

202/100

INTERNATIONAL LABOUR OFFICE

INDIAN BRANCH

Report for April 1937.

N. B. - Every section of this Report may be taken out separately.

Contents.

	<u>Pages.</u>
1. <u>References to the I. L. O.</u>	1-8
2. <u>National Labour Legislation.</u>	
(a) The Payment of Wages (Amendment) Act, 1937.	9
(b) The Payment of Wages (Railways) Rules, 1936: Correction Issued.	9
(c) Stone Crushing and Silk Factories brought under Factories Act; Bombay Government Notification.	10
(d) Industrial Relations in Cochin; Head of Labour Department urges enactment of Trade Disputes Act.	11
(e) Eight-Hour Day in French India; New Labour Code promulgated.	12
3. <u>Conditions of Labour.</u>	
(a) Strike Statistics for Quarter ending 30-9-1936.	13-14
(b) Welfare Work in Buckingham and Carnatic Mills, Madras.	14-18
(c) Millowners' Association Bombay: Assistant Labour Officer appointed.	18-19
(d) Calculation of Time-workers' Wages; Decision of Millowners' Association, Bombay.	19-20
(e) The Bengal Jute Mills Strike.	21-23
(f) B. N. Railway Strike Enquiry; Union withdraws from Participation.	23-25
(g) Earnings of Workers in Large Industrial Establish- ments in British India; Results of Inquiry by Mr. V. K. R. V. Rao.	26-29
(h) Abolition of Slavery on Assam Border; Successful Punitive Expedition.	30
(i) Poidih Colliery Disaster; Report of the Court of Enquiry.	31-33
(j) Indebtedness among Ahmedabad Mill Workers; Result of Enquiry conducted by Labour Office, Bombay	33-34
4. <u>Industrial Organisation.</u>	
<u>Employers' Organisations.</u>	
(a) 10th Annual Meeting of Federation of Indian Chambers of Commerce and Industry, Delhi, 1937.	35-44
(b) Indian National Committee of International Chamberx of Commerce; 8th Meeting, Delhi, 1937.	44-46
(c) All-India Organisation of Industrial Employers; Report of Committee for 1936.	47-49

	<u>pages.</u>
K.2. (d) All-India Organisation of Industrial Employers: 4th Annual Meeting, Delhi, 1937.	50-51
5. <u>Workers' Organisations.</u>	
Trade Union Movement in the Bombay Presidency - 1935-36.	52-55
6. <u>Economic Conditions.</u>	
New Indo-Japanese Trade Protocol; Terms of Old Protocol modified.	56-57
7. <u>Employment and Unemployment.</u>	
(a) Unemployment in Ceylon: Report of Committee appointed by Labour Ministry.	58-63
(b) Unemployment in Ceylon; Report of the Executive Committee of Labour, Industry and Commerce.	63-65
(c) Census of Educated Unemployed in Madras Presidency: Government orders Enquiry.	66-67
(d) Unemployment in the Punjab: Government appoints Committee to suggest Remedies.	67
8. <u>Social Conditions.</u>	
Training of Social Workers: Punjab Scheme.	68
9. <u>Public Health.</u>	
(a) Safety First Association of India: Progress during 1936.	69-71
(b) Drive for Better Housing in Ahmedabad.	71-72
10. <u>Co-operation.</u>	
Progress of Co-operation in the Punjab - 1934-1935.	73-75
11. <u>Education.</u>	
Vocational Bias in Selected Primary Schools: Bombay Government's Approval.	76
12. <u>Migration.</u>	
(a) Indians in British Guiana: Appointment of Agent General advocated.	77-78
(b) Increase of Wages of Indian Labourers in Malaya: Decision of United Planters' Association, Malaya.	78
(c) Sastri's Report on Indian Labour in Malaya: Congress Criticisms.	79-80
13. <u>General.</u>	
Social Programme of Bombay Interim Ministry.	81-82

References to the I.L.O.

The March 1937 issue of the Labour Gazette, Bombay, reproduces at pages 500-501 a note on the 78th Session of the Governing Body of the I.L.O. taken from the February 1937 issue of the Ministry of Labour Gazette, London.

* * *

A communique re. the Washington Textile Conference, (issued by this Office on 26-2-1937) is published by the Indian Social Reformer dated 3-4-1937.

* * *

"Federated India", Madras, dated 14-4-1937 and the Industrial Bulletin issued by the Employers' Federation of India, Bombay, dated 26-4-1937 publish a reproduction of the Geneva Communiqué (No.12 of 1937) dealing with the I.L.O. report to the Washington Textile Conference. (The copies of the communique were sent to these and a few other papers by this Office).

* * *

A Reuter's message from Washington dated 2-4-1937 to the effect that nearly 200 delegates and advisers will be attending the World Textile Conference at Washington, is published by the following: the Hindu dated 3-4-1937, the Times of India dated 5-4-1937 and the Indian Social Reformer dated 17-4-1937.

* * *

A Reuter's message from Washington dated 7-4-1937 to the effect that delegates from Belgium, Poland and Canada to the Washington Textile Conference supported the 40-hour week proposal, and that the Japanese Government delegate urged the necessity for lowering textile prices is published by the following: the Statesman, the Hindustan Times, the Hindu, the Times of India and Bombay Chronicle dated 8-4-1937 and the Leader dated 10-4-1937.

* * *

A Reuter's message from Washington dated 8-4-1937 to the effect that the British and Japanese employers who attended the Washington Textile Conference opposed the proposal for a 40-hour week is published by the following: the Hindustan Times and the Hindu dated 9-4-1937, the Bombay Chronicle, the Times of India, and the Statesman dated 10-4-1937 and the Leader dated 11-4-1937.

* * *

A Reuter's message from Washington dated 6-4-1937 to the effect that the British Government delegate to the Washington Textile Conference opposed the proposal for a 40-hour week is published by the following: the Statesman, the Times of India, the Hindustan Times, the Bombay Chronicle and the Hindu dated 7-4-1937 and the Amrita Bazar Patrika and the Leader dated 8-4-1937.

* * *

A Reuter's message from Washington dated 10-4-1937 to the effect that Sir Firoz Khan Noon suggested at the Washington Textile Conference the formation of an international cotton committee, is published by the following: the Times of India, the Statesman and the Hindustan Times dated 12-4-1937, the Bombay Chronicle dated 13-4-1937 and the Leader dated 14-4-1937.

* * *

A Reuter's message from London dated 9-4-1937 to the effect that Sir Firoz Khan Noon was elected Chairman of the Selection Committee of the Washington Textile Conference is published by the following: the Hindustan Times, the Statesman and the National Call dated 11-4-1937, and the Leader and the Times of India dated 12-4-1937.

* * *

The Hindu dated 16-4-1937, the Statesman, the National Call, the Times of India, the Hindustan Times, the Bombay Chronicle and the Amrita Bazar Patrika dated 17-4-1937, the Amrita Bazar Patrika (Repeated) and the Leader dated 18-4-1937 and "Commerce and Industry" dated 20-4-1937 publish a Reuter's message from Washington dated 15-4-1937 to the effect that Sir Firoz Khan Noon opposed lowering of tariff walls at the Washington Textile Conference on the ground that such a course will lead to the wiping out of the Indian textile industry by Japan. The message also states that the Conference adopted the suggestion of the U.S.A. Government for the establishment of an international commission to consider problems relating to the production and prices of textiles.

* * *

An Associated Press of India message based on a cable from ~~the~~ Washington from a private source to the effect that Mr. B.M. Birla opposed the resolution regarding trade barriers, and that the

resolution was suitably amended to meet Indian objections is published by the following: the Bombay Chronicle, the National Call and the Hindustan Times dated 18-4-1937, the Times of India, the Amrita Bazar Patrika dated 19-4-1937 and the Leader dated 20-4-1937.

* * *

The National Call dated 18-4-1937 publishes an editorial article inspired by this Office on the above. The article approves of Mr. Birla's arguments against lowering trade barriers and applauds the spirit in which alterations in the original resolution were made by the Conference to suit India's wishes. In this connection, the paper observes:

"The decision we are sure, will be welcome to Indian textile interests. Incidentally it shows the groundlessness of the apprehensions entertained in certain circles in this country that Indian participation in the International Labour Conference is likely to be prejudicial to Indian interests, as the country is thereby likely to be called upon to shoulder burdens which, in the competitive conditions of today, it is not in a position to undertake. The I.L.O. certainly stands for certain ideals - its idealism is, however, tempered by a sensible practicalism. It realises full well the need to temper the wind to the shorn lamb, and therefore, in enunciating its policies and programmes, it makes ample allowances for countries in the position of India."

* * *

The National Call dated 9-4-1937 publishes an editorial article under the caption "The World Textile Conference" inspired by this Office. The article draws attention to the importance of the Conference from the Indian point of view and accords support to the 40-hour week proposal for the industry.

* * *

An Associated Press of India message to the effect that Mr. B.M. Birla, the Indian Employers' delegate to the Washington Textile Conference, was invited to the White House where he met the President and some of his advisers and discussed with them the Indian economic situation is published by the following: the Hindu, the Statesman, the Hindustan Times and the Bombay Chronicle dated 16-4-1937, the Times of India and the National Call dated 17-4-1937 and the Leader and "Commerce and Industry" dated 20-4-1937.

The message is based on a Washington cable from a private source received by the Associated Press.

* * *

The Times of India dated 29-4-1937 publishes a summary of the speech of Mr. Zaung-Teh Ing, the Chinese Government Delegate to the Washington Textile Conference, on the problems of the textile industry in China. The note is reproduced from the Christian Science Monitor.

* * *

The Statesman dated 30-4-1937 publishes extracts from the speech of Sir Firoz Khan Noon, the Indian Government Delegate to the Washington Textile Conference, delivered at the Conference on conditions in the Indian textile industry. The text of the speech was sent from Washington, (source unknown).

* * *

The April 1937 issue of the Indian Textile Journal publishes a news item to the effect that Sir Firoz Khan Noon will be returning to England on 26-4-1937 after the Washington Textile Conference.

* * *

A United Press forecast of the personnel of the Indian Delegation to the 23rd I.L. Conference is published by the Amrita Bazar Patrika dated 5-4-1937 and the April 1937 issue of the Indian Textile Journal, Bombay.

* * *

~~As per~~ The Gazette of India dated 30-4-1937 publishes at pages 1004-1005 of Part I, the personnel of the Indian delegation to the 23rd International Labour Conference. The delegation consists of:

Government Delegates. - Sir Firoz Khan Noon, Kt., Bar-at-Law, High Commissioner for India, London.
Sir Frank Noyce, K.C.S.I., C.B.E., I.C.S.

Advisers to the Government Delegates. - Mr. S.R. Zaman, I.C.S., Secretary to the High Commissioner for India, London.
Mr. A. P. Morley, India Office, London.

Employers' Delegate. - Sir Hormusji P. Mody, K.B.E., Bombay.

Adviser to the Employers' Delegate. - Mr. Gaganvihari L. Mehta, Calcutta.

Workers' Delegate. - Mr. Satis Chandra Sen, Calcutta.

Adviser to the
Workers' Delegate. - Mr. W.V.R.Naidu, Jamshedpur.

Mr. Zaman will also act as Secretary
to the delegation.

The Statesman dated 30-4-1937 reproduces the above.

* * *

The Hindu dated 20-4-1937 publishes the picture of Mr. G.L. Mehta who has been selected as adviser to the Indian Employers' delegate to the 23rd I.L.Conference.

* * *

The Amrita Bazar Patrika dated 30-4-1937 and the Statesman dated 1-5-1937 publish an account of a farewell party given in honour of Mr. G.L.Mehta on his leaving India for Geneva.

* * *

A communique on the Director's Report to the 23rd I.L. Conference (issued by this Office on 20-4-1937) is published by the following: the Hindustan Times dated 23-4-1937, the Hindu dated 24-4-1937, "Commerce and Industry" dated 27-4-1937 and the Indian Labour Journal dated 25-4-1937.

* * *

The Hindu dated 24-4-1937 publishes a long editorial article under the caption "Economic Recovery" in which attention is drawn to the references in the Director's Report to economic recovery.

* * *

The Times of India dated 26-4-1937 publishes an editorial article under the caption "Labour and Industry" in which an appreciative review of the Director's Report is made. The article, however, points out that expenditure on armaments is not wholly "unproductive".

* * *

A communique on the Grey-Blue Report on the I.L.O. publication: "Planning of Public Works in relation to Employment" (issued by this Office on 26-4-1937) is published by the Hindustan Times dated 28-4-1937.

* * *

The March 1937 issue of the Labour Gazette, Bombay, reproduces from "Industrial and Labour Information" dated 4-1-1937 the note on the world unemployment situation during the last quarter of 1936.

* * *

A communique on the world statistics of unemployment for the 1st quarter of 1937 (issued by this Office on 30-4-1937) is published by the Hindustan Times and the National Call of 1-5-1937.

* * *

The National Call dated 6-4-1937 publishes an editorial note on the decision taken by the Government of Madras to take a census of the educated unemployed in that Presidency. The note commends the move and refers to the usefulness of the world unemployment statistics collected and published periodically by the I.L.O.

* * *

The Bombay Chronicle dated 18-4-1937 publishes a Reuter's message from Geneva giving a review of the I.L.O. publication: "The Social Consequences of the Economic Depression".

* * *

The Indian Social Reformer, dated 3-4-1937 reproduces the note in the January 1937 issue of the Monthly Summary of the I.L.O., reviewing the I.L.O. publication: "World Statistics of Aliens".

* * *

The Hindustan Times dated 13-4-1937, the Bombay Chronicle dated 15-4-1937, the Hindu dated 17-4-1937 and the Indian Labour Journal dated 18-4-1937 publish an article under the caption: "Social Progress in China: Why does India lag Behind?" contributed by a member of the staff of this Office and published anonymously. The article refers to the new Chinese Minimum Wages Act, details of which were published in "Industrial and Labour Information" of 23-3-1937 and deplores the absence of legislation of a similar character in India. In the course of the article reference is made to the I.L.O.'s efforts to further minimum wages legislation and to the I.L. Convention on the subject.

* * *

The January 1937 issue of the B. & O. Co-operative Journal publishes an article under the caption "Trade Unions and the Co-operative Movement in the U.S.A: A Lesson to India" contributed by the Director of this Office. The article is based on notes published in "Co-operative Information". In the course of the article, the I.L.O.'s interest in the co-operative movement is referred to. (Copies of the article were sent to this and a few other co-operative journals.)

* * *

An article contributed by this Office on the new British Factory Bill, based on the note on the subject published in "Industrial and Labour Information" dated 12-4-1937 is published by the following: the Hindustan Times and the Indian Labour Journal dated 25-4-1937, the Leader dated 30-4-1937 and the Bombay Chronicle dated 1-5-1937. Extensive references are made in the article to the I.L.O.'s efforts to reduce hours of work in industrial establishments.

* * *

The March 1937 issue of "The Mails India", Calcutta, (an organ of the Royal Mail Service) publishes an article under the caption: "Limit the Hours of Toil" in the course of which reference is made to the efforts made by the I.L.O. to bring about a 40-hour week.

* * *

The National Call dated 11-4-1937 and the Hindustan Times dated 12-4-1937 publish an article under the caption: "India and the League of Nations" contributed by Mr. P.S. Sodhtans, adviser to the Indian Employers' Delegate to the 20th I.L. Conference; in the course of the article reference is made to the work of the I.L.O. and its influence on Indian labour legislation.

* * *

The April 1937 issue of the Indian Textile Journal, Bombay, publishes a short biographical sketch of Sir Nowroji Saklatvala in the course of which his connection with the 1921 Session of the I.L. Conference which he attended as the Indian Employers' Delegate is referred to.

* * *

The Hindustan Times dated 8-4-1937 publishes the full text of the speech of Dr. Bhagawan Das in the Central Legislative Assembly on 2-4-1937 in support of the resolution advocating India's withdrawal from the League of Nations.

* * *

No Indian newspapers and periodicals received during the month in this Office published items from the I.L.O. News Bulletin.

* * *

The following messages having references to the I.L.O. and emanating from Reuter or other European news agencies and press correspondents were published in the Indian Press during April 1937:-

1. A Reuter's message ~~ix~~ dated 2-4-1937 from Washington re. the attendance at the Textile Conference.
2. A Reuter's message dated 6-4-1937 from Washington ~~dated~~ re. the opposition expressed by the British Government Delegate to the 40-hour week in the textile industry.
3. A Reuter's message dated 7-4-1937 from Washington re. the support accorded to the 40-hour week in the textile industry by delegates of Belgium, Poland and Canada.
4. A Reuter's message dated 8-4-1937 from Washington re. the opposition of the British and Japanese employers' delegate to the 40-hour week in the textile industry.
5. A Reuter's message dated 10-4-1937 from Washington re. the suggestion of Sir Firoz Khan Noon for the setting up of an International Cotton Committee.
6. A Reuter's message dated 19-4-1937 from London re. the election of Sir Firoz Khan Noon as Chairman of the Select Committee of the Textile Conference.
7. A Reuter's message dated 15-4-1937 from Washington re. Sir Firoz Khan Noon's opposition to the lowering of tariff barriers.
8. A Washington message from a private source to the Associated Press of India re. the interview given by President Roosevelt to Mr. B.M.Birla, Indian Employers' Delegate to the Textile Conference.
9. A Washington message from a private source to the Associated Press of India re. Mr. B.M.Birla's opposition to the scaling down of trade barriers.
10. The text of the speech of Sir Firoz Khan Noon at the Washington Textile Conference sent from Washington (source unknown).
11. A Reuter's message from Geneva giving a review of the I.L.O. publication: "The Social Consequences of the Economic Depression".

