is porposed to operate the scheme by directing all producers of cement to sell all their stocks as on 1 July 1956, and all their production thereafter to the State Trading Corporation of India (Private) Ltd. The producers will be paid the fair prices of an F.O.R. ex-works basis; the fair prices will be the prices which have already been determined by the Government in respect of various producers.

Distribution. The State Trading Corporation will be responsible for the distribution of the cement. It is the Government's intention that the scheme should be operated with the least disturbance to the existing channels and organisations for distribution. The State Trading Corporation will, therefore, arrange for the distribution of coment through the existing selling agencies of the producers, which are being appointed as the Corporation's agents for this purpose.

The State Trading Corporation will also be responsible for all imports of coment.

Uniform price. The present price at which indigenous coment is available in the market is 90 rupees per ton, including freight and packing charges. This also includes the margin for the dealers. The price of the imported cement is 40 rupees to 50 rupees higher per ton.

The uniform price at which the State Trading Corporation will sell cement will be 102 rupees 8 amas per ton. This is higher than the present controlled price. The difference between the prices which the producers will be paid and the uniform selling prices of cement will be used mainly for two purposes, first, to cover the incidence of freight, which an F.O.R. destination price implies, and secondly, to subsidize all imported cement and sell it at the uniform price.

The Bress Note emphasises the Government's intention that coment should be imported in adequate quantities so that the progress of development plans is not rotarded by the shortage of this essential commodity.

(The Hindustan Times, 27 June 1956 ).

## Proparation of Price Inda: Union Government sets up

The Government of India has set up a Committee to examine and suggest improvements in the collection and processing of prices of non-agricultural articles for the compilation of the Index Number of Wholesale Prices published by the Office of the Economic Adviser to the Government of India.

The possibility of improving the coverage and mode of collection of price quotations utilised in the compilation of the wholesale price index has been considered by Government for some time. For agricultural items the report of the Agricultural Prices Enquiry Committee has provided a basis for improvement. The quotations suggested by this Committee have been utilised in the compilation of the index with 1952-53 as base which is shortly to be issued. The quotations for non-agricultural items were also revised after a departmental enquiry.

It is, however, considered desirable to investigate thoroughly the suitability of the quotations for non-agricultural items in view of the changing pattern in the industrial production and to amend the index when the results of the investigations are evailable.

The Committee appointed to suggest improvements will have Shri N. Subrehmanyam, Joint Scoretary, Ministry of Commerce and Industry as Chairman and Shri G.D. Mathur, Deputy Statistician, Office of the Economic Adviser to the Government of India, Ministry of Commerce and Industry as member-Socretary.

(The Hindu, 2 July 1956 ).

# Economic Development of Hepal: 215 Hillion Rupees Draft Plan formulated.

According to an article in the Eastern Economist of 15 July 1956, by Dr. Y.P. Pant, Homber, Nepal Planning Commission on "Planning in Nepal", Nepal's draft cutline of the first Five-Year Plan, as announced by King Mahendra on 7 October 1955, has estimated a total allocation of 215 million rupses. The following statement shows the details of allocation:

TOTAL.	215.000	97.500	100.00
5. Contingency.	1,000	<b></b>	0.47
4. Mining.	0.700	<b>.</b>	0.28
5. Cadestral Surveys.	6.000	e e e	2.76
2. Basic Survey.	8.000	8,000	5.92
l. Rehabilitation.	2.500	•	1.18
0. Health.	5.000	. •	2.30
9. Education.	3.000	=	1.38
8. Irrigation.	15.000	10-000	6,98
7. Power.	30.000	30,000	13,95
(f) Engineering Schools.	0.800	•	0.36
(c) Tele-communications.	0.900	0.900	0.44
(d) Ropeways.	1.800	1.800	0.88
(c) Airways.	10,900	5.000	5.08
(b) Railways.	3.600		1.65
(a) Roadways.	48.000	24-000	22.52
6. Transport and Commication	ons:		
5. Industries.	25.000	-	11.60
4. Forest and Products.	3.900	<b>*</b>	<b>9.80</b> 0
3. Rapti Valloy Development.		6-700	8.14
2. Agriculture.	2.700	=	•65
1. Agricultural and Village Development.	30.000	10:000	13.95
	Rupees.	0050	TOTAL COSE.
	in Hillion	External Cost.	As a por cent of Total Cost.

Dr. Fandt states: "Rightly has the development of transportation and communication received the top-most priority in the Plan because of the country's topographic structure, and of its only 278 miles of high-ways. Consequently, more than 50 per cent of the total has been tentatively allocated to the development of transport and communications. The only way, therefore, of eliminating primarily regional food scarcities and, secondly, most of the economic difficulties, is by a proper type of country-wide transport co-ordination.

The Draft Plan also reasonably provides for geological, aerial and cadestral surveys. The cadestral surveys will enable the country to be properly mapped for the first time and help to demarcate various types of land, to improve the administration of forests and other public lands, to distribute expropriated lands among the land-less, organise agricultural credit and classify land according to its productivity for revenue purposes. As Nepal lacks carefully collected statistics, the allocation of about 7 per cent of the total expenditure to such surveys is quite justified.

"The Plan aims at increased production in the agricultural sector through irrigation and a gricultural extension schemes, and puts adequate emphasis on development from below. It proposes to set up development sectors in 16 districts comprising both Hill and Tarai areas in five years. Forests will get about 2 per cent of the total outlay. Pilot projects like the Rapti Valley Multi-purpose Development is expected to help in solving unemployment and food shortage as well as to demonstrate how, in future, many Mepalese valleys can be successfully developed through multi-purpose projects".

