### INTERNATIONAL LABOUR OFFICE INDIAN BRANCH

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### Report for March, 1943.

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### Ajmdr-Merwara

# Amendment to Ajmer-Merwara Factories Rules, 1939: Persons holding Position of Supervision or Management.

The chief Commissioner, Ajmer-Merwara, has amended the Ajmer-Merwara Factories Rules, 1939, so as to substitute for the existing Rules relating to persons holding positions of supervision or management certain new Rules.

(Notification No. A/12-17 dated 25-2-1943: The Gazette of India, Part II-A, dated 6-3-1943, pages 95-97.),

#### Bombay. -

### Date of Introduction of the Industrial Statistics Act in Bombay

The Government of Bombay has issued a notification to the effect that 1-3-1943 has been fixed as the date on which the Industrial Statistics Act. 1942, comes into force in the province.

(Notification No. 3893/34 dated 1-3-1943: The Bombay Government Gazette, IV-A, dated 1-3-1943, page 36.)

### CONDITIONS OF WORK

#### Hours of Work

### Working Hours Raised from 54 to 60 in Jute Mills

The Committee of the Indian Jute Mills Association, at a meeting held on 12-3-1943, decided on an increase in the number of working hours in jute mills from 54 to 60 hours per week with the full complement of looms working. At present mills are working 54 hours per wit week with 10 per cent. of the looms sealed. The increase in the number of working hours is to take effect from 15-3-1943, and will remain in force for two months in the first instance.

(The Indian Finance", Investor's Supplement, dated 13-3-1943, page 453

### Industrial Disputes in British India in the second quarter of 1942.

According to the statistics published by the Department of Labour, Government of India, the number of industrial disputes that occurred in British India during the second quarter of 1942 (1-4-1942 to 30-6-1942) was 128, entailing a loss of 821,341 working days; the number of workers involved was 117,332.

A press note dated 4-4-1943, issued by the Government on the subject, points out that these figures show a marked decrease compared to the figures of the previous quarter of the year, the corresponding figures being: number of strikes - 184; workers involved - 233,694; and working days lost - 1,941,372. The number of strikes in which more than 5,000 workmen were involved was only 4 in the second quarter, as against 12 in the first.

provincial Distribution. - During the period under review the largest number of strikes occurred in the Province of Bombay, where 299,540 working days were lost in 56 disputes involving 37,218 workers. In Bengal there occurred 29 disputes involving 21,873 workers and entailing a loss of 119,798 working days; C.P. and Berar lost 75,559 days through 15 strikes involving 22,186 workers; Madras - 221,190 days in 8 strikes involving 17,862 workers; the Punjab - 39,947 days in 7 strikes involving 4,712 workers; the United Provinces - 17,331 days, through 6 strikes involving 4,465 workers; Bihar - 12,744 days through 3 strikes involving 2,874 workers; and Delhi - 34,332 days through 2 strikes involving 5,842 workers; and Sind - 900 days through 2 strikes involving 300 ment workers.

Classification by Industries. - Classified according to industries, the number of strikes was 51 in the cotton, woollen and silk industries, involving 61,843 workers and entailing a loss of 368,05k days. The corresponding figures were 15 disputes, 13,086 workers and 109,273 days for engineering workshops; 4 disputes, 7,171 workers and 34,879 days for jute mills; 1 dispute, 7,100 workers and 106,500 days for Railways and Railway Workshops; and 1 dispute, 800 workers and 3,200 days for minimum mines. The other remaining industries together lost 199,438 days through 56 disputes involving 27,332 workers.

Results. - Of the 128 strikes, 71 were related to questions of wages, and 15 to known bonus. 25 of them were successful, 34 partly so, and 60 unsuccessful. 9 were still in progress on 30-6-1943 at the end of the quarter.

### Conditions of Work on Indian Railways, 1941-42

The following details regarding conditions of work of employees on Indian Railways are taken from Vol. I of the Report of the Railway Board on Indian Railways for 1941-42 which has been recently published.

Number of Employees. The total number of employees (permanent and temporary) on all Indian Railways and in the office of the Railway Board and other offices subordinate thereto (excluding staff employed on construction) at the end of the year 1941-42 was 757,674 as compared with 728,099 at the end of 1940-41. The total route mileage at the end of the year was 40,477. The following table shows the number of employees by communities on the 31st March 1941 and 1942.

	51st March 1941	31st March 1942
Europeans	2,143	1,934
Hindus other than Depr	essed	·
Classes.	414.105	427,321
Depressed Classes	107,066	111,572
Muslims	160,912	172,519
Angle-Indians and Domi	-	•
ciled Europeans.	13,239	12,242
ikhs	8,503	8 <b>.785</b>
Indian Christians	18,758	20,040
arsis	1,531	1,568
ther Communities	1,842	1,703
<b>Total</b>	728,099	757,67

A comparison of the figures for 1941-42 with those for the previous year shows that the total number of staff employed on the open lines of State and Company-managed Railways increased by 33,604 during the year, but the number of construction staff decreased by 861 while the number of staff on loan from the Indian Audit and Accounts Service decreased by 1. The total cost of staff, including that of staff on loan from the Indian Audit and Accounts Service, increased by Rs. 28,057,550 to Rs. 391,429,247 during the year. Increases were recorded both in the numbers and cost of staff on all railways except the East Indian, South India and Assam Bengal Railways. On the former two there was a decrease in number as well as in cost. The general increase in numbers was due to employment of additional staff to cope with the increased traffic. Apart from the cost of the extra staff, the dearness and A.R.P. allowances also contributed to the rise in cost.

Indianisation of Staff.- The Indian element in the superior services has risen from 43-40 per cent. on State-managed and 33.21 per cent. on Company-managed Railways in 1934 to 64.14 per cent. on State-managed and 57.26 per cent. on Company-managed Railways in 1942. In the subordinate services, the Indian element which in 1934 constituted 78.35 of the staff in State-managed railways and 82.24 of the staff in Company-managed railways had risen by 1942 to 88.35 and 90.86 per cent. respectively.

\* Government of India, Railway Department (Railway Board). Report by the Railway Board on Indian Railways for 1941-42, Volume I. Published by the Manager of Publications, Delhi. 1943. Price: Rs. 1-10-0 or 2s.6d. pp. viii + 36.

Representation of Minority Communities .- During the year under review, the Anglo-Indian community did not obtain its quota of permanent and temporary posts. This was due to qualified members of this community not offering themselves for appointment on railways in adequate The Muslims also could not secure their full quota of permanent appointments though they obtained more than the percentage prescribed for them in temporary posts. The reasons of their deficiency in the former category were the abnormally high recruitment on Company-managed Railways which have as a group lower percentage reservations for Muslims than Statemanaged Railways, and the failure of the Assam Bengal, Rohilkund and Kumaon and South Indian Railways to recruit Muslims up to their respective quotas. The state-managed Railways were, however, able to recruit Muslims in excess of their reservations. In the reports for the previous two years. it was mentioned that Mr. Frank D'souza, who had been placed on special duty in 1939 to review the working of the rules and orders relating to the representation of minority communities in the services of State-managed Railways, had made a number of recommendations designed in his view to give greater confidence to minority communities. About the close of the year under review, these recommendations were placed before the Central Advisory Council for Railways, but orders could not be issued by Government in regard to them during the year.

Training of Staff.- The School of Transportation at Chandausi and the Technical School at Jamalpur on the East Indian Railway are continuing their work of training candidates on first appointment and providing refresher courses to staff already in service. The Walton Training school of the North Western Railway has likewise continued its work of affording instruction to recruits and ther employees.

Meeting with A.I.R.F.- The 20th half-yearly meeting between the Railway Board and the Ali India Railwaymen's Federation was held in Bombay on 6-8-1941, at which (a) the extension of Provident Fund benefits, (b) the working of the Dearness Allowance Rules, (c) blocks in promotion of lower paid staff, (d) principles to be adopted in regard to staff on the transfer of railways from Company to Statemanagement and (e) grievances of certain Accounts staff, were discussed. There was also a special meeting between the Railway Board and the Federation on \$20-3-1942 at which discussion was confined to certain matters arising out of the war.

Grain Shops. The question of setting up grain shops at the larger railway workshop centres for retail sale of food grains to employees at controlled prices was taken up in September 1941 in connection with rising prices. The East Indian and Great Indian Peninsula Railways were the first to make arrangements for such shops and by the end of the year, conditions of scarcity occurring in many parts of the country dictated a wide extension of these grain shops to meet this emergency.

Dearness Allowance.— It was mentioned in the last year's report that a dearness allowance was granted to Railway employees with effect from September 1940 after consideration of the report of the Court of Enquiry appointed in this connection and in the light of discussions held with the All-India Railwaymen's Federation. The rising trend of prices was maintained throughout the year and it soon became apparent that a revision of the dearness allowance would be necessary. After a further discussion with the All-India Railwaymen's Federation, an increase of 50 per cent. in the allowance was sanctioned from 1-11-1941, the scope of the allowance being also considerably extended. With this increase, the scale of the allowance stood as indicated below at the close of the year:-

Bombay and Calcutta (including suburbs).

Cities of 100,000 and over inhabitants (according to 1941 Gensus) and Gertain selected areas.

Rs. 4-8 per mensem to those drawing Rs. 70 per mensem and below.

Rs. 3-12 per mensem to those drawing Rs. 60 per mensem and below.

Rs. 3 per mensem to those drawing Rs. 35 per mensem and below.

Railway Staff and War. - Release of individual officers for technical War work. - During the earlier part of the year the Railway Board continued to spare officers for service in other Departments in connection with the War. Later, however, the pressure of railway work consequent on increased traffic, both military and public, did not permit of the release of officers as freely as before. To meet the requirement for officers, to replace those deputed to other Departments and to provide officers for increased work, a certain number of officers were granted extensions of service and temporary officers were also employed.

- (b) Release of non-gazetted staff. Non-gazetted staff, with technical qualifications, continued to be released for service in the Supply and War Departments.
- (c) Labour Training Scheme. During the yar under review, Railways continued their assistance to the scheme organised by the Labour Department for the training of technicians for war service either overseas or in India.
  - (d) Bonus and special pay to certain staff engaged on War work .-
- (i) The Railway Board sanctioned a bonus at the rate of one day's pay for each completed month of continuous employment, from the 3rd September 1939 to date of cessation of hostilities, in favour of temporary, non-gazetted staff employed in railway workshops engaged wholly or in part on munitions production, subject to certain conditions.
- (ii) The Railway Board have also sanctioned special pay to non-gazetted supervisory staff employed in Mechanical Workshops up to 10 per cent. of pay for each such employee or Rs. 50 per mensem whichever is less if such staff work in excess of an average of 54 hours per week.

(Conditions of work on Indian Railways in 1940-41 was reviewed at pages 9-11 of our March 1942 report.)+

# Service Conditions of Railway Employees: Motion for setting up Independent Tribunal for disposing of Service appeals lost in the Central Assembly.

on 18-2-1943, Mr. Jamnadas Mehta moved a resolution in the Central Legislative Assembly, expressing dissatisfaction with the remedies at present open to certain railway employees against supersession, discrimination, etc., and recommending the setting up of an independent body like the Public Service Commission to investigate and dispose of railway employees' grievances.

on 25-2-1943, when the resolution was taken up for discussion, Mr. Mehta gave instances in which, he contended, justice had not been done to employees with grievances and pointed out that the real difficulty was that railway officials charged with the duty of hearing appeals had no time to give proper attention to details of the appeals, burdened as they were with their ordinary duties. An independent body of judicially.

minded men was therefore necessary to go into these appeals and ensure justice.

Nawab Siddique Ali gave more instances, which he claimed, strengthened the demand made in the resolution. Mr. Anthony characterized the existing procedure of hearing and disposing of appeals as farcical. Mr. Lalchand Navalrai pointed out that because the ordinary courts had no jurisdiction to deal with the appeals of railway employees it was all the more necessary that an independent body should be set up.

In his reply to the debate, Sir Edward Benthall, War Transport Member, Government of India, after dealing with some individual cases of supersession mentioned by previous speakers, pointed out that these were cases of disgruntled men and formed a very small percentage of the total cases of promotion throughout the railways andmust be set against the large numbers of contented men who justly got promotions. He reminded the House that it was a important to encourage good and efficient men as to see that injustice was not done to men who in the interest of efficiency had to be superseded. He claimed that there were thousands of officers who carried out their duties conscientiously and carefully in the matter of appeal, but he nevertheless proposed once again to issue instructions to all concerned that proper check should be kept to see that appeal procedure was fairly carried out. He could not accept the resolution for he could not agree to railway employees appealing to an authority outside the railways concerned.

Mr. jammadas Mehta, after replying to Sir Edward's points, concluded with an appeal to the war Transport Member to appoint two judicial officers to the Reilway Beard whose sole duty would be to examine cases of the kind mentioned in the resolution and whose recommendations the Railway Board would consider before coming to decisions.

Replying to the demand, the War Transport Member pointed out that there were members of the railway staff solely entrusted with the work of disposing of appeals and that though they might not be judicially trained they certainly were judicial minded. He was, however, prepared to consider whether the department sould find judicially trained as well as judicially minded officers, for deciding appeals preferred by railway employees.

(The Statesman, dated 26-3-1943.).

### Conditions of Work of Assam Tea Plantation Labour: Discussion in Assembly and Council of State.

The conditions of life and work of labourers in the Assam tea plantations and the desirability of appointing a Committee to inquire into them were raised on 23-3-1943 in the Central Assembly during discussion of a Government Bill to amend the Indian Tea Control Act with a view to extend the measure for the period of the war and 2 years thereafter.

Mr. N.M. Joshi, supporting a motion for circulation of the Bill, dwelt on the plight of the plantation workers and said that their wages were the lowest paid to industrial labour in this country - Rs. 7 to Rs. 8 a month to male workers, Rs. 5 or Rs. 6 to a woman, and Rs. 4 or Rs. 5 to a child. He conceded the factt that they obtained certain concessions, such as one-fifth of an acrea of land each for tilling, huts to live in, and fuel. Their hardships were nevertheless considerable. They suffered from restriction on freedom of movement. Labour legislation such as the Payment of Wages Act or the Maternity Benefit Act did not apply to them. The reforms suggested by the Labour Commission (Royal Commission on Labour) 12 years ago had not yet been carried out.

Conditions were now, more than ever, favourable, said Mr. Joshi, for introducing those reforms, because planters were making more money than ever. Mr. Joshi also pointed out that when the Government of India insisted on improvement of labour conditions in Ceylon, it could not itself allow present conditions in tea plantations in India to remain unchanged.

Mr. P.J. Griffiths, speaking for employers, stated that the conditions in the plantations were very different from what they were in factories and other forms of employment. The perquisites that the tea labour got in addition to their wages were nearly as much as the wages themselves. The industry had introduced the system of sale of grain at cheap rates to their labour almost within three months of the outbreak of war., which, he thought, was more beneficial to them than having their wages doubled. Even in the few instances in which improvement had not reached a desirable standard, he observed, planters were willing to adopt the necessary measures. He felt that any hasty action taken by Government by way of introducing legislation would be unwise.

Replying to the debate, Dr. B.R. Ambedkar, Labour Member, Government of India, claimed that the Government could not be seriously blamed for much, for of the 5 main recommendations of the Labour Commission, 4 were fundamentally of provincial concern, and one, the establishment of a wage fixing board, had been given effect by the Centre and an Act was already on the Statute Book. As regards the other 4 recommendations, neither the Assam Government nor Mr. Joshi himself moved in the matter until, at the instance of the Central Government, the Congress Government in Assam appointed a committee of inquiry. But that committee languished following a conflict within itself. Soon after that the war broke out.