The Payment of Wages (Amendment) Act, 1937. ✓

Reference was made at page 14 of our March 1937 ^{Report} to the introduction in the ^{Council} Legislative Assembly on 30-3-1937 of a Bill to amend the Payment of Wages Act, 1936. The Bill was taken up for discussion on 3-4-1937, and after a heated ~~debate~~, the Assembly altered the original text of the proposed "Explanation" to Section 9 as follows:

"Explanation. - For the purposes of this section, an employed person shall be deemed to be absent from the place where he is required to work if, although present in such place, he refuses, in pursuance of a stay-in-strike or for any other cause which is not reasonable in the circumstances, to carry out his work."

The Bill was passed by the Assembly the same day and received the assent of the Governor General on 14-4-1937. The text of the Act is published at page 46 of Part IV of the Gazette of India dated 17-4-1937.

Payment of Wages (Railways) Rules, 1936:

Correction Issued. ✓

Reference was made at page 12 of our March 1937 report to the publication by the Government of India of the Payment of Wages (Railways) Rules. The Government of India have notified at page 967 of Part I of the Gazette of India dated 17-4-1937 that ⁱⁿ ~~the~~ Rule 1. of the above Rules, ~~that~~ the figure "1936" should be substituted by "1937". +

Stone-crushing and Silk factories brought under
Factories Act: Bombay Government Notification. ✓ +

Attention is directed to pages 384-385 of Part IV-A of the Bombay Government Gazette, dated 1-4-1937, where two Notifications (Nos. 1365/34 and 1664/34 dated 31-3-1937) of the Political and Reforms Department are published declaring certain fresh classes of factories to be ~~brought~~^{br} brought under the Factories Act, 1934. The first notification relates to the class of places situated ~~ed~~^{ed} in the Presidency of Bombay (excluding the Town and Island of Bombay) wherein the manufacturing process of crushing and sizing stone is carried on with the aid of power, and wherein, on any one day of the twelve months, preceding the date of this notification, ten or more workers were employed. The second notification relates to the class of places situated ~~ed~~^{ed} in the Town of Surat wherein artificial or natural silk is manufactured with the aid of power, and ~~z~~ wherein, on any one day of the twelve months preceding the date of this notification, ten or more workers were employed. +

Industrial Relations in Cochin: Head of
Labour Department Urges Enactment of Trade
Disputes Act. †

Mr. V.R.Maman Chohan, the Head of the Labour Department, Cochin State, has in the second week of April submitted to the Cochin Government a report on the strike now in progress in the Cochin Tin factory at Pallurathy. He emphasises in his report the need for legislation on the lines of the Trade Disputes Act of British India.

Mr. Chohan states that he interviewed the Manager of the Tin factory and the Secretary of the Cochin Labour Union who had wired to him about the strike. After giving an account of the origin of the strike and its developments, and his interview with the Manager of the factory in regard to the re-entertainment of the strikers, Mr. Chohan says: "If the strike which still continues is not checked, it may have a tendency to spread unwholesome influence elsewhere. The strike at Pallurathy is a small local affair but it should be an eye-opener to us in Cochin for, owing to the absence of legislation, we are not in a position to interfere in time and nip the evil in the bud. If a similar situation had arisen in British Cochin which is only a few furlongs from Pallurathy, the Indian Trade Disputes Act of 1929 would have been set in motion and the situation brought under immediate control." Although he had opportunities to hear both sides and to discuss with them their differences, neither party had shown any willingness to forego the little differences or to accept an agreed settlement. As there is no machinery of law to be used at present, the Government is requested to take steps for the introduction of legislation on the lines of the Indian Trade Disputes Act, of 1929.

(The Hindu, 20-4-37) †

8-Hour Day in French India:New Labour Code Promulgated. +

According to messages received from the two French Indian representatives in the two Houses of the French Parliament by the Mayor of Pondicherry, a decree has been promulgated by the Colonial Minister on 6-4-1937 introducing new labour laws in French India. The message states that owing to the ceaseless efforts of M. Justin Godart and those of the French Indian representatives in Parliament, the French Government had codified all the recommendations of the French India Governor, M. Crocicchia, in the labour laws now promulgated by the Minister, except in regard to the regulations governing accidents to labourers while on duty and the rules to be adopted for arbitration in case of labour disputes. The rules regarding accidents to labourers while on duty are understood to be on the same lines as those which were framed by the French Government for French Indo-China, while the rules of arbitration in labour disputes will be similar to those that exist in France. The message also states that an important modification made in favour of the labourers of French India is the reduction of the working hours of labourers from nine hours to eight hours per day. The decree is to come into force from the 1st January 1938.

(The Hindu, 19-4-1937) +

Strike Statistics for Quarter ending 30-9-1936.

13

According to the statistics of industrial disputes in British India for the third quarter of 1936 ending 30-9-1936, published by the Department of Industries and Labour of the Government of India, there were 59 disputes during the period involving 46,816 workers and entailing a loss of 699,564 working days. The largest number of disputes occurred in the Bombay Presidency where 20 disputes involving 10,846 workers entailed a loss of 127,615 working days. Next come in order Bengal with 8 disputes involving 6,515 workers and entailing a loss of 78,500 working days; Madras Presidency with 7 disputes involving 3,685 ^{workers} and entailing a loss of 35,532 working days; Burma with 6 disputes involving 3,273 workers and entailing a loss of 9,576 working days; Assam, the Central Provinces and the United Provinces with 3 disputes each involving 1,100, 1,176 and 6,150 workers and entailing losses of 3,220, 15,946 and 45,880 working days respectively; Bangalore, Bihar, Delhi and the Punjab with 2 disputes each involving 2,200, 395, 6,446 and 1,018 workers and entailing losses of 17,900, 281, 42,446 and 7,104 working days respectively; and Ajmer Merwara with 1 dispute involving 4,012 workers and entailing ^a loss of 315,564 working days; no dispute was reported from Orissa.

Classified according to industries, Cotton and Woollen mills were responsible for 20 disputes involving 20,818 workers and entailing a loss of 449,533 working days, jute Mills for 4 disputes involving 4,700 workers and entailing a loss of 30,340 working days, mines for 2 disputes involving 132 workers

2.K.

14
and entailing a loss of 192 working days, ^{and} engineering workshops for 1 dispute involving 40 workers and entailing a loss of 40 working days. Other miscellaneous industries were responsible for 32 disputes involving 21,126 workers and entailing a loss of 219,459 working days.

Of the 59 disputes during the quarter under review, 38 were due to wage questions, 9 to personnel, 1 to leave and 11 to other causes, while there was no dispute due to bonus. In 7 disputes the workers were successful, in 15 partially successful and in 25 unsuccessful. 12 disputes were in progress at the end of the period under report.

(Strike Statistics for the quarter ending 30-6-1936 are given at page 21 of our September 1936 report.) +

Welfare Work in Buckingham & Carnatic Mills, Madras, 1936.* +

The following details regarding the welfare work undertaken by the Buckingham & Carnatic Mills is taken from the Annual Report for the year ending February 1937 of the Welfare Committee of the Mills.

Provident Fund Scheme. The management, in ^{consultation} ~~connection~~ with the Welfare Committee, had under consideration a Staff Provident Fund scheme. Progress with the scheme could not be made in view of the Payment of Wages Bill before the Indian legislature which contained clauses bearing on ~~the~~ provident funds. The Committee requested its President to go into the matter again with a view to see whether there was any possibility of introducing the scheme complying with the minimum requirements of the Payment of Wages Act. The President in reply said that a good deal of consideration had been given to the subject and ~~that the~~

*Fifteenth Annual Report of the Welfare Committee: 1936. The Buckingham & Carnatic Mills, Madras. pp.18.

3.K.

Managing Agents had realised that the Act raised obstacles, which they found insurmountable for the introduction of a Provident Fund scheme. He promised, however, to consider any fresh point which the Committee might bring to his notice. The matter is still under the investigation of the Committee.

Pensions Scheme. When the Committee made^a representation on 23-11-1936 for payment of pension to workpeople of 27 years' service and over if their services were dispensed with by the Company, the Labour representatives pointed out that the Gratuity Fund^{from which} the Company paid to the workpeople from time to time was spent on different ceremonies and social events which custom imposed on them and^{that} it would be a great boon to the workers if they could receive a small monthly pension or allowance, though not in the same proportion as was sanctioned to Government servants. In their letter dated 11-12-1936 the Managing Agents regretted that it is quite impossible for the Company to give sums of money to their workpeople at fixed periods as under the present gratuity Fund system, and also to give them a sum of money, or a pension, when they retire.

Wages of Piece Workers. Last year successful efforts were made by the Committee in alleviating the hardships caused to the piece-workers by the introduction of the 54-hour week. There were, however, certain sections of workpeople who felt that their grievances had not been redressed. Representations were therefore made for the payment of average wages in the winding and twisting and drawing departments for stoppages due to causes over which the workers had no control. On behalf of the management it was replied that the complaint had arisen from the changing over from coarse counts to fine and since the transition period was well nigh over, there would^{be} no further occasion for such stoppages. Representations were also made regarding the wage rates of check-loom weavers. The Management replied that the average wages of the check-loom weavers had not been reduced to any appreciable extent after the introduction of the shorter working day and that though the increasing of rates was out of question, the matter of one weaver looking after one loom deserved to be gone into. The General Manager has since gone into the matter, but his idea that one weaver could look after two looms has not been favourably viewed by the weavers concerned. The question of payment of average wages to piece-workers for quarter-of-an-hour for cleaning their machines on Saturday also was raised. The Management replied that in no other factory, either in Great Britain or India, was time allowed for cleaning or wages paid for it. It was, however, promised that the question would be more minutely gone into.

Work on Mill Holidays. It was represented that whereas Sunday workers worked from 7 a.m. to 3 p.m. with an hour's midday interval and were paid 1/4 day's wages, those workpeople who worked on holidays had to work from 7 a.m. to 5 p.m. and were paid only one day's wages and it was suggested that the conditions be revised. The Managing Agents communicated their decision

that in future when employees are called in to work on a mill holiday, other than a Sunday, they will work from 7 a.m. to 5 p.m. with one hour interval from 11-30 a.m. to 12-30 p.m. and will receive one day's extra pay for this work. There is no point of similarity between Sunday work and holiday work. Sunday workers are compelled by law to have a substituted holiday; they receive no pay for this holiday and they therefore receive ordinary wages plus $\frac{1}{4}$ and work only from 7 a.m. to 3 p.m. Holiday workers need have no substituted holiday and as the holiday is given with pay their wages are not affected; they receive an additional day's pay and there is no reason therefore why they should not work a full day.

Annual Increment. Representations were made to grant an all-round increase in the wages of the workpeople and it was pointed out that during the six years commencing 1931, no general increase had been given for four years ^{except for} and only an increment of 3 pies per rupee in 1933 and 1936, which itself was much below the usual yearly increment. The appreciable rise in the standard of living, the reduction in the strength of workpeople and the consequent increased strain on the workers, and the improved trading conditions were advanced as additional considerations in favour of granting an all-round increase. On behalf of the Management it was doubted whether the time was opportune to grant all-round increases in view of the fact that though there was plenty of orders for cloth, the margin of profit was very small. This question is still under the consideration of the Managing Agents.

Privilege Leave. Another attempt was made by the Committee to extend the benefit of privilege leave to half-timers, but without success. It was suggested that regular attenders should take their privilege leave within a period of two months after the expiry of the year for which the leave was due, but the President said that he found no reason to alter the previous decision, whereby there was no objection to a workman taking such leave up to 31st December in any year and his taking it in conjunction with the next year's privilege leave from the 1st of January.

Retrenchment. Due to the amalgamation of certain departments of the two mills, about 120 workers were retrenched in April 1936. The Labour representatives in the Committee prepared a memorandum on the question of retrenchment, which ^{was} ~~they~~ submitted to the President. In the memorandum, the Labour representatives deplored the action of the Managing Agents in giving effect to their retrenchment policy without acquainting the Committee with their intention or discussing the matter with them. Though the Managing Agents evidently held the view that in the present trade conditions retrenchment was necessary, the Sub-committee regretted that, in the absence of fuller information on the financial aspect of the question, they are not convinced that retrenchment, which affected the interests of a large numbers of workers, was quite essential. The Sub-Committee also regretted that the Management had not given

17

the least consideration to the human suffering involved in carrying out their retrenchment policy. While the Sub-Committee hoped that the Company would not find it necessary to effect ~~rather~~ further retrenchment on a large scale, the following proposals were submitted for their consideration if it were to be found unavoidable:- (a) An opportunity may be given to workers to retire voluntarily on the same terms as are granted to retrenched workers; (b). A survey may be made in all departments of the old workpeople, over, say, 55 years, irregular attenders and those who are not the sole bread-winners of their families and have no other consideration justifying special treatment; in case of retrenchment these classes should be the first to be retrenched; and (c). Recruitment from the Joint School may be stopped ~~until~~ ^{for} such time as the effect of the retrenchment lasts.

Management,

As a result of discussions between the Committee and the ~~President~~ ^{Management}, certain young workers who had been retrenched were re-entertained in the Mills and some older workers were found employment under the Building Contractor. Employment was also secured for a few ~~retrenched~~ ^{retrenched} workers in the Beach Engineering Works under the control of the Managing Agents. The principle of retrenching employees of long service and advanced age in preference to younger workers and of re-employing retrenched workers whenever opportunity occurred, was recognised. It was further agreed that, except in very special cases, retrenchment would be confined to normal wastage and that the Committee would be previously acquainted with the intentions of the Management.

Social Welfare. (i) Safety First Association. Arrangements were made during the year under report to start a Safety First Association. At the meeting of the Committee held on ~~the~~ 12-10-1936, the working of Safety First Organisation in factories was explained and the Committee wholeheartedly supported the idea. A scheme drawn up by a Sub-Committee appointed for the purpose is now before the Managing Agents awaiting approval.

(ii) Housing of workers. Due to the increasing difficulty experienced by the workpeople in finding housing-accommodation in the Mill area and ~~paying~~ ^{the} ~~exorbitant~~ house rents outside, representations were made for constructing more houses for workpeople. In reply to the representations, the Managing Agents stated that the matter was one which had their sympathy and was constantly being considered by them. They also hoped that some additional houses would be provided in the not distant future.

(iii) Workmen's Stores. As usual the Stores carried on its work successfully. The total sales in the Stores for 1936 were Rs. 990,957 as against Rs. 1,069,706 of last year. This fall in the turn-over is mainly due to the reduction in the strength of workers in the Mills. Throughout the year a steady selling rate for rice was maintained and the principle of selling foodstuffs at cheaper rates than those ruling in the market was generally given effect to.

6.K.

(iv) Other Activities. Other activities include the successful administration of the Athletic Association, the carrying on of health propaganda among workers, organisation of excursions, maintenance of a branch of the St. John's Ambulance Association, encouragement of the scout movement among workers' children, running of a co-operative building society and a credit society, carrying on temperance propaganda, maintenance of a Joint School of the two mills and the provision of newspapers for workers. +

The Millowners' Association, Bombay:

Assistant Labour Officer Appointed. +

According to a note appearing in the excerpts from the proceedings during March 1937 of the Committee of the Millowners' Association, Bombay, there has been a great increase in the work and responsibilities of the Labour Officer since the appointment of Mr. Dalal as the Labour Officer of the Millowners' Association in November 1934 (vide pages 18-19 of our November 1934 report). In addition to working in close collaboration with the Government Labour Officer for the satisfactory settlement of workers' grievances, and editing the "Girni Samachar", a great amount of additional work devolved on him during the last two years consequent on the initiation by the Association, on the recommendation of the Managers' Sub-Committee, of various reforms calculated to improve relations with Labour, such as (1) the introduction and maintenance of the Jobbers' Record system; (2) the introduction and running of the Badli control system; (3) the introduction of Service Certificates for retrenched workers; and (4) the introduction of the Ticket System for all ~~pi~~ Piece Workers. Mr. Dalal's services were,

HK. 19
moreover, called upon by a number of mills when schemes of rationalization were contemplated and put into force, and he was consulted by mills to a much greater extent than formerly regarding wage problems. In these circumstances, it was suggested that Mr. Dalal's work would be facilitated and rendered more effective if minor matters, such as the follow-up work in the Badli control scheme and in connection with the Managers' recommendations as a whole, were taken over by an assistant.

The Committee of the Millowners' Association, after considering these suggestions, has appointed Mr. D.D.Kale as Assistant to the Association's Labour Officer with effect from 1-4-1937. +

Calculation of Time Workers' Wages:

Decision of the Millowners' Association, Bombay. +

According to a note appearing in the excerpts from the proceedings during March 1937 of the Committee of the Millowners' Association, Bombay, the question of the basis of calculation of time workers' wages has, on several occasions during the last three years, been engaging the attention of the Committee. When the minimum schedule of wages for time workers was adopted by the Association in 1934, it was decided that the rates of wages for this class of workers should be fixed on a 26 working day basis, and that, if the number of working days in a month was more or less than 26 days, the wages should be increased or decreased proportionately. Nearly two-thirds of the mills in Bombay had adopted this

recommendation, while the remaining one-third paid the same wage for each month, irrespective of the number of working days in the month.

At an informal conference presided over by the Governor of Bombay in May 1935, the Government Labour Officer, suggested that the system of paying the same wage for each month, irrespective of the number of working days, was preferred by the workers, as they had no short months. The representatives of the Association had no objection to a flat monthly rate system, but action was deferred as it was felt that the Payment of Wages Bill, which was then under consideration by the Legislative Assembly, might affect the system of payment to the workpeople. There was actually very little difference in the total wage bill, whichever system of payment was adopted. The only real benefit of the 26 days' system was that it provided a constant deduction for each day's absence, during the month, but such an arrangement was 'ultra vires' in view of Section 9(2) of the Payment of Wages Act.