Reparding finances for the Plan, he states that the pattern of allocations, which embraces agricultural economy (including transport) to the tune of about 60 per cent of the total outlay shouldbe met primarily by internal revenues and foreign aid. An improvement in administration would increase the present yields of customs duties very substantially. Immediately the introduction of a tax on agricultural income. besides yielding more revenue, would also correct the inequity. of present land taxes. The recently announced scheme of the Birta (rent free) land tax alone, if put through, is expected to add about 1.5 million rupees annually to Government revenue. Revenue from forests can also be greatly expanded by honest, efficient and incorruptible management of forests. It is remarkable that today with half the forest area of Nepal, Uttar Pradosh, in India produces ten times its crest revenue. Besides these, imposition of new taxes like betterment tax, income-tax, sales tax etce, will also contribute to the finances of the Plane In the content of the favourable help of countries like India, the U.S.A. and other international organisations the outlook for the foreign aid is also quite resy.

#### 38. Housing.

#### India - July 1956.

The Punjab Industrial Housing Act, 1956 (Punjab Act No.16 of 1956): Allotment of Accommodations under Subsidised Scheme.

The Government of Punjab gazetted on 28 June 1956, the Punjab Industrial Housing Act, 1956 (Punjab Act No.16 of 1956) as approved by the Legislature and assented to by the President. The Act provides for the allotment, recovery of rent, eviction and other ancillary matters in respect of houses constructed under the subsidised industrial housing scheme for industrial workers in Punjab.

Statement of Objects and Reasons. The Statement of Objects and Reasons of the Bill, observes that a number of houses under the Government of India Subsidized Industrial Housing Schemidfor industrial workers have been constructed at Amritsar and Ludhiana and plans are in hand for construction of more houses at other places. Provisional arrangements for the allotment of these houses, realisation of rent, etc., have been made. Mecessity, however, is felt for a law to provide for the administration, control, allotment, upkeep, realisation of rent and other connected matters in respect of these houses. The measure accordingly soeks to make provision for these matters.

The Act extends to the whole of Punjab and shall come into force in such areas as may be specified by the State Government from time to time by notification in the Official Gazette.

The Act makes the Labour Commissioner of the State responsible for all tment of houses and for such other functions under this Act as may be prescribed.

(Punjab Government Gazette, Extraordinary, 22 March 1956, pp. 435-445; Punjab Government Gazette, Extraordinary, 28 June 1956, pp. 889-896).

# CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN ERANCHES OF THE HATIONAL ECONOMY.

INDIA - JULY 1956.

42. Co-operation.

Co-operative Farming to be encouraged in National Extension Areas: Hinisters! Conference Recommendation.

The second Conference of State Ministers of co-operation was held at Mussoorie from 1 to 3 July 1956, Shri A.P. Jain, Union Minister for Food and Agriculture presiding.

Need for new legislation: Shri Jain's address.—Shri A.P. Jain, addressing ho Conference, stressed the need for simplifying and rationalising the existing co-operative legislation. The co-operative movement was entering a revolutionary phase and the old and outmoded laws, primarily meant for rural credit co-operatives, could no longer meet the new situation. Shri Jain said the Government had recently appointed a committee to go into the matter. The committee would review existing legislation in the light of the recommendations of the rural credit survey report and suggest modifications of the law.

Shri Jain advised co-operatives to keep the trader and middleman "out". These people, whose interests were likely to be adversely affected by the growth of the co-operative movement, might try to get into co-operatives with a view to sabotaging them from within.

Shri Jain urged that principles of co-operation hadto be advorsely applied whenever possible and a steadilyincreasing proportion of private sector developed on co-operative lines. He added that the introduction of State partnership and the need to include the medium and the small farmer in the membership were the new elements that had come in the co-operative movement.

He said the large expansion of co-operatives in the second Five-Year Plan was not a matter of mere accident. During the last 12 months far-reaching events had occurred in the economic and industrial policy. The country had adopted the goal of socialist society. The structure of socio-economic relation and the pattern of development had to be so planned that they resulted not only in approciable increase in national income and employment but also in greater equality in incomes and wealth.

Explaining the co-operative development programme in the second Five-Year Plan, the Minister said it followed the lines suggested by the Rural Credit Survey Committee and a sum of 470 million rupees had been allotted for co-operative schemes as against 70 million rupees in the first Plan. Additional funds would be available for promoting ether sources, and assisting co-operatives from other sources. The Reserve Bank was expected to invest about 250 million rupees from the long-term operations fund for strengthening the credit structure. A good portion of 2,000 million rupees earmarked for developing small, village and cottage industries was likely to be available to co-operatives. Similarly co-operative societies, which took up construction of houses for industrial workers and low-income groups would be eligible for State aid.

In the field of agriculture, he said the integrated scheme of rural credit, marketing, processing and warehousing had been formulated. A target of providing agricultural finance to the extent of 2,250 million rupees or nearly 25 percent of the total requirements had been fixed. Here than 10,000 large-sized credit societies would be organised for this purpose.

The Minister said efforts would also be made to re-vitalize and strengthen the existing small societies. Some of them would no doubt be amalgamated with or reorganised into large-sized societies. The large-sized societies would have nearly 4,000 godowns. These godowns would be used not only for supplying seeds, fertilisers and other articles required for agricultural production but also for storing the produce of cultivators. The societies would advance loans on the basis of anticipated crops. The borrowers would, therefore, have to agree to sell the produce to the co-operative institution, especially the marketing society. One thousand and eight hundred marketing societies were proposed to be organised during the second Five-Year Plane

Shri Jain said the programme of marketing would have in turn to be fully co-ordinated with that of warchousing. It was proposed to make the warchouse receipts negotiable and with the vast expansion of the State Bank of India, there should be no difficulty in raising the marketing finance. This would save the primary grower from the distress sales at the harvest season.

Training problem.— Shri Jain said that to reach the targets under the second Plan, they would require about 20,000 to 25,000 trained persons by 1960-61, that is, about 5,000 men would have to be trained every year. The output of trained men at present was in the neighbourhood of about 2,500. This number had to be doubled. He had no doubt that the State Governments and the Contral Committee would plan their work in such a manner that trained staff required at various levels would be available in good time.