As regards the protection of labour interests, Dr. Ambedkar declared that the Government regarded it as of paramount importance. No exact data were available of wages on tea plantations, but it was noticeable that conditions on the plantations were unregulated and varied enormously from garden to garden. That was a state of affairs which the Government of India would not tolerate. It was also clear that the Government could not enter upon any legislation unless they had sufficient material brought before them as a result of an impartial inquiry. An inquiry of this nature was one of the riders put forward by the Labour Commission itself. He agreed with Mr. Joshi that it was not open to the Government of India to insist on fair conditions for labour in Ceylon and not apply the same standards to labour in India, particularly whent the Government of India had laid down that wherever restrictions on labour were found necessary, owing to the war, fair conditions of work should also be Imposed. Whatever they might have been, conditions at present were such that the planters could bear the weight of better wage standards.

It would not be right to start any inquiry in Assam or Bengal, where the bulk of the plantations existed, some 607,000 acres, because it would have a disturbing effect in areas which were greatly exposed to enemy action. The Government could begin an inquiry into the plantations in southern. India, but the acreage there was only 163,000, representing a very small proportion of the total tea area in the country, and it seemed to the Government of India that no good could acrue to labour as a result of an inquiry into such a small part of the area.

The motion to circulate the Bill was lost.

(The Statesman, 24-3-1943.).

## Economic Condition of Lower Middle Class Persons in Service in Baroda City.\*\_

In the first half of 1941, the Baroda Economic Association conducted an enquiry into the economic condition of the lower middle classes in service in Baroda City. my the term "lower middle class persons in service" means for the purposes of the enquiry, male persons in service in Baroda City whose earnings did not exceed Rs. 100 per month. was to include as large a number and as wide a category of persons as possible, but in the end, the enquiry was limited to clerks in Government offices and school teachers in Government and private schools, mainly for the reason that data regarding these people are likely to be more reliable than those for other sub-groups. The class excludes salaried menials. and stands between the wage earners, other than the skilled on the one hand and the more prosperous middle class on the other. Explaining the reasons for selecting this group for special study, the report points out: "The lower middle class occupies a peculiar place in the structure of modern society. In terms of maincome, its members are, slightly, if at all, better off than the better paid skilled workers; but in respect of preferences, inclinations and aspirations, they belong to a larger group of which the other sections are the upper middle class and the rich. The lives of many of them must, therefore, be a continuous and often unavailing conflict between limited means and exacting ends." The main facts elicited by the inquiry are briefly noticed below: -

scope of Enquiry: Returns received. Questionnaires were distributed among the persons concerned at the beginning of the year 1941. 800 forms were distributed and answers were received from 233 persons. The material collected, though not vdry large, warrants tabulation.

Ages of Earners; Size of Family: Average Monthly Income. Two-thirds of the earners out of the 233 were in the ages 25 to 44; over 70 per cent. of them were married and had about four mouths to feed and more than 4/5ths of them were educated. The modal income of the class lay between Rs. 50 and Rs. 60 per month. The representative member of the group is thus the educated married person, somewhere in the middle ages, with an income of between Rs. 50 and Rs. 60 a month, and having a family, the manner equivalent of four adults from the point of view of consumption requirements. But somewhat more than 2/5ths of the families were worse off than that of the respecsentative member.

Income per Consumption Unit. - When the income of the family is related to the number of consumption units, the concentration of poverty is seen to be greater. The average Single family Consists of the husband and wife and their non-earning children. All other families are flegarded as Joint. Of the 233 families studied, 139 or 64 per cent. were Single families and the remaining 94 or 36 per cent. were joint families) had mn an income of Rs. 17.5 per consumption unit, and the average Joint family Rs. 10.8. But the poorer families (poverty being judged by income per consumption unit in a family) had more than the average share of mouths to be fed and young persons to be brought up. An equally significant fact is that the income per consumption unit in Single families declines after the earner attains the age n 35, that is exactly when his response bilities must be on the increase. Members of Joint families were uniformly worse off than those who belonged to Single families.

"An Enquiry into the Fconomic Condition of Lower Middle Class Persons in Service in Baroda City" by D. Ghosh, M.A. (Cantab.), Bar-at-Law, and D.S. Dighe (Kathiawad Diwanji), M.A. Bulletin No. 5, issued and published by the Baroda Economic Association. 8 As. pp. 36.

Monthly Expenditure Budget. Turning to expenditure, the average family spent its monthly income roughly in the following manner: Rs. 25 on food; Rs. 8 on rent; Rs. 7 on clothes; Rs. 3 on education and medical services severally; and Rs. 2 on transport. After defraying these well-established expenses, it had left on its hand about Rs. 8 to meet the various other defined and undefined contingancies of existence. Looking at these expenses as fractions of its total income, it spent 8 annas in the ruppe on food, slightly more than 2 annas on rent and on clothes, an anna on education and on medical services, and half an anna on transport. When these wants had been provided for, it had 2 annas in the ruppe still unspent, so to say, with which to beautify life or reduce its ugliness.

Expense per Consumption Unit. The story takes on a darker shade when the family expenditure is reduced to expenses per consumption unit. For each adult member, the average family spent about Rs. 7 per month on food, Rs. 2 on clothes and on house accommodation, about a rupee on his health and education and 8 annas in moving him about from place to place. It gave him a surplus of Rs. 2 with which to satisfy other needs of life.

Increased Cost of Living since 1941. The report (published in November 1942) points out that the enquiry was carried out in the first half of 1941 and that since then prices of all things have gone up by big percentages. "Each rupee now buys decidedly less than what it bought last year of various things and services that we consume, and the real standard of life of our class to-day must be lower than what it was 12 months ago." -

## Working Class Cost of Living Index Numbers for various Centres in India during October and November 1942.

The index numbers of the cost of living for working classes in various centres of India registered the following changes during October and November, 1942, as compared with the preceding month:

Name of Centre	Base = 100	September, 1942	October	November	
Bomba y	Year ending June 1934	170	172	<b>78</b> 178	
Ahmeda bad	Year ending July 1927	117	121	137	
Sholapur	Year ending January 1928	118	129	143	
Nagpur	August 1939	183	184	190	
Ludhiana	1931-35	228*	238		
Cawnpore	August 1939	202	206	224	
Pa tna	Average cost of living for five years preceding 1914.		220	228	
Jamshedpur	Ditto	229	244	2 <b>4</b> 2	
Jhar <b>ia</b>	Ditto	2 <b>5</b> 5	250	234	
Madras	Year ending June 1936	146	152	156	
Madura	Ditto	148	152	153	
Coimbatore	Ditto	145	166	170	

(Monthly Survey of Business Conditions in India for November 1942.)

\*The figure for August 1942 was 222.

### Indian Central Sugar Committee to be set up

The setting up of a Sugar Committee on the lines of the Indian Central Cotton Committee to plan the future development of the sugar industry in India is reported to be under the consideration of the Government of India. The Government feels that the industry has made such vast strides that a Committee like the one proposed is essential, and it is now engaged in settling the details of the constitution of the Committee and the question of financing it from the Sugar Excise Fund. It is estimated that the cost of the Committee per annum will be between Rs. 1.1 and 1.2 million. Representatives of growers, manufacturers and sellers are expected to be on the Committee.

(March 1943 issue of the Bulletin published by the Indian Central Jute Committee, Calcutta.)

## Government of India's Plans for Sickness Insurance legislation: Professor Adarkar appointed to draw up Scheme.

The Government of India has accepted the advisability of introducing a scheme of sickness insurance for industrial workers and has appointed Professor Adarkar of the Allahabad University as Special Officer to prepare a tentative scheme which is, in the first instance, to be applied to the cotton and jute textile industries and heavy engineering industries.

In this connection, it is understood, there may be a central sickness insurance fund to which contributions will be made by the employers and employees in certain specified proportions and in case of any deficiency assistance by way of a guarantee is likely to be given by the Provincial Covernments concerned. For the preparation of the scheme there will be, it is believed, a panel of advisers representing employers and workers' associations to advise the special officers, entrusted with the preparation of the scheme, in his work, and expert assistance of the office of the superintendent of Insurance, Bombay, may also be at his disposal. The tentative scheme may, in due course, be circulated to elicit the opinions of the employers and employees' associations, and of the provincial Governments; thereafter it may be embodied in suitable legislation.

(The Leader, 19 and 20-3-1943.) t

# Compulsory Life Insurance of Government Employees:

The Government of Jaipur State has sanctioned a scheme for the compulsory life insurance of all Government servants getting Rs. 15 and upwards, Premium at the rate of 5 per cent. of pay will be deducted from the salaries of all policy-holders and credited to the Jaipur State Life Insurance (Government Servants) Fund. The Government has also guaranteed the payment of benefits and other sums payable under the insurance contracts out of its revenues. A special feature of the scheme is that money payable to the policy holder or to his nominees or legal representatives under any policy issued by the Insurance Committee will not be liable to attachment under order of a court of law prior to the payment of the same to the persons to whom the payment is to be made under these rules. The policy will not cover war risks in the event of any such person, on whose life a policy has been issued, taking up service in the armed forces of the State.

(The Hindustan Times. 25-3-1943.)

#### EMPLOYMENT, UNEMPLOYMENT AND VOCATIONAL TRAINING

Technical Education:

Scheme drawn up by Association of Principals of Technical Institutions & India)

Two schemes calculated to help in rationalising and co-ordinating technical education in India have been priced by the Association of Principal of Technical Institutions (India) for submission to Central, Provincial and Indian State Governments. One of these provides for the institution of all-India certificates and diplomas in technical and commercial subjects, art, architecture and other allied subjects. The second scheme is a programme of work for a standing consultative committee, representative of Governments, employers, employees, educationists and examining bodies, to decide matters of policy affecting technical education throughout India.

(The National Call dated 4-3-1943.) -

#### MIGRATION

# Recaiprocity Bill Passed by Assembly: Measures for Protecting Interests of Indians in British Colonies.

On 3-3-1943, the Central Legislative Assembly passed Mr. Govind Deshmukh's Reciprocity Bill providing that persons, domiciled in any British possession, shall be entitled only to such rights and privileges as regards entry, travel, residence, acquisition, holding and disposal of property, educational facilities, franchise, the holding of public office, or the carrying on of any occupation, business, trade or profession in British India as are accorded by the law or administration of such possession to persons of Indian origin.

proviso about Servicemen, extremed. - Mr. Deshmukh, moving consideration of the Bill, emphasised the proviso laying down that the provisions relating to entry, travel and residence shall not apply to any person into the armed forces of a British possession until the expiry of one year after the termination of the present hostilities. He said that, in accepting this proviso, the Select Committee on the Bill had impressed on Government their anxiety that all possible action should at once be taken to secure during the war for Indians the same rights, treatment and privileges as were accorded to members of the Home Forces or the Forces of any other Government.

Explaining the Government viewpoint, Mr. G.S. Bozman, Secretary, Indians Overseas Department, pointed out that there never had been any difference between Government and members of the House with regard to the principle of reciprocity embodied in the Bill. It was a principle enshrined elsewhere, and there was no difficulty for Government to accept it. The only pointhe he would make was that, as a Reciprocity Bill it was entirely unobjectionable; as a retaliatory Bill it was one to be regarded with care and administered with care. A measure which was purely retaliatory in its object not only put an end to possible. negotiations, but might, in certain circumstances, have a boomerang effect, which was not originally intended. It was for the Government to see that when the Act was applied, no such adverse effect was caused to India by its application. Speaking of the proviso relating to troops, Mr. Bozman said that, as far as he saw, the only part of the Empire where Indian troops were liable to treatment different from that which was accorded to other troops was South Africa. That question had been taken up by the Government of India who had been in correspondence with the Union Government, and every possible arrangement had been made with the willing co-operation of the Union Government to see that Indian troops were treated there as well as other visitors.

(The Hindu, 4-3-1943).

Bombas Chronicle's Comment. Welcoming the Bill, the Bombay Chronicle dated 6-3-1943, writes editorially: "The Bill only lays down the principle of equality and vindicates India's self-respect. If it has any retaliatory character it will come in only as a defensive measure. Its principle has been appreciated and accepted even by Government. It is, of course, understood that in the course of any negotiations the Bill will have to be implemented with the greatest tact. But the existence of a reciprocity law has a wholesome effect on those who may otherwise think they can do any injustice to Indians with impunity."

(The Bombay Chronicle, 6-3-1943.)

# Indian Penetration Commission starts another Inquiry in Durban: Indians Bycott Commission.

Reference was made at page 18 (Review of the Report of the High Commissioner for South Africa, 1941) of our December 1942 report, to the Broome Commission inquiry into the extent of Indian penetration in the predominantly European areas of South Africa. That enquiry covered the period only from January, 1927, to September, 1940. To bring the facts up to date, so far as the city of Durban is concerned, a second inquiry was ordered by the Government of the Union of South Africa, and this Commission commenced its sittings on 16-3-1943. The commission's functions are to inquire into and report on the extent to which Indians, including companies, with predominantly Indian directorates, have acquired sits in the municipal areasor Durban since 30-0-1940, in these areas which the previous commission found predominantly European as an 1-1-1927.

In a memorandum submitted to the Commission, the Durban City Council pointed out that Indian purchases of land in predominantly European areas in the city had increased from £. 11,000 in 1927 and £.50,000 in 1935, to £. 335,000 in 1942.

Indian bodies like the Natal Indian Association and the Matienal Natal Indian Congress have protested against the limited scope of the terms of reference of the Commission. The Association has decided to boycott the inquiry and withdraws its delegates as it feels that the terms of reference are the "grossest violation of the rights of the Indian community". A deputation composed of members of the Association met justice Brooms, chairman of the Commission, on 11-3-1943, and stated that no opportunity was given to Indians for offering a defence, and explain the max case they had against the Durban City Council for the its neglect of Indian housing conditions and discrimination in favour of Europeans. Officials of the Association are of opinion that their only hope now is that public opinion in India should urge the India Government to take immediate action to support Natal Indians' demand for an opportunity to state their case.

(The Hindu, 13-3-1943, and the Statesman, 18-3-1943.)

The Hindu of 18-3-1943, commenting editorially on the subject says: "Wherever an Indian made a purchase in a European area, it was either because he had no sanitary dwellings available in the Indian locations or because of the possibility of the expropriation of property there or because the property in European quarters offered to him a very legitimate field of investment. The best method whereby the Durban City Council may legitimately arrest the progress of this development is to raise the level of housing conditions for Indians to that of the Europeans, to cease from taking discriminatory administrative measures against Indians. to provide whem with alternative spheres of economic activity and, in short, to treat them as citizens of South Africa with rights equal in every respect to those of other citizens, white or coloured. The Union Government cannot afford to forget the Capetown Agreement; they are, according to it, under a solemn obligation to protect the rights of the Indian settlers whom that agreement recognised as a permanent element in the country's population and, as such, entitled to the protecting arm of the State in safeguarding and furthering its interests."

#### AGRICULTURE

## The Sind Alienation of Agricultural Land (Restriction), Bill, 1943.

The Sind Government has gazetted the Sind Alienation of Agricultural Land (Restriction) Bill, 1943, which was introduced in the provincial legislature on 15-3-1943, to restrict the alienation of agricultural land in the Province of Sind. According to the Statement of objects and reasons appended to the Bill, the objects of such restrictions are two: first, that small holders should preserve their holdings and secondly that transfer of land from agricultural to non-agricultural classes should be restricted within certain limits. The expression "agriculturist" embraces three classes of persons - (a) persons who ordinarily engage themselves in agricultural labour within the Province, (b) persons who held land on the 1st January, 1937, and who thereafter continue to hold some land whether it is the same as was held on the 1st January, 1937, or some different land, and (c) persons who derive title by inheritance from persons in (b) provided that they and their predecessors have held land continuously.