The position was recently considered by the Labour Advisory (Managers) Sub-Committee, and on their suggestion the Committee, early in March 1937, recommended to their members that, as far as time-workers were concerned, the system of paying the same wage per month, regardless of the total number of working days in the month, was to be preferred, now that the Payment of Wages Act has been passed. The attention of mills was at the same time drawn to the fact that the Act provides that the deduction for one day's absence in the case of a time-worker should be $1/24$ th, $1/25$ th, $1/26$ th or $1/27$ th of the monthly wage figure according to whether there were 24, 25, 26 or 27 days in the month.

The Committee of the Millowners' Association recommended that effect should be given to the decision from 1-3-1937. ↓

The Bengal Jute Mills Strike.

Reference was made at pages 31-32 of our March 1937 report to the progress of the Bengal Jute Mills Strike, which began in February 1937 by way of protest against the refusal of the employers to increase wages proportionately to the recent increase in the hours of work. By the beginning of April, the strike had spread to 19 mills and involved about 80,000 workers. On 3-4-1937, the Executive Council of the All Bengal Central Jute Strike Committee formulated the following 15 demands:

(1) The Recognition of the Union; (2) Restoration of cut introduced in 1931-32; (3) Security of service and arrangement for keeping records. (4) Proper service rules with provisions for leave, pension gratuity, provident fund and maternity benefit. Pension rules should be framed and published. Consideration of pensions for all dismissed workers. (5) Appointment of dismissal of workers by the manager in consultation with Union and not through Sardar, Babu and Line Sardar. (6) No victimisation. (7) Re-instatement of workers wrongfully dismissed. (8) Stoppage of jobbery, fine, bribery and assaults. (9) Standardisation of wages. (10) Cancellation of orders regarding minimum production. (11) No rationalisation at the cost of the workers. (12) Prompt repair and prompt supply of machinery parts and other materials. (13) Absorption of men who are made to go on leave on account of sealing up of looms by giving them the first preferences whenever vacancy occurs. (14) Free quarters, proper arrangements for education, medical aid, light and water supply. (15) Intervals for refreshments etc., during work with provisions for relieving hands.

The question of official intervention by promulgation of Section 144 of the Criminal Procedure Code was raised in the Bengal Legislative Assembly by means of an adjournment motion on 8-4-1937. The Hon'ble the Labour Minister, in his reply, promised sympathetic handling of the situation and asked for time for the new ministry to formulate its policy. On 20-4-1937, the Labour Minister, addressing a meeting of strikers, said that the President of the Indian Jute Mills Association had assured him that if work would be resumed

2.K.

there would be no victimisation and that after resumption the employers would redress such grievances as were reasonable. Regarding the new arbitration and conciliation machinery projected by the Ministry he hoped to make an announcement later. The promises of the Minister, however, had no appreci^{ble} effect; on 26-4-37 the workers continued the strike and formulated the following additional grievances:

(1) Early closing of the mill gates in the morning and penalising those who are late by a few minutes. (2) Not giving facilities to women workers to feed their babies left in the lines or bustees at intervals. (3) Not giving facilities to male workers to purchase cheap refreshments from shops outside the mills. (4) Non prevalence of old age pensions in all mills. (5) Indiscriminate dismissal in some of the mills and exactions by Babus and Burra Sirdars of some of the mills.

The Working Committee of the All India Congress Committee, at its meeting held on 29-4-1937 at Allahabad, adopted a resolution supporting the Jute mill strikers and condemning the Bengal Government's policy.

The Indian Jute Mills Association, in the course of an official statement issued by it on 30-4-1937, asserts that the strike is attributable to political, and not ~~to~~ economic, motives. It affirms that the recent increase in hours of work from 40 a week to 54 has been attended by a proportionate rise in wages. Dealing with the workers' complaint of economic distress, it points out that the post office records show that the remittances of the Jute workers had increased from Rs. 13.9 millions in 1932 to Rs. 15.5 millions in 1936 and asserts that the figures furnish a useful index of the prosperity of the workers. Referring to the alliance between Congress and Labour, it states that the conclusion is irresist~~ible~~ that the workers are being exploited for communistic and political purposes, which have for their

23

K.3. object the overthrow of ordered Government. Finally, it affirms that 95% per cent. of the workers are willing to resume work, but are prevented from doing so by terroristic methods. (Amrita Bazar Patrika 30-4-37).

At the close of the month under review 225,000 workers were on strike and 49 mills were closed down in consequence. During the course of the strike there had been occasional clashes between the strikers and the police.

The strike is still proceeding.

B. N. Railway Strike Enquiry:

Union withdraws from Participation.

Reference was made at pages 25-26 of the report of this Office for March 1937 to the appointment of Mr. R. P. Mudie, I.C.S., and Colonel Wagstaff to enquire into the dispute between the B. N. Railway Workers' Union and the Agent of the Railway.

On 3-4-1937, Mr. V. V. Giri, President, B.N. Railway Workers' Union, issued a statement condemning the personnel of the Committee. The following are extracts from the statement:

The personnel does not inspire confidence so far as the workers are concerned, since both the officers are either directly or indirectly concerned with the Railways. The press 'communiqué' states that this enquiry is being undertaken with the full concurrence of the Agent of the B. N. Railway, who is one of the parties in the dispute. It would have been only fair to the workers had the Union been similarly consulted before the final decision was taken.

The personnel for the enquiry should have been independent in its character. Action, in our opinion should have been taken under the Trades Disputes Act, so that the Committee or the Board so constituted would have had the right to summon witnesses and examine documents. It was open to the Government of India to have on such a Committee representatives of the workers as well as of the Railway, with an independent Chairman of the status of a Judge of a High Court.

4.K.

24

The nature of the forthcoming inquiry, it is clear, is more or less departmental, and the workers are somewhat sceptical as to its results. Even now it is not too late for the Board to remedy the defect by appointing as an additional adviser on behalf of the workers. (Hindustan Times 4-4-1937).

Despite the unsatisfactory nature of the personnel, the Union decided to present its case before the Committee. It will be recalled that a settlement was first arrived at between the Agent of the B. N. R and Mr. V. V. Giri. Subsequently, the Union alleged that the Agent had violated several of the terms of the settlement. The following were the complaints submitted by the Union:

(1) While the Administration stated that 50 men were not taken because there were no vacancies, temporary men engaged during the strike, whose places could have been given to these 50 men, are still kept on.

(2) The Union has definite information that the Railway authorities are continuing to employ men who were entertained on a temporary basis during the strike to the detriment of the permanent hands that went on strike.

(3) A number of strikers who offered themselves for duty before 15-2-1937 have not been reinstated.

(4) There are definite complaints of victimisation; a number of strikers are harassed in different ways by their superiors, thus creating opportunities for the Railway administration to get rid of them.

(5) Promotions of junior non-strikers have been made to higher grades which will have the effect of debarring the strikers for some years from the legitimate promotions which in the normal course they should get.

(6) Some of the strikers who were transferred just on the eve of the strike have not been sent back to their original places, in contravention of the assurance contained in the Agent's statement.

(7) The non-recognition of the Union by the Agent is also a matter to be considered.

The Enquiry Committee began its sittings at Calcutta on 21-4-1937. The B. N. Railway was represented by Mr. V.E.D. Jarrad, the Agent, and the Union by Mr. V. V. Giri and other leaders of the workers. On 24-4-37, the representatives of the Union withdrew from the inquiry as the result of differences of opinion with the

5.K. presiding Officer on the subject of the interpretation to be given to the terms of reference of the Inquiry. On 26-4-37 the Union's representatives issued a press statement explaining the reasons for the withdrawal in the course of which it is said: "We find that there is a vital difference of opinion on the question of interpretation of the terms of reference and there is a large amount of prejudging before going into evidence. This erroneous interpretation excludes the possibility of our putting in evidence to substantiate the allegations made by Mr. Giri on the floor of the Assembly." (Amrita Bazar Patrika 28-4-37).

The enquiry is proceeding despite the withdrawal of the Union.

Earnings of Workers in Large Industrial Establishments
in British India: Results of Enquiry by Mr.V.K.R.V.Rao.

The March 1937 issue of the Economic Journal, London, publishes an interesting article on "Earnings of Workers in large Industrial Establishments in British India", by Mr. V.K.R.V.Rao which comprises the results obtained from a private enquiry instituted by him in the summer of 1935 (At the time Mr. Rao was attached to Caius College, Cambridge). Hitherto there has not been any systematic census of wages of industrial workers covering India as a whole. Provincial reports on the working of the Indian Factories Act contain a few figures of the monthly wages of some classes of factory workers, but on the evidence of the Chief Inspectors of Factories themselves these statistics are not very reliable; even if they were reliable they afford no clue to the earnings of industrial workers, as no classified figures of the latter are available.

8,143 establishments, each employing more than 20 workers and collectively employing 1,400,000 workers, of British India were approached in the present enquiry; replies were, however, received from only about 700 establishments, and even of these, only 113 establishments employing 65,910 workers gave the information asked for. The data assembled therefore covers more than 4 per cent of the total number of factory workers in British India and a little more than 2 per cent of the industrial establishments approached. After a careful examination of the data from the point of view of size distribution, provincial distribution and distribution by industries, it became evident that the simple average of the wage bill of these 65,910 employees could not be used as a

basis for calculating the income of the 1.4 million industrial workers. Weighting was necessary in each case; and has been resorted to for off-setting the deficiencies in the results of the wage-inquiry. Three alternative totals of the wage-bill of organised industry have been accordingly prepared.

(i) Total Wages Calculated from Size Distribution.- First, an attempt was made to analyse the figures with a view to discovering the "critical size", beyond which the average wage ceases to rise with an increase in the size of establishment. In the case of establishments employing less than 100 persons, wages showed a steady tendency to rise with increase in the size of firm; in the case of those employing more than 100 but less than 1000 persons, wages remained steady for a time in spite of an increase in size of firm, and then responded; while for establishments employing more than 1,000 persons, wages showed an actual tendency to fall. It was therefore decided to separate the data into these three classes and calculate the average wage paid in each class. The size-distribution of all the industrial establishments in India was found by taking a sample of one page in four from the Government publication: "Large Industrial Establishments in India, 1931". The sample covered 382,037 persons, or nearly 27 per cent of the total number. In the following table are reproduced figures of the average wage and percentage of workers in each size-group in the wage inquiry, and also the percentage of workers in each group in the sample taken from the directory.

Establishments Employing
Persons.

	No. Employed in each Group.		% of No. in each Group to total No. of Workers.		Average Wage in each Group according to Mr. Rao's Wage Inquiry.
	In Mr. Rao's Wage Inquiry.	In Sample taken from Directory.	In Mr. Rao's Wage Inquiry.	In Sample taken from Directory.	
1-99	4,268	84,985	6.4	22.3	Rs. 206
100-999	16,501	91,393	24.9	23.9	Rs. 288
1000 and more	45,401	205,659	68.7	53.8	Rs. 278

Weighting the figures of average wages in column 6 by the number employed in column 3, we get Rs. 264 as the average wage of all industrial workers in British India. Applying this figure to the total of workers employed, we find the wage-bill of organised industry to be Rs. 378 millions.

(ii) Total Wages Calculated from Industrial Distribution.- For a second estimate, the average wage of workers employed in each of the different industrial groups given in the directory was calculated from the data contained in ~~the~~ inquiry; and the results were used to estimate the incomes of the various classes

of industrial workers. The total wage bill thus calculated came to Rs. 356 millions. Details are given in the following table:

Nature of Industry.	Average Wage per Worker According to Mr. Rao's Inquiry.	Total No. Employed in each Industry.	Estimated Wage-bill of Total No. of Workers Employed in each Group (in 000 Rs.)
Textiles. ..	233	670,309	156,182
Engineering ..	431	229,698	99,000
Minerals and Metals.	485	47,781	23,174
Food, Drink and Tobacco.	105	181,018	19,007
Chemicals, Dyes, etc.	235	47,480	11,158
Paper and Printing.	375	43,679	16,380
Processes relating to Wood, Stone and Glass.	223	35,946	8,020
Gins and Presses.	114	156,464	17,837
Miscellaneous.	296	19,112	5,657
Total.	-	1,431,487	356,415

A proof of the general accuracy of the figures contained in the table is obtained from the results of the General Wage census conducted by the Bombay Labour Office in 1934. The two volumes published so far relate to the engineering and printing industries, and give the average monthly earnings for all men in these two occupations as Rs. 39. 3. 10 and Rs. 34. 5. 6 respectively. The annual figures would work out at Rs. 471 and Rs. 412 respectively, and compare favourably with Mr. Rao's figures of Rs. 431 and 375.

(iii) Total Wages Calculated from Provincial Distribution.-

A third possible estimate has been made on a provincial analysis of the wage-data obtained in the inquiry. Figures were worked out of the average wage per head of persons employed in the different provinces, on the basis of which the total wage-bill was estimated at Rs. 369 millions as shown in the following table: These provincial figures are faulty to a degree as to be useless to interpret industrial conditions in the different provinces.

Province.	Average Wage per Worker according to Mr. Rao's Inquiry.	No. of Workers Employed in each Province.	Estimated Wage-bill of Industrial Workers in each Province (000s Rs.)
Madras ...	305	137,377	41,900
Bombay. ...	295	381,349	112,498
Bengal. ...	195	480,439	93,686
United Provinces.	129	93,223	12,026
Punjab and N.W.F.	434	45,819	19,885
Burma	398	90,812	36,143
Bihar and Orissa.	453	63,959	28,973
Central Provinces.	187	64,386	12,040
Other areas.	-	30,737	7,899
Assam.	93	43,386	4,035
Total	-	1,431,487	369,085

Results of Enquiry.- The three alternative estimates of the wage-total of organised industry arrived at are given below:

Estimates in millions of Rupees.

- | | |
|---|-----|
| (1) On the basis of size-distribution | 378 |
| (2) On the basis of industrial distribution.. | 356 |
| (3) On the basis of provincial distribution.. | 369 |

The three totals arrived at by these different methods are curiously within a small margin of one another, and leads one to believe that the results of the inquiry cannot be far off the mark. It is true that they are all based on the same data, but the method of treatment has been different in each case. It is, however, considered that ^{the} estimate by the third method is the least dependable of the three. Estimate by the first method has more claims to statistical respectability, but estimate by the second has the strongest case; and but for the unfortunate failure of even a few of the owners of jute mills to supply the necessary information, it would really not have needed the perhaps not very impressive support of the first and the ~~second~~ ^{third}. But on the assumption that the average wages of workers in jute mills are approximately the same as that of workers in cotton mills—and independent inquiry suggests that this is a reasonable assumption—estimate (2), viz., the one based on industrial distribution of the workers should be the nearest to the genuine figure. On the whole, the article advances a figure of Rs. 360 millions as the estimate of the total wage-bill of organised industry, subject to an error of 10 per cent. That gives an average wage of Rs. 257 per industrial worker.

Abolition of Slavery on Assam Border:

Successful Punitive Expedition. ✓

India is a party to the Slavery Convention of 1926 and has undertaken to bring about progressively the complete abolition of slavery. It was, however, found necessary to make a reservation in respect of certain inaccessible areas bordering on Assam and Burma where it was thought it would be difficult to implement the Government's undertaking.

Recently the Government of India agreed to the reservation being withdrawn in respect of certain areas including the tribal area east of the Naga Hills district in Assam. As a first step towards implementing the Slavery Convention in this area, the Government of India, at the request of the Assam Government, agreed to an expedition headed by the Deputy Commissioner, Naga Hills, and composed of a column of the Assam Rifles. The object was to acquaint the headmen of villages with the Government's determination to suppress the practice of slavery and, if they resisted, to punish them.

The immediate provocation was the conduct of one of the villages in that area, namely Pangsha which, with the assistance of other villages, had been raiding and destroying the weaker villages of the neighbourhood and holding their captives as slaves in defiance of the Government warnings. The expedition set out about the middle of November 1936 and after some difficult encounters followed by prolonged parleying, succeeded by December 13, 1936, in rescuing all the slaves except one. By the punishment of Pangsha it is claimed that a reign of terror over a wide area has been ended.

(The Statesman, 8-4-1937.) †

31

Poidih Colliery Disaster!

Report of Court of Inquiry. +

Reference was made at pages 22-23 of our December 1936 report to the Poidih Colliery disaster which occurred on 18-12-36. Soon after the disaster a Court of Inquiry was appointed by the Government of Bengal under Section 21 (1) of the Indian Mines Act, 1923, to inquire into the causes of the disaster and to ascertain the facts. The report of the Committee is published in full at pages 928-941 of Part I of the Calcutta Gazette dated 22-4-1937; below is given a brief summary of principal findings:

General. The Colliery belongs to the Bengal Coal Company Limited, whose Managing Agents are Messrs. Andrew Yule and Company. It is situated about 7 miles from Asansol. There are two shafts, 740 and 754 feet deep. Coal was reached in 1931 and since then the mine has been worked continuously. The seam is about 15 feet thick. At the time of the accident, extraction of pillars was going on.

Cause of Accident. The available evidence is insufficient to justify a definite finding as to the cause of the disaster. The report, therefore, finds it difficult to explain how an explosion of such great violence could occur. As no explosives were used in the mine, it is extremely probable that the accident had its origin in the accidental ignition of an accumulation of inflammable gas rather than coal dust, but there is no definite evidence to show from what part of the mine the explosion originated, how it was propagated through the galleries, or what was the igniting cause.

Nature of the Explosion. On this point the report observes: "We agree with the opinion expressed by the Chief Inspector of Mines that the disastrous results of the explosion were due either to the ignition of a considerable body of a highly explosive mixture of fire-damp and air, or to a comparatively smaller body of this mixture followed by an explosion propagated by fine coal-dust. On no other assumptions can we explain the extent and violence of the explosion. The primary ignition of inflammable gas probably took place in the neighbourhood of one of the four districts where depillaring operations were or had been in progress.