The Minister stressed that the co-operative movement would require a large number of non-official leaders who with their local knowledge could understand and appreciate the difficulties of the farmer and could help in bringing about quickly the necessary changes in the policy, procedure, etc.

The Minister referred to the efficiency of operations in the co-operative movement and said there was general feeling that the procedure adopted by co-operative societies tended to be dilatory. He advised the co-operative institutions and the departments to re-examine the existing procedure and introduce necessary changes.

Shri Nanda's address.— Shri G.L. Nanda, Union Hinister for Planning, addressing the Conference on 2 July 1956, described co-operation as an article of faith on which the second Plan itself was based. A socialist pattern of society and a welfare State were unthinkable without co-operation, he said.

Decisions: i) Co-operative credit and marketing. The Conference decided to accelerate the programme for setting up 10,400 large credit societies within the next four years for increasing agricultural production through expanded co-operative credit facilities and simplification of procedure for making timely and adequate credit available to farmers.

The Conference decided that in 1956-57, 1,715 credit societies should be set up; in 1957-58, 2,684; in 1958-59, 3,600; and in 1959-60, 2,401. The Statewise pargets for the first two years were also fixed.

The Conference while accepting the principle of State partnership and financial assistance for managerial staff provided under the second Plan for large co-operatives, either newly formed or brought into being as a result of reorganisation, permitted the formation of smaller societies in villages and to develop with fair prospects of functioning with as effective units. State assistance would be available to large co-operatives, but small societies would continue to receive existing financial and other assistance.

The conference further decided that the existing procedure for advancing co-operative loans should be reexamined to simplify it in order to avoid delays in payment of loans.

By another resolution the conference decided to set up 1,800 co-operative marketing societies in four years - 518 in 1956-57, 471 in 1957-58, 600 in 1958-59 and 411 in 1959-60.

The resolution said, legislation should be enacted for regulating markets in all States and urgent steps taken to set up primary co-operative marketing societies in advance of large-sized co-operative societies.

It urged the recruitment of suitable persons for manning of apex marketing societies which will form an all-India federation to handle inter-State and export trade.

The conference recommended co-operative processing of important commodities, restricting membership of processing societies ordinarily to the growers and workers of co-operative societies.

ii) Co-operative farming. The conference also adopted a resolution on the introduction of co-operative farming in National Extension Service blocks in the country. After a long debate on the resolution, moved by Shri R.K. Patil, who is leading an Indian delegation to China to study co-operative work there, the conference accepted the target of 500 co-operative farms to start within the current year, to be located in National Extension Service block areas where promising local leadership is available. The resolution stated that all supplies to cultivators should be channelled through multi-purpose or large-sized credit societies.

The conference emphasised the necessity of a phased programme for training personnel for the successful running of these societies and said special subsidy should be provided to the societies to meet the initial expenses incidential to farming. The terms of such financial assistance should be more attractive than in the case of individual cultivators.

iii) Co-operative training .- The resolution on co-operative training, stressed the necessity of proper training of cooperators for which six pilot units are to be established in Saurashtra, Delhi, Madhya Bharat and Bihar. The group desired the expansion of these training arrangements in order to establish a proper climate for the spread of the co-operative movement. Administrative personnel at the district, sub-divisional and tehsil levels should be given orientation in methods of co-operation through short courses. It was felt that to ensure the success of co-operation only trained personnel should be appointed for the managerial cadre. It recommended that in addition to the institution at Poona for training the senior cadre, five regional institutions for training intermediate category officials and 25 for training subordinate officials, at least 10 more institutions for training subordinate cadre officials be established. It further recommended that the emoluments of the staff employed in co-operative departments should be on par with those of other Government departments for attracting proper mon-

(The Statesman, 2-5 July 1956 ).

#### 43. Handicrafts.

#### India - July 1956.

Programme for introducing Ambar Charkha: Enquiry Committee's Recommendations accepted by Covernment.

The Government of India has accepted the recommendations for introduction of Ambar Charkha made by Ambar Charkha Committee, set up by the Government of India sometime ago with Shri S.S. Khera, Secretary of the Union Ministry of Production as chairman to investigate the economic and technological aspects of the Ambar Charkha (vide pp. 36-38 of the report of this Office for March 1956).

The Committee has expressed the view that the Ambar Charkha yarn is fairly even and strong and suitable for weaving on handlooms and has recommended the introduction of 75,000 charkhas during the current financial year.

Laying stress on the organisational aspects of the Ambar Charkha and its use, the Committee has suggested that these aspects should be examined and considered carefully. It has recommended that the Ambar scheme should be progressively decentralised with the Government or the Khadi Board limitary its functions to financial assistance, technical and organisational advice, research and co-ordination. The Ambar programme should be integrated with the community project areas and national extension service wherever such projects are sufficiently established. The programme should be organised through co-operatives.

The result of the experiment, the Committee has suggested, should be further examined and the Government should take a decision by the end of this year regarding the scale of the scheme for 1957-58 and the probable scale for 1958-59. In the Committee's view, the figure for 1957-58 might be up to 200,000 new Ambar Charkhas.

According to the Committee, an Ambar project should be so organised that as far as possible existing handlooms are brought into the scheme to weave Ambar yarn instead of new handlooms being set up specially for the Ambar yarn. Members of weavers families should be trained and supplied with Ambar Charkhas in preference to others.

<sup>\*</sup> The decision on the Amber Charles is part of the recently announced policy of the Government on textile production (vide pp. 15-15 of the report of this Office for June 1956).

At least 75 per cent of the new spinners, the Committee feels, should be from veavers' families until nearly all such families have been provided with at least one Ambar Charkha set. The Ambar yarn produced for weaving should be spun only in the spinners' homes and not at spinning contres.