The Bill was circulated for two months to elicit public opinion on it.

(The Sind Government Gazette Extraordinary, Part IV, dated 12-3-1943, pages 101 to 102 and Part IV, dated 18-3-1943, pages 141 to 152.) +

### The Sind Money-Lenders' Bill, 1943

The Government of Sind introduced on 15-3-1943 in the local Legislature the sind Money-lenders Bill, 1943, to make better provision for the
regulation and control of transactions of money-lending. The statement
of objects and reasons appended to the Bill points out that at present
there is no legislation, regulating money-lending transactions in the
Province. The Dekkhan Agriculturists Relief Act, 1879, provided how
accounts should be taken in certain classes of suits filed against agriculturists and the Usurious Loans Act, 1918, empowers courts to reopen
accounts already settled and limit the rate of interest payable in
respect of a loan. But none of these enactments provides for the registration or licensing of money-lenders or the regulation of accounts.
Several Provinces have local legislation on the subject and the Government of Sind considers that legislation of this kind is very essential for
the Province.

(The Sind Government Gazette Extraordinary, Part IV, dated 26-2-1943, pages 32 to 59 and Part IV dated 18-3-1943, pages 113 to 140.) +

# Bengal Government's decision to abolish Permanent settlement: Revenue Minister's Statement in Assembly.

The decision of the Government of Bengal to abolish the Permanent Settlement and to introduce, in its place, a scheme whereby the cultivation could be brought in direct relation to the Government, by the liquidation of most of the rent-receiving interests, was announced in the Bengal Legislative Assembly on 15-3-1943 by Mr. P.N. Bannerjee, Revenue Minister. (In taking this decision, the Government was following the recommendations made by the Floude Land Revenue Commission in their report submitted in 1940, and of the special officer, Mr. C.W. Extraction, I.C.S., appointed to examine that report.)

- Mr. Bannerjee, elaborating the decision of the Government, pointed out:
- (a) Government accepted the policy of bringing the actual cultivator into direct relation with Government and of acquiring, in the first instance, the interests of all classes of rent receivers above the lowest grade of cash paying under-ryats.
- (b) Rates of compensation to be paid to persons whose interests were acquired should vary between 10 to 15 times the net profit according the nature and circumstances of each estate as interests.
- (c) A tribunal of a judicial character abould be set up for the assessment of compensation in each case, and that the tribunal's decision should be final.
- (d) Government amould undertake legislation in the matter on these lines as early as possible after going through the technical formalities enjoined under the Government of India Act.
- (e) In view of the financial and other risks involved, state acquisition should first be undertaken on an experimental basis in one district where the revisional operations now going on were almost in the process of completion.

Landlords' Criticisms .-The Maharajadhiraj of Burdwan (one of the biggest landlords of the Bengal), representing the zamindars'(landholders') point of view referred to the difficulties that lay ahead in giving effect to the recommendations of the Floud Commission. He doubted if the tenants! economic problem could be solved by giving effect to the recommendations of the majority of the Floud Commission. If by the abolition of the Permanent Settlement they could save their people from the threatening catastrophe of food shortage and the impending acute distress, he could assure that the landlords should not lag behind anybody to come forward and sacrifice everything in their power to save rural Bengal, and specially the lower middle class, tenants and labourers. Could this problem be solved by the abolition of the Permanent Settlement when the per capita cultivated land available for the rural population populace was only .87 acres and the subsequent pressure of increased population was further decreasing the per capita acreage? When they would be relieved of their present strain, suggested the speaker, it would be judicious to set up a tribunal or a conference composed of an unbiased and impartial personnel. They would not oppose the abolition c? the Permanent Settlement provided that it was not taken up till the termination of the war and the principle of compensation was uniform and the same in all cases whether for the landlords or the tenants.

Mr. Fazlul Huq, the Prime Minister, replying to critics of the Government's decision, reiterated the Government's resolve to proceed with the abolition of the Permanent Settlement as in its opinion action on so

important a subject cannot be postponed to the post-war period.

(The Amrita Bazar Patrika, 17-3-1943)

Press Comments. - The Times of India of 19-3-1943 comments thus on the subject:

The Bengal Government's acceptance of the Floud Land Revenue Commission's recommendation to abolish the Permanent Settlement will vitally affect the lives of over 33 million people.... If Bengal's economic prosperity is to be ensured the Permanent Settlement needs drastic revision.

By placing a limit on the revenue payable by landowners while leaving the cultivators comparatively unprotected, it gave rise to the well known abuses of the zamindari, taluqdari and malguzari systems. Nothing is more patent than the inequity of retaining for over 150 years an award which does not affect the zamindar's profits while it deprives the public exchequer of proportionate gains. Modern methods of agriculture and new technical processes to increase output have enhanced land revenues; simultaneously, the financial needs of the province wax greater as new nation-building schemes are launched. The net result is that the limited revenue paid by the zamindar, compled with the exemption of agricultural incomes from income-tax, throws an undue burden on other classes of tax-payers. This unhealthy discrimination has retarded the growth of industrial enterprises.

The Hindu of 20-3-1943 in an editorial says:

The general demand for the abolition of the Permanent Settlement is due to the feeling that the Zamindari system has outlived its usefulness, that it is largely responsible for the backwardness of agriculture and that the State is entitled, on any just view, to a far larger share than it now gets of the income from land other than what goes to the tiller.... Elimination as far as possible of mere rent-receivers is a good first step in the rehabilitation of agriculture; but it is only a first step. The Government must provide the expert knowledge, the monetary help and the leadership in respect of which the zamindars have been found wanting...

### The Bombay Cotton Control Act, 1942. -

The Bombay Cotton Control Act, 1942, has been assented to by the Governor-General on 19-2-1943 and gazetted on 2-3-1943. The Act empowers the Government of Bombay to fix, in respect of any selected area in the province, the variety of cotton the cultivation of which shall be permitted in such area, and to prohibit in such area the mixing of the variety of cotton specified with any other kind of cotton. Explaining the need for such an Act, the Statement of Objects and Reasons points out: "In the best interests both of the cotton trade and of the growers of cotton and to safeguard the economic prosperity of the Province, it is necessary to maintain the quality and reputation of the cotton grown in the Province and for that purpose to fix the variety of cotton to be grown in any specified area, to prohibit the cultivation in that area of any other variety which Government may determine from time to time, to prevent the mixing of such prohibited cotton with any other cotton, and to prohibit or restrict the possession, use of, or trade in prohibited cotton."

(The Bombay Government Gazette, Part IV, dated 2-3-1943, pages 66-73.),

#### NA VIGATION

### Assistance to Distressed R.I. Naval Men: Association set up in Bombay...

An association to assist the men of the Royal Indian Navy and their families when in distress, called the Royal Indian Naval Benevolent Association, was set up in Bombay on 13-3-1943. The Association's affairs will be administered by a council presided over by the Flag Officer Commanding the R.I.N., and there will also be a Relief and Finance Committee. Relief from the funds of the Association will be granted to the officers and ratings, past and present, of the various branches of the Indian Navy and their dependants. Membership fee for officers in Rs. 10 and for ratings Rs. 3.

(The Statesman, 14 and 16-3-1943.)-

# Club for Royal Indian Navy ratings to be opened in Bombay.

The foundation stone of a new social club for ratings of the Royal Indian Navy was laid at Bombay on 5-3-1943 by Sir Roger Lumley, the Governor. The Viceroy and the Bombay Governor have given Rs. 50,000 and Rs. 10,000, respectively, from their war funds towards the construction of the Club which is estimated to cost about Rs. 100,000.

(The Statesman, 7-3-1943.) +

### PROFESSIONAL WORKERS, SALARIED EMPLOYESSAND PUBLIC SERVANTS

### All-round betterment of Conditions of Service of Teachers: Minimum Salary Scales: Sargent Committee's Recommendations.

Recommendations for a minimum national scale of salaries for teachers in schools of all grades, both in the rural and urban areas, and for employing only qualified and well-trained teachers in the schools are contained in the report submitted in March, 1943, to the Government of India by the Sargent Committee appointed by the Central Advisory Board of Education to consider the question of training, recruitment and conditions of service of teachers. The report is being forwarded to Provincial Governments for action.

Extremely Low Pay: Conditions of Work generally unsatisfactory .-The Committee has pointed out that teachers in primary and middle stages are paid at rates lower than those which apply to most classes of menials and that a country which claims equality with other civilized nations can hardly remain satisfied indefinitely with a state of affairs where a teacher is worse off than a clerk and is worse off vis-a-vis other classes than teachers in other countries. It is stated that the conditions under which teachers often have to live in India isolate them from social amenities and from intellectual companionship. The raw material with which they work, the bodies and minds of children, is not merely the most valuable asset of the community, but once spoiled can hardly every be repaired. The problem of providing India with a reasonably satisfactory system of education cannot be shelved indefinitely and the Committee's recommendations are made to achieve this purpose, even if they involve drastic reconsideration of educational finance, including the relations between the Central and provincial authorities. The Committee feels that the adoption of its recommendations, drastic as they may seem, must be regarded, not as a final settlement of the question at issue, but as "a practical stage in the transition from what it is, to what ought to be".

Minimum Academic and Training Qualifications. - The Committee expresses the opinion that every teacher employed in any kind of school maintained or aided by public funds or recognised by the Government must be trained. Before very long this rule should apply to every school which is allowed to exist. As a necessary preliminary to the question of the training of teachers, it is urged that in no case should a teacher's qualification be lower than the possession of a Matriculation certificate or its equivalent and no candidate should be admitted for training below the age of 16 or who will not reach that age of during the year in which in which he is admitted. For teachers for the middle stage, the minimum qualification suggested is Matriculation, though it is hoped that teachers with intermediate and even graduate qualifications will enter this branch. For all classes above the middle age stage, a degree or its equivalent should be the minimum educational qualification.

The Committee suggests that teachers of nursery and infant schools of classes should invariably be women, as boys and girls under 8 benefit more from being under the instruction of women than of men.

Training. In view of the demands on the technical skill of teachers, the Committee feels that the necessary technique cannot be acquired in any case in less than 2 years. Training of teachers for the middle schools of the senior basic type training should be 3 years or at least 2½ years. The Committee sets out the minimum training regarded as essential in order to secure properly equipped teachers in the various grades of schools in the educational system.

Adequate Increase in Remuneration .- The Committee then explores the ways and means of attracting young and able people into the teaching line. Two inducements are suggested - first, a sense of vocation; secondly. conditions of service which are reasonably attractive. In building up a national teaching service, the question to be decided is the provision of attractive conditions of service, including scales of pay. The condition at present, particularly in regard to the lower stages of education are. in the Committee's opinion, ludicrously inadequate. The financial issue can no longer be evaded if anything is to be done to place the teaching service on a proper basis. Since the primary schools form the basis on which the national system must be erected, and since the primary system, in view of its magnitude, will also be the determinating factor financially and otherwise, the most important problem is to determine the conditions of service of teachers in primary schools. The Committee has considered the practicability of prescribing a minimum national scale for both men and women in both urban and rural areas. The minimum scale can be raised to meet the incidence of local costs.

Minimum Salary Scales. - The Committee recommends that the minimum national scale for teachers in primary schools (including infant and nursery schools) should be Rs. 30-50 per month. Teachers of village schools should be given a free house or 10 per cent. increase in salary in lieu thereof. The scale prescribed for normal rural areas may be increased up to 50 per cent. in costly areas. In large towns, such as provincial capitals, primary teachers' initial salary may be raised to Rs. 45 and the maximum to Rs. 75. For teachers in vernacular middle or senior basic schools, the minimum scale recommended is Rs. 40-2-80 per month, with allowance for more expensive areas, and the same scale and allowance is suggested for teachers in Anglo-Vernacular middle schools and for nongraduate teachers in the middle classes of high schools. For graduate teachers in high schools the Committee recommends a scale of Rs. 70-5-The Committee feels that the head of even the smallest 150 per month. school ought to be a person of consequence in the district, and this should be reflected in his salary. The influence which - particularly in rural areas - these headmasters or headmistresses should exercise on pupils, parents and the community at large, hars been almost entirely ignored. In par primary schools the scale suggested for heads varies from a minimum of Rs. 40 to Rs.80 and a maximum of Rs. 60 to Rs. 100. In the case of middle schools (Vernacular and Anglo-Vernacular) the minimum scale suggested is Rs. 80-4-100 and the maximum Rs. 110-4-130. For headmasters and headmistresses of high schools, the minimum scale proposed is Rs. 175-10-255 and the maximum Rs. 350-15-500.

Pension, Provident Fund, Hours of Work. - Other conditions of service, such as allowance for posts of special responsibility, pensions, provident fund, leave and hours of work, are also detailed. The Committee shares the view expressed by the Committee on Basic Education that, the progress of any real and permanent kind is to be made in this all important connexion, it will be necessary for the Central Government to come to the assitance of provinces, and recommends that the Central Government should contribute not less than 50 per cent. of the cost of the adoption by any Provincial Government of scales of salary for the different categories of teachers not less than those recommended in this report.

personnel of Committee. The Committee consisted of the following: Chairman, Mr. John Sargent, Educational Commissioner with the Government of India; Members: Khan Sahib Khan Sahah Alam Khan, Director of Public Instruction, N.-W.F.P.; Dr. G.G.R. Hunter, Director of Public Instruction, C.P. and Berar; Mr. A.S. Khan, Director of Public Instruction, Bihar; Srimathi Renuka Ray; Mr. F.S. Warren, Director, Messrs. Jessop and Co.,

Calcutta; Mr. S.N. Moos, Director of Public Instruction, Bombay; Diwan Bahadur Sir K. Ramunni Menon; Sir K.M. Statham, Director of Public Instruction, Madras; and Mr. J.M. Bottomley, Director of Public Instruction, Bengal.

(The Statesman, 1-3-1943.)

(Requisition has been made for two copies of the Report of the Sargent Committee; when received, one copy will be forwarded to montreal Office.)+

#### CO-OPERATION AND COSTAGE INDUSTRIES

### The Bengal Salt (Village Manufacture, Storage and Transport) Rules, 1943.

In exercise of the powers conferred by the Indian Salt act, 1882, the Government of India has, on 13-3-1943, issued the Bengal Salt (Village Manufacture, Storage and Transport) Rules, 1943, under which no person is to manufacture salt unless such manufacture is carried on as a cottage industry; and no such manufacturer is to sell or otherwise dispose of the salt so manufactured except to a contractor or to the Government of Bengal at a warehouse. (See also this page 26 of this Office's January 1943 report where particulars are given of the Bengal Government's scheme for development of salt manufacture as a cottage industry in the coastal areas of the province.)

(Notification No. 151-S/42 dated 13-3-1943, the Gazette of India, Part I, second 1, dated 13-3-1943, p. 297.)

# Appointment of Co-operative Inquiry Committee in Cochin State.

The Government of Cochin has appointed a Committee to enquire into and report on the working of the Co-operative movement in the State and to submit recommendations that will bring about the economic uplift of agriculturists. Mr. I. Kaman Menon, retired Superintendent of Agriculture, will be the Chairman and Mr. Kunjan Menon, Development Inspector, will be the Secretary to the Committee which is to submit its report in three months! time.

("Federated India", February, 1943.)

### Licensing of Lodging Houses in Calcutta: Improved Housing for Seamen.

The Bengal Legislative Assembly, on 2-3-1943, passed on the motion of Mr. Fazlul Huq, the Prime Minister, an amending Bill empowering the Calcutta police to demand licences for lodging houses.