Casualty Figures. The Chief Inspector has calculated the number of persons underground at the time of the accident as 208, including the Manager. The calculation is correct. All these perished. In addition, as already described, one more was killed at the pit head by the explosion so that the total casualties were 209, of whom 63 were women. All these women were below ground at the time of the accident.

Excess of Underground Women Workers. The number of women below ground was greatly in excess of the permissible percentage viz., 8 per cent. The attendance register, however, showed as below ground only 144 men and 6 women, excluding the Manager, whose name was not on the register. This discrepancy was due to deliberate falsification of the attendance registers by the attendance clerks under the instructions of the late Manager Mr. Dobbs. There was similar falsification of the safety lamp issue registers. For instance, the entries in the lamp issue register relating to the shift which perished show 153 lamps issued only. The colliery employees who kept up these registers have admitted that they falsified the entries. Their plea is that they had to obey the Manager's instructions. The real state of affairs as regards the numbers below ground was discovered by the Inspector of Mines during enquiries made by him after the accident.

Responsibility of Manager. The fraudulent system, by which the presence of excess women below ground was concealed, was the invention of Mr. Dobbs, and had not been practised by previous Managers. At the same time, there are indications that it had been going on for several months. Precautions were also taken to conceal the women from the Inspector of Mines on the occasion of his visits.

Responsibility of Agent. While finding that the Agent and other superior officers were not parties to the deception about underground employment of women in excess of the correct ratio, the report makes the following criticism against the Agent and his Assistants: "The reason why so many women were employed underground was in all probability the difficulty which Mr. Dobbs, like other Managers, was experiencing in finding sufficient labour to keep raising of coal up to the required standard. The shortage of labour was abnormal not only in this, but in other collieries. The Agent and his Personal Assistant had to keep on pressing the Manager to his output. But they did not, as they admit, pay particular attention to the way in which the Manager was tackling the difficulty arising from the shortage of labour, nor did they question him as to whether he was tempted to employ an excess of females in ~~order~~ order to maintain a sufficient output of coal. We consider it would have been better if the Agent and his Personal Assistant had interested themselves in this matter.

Principal Recommendations. The following are the more important of the recommendations made in the report:

(1) It is desirable to improve the present system of mining as far as possible, so as to prevent accumulation of gas in goaf cavities, which frequently form reservoirs for the accumulation of inflammable gas. This question, the report states, is at present under the consideration of the Coal Mining Committee.

(2) The attention of Agents and Managers of gassy mines should be drawn to the necessity of keeping mechanical ventilators working continuously in order to safeguard against any unforeseen accumulation of inflammable gas.

33

(3) It is advisable that a regulation should be introduced to make it compulsory that persons entering a gassy mines should be searched.

(4) A regulation should be framed requiring the Manager or a competent person appointed by him to examine all the safety lamps in use at the mine at least once a week, and to record the result of such examinations in a book to be kept at the mine for the purpose.

(5) Electric safety lamps are less liable to misuse in the hands of irresponsible persons, and their use by all persons except the supervising and inspecting staff should be encouraged, in preference to the flame type of lamp. This is particularly advisable when extraction of pillars is being carried on.

(6) A regulation should be issued requiring old workings in gassy mines, and particularly places in which inflammable gas may accumulate, to be examined once a week by competent person and the results recorded in a book kept at the mine for the purpose.

(7) The dangers arising from coal-dust in gassy mines are very serious and the existing regulations and bye-laws regulating coal-dust should be examined with a view to their consolidation and possibly more stringent application. The question is one of those engaging the attention of the Coal Mining Committee.

(Summarised from pages 928-941 of Part I of Calcutta Gazette dated 22-4-37.)

Indebtedness among Ahmedabad Mill Workers:

Result of Enquiry Conducted by Labour Office, B O M B A Y. ↓

During the year 1936, the Labour Office, Bombay, conducted an enquiry into the system followed by the Ahmedabad cotton mills of granting loans and advances to their operatives. A special questionnaire was drawn up for the purpose, copies of which were sent to all the cotton textile mills in Ahmedabad. The investigation was conducted by a lady investigator of the Labour Office, who collected the required information by personally visiting the mills. The work of collecting the data was completed in August, 1936. The enquiry covered all the 73 cotton textile mills which were then working in Ahmedabad. The results of the enquiry, a

24

brief summary of which is given below, are published at pages 530-538 of the March 1937 issue of the Labour Gazette, Bombay.

Results of the Enquiry: The Ahmedabad workers' indebtedness is nearly seven times his monthly income as compared with an indebtedness of $3\frac{1}{2}$ times the monthly income in the case of the Bombay worker. Like industrial workers at other centres, he is charged high rates of interest because of his uncreditworthiness. While the workers at other centres are charged interest on a monthly basis, the haptadars, i.e., fortnightly workers in Ahmedabad have to pay the same rates for part of the hapta up to next pay-day. The co-operative movement has so far made no headway among industrial workers in Ahmedabad. The Ahmedabad mills do not advance loans except to monthly paid workers and jobbers in a few cases. About one-third of the mills however have a regular system of granting Kharchi up to 50 per cent. of the wages due. But as they deduct the full amount of the advance and the interest from the worker's wages on the very next pay-day and the worker has to pay a portion of the balance received by him to his other creditors like the hotel-keeper within the mill compound and the bania who stands outside the mill compound on the pay-day, the worker reaches his home with a considerably depleted purse. Thus, this system appears to be of a doubtful advantage from the workers' point of view, as being short of cash in hand, they have again to borrow at high interest rates to meet their ordinary expenses.

Findings of Previous Inquiry: Apart from the results of the present enquiry, the Labour Office, Bombay, has already in its possession some information on the indebtedness of the working classes which may be briefly summarised here. The results of the family budget enquiry conducted by the Labour Office in Ahmedabad between October 1933, and January 1935, show that nearly 69 per cent. of the working class families at that centre are indebted, the average amount of debt being about Rs.322 per indebted family and Rs.222 for an average family having a monthly income of about Rs. 46. That is to say, the average indebted family owes nearly seven times its monthly income. The indebtedness of families with monthly incomes "below Rs.20", "Rs.20 and below Rs.30" and "Rs.30 and below Rs.40" works out to about 14, 10 and 8 times respectively of the monthly income. This was the position prior to the reduction in the earnings of cotton mill workers owing to the 674 per cent. cut introduced in January 1935.

Causes of Indebtedness: Over 50 per cent. of the indebtedness of the Ahmedabad workers is reported to be due to expenditure incurred on marriages, while "Funerals, caste dinners and anniversaries", "sickness and unemployment" and "old outstanding debts" account for 11, 11 and 7 per cent. respectively of the total indebtedness. The remaining debt is reported to have been incurred on account of house-building or repairs, day-to-day requirements, business, agriculture, standing surety for others, and such other causes.

(The Labour Gazette, Bombay,
March 1937 issue) +

35

INDUSTRIAL ORGANISATION.

EMPLOYERS' ORGANISATIONS.

10th Annual Meeting of Federation of Indian Chambers
of Commerce and Industry - Delhi, 1937.

The 10th Annual Session of the Federation of Indian Chambers of Commerce and Industry was held at Delhi on 7 and 8-4-37 under the presidentship of Mr. D. P. Khaitan, the President of the Federation. The Session was attended by a number of delegates representing the constituent Chambers of the Federation. The Director of this Office also was present by invitation. The following is a summary of the presidential address:-

Legislative Changes. The year under review has been one full of important and significant events. Negotiations for a trade agreement with the United Kingdom to replace the Ottawa Pact, as well as to renew the Indo-Japanese Trade Agreement began and are in progress. In the legislative sphere, the year was notable for the enactment of the Indian Companies (Amendment) Act, while the Indian Insurance Bill also has been introduced. A Railway Enquiry Committee was appointed to consider the question of overhaul and re-organisation of Indian railways. The Report of the Income-tax Experts has been published, as also the Statutory Report of the Reserve Bank dealing with agricultural credit.

Transport Facilities. The year has been notable for the prevalence of cheap money and further progress has been witnessed in the industrial sphere. But the Indian commercial community is becoming increasingly apprehensive in regard to Government's attitude about the protection and development of national industries, as also about the provision of cheap transport. The non-inclusion of even a single Indian in the Railway Enquiry Committee, the extension of the contracts of the two Company-managed railways which were about to expire, and the exclusion of Indians from the Railway Board, are definitely reactionary, contrary to the considered views and recommendations of expert committees appointed by the Government themselves, and against the recommendations of the Central Legislature.

Imports Versus Exports. The Government's attitude towards the whole question of protection and development of Indian

K.2.

industries is even still more unsatisfactory. The whole tone of the Budget speech of the Finance Member is one of primary concern for the encouragement of imports and regret at the fall in revenue owing to diminution of imports, even if such imported commodities tend to compete against the products of protected industries. The financial problem of India is regarded by the Government as one of balancing the budget rather than of assisting national recovery, while the prosperity of India is conceived in terms of the visible balance of trade instead of regarding the balance of trade as an integral portion of national economic development.

India and World Markets. India is finding it difficult to maintain her position in the world markets and its foreign trade is being adversely affected by economic nationalism on the one hand and Empire policies on the other. The increase of exports that has recently been witnessed is not based on any stable or permanent basis, but is a temporary phenomenon arising out of the military ~~opera~~ preparations in Europe. In the sphere of trade, bilateral trade agreements between different countries are being entered into, and this has, in some measure, weakened India's position in markets abroad, since while other countries have been prompt to enter into reciprocal or clearing arrangements, the Government of India have followed a policy of drift in this respect. Although an agreement was arrived at between the United Kingdom, the United States of America and France in regard to the stabilisation of their currencies, the Government of India have unfortunately persistently declined to review the Indian currency position or revise currency policy.

Need for Intensive Industrialisation. India, unlike several other raw material producing countries, has a promising future as an industrial country. She possesses an abundant supply of raw materials and also an extensive, though potential, internal market. But despite these natural advantages and recent industrial development, the material condition of the masses of the people continues to be extremely unsatisfactory. In considering the economic condition of India, too exclusive ~~an~~ an emphasis is often sought to be put on agricultural development, and attempts have been made in certain quarters to create an artificial antithesis between agricultural and industrial interests, not so much with a view to assist agricultural development as to restrict industrial progress. Industry and agriculture, on the other hand, should grow up simultaneously and harmoniously; their development is correlative and complementary in more than one way. Agricultural improvements demand and assist industrial advance, while the establishment of national industries is bound to be of direct and indirect benefit to agriculture. Industrial undertakings are necessary for utilisation of raw materials; favourable trade agreements should, therefore, be entered into to maintain and increase India's export trade. The examples of the jute crop in India, ~~and of~~ the cotton crop of the United States of America and the coffee crop of Brazil and Costa Rica show that a greater yield is not always a panacea for the agriculturist. There must therefore be a "closer parallelism" between the expansion of agricultural produce on the one hand, and the development of means for its consumption on the other.

3. Economic Nationalism. India suffers from the malady of conceptions which are not only old and unsuitable to the conditions of the country, but which have been rejected even in the countries where they originated. Economic self-sufficiency as a national objective is denounced by the Government of India as a suicidal policy, but it is the policy which is being followed all over the world today. Great Britain itself built up its textile, shipping and other industries after rigid protection, but the virtues of free trade have always been preached in India for the benefit of consumers of imported piece-goods. Even the British Dominions like South Africa, Australia and New Zealand had occasion to resist similar attempts of British administrators, and today have their own industrial policies which are nationalistic in character. Intensive industrialisation of India is absolutely essential in order to lessen the pressure of population on the land, to provide alternative sources of employment to absorb the surplus population, and to diversify economic pursuits.

Industry - an Aid to Agriculture. The development of Indian industries is of great help to the Indian agriculturist. In the case of sugar, for example, the acreage of cane under cultivation has increased from 3 million acres in 1926-27 to 4 million acres in 1935-36. Even the average yield per acre has increased from 12.2 tons per acre to 15.2 tons during the same period. These advantages can be attributed only to the growth of the ~~sugar~~ sugar industry under a protective tariff. In the case of cotton, the consumption of Indian mills increased from 2.2 millions of bales in 1925-26 to 2.7 millions of bales in 1935-36. The fate of the Indian cotton-grower is interlinked with that of the textile industry as half of his crop is turned out into cloth in the country itself.

Undue Pressure on Agriculture. In India there are three kinds of industries - large scale, small and cottage. There is ample scope for the successful operation and development of all these types in view of the fact that ~~the~~ large sections of middle-class population could usefully be occupied in small scale industries. As regards cottage industries, all those at present living on ^{the} land are not really needed for agricultural activities. In Bengal, 50% of the population would be sufficient for carrying on agricultural activities, but the Census Report of 1931 shows 80% as living on land. Similar conditions prevail in the other Provinces also although the figures may vary. The most suitable method of providing subsidiary occupations would be to engage the people in cottage industries. If the Central Government, in consultation with the newly created autonomous provinces, evolve a comprehensive plan of co-ordination in respect of these three kinds of industries, constructive and beneficial work could be carried on, in whose wake would follow ~~the~~ improvement in education, sanitation and other nation-building activities. The national wealth of a country cannot be fully exploited unless its agricultural and mineral resources and its available human labour are fully utilised in industries. No Government can perpetually tax its people without enabling it to be in a position

K.4.

to pay such taxes. The Government of India should, therefore, modify their present lukewarm attitude towards industrialisation and should initiate a bold policy of industrialisation for the benefit of the country. Such a policy, should be actively supported by all other bodies, such as the Provincial Departments of Industries, the Railways, Local Self-Government institutions and the Port Trusts.

Effective Protection Needed. Industrialisation demands adequate protection, and the Provinces which have hitherto least industrialised themselves need protection the most. It is necessary that, in addition to protective tariffs, there should be cheap transport facilities, cheap money conditions and an ample supply of funds. Even the prevalence of cheap money conditions in the market does not ensure a plentiful supply of funds for industrial finance. The currency policy of the Government of India is determined by conceptions about the rate of Exchange, which are anti-national. Even in the present backward state of the country's finances, money would be available to a certain extent if only there is enough confidence in the Government's desire for industrialisation. It is significant that on the Government accepting the proposals for protecting the sugar industry for a period of 15 years, plentiful finance was made available for that industry.

Effects of Partial Protection. Even the present halting policy of protection adopted by Government during the last 12 years has no small achievement to its credit. If we examine the figures of production of some of the protected major industries, it will be found that phenomenal developments have been registered. Matches, paper, cotton textiles, handloom production, ^{Sugar and Steel;} all industries which were developed during the last ten years, although they have had restricted scope for expansion under the present policy of discriminating protection, have been contributing annually, on a conservative basis, about Rs. 1,000 millions to the national wealth of India. As against this gain, it is often contended that the revenues of the Government are affected by the diminution of receipts under customs duties. But the successful growth of a protected industry not only creates national wealth by retaining in the country the value of the products manufactured and supplied to the people, but creates a demand for other kinds of goods. The Central Exchequer is compensated through other channels. The industry creates employment for middle-classes and a greater demand for raw materials, while a large-scale protected industry stimulates the establishment of subsidiary and ancillary industries.

Revenue Tariffs and Small Industries. As a result of some of the revenue duties having the effect of a protective tariff, a number of small-scale industries have grown up in a number of provinces, such as the manufacture of toilet requisites, soap, rubber shoes, pharmaceutical and spirituous preparations, etc., These have also been instrumental in relieving unemployment

5.

among the middle-classes. The condition of these industries need careful and sympathetic watching and the revenue tariff should not be so altered as to expose them suddenly to the full blast of world competition.

Cottage Industries. The prosperity of the Indian agriculturists is very intimately connected with the growth of cottage industries. The problem in India is not so much of labour-saving devices as of finding employment for the innumerable people who are either unemployed or underemployed. Every effort should therefore be made to revive cottage industries in the villages. The system in operation in Japan can be introduced with greater advantage in our villages and the services of the village merchants should be requisitioned for this purpose. The villager should also be spared the intricacies of financing the supply of raw materials and of marketing the finished products. The agriculturist should also be helped by encouraging him to grow directly consumable articles such as vegetables, fruit, dairy products, etc., India has to depend on its export trade not only to pay for the goods it buys, but also for the remittances to the United Kingdom on account of Home charges and invisible imports. Such remittances amount to about Rs. 800 millions per year. The negotiations for the Trade Agreements with the United Kingdom and Japan afford good opportunities for the Government of India to review the whole export trade of India and to consider the possibilities of India entering into trade agreements with her best customers.

Federal and Provincial Revenues. With the increasing financial responsibilities falling upon every autonomous province, the problem for the various Provincial Ministries to secure finances for the administration of Nation-building departments will not be an easy one. After the introduction of the Federal Government and when some of the revenues are transferred to Provincial Governments, it will be a bigger problem for the Federal Government to meet its ever-increasing demands on its Exchequer. Unless, therefore, means are devised to create and increase wealth in the country itself, unless the agriculturist is put in possession of greater resources, unless the middle-classes are offered fresh avenues for the absorption of the unemployed, the economic future of the country is bound to be a dismal one.

(Summarised from a copy of the presidential address forwarded to this Office by the Secretary of the Federation.)

Resolutions. (1) Anti-Indian Legislation in Zanzibar.
A. The Federation expresses its grave concern at the plight to which Indians in Zanzibar have been and are being reduced by the Decrees of 1934, which have the effect of :-

- (a) creating a Government monopoly of the Clove Trade which has been for nearly a century, the principal business of Indians in Zanzibar, against the express

K.6.

stipulation in the Treaty of Friendship between the British Government and the Sultan of Zanzibar of 1886 and then of 1898;

- b. depriving Indians of their long enjoyed right of acquiring land in Zanzibar;
- c. restricting even their right to recover debts due to them by repeated extension of the moratorium declared about three years ago; and

B. The Federation, while acknowledging the support accorded by the Government of India by deputing Mr. K.P.S. Menon, I.C.S., and Mr. G. S. Bozman, I.C.S., to Zanzibar to help Indians there in their just fight against the iniquitous legislation of 1934, urges on the Government to take speedy and effective steps including, as a last resort, the exclusion of clove imports into India which is their principal market, with a view to bring home to the British Government the gross injustice done to Indians in Zanzibar by the said legislation which spells utter ruin to them and the serious consequences of the policy of squeezing out Indians from Zanzibar where they have settled before it became a British Protectorate.