Regional self-sufficiency. The Committee has recommended that the programme should be implemented as far as possible in areas where cotton is locally available and where there is greater need of providing employment. The Ambar project should be incorporated with the progressive realisation of regional self-sufficiency and provide for the increase in the consumption of Ambar cloth in local areas. This would contribute to the realisation of the goal of doing may with the subsidy in the production of Ambar cloth. The scheme should be so organised as to ensure that the yarn produced does not accumulate for want of veaving.

As part of the first phase of the programme, the Committee has suggested that the traditional Charkha should be progressively replaced by the Ambar Charkha and the existing Khadi looms should change over to Ambar yarn. Next would come the looms now using mill yarn in the neighbourhood of existing spinners of Khadi yarn.

As regards subsidy, the Committee has recommended that the objective should be to attain the point where a subsidy will no longer be necessary in decentralised spinning and weaving. In the first instance, special effort should be made to bring down the need for subsidy to two annas in the rupee for Ambar cloth, exclusive of the cost of training, subsidised cost of the Ambar units and interest on working capital advanced to co-operatives. For the present, the Committee has recommended a single-point subsidy, at the cloth stage, of a minimum of four annas in the rupee.

The progress of the scheme in the first two years should be watched continuously and closely by a special Government Directorate. The establishment of a Toxtile Research Centre, mainly devoted to decontralised spinning and weaving, has been recommended by the Committee.

Regional centres might be set up later on.

An annual review of the progress, the Committee has said, should be undertaken and further prospect of the scheme should be examined with special attention to tochnical improvements, quality of the product, productivity, workers' earning, subsidy etc. Intensive and extensive effort should be continued to make improvement in the design of the Ambar Charkha and a design competition for the spinning unit conforming with Gandhiji's specifications, should be organised. Experiments and tests should be conducted on the productivity of the Ambar Charkha to see if it can be increased beyond six hanks a day, after three months of training and practice. Special emphasis has been laid on training of both spinners and instructors.

Purchase by Government. The Committee has recommended that Government should, to the maximum extent possible, purchase Ambar cloth to meet its requirements. Planning for opening finishing and stocking centres for Ambar cloth should start now. Apart from emporia in the large cities, there should be a net-work of sales depots in districts and rural areas. Sample rooms should be opened under the marketing organisation in important cities where samples and other information could be available to wholesale buyers. The Committee is of the view that the concept of "certification" by the Khadi Board should gradually give place to the concept of a normally decentralised village industry. Ambar cloth should ultimately take a natural and not a special place among the various kinds of cloth to be bought and sold.

Wages of weavers. The Committee has suggested that the daily wages earned by spinning should be under constant watch by Government. A flat piece rate of 1 1/2 annas a hank for all counts, for the present, would be reasonable in the Committee's opinion. Generally speaking, yarn produced on the Ambar Charkha should be upto 24 counts, since the Charkha is best suited for the manufacture of yarn up to this count.

Regarding the manufacture of Charkhas, the Committee has expressed the view that it should be on a fully decentralised basis. Village carpenters from the Ambar areas should be trained and supplied only with the essential number of precision parts from the central agency. The Charkha should not be manufactured in any central factory or in a number of manufacturing centres.

(The Hindustan Times, 20 June 1956 ).

#### 44. Merchant Marino and Fisheries.

#### India - July 1956.

# Social Security for Scamen: Transport Minister's address at Mational Welfare Board Meeting.

Shri Lal Bahadur Shastri, Union Minister for Transport, inaugurating the first meeting of the National Welfare Board for Seafarers at Bombay on 4 June 1956, expressed the hope that a social security scheme for seamen would be finalised soon.

The Minister referred to a social security schoms which had been prepared in 1945 in conjunction with an I.L.O. expert. It had been held up pending reorganisation of the system of recruitment. He disclosed that the draft plan had now been taken up for actuarial examination.

"In this connection, I am giving instructions to the Director-General of Shipping to invite the comments of shipowners and senfarers and to submit his recommendations to the Government at the earliest," he added.

Shri Shastri said that the Welfare Board had been constituted in pursuance of a resolution adopted at the first Asian Maritime Conference hold at Numera Eliya in Ceylon in October 1953, under the auspices of the I.L.O.

The establishment of somen's employment offices was only the first of a series of welfare measures for seafarers, he said. "Now, the establishment of this Welfare Board is another important step in that series," he added. "The best part of a seafarer's life is spent away from the shores of his country and the his family and children are deprived of his constant care and affection which are so vital to their well-being."

Stressing the importance of suitable and adequate amenities in home ports. Shri Shastri said that it was equally important to ensure that proper arrangements existed for the welfare of Indian scafarors at foreign ports.

Apart from seamen's welfare in ports, whether in India or abroad, there was the problem of their welfare when they served on board ships, he said.

"During the period of engagement, discipline and devotion to duty on the part of seafarers are of vital importance; but at the same time, it is equally necessary to ensure that arrangements exist whereby legitimate and reasonable grievances can be attended to expeditiously. Often, for achieving the best results, what is called for is not so much the payment of a little more money as the expression of a little more concern for welfare."

Shri Shasiri stated that as regards medical aid. free outdoor and indoor treatment was being provided already and the cost was shared equally between the Government of India and the State Government concerned. The Government of India had also under consideration the question of sotting up special Sommen's Wards in Bombay and Calcutta.

"I understood", the Minister said, "that shipowners and seafarers have decided to set up a bipartite National Maritime Board for dealing with problems relating to the terms and conditions of seamen's employment, with a view to concluding collective agreements. I regard this as a healthy development and would like to wish the Board all success in its endeavours".

(The Statesman, 5 June 1956)

CHAPTER 6. GENERAL RIGHTS OF WORKERS.

INDIA - JULY 1956.

63. Individual Contracts of Employment.

Industrial Employment (Standing Orders)
(Bombay Amendment) Act, 1956 (Bombay Act
No.XXXVI of 1956).