Replying to critics who suggested that the police might abuse the licensing power granted to them, Mr. Fazlul Huq pointed out that the object of the bill was not to arm the police with more powers, but to remove certain inconveniences, difficulties and hardships, that occupants of these lodging houses, mostly the poorer wage-earners, including seamen, suffered at present. The amending bill, he said, would empower the police to insist on improved sanitary conditions in lodging houses.

The ameinding bill was adopted.

(The Amrita Bazar Patrika, 4-3-1943.).

### Housing Project for Cawnpore Workers

The Cawnpore Improvement Trust's budget estimates for 1943-44, provides for a sum of Rs. 4,726,000 for construction of workers' quarters. This sum is expected to be received from the Government as a grant. The Trust has also under consideration several slum clearance schemes.

(The Insurance Herald, 13-3-1943.)

# ORGANISATION? CONGRESSES, ETC. Employers' Organisations

## 16th Annual Meeting of Federation of Indian Chambers of Commerce and Industry, Delhi, 27 and 28-3-1943.

The 16th annual session of the Federation of Indian Chambers of Commerce and Industry was held at Delhi on 27 and 28-3-1943 under the presidentship of Mr. Gaganvihari L. Mehta, President of the Federation. Among the distinguished visitors present at the opening session were several members of the Vicercy's Executive Council and high officials of the Central Government.

presidential address: - Indian Political Situation - After reviewi at length the war situation, and the measures taken for defence of India, After reviewing Mr. Wehta said: "India, however, the programme of defence, civil or military, is not broad-based on popular will. India's participation in this struggle has been assumed as a matter of course, her belligerency at the outbreak of the war was a question of imperial routine and India's resources have been at the disposal of the British Government. The demand for the application to India of the principles, for whose vindication the United Nations claim to be waging this war, and for an immediate recognition of India's status as a free national unit has remained unheeded. Speaking about the Cripps Mission and its breakdown, Mr. Mehta said: "It was the reluctance of the British Government to transfer effective power to Indian hands which was the root-cause of the break-down.... is, indeed, singularly unfortunate that the British Government failed to utilise this vast reservoir of popular strength for mational defence by providing that leadership which alone in a total war, as shown by Russia and Chine, can provide an effective challenge to aggression. The growing sense of intense frustration, resentment and despair had its cumulative effective in the decision of the Indian National Congress to launch a mags campaign in case its central demand, which it had voiced since the commencement of the war, was finally rejected."

Dealing with the expansion of the Viceroy's Executive Council in July 1942, Mr. Mehta declared that the most objectionable feature of that expansion was the appointment of a representative of the nonofficial Pritish community as a member of the Council because it is to tantamount to a recognition of the British community in India as a minority entitled to a separate seat on the Central Executive of the "British commercial interests in India have amply protected themselves through safeguards and guarantees which are stringent, comprehensive and unparalleled in any constitution we the world. satisfied with them, recognition has now been accorded to the British community as a minority deserving separate consideration and towards which the British Government have some special obligations." a position which the Indian public and the Indian commercial community "Such a retrogade step was taken, because the British cannot accept. commercial interests were alarmed by the specific declaration of Sir Stafford Cripps on behalf of the British Government that there will be no special protection for British capital or commercial interests in India. " But in view of the determined and persistent endeavours which are now being made by the representatives of British commercial interests in India and in England to undermine the principle of India for Indians recognised by Sir Stafford Cripps and the policy implied in the statement of the Secretary of State, it is essential for Indian commercial and public opinions to be vigilant and wary. The safeguards are not only derogatory to the sovereign authority of the future government of India but also tend to militate against the growth of rational industries owned. controlled and managed by Indians. What we demand is not only that the principle of fiscal autonomy, inadequate and limited as it is at present, should be comprehensive in principle and effective in practice. We insist that the object of protection of Indian industries should be, as stated by Sir William Clarke, the wember of Commerce and Industry, in 1916, "the building up of industries were the capital, control and management are in the hands of Indians."

MIT has been stated by the British Prime Minister that Indian manufacturing and financial interests are behind the Congress... Indian commercial organisations, although they are not identified with any particular political party, are an integral part of the national movement and are in full accord with the essentials of the national demand for full sovereign/ty and transfer of power from British to Indian hands.... The Indian commercial community has come to realise after long and painful experience that without the achievement of full self-government, economic advancement of the people is not possible and they will not be swerved from their primary obligation as patriotic Indians to assist their countrymen in all their legitimate efforts to achieve political and economic emancipation."

Post-War Reconstruction .- Mr. Mehta, referred to the need for planning post-war reconstruction, deprecated efforts of British interests to continue the pre-war policies and practices of economic imperialism. "powerful countries adopt the creed of economic internationalism when it suits their interests (as, for example, in the matter of free trade, distribution of raw materials, etc.) but resort to nationalism when convenient (e.g., protection, quota, exchange restrictions, etc.). The irony of it is that, while preaching the virtues of internationalism to backward countries and inducing or compelling them to adopt it, they themselves practise nationalism. Moreover, standards of internationalism, which are set up by the highly industrialised countries for the reconstruction of post-war world, are hardly suitable or beneficial to countries like India which still have a vast scope for industrial and economic development. The criterion of international trade, as a measure of economic betterment, has its limitation and it is essential to emphasise that the maintenance of internal stability and of domestic equilibrium is no less fundamental to the economic progress of a country than preservation of international trade."

Tease-Tend Arrangements. - #The economic war aims of the Allied Nations are embodied in Clauses 4 and 5 of the Atlantic Charter as well as in the Anglo-American Agreement of February 1942. Lease-Lend repayment is, again, closely linked up with wider questions of post-war planning of international trade and has important monetary, financial and fiscal implications. So far as India is concerned, these questions are bound up with financial questions like utilisation of sterling balances, allocation of the cost of defence, the mode and terms of Lease-Lend arrangement as well as fiscal and tariff policy and the nature and direction of India's exports with concomitant effects on Indian industry and agriculture .... It is essential for Indian opinion to see that the liabilities of India are not unduly widened in order to impose upon her a burden which she cannot, in fairness, be asked to bear. It would, for example, be unjust to make India responsible for all the Lease-Lend aid received for the Burma/Malaya or the Middle East campaigns or for similar aid which the United Nations are rendering to themselves, although it be on the Indian soil. On the other hand, the reciprocal supplies, services and facilities provided by India in the interests of common defence of the Allies. including U.S.A. and the United Kingdom (such as goods, transport, fuel, airfields, aerodromes, etc.) should be impartially assessed and determined

in drawing up the final balance sheet for Lease-Lend aid. Again, in the event of a direct agreement with U.S.A. India would also have to agree to Article 7 of the Anglo-American Agreement of the 23rd February, 1942, which implements the Atlantic Charter and involves a reduction in tariff barriers with a view to ensure freed conditions of trade."

He wanted to know whether U.S.A. can demand and the United Kingdom and our own Government would have to agree to provide raw materials in return for the benefits of the Lease-Lend operations by concentrating. if necessary, more exclusively on agriculture to the neglect of industrial development. At the present stage of India's economic and industrial development as well as constitutional subordination, it is imperative that the Government should not make any commitments or undertake obligations in such vital matters which might affect the financial, commercial and fiscal policies of India in the post-war period. It is not a question of India remaining isolated from any scheme of international economic reconstruction but one of safeguarding her vital interests and of coordinating them in any plan of common benefit. These observations apply with equal emphasis to proposals for an international distribution of and an equal access to raw materials of the world. Atthough no concrete scheme to implement this principle has hitherto been put forward, it is evident that such proposals are mainly designed to benefit industrially developed countries with a view to their being provided with abundant and cheap raw materials. India is entitled to claim the liberty to determine the manner in which her productive resources and energy should be distributed among the various channels - to utilise her raw materials for herself x in the first instance and to dispose them of on the best available terms in the interests of her cultivators without dictation from external quarters. President Roosevelt's "equality of sacrifice" in the prosecution of the war, also is unfair to India.

Equality of sacrifice, however, is proportionate to the capacity to pay and the ability to bear the burden. Incidentally, the benefits which would accrue as a result of this sacrifice should also in equity be taken into account. The national contribution of India ke must be set in relation to her national wealth and income. Because India has emerged from the status of a debat debtor to a creditor country vis-a-vis the United Kingdom, it does not at all follow that she is in a position to fulfil the condition implied in the principle of equality of sacrifice, nor are her sterling balances an adequate criteria of India's ability These developments in India's finance have been achieved as a result of postponement in India's finance normal consumption through the exigencies of the war and have tended to deprive the mass of Indian people of many essential commodities. On the other hand, any impartial examination of this question should also take into account factors which constitute India's concealed sacrifice and contribution to the war such as, for example, the utilisation of sterling balances in England at a nominal rate of interest to finance Existing Britain's war efforts, the purchase of commodities in India at controlled prices, the carriage of war transport by Indian railways at pre-war rates and the waiving of any commission by the Supply Department for Britain's purchases in India.

Allocation of War Expenditure. On this subject, Mr. Mehta pointed out that the defence budget of the Government of India has increased from Rs. 490 millions before the war to Rs. 2380 millions in 1942-43. Apart from the fact that the representatives of the Indian people have no cortrol over defence policy or over the armed forces which operate on behalf of India and have no say in the foreign policy of the British Commonwealth, it need hardly be proved that the capacity of India to bear the burdens of war is strictly limited. Further, he protested

against the efforts made to include certain items of expenditure under "India's War Measures", which cannot all be legitimately debitable to India.

Sterling Balances. - Mr. Mehta criticised the utilisation of the large and growing sterling balances of India. India has ceased to be a debut debtor country with the repatriation of the sterling liabilities of the Government. But this is only a part of the financial problem which confronts India because the sterling balances have far outgrown the dimensions of her remaining foreign obligations. Moreover, India's political status has tended to deprive her of any effective say in the disposal of her own foreign balances and it is apprehended that they might depreciate in value or not find convertibility or might be dissipated to India's detriment. India lost her gains, after the last war, through manipulation of currency and exchange, and it is essential to prevent the recurrence of such loss. The fundamental assumption, however, that the question of sterling utilisation is a post-war problem carnot be accepted because the question is of urgent importance. It is not advisable to maintain all the reserves in one currency only, particularly when sterling does not now possess the same status of an international currency of easy and ready convertability.

India must retain a free hand to spend her money in the United Kingdom, if profitable, or elsewhere, if necessary. The Government should not make any post-war commitments about India's sterling resources which would sterilise our sterling balances for purchases exclusively from the United Kingdom. Such a fund can rightly be characterised as one designed to subsidise British exports and assist the rehabilitation of British industries in the post-war period. The Government of India have appointed four Reconstruction Committees two years ago, which are practically not functioning except for one committee, which has been called twice to consider one or two detailed and separate proposals. They have no post-war reconstruction programme under consideration and even the Reconstruction Committeedare entirely in the dark as to the work done by the Economic Adviser to the Government of India when he visited England and America last summer to study post-war questions there. Yet the only proposal regarding post-war reconstruction that has found favour with them is the establishment of a fund which will place India in a position not very dissimilar to that of dependent countries in Nazi economy since India would be able to buy only from the United Kingdom through a system of "blockade pound" and clearing agreement. If, as is contended, India's sterling balances are a debt owed to India, the Government of India have hitherto failed to take full advantage of India's position as a creditor in order to strengthen her financial structure and economic position.

Dollar Credits Requisition. Because of the operation of exchange control and the prohibition of imports of gold into India, the payments in respect of India's favourable trade that balances either with the British Empire With the United States of America have been received only in sterling. Moreover, all dollar credits held or acquired by Indian nationals were commandeered for the use and benefit of His Majesty's Government in the United Kingdom and dollar credits for the trade balances with the United States of America are also not available to India. When the Pollar Requisition Order was notified under the Defence of India Rules early in 1941, the transactions between United Kingdom and U.S.A. were on "Cash and Carry" basis, and U.K. had to pay to U.S.A., for all her purchases either in gold or in dollar. Since then, supplies to U.K., by U.S.A., are being made on the Lease-Lend basis and, consequently, His Majesty's Government are no longer in need of any dollar resources for the payment of these Aupplies. There is, therefore, no justification for the continuance of the policy of

requisitioning the dollar credits. These measures have resulted in denial to India of the advantage of accumulating either gold or dollar exchange which would have accrued if India was free to decide her own terms of payment.

India's Financial Policy .- The problem of sterling securities originates in the Government of India having allowed foreign countries to make payments to us in sterling instead of gold or securities or in our own currency. It leads up to an inordinate and unlimited increase in note circulation with continuously soaring prices, which, if allowed to remain unchecked, may well undermine the very basis of economic life and security. Part of the solution, at any rate, lies in India using the sterling belances in the same manner in which other Governments would have used them. The Government forgot that, on account of the necessity of buying goods from this country, Great Britain would have necessarily sold sterling securities at the very start. The very fact that our sterling balances today by far exceed India's remaining obligations to the United Kingdom, is an ample proof that if the India Government had not been so obliging, England would have been compelled to disinvest further. This would have meant the disposing of the investments of the British nationals in Indian industry. These investments would have been purchased by the Indian nationals, and thereby the contraction of currency in the country would have been automatically achieved. Finance Member in his budget speech has but one sovereign cure for an inflationary tendency and one panacea for the adverse effects of war economy, namely, borrowing. The Government have not yet met with adequate public response in their borrowing programme, mainly becauses they have failed to inspire sufficient public confidence and enthusiasm.

united Kingdom Commercial Corporation. - The position of sterling after the war is already a matter of anxious consideration in Britain whose political leaders, business men and economists have all stressed the vital need of restoration of her export trade for her economic wellbeing. In India, too, the question of recepturing and developing our foreign markets is of no less importance. While on the one hand, the loss of export markets of Europe and the Eastern countries has had an adverse effect on producers of agricultural commodities, several Empire countries and allied nations have, on the other hand, come to be more dependent on this country for the supply of raw materials and India's manufactures are also being increasingly exported abroad. The direction and nature of India's foreign trade has, therefore, been undergoing a change. Whether these markets would continue to be open to her after the war and in what manner would world competition affect India's raw materials and manufactures are all questions of serious import to our economy. It is singularly unfortunate, therefore, that the Government of India, instead of pursuing an independent export policy or developing an export organisation of their own, have given free scope and a favoured position to the United Kingdom Commercial Corporation. The explanation given in the lengthy press communiqué issued last July has not tended to reassure the Indian commercial community. This toporation has introded into India's normal channels of trade and has prejudicially affected the rights of established shippers. The Government have not yet been able to satisfy the Indian commercial community as to why they cannot set up an Indian agency under their own control. if necessary, for regulating and canalising exports from India to such markets and in such manner as would not be possible for private merchants to do we owing to war exigencies. Indian merchants are confronted with the argument that such an Indian organisation is not feasible because control of shipping is in the hands of His Majesty's Government which means. in effect, that the Government of India should subserviently provide

facilities to a non-Indian organisation primarily designed to promote British trade because they have failed to develop Indian haipping and cannot or do not assert themselves in questions of imperial maritime policy.