(2) Trade Negotiations with the United Kingdom: A. The Federation urges that the Government of India, in negotiating the terms of a fresh trade agreement between the United Kingdom and India, will keep in view the following principles in connection therewith:-

- (a) That in view of the verdict of the Legislative Assembly against the continuation of the Ottawa Trade Agreement, a fresh trade agreement will not be acceptable to the country unless it offers substantially better terms to India for the development of its export trade.
- (b) That the terms of the fresh trade agreement should leave enough scope for the Government of India to negotiate bilateral trade agreements with other countries.
- (c) That the terms of the treaty will secure definite markets in the United Kingdom for important materials and products of India.
- (d) That the preferences that will be offered to the United Kingdom industries under the fresh trade agreement will in no way affect the interests of indigenous industries at any time during the period of the trade treaty. And further that no undertakings should form part of the Agreement, which militate against the very principle of the policy of industrial development adopted by India and which restricts India's liberty to shape her fiscal policy or detracts from the protection now enjoyed by industries in India.
- (e) That India should have separate trade treaty arrangements with the colonies of the British Empire and that such arrangements should not form a part of the fresh trade treaty with the United Kingdom.

4)

B. The Federation expresses its considered opinion that in such terms as may be arranged between India and the United Kingdom the question of offering further preference to United Kingdom textile industry should be ruled out on the ground that India, as a result of the recent Tariff Board Enquiry, has already granted too high a preference and that she cannot afford to grant any further preference against the interests of the indigenous industry. The Federation has noted with surprise the exorbitant demands unreasonably put forward by the Lancashire textile industry on the plea of reciprocity and reiterates its already expressed opinion that it is India which has a legitimate grievance about the Ottawa Agreement not being based on strict principles of reciprocity and that in view of the advantages already enjoyed by the United Kingdom imports in the Indian markets being manifold and greater in extent than those enjoyed by the exports of raw material from India in the United Kingdom market, as a result of the working of the Ottawa Agreement, the terms of the fresh trade treaty should be on the basis of 'quid pro quo' not in respect of any particular commodity against another, but in respect of the whole trade ~~at~~ between the United Kingdom and India. The Federation, therefore, suggests that the terms of the fresh trade agreement should tend to secure greater share for this country in the United Kingdom's requirements of materials and products, due regard being had to the burdens of Home charges and the profits from such activities of Great Britain as shipping, insurance and banking.

C. The Federation trusts that the un-official Advisory Committee will tender advice to the Government of India on the lines indicated above and further that the terms the Government of India may negotiate for the conclusion of the trade treaty will be in consonance with the principles enunciated above.

(3) Revision of the Merchandise Marks Act. The Federation invites the attention of the Government of India to the defective provisions of the Indian Merchandise Marks Act in respect of Marks of Origin, resulting in fraudulent practices to the detriment of Indian interests, and earnestly urges upon Government to bring about suitable legislation to end the Act so that all important goods, including those from the United Kingdom, may bear the marks showing countries of origin.

(4) Appointment of an Agent to the Government of India in Burma: The Federation urges upon the Government of India the necessity for the immediate appointment in Burma of an Agent to the Government of India with a Trade Commissioner under him, both of whom should be Indians, for the purpose of safeguarding the interest of Indians in Burma.

(5) Shipping: A. The Federation urges upon the Government of India the immediate necessity of redeeming their continuous assurance of providing adequate share for Indian national shipping in the overseas trade.

B. The Federation further is of opinion that Indian Shipping

K.8.

42

interests are vitally interested in the problems relating to ^{the} Middle and Far East, and as such ^{are} ~~is~~ entitled to due representation on the Imperial Shipping Committee to enable India to participate in the deliberations of the Imperial Shipping Committee. The Federation, therefore, urges the Government of India to take steps to modify the Constitution of that Committee, with a view to secure adequate representation to Indian Shipping thereon.

C. With a view to ensure the growth of ^{the} Indian National Mercantile Marine, the Federation is of opinion that it is necessary for the Government of India -

1. to ~~xxx~~ reserve the coastal traffic of the country to companies incorporated in India with Indian capital and control;
2. To enter into Agreements with countries within and without the British Empire for securing such facilities to Indian-owned steamers as the steamers of those countries enjoy in Indian waters;
3. and to place all Government traffic with Indian-owned and controlled shipping companies.

(6) Discriminating Duties in Indian States. The Federation is gravely concerned over the discriminating higher duties which are levied by some Indian States on the import of Indian products in their territorial limits than on imports of non-Indian products, and urges the Indian State Administrations to abolish such discriminating duties which are detrimental to Indian industries.

(7) Railways: (1) The Federation records its protest against the personnel of the Railway Enquiry Committee which did not include a single Indian, and which injustice was not remedied by the Government in spite of repeated representations. The terms of reference of the Committee are, also, in the opinion of the Federation, very narrow and tendentious in character.

(2) The Federation reiterates the urgent necessity of a radical reorganisation of the Railway System with a view to ensure economic and efficient transport for the public.

(3) The Federation strongly disapproves of the ~~recent~~ recent action of the Secretary of State for India in not exercising the option of purchase of the B. & N. W. and the M. & S.M. Railways, despite the decision of the Indian Legislature as embodied in the Resolutions passed in 1931 and in 1936 and against the spirit of the accepted policy of State management adopted by the Government of India since 1923.

(8) Import Duties on Raw Materials. The Federation considers that the prevailing high rates of import duties on numerous raw materials used in manufacturing processes within the country impose a definite handicap on the particular indigenous industries and urges that

K.9.

- (a) industries using imported raw materials on which ordinary revenue duty is levied should be given a drawback of import duties, or
- (b) industries using as their raw materials the product of protected industries should be entitled to some consideration for the extra outlay.

9. Fiscal Policy: The Federation views with satisfaction the progress of various Industries in India during recent years which has been made even under the halting policy of protection adopted by the Government. The Federation is further of opinion that in order to relieve unemployment, to improve the standard of living of the people and to bring about a proper equilibrium between agriculture and industry, it is essential to have further development of industries, both large and small-scale within the country. The Federation, therefore, strongly recommends to the Government of India to re-examine and widen their policy of protection, with a view to the adoption of a more vigorous and comprehensive national policy of economic development.

10. Trade Treaties with Foreign Countries. The Federation views with concern the deterioration of the position of Indian Exports in the Northern European markets, particularly in Germany, brought about by a policy of the regulation of their foreign trade by such countries on the basis of barter and compensation system, and strongly urges the Government of India to remain actively in contact and keep in constant touch with the trend of economic activities and commercial regulations abroad, through its Trade Commissioners stationed in various countries, and explore the possibilities of entering into bilateral trade agreements and clearing arrangements with such countries as necessary in order to maintain and develop India's export trade.

11. Research Committee for Industries. The Federation urges the Government of India to set up forthwith, in consultation with the industries concerned, Statutory Committees on the lines of the Indian Central Cotton Committee for the systematic development of the important industries of the country by taking up research work and by collecting necessary statistics for those particular industries. The Federation will be willing to support the levy of a small cess, if necessary, to be levied in consultation with the industries concerned and to be entirely utilised for the furtherance of the development of those industries.

(Summarised from text of resolutions passed ~~communicated~~ ^{forwarded} to this Office by the Secretary of the Federation of Indian Chambers of Commerce and Industry.)

Office Bearers for 1937. Sir Rahimtoola Chinoy was elected the President of the Federation for 1937-38 and Mr. Jamshed N. Mehta, the Vice-President. The following were elected members:- Lala Shri Ram, Seth Kasturbhai Lalbhai, Mr. B. Das,

K.10.

44

Seth Walchand Hirachand, Mr. C. B. Mehta, Mr. Dahanukar, Mr. Padampat Singhania, Dewan Bahadur Ratnasabhpathi Mudaliar, Mr. Naliniranjan Sarkar, Mr. D. B. Ghose and Sardar Sodhbans. Messrs. B. N. Sen and A. L. Ojha were elected treasurers.

(Commerce and Industry, 13-4-1937.)

Indian National Committee of the International Chamber of
Commerce: 8th Meeting, 1937, Delhi.

The 8th annual meeting of the Indian National Committee of the International Chamber of Commerce was held at Delhi on 7-4-1937 under the presidentship of Mr. D. P. Khaitan. The following is a summary of the presidential address:

World Economic Conditions, 1936. Mr. Khaitan reviewed economic conditions in the world in 1936 and expressed the opinion that the trend towards recovery from the depression has continued steadily from 1933. He pointed out that one of the main causes that contributed to the recovery, particularly in Great Britain, the Dominions, and the countries of the sterling group, as also ~~of~~ Japan, the United States, etc., is the devaluation of their national currencies. He expressed deep dissatisfaction that the Government of India did not take any initiative towards the recovery of this country's economic condition beyond passively acquiescing in the policy of devaluation inaugurated by the United Kingdom. He said that for a country, the existence of which as a solvent one depends on large internal production and consumption supplemented by export of goods, a more intelligent policy of adjusting currency to requirements was expected, but the Government failed in the discharge of their duties to the country and were influenced all along by their anxiety to protect British industrial interests from the repercussions of a policy intended to bring about the economic uplift of the people. He did not deny that there has been some improvement in the economic condition of this country, but he said it was more or less due to improvement in other industrial countries, and that it was unnecessarily delayed and slowed up because of the anti-national currency policy of the Government of this country.

Partial Recovery in India. In contrast to this tale of recovery in other countries, India stands aloof in isolation. The index number of all commodities remained at 91 both in 1932 and 1936. The prices of her raw materials cannot remain unaffected by a rise in ~~the~~ world prices. The index number of the price of cereals has risen from 66 in 1933 to 79 in 1936,

45

of tea from 61 in 1932 to 125 in 1936, jute raw from 41 in 1933 to 50 in 1936. But the prices of sugar, cotton, both raw and manufactured, jute manufactures and some other commodities have not only not shown any improvement over the position in 1932, but are definitely worse in 1936. Improvement in prices has been noticeable in all countries bringing with it an improvement in the income of the producer of raw material.

The War Menace: Besides adjustment of currencies by important nations, there is another very important factor in the political conditions of the world which contributed in no small measure towards economic improvement. The countries of the West are vying with one another in expending colossal amounts over armaments; the Soviet military budget expenditure in 1937 shows an increase of 35% over the 1936 figures, and the U.S.A.'s military budget has achieved in its defence expenditure a new peace-time record. Amounts spent in Germany, Japan, Italy and France bear no relation to their financial position. England has not lagged behind and has announced only in February last a huge defence loan of £ 1,500 millions. Prices ~~of~~ raw materials and armament metals have therefore soared up fantastically. The greater demand for these articles coming from these nations has tended to create a boom in world commodity prices and is definitely attributable to the war scare. The clouds of a terrible armageddon are getting thicker and closer every day, and if such a catastrophe comes, what would happen to the world recovery that has set in? India should be prepared to face any such situation.

Rates of Interest and Trade Cycles: Past experience shows that conditions, such as those that are witnessed at the present time, lead to higher rates of interest, contracts of credit, etc. These, in their own turn, result in producing a "slump" which is often explained away by the use of the expression "Trade cycle". Knowledge about currency, rates of interest, and their effect upon economic conditions has now advanced much further than before and it seems that it is possible to avoid slumps and depressions by the currency authorities seeing to it that the rates of interest do not rise. So far as India is concerned, in order that the condition of the people in the villages may be substantially improved, it is necessary that money should be pumped into the villages, so that the people can produce more and consume more and that the beneficial results of such a policy should not be retarded owing to the prevalence of high rates of interest in the central money markets.

"Unfortunately in our country," Mr. Khaitan declared in conclusion, "the administrators lack vision and imagination, for now as before they are in the leading strings of His Majesty's Government in the United Kingdom. They have been tried on a number of occasions in the past and found wanting to take any initiative in any sphere of the nation's activities. The world of 1937 is pregnant with international crises and I only hope the Government of India would rise above their old traditional life of laissez faire, survey their currency policy, modify their outlook as regards their trade relations with other foreign

12.K.

countries and initiate a bold policy that would not only usher in an era of prosperity in the country but also be helpful in trying to keep the wolf from the door of the millions of my countrymen in India, and thus save the country from propagation of a cult that would lead India to desolation and ruin."

(Summarised from a copy of Mr. Khaitan's speech sent to this Office by the Secretary of the Federation of Indian Chambers of Commerce and Industry).

Office Bearers for 1937. Sir Rahimtoola Chinoy was elected President, and Mr. Jamshed N. Mehta, the Vice-President. Messrs. D. P. Khaitan, B. Das, R. B. Ramsaran Das, G. S. Motilal, G. L. Mehta and D. N. Sen were elected members of the Committee.

(The Proceedings of the 7th annual meeting of the Indian National Committee of the International Chamber of Commerce were reviewed at pages 31-32 of our April 1936 report.)

All India Organisation of Industrial Employers:

Report of Committee for 1936*.

Membership.- On 31-3-1937, the date on which the report was submitted, the total number of members on the roll of the organisation consisted of 12 associations, representing the principal industries and 92 industrial concerns, making a total of 104 members. The twelve associations were -(1) The Indian Salt Association, Bombay, (2) The Indian National Steamship Owners' Association, Bombay, (3) The Indian Sugar Mills Association Calcutta, (4) The Federation of Baroda State Mills and Industries, Baroda, (5) The Indian Glass Manufacturers' Association, Ogalevadi, (6) The Indian Colliery Owners' Association, Jharia, (7) The Indian Tea Planters' Association, Jalpaiguri, (8) The Indian Mining Federation, Calcutta, (9) The Delhi Factory Owners' Federation, New Delhi, (10) The Ahmedabad Millowners' Federation, Ahmedabad, (11) The Bengal Millowners' Association, Calcutta, and (12) The Jute Balers' Association, Calcutta. The 92 industrial concerns were distributed among the following industries thus: Cotton -23, Jute -4, Salt -3, Sugar -13, Iron and Steel -4, Shipping -6, Match Manufacture -3, Constructional Engineering -7, Cement and Potteries -6, Oil-extracting -3, Drugs and Chemicals -3, Coal Mining -2, Glass -6, Metal Manufacturing -3, Milling -3, Tea Gardens -2, Straw Boards -1.

Office Bearers.-The following constituted the executive of the organisation during the year: Mr. Kasturbhai Lalbhai, Ahmedabad;

Mr. Walchand Hirachand, Bombay; Lala Shri Ram, Delhi;

* All-India Organisation of Industrial Employers -Report of the proceedings of the Committee for the year 1936 -1937. Connaught Circus, New Delhi. pp.12

Mr. A.L.Ojha, Calcutta; Mr. I.D.Varshnei, Rajoi; Mr. Adamjee Hajee Dawood, Calcutta; Mr. M. Jamal Mahomed Saib, Madras; Mr. Hooseinbhoy A. Lalljee, M.L.A., Bombay; The Hon'ble Rai Bahadur Lala Ram Saran Dass, C.I.E., Lahore; Seth Mathuradas Vissanji, M.L.A., Bombay; Mr. Jadu Nath Roy, Calcutta; Raja Ratna B. D. Amin, Baroda; Mr. N.R.Sarkar, Calcutta. In addition the following four members were co-opted to the Committee during the year: Mr. D.P.Khaitan, Calcutta; Mr. K. Dutt, Calcutta; Mr. D.C. Ghose, Jalpaiguri; Mr. S.M.Bashir, Cawnpore.

Meetings of the Committee.- The Committee held three meetings during the year 1936, one in New Delhi on 3rd April, 1936, the second on 26th July, 1936 in New Delhi and the third in Calcutta on 29th November, 1936.

Relations with I.L.O. - 20th Session of the International Labour Conference: The Committee considered the reports submitted by Sir Homy Mehta, Kt., Indian Employers' Delegate, and Mr. P.S.Sodhbans, Adviser, on the work done at the 20th Session of the International Labour Conference, 1936. The Committee recorded their thanks for the work done by the Delegation at the said Conference. At the direction of the Committee a copy of the Report of the Delegation was sent to all members of the Organisation for information. The Government of India in the Department of Industries and Labour were also supplied with a copy.

23rd Session of the I.L.Conference, 1937: The Committee of the Organisation recommended to the Government of India, the following personnel for nomination of the Indian Employers'

3.K.

49

Delegation to the Conference:- Delegate; Sir Hormusji P. Mody, K.B.F., President, Employers Federation of India, Bombay; Adviser; Mr. Gaganvihary L. Mehta, Vice-President, Indian Chamber of Commerce, Calcutta.

International Labour (Maritime) Conference, 1936: The Committee recommended to Government the following personnel to represent Indian shipowners at the Conference:- Delegate: Mr. M. A. Master, General Manager, Messrs. Scindia Steam Navigation Co., Ltd., Bombay; Advisers:(1) Mr. D. S. Erulkar, Managing Director, Scindia Steamships (London) Ltd., London; (2) Rao Bahadur C. Gopal Menon, Madras.

The Government of India nominated Mr. M. A. Master of Bombay as the Delegate and Mr. D. S. Erulkar of London as the Adviser to represent Indian shipowners at the above Conference.