The Industrial Employment (Standing Orders) (Bombay Amendment) Bill (vide page 69 of the report of this Office for March 1956) as passed by the legislature received the assent of the President on 10 June 1956 and has been gazetted on 21 June 1956 as Bombay Act No. XXXVI of 1956.

The Act amends the definition of employer in the original Act.

(The Bombay Government Cazette, Part IV, 21 June 1956, pp.148-149).

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

#### India - July 1956.

## Payment of Wages (Bombay Amendment) Act, 1956 (Bombay Act No. XXXVII of 1956).

for accommissations

The Payment of Wages (Bombay Amendment) Bill (vide page 74 of the report of this Office for Harch 1956) as passed by the State legislature, received the assent of the President on 12 June 1956 and has been gazetted as Bombay Act No. XXXVII of 1956. The Act authorises deduction from wages, rent provided by State or other public bodies.

(The Bombay Government Gazette, Part IV, 21 June 1956, pp. 160-151).

### Travancore-Cochin Payment of Wages (Industrial Establishment) Rules, 1956.

In exercise of the powers conferred under the Payment of Wages Act, 1936, the Travancore-Cochin Government has made the Travancore-Cochin Payment of Wages (Industrial Establishment) Rules, 1956. The Rules relate to inter alia definitions, maintenance of registers of wages, fines etc., notices, maintenance of correct weights and measures used in checking or ascertaining wages, returns etc.

(Government of Travancore-Cochin Gazette, Part I, S July 1956, pp. 1-15).

# 67. Conciliation and Arbitration.

India - July 1956.

## Bombay Industrial Relations (Amendment) Act (Bombay Act No. XXXV of 1956).

The Bombay Industrial Felations (Amendment) Bill (vide page 79 of the report of this Office for March 1956) as adopted by the Bombay State legislature received the assent of the President on 4 June 1956 and has been garetted as Bombay Act No. XXXV of 1956.

(The Bombay Government Gazette, Part IV, 21 June 1956, pp.146-147).

#### CHAPTER 8. MANPOWER PROBLEMS.

INDIA - JULY 1956.

81. Employment Situation.

Problem of Unemployment in India: Prof. Hahalanobi's Observations on Sample Survey Results.

Analysing the results of a preliminary survey of urban unemployment conducted by the National Sample Survey towards the end of 1953, which have been published now, Prof. Mahalanobis has urged that there must not be any increase in unemployment during the Second Five-Year Plan and that efforts must be made to create enough work to absorb at least the new entrents into the labour force during the period.

For details, please see pp. W of this Report.

#### Employment Exchanges: Working during Key 1956.

General employment situation. According to the roviow of the work of the Directorate General of Rosettlement and Employment during May 1956, there was a slight improvement in the employment situation in general. There was a rise in the number of vacancies notified both from the public and private sectors.

Widespread surpluses persisted in regard to untrained teachers, motor drivers, clerks, carpenters, unskilled office workers, unskilled labourers and freshers from schools and colleges. Motor mechanics, fittors, and sweepers, janitors, syahs, postmen and tailors were surplus to requirements in certain areas.

Shortages continued to persist in respect of stenographers, draughtsmen, overseers, trained teachers, typists,
compounders, midwives and nurses. Shortage in respect of
engineers, electricians, read relier drivers and health
visitors was also fairly widespread. Local shortages of
accounts elerks, sanitary inspectors, physical instructors,
welders, surveyors, tracers and skilled technicians such as
turners, welders, machinists, boiler attendents, moulders,
tractor-drivess, pattern makers, X-Ray technicians, crane
drivers, stone cutters and cinema operators, were reported
by a number of exchanges. The supply position in regard to
craft instructors at Patna, Poona, Rajkot, Amravati,
Hercara and Ferozopore, drawing instructors at Raipur and
Forozepone and agricultural graduates at Ahmedabad and
Junagadh was also unsatisfactory.

Registration and placings. The following tableshows registrations for employment and placings during April and May 1956:-

		Lay 1956	April 1956
Registrations	Control (1) Contro	140,579	133,57 <u>4</u>
Placings		17,649	16,62 <u>4</u>

The main contribution to the increase in registrations was made by the Exchanges in the States of Delhi (3,821). Bombay (2,164) and Punjab (1,270). On the other hard, a docline in fresh registrations was noticeable in the States of Hyderabad (948), Uttar Pradesh (885) and Rajasthan (629).

A total of 95,912 applicants was submitted to employers for selection as against 84,478 during the preceding month. The number of placements secured by the employment exchanges during May 1956 was 17,649 ms against 16,624 during the proceding month, recording a rise of 1,025. This increase in placements was marked in the States of Punjab (470), Benbay (588), Andhra(278) and Dolhi (222). There was, however, a conspicuous fall in the placements secured by Exchanges in the States of Travancore-Cochin (506), Hyderabad (233) and Madras (205). Of the total number of placements effected, 7,075 were in the Central Government, 6,109 in the State Governments, 2,080 in quasi-Government establishments and local bodies and 2,385 were with private employers.

Vacancies notified .- The number of employers who utilised the services of the employment exchanges during the month under review was 5,837 as against 5,610 during the preceding month. In all 31,302 vacancies were notified by these employers during May 1956, which recorded a rise of 4,289 over the corresponding figures for the previous month. The increase in the number of vacancies notified was marked in the States of Bombay (2,305), Punjab(1,026), Andhra (787), Delhi (571), Bihar (472) and Saurashtra (398), while a significant decrease was noticeable in the States of Uttar Pradesh (555), Assam (306), Hyderabad (286) and Travancore-Cochin (235). Of the total number of vacancies notified 10,227 were by Central Government Departments. 13,071 by State Governments, 3,071 by Quasi Government establishments and local bodies and the remaining 4,933 by non-Government employers. There was an increase of 3,127 in the Public and of 1,162 in the private sector.