Development of Indian Industries. The curtailment of imports and expansion of defence programme have given a stimulus to several industries in India, including small-scale industries, and have led to the establishment or extension of munitions projects and ordnance factories. But there has been no planned development of Indian industries and especially of defence and key industries; the country's industrial effort is by no means commensurate with its resources and the new industries that have been started are all too few. No reliable data is available to the public in regard to the expansion of established or the growth of new industries in the country. What is essential is a comprehensive industrial survey with the aid of the information in the possession of the Supply Department so as to assess industrial expansion during the war period and to determine the lines of post-war development. has revealed serious gaps in India's industrial structure and her dependence on imports of plant, machinery, tools and accessories which has, in fact, tended to limit the scope and pace of industrial advance and is likely to affect adversely the post-war competitive power of our industries. The absence of basic and machine-making industries in the country handicaps other industries also. As regards raw materials. although useful work has been done by the Board of Scientific and Industrial Research, much more still remains to be accomplished so as to apply scientific research and knowledge to India's practical problems of agriculture and industry.

mr. Mehta also criticised Government's half-hearted policy in the development of transport industry in India. Even the one factory which repairs and assembles acroplanes in India was brought into existence after fourteen months of untiring efforts. Despite the paramount need of ships in the present war, the Government were not prepared to recognise ship-building in India as a part of war effort and this industry cannot find its way out of a maze of priorities and allotments. While construction of merchant vessels is growing rapidly in the Dominions, in India one cannot build and hame not built ones single merchant vessel during the last four years of war. Similar unhelpful and even obstructive attitude was adopted in regard to the automobile industry, concrete proposals for which were not entertained on one plea or the other during the last eight years. Although it has been recognised that owing to India's strategic position and vast resources, she should be not only self-sufficient but operate as an aresenal of the Eastern countries, neither the Eastern Group Conference nor the American Technical Mission resulted in the formulation of any comprehensive plans of development.

The basic conditions, therefore, of India's development is the full employment of the country's resources and production powers. The need of maintaining a balanced economy so as to ensure a diversity of economic pursuits is now widely accepted. Any scheme of international economic planning after the war will have to recognise, as is acknowledged in various reports on post-war reconstruction by British commercial and industrial organisations, the unwillingness, consequent upon their industrialisation, of primary producing countries, such as, for example, India and the Dominions to receive imports of manufactured goods which previously they had imported freely. These questions of international trade, tariffs, industrial and agricultural development and export policy are interrelated and dwserve the earnest consideration of the Government in close collaboration with representatives of industry, trade and agriculture. Mr. Mehta also severely criticised the apathy of the

Government in not developing sufficient interwal transport within the country.

Food Problem. - The food situation in the country today transcends in importance the question of war effort. The whole problem of price control is now secondary in importance to the grave questions of food scarcity and food supply. Warnings were issued by the Federation exactly a year ago in regard to the deterioration in the situation, but they went unheeded until the situation became acute and complicated and created conditions of wintual famine in several parts of the country, including urban areas, leading at times even to disturbances. The bulk of the people of India have always suffered from under-nutrition and mal-The Government of India, as also the Secretary of State and nutrition. the British Press, lay emphasis on the evil of hoarding. There has been hoarding because of complex motives, not the least of which was a general lack of confidence. Some of the measures recently taken by the Government. although long overdue, have been in the right direction, such as the importation of wheat from Australia in order to augment available stocks as well as the decision to prohibit completely exports of food-grains from India. So far as the present scarcity is artificial, the availability of imported wheat from Australia would tend to check hoarding as also the reluctance of producers to part with their surplus. Exports of foodstuffs at the expense of the people of the country not only for the military but also for civilian requirements elsewhere should never have been permitted to cut into India's own diminished stocks of food and add to her enhanced demand for supply within the country. The Government have removed the control over wheat at the end of January as an inducement to wheat-producing centres but there does not seem to be any co-ordination as between the Provinces whose reaction to this 'decontrol' has been hardly helpful to the Government of India as illustrated by the attitude of the United Provinces and Sind. Indeed, the ec-operation of the surplus Provinces in securing an equitable distribution of foodstuffs all over the country has been woefully lacking and an all-India control of food stocks and distribution is imperatively called for. The Government of India. in matters of defence have been operating since the commencement of the war as a unit and there has been a surprising want of adequate strength in the action of the Central authority in regard to food supplies which is in striking contrast to the uniform policy which they have relentlessly followed in the political sphere. The Government must, moreover, see that the prices fixed in respect of food-grains are remunerative so as to encourage the producers not only to bring their produce to the market but also to serve as an incentive for greater effort in future.

Social Justice .- Whatever the conditions at the end of the war, one must realise that a fundamental of economic progress is the condition of the masses. At the root of economic discontent are dire poverty, gross disparity in wealth and income, absence of security and the want of equality of ppportunity. Unless a social system and an economic order can cure these ills and satisfy the elementary needs of men. it cannot long survive; productive efficiency can be maintained and can grow only on the basis of social harmony. A consistent and healthy programme of reforms is the most effective remedy against violent social upheavals and discord. No one who desires to see India economically powerful should discount the imperative need of a positive and constructive social It is not a problem but an obligation - the first obligation of Governments, legislators, industrialists, economists and public men - to cure the economic maladies from which this country suffers. Employers have to see that in our industrial organisations efficiency of work is reconciled with security for the worker, that the desire for social betterment exists along with the satisfaction of minimum social needs. that individual initiative fosters economic progress. Their real task

is to devise a social framework which while recognising the right of every citizen to a minimum degree of livelihood and social security, would ensure the efficient pursuit of economic activities by preserving a necessary flexibility in the economic system. In this task of economic and social reconstruction, this Federation has an important contribution to make. Freddom means responsibility and with the achievement of selfrule it would be essential to formulate informed public opinion for devising policies and measures in national interests. With more intensive co-operation and concerted effort among the different sections of Indian commercial community, India's common interests could in many ways be furthered even now, irrespective of Government machinery. Indian commerce bodies have hitherto, necessarily because of their political conditions, Indian commercial played a mainly critical role. But with the attainment of popular responsibility and the growth of representative institutions, the Federation will have an increasingly constructive part to play in national economy. As the apex organisation of Indian commerce and industry, it will not rest content to be a custodian of sectional interests in a land where sectionalism thrives, nor a defender of the status quo, but will strive to be the exponent of a same and creative body of opinion in the economic sphere: the economic front, in fact, of a healthy and broadbased nationalism. In so far as Indian commercial interests seek to identify themselves with the wider economic interests of the nation, respond to the finer and growing needs of the people and continually adapt their outlook and adjust their programme to the fundamental economic requirements of the changing times, in so far would they successfully pass the trials and conflicts and struggles in the years to some and meet the shallenge of the age.

Resolutions. - Resolutions were adopted demanding the "immediate and effective transfer of political power to a National Government", urging the Government of India as at present constituted to desist from entering into any agreement, on behalf of India, which involves acceptance of financial, fiscal or economic principles or policies as hasis for postwar reconstruction, and demanding that Indian representation at international conference on post-war settlement should be by representative Indians including representatives of the commercial community, disapproving of the sale of Indian silver in England, protesting against the present allocation of Indian share of the deferred expenditure as unfair to India; condemning the giving of facilities in India for the United Mingdom Commercial Copporation to operate and demanding cessation of activities at least as soon as war is over; and demanding adequate measures to safeguard the interests of Indians in Burma when Burma is taken.

sterling Balances. One resolution expressed dissatisfaction with the manner in which the whole question of utilisation and safeguarding of India's growing sterling balances is being dealt with by the Government of India and demanded that India's accumulating sterling credits should, in the first instance, be utilised to repatriate British commercial investments in India and with regard to the balance of sterling credits, the Government of India should secure an undertaking from the British Government that in case the value of the sterling during or after the war depreciates in terms of gold, the British Government shall compensate the Reserve Bank of India for all its sterling holdings to the extent of such depreciation.

Post-War Reconstruction. (a) The Federation noted with interest proposals and schemes outlined by British and American public men as well as Fritish commercial and industrial organisations in regard to the lines of post-war economic reconstruction. The Federation was strongly of opinion that international plans and standards set up by the highly industrialised countries for economic reconstruction of the world after

the termination of hostilities would not be necessarily beneficial to countries like India which still have a vast scope for economic and industrial development and cannot be applicable to Irdia withput important qualifications and reservations owing to the radically different conditions in which India is placed.

- (b) The Federation also referred in this connection to schemes and proposals for the international regulation and distribution of raw materials of the world and made it clear that no such plans could be acceptable to India unless it was made absolutely clear that the producing country would have a prior claim on its products and that it would be entirely free to determine the quantum of production of its own raw materials according to its own economic needs and requirements. India will insist on claiming the right and liberty to utilise her own raw materials herself in the first instance and no extraneous influence should be permitted to impede the country's normal economic development to the detriment of her agriculture and industries.
- (c) The Federation emphasised that India should have full autonomy to determine her post-war economic policy primarily in accordance with her own national interests and to collaborate with other countries on suitable terms so as not to injure her own interests.

Lease-Lend Supplies. One Resolution protested against the terms of repayment or the aid received under lease and lend and declared that the terms should be such that, firstly, India's reciprocal contribution should, in no case, exceed the extent of the aid in materials received for the purpose of her own actual defence requirements; and, secondly, that all reciprocal services, facilities and supplies, given by India to the U.S.A. should be fully taken into account while making the final adjustments under lease and lend. The Federation further pointed out that lease-lend repayment is closely linked up with wider questions of postwar planning in the sphere of international trade which are dealt with in the Atlantic Charter as well as in the Anglo-American Agreement of 23rd February 1942, and particularly in its Article 7 dealing with mutual reduction in tariff barriers in order to ensure freer international trade. The Federation was strongly of opinion that the Government of India should not enter into such international agreements without specific reservations so as to ensure India's fiscal autonomy and industrial development. The Federation also emphatically urged that in view of the far-reaching implications of any settlement regarding the Lease-Lend Supplies, no final decision should be taken without fully consulting the Indian commercial opinion.

Safeguards for British Commercial Interests.— The Federation welcomed the statements made on behalf of the British Government by the Secretary of State for India in the House of Commons on 30th July, 1942, that "a guarante of special protection for British commercial interests in India would not be a condition for the acceptance of whatever constitution Indians might evolve." The Federation viewed, however, with grave apprehension the persistent attempts which are now being made by British commercial interests both in India and in England to see that the principal and policy underlying that assurance and a similar assurance by Sir Stafford Cripps during his visit to India are undermined and to secure constitutional safeguards and special protection for them even in the future constitution of India and to make this demand a condition precedent for recognition of India's sovereignty. The Federation made it clear that the Indian commercial community is strongly opposed to such an inequitable demand, which would be derogatory to the full sovereign authority of the future Government of India and which might also militate against the economic expansion of India including the growth of industries owned, controlled and managed by Indians.

position. The Federation viewed with anxiety the present position regarding supply of foodstuffs in the country and urged upon the Government of India the necessity of taking immediate steps to ensure adequate supply of foodgrains. In order to ameliorate the serious situation with regard to supply of food-grains, firstly, all exports of food-grains from the country should be entirely stopped; secondly, exports of essential food-grains from the surplus provinces to the deficit ones should be facilitated so that an equitable distribution of food-grains in the country, as a whole, may be brought about; thirdly, the controlled prices should be fixed at a level which would bring out supplies; and, fourthly, transport facilities should be arranged for the movement of essential food-grains within the country. Distribution of food-grains under control should be effected as far as possible only through the normal channels of trade.

Indian Industries. - (a) The Federation took a grave view of the acute shortage of all kinds of industrial raw materials and basic chemicals which is seriously affecting most of the manufacturing industries of the country and strongly urged upon the Government to set apart out of stocks and imports of industrial raw materials under its control an adequate percentage of such materials so as to prevent the closure of such factories and enable them to cater to civilian requirements. (b) The Federationalso drew the attention of the Government to the serious inconvenience caused to business firms and consumers owing to its decision to release only a very small percentage of production for civilian consumption of such commodities as paper, cement, iron and steel, etc. (c) The Federation urged that the question of industrial development and particularly of safeguarding Indian industries established or expanded during the war from any external competition or any slump in post-war period should receive the active consideration of the Government of India from now onwards in close collaboration with Indian industrial interests. (d) The Federation further pointed out that the taxation policy of the Government should take into account the difficulties which would confront industries in this country after the war, especially owing to the need for replacement and the high cost of material, plant, machinery, etc., for which industries should be allowed to make provision from now and to build up adequate reserves.

office-bearers for 1943-44.- The following were elected members of the committee for the coming year: Kumararajah Sir Muthiah Chettiar, President; Mr. J.C. Setalwad, Vice-Fresident; Sir Chunilal B. Mehta, Hon. Treasurer; Lala Karamchand Thappar (Sugar Mills); Mr. J.C. Setalvad (Insurance); Mr. M.A. Master (Transport); Mr. Deviprasad Khaitan (Unspecified Industry); Mr. Matya Paul Birmani and Mr. M.A. Ispahani (Unspecified Trade and Commerce). The following members were co-opted: Mr. G.L. Mehta, Sir Padampat Singhania, Mr. N.R. Sarker, Sir A.H. Chaznavi, Mr. A.D. Shroff and Mr. G.D. Birla.

(Summarised from the printed text of the presidential address and text of resolutions supplied to this Office by the Secretary of the Federation.)

(The proceedings of the 15th session were reviewed at pages 23 to 26 of our March 1942 report.)+

### 10th Annual Meeting of All-India Organisation of Industrial Employers, Delhi, 28-3-1943.

The 10th annual meeting of the All India Organisation of Industrial Employers was held at Delhi on 28-3-1943, with Lala Karamchand Thapar, President of the Organisation, in the chair. The salient features of the presidential address are noted below:

Tripartite Collaboration.- During the year under report, a number of proposals came before the Committee of the Organisation for consideration with regard to labour legislation and schemes for maintaining morale among labourers in the event of ememy action. The Government of India, since the commencement of hostilities, have been realising the necessity of collaboration between the Central Government, Provincial and State Administrations, employers and workers, and the first step in that direction was taken in June 1942 by the Government inviting a tripartite conference representative of Governments, employers and labour with a view to secure advice on labour questions having India-wide importance. Mr. Thapar expressed satisfaction that the Government had set up a machinery which was long overdue for consulting employers and workers in respect of their proposals regarding labour legislation, and he hoped that the machinery would be frequently utilised for their mutual benefit.

Labour Morale: Importance of Safety and Adequate Food Supply .- With the war approaching India and, in fact, with the bombing of Calcutta, the question relating to the maintenance of morale among industrial workers was the subject of serious consideration at the hands of employers. It was not merely a question of ensuring safety and comfort of workers, but of maintenance of morale which mainly depended on the adequate supply of foodstuffs and ther necessary commodities of every-day life to the labour population. Measures adopted by the Government for control of prices of foodstuffs, curtailment of transport facilities, stoppage of imports of foodstuffs to make good the country's deficiency in food supplies. were some of the main contributing factors which prevented employers from running cheap food-grain shops for supplying foodstuffs to their industrial labour. In spite of these difficulties, employers, at a number of centres, arranged for the supply of foodstuffs to labour. It is a matter of deep regret that schemes for the rationing of food have to be resorted to in some Provinces, in a country which is predominantly agricultural. In spite of the Government of India's difforts to grow more food, the situation with regard to food supplies, particularly in deficit areas, has not much improved. Unless labour is assured of adequate supplies of foodstuffs, and that too at reasonable rates, no amount of persuasion of financial benefit would ensure their continuous working in war industries. Unless the industrial employers are helped by Government with supplies of foodstuffs, a serious situation may arise in industrial areas which may be a problem in itself both for the Government and employera

Recognition of Unions .- The Government of India, during the year under review, forwarded certain proposals on the subject of Recognition of Trade Unions. Employers have all along never been against recognition of trade unions provided such unions are established on sound lines and consist of workmen who are actually working in their industrial establishments. It has been the experience of employers in the past that the trade union movement in India has not been allowed to be built up on sound lines. Outsiders, who are mainly non-workers and who stand to lose nothing by the launching of a strike or a lock-out, have been influencing the working of these trade unions, and have been responsible for substantial losses to the workmen in the past by resorting to ill-advised strikes. unions, if they are to be recognised by employers, under statutory provisions of an Act, should be composed mostly of workmen who are directly to be affected by their working. The Government were, therefore, advised by the Organisation to make a suitable provision which would restrict the membership of a trade union mainly to workers employed in and representing a particular section of an industry. Another important proposal submitted by the Government for the consideration of employers was with regard to the grant of holidays with pay to industrial labour in non-seasonal factories.