Washington Textile Conference, 1937: A tripartite Conference has been convened by the International Labour Office as Washington on the 2nd April, 1937, for the examination of those aspects of the textile industry which directly or indirectly may have a bearing on the improvement of the social conditions in the industry. The Government of India invited the Organisation to recommend to them a suitable representative to attend the Textile Tripartite Conference on behalf of Indian ~~Employers~~. The Committee, in consultation with the Ahmedabad Millowners' Association, Ahmedabad, recommended the name of Mr. Brij Mohan Birla, President Indian Chamber of Commerce, Calcutta, for nomination as the Indian Employers' Delegate to the Textile Tripartite Conference. The Government of India accepted the recommendation of the Organisation and nominated Mr. Brij Mohan Birla, to represent Indian employers at the said Conference.

50

EMPLOYERS ORGANISATIONS.

All-India Organisation of Industrial Employers:

4th Annual Meeting, Delhi-1937. +

The 4th annual meeting of the All-India Organisation of Industrial Employers was held at Delhi on 8-4-1937 under the presidentship of Mr. G. D. Birla.

In his presidential speech, Mr. Birla reviewed briefly the relations between capital and labour in India during the last eight years, regretted the recurrence of strikes in Indian industry, and expressed the view that, in the present circumstances, India needed a system of compulsory arbitration. He also made a vigorous defence of the capitalist system and dealt at length with its various services to the country. He stressed the need for intensive industrialisation of India and pleaded for greater co-operation between Government, employers and workers. Below is given a summary of the speech:-

New Legislation. The year under review has brought in a number of new legislative measures directly affecting employers. The Companies Law Amendment Act and the Payment of Wages Act are good pieces of legislation. The New Companies Act will ensure a better control over company management and thus may help a healthy mobilization of money. The various pieces of legislation passed on the recommendation of the Whitley Commission may tend to ameliorate the conditions of the workers.

Labour Unrest and Strikes. It is not possible to estimate correctly the total number of days lost so far, in India through strikes, but it would not be less than 3 million days. During the last seven years, the phenomenon of strikes has been on the decline. From 1928 onward up to 1932, there has been a steady decline in the total number of days lost. In 1933 and 1934, the graph again shot upward only to drop in 1935 when it touched a rockbottom level. Strikes in this country are generally guided by the condition of industries. Prosperity, or an exaggerated notion of prosperity in the industry concerned, brings in a ready strike ~~in the industry~~ - not so its depressed condition. The majority of strikes from 1928 to 1935 have been

K.2.

due to the question of wages, although an abnormal number of strikes were also due to the question of mere personnel. From the point of view of the workers, the strikes resulted more in failures than in successes. But even from the broader national point of view all strikes are ruinous.

Need for Compulsory Arbitration. After paying a tribute to Mahatma Gandhi for the moderating influence exerted by him on industrial relationships in Ahmedabad and commenting on the Bombay arrangement of Labour Commissioners, he said that he personally would prefer a system of compulsory arbitration until trade unions become a reality. He wondered why so little use had been made of the Indian Trade Disputes Act, which provides at least a substitute of some sort for arbitration. By not utilising the machinery of that Act, definite harm has been done to the relations of capital and labour, as also to the cause of national wealth.

Defence of Capitalism. It is taken for granted in certain quarters that capitalism being an accused party is also the guilty party. Pandit Jawaharlal Nehru, a great socialist, admits that; "Capitalism has been of the greatest service to the world and individual capitalists are but tiny wheels in the big machine. The question now is whether the capitalist system has not outlived its day and must now give place to a better and a saner ordering of human affairs". In the speaker's opinion, capitalism, far from being old, had not in India, at least, yet even developed the vigour of youth; if its past had been good, its future may be looked upon with fresh hopes. He then cited the progress made by the sugar, cotton, steel, paper, cement and other industries of India as significant contributions made by capitalism towards Indian industrial progress.

Greater Industrialisation. Pleading for further progressive action, he said, that only more intensive industrialisation will relieve the burden on the soil and create a higher standard of living, and that co-operation of labour and capital was the keynote to the achievement of greater industrialisation. He appealed to those holding socialistic views not to do anything which would create class hatred and instability.

(The Statesman 9-4-37. President's speech summarised from printed text supplied to this Office.)

Workers' Organisations.Trade Union Movement in the Bombay Presidency,1935 - 36.* ✓

Number of Registered Unions.- During the year ending 31-3-1936, ^{the period} covered by the report under review, 16 new unions, one of which was a Federation, were registered bringing the total number of registrations as at 31-3-1936 to 106. The registrations of 41 unions had been cancelled before 1-4-1935, and during the year under report the names of the following nine trade unions were removed from the register: (1) The Bombay Telephone Company Employees' Union, Bombay, (2) the Clerks' Union, Bombay, (3) the Bombay Umbrella Makers' Association, Bombay, (4) the Kajugar Kamkari Union, Bombay, (5) the G.I.P. Railway Labour Union, Bombay, (6) the Swatantra Kamgar Sangha, Bombay, (7) the Bombay Jaribharat Union, Bombay, (8) the Ambernath Labour Union, Ambernath, and (9) the Cinema Trade Association of India, Bombay. The first seven unions had failed to submit their annual returns and the eighth had ceased to exist, while the ninth applied for cancellation of its registration. The net number of unions on the register on 31-3-1936 was thus 56.

Classification of Unions.- Of the 56 registered unions at the end of the year under report, only 50 individual unions submitted annual returns. These 50 unions may be classified thus: Railway workers' union, including those of railway workshop employees-12;
* Annual Report on the Working of the Indian Trade Unions Act (Act XVI of 1926) for the Bombay Presidency for the year 1935-36 - Bombay: Supdt., Govt. Printing and Stationery. 1937 - Price Anna 1 or ld. - pp.19.

Tramway employees' unions -1; Textile labour Unions -7; Unions of printing press employees -3; Unions of municipal workers -5; Seamen's unions -3; Docks and port trust employees' unions -8; and Miscellaneous unions -11. Of the 51 unions, 1 was an employers' association.

Membership of Unions.- The total membership of the reporting unions decreased from 57,680 to 51,882 during the year, the number of withdrawals of membership being about one and half times the number of additions effected. It is of interest to note that the only groups of Workers' Unions to report decreases in membership were "Railways and Transport other than Tramways", "Docks and Port Trusts" and "Seamen", but the fall in their membership, particularly in the case of "Seamen" was sufficiently heavy to more than counterbalance the increases recorded by the other groups. The Ahmedabad Bus Owners' Association, the only employers' organisation, also recorded a decrease in its membership. The most notable increase in the membership was registered by the Textile group which gained about 7,500 additional members during the year. The position as regards female membership showed a distinct improvement during the year. In 1934-35 there were only six unions having about 485 female members on their rolls; but these numbers increased to 17 and 1,134 respectively during the year under report. The unions which contributed mainly to this rise were the Bombay Girni Kamgar Union (Red Flag), the Bombay Hawkers' Union and the Match Factory Workers' Union, Ambernath.

Finances of the Unions.- The principal liability of the majority of the unions was the General Fund. It formed the only

liability of 21 unions and a minor liability of one union, while five other unions had liabilities other than the General Fund. The total amount at the credit of the general fund accounts of all the unions was Rs. 277,577-13-4, and their other liabilities amounted to Rs. 31,204-12-8 as against total assets amounting to Rs. 308,782-10-0. The figure for total assets, however, includes an amount of Rs. 140,169-9-7 for unpaid subscriptions due, the real value of which is very doubtful. The amount of cash assets was the largest in the case of the railway group and amounted to Rs. 30,972-15-8. To this sum the National Union of Railwaymen of India and Burma, Bombay, alone contributed cash assets amounting to Rs. 20,461-7-1. Five unions held securities worth about Rs. 77,010, the National Union of Railwaymen of India and Burma contributing Rs. 57,950 to this amount.

Political Fund.- The National Union of Railwaymen of India and Burma, Bombay, which was the only union maintaining a political fund and had a small balance of Rs. 37-2-0 at the close of the year, has, it is reported, decided to close it down.

Federation.- The assets of the one Federation - the Textile Labour Association, Ahmedabad - were made up of cash amounting to Rs. 11,357-11-9, securities worth Rs. 78,450-2-2, and miscellaneous assets amounting to Rs. 158,418-3-4. The liabilities of the Federation were composed of the General Fund amounting to Rs. 136,901-15-9 and other liabilities to Rs. 111,324-1-6. The Federation also maintained a political fund which had a balance of Rs. 21,714-0-0 at the end of the year.

Number and Membership of Registered and Unregistered Unions.-

The number of trade unions at the beginning of the year, registered as well as unregistered, in the Bombay Presidency was 114 with a membership of 1,10,723 members. 54 of the unions were registered under the Act. Of the remaining unions, 35 were associations of employees of the Postal and Telegraph Department consisting mainly of clerical workers.

Auditing of Union Accounts.- The annual accounts of 27 unions were audited by auditors qualified to audit company accounts, whereas only eight of these need have engaged such auditors according to rule 18 of the Bombay Trade Unions Regulations, 1927. Of the remaining 24 unions, six had their accounts audited by two Municipal Councillors and fourteen by two of their ordinary members, while in the remaining four cases the auditors were the holders of a Government Diploma in Accountancy. The auditors' remarks appended to the returns point to serious irregularities in some cases.

(The Annual Report on the Working of the Trade Unions Act in the Bombay Presidency for 1934-35 was reviewed at pages 24-26 of our February 1936 report). +

56

ECONOMIC CONDITIONS.

New Indo-Japanese Trade Protocol:

Terms of Old Protocol Modified .✓

The Indo-Japanese Trade Agreement signed on 5-1-1934 (vide pages 51-56 of our January 1934 Report) expired on 31-3-1937. A new Protocol was initialled by the representatives of the two Governments on 12-4-1937; this will be formally concluded in London and will have effect up to 31-3-1940. The following information regarding the conditions of the new Protocol, which substantially reproduces the terms of the previous Protocol, is taken from a press communiqué dated 14-4-1937 issued by the Government of India:

Modifications in New Protocol. The following are the modifications effected in the new Protocol:

(1) Total Japanese Imports. ~~(a)~~ The basic quota of Japanese cotton piece-goods to be exported to India in the piecegoods year shall be 283,000,000 yards and it shall be linked with 1,000,000 bales of Indian raw cotton exported to Japan in the corresponding cotton year.

(2) Relation to Indian Cotton Exports. ~~(b)~~ In case the export of Indian raw cotton to Japan in any cotton year should exceed 1,000,000 bales, the quota of Japanese cotton piecegoods for the corresponding piecegoods year shall be determined by increasing the above basic quota at the rate of 1,500,000 yards to every additional 10,000 bales, provided that the quota should in no case exceed 358,000,000 yards.

(3) Excess Quota Adjustments. ~~(c)~~ In case the export of Indian raw cotton to Japan in any cotton year should exceed 1,500,000 bales, the quantity thus exported in excess of 1,500,000 bales shall for the purpose of determining the relevant quota of Japanese cotton piecegoods be added to the quantity of raw cotton exported to Japan in the immediately following cotton year, it being understood that this carry over will not be cumulative.

(4) Re-export. ~~(d)~~ Raw cotton imported into Japan and then re-exported to a country other than Burma and cotton piecegoods which have been imported into India and then re-exported to a country other than Burma, shall not be regarded as exports to Japan and imports into India respectively.

(5) The Piece-goods year. ~~(a)~~ The piecegoods year shall continue to be divided into the same half yearly periods as in the former protocol and the same conditions shall apply except that the quota for the first half-yearly period shall be 1,79,000,000 yards instead of 200,000,000 yards and transfer from the quota for the first half-yearly period to the quota for the second half-yearly period shall be permitted up to the maximum of 25,000,000 yards ~~z~~ instead of 200,000,000 yards. Similarly transfer shall be permitted up to the maximum of 25,000,000 yards between the quota for any cotton piece-goods year and that for the first half of the immediately following cotton piecegoods year; and a quantity not exceeding 25,000,000 yards may be imported in the first half of any cotton piecegoods year in addition to the allotment for that period, but such excess will be deducted from the allotment ~~for~~ the second half of the same cotton piecegoods year.

(6) Subdivisions of Piecegoods Quota. ~~(f)~~ In the new protocol, the quota for piecegoods ~~shall be~~ classified and apportioned as follows: plain greys 40 per cent; bordered greys 15 per cent; bleached (white) goods 10 per cent; printed goods 20 per cent; other coloured (dyed or woven) goods 17 per cent.

(7) Cotton Fents. ~~(g)~~ Cotton fents, i.e., bona fide remnants, not exceeding four yards in length shall not be included in the cotton piecegoods quota, but the quantity of cotton fents which may be exported from Japan to India in any cotton piecegoods year, shall not exceed 8,950,000 yards, provided that more than this quota of cotton fents may be imported into India in any one cotton piecegoods year on the condition that the quantity in excess shall be deducted from the quota of the following cotton piecegoods year. If less than this quota of cotton fents is exported from Japan to India in any cotton piecegoods year the quantity of the deficit may be added to the quota for the following year.

The first Cotton year shall commence on 1-1-1937, and the first Cotton Piecegoods Year on 1-4-1937.

(The Statesman, 5-4-1937.) +

58

Employment and Unemployment.

Unemployment in Ceylon:

Report of Committee appointed by Labour Ministry.* ✓

A review of the unemployment situation in Ceylon and proposals for reducing the incidence of unemployment are contained in a report submitted in October 1936 (published recently) by an informal Committee appointed some time back by the Hon'ble Minister for Labour, Industry and Commerce, Ceylon. A summary of the report is given below:

Extent and Causes of Unemployment. The Committee states that there is a complete absence of statistics bearing on the extent of unemployment in Ceylon and points out that Employment Exchanges which on the one hand provide the unemployed workman with the strongest motive for registration and on the other check the genuineness of his claim, seems to be the only possible way of estimating the volume of unemployment with any sort of accuracy. Obviously a census would be quite unreliable, unless based on laborious investigation. This would require an army of inspectors who would have to be specially trained for the work. Even then the results would be of doubtful value since everything would depend on the individual judgment of the inspectors and the accuracy of their methods. In the opinion of the Committee, however, Employment Exchanges are not suited to Ceylon conditions. The Committee expresses the opinion that such accurate statistics are not an indispensable necessity and that the remedial measures recommended by it are such as not to require exact estimates of the unemployed.

The Depression was at its worst from 1930-1932. The situation was saved mainly by the tea and rubber restriction schemes which were introduced in February, 1933, and June, 1934, respectively, but in the meantime large numbers of men and women were thrown out of work. The bulk of these were Indian estate labourers, who returned to India and thus relieved the local Government of the necessity for providing for them. Over

*Unemployment in Ceylon" Report of an Informal Committee appointed by the Hon. Minister for Labour, Industry and Commerce (October, 1936) Printed at the Ceylon Government Press, Colombo; Price 25 cents. from the Government Record Office, Colombo. pp.25

59

100,000 left Ceylon in the year 1930-33. The General volume of unemployment was increased, perhaps unavoidably, by Government's policy of retrenchment. The total number of persons employed directly by the various departments was reduced from 69,287 in 1930 to 60,553 in 1933, but more impressive than this are the figures of expenditure by the Public Works Department. These show a progressive reduction from Rs. 24,111,295 in 1928-29 to Rs. 4,919,643 in 1933-34. This drastic economy can hardly have failed to have a profound effect in internal trade and employment. Another cause for the wide unemployment is the inefficiency of the Ceylon worker. His low standard of industry is largely responsible for a low standard of production which, in turn, restricts employment. The report, after making an endeavour to assess the extent of unemployment among the various categories of workers — unskilled labour, artisans, domestic servants, and car drivers and clerks and among juveniles and village-workers, comes to the conclusion that the incidence of unemployment is fairly light in Ceylon.

Remedial Measures Considered Unsuitable. The Committee considered various remedial measures and rejected a few. Among rejected proposals are: (1) Payment of 'doles', (2) schemes of unemployment insurance, (3) restrictions on immigration, (4) starting of unemployment exchanges, and (5) organisation of relief works, and 6) imposition of protective duties.

(1) Payment of "Doles". The report states that "doles" is thoroughly unsuited to Ceylon and would do more harm than good. An experiment in this direction was actually made by the Colombo Municipality in 1931. Payments were made through the Friend-in-Need Society. The scheme applied only to clerks and skilled workers. It ^{had to be} discontinued after a few months, when it was found that most of the recipients were either employed or were unwilling to work. Apart from the financial aspect of the payment of "doles" on an extensive scale, an equally strong objection lies in the inclination of the poorer classes in Ceylon to put up with a very low standard of living rather than make the necessary effort to improve it. This is already a main hindrance to progress. The free distribution of cash would only encourage a lazy acceptance of poverty and perpetuate unemployment.

(ii) Unemployment Insurance. The Report states that it was found that unemployment is on the increase and that the situation is likely to get worse rather than better. It is therefore not a question of helping those out of work to tide over a period of unemployment between two jobs, but of finding some entirely new field of work for them. Generally speaking, an insurance scheme would merely postpone for a short time the necessity for finding some other solution for the problem. Again, with the majority of workers illiterate and many of the employers not much better, the difficulties in administration would be immense. A further obstacle is the instability of labour in Ceylon.

60

(iii) Restriction on Immigration. As the subject is under enquiry by a Special Commissioner, the Report does not deal with it.

(iv) Protective Duties. Until recent years the Ceylon customs tariff was, as tariffs go, a very low one and was designed solely to raise revenue. Since the war, the general rate has been progressively raised, so that it is now high enough to make a very material difference in the cost of living. A new principle has also been introduced, that of raising duties to protect certain local industries which could not otherwise withstand the competition of imported goods. A first attempt has also been made at a protective quota system, by restricting the number of five goats which may be imported from Aden. There is a strong tendency to proceed further with this policy, but very little consideration appears to have been given to its necessary consequences.