Register of unemployed.— At the end of May 1956, 714,944 applicants remained on the Livo Registers of employment exchanges as against 702,328 at the end of April 1956. The Live Register, therefore, increased by 12,616. In all, 7,737 employed persons, of whom 239 were women, were on the Live Register for further employment assistance. The composition of the live register occupationwise is shown below:—

Occupation	Number on Livo Register as on 31 May 1956.	
1. Industrial supervisory. 2. Skilled and semi-skilled. 3. Clerical. 4. Educational. 5. Domestic service. 6. Unskilled. 7. Others.	4,545 55,475 203,738 30,901 23,407 361,194 35,684 714,944	

Employment position of special types of applicants.—
The employment position regarding special types of applicants is shown in the table below:-

Category.	Registration.	Placings.	No. on Live Register.
1. Displaced persons.	6,799	1,005	49 <sub>•</sub> 043
2. Ex-Servicemen.	5,908	1,285	28,334
3. Scheduled Caste applica	nts13 ,569	2,511	66,976
4. Schoduled Tribe applica	nts. 2.619	272	7,490
5. Women.	7,154	704	31,475
6. Discharged Central and State Government employ (For Quarter February-A 1956).	rees. 4,464	2,138	6,510

(Review of Work done by the Directorate General of Resettlement and Employment during May 1956; issued by the Ministry of Labour, Government of India).

# Use of Employment Exchange for Recruitment to State Service: Remarks of Travancore-Cochin Public Service Commission.

According to the Hindu, dated 2 July 1956, the Travancoro-Cochin Fublic Service Commission has taken exception to the State Government's decision to utilise the employment exchange for the filling up of posts "which can as well be filled on the advice of or in consultation with the Commission".

The Commission, in its report for the year 1953-54, said that in doing so the Government was "only by-passing the Commission". The Commission said that it was certainly against the spirit of the Act constituting and defining the function s of the Commission, and so, irregular. It therefore, urged the Government to correct forthwith the orders issued by them in this respect.

"For more reasons than one, it is not a healthy procedure to make an outside body like the employment exchange take over the duties which a State Public Service Commission ought to do under the Constitution Act", the Commission said.

The Government had, in 1950, sought the advice of the Commission on the suggestions from the Centre that all vacancies other than those tobe filled by the Public Service Commission or open competition or normal promotion of employees arising in the administration of the State might be notified to the State employment exchange or the nearest regional employment exchange.

In the course of the correspondence between the Commission and the Government, the former said that no post that could be filled by the employment exchange could ever be kept outside the purview of the Public Service Commission, and therefore, it could not endorse the view of the Government that all posts "deliberately kept out of the purview" of the Commission could be filled up on the advice of or in consultation with any other body.

The Government, however, finally informed the Commission:
"When once certain categories of posts are removed from the
purview of the Public Service Commission, it is for the Government
to decide how these posts have to be filled up. It is also
upto the Government to establish any Selection Board or lay down
any special rules as to how recruitments have to be made. In
this case, Government have only issued an order likewise that
such selection may be made through the employment exchange."

The Commission said: "The Government do not realise that in deciding to utilise the agency of the employment exchange for the filling up of posts which can as well be filled up on the advice of or in consultation with the Commission, they are only bypassing the Commission."

#### 85. Vocational Training.

#### India - July 1956.

# Labour Ministry's Training Schomes: Progress during May 1956.

Training of craftsmen.— The number of trainees on the roll of various training institutes and centres on 51 May 1956 was 9,439. There were 7,863 (including 8 women) in technical trades and 1,576 (including 558 women) in vocational trades.

Out of 558 women, 468 were undergoing training at the three women training institutes in New Delhi, Dehra Dun, and Madras. The remaining 90 women were undergoing training along side men, at industrial training institute, akinada, Industrial training centre, Orissa Poor Cottage Industries Cuttack, industrial training institute, Lucknow and industrial training institute, Almora, during the month under report.

Training of displaced persons.— The total number of displaced persons undergoing training at the end of May 1956 was 1,930 of these 1,610 were in technical trades and the remaining in vocational trades.

Apprenticeship training for displaced persons.— A total of 1,025 displaced persons were undergoing training as apprentices in industrial undertakings and establishments in Uttar Pradesh and West Bengal, against 1,300 seats sanctioned for the purpose. They were recruited and posted direct to the undertakings and establishments concerned.

Training of supervisors and instructors. In the XVII regular session which commonced from 21 May 1956, 158 supervisors and instructors were receiving training at the Central Training Institute for Instructors. Koni-Bilaspur at the end of the month.

Training of women craft-instructors.— Under the schome for the training of women craft instructors imboduced at the Industrial Training Institute for women, New Dolhis 20 women instructors-trainees were receiving training at the ord of the month under review.

Training of school going children in Hobby Centro, Allahabad. A total of 62 trainees were undergoing training at the end of menth under report at the Hobby Centre, attached to the Industrial Training Institute, Allahabad, as against 60 last menth.

Short-term course of training in sheetmetal work trade. In the short term course of training in trade sheet metal work which was started at the Industrial Training Institute. Bangalore under the craftsmen training scheme in September 1955, all the trainees were discharged with effect from 51 May 1956 after completion of trade tests.

(Review of the work done by the Directorate General of Resettlement and Employment during May 1956; issued by the Ministry of Labour, Government of India).

CHAPTER 9. SOCIAL SECURITY.

INDIA - JULY 1956.

91. Pre-legislation Moasures.

Social Security for Seamen: Transport Minister's address at National Welfare Board Meeting.

Shri Lal Bahadur Shastri, Union Minister for Transport, inaugurating the first meeting of the National Welfare Board for Seafarers at Bombay on 4 June 1956, expressed the hope that a social security scheme for seamen would be finalised soon.

For details of Shri Shastri's address, please see pp. 47-48of this Report.

#### 95. Application.

#### India - July 1956.

### Artificial Limbs to be Supplied Under Employees. State Insurance Scheme.

A decision to provide artificial limbs as an additional benefit under the Employees' State Insurance Scheme in cases of loss of limbs due to employment insuries was taken at the meeting of the Corporation in New Delhi on 14 July 1956.