Holidays with Pay. - Another important proposal submitted by the Government for the consideration of employers was with regard to the grant of holidays with pay to industrial labour in non-seasonal factories. The Committee of the Organisation was in general agreement with the Government's proposal to lay down the minimum number of paid holidays and leavent it to the discretion of the Provincial Governments to extend the period to more than seven days is likely to create varying conditions of employment in different provinces. Indian industries have not been established on any preconceived plan, with the result that industrial units were established at places wherever it suited the promoters. It is necessary, therefore, to maintain uniform conditions of employment at different places as far as the same industry is concerned. It is but fair that employers should urged upon the Government to have a statutory limit fixing the maximum period of holidays with pay for industrial labour.

Amendment of Trade Disputes Act. The Trade Disputes Act of 1929 has been to all intents and purposes a dead letter. The Committee of the organisation, therefore, expressed its general agreement with the main proposals of the Central Government to amend the Trade Disputes Act to make it effective. It was, however, pointed out that there should be suitable provision in the legislation to deal with the launching of trikes and lock-outs in a precipitous manner without ascertaining the will of the majority of labour directly to be affected by the strike or lock-out. The Committee suggested that a secret ballot should be taken for the purpose of ascertaining the wishes of labour concerned and that there should be a provision for eliminating the influence of outside agencies so that labour may be left to itself to decide matters concerning its own welfare. Under the British act, picketing at the homes of workers during a strike is prohibited, and the Committee suggested that a similar provision should be incorporated in the Indian legislation. There should also be a provision against any intimidation or victimisation of a worker by society.

Compensation for War Injuries .- The Central Government issued an Ordinance in July 1941 making provision for grant of some relief against war injuries. The Organisation conveyed to Government its feeling that the grant of relief, as provided under the Ordinance, would not be a sufficient inducement for the industrial worker to stick to his job during periods of emergency. It expressed the view that relief on a greater scale, similar to one assured under the Workmen's Compensation Act, would be more in keeping with the other measures adopted by Government to maintain morale amongst industrial workers. The Covernment, in accepting the suggestion, prepared a scheme of compulsory insurance for industrial workers against war injuries, under which a fund would be created from contributions received from employers, with a view to give relief to those employees who would be injured while actually at work in a factory. While employers are agreeable to the creation of such a fund, they would like to emphasise that Government should avoid unduly heavy accumulations in the fund by reducing the premium, and that, if any balance in the fund is left after meeting all the liabilities during the war, it should, in no case, be appropriated by Government, but should be earmarked to be utilised for the benefit of workers in consultation with the representatives of Indian employers.

Industrial Expansion and Post-War Problems. The growing requirements of the Supply Department of the Government of India to meet the war needs of the Allied Nations were an important contributing factor for greater industrial activity in the country throughout the year. The total purchases from the commencement of the war to the end of 1942 approximated to 6.4,550 millions. Purchases on such a huge scale necessitated expansion of several of the indigenous industries and consequent rise in the number of persons employed in industrial establishments. It is estimated that

#### walkers

541

2.713

.553

3.202

while in the pre-war period, about 2.6 millions were employed in establishments coming under the Factories Act, in 1941 more than 3.2 millions were employed in industrial concerns as can be seen from the following table:

# Labour Employed in Industrial Concerns (In millions) 1938 1940 1941 1. Factories 1.751 1.844 2.321 2. Mines .305 .328 .328

.537

2.593

Railways

3.

Requirements of industrial concerns in labour are naturally being met either from persons employed in agriculture or other minor rural occupations or from the unemployed. The drafting of labour populations from rural to urban or industrial areas has created a problem which will have to be seriously considered immediately after the termination of hostilities. Many of the industrial establishments such as arms and ammunitions factories, ordnance depots, \*several other ancillary industries, would stop production and would demobilise their industrial labour. The demobilisation of extra Army Units would add to the ranks of the unemployed in the country. It must be remembered that both industrial labour and the demobilised soldiers, who the mostly drawn from rural areas, have been received better terms of payment and are in enjoyment of a reasonably higher standard of life compared to the one to which they were used prior to their occupation either in war industries or in the Army. Unless, therefore, the Government of India evolve a plan of utilising the services of semi-skilled or skilled artisans as also of the disbanded soldiers and unless they are absorbed in the urban population without being a drag on society, it would create serious problems for the various Provincial Governments to deal with. India, the problem of employment of the demobilised cannot merely be left to the Provincial Governments. Government will have to devise long-term plans of public works with a view to absorb the released personnel. The skilled artisans and the technical personnel of the demobilised can also find employment in a well-thoughtout plan of industrialisation, with the help of Indian industrialists,

post-War Industry and Trade. - In India the seriousness of the post-war problems has not been fully realised by the Government of India and the Indian industrial interests in the country. The Government of India have appointed four Post-War Reconstruction Committees; but the outlook of the Government of India in such matters cannot be very encouraging and the reports about the deliberations of the Post-War Reconstruction Committee relating to International Trade confirm the belief generally held by the public that the future fiscal policy of this country would be greatly influenced by the anxiety of the British manufacturing interests in the United Kingdom to retain their hold on the Indian markets. The manner in which the Finance Member has dealt with the utilisation of India's sterling credits, which were secured at great personal sacrifices and privations by the Indian masses by denying to themselves even the meagre necessaries of life during the continuous period of four years of war. does not encourage the public to look forward to an era of greater industrialisation and prosperity in India. The Indian industrial interests have every reason to apprehend that these sterling credits would substantially depreciate consequent upon the depreciation of the sterling and their international convertibility would be materially restricted by measures which His Wajesty's Government may be called upon to adopt in the interest of British manufacturing industries. In fact, serious concern is slready being felt by the public at the announcement which the Finance Member made during his Budget speech suggesting the creation of a 'reconstruction

fund' to provide for the financing of a programme of post-war reconstruction in India. The anxiety felt on this score is quite natural, especially in view of the fact that the Government of India has, since the commencement of the war, under one plea or another, studiously scotched every plan of Indian industrial interests to establish capital industries such as industries for the manufacture of automobiles, aeroplanes and heavy chemicals, and to set up shipbuilding yards.

The policy of the Government of India has all along been one of negation and if it wants the public to believe in the bona fides, at its entire policy of indifference towards indigenous industries and prepare the country for a well-balanced plan of industrialization which can be put into effect afterxise immediately after the termination of the war. Preliminary investigation is necessary for the proper understanding of the potential resources of this country. During the war, mainly to meet the requirements of the Allied Nations most of the main Indian industries had to be expanded substantially and in consequence plant and machinery had to be imported on an arm enormous scale. In the post-war period it may not be necessary to utilise the additional plant and machinery for the manufacture of the same articles which were required durks during the war, and a switch-guar to other industries manufacturing for other needs of the country will have to be undertaken. The Government should therefore collect information relating to the expansion of old industrial units and establishment of ancillary industries, as also figures of the skilled and semi-skilled labour available, and of raw materials and semi-manufactured materials improvised from the resources available in the country.

Locking from the breader aspect of the industrialisation of this country in the post-war period, the constitution of the "Aid to British Industries" Fund, which the Finance Member wants to build up with India's sterling assets in England, would definitely be a handicap if these assets are not allowed to be used by India in making her purchases in the best and the cheapest markets of the world.

Other Post-War Problems. During the war, except in the case of short staple cotton, India has fully utilised her agricultural produce either for her food requirements or for the manufacture of a number of articles which replaced imported goods. This position requires to be fully examined with a view to see that in the planning of industries every care is taken to reduce our dependence on foreign markets for the disposal of our The services of the Board of Scientific surplus agricultural produce. and Industrial Research should be fully utilised for finding out alternative A number of small and medium size ancillary uses for our raw materials. industries have come into existence to meet the country's requirements in these should be put on a sounder financial basis the absence of imports; and should be given post-war protection. Apart from the adjustment of industrial plant and machinery to new post-war requirements there are other Export of locomotives, wagons, rails and other rolling-stock lifted from Indian railway tracts for war purposes has crippled to a very large extent India's railway transport system, and most of the trouble arising out of the shortage of foodstuffs can be attributed to the shortsighted policy of the Government in allowing such exports without any regard for the essential needs of the population of this country. requisitioning of ships has stood in the way of large-scale movement of traffic on the coastal shipping routes. The Government of India's indifference because of undue concern for British vested oil interests, towards the repeated

demands from the public for the manufacture of power-alcohol out of molasses, has brought about a situation which necessitated rationing of petrol and curtailment of motor transport over short distances for the carriage of foodstuffs, raw materials and finished goods in various parts of India. Dislocation, thus brought about, of all the three transport systems in India will have to be attended to as a first step towards bringing about normal conditions of life in this country after the war. It is a matter for regret that the railway authorities should still be importing locomotives without exploring possibilities of manufacture in this country. A far more difficult situation is going to arise after the war in regard to shipping. If the Government of India had encouraged the construction of shipbuilding yards in India, much of the problem arising out of the dearth of shipping towards would have been conveniently solved as far as the requirements of this country are concerned.

It is, therefore, essential that in laying down plans for post-war reconstruction, with particular reference to replacement or replacement or reconditioning of the existing plant and machinery, regard must be had to the fact that India no longer desires to continue to be an importer of finished articles. She would much prefer to have her industrial economy adjusted in such a manner as would enable her to manufacture these very articles within her own borders; and her requirements would necessarily be in the direction of building up capital goods industries r rather than merely reconditioning or re-equipping the present plant for the production of the same articles which she has been manufacturing all these years. The experience of Indian industries during the period of stress and strain of the war for the last four years has been very encouraging. The country is also used to inconveniences and privations arising out of non-supply of these very goods during this period. In the greater interests of their country, the public would willingly deny themselves for a further period all these amenities of life till their own national industries manufacture these goods for use in the country. The Experience has further shown that Indian industrial enterprise, talent and technical skill is competent to meet all the demands to be made upon them by the country for the establishment of these industries. .

#### Officer Learne

Office-bearers for 1943-44. The following office-bearers were elected for the year 1943-44: President - Lela Keramchand Thapar; Vice-President - The Hon'tle Sir Rahimtoola M. Chinoy, Bombay; Members of the Committee - Mr. Kasturbhai Lalbhai, Sir Padampat Singhania, Mr. G.D. Birla, Mr. Gaganvihari kak L. Mehta, Sir Adamjee Hajee Dawood, Mr. Hooseinbhoy A. Lalljee, Mr. Amritlal Ojha, Mr. Hari Shankar Fagla, Mr. D.P. Khaitan, Mr. N.R. Sarker, Lala Gurusharan Lal, Mr. S.P. Jain and Mr. Ramratan Gupta.

(Summarised from the text of the presidential address of Lala Karamchand Thapar, forwarded to this Office by the Secretary of the All-India Organisation of Industrial Employers.)

#### SOCIAL POLICY IN WARTIME.

#### Wages.

# Demand for Revision of Scales of Pay, and Further Increase in Dearness Allowance: All-India Postal and R.M.S. Union Conference.

A meeting of the Council of the All India Postal and Royal Mail Service Union was held at New Delhi on 27 and 28-2-1943; Mr. S.C. Joshi, M.L.C., Vice-President of the Union, was in the Chair. Besides the delegates and representatives from the provinces, the meeting was attended by several members of the Central Legislative Assembly.

Several resolutions were adopted by the Conference. One of these urged the Government of India to revise the scales of pay fixed for new entrants to all grades of employees in the service so as to bring them on a par with the scales of pay of old employees, i.e., those who entered service prior to 16-7-1932. By another resolution, the Conference deplored the extremely meagre increase in dearness allowance granted in January 1943, and the denial of allowance to non-gazetted staff. It urged the Government to cancel the classification of the areas into A,B, and C, for purposes of granting dearness allowance; to give effect to a scientific scheme of sliding scale of dearness allowance; to give effect to the dearness allowance from 1-4-1949. It also requested the Government to open grain shops and hostels at suitable places in consultation with local Unions so that the staff may not feel difficulty in getting food stuffs for themselves and for their families.

(March 1943 issue of "General Letter" issued by the All-India Postal and R.M.S. Union, Bombay Circle)

### Further Increase in Dearness Allowance of Bombay Textile Workers.

In January last, the Bombay Millowners' Association extended the scale of dearness allowance of textile workers to provide for variations in the Bombay affinish working class cost-of-living index numbers between 184 and 203 (vide page 31 of our January 1943 report). The index number for the month of February having risen to 205, the Millowners' Association has now decided to extend the sliding scale of allowance up to index number 213. The allowance for a month of 26 working days is Rs.23-11-0 when the index is 205 and Rs. 25-10-0 when it is 213.

(The Industrial Bulletin, No. 405, dated 8-3-1943, issued by the Employers' Federation of India)...

### Railwaymen's Demand for Further Increase in Dearness Allowance.

Dissatisfaction with the rates of dearness allowance recently granted to Railwaymen (reported at page 41 of this report) was expressed at the All-India Railwaymen's Special Convention held at New Delhi in the last week of March 1943. The allowance was described as "wholly inadequate".

One of the resolutions adopted by the Convention points out that, although railwaymen would be fully justified in giving notice for extreme action, they would explore all possibilities of a settlement through a committee which would include Mr. Jamnadas Mehta (President) and Mr. S. Guruswamy (Secretary), All-India Railwaymen's Federation. Another resolution urged the grant of dearness allowance to members of the railway military units and a third urged the reinstatement of discharged workers in affected areas like Calcutta and Assam.

(The Railway Herald, dated 5-4-1943).+

### Further Increase in Dearness Allowance for Railway Works rs..

Reference was made at pages 20-21 of our August 1942 report to the increase in the dearness allowance for railwaymen granted by the Government of India. In view of the recent further rise in the cost of living, the Government has granted with effect from 1-2-1943, further increase in the allowance on the following lines.

In areas comprising the municipal limits of Bombay, Calcutta and Cawnpore (known as Area X) the allowance is Rs.16 per mensem, up to a pay limit of Rs.200 per month. In towns of not less than 250,000 inhabitants, but not included in Area X (known as Area A) the allowance is Rs.14/- per month for employees drawing pay up to Rs.175 per menth. In towns with population between 50,000 and 850,000 (Area B), the corresponding amounts are Rs.11 per month and Rs.125 per month; and in other towns (Area C) they are Rs.8 per month and Rs.90 per month respectively.

(Notification No. E. 43 DA 18, dated 16-3-1943, The Gazette of India, Part I, Section I, dated 20-3-1943).

#### Employment

#### The Essential Services (Telephone Employees) Ordinance, 1943

with a view to secure during the war emergency the continuance in employment of the employees in the telephone service of Bombay, Calcutta, and Madras, the Governor-General has, on 16-3-1945, promulgated the Essential Services (Telephone Employees) Ordinance, 1943, according to which persons engaged in employment under the Bengal Telephone Corporation, Ltd., the Bombay Telephone Company, Limited, and the Madras Telephone Company, Limited, on 31-3-1943 are to be brought under the provisions of the Essential Services (Maintenance) Ordinance, 1941, with effect from 1-4-1943.

(The Gazette of India Extraordinary dated 16-3-1943.).