Ceylon is in the exceptionally fortunate position of being able to supply certain agricultural products, particularly tea, for which there is a demand in the international market. Admittedly, this demand has decreased in recent years, but it is still sufficient to sustain an export trade which many countries of the same size might well envy. On the other hand, it is doubtful if Ceylon can ever become a manufacturing country. The local supply of capital is insufficient to finance industry, on any considerable scale, and labour, though nominally cheap, is extremely expensive in regard to output. It is no doubt expected that cheap power will be supplied by the Hydro-Electric Scheme, but this is as yet only a possibility. It is evident then that protective duties will have to be very high, if they are to keep out imports from countries more favourably situated. The consequent increase in the cost of living will of course fall on the consumer and since local industry cannot hope to compete with imported goods in point of quality, the burden will fall most heavily on the buyer of low quality goods, i.e., the poor man.

(v) Employment Exchanges. It seems very doubtful whether a system of exchange would be feasible in Ceylon. The employers whom the Committee consulted seemed to have little enthusiasm for the idea. They can get all the labour they require so readily that the interposition of an exchange seems to them superfluous and there is little chance that they would make any considerable use of such machinery if it were set up. The only result then would be disappointment on the part of applicants who would soon cease to register their names. The stabilization of casual labour would only be effective if it were made illegal to take on labour except through an exchange. This would involve a drastic change in the present custom for which the country is hardly ready, and would be very difficult to enforce.

(vi) Relief Work. After a brief experiment with the "dole", the Colombo Municipality decided to provide relief works for the unemployed within its area. This was in 1931 and relief works of some kind or other have been carried on in Colombo ever since. The cost has been met by the Municipality and the Central Government

in a proportion varying with the benefit expected to accrue to either party from the particular work undertaken. In many respects these relief works have been very successful. They have, for instance, provided a very large amount of employment for unskilled labour in comparison with the total cost. They have been useful works in themselves and have been carried out economically. In addition, the unemployed have undoubtedly benefited by regular work ~~it~~ under strict discipline and are reported to have become an efficient labour force. On the other hand, the policy pursued is open to a good deal of criticism. After the original selection in 1931 no attempt was made to investigate the claims of other men who from time to time applied for relief work. Apart from this, there are strong reasons why the present policy should be discontinued. So long as these men are maintained in Colombo at the public expense they will make no effort to find work for themselves, nor (so long as they remain in Colombo) is there much chance of their being re-absorbed in industry. As regards the general efficacy of relief works it is in the first place hardly necessary to remark that they can never touch the underlying causes of unemployment. The most they can do is to alleviate to some extent the suffering which results from it.

Recommendations. The various recommendations of the Committee to solve the problem are:

i. The unemployed should be settled on the land. In this connection the following are recommended inter alia - (a) Government estates in the wet zone, (b) Farm schools to train unemployed from the towns in agriculture, (c) Horticultural settlements for educated men among the unemployed.

and
ii. Admission to English Schools/to University College to be restricted to those likely to profit therefrom.

iii. A wider basis to be given to education both in English and Vernacular schools, by the inclusion of handicrafts and agricultural training in the normal curriculum.

iv. Employment of Sinhalese labourers on estates to be encouraged by the formation of Co-operative Labour Societies.

v. A Public Works programme to be prepared to be put into operation ^{during periods} ~~in the case~~ of severe depression in trade.

vi. A progressive policy in the Forest Department.

(i) Settlement on land.: The general outline of the scheme, as suggested in the Report ~~are~~ as follows: A fairly large area, not less than 1,000 acres to start with, should be selected in the unoccupied part of the wet zone, for instance in Pasdun Korale East. In order to ensure continuity of policy the estate should be managed by an independent Trust, to which Government should make a grant sufficient to defray the cost of clearing jungle, opening out roads and building temporary lines. Assistance and advice should of course be sought from the Medical, Agricultural, Irrigation, and Veterinary Departments. An experienced Manager should be appointed and he should be expected to organize and run the estate as a business concern. The crop should be fruit or other products

(2)

suitable for local consumption or for export of both. There should be a dairy farm and poultry farm attached. After payment to Government of the initial outlay, profits should be shared among the workers.

(ii) Educational Reform. The Committee does not desire any wider extension of industrial schools until the economic position demands such an extension. Nor does it advocate that schools should give a specific training in industries. It considers that every boy at school should be given the chance of handling tools. It will then be possible for schools to discover which boys have an aptitude for working with their hands, and in English schools, at all events, the activities of the pupils will not be confined exclusively to a training which gives the majority of them no outlet except the clerical service. If more attention is paid to handicrafts and to rural work in the English schools and if a working knowledge of English is given to pupils of Vernacular schools in connection with their gardening, health, and village activities, it is considered that the tendency of the village boy to drift into the towns, especially if he has a knowledge of English which his fellows do not possess, and the tendency of pupils in English schools to think of nothing but clerical work may be checked. It is further recommended that the number of boys attending English schools and University College should be brought at least into an approximate relation to the employment which is likely to be available for them.

(iii) Preference for Sinhalese Labour. The Tea and Rubber industries were built up by means of Indian labour, and at the present time there are some 600,000 Indian labourers employed on tea and rubber estates, compared with 55,000 Sinhalese (23,000 resident and 31,000 non-resident). The difficulty in the way of employing Sinhalese has always been the irregularity of their attendance. There are however indications that the Sinhalese villager is becoming more inclined to take up estate work and to work more regularly when such work is given to him.

The Registrar of Co-operative Societies has formulated a scheme for supplying labour to estates through Co-operative Societies. Two such societies have actually been registered and are at work on estates. Others have been organized and are ready to take on work as soon as it can be arranged for them. The scheme presents many advantages. It means for instance the elimination of the contractor and his immediate profits, and what is more important, it should provide a method of teaching the villagers that good work creates a demand for itself and commands good wages.

(iv) A Public Works Programme. The object is not, as in relief works, to provide direct assistance for a definite number of unemployed, but rather to stimulate trade and thus relieve unemployment indirectly by the expenditure of Government funds on a large scale. The Committee states that there is no justification for ~~xxx~~ such a policy at the present time in Ceylon, but it suggests that it would be a wise precaution to have plans in

6.K.

readiness for a number of large public works which should be put into operation on the arrival of a severe depression in trade. Such an event as the failure to renew the Tea Restriction Scheme in 1938 might lead to unemployment on a scale hitherto quite unprecedented in the country. A public works programme would appear to be the best method of alleviating a situation of this sort. But if works are to be put in hand promptly and carried out economically they must be carefully planned in advance. Preliminary surveys should be made and in some cases land acquired.

(v) Provident Fund Scheme. Many of the Colombo firms have provident schemes for their salaried employees. It would, however, be of advantage to all concerned if Government were to start a Provident Fund Scheme for employees of private firms on a monthly salary. It is not considered that such a scheme should be compulsory, but that all firms who wished to join it should be allowed to do so. Government would contribute a small percentage of all contributions made to the fund, would keep its accounts and have the right to regulate payments. Benefit would be paid in case of "inevitable" unemployment, sickness and old age in the form of monthly instalments. No loans should on any account be allowed. +

Unemployment in Ceylon:

Report of the Executive Committee of Labour, Industry and Commerce.

Some time back Dr. N. M. Perera, moved in the Ceylon State Council a resolution to the effect that; "In view of the large amount of unemployment prevalent both in Colombo and in the outstations, and in view also of the fact that the relief hitherto given to a few of these unemployed has been inadequate, patchy, and unsatisfactory and not calculated to solve the problem in a comprehensive manner, this House is of opinion that immediate steps should be taken to tackle this national calamity in a manner more fitting its nature and its proportions."

The Executive Committee of Labour, Industry and Commerce, Ceylon Government, thereupon, prepared a report on the steps taken by the Government to combat the evil of unemployment. A summary of the report is given below:

Causes of Unemployment. The Committee regrets the absence of reliable statistics of the unemployed. Before 1929, unemployment was seasonal and not structural. It has become a problem of a major importance only since that year. Ceylon had relied ~~on~~ for many years on her three main industries, tea, rubber, and coconut, together with the shipping trade of the port of Colombo. The fall in prices of these commodities accelerated perhaps by the general depression in international trade was the immediate cause of a decline in prosperity and a consequent contraction of employment. There are also other causes which are directly responsible for the present state of affairs. In addition to the depression, it may be put down to an ever-increasing population: to unchecked immigration: to Government's policy of retrenchment: to an increase in the number of educated youth: to forced alienation of lands: and to the closure of estates and sale of coupons. The Committee realises that be the causes what they may, the actual extent of unemployment must be at least approximately gauged before appropriate remedies can be administered. The Executive Committee has, therefore, directed that a census should be taken both in Colombo and in the Provinces and has under consideration ~~an~~ ^{the} establishment of an Unemployment Bureau in Colombo.

Attempts at Relief. There have been attempts in Ceylon to give relieve unemployment by payment of "doles" and the starting of relief works. Both methods proved failures (for details, vide pages 60-61 of this report). The Executive Committee has decided that, as a general rule, Relief Works should be undertaken only as a temporary measure. The Committee recognizes, however, that it will be necessary to continue the present policy of relieving unemployment by Relief Works until such time as the other measures of providing employment which are recommended hereafter in this report are put into effect.

Remedies: (i) Poor-Relief. In order to put the whole question on a broader basis it is imperative that permanent avenues of employment should be provided so that the unemployed instead of living a precarious existence might enjoy the benefits of a settled and orderly life. It is equally imperative that in any scheme of relief a distinction should be drawn between the able-bodied unemployed and the unemployable. Among the latter are the aged and infirm who have no homes or who cannot be properly cared for in their own homes. These, ~~according to Mr. Wedderburn,~~ require institutional treatment and must be distinguished from "those undeserving cases, the idle, the dissolute, and the workshy who would on pretext of age or infirmity use the institutions as a temporary refuge between spells of professional begging". The Executive Committee considers that this problem of Poor Relief as such should be regarded as primarily a local problem within the purview of the Local Bodies and should be distinguished from the Unemployment Relief which being a national problem merits the attention of the Central Government.

Public Works and Industrialisation. - The Executive Committee is convinced that one of the most effective means of dealing with unemployment is by a programme of public works on

(5)

a large scale. The Executive Committee therefore welcomes the expenditure on various schemes for public works which the State Council has approved in connexion with the Loan Ordinance and has little doubt that unemployment will be thereby very appreciably alleviated. Side by side with the present more liberal outlook in the Public Works policy, the Executive Committee recommends that definite steps should now be taken to promote industrialization and proposes that several industrial schemes should be launched immediately. It therefore asked for the provision of at least ten million rupees out of loan funds for the establishment of several industries. The Board of Ministers has however cut down this programme by over two-thirds and has included a sum of Rs. 3,000,000 for industrial development in the Schedule attached to the Loan Ordinance. Even this small provision ought to go far in providing permanent employment to quite a good portion of the unemployed.

Settlement on Land. Partly to solve the unemployment problem the Executive Committee is decidedly in favour of settling some of the unemployed who are willing and able on the land.

Educational Reform. In order to create an agricultural and industrial bias in the rising generation the Committee considers that educational reform should be undertaken immediately and that a change should be made in the present tendency of the English schools in Ceylon to give a very narrow vocational training on clerical lines. The Committee recommends that a wider basis should be given to education ~~so-as-to-give-a-better~~ both in English and in Vernacular schools by the inclusion of handicrafts and agricultural training in the normal curriculum and that a special technical bias should be given to education so as to give a better vocational training. A scheme for training in commercial careers and salesmanship also might well be evolved.

The Committee has generally accepted the other recommendations of the informal committee appointed by the Hon. Minister for Labour, Industry and Commerce, a summary of which is given at pages 58-63 of this report. Dr. Perera, the mover of the resolution in the Council, who is also a Member of the Executive Committee of Labour, Industry and Commerce, has announced his decision to formulate a scheme of unemployment insurance, which ~~is~~, if approved by the Committee, will be laid before the Council in due course.

(Summarised from a copy of the report forwarded to this office by the Secretary to the Minister for Labour, Industry and Commerce, Ceylon.) +

(6)

Census of Educated Unemployment in Madras Presidency:

Government Orders Enquiry.

With a view to ascertaining the extent of unemployment among the educated classes in the Province, the Government of Madras directed in June 1936 the Commissioner of Labour and Rural uplift to take a census of the educated unemployed, making a start with graduates in Law, Arts and Sciences and Diploma holders. (vide page 58 of our June 1936 report). The Commissioner issued a press notice in July 1936 asking the unemployed ~~among~~ graduates in Law, Arts and Sciences and in Engineering and Medicine and Diploma holders in Economics and European languages to send in their names to him along with certain particulars. But only 759 persons responded to the notice. According to a communiqué, issued by the Government of Madras on 2-4-1937, the Government considers the response most disappointing and proposes to make another attempt ~~but this time~~ over a wider field so as to embrace all educated unemployed persons.

The communiqué points out that the expression 'educated unemployed' requires as precise a definition as possible for the purpose of the census. The Government observes that the Sapru Committee of the United Provinces defined the expression "educated young men" as people who had received education at the universities, intermediate colleges, high schools, vernacular middle schools, or at the industrial or technical institutions or professional colleges or schools and passed one of the following examinations: M.A., M.Sc., LL.B., B.A., B. Com., B.Sc., B.Ag.,

2.K.

Intermediate in Arts, Science, Commerce and Agriculture, High Schools Examination, Vernacular Middle Examination, Oriental Titles Examination, Final Examinations of ~~the~~ technical institutions, ^{like} Engineering ^{and} Medicine.

In regard to the question as to what was meant by "unemployment" the Committee held the view that young men who, after taking a University Degree or Diploma remain without employment between the ages of 23 and 26 and in the case of men with only school education all those who have finished their school education but do not want to proceed to any university and remain unemployed should be treated as unemployed. These definitions do not, of course, claim to be perfect, but seem to afford a basis to proceed upon, and the Government has directed that these criteria be applied for the purposes of the census of the educated unemployed of ~~the~~ province also.

All the educated unemployed within the meaning explained above ^{have been} ~~are~~ accordingly invited to send their names within six weeks to the Commissioner of Labour and Rural Uplift, Chepauk, Madras, with the following particulars: Name, address, qualification, employment, if any, previously held, nature of employment sought.

(The Hindu 2-4-1937.) +

Unemployment in the Punjab:

Government Appoints Committee to Suggest Remedies. +

The Ministry formed in the Punjab under the new Constitution, which was inaugurated on 1-4-1937, has announced the appointment of a Committee to advise and report on the means the Government should adopt to cope with the problem of unemployment in the Province.

(The Statesman, 2-4-1937.)

Social Conditions.

Training of Social Workers: Punjab Scheme.

Under the auspices of the Punjab Social Service Conference, classes have recently been opened for the training of would-be social workers.

Explaining the need for such classes, the Conference points out that a social worker has to deal with the social, moral and economic maladies of society, and his task is in no way easier than that of a medical man, for whom previous training is considered essential. In all social service work, the causes of distress must be dealt with and not only their effects, and it is the business of the social worker to discover the causes and find out how to deal with them. The Conference feels that only a trained worker can do this effectively.

The training imparted will be both theoretical and practical. The theoretical part includes lectures on such subjects as: (a) "Social Service from the point of view of Maternity and Nursing;" (b) "Service - Our Responsibility;" (c) "Democracy in the Home;" (d) "Child Psychology and Mental Hygiene;" (e) "Basti behaviour and its relation to Social Work"; (f) "Social Engineering"; (g) "Rural Reconstruction"; (i) "Historical Development of Social Work"; (j) "Scope of Social Service in Modern Life"; (k) "The Value of Nursery Schools as a means of Social Service".

(The Statesman, 6-4-1937.)

PUBLIC HEALTH.

Safety First Association of India: Progress During 1936.

The Safety First Association of India, Bombay, has recently issued their annual report for the year 1936; a brief summary of the report is given below:

Educational Activities. Although India has not as yet to face a problem as desperate as that met by Accident Prevention Organisations in the United States and England, it is recognised that there is none the less the greatest need for training ~~the~~ children in an intelligent use of the road and making them realise their personal responsibility for the building of a bulwark against injury to themselves and others, and consequently the Association continued and developed the Lecture Demonstration Service. Visiting more than 75 schools, and divisional Girl Guide Groups, the honorary speakers addressed during the year under review as many as 25,000 youthful citizens, which is 5,000 more than the number recorded in the previous year. Pa

Public reaction to the Association lecture demonstration has been more wholesome and satisfactory than was expected. It is stated that there is not a single Presidency in India today where Safety Education amongst school children has not been introduced in some form or other. One Indian State has made the subject compulsory in all its Primary Schools. The Association inaugurated the first School Patrol in India in 1935 in the Antonio Da Silva High School, Bombay. This movement elicited widespread interest.

Industrial Safety Service. The Association persisted throughout the year in its efforts to organise new Safety Committees in factories and to develop the committees established in previous years, under the direction and with the co-operation of the Factory Inspectorates of the various Presidencies.

Recognising that the actual work of preventing industrial accidents, which unfortunately are increasing in almost every province in India, requires specialised knowledge from those in supervisory capacities, the Council of the Association decided to issue to the industrial members and the technical press, every month, a series of

articles dealing with some phase of industrial safety. Up to the end of the year, 14 articles were released. These articles represent the acquired experience of industry in relation to industrial hazards and give practical suggestions for their avoidance, and consequently the communiques found ready acceptance in all quarters. The favourable reception was adequately expressed in a communique issued by the Government of India, Department of Industries and Labour, to Provincial Governments, recommending this service for their consideration and suggesting that it may be brought to the notice of industrialists as they deemed fit.

Bravery Medal. While the devising of safety methods and publicising them among workmen is the first step of many in the field of industrial accident prevention, the crux of the problem lies in engaging the direct interest of the people concerned. One way of securing this personal interest is by honouring those who are able to recognise accident hazards and immediately prevent their consequences even at the risk of their own lives. Particular mention is, therefore, given to the Award instituted by the Association for acts ~~of~~ industrial bravery.