So far there was no provision for providing such limbs to insured persons who lost their limbs as a result of grievous injury during the course of their works

Limbs will now be provided to them at the Army Artificial Limb Centre at Poona - the only institution of its kind in South-East Asia. Not only will the insured persons be provided with dress limbs, which are for restoring normal appearance, but also with working limbs which will enable the amputees to carry on their work to a very large extent. During their stay in the Centre for nearly a month, they will be imparted training in working with the limbs so that they can rehabilitate themselves in gainful employment.

All expenses on transport, stay and cost of limbs will be met by the Scheme. The decision will benefit immediately nearly 50 such cases.

The Corporation also decided to meet the entiro cost of equipment of the proposed Gandhi Memorial Mospital at Bombay. This hospital, being built at a cost of 4.6 million rupees, will exclusively be for the use of persons insured under the Employees' State Insurance Scheme.

Addressing the meeting, Shri Khandubhai Desai, Labour Minister, referred to the extension of the scheme to the families of the insured, and said that the report of the actuary was under consideration by the Government. He hoped it would be possible for the Government to act on the advice of the actuary and extend within limitations the outdoor medical care to the members of the family of the insured. Unless the scheme was extended to the members of the family, said the Minister, it was not likely to make headway.

(The Statesman, 15 July 1956).

# Employees' Provident Funds Act, 1952, extended to 13 more Industries: 400,000 additional Workers govered.

In exercise of the powers conferred by section 4 of the Employees' Provident Funds Act, 1952, the Contral Government has extended the provisions of the Act to the following 13 industries with effect from 31 July 1956:-

- 1. Matches.
- 2. Edible oils and fats.
- 3. Sugar.
- 4. Rubber and rubber products.
- 5. Electricity including the generation, transmission and distribution thereof.
- 6. Tea.
- 7. Printing (other than printing industry relating to newspaper establishments as defined in the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955 (45 of 1955), including the process of composing types for printing, printing by letter press, lithography, photogravure or other similar process or book-binding.
- 8. Glass.
- 9. Stone-ware pipes.
- 10. Sanitary Wares.
- 11. Electrical Porcelain Insulators of high and low tension.
- 12. Refractories.
- 13. Tiles.

By another notification to amend the Employees'
State Insurance Scheme, the Central Government has directed
that the provisions of the Scheme shall not apply to:
(i) match factories having annual production of five is 500,000
gross boxes of matches or less; (ii) such glass factories,
other than sheet glass and glass shell factories, as
have an installed capacity of 600 tons per month or less;
and (iii) Tea factories in the State of Assam.

The Act applies at present to 1.6 million employees working in 2,200 factories in six industries - cement, cigarattes, electrical, mechanical, or general engineering products, iron and steel, paper and textiles. As a result of the extension to 13 more industries about 400,000 workers in 1,400 factories will be benefited.

A press Note issued by the Ministry of Labour on the extension of the Act, states, inter alia: "The provident fund accumulation, including the employers share, is estimated to rise by 3.2 million rupees after the extension of the scheme. The collections so far made under the scheme amount to over 550 million rupees. The Government of India proposes to extend the Act to all industries including plantations, mines and commercial establishments etc, employing 10,000 workers or more during the second Five Year Plan period. The decision has been taken in response to the persistent demand for the extension of provident fund benefits to all industrial workers. The Planning Commission and the tripartite consultative committees also recommended the extension of the Provident Act Fund Act to other industries".

(Notification Nos.S.R.O.1566 and S.R.O.1567 dated 4-July 1956. The Gazette of India, Part II-Section 3, 7 July 1956, page 1192). The Statesman, 6 July 1956).

## PEPSU Employees' State Insurance (Medical Benefit) Rules, 1956.

The Government of the Patiala and East Punjab States Union published on 21 July 1956 the Employees' State Insurance (Medical Benefit) Rules, 1956, under Section 96 of the Employees' State Insurance Act, 1948.

The Rules relate to procedure concerning among others scale of medical benefit and terms and conditions of service of insurance medical officers and other staff.

(Supplement to Patiala and East Punjab States Union Government Gazette, Part III-Section 1, 21 July 1956, pp. 1-20 ).

#### CHAPTER 11. OCCUPATIONAL SAFETY AUD HEALTH.

IMDIA - JULY 1956.

111. Goneral.

Labour Safety in River Valley Projects: Steps taken by Government.

The measures taken by the Central and State Governments to ensure the safety of workers engaged in the various river valley projects under construction in India is reviewed in a recent article in Bhagirath a monthly published by the Central Water and Power Commission, Ministry of Irrigation and Power, Government of India. A summery of the article is given below.

Hazardous Nature of Work - The construction of high dam strong enough to withhold the entire water of a river involves a number of complicated and hazardous operations like tunnelling, excavation of rock by blasting, scaling of loose rock on steep slopes and erection of high trestles for installing plants and machinery. Each of those operations is full of risks. In some cases the operations present unique and unprocedented problems of which the workers have little provious experience. These are likely to result in accidents and mishaps if suitable precautions are not taken. Another frightful source of accidents is the overgrowth machanisation on these projects. Speed and officiency require a large degree of mechanisation of various operations like excavation, blasting, loading and unloading of excavated material and concreting. Very elaborate and complicated machinery would and plants have to be pressed into service for carrying out the various functions.

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<sup>\*</sup> Labour Safety in River Valley, by VISHNU DUTT. "Bhagirath", Vol. III, No.1, June 1956, pp. 51-56.

The Government has been keenly alive to its responsibities in this respect and has adopted a number of measures calculated to safeguard the interests of the workers.

Safety Code. Following, on e or two tragic accidents in projects under construction, the Government of India has circularised States and dam construction authorities a Code of Safety to be strictly adopted at building sites. A Safety Manual is being drafted by the Central Water and Power Commission with a view to safeguarding the workers from possible hazards.