### Plans for Production of Power Alcohol under way: Government Spokesman's Assurance in Central Assembly.

In reply to a question asked in the Central Legislative Assembly on 29-3-1943, Mr. J.A. Mackeown, Joint Secretary, Supply Department, Government of India, informed the House that the Government was adopting measures for encouraging and assisting in the production of power alcohol and rectified spirit in the country. One of the most important steps taken in this direction was to arrange with America for obtaining two power alcohol plants. He added, however, that inquiries had shown that an attempt to secure and instal imported plant on a large scale would not yield substantial results within a reasonable time. The Government had accordingly decided that, apart from the two plants that are expected from America, it would not attempt to import equipment, but would concentrate on increasing the production of rectified spirit with plant the whole or the greater part of which could be fabricated in India. An expert had been borrowed from one of the ordnance factories and the preliminary work was no in hand.

(The Statesman, 30-3-1943.)+

#### Labour Disputes

Permanent Court for Labour:

Bengal Government's Labour Policy:

Announcement by Premier in Bengal Assembly.

The decision of the Government of Bengal to set up a permanent court for adjudication of labour disputes as in Bombay was announced by the Chief Minister, Mr. A.K. Fazlul Huq, in the Bengal Legislative Assembly on 13-3-1943, in the course of the debate on a cut motion tabled by Mr. W.A.W. Walker (European Group).

Mr. Walker, moving his cut motion, discussed the necessity mf for full utilisation and enforcement of the provisions of the Defence of India Rules relating to strikes and settlement of labour disputes. He urged that while there should be no stoppage of work during national emergency, there should also be compulsory arbitration of labour disputes, and pointed out that Government had not fully adopted the provisions of the Defence of India Rules and Essential Services Maintenance Ordinance in this respect. After referranges to what was done in England in cases of a dispute between employer and labour, Mr. Walker suggested that there should be a permanent adjudication body for this purpose whost recommendations in such disputes should be binding on both parties. In order that such a body enjoyed the confidence of the interests concerned, he also suggested that its chairman should be a High Court Judge and the other two members must be men of integrity. This body should function at least during the war.

Mr. J.N. Gupta (Labour) referred to "capitalistic vagaries" still remaining unchecked although they were passing through a war. He particularly referred to the distress of the seamen who were, it appeared to him, in spite of their heroic deeds, nobody's concern. Although for other industrial workers foodstuffs were being provided at cheaper prices, the seamen were left uncared for.

Mr. D.S. Gurung spoke about the distress of the tea estate workers. Although the planters were selling their products at four to five hundred per cent. profit and them the managers were earning considerable amounts of money, they were showing no sympathy to the workers. He thought that

although the provincial autonomy was now working for a number of years the lot of workers particularly in the tea estates was becoming worse.

prime Minister's Reply. - Mr. Pazlul Huq, the Prime Minister, replying to the debate said the Government of Bengal had a definite policy regarding labour questions. Mr. Walker had suggested the establishment of a permanent adjudication body. The decision of the Government of Bengal was for the establishment of a permanent court. Government had already taken steps in order to secure the services of a High Court judge for the Court. Whether he should have the assistance of two other men as suggested or should himself form the court was under the consideration of the Government.

Mr. Huq also stated that he was informed that in tea estates all efforts were being made to relieve the distress of the labour. As a matter of fact the tea planters were now selling foodstuff to the workers at a cheaper rates than when they were purchasing from the market.

on the question of prosecution of workers in essential services who went on strike without notice, Mr. Huq said that instructions had already been issued to the district authorities for action in these cases. Although the Government had always been anxious to secure the full amount of relief that could be given to labour, under the present conditions, Government policy was to apply the provisions of the Defence of India Rules most rigorously so that the number of strikes might be reduced. If it was found that there was no reasonable justification for a strike, or a strike was undertaken in infringement of the existing rules, the most stringent measures would be taken under the Defence of India Rules because the Government considered that maintenance of essential services was of paramount importance in a situation like the present.

Mr. Walker withdrew his cut motion.

(The Statesman, 14-3-1943; the Amrita Bazar Patrika, 15-3-1943.).

#### War Transport

### The United Provinces Unregistered Motor Vehicles (Control of Disposal) Order, 1943.

The Government of the United Provinces has, under the Defence of India Rules, issued on X 10-3-1943, the U.P. Unregistered Motor Vehicles (Control of Disposal) Order, 1943, according to which no person should sell or otherwise dispose of, and no person should purchase or otherwise take delivery of, any unregistered motor vehicle except with the previous permission in writing of the Motor Transport Controller, United Provinces. The Order also prohibits persons from removing from the Province any unregistered motor vehicle except with the previous permission of the Controller. No such restriction, however, is placed on transactions to which either the Central or the Provincial Government is a party.

(The U.P. Gazette, Part I, -A, dated 13-3-1943, p. 75.) +

#### Fair Prices and Fair Wages in Agriculture: Government of India's Post-War Agricultural Plans.

Speaking in the Central Legislative Assembly on 10-3-1943, on the cut-motion about "Agriculture" moved by Sir Henry Richardson (European Group), the Hon'ble Sir Jogendra Singh, Member for Education, Health and Lands, Government of India, reviewed the plight of primary producers in India and maintained that an increase in the purchasing power of the agriculturists, far from being detrimental to the country's interests as was apprehended by the European Group, was necessary for raising the abnormally low standard of living of Indian agriculturists who constitute the overwhelming bulk of the Indian population. The main points brought out by Sir Jogendra Singha are briefly noticed below:-

Need for Ensurance of Fair Prices for Primary Commodities .- Dealing with Sir Henry Richardson's demand for drastic control of agricultural prices and his p fears that high prices would lead to inflation. Sir Jogendra Singh said: "Even in normal years our production is not sufficient to give all the people a balanced diet and the purchasing power which frightens Sir Henry Richardson does not even today permit a producer of food to purchase a new set of clothes for himself and his family.... The limit of our purchasing power is clearly shown by the currency in circulation which ranged round Rs. 5 per head of population before the war as compared with England and America where it stood at \$13 or Rs. 133 and \$40 or Rs. 160, respectively. Our reservoir of money which was drained when England returned to the gold standard, is now filling up and we have about Rs. 15 per head of population in circulation. Sir John Maynard, who was the Finance Member in the Punjab, in his book on Russia, has shown how disposable surplus in money has helped in improving the economic conditions of Russia. We may also hope that the volume of money in circulation will stimulate economic progress in this land of low purchasing power."

Fair Returns for the Agriculturist and Fair Wages for Agricultural Workers. Reduction of prices of primary agricultural commodities, he pointed out, meant that the labour of 89 per cent. of the Indian population was kept at an unjustly low level. Elaborating this point, he said: "In the last analysis, we cannot escape the conclusion that it is not possible to separate production from the main structure of rural economics: we cannot increase production without guaranteeing an adequate return to the growers, in money value, nor should we fix a price without taking into account the cost of production. The basic agricultural wage should cover the normal needs of an average worker regarded as a human being in a civilized State. It is not "within the various measures of control, supply and distribution of food" that we can plant the seed for the permanent benefit for the agricultural credits, supported by a financial policy."

Agricultural Prosperbty essential to Industrial Prosperity. On this point, he said: "Finance, water-supply and security are the primary factors of agricultural advance and rural happiness - just as low and widely fluctuating prices are a factor detrimental to a sound agricultural economy. Agriculture is our major industry and an efficient agricultural industry is essential to the well-being of our people, both rural and urban. If agriculture can attain a satisfactory economic level, leading to a reasonably prosperous rural life, it will provide expanding markets for the development of trade and industry of every kind. Agriculture will be unable to rise above its present low level without an assurance of stable conditions from now onwards, for at least five years

so that producers can be enabled to see sufficiently far ahead to plan on the basis of the continuity of a well-defined agricultural policy. The principal security problem - and in many ways it is the crux of the whole problem - is that of prices for agricultural produce - to ensure for the cultivator some level (in relation to the general cost of living) below which prices will not be allowed to fall in peace-time. It is little use giving the cultivator improved seed, cheap manure and plentiful water, if, when a bumber crop matures, he has to sell his crop at a price which leaves him with less margin to meet his own purchases than he enjoyed before."

Reconstruction Committee to deal with Agricultural Problems.Finally, he pointed out that the problems of Indian agriculturists and
agricultural workers would loom large in post-war reconstruction efforts
and that it was essential to set up a reconstruction committee dealing
specifically with agriculture and agricultural policy.

(The Hindustan Times, 18-3-1943.)

### Post-War Reconstruction Fund in Bombay: Provision in 1943-44 Budget.

In the Budget proposals of the Bombay Government for 1943-44, provision has been made of Rs. 6.053 millions towards the Post-War Reconstruction Fund established last year with Rs. 2.24 millions in the 1942-43 Budget. It is pointed out that it would be premature to attempt at this stage any precise formulation of a programme of post-war reconstruction, but among obvious items the Government declares that it attaches special importance to schemes for assisting demobilised personnel of the fighting services.

(The Bombay Government Gazette Extraordinal Part I, dated 17-3-1943, pages 524 to 546.) +

#### Post-war Urban Development: Punjab Government's Scheme.

A comprehensive scheme has been drawn up by the Punjab Government to ensure post-war urban development throughout the province on modern town-planning lines. Activities of divisional town planning officers will include regional planning to ensure that country districts also develop on proper lines with roads and side roads in the right places. These officers will askist District Boards which, it is understood, will be given the powers of a municipal committee to control urban development and town extension schemes in their areas. New towns in the Punjab are in future to be planned so as to have properly lighted and ventilated houses spaced out along straight roads.

(The Statesman, 13-3-1943.)

#### Creation of Post-War Reconstruction Fund in the Central Provinces.

The Government of the Central Provinces, in its budget for the year 1943-44, has provided for the creation of a fund for post-war reconstruction measures. A sum of Rs. 1,000,000 has been set apart for this purpose, in addition to a similar sum earmarked for it from the current year's surplus.

(The Times of India, 27-3-1943.)

#### Restriction on Export of Cotton Yarn from Madras Presidency

The Government of Madras has, under the Defence of India Rules, issued an Order to the effect that no person should export cotton yarn from the Presidency after 14-3-1943 except under a permit issued by the Yarn Commissioner, Madras.

(The Fort St. George Gazette, Part I - Extraordinary, dated 12-3-1943, pp. 1-2).

#### The Fuel Alcohol Order, 1943

with a view to conserve the available stock of petrol for defence purposes, the Government of India has, under the Defence of India Rules, issued the Fuel Alcohol Order, 1943, which prohibits the xx sale, disposal, and use by any person of petrol except with an admixture, in specified proportions, of anhydrous power alcohol or rectified spirit. Provincial Governments are empowered to control the manufacture and sale of fuel alcohol in their provinces, as also to fix from time to time its proportion to petrol.

(Notification No. 230-I.C.(61)/42 dated 20-2-1943, The Gazette of India, part I, Sec. 1, dated 20-2-1943, p. 219.),

#### Standard Cloth Scheme: Standard Cloth Advisory Panel Set Up.

In order to assist it in giving effect to the Standard Cloth Scheme, the Government of India has decided to set up an Advisory Panel, to be called the "Standard Cloth Panel", with headquarters at Bombay. This Panel will consist of representatives of the Cotton Textile Industry and others. It will advise the Government of India generally on matters concerning the manufacture, transport, distribution and sale of Standard Cloth and the fixing of prices for the purchase and sale of such cloth. Mr. M.K. Vellodi, I.C.S., has been appointed Standard Cloth Commissioner, with headquarters at Bombay.

(Notification No. 156-I.C.(7)/43 dated 6-3-1943: The Gazette of India, Part I, Sec. I, dated 6-3-1943, p. 274.)

#### The Bengal Silk Control Order, 1943

The Government of Bengal has, under the Defence of India Rules, issued the Bengal Silk Control Order, 1943, providing for the control of the cocoon and silk trade in the province. Owners of filatures and dealers in raw silk have to be registered under this Order. The Government may at any time serve notices on 'registered owners' and 'registered traders' freezing their stocks so as to meet Government requirements. In such purchases the prices will be those notified by Government in the Official Gazette from time to time. No person is to buy or sell cocoons and raw silk at prices different from those notified. Extra-provincial transactions in the two articles are to be carried on only in accordance with the terms of a licence issued by the Provincial Controller of Silk.

(Notification No. 467 dated 8-3-1943, The talent Calcutta Gazette Extraordinary, Part I, dated 8-3-1943.) -

The Government of India has, under the Defence of India Rules, introduced, on 27-2-1943, another amendment to the Newspaper Control Order, 1942, further restricting the size and number of issues of newspapers in the country and increasing their prices (The previous amendment was referred to at page 37 of our November 1942 report). According to the new amendment, no paper is to publishe more than one issue on the same day without Government sanction. Advertisement charges are to be raised to one and a half times what they were on 20-2-1943. The Order comes into force on 1-4-1943.

(Notification No. 104-I.C. (5)/42 dated 27-2-1943, The Gazette of India Extraording nary, dated 27-2-1943.).

#### The Bihar Rice Control Order, 1943.

The Government of Bihar has, under the Defence of India Rules, promulgated, on 6-3-1943, the Bihar Rice Control Order, 1943, under which dealers and rice mill owners are required to comply with the directions issued to them by the Chief Controller of Prices and Supplies, Bihar, regarding the purchase, sale and distribution of the stocks of rice at their disposal. The Controller may, from time to time, allot quotas for the requirements of any specified area, or of any specified market.

(The Bihar Gazette Extraordinary dated 6-3-1943.) +

#### Grain Control in Indore State

The Government of Indore State has adopted measures for the control of food-grains, says a press note recently issued by the Information Department of the State.

The Government has now become the sole agency for purchase and distribution of grain in the State. It intends to secure adequate stocks at a fair price to meet the food needs of the people. The Government is having the produce of each individual grower in the State estimated. The grower will be allowed to retain sufficient grain for his requirements for seed, consumption and payment in kind for hired agricultural labour. After allowing for these, the estimated surplus of each grower is to be sold by him to the Government Purchase Centre of the area. For nongrowers in villages a consumers' register is being prepared by Government and sufficient grain for their consumption will be retained at the purchasing centres. No ration-cards are contemplated at present for the villages, but periodical distribution will be arranged on the strength of the information recorded in the register. In the city of Indore a Rationing Scheme is already functioning.

("Federal India and Indian States", 10-3-1943.) +

#### The Madras Rice Mills Licensing Order (No. 1), 1943

On 5-3-1943, the Government of Madras issued, under the Defence of India Rules, the Madras Rice Mills Licensing Order (No. 1). Explaining the purpose of the Order, a Press Note dated 5-3-1943 issued by the Bobernment says: In view of the deficiency in the present rice harvest and in the absence of rice imports by sea, it has become necessary to take every possible step to conserve foodstuffs, especially rice. In the traditional method of husking rice by hand pounding, a comparatively small portion of the grain is removed. After the advent of milling machinery, a higher degree of polish was attained. This gives the grain a more attractive appearance, but removes a larger part of the outer portion of the grain. Scientific research has demonstrated that the portions so removed contain vitamins, essential for health. The Government of Madras has therefore issued an Order which comes into force from 5th March 1943 for the licensing of rice mills which will enable them to issue directions to the millers to under-polish rice. Rice so produced will resemble hand-pounded rice in retaining a larger portion of the valuable outer covering than is retained in highly polished rice. The Order requires that all mills shall take out a licence.

(Rules Supplement to Part I, Fort St. George Gazette, dated 9-3-1943.)\_

#### The Bombay City Food Rationing Scheme: Supplementary Rations for Workers.

Reference was made at page 34 of our January, 1943, report to the scheme of food rationing proposed to be introduced in Bombay City. The preliminaries in connection with the scheme are nearing completion. Ration cards for a period of 24 weeks were distributed in the city in the first week of March, 1943, for the City's population estimated by the rationing authorities at \*\*\*\* 1,770,000.