Posters. The Red Triangle poster issued by the Association two years ago has been prominently exhibited in many factories. Workmen have begun to associate it with the need for caution and care. Another poster that has had a remarkable effect in encouraging workmen to seek immediate First Aid, even in cases of slight injuries such as cuts, punctures, scratches, splinters, burns, etc., is the one entitled "It is Dangerous to Neglect Injuries." Encouraged by the success of these two posters, a series of twelve industrial posters were designed during the year under review; unfortunately, owing to lack of funds, they remained unpublished.

Safety Legislation. On a number of draft safety Rules published by the Government of India covering Petroleum, Lead, Calcium Carbide, and Hazardous Occupations (Miscellaneous), viz., Aerated Waters, Rubber, Chromium, Cellulose Spraying and Sand Blasting, the Association submitted their considered views in memoranda calculated to strengthen the safety features and advance harmonious employer-employee relations. One principle, more than anything else, that was uniformly emphasised was that the revision of Factory Rules should be given a new aspect, viz., that such Rules should answer the question how and supply the reason why in order that the employer as well as the employees might respect and obey the Rules.

Other industrial activities of the Association, during the year under review, included a drive against non-occupational accidents, First Aid classes and a series of lecture-demonstrations on safe driving. In addition, free consultation service was given to several member and non-member companies.

"Safety News". Devoted to the advancement of constructive and proven methods of accident prevention, fire protection and industrial health, "Safety News" appeared regularly in print

71
during the third year since its inauguration.

Branch Organisation. The Bengal Provincial Branch of the Association was started on 17-2-1936 at Calcutta with Sir Harold Derbyshire, Chief Justice of the Calcutta High Court, as President.

(Summarised from a copy of the Report of the Association for 1936 forwarded to this Office by the Honorary Joint Secretary, Safety First Association of India, Bombay.)

(The Annual Report of the Association for 1935 was reviewed at pages 38-39 of our February 1936 report.) *

Drive for Better Housing in Ahmedabad.

The Ahmedabad Municipality has for some years been carrying on a campaign against insanitary houses. People of the poorer classes usually hire a piece of land and construct a shed or a hovel with any material they can lay their hands on; landowners also build dark and dingy chawls and let them out on hire. The Municipality is now declaring all such houses unfit for human habitation and is prohibiting their use as dwelling places for human beings. The Municipality has no power to demolish them, but by placing a ban on their being let out, it compels the owners to improve housing conditions in the city.

Tenement houses for workers. Side by side with this, the Municipality has embarked on a scheme of constructing model sanitary houses. It was proposed long ago to finance the

4.K.

scheme by levying a special duty on coal and iron, but the Millowners' Association urged the then Minister of Local Self-Government/^{not}to sanction the scheme, as they were themselves constructing about 1,000 tenements.

They have so far constructed 435 tenements, and have written to Government stating that there is no need for more tenements as private chawls are being built under the new rules of the Mmunicipality. The Municipality, which has already constructed 100 tenements and proposes to construct 100 more, contends that it should be allowed to proceed with its housing scheme, as it is not desirable for the poorer classes to live in chawls provided by employers who may turn them out when they ~~go~~ go on strike.

(Times of India, 6-4-37.) +

73

CO-OPERATION.

Progress of Co-operation in the Punjab, 1934-35. ✓

The following information about the working of the Co-operative Societies of the Punjab during the year 1934-35. has been taken from the Punjab Government's review of the report published at pages 43 to 49 of the supplement to the Punjab Gazette dated 9-4-37:

General. The progress made by the co-operative movement in 1933-34 has been well maintained in 1934-35. The year closed with nearly 22,000 societies containing 700,000 members and employing a working capital of over Rs. 120 millions. It is estimated that 45 per cent. of 34,000 villages in the province have a society of one kind or another - many have more than one - and that, if villages which are not suited to co-operation are excluded, this applies to well over half. During the year societies increased by about 500 and membership by nearly 30,000. The increase in societies is largely in non-credit institutions. This is all to the good, but the movement would be better balanced if the preponderance of credit societies (81 per cent.) were less marked.

Training of Co-operatives. The Government of India gave a grant of Rs. 1.5 millions during the year, as aid towards the training and teaching of co-operatives. A beginning had already been made in this respect before the grant was received, and in the four years ending 1934-35, 640 classes were held and attended by over 8,000 secretaries. Much, however, remains to be done, for in 1935 nearly 5,000 rural credit societies had no secretary of their own and had to employ a Sub-Inspector or a circle secretary to keep their accounts.

Primary Societies. In the year under review there were 17,725 primary thrift and credit societies. Only 623 of these were urban, but though comparatively few in number, their business was considerable. For example, they lent out Rs. 5.7 millions as against Rs. 10.2 millions lent by other societies. Their recoveries, too, are far better and represented 85 per cent. of the amount outstanding at the beginning of the year. In the case of 583 rural non-agricultural societies, the members of which are mostly village menials and labourers, the percentage was only 29, but even this was well above the percentage for agricultural societies, which was 15. These figures help to explain why interest rates are generally much lower in the town than in the country, and suggest further that an increase in the number of urban thrift and credit societies should increase the strength of this most important side of the movement.

Agricultural Credit. In 1934-35 also, as in the previous year, agricultural credit societies showed a tendency towards emergence from the economic depression. They numbered over 16,500 with nearly 500,000 members, an addition of 25,000 in members. The additional features of the year were, an increase in business, a fall in overdues, and a slight improvement in recoveries. Overdue interest was over Rs. 15 millions, which may be ascribed in large measure to the comparatively high rate of interest (12½ per cent.) till recently charged by most societies. This has now been generally reduced, and out of the Rs. 9.6 millions advanced during the year only 1.3 millions were lent at more than 9-3/8 per cent. while about Rs. 3 millions were lent at lower rates. These societies would be in a healthier and stronger position if more of their members were depositors. If the prosperous villagers could be induced to join the local society, and if the better of them were appointed to the committee, they should be a source of strength and a safeguard against injudicious lending from which the movement has ~~xx~~ suffered greatly in the past. In this connection, it has been pointed out that, though the depositors are comparatively few, members collectively hold large funds in the shape of shares, reserves and undistributed profits, amounting to Rs. 41 millions from which Rs. 15.6 millions of overdue interest must be deducted, all of which has been taken to profit and reserve. Even so there remains ~~the very respectable~~ sum of over Rs. 25 millions.

Co-operation and Debt. The report points out that, in the case of 428 societies which completed their twentieth year in 1934-35, about 25 per cent. of the members were found to be entirely free of debt as against only 13 per cent. for all societies in 1933-34. It shows further that in 1934-35 about ~~xx lakhs~~ 1.2 millions were advanced for the repayment of old debt.

Cheap Money. The report shows, by the figures for the Provincial Bank and the 114 central banking institutions of the Province, that the movement in the Punjab does not need a large supply of cheap money. As against Rs. 12.7 millions required (according to prescribed standards) for fluid resource, these banks held (in addition to cash) Government securities with a market value of Rs. 23.4 millions; that is to say, they held well over Rs. 10 millions of surplus money. This surplus was derived entirely from deposits, which amounted to Rs. 53.8 millions. The Provincial Bank was able to borrow during the year at 2 to 2-3/4 per cent., and the larger central banks at 2½ per cent. But most central banks paid 3½ to 4 per cent. for their 12 months' deposits.

Non-Credit Societies. Amongst non-credit societies those for the consolidation of holdings were more important, and were given a grant of Rs. 200,000 for their development from the Government of India grant for village improvement, Over 63,000 acres were consolidated during the year, which means that over 100,000 separate plots of land were reduced to less than 17,000 at a cost of Re. 1-12-0 per acre. A staff of 129 Sub-Inspectors was employed for the purpose and the average area consolidated per Sub-Inspector was only about 600 acres.

The largest class of Agricultural non-credit society is the Better Living Society. These societies increased during the year to nearly 600 with a membership of 21,000. Their operations embrace the most varied activities from the reduction of expenditure on marriages to measures of village sanitation and personal hygiene. In all these measures woman is a vital factor, but in the village it is difficult to bring her under the direct influence of Co-operation, and at the present the membership of the 223 societies for women is largely confined to the staffs of schools, hospitals and similar institutions. The Registrar remarks that if the movement amongst women is to do real good in the village, it must penetrate much further. Many difficulties stand in the way of this, and whether it will be possible to overcome them must depend in large measure upon the energy and quality of the Sub-Inspectresses.

The cattle breeding societies increased during the year from 146 to 162.

Arbitration societies were slowly increasing; they have taken firm root in the hill district of Kangra, where there are as many as 64.

Industrial societies had a most prosperous year. They number 302 and there has been a great increase in their business, their sales having nearly doubled. This is largely due to keener and more systematic work on the part of the industrial staff.

Land Mortgage Banks; The twelve Land Mortgage Banks in the Punjab maintained the small improvement registered in the previous year. Amendment of the Land Alienation Act is necessary, in order to enable these banks to distrain upon defaulters by sale of their mortgaged land.

(Extracted from the supplement to the Punjab Gazette, dated 9-4-37, pages 43-48.)

77

MIGRATION.

Indians in British Guiana:

Appointment of Agent General Advocated. ✓

The following information about conditions of Indians in British Guiana is taken from a press statement dated 7-4-1937 issued by the Secretary, Foreign Department of the All India Congress Committee, in the course of which support is given to the ^{British Guiana,} ~~Nigian~~ Indians' demand for an Agent General to protect their interests:

General. British Guiana is one of those few colonies whose statutes are not disfigured by racial discrimination against Indians. The franchise is equal, and if Indians stand at a disadvantage, it is due to their illiteracy. Apart, however, from this drawback of illiteracy for which the Government and Indian nationals might be held to be equally responsible, the economic conditions and laws of employment in British Guiana are such that they favour the strong against the weak, the white employer against the Indian labourer.

Indian Labour - Unorganised. Of the 136,000 Indians, who form over 40 per cent. of the entire population of the colony, over 53,000 are employed as labourers on the sugar estates. These are weak and disorganized and live in a perpetual fear of unemployment. Ever since the cessation of indenture in 1917, when the Immigration Department also closed down, there is no official agency which may supervise and regulate the relations between the employers and the labourers, who are too backward to form trade unions of their own.

Fear of Eviction. In this connection, the findings of the Labour Disputes Commission, British Guiana, released in December 1936 will be found to be of interest. The report records: 'During our investigations, no resident estate labourers came forward voluntarily to give evidence. We believe the cause of this to be the fear of retaliatory action and possible eviction from house and subsistence plot, with but three days' notice, as provided under the Employers' and Servants' Ordinance, and the knowledge that no alternative means of earning a livelihood is readily available! The statement expresses surprise that a statute such as this which enables employers to dismiss labourers and evict them from their houses and plots of land at three days' notice is permitted to continue in modern times.'

Need for Indian Agent General. The British Guiana East Indian Association has long been demanding the appointment of a

2.K.

resident Agent-General from India to the British Guiana Government. The Agent, they think, would mediate between the plantation owners and labour to the advantage of the latter.

(The Leader 12-4-1937.) +

Increase of Wages of Indian Labourers in Malaya:

Decesion of United Planters' Association, Malaya. +

Reference was made at page 74~~7~~ of our January 1937 report to the decision of the Executive Council of the United Planters' Association, Malaya, to recommend to its members to raise as from 1-1-1937 the wages of Indian labourers in estates in Malaya, from 40 to 45 cents per diem for men and from 32 to 36 cents for women.

It is now understood that United Planters' Association, at a meeting held on 25-3-37, has decided to restore the wages of the Indian estate labourers to 50 cents per diem for men and 40 cents for women with effect from 1-4-1937. This increase in wages is consequent on the decision of the International Rubber Regulation Committee to release a further percentage of output.

It may be pointed out that the Strait Settlements Government, acting on the recommendation of its Labour Department, also has increased the wage rates of Indian labourers working in Government and quasi-Government bodies like the Singapore Municipality and the Singapore Harbour Board to a basic wage of 50 cents a day. (For details vide pages 91-92 of our March 1937 report.)

(Hindu, 1-4-37)

79

Sastri's Report on Indian Labour in Malaya:

Congress Criticisms. +

At a meeting of the Standing Emigration Committee held at New Delhi on 3-4-37 to consider the report of the Rt. Hon'ble V. Srinivasa Sastri on conditions of Indian Labour in Malaya, the Committee decided, inter alia, to suspend the sex-ratio rule for another two years. Those members of the Committee who belong to the Congress Party expressed dissatisfaction with the report. A communiqué issued by the Secretary, Foreign Department, All India Congress Committee, in the first week of April presents the views of the Congress on the subject; below is given a brief summary of the communiqué.

Wage-Rates. Mr. Sastri's recommendation to raise wage-rates from 45 cents for men and 36 cents for women to 50 cents and 40 cents respectively falls short of the demand for 'adequate wages' made by the Indian associations of Malaya to the Indian deputation. It is understood that the Chinese labourers in Malaya by declaring a strike on 20-3-37, have achieved a higher increase in their wage-rates, viz., to 75 cents for tappers, 55 cents for male and 50 cents for female unskilled labour. Unless the wages of Indian labour are standardized at a rate similar to the rates of the Chinese, wages would remain inadequate, and Indian labour would continue in its present state of poverty and degradation.

Hours of work. The observation in the report that the working day is nominally nine hours but that it is reduced for practical purposes to eight hours falls short of the demand for an eight-hour day. The communiqué points out that a clear recommendation for an eight-hour day was called for.

Assisted Emigration. On account of the uncertainty of wage-rates and the denial of political status to Indians in Malaya, the Indian Associations in Malaya have ranged themselves against assisted emigration; the communiqué supports the objection.

Travel and Quarantine Grievances. As regards travel, the Indian labourer is made to embark at Negapatam, while Madras is more convenient. Third class passengers are subjected to quarantine in Penang, and some of these are sent back to India on the ground that they suffer or are suspected to suffer from dangerous diseases. Such a medical examination ought to take place in India and the unfit should not be made to suffer the inconvenience of trying and futile travel.

2.K.

Educational Facilities. In spite of the fact that the Malayan Labour Code provides for a school in every such place of employment where the children between the ages of 7 and 14 are 10 or more in number and that there is a very large element of Indian labour, mostly Tamilian, in the Government Departments and public bodies of Penang, Malacca and Singapore, there is not a single Government Tamil school in these places. The Government of India should impress on the Malayan Labour Department to enforce the provisions of its Labour Code.

Civil Service Ban. The communiqué draws attention to the fact that both in regard to public services and representation on public bodies, the status of Indians is of a decidedly inferior type. The Malayan Civil Service is now limited entirely to persons of British parentage and to Malaysians. The representation of Indians on the Legislative Council of the Colony and the various State Councils of the Federated and Unfederated Malaya States is very meagre.

Finally, the Indian Association of Malaya suggested the establishment of an Indian Commercial Museum at Kuala Lumpur or Singapore to develop the trade between India and Malaya. This suggestion finds support in the communiqué.

(The Statesman, 5-4-1937.) +

General.Social Programme of Bombay Interim Ministry. +

On the 1st of April 1937, the Reformed Constitution under which the Provinces are accorded provincial autonomy came into force in India. The Congress, which had clear majorities in six out of eleven Indian provinces, refused to take up office as the assurance demanded by them from the Governors regarding the use of their special powers was not forthcoming. Thereupon, "interim ministries" drawn from minority groups in the provincial legislatures were set up in the six provinces where the Congress group declined to form ministries. The "interim ministries" in several provinces, and notably in the Bombay Presidency, are showing some zeal for ameliorative social legislation. The details given below about the economic, industrial and public health policy of the Bombay Ministry are taken from a press communique issued by the Ministry in the second week of April 1937:-

The outstanding features of the programme are a change in land policy, relief of rural indebtedness and free primary education. The Ministry hopes to raise by taxing race-courses, luxury hotels and amusement houses a large sum of money and to devote it for the furtherance of the programme indicated below.

1. Education. (a) Introduction of free and compulsory primary education all over the Presidency, and exploration of the possibility of spreading literacy and preventing stagnation and waste.

(b) Award of special scholarships on a more liberal scale to ~~the~~ needy and deserving students.

2. Land Policy. - (a) Remission of assessment in proportion to the fall in prices of agricultural produce since the last Revision Settlement.

(b) Cultivation of land which is cultivable but now remains waste. Plots will be given to landless agriculturists either free of occupancy price or at a reduced occupancy price according to

the character of the land. It is hoped that this will provide a means of livelihood for a considerable number of people and that the pressure on the present holdings will be substantially relieved. Any systems of land tenure which can be shown to operate harshly on the cultivator to be investigated with a view to giving such relief as may appear to be necessary.

(c) Placing the system of land revenue assessment on a statutory basis.

3. Relief of Indebtedness.- Devising a scheme of debt redemption, making all just deductions disallowing compound interest. In all cases the rate of interest allowed will be reasonable. The Ministry desires to present legislation which, while providing greater security to the creditors for the recovery of the reduced debts, will further lighten the burden on the peasants by making the rates of interest more in consonance with the market conditions and with the peasants' ability to pay.

4. Measures for Industrial Peace.- (a) Setting up of machinery for fixing a minimum living wage and limitation of working hours.

(b) Provision for wider recognition of trade unions within the Province.

(c) Establishment of machinery for facilitating the settlement of trade disputes.

(d) Investigation of the whole question of unemployment insurance and other social insurance schemes.

(e) Other new ameliorative measures for the working classes. Housing problems in big cities and other municipal areas.

(i) Provision of houses by the joint efforts of Government and municipalities.

(ii) Protection of tenants against unfair treatment by landlords.

5. Public Health. - Consideration of measures to improve the public health of the Presidency, particularly in rural areas, and extension of medical relief; health officers in all districts to advise the local bodies; opening of new dispensaries; adoption of the system of subsidies to private practitioners, and increase of the number of trained nurses and midwives.

(The Times of India, 12-4-1937)