Training in Safety Habits. The first and foremost task of the Government is to make the workers "safety conscious", so that they adopt the necessary safety measures while engaged in construction work. With a view to creating the necessary psychological atmosphere in favour of safety habits, slogans like, "Trust to Safety and not to Luck", "Today is another "Your family suffers too whon you get hurt". Today is another day, make it safe", etc., are generally displayed at suitable places near the dam site. Group meetings of workers are held from time to time, and the significance and technique of safety measures are explained to them. This, coupled with their practical experience about the benefits that accrue to them as a result of following safety measures, makes the workers converts to safety habits.

Safety Departments. It has been found necessary to set up separate safety departments at some of the projects. The staff of this department is constantly on the look-out for unsafe and dangerous locations and operations. They give suitable help and guidance to the workers concerned so that they escape accidents. They also point out if any machines or equipment are defective and likely to cause accidents.

Protective Equipment. Quite a few safety equipments and devices have been introduced amongst workers which have contributed a good deal towards accident prevention. Some of these are safety hats, safety belts, life-line ropes, gloves, aprons, hoods, gum-boots and goggles. These are supplied at project cost to workers of particular trades needing these. The safety hats are made of plastic or alluminium, and these go a long way in warding off injury to the wearer's head. At the dam sites, a great deal of work rock excavation is carried out by blasting or otherwise and there is always the danger of splinters hitting even at long distances. Besides, there is always the danger of stones or other objects dropping from above. The safety hats provide considerable protection against such occurrences.

It is necessary to clean the outer surface of the side rocks of the gorge in which the dam is to-be constructed. All loose pieces of rock and clay-bands have to be eliminated from there as the dam structure is to be interlocked between them. The process of scaling down the loose material from the steep slopes on the side rocks is a very difficult one. Since machines cannot work on steep slopes, the scaling work has got to be done by manual labour only. In order to protect them from falling down they are slung down by ropes, one end of which is tied to safety belts round their waists, and the other to an iron bar anchored in the rock above.

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

#### INDIA - JULY 1956.

## Employees' Provident Fund Act, 1952, extended to 13 Industries.

"Whoreas the Central Government is of opinion that a provident fund scheme should be framed under the Employees' Provident Funds Act, 1952 (19 of 1952), in respectof the employees of the industries specified in the table below;

Now, therefore, in exercise of the powers conferred by section 4 of the said Act, the Central Government hereby directs that with effect from 31 July 1956, the said industries shall be added to Schedule I of the said Act.

- 1. Metchos.
- 2. Edible oils and fats.
- 3. Sugar.
- 4. Rubber and rubber products.
- 5. Electricity including the generation transmission and distribution thereof.
- 6. Tea.
- 7. Printing (other than printing industry relating to newspaper establishments as defined in the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955 (45 of 1955), including the process of composing types for printing, printing by letter press, lithography, photogravuro or other similar process of book-binding.
- 8. Glass.
- 9. Stone-ware pipes.
- 10. Sanitary Wares.
- 11. Electrical Porcelain Insulators of high and low tension.
- 12. Refractories.
- 15. Tiles."

"In exercise of the powers conferred by section 7 of the Employees' Provident FundsAct, 1952(19 of 1952), the Control Government hereby directs that the following amendment shall be made in the Employees' Provident Funds Scheme 1952, namely:

In the said Scheme:-

1. To clause (a) of sub-papagraph (3) of paragraph 1 the following provise shall be added, namely:-

"Provided that the provisions of this scheme shall not apply to:

(i) match factories having annual production of five hundred thousands gross boxes of matches or loss;

(ii) such glass factories, other than sheet glass and glass shell factories, as have an installed capacity of 600 tons per month or less;

(iii) Tea factories in the State of Assam".

2. For clause (b) of sub-paragraph (5) the following clause shall be substituted, namely:

"Provisions of this scheme shall-

(1) as respects factories relating to the industries added to Schedule 1 of the Act, by notification of the Government of India in the Ministry of Labour No.S.R.O.1956, dated 4 July 1956 come into force on the 31 July 1956.

(2) as respects factories relating to other industries be deemed to have come into force with effect from the 2 Septembr 1952".

(S.R.O. 1567 dated 4 July 1956).

(The Gazette of India, Part II, Section 3, 7 July 1956, page 1192).

# PERIOD COVERED BY THE REPORT FOR JULY 1956.

#### INDIA - JULY 1956.

#### Chapter 5. Economic Questions.

(a) Life Insurance Corporation Act, 1956 (No.31 of 1956).
(The Gazette of India, Extraordinary, Part II-Section 1, 19 June 1956, pp. 655-684).

(b) The Punjab Industrial Housing Act, 1956 (Punjab Act No.16 of 1956). (Punjab Government Gasette, Extraordinary, 26 June 1956, pp. 889-896).

#### Chapter 6. General Rights of Workers.

(a) Bombay Industrial Relations (Amendment) Act, 1956 (Bombay Act No. XXXV of 1956). (The Bombay Government Gazette, Part IV, 21 June 1956, pp. 146-147).

(b) Industrial Employment (Standing Orders) (Bombay Amendment)
Act, 1956 (Bombay Act No. XXXVI of 1956). (The Bombay
Government Gazette, Part IV. 21 June 1956, pp. 148-149).

(c) Payment of Wages (Bombay Amendment) Act, 1956 (Bombay Act No.XXXVIII of 1956). (The Bombay Government Gazette, Part IV, 21 June 1956, pp. 150-151).

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<sup>\*</sup> Publications received in this Office.

#### CHAPTER 9. SOCIAL SECURITY.

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(b) Text of "Presidential Address" by Dr. A.D. Daftary, at the 7th All-India Conference of "Society for the Study of Industrial-Medicine", held at Madura on 18th February 1956, pp.18,

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<sup>\*</sup> Publications received in this Office.