Details regarding the scheme, which is to begin from 1.4-1943 were explained by Mr. A.D. Gorewalla, Commissioner of Supplies, Bombay, at a Press Conference held on 4-3-1943, and by Mr. R.N. Samarth, Controller of Rationing, Bombay, in a radio broadcast from Bombay in the second week of March 1943. The available information regarding the scheme is summarised below:-

Articles rationed. The enumeration of all the people living in their own houses and of those who take their meals in hotels and eating houses is practically complete. Only the homeless persons remained to be counted up. The articles proposed to be rationed are rice, wheat, bajri, jowar (the four principal food grains in the province) and the products of these articles, including flour, 'sogi', 'rava', and baker's bread.

Rations for Adults and Children. - kationing is in the form of units per week. For each adult two units will be given, and for each child only one. People of 12 years and above will be taken as adults, and those between two years and twelve years as children. It is further proposed that, subject to the stock position, the probable unit will be half paylee per week. This means that the adult will get one paylee and the child half paylee of all the cereals together per week. The maximum ratio of each cereal in the unit will be fixed from time to time, according to the stock position, but within this a person will be able to buy whatever rationed article he likes.

Supplementary Rations for Labourers. In addition to two units allotted to an adult, it is proposed to allot a supplementary unit to manual labourers - those who do manual work in mills, factories, and large organisations and essential services, as well as casual manual labourers such as coclies at grain godown. Domestic servants, office peons, shop assistants and such others will not be given a supplementary ration. The supplementary ration will be issued on application after rationing has commenced.

Rations for Hotels, Hostels, etc. - In case of hotels, hostels, orphanages and such other establishments where people generally board, it is proposed to fix the quantities broad-based on the average number of boarders. These establishments will get permits and not ration-cards.

Methods of Distribution: Government Grain-Shops, Co-operative Societies, Mill Grain Shops, etc.— The retail distribution of rationed articles will take place through 150 Government grain-shops, about 100 co-operative credit and consumers' societies, stores run by communal organisations, and the grain-shops provided by mill factories and other large-scale organisations and about 300 ppivate retail distributors. Every holder of the ration-card or permit will register with an authorised retail distributor for supplies, and workers employed in mills and factories will register with shops run by their employers. The number of people that will be registered with any care Government grain shop or retailer will be restricted to about 500. Once a person's name has been registered with a particular distributor, he has to take his requirements from that distributor alone. Householders will be allowed to transfer their names from one distributor to another for sufficient reasons, as for example, change of residence from one locality to another.

At present there is a rationing officer in each ward of the city. There will, however, be extra rationing officers in several wards who will have to be informed in case of loss of cards and who will answer any of the inquiries connected with rationing.

(The Bombay Chronicle, 6 and 12-3-1943.).

### Co-ordination of Food Supplies: Regional Commissioners to be Appointed.

It has been decided, says a Press Note is sued by the Government of India on 15-3-1943, to create a few posts of Regional Food Commissioner for the better co-ordination and control of food supplies all over India, including the Indian States, and to assist all Governments in the application of the all-India plans for dealing with food matters. This decision is a result of the unanimous recommendation made to Government at the second All-India Food Conference held towards the end of February 1943 at New Delhi. (Vide pages 38-40 of our February 1943 peport.) These Commissioners will each have to deal with several Provinces and many States that lie in their areas and the duties that would fall to them may generally be explained as co-ordination, liaison and inspection.

(The Hindustan Times, dated 16-3-1943.).

### Rationing in Kolar Gold Fields Area, Mysore

The Government of Mysore is introducing in the Kolar Gold Fields a rationing scheme in respect of rice and ragi (a kind of millet) as from 1st April 1943. The following scale of rations will be adopted:

(1) Clerks, etc.- Rice 1/4 seer per adult per day or 7/2 seers per month (one seer = 2 lbs.); child below 10 years - half of the above quantity.

(2) Workers. - rice and ragi 1/7 pavu (1 pavu = 1/2 lb.) of rice plus 3/7 pavu of ragi per adult per day or 8/2 seers of rice and 3/4 seers of ragi per month per adult. Child below 10 years - half of the above quantity

(Bulletin of the Mysore Chamber of Commerce dated 22-3-1943.) +

### Food Rationing in Calcutta: Government's Draft Scheme: Corporation Committee's Report.

The need for the introduction of a system of food rationing in Calcutta city has been engaging attention for some months past. In December 1942, the Calcutta Municipal Corporation had appointed a Committee to formulateaconcrete scheme for equitable distribution of food-stuffs and other essential commodities at reasonable prices in the city. In March 1943, a comprehensive draft scheme for rationing as regards Calcutta and the industrial area has been prepared by Mr. L.G. Pinnell, I.C.S., Special Officer, Civil Supply Department, and it is understood that the draft scheme will be discussed with representatives of various Chambers of Commerce, the Corporation of Calcutta and of important bodies, before final adoption.

Government's Draft scheme. The more important features of the Government's draft scheme are as follow: The list of commodities requiring consideration would include all or any of the following as found necessary, viz., (1) Grain and bread (as one unit), (2) Pulses, (3) Sugar, (4) Kerosene, (5) Coal, (6) Salt, (7) Mustard Oil. It is not contemplated that all these commodities would necessarily be rationed at once and at the same time. The scheme envisages introduction of card or any other warrant to householders enabling them to buy specified quantities from specified source or sources and preventing them from buying from other sources. It also envisages the appointment of a Headquarters staff consisting of a Regional Controller, a Regional Deputy Controller, Assistant Controller.

Committee's Recommendations. The recommendations of the Committee appointed to report on food rationing by the Calcutta Corporation are briefly as follow:

The Committee pointed out that it was time for introduction of regional rationing in the city and the suburban industrial areas. The regional system of control had proved ineffective in alleviating distress. The number of shops, about 145, opened by the Government in Calcutta for the supply of rice and atta at controlled prices was inadequate and the quantities supplied were insufficient. It was impossible for clerks, artisans, daily wage-earners and members of middle class families to stand in queues for hours for granting a palta supply; and the controlled shops had merely touched the fringe of the problem. The Director of Civil Supplies should open a large number of additional shops which would sell essential food-stuffs at controlled rates and the quantity of supply should be increased.

At its meeting held on 10-3-1943, the Calcutta Corporation adopted a resolution to the effect that the report of the Corporation Committee should be forwarded to the Government so that the Government might consider the suggestions made therein when formulating its final proposals.

(The Amrita Bazar Patrika, 6 and 12-3-1943.).

### Food Supply Facilities for Railway Employees: Railway Grain Supply Scheme.

All over India 500,000 railwaymen were at present benefiting from the railway grain supply scheme and more staff was being brought within its range, declared Sir Edward Benthall, War Transport Member, replying to Mr. Lalchand Navalrai at question time in the Central Assembly on 5-3-1943. At present, he said, the railway grain shops supplied some or all of the principal food grains; some also sold salt, sugar, spices and other commodities. Arrangements for the sale of cloth were under examination. While some railways were supplying grain only at principal centres, others were running mobile units. For distribution, ration cards were employed by most railways. He added that it was the policy of the Government to expand the range of commodities sold in these shops where there was a local demand for such expansion.

(The Statesman, 6-3-1943.),

## Compensation for War Injuries War Injuries (Compensation Insurance) Bill, 1943 +

Dr. B.R. Ambedkar, Labour Member, Government of India. introduced on 11-3-1943 in the Central Assembly the War Injuries (Compensation Insurance) Bill, 1943, which imposes on employers a liability to pay compensation to workmen sustaining war injuries and provides for the insurance of employers against such liability. The Statement of Objects and reasons appended to the Bill explains that the War Injuries Ordinance. 1941, empowered the Central Government to make a scheme providing for the grant of relief in respect of war injuries. It also provided that no compensation should be payable under the Workmen's Compensation Act in respect of a war injury. Workmen under that Act are now only entitled to receive relief from Government under the War Injuries Scheme. In more highly industrialised countries where variations in the industrial wage scale are not so large as in India, payments under the Personal Injuries Scheme are, in respect of labour, both relief and compensation. In India the amount of relief under the War Injuries Scheme does not at present give higher paid labour adequate compensation. It is impossible for Government themselves either to increase generally the seale of relief under the War Injuries Scheme or to undertake a liability to pay further compensation to a particular class of employees from Government funds. It is, however, reasonable that that obligation should be put on certain employers. There is also probably more danger to employees in factories and other industrial concerns (which may be a target for enemy attack) than there is elsewhere.

The Bill imposes on employers of essential services, of factory and mine labour, in major ports, and other employments to be specified. an obligation to pay compensation in respect of war injury to their workmen, calculated to amount to the difference between the amount paid by Government under the War Injuries Scheme and the amount which would have been payable under the Workmen's Compensation act if the war injury had given a right to compensation thereunder. This will mean additional payments in respect of labour drawing roughly over Rs. 24 a month. Many employers are prepared to undertake the extra liability but the liability may prove either an embarrassment or an impossibility in the case of a factory which might be seriously damaged by enemy action, unless insurance can be taken out to cover the risk. It is understood that few insurance companies are now prepared to cover such risks although in a few cases insurance in this matter has been effected. The Bill therefore provides for compulsory insurance with the Central Government, of the liability referred to above, by employers throughout British India. A provision has also been made to extend the scheme of insurance

to amployers in States provided that provisions substantially corresponding to the provisions of this Bill are made in that State.

The Bill follows closely the War Risks (Goods) Insurance Ordinance and the War Risks (Factories) Insurance Ordinance.

(The Gazette of India, Part V, dated 13-3-1943, pages 89 to 98.)+

#### War Injuries Pension Rules, Madras

On 15-12-1942, the Government of Madras issued the War Injuries Pension Rules, Madras, which provide that when a member of the police force, to whom the Extraordinary Pension Rules, Madras, apply, sustains a war injury while on duty or dies of a war injury so sustained, awards will be made in accordance with the provisions of those rules as if the injury were received as a result of special risk of office. Similar awards will be made in the case of other servants of the Government to whom the Extraordinary Pension Rules, Madras, apply if the Government is satisfied that the war injury has been received as a result of "special risk" as defined in the Extraordinary Pension Rules. Compensations paid under these rules do not affect the pension or gratuities that may be due to that them or their heirs under the Civil Service Regulations. Any Government servant who may be eligible for relief under the War Injuries Scheme, 1942, will be entitled to receive the pension or allowance under the scheme to the extent to which it exceeds the pension or allowance admissible under these rules.

(The Fort St. George Gazette, Part I, dated 9-3-1943, page 243.)+

#### Safety Measures

#### A.R.P. Measures in Factories: Chief Adviser, Factory A.R.P.

The following information about A.R.P. measures in factories is taken from a note on the subject published in the Statesman dated 1-3-1943:-

Air raid precaution measures in principal factories engaged in war production in India are organized by the Chief Adviser, Factories A.R.P., Department of Labour. In less important factories, A.R.P. measures are supervised by provincial Governments working under the advice and guidance of the Labour Department so that a common policy is observed in all factories.

The Chief Adviser has a staff of 5 expert Technical Officers and Deputy Advisers who have done similar work for the Ministry of Supply in England. They have experience of blitz conditions and have observed the results of bombing at first hand. In addition, 4 Indian officers have been sent to England for training under the Ministry of Supply and others are in training in India. The staff of the Chief Adviser has been further strengthened by the addition of 5 trained Fire Officers from the U.K. who have considerable experience of air raids and of different types of fires. The Technical Officers, Deputy Advisers and First Fire Officers are constantly on tour visiting factories and advising them on protection and organization. Recent reports show that substantial progress has been made in protective measures generally and that, in particular, the programme of promiding shelters and the protection for workers is approaching completion.

For the guidance of everyone who is concerned with industrial A.R.P., the Labour Department have issued a publication entitled "A Summary of A.R.P. applied to Factories" (A copy of this publication was forwarded to Montreal with this Office's minute D.1/146/43 dated 17-2-45). The booklet incorporates the lessons drawn from the bombing of England, with modifications to suit conditions in India. Subjects treated include: shelters, protection of vital plant, fire precautions, obscuration, lighting and ventilation, and organization of A.R.P. personnel, their training and equipment. Government has advised factories to establish a news service for their workers to dispel ignorant of malicious rumours and to give the facts as early as possible after raids which is the time when very exaggerated rumours are commonly circulated.

stocks of essential foodstuffs are being laid in at factories to guard against the breakdown of normal supplies and cooking arrangements are provided so that, in the event of workers' families being evacuated and shops and restaurants closed, they will be able to obtain cooked food at reasonable prices. Instructions have also been issued to factories to remove glass wherever it could form a potential danger to personnel or to important plants. To replace glass large supplies of a transluscent non-splinterable substitute have been obtained from the U.K.

Factory wwners are encouraged to train the whole of their workers in these subjects outside working hours for which they receive pay at appropriate over-time rates. Allowances and remissions of various kinds have been introduced to counteract the hardships due to war conditions. These include bonuses and dearness allowances and provision is made for pensions and disability payments.

(The Statesman, 1-3-1943.) +

### List of the more important publications received in this Office during March 1943

#### ditions of Work .-

by the Railway Board on Indian Railways for 1941-42, Vol. I and Vol. II (Statistics). Published by the Manager of Publications, Delhi. 1943. Price Rs. 7-8-0 or 11s.6d. and Rs. 1-10-0 or 2s.6d. respectively.

#### momic Conditions . -

- (1) "An Enquiry into the Economic Condition of Some Middle Class Persons in Service in Baroda City" by D. Ghosh, M.A., and D.S. Dighe, M.A. Bulletin No. 8 as:
- (2) Report of an Enquiry into the Family Budget of Indian Estate Labourers. (M. Rajanayagam, Esq., Deputy Controller of Labour). October 1941. Printed at the Ceylon Government Press, Colombo. Price Re. 1-2-0. 1941.
- (3) Government of Bombay. "Budget Memorandum for 1943-44" Price Rs.2-2-0 or 4s. and "Civil Budget Estimates for the year 1943-44". Price Rs. 3-14-0 or 6s.9d. Bombay: Printed at the Government Central Press.

#### anisation, Congresses, etc .-

#### Federation of Indian Chambers of Commerce and Industry

- (1) Speech of Mr. Gaganvihari L. Mehta, President, Federation of Indian Chambers of Commerce and Industry, at the Sixteenth Annual Meeting held on 27th March 1943 at Delhi. 1943.
- (2) Federation of Indian Chambers of Commerce and Industry: Report of the Proceedings of the Executive Committee for the year 1942-43. Vol. I. 1943.
- (3) Correspondence and relevant documents relating to important questions dealt with by the Federation during the year 1942-43. Vol. II. 1943.
- (4) Report of the Central Indian Evacuees Relief Committee. 1942. 1943.
- (5) Resolutions as Finally Recommended by the Committee of the Federation for the Sixteenth Annual Meeting.

#### All-India Organisation of Industrial Employers

- (1) Speech of Lala Karamchand Thapar, President, All-India Organisation of Industrial Employers, at the Tenth Annual Meeting held on 28th March, 1943, at Delhi. 1943.
- (2) Report of the Proceedings of the Committee for the year 1942-43. 1943.

#### Indian National Committee of International Chamber of Commerce

Report of the Proceedings of the Committee for the year 1942-43. 1943.

#### ial Conditions .-

Census of India, 1941, Volume XXII, Jammu and Kashmir, Parts I and II. Essay and Tables by Capt. R.G. Wreford, Census Commissioner, Jammu and Kashmir State, Jammu. Price Rs. 5-8-0.