

INTERNATIONAL LABOUR OFFICE

INDIAN BRANCH

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Industrial and Labour Developments in December, 1947.

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

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NATIONAL LABOUR LEGISLATION.

Government of India :

Indian Trade Unions (Amendment) Act, 1947:
Provision for compulsory Recognition of
Trade Unions by Employers.

The Indian Trade Unions (Amendment) Bill, 1947, received the assent of the Governor-General of India on 20 December 1947 and was gazetted as the Indian Trade Unions (Amendment) Act, 1947 (Act No. XLV of 1947), on 20-12-1947. The main provisions of the Act which provides for the compulsory recognition by employers of representative trade unions by order of a Labour Court, confers on such recognised trade unions certain special rights, and defines 'unfair practices' by a recognised trade union and by an employer, which may in the case of the former entail a withdrawal of the recognition and in the case of the latter, fine up to a maximum of 1000 rupees, have already been summarised at page 5 of the report of this Office for February 1946 and page 1 of the report for November 1947.

(The Gazette of India Extraordinary, dated
20-12-1947, pages 1395-1400).

Dock Workers (Regulation of Employment) Bill, 1947. X

The Dock Workers (Regulation of Employment) Bill, 1947, which was referred to a select Committee of the Constituent Assembly of India (Legislative) on 22 November 1947 (vide pages 2-3 of the report of this Office for November 1947) seeks to empower the Central Government in respect of major ports, and provincial Governments in respect of all other ports in India, to frame schemes for regulating the employment of dock-workers and for the registration of dock workers with a view to ensuring greater regularity of employment.

Schemes for regulating employment. - Such a scheme may provide inter alia (a) for the application of the scheme to specified classes of dock workers and employers; (b) for prescribing the obligations of dock workers and employers subject to the fulfilment of which the scheme may apply to them; (c) for regulating the recruitment and entry into the scheme of dock workers, and their registration; (d) for regulating the employment of dock workers, whether registered or not, and the terms and conditions of such employment, including rates of remuneration, hours of work and conditions as to holidays and pay in respect thereof; (e) for securing that, in respect of periods during which employment, or full employment, is not available for dock workers to whom the scheme applies and who are available for work, such workers will, subject to the conditions of the scheme, receive a minimum pay; (f) for prohibiting or restricting the employment of dock workers to whom the scheme does not ~~exist~~ apply and the employment of dock workers by employers to whom the scheme does not apply; and (g) for the training and welfare of dock workers, in so far as satisfactory provision therefor does not exist apart from the scheme.

Tripartite Advisory Committee.- To help in the administration of the Act the Government is empowered to set up an Advisory Committee consisting of an equal number of members representing the Government, the dockworkers and the employers of ~~dockworkers~~ ~~dockworkers~~ dockworkers. The maximum membership of the Advisory Committee shall in no case exceed fifteen.

Inspection.- The Bill further lays down punishments for contraventions of the provisions of ~~any scheme~~ any scheme that may be framed under the proposed legislation and empowers the Government to appoint inspectors for the purposes of the Act. An Inspector may, at any port for which he is appointed—(a) enter, with such assistance (if any) as he thinks fit, any premises or vessel where dock workers are employed; (b) require any authority or person to produce any register, musterroll or other document relating to the employment of dock workers, and examine such document; and (c) take on the spot or otherwise the evidence of any person for the purpose of ascertaining whether the provisions of any scheme made for the port are, or have been, complied with.

(The Gazette of India, Part V, 22-11-1947, pages 429-432).

Factories Bill, 1947: General strengthening of provisions relating to health, safety and welfare.

Mr. Jagjivan Ram, Minister for Labour in the Government of India introduced in the Constituent Assembly of India (Legislative) on 3 December 1947 a Bill to consolidate and amend the law relating to labour in factories in India. Proposals for the revision of the Factories Act have been under consideration since July 1946, and reference was ^{made} at pages 7-11 of the report of this office for July 1946 to a memorandum on the revision of the factories Act prepared by the Labour Department of the Government of India and to the acceptance of the proposals put forward in the memorandum by the ninth session of the Standing Labour Committee.

Reasons for Revision of Factories Act, 1934.- The Statement of Objects and Reasons appended to the Factories Bill, 1947, points out that experience of the working of the Factories Act, 1934, has revealed a number of defects and weaknesses which hamper effective administration. Although the Act has been amended in certain respects in a piece-meal fashion whenever some particular aspect of labour safety or welfare assumed urgent importance, the general framework has remained unchanged. The provisions for the safety, health and welfare of workers are generally found to be inadequate and unsatisfactory, and even such protection as is provided does not extend to the large mass of workers employed in work-places not covered by the Act. In view of the large and growing industrial activities in the country, the Statement declares, a radical overhauling of the Factories ~~Act~~ law is essentially called for and cannot be delayed.

The following are the main changes proposed by the Factories Bill, 1947.

Definitions: Redefinition of 'Adolescent' and 'Factory'.- Section 2 of the existing Factories Act has been entirely redrafted. The higher age limit in the case of adolescents is raised from 17 to 18 years. The interpretation of the item 'machinery' is widened by bringing in 'prime movers' and 'transmission machinery' and the interpretation of the term 'factory' is modified so as to cover those establishments which employ ten or more persons every day in the case of establishments using power and those employing twenty or more workers in the case of establishments which do not use power.

The present distinction between seasonal and perennial factories which has little justification has been done away with and the section dealing with seasonal factories in the existing Act is dropped.

Provision for licensing and registration factories.- The designs of most of the factory buildings and layout of machinery in India today have been found unsatisfactory and the building materials used not suited to climatic conditions of the place. This makes working conditions unusually trying. A new clause has therefore been introduced empowering the Government to make rules inter alia (a) requiring the previous permission in writing of the provincial Government or the Chief Inspector to be obtained for the establishment or extension of any factory or class or description of factories; and (b) requiring the registration and licensing of factories.

truly. k Provisions relating to health, safety and welfare.- Chapter III of the existing Act relating to Health and Safety has been split up into three separate chapters each dealing with Health, Safety and Welfare of workers. The clauses in these chapters have been redrafted and amplified prescribing the minimum standards required. The Statement of Objects and Reasons appended to the Bill points out that the present Act is very general in character and leaves too much to the rule-making powers of the provincial Governments. While some of them do have rules of varying stringency, the position on the whole is not quite satisfactory. This defect is sought to be remedied by laying down clearly in the Bill itself the minimum requirements regarding health (cleanliness, ventilation and temperature, dangerous dusts and fumes, lighting and control of glare, etc), safety (eye-protection, control of explosive and inflammable dusts, etc.), and general welfare of workers (washing facilities, first aid, canteens, shelter rooms, creches, etc.) amplified where necessary, by rules and regulations to be prescribed by provincial Governments. Further the present Act leaves important and complex points to the discretion of Inspectors placing heavy responsibility on them. In view of the specialised and hazardous nature of the process employed in the factories, it is too much to expect Inspectors to possess an expert knowledge of all these matters. The Bill, therefore, lays down detailed provisions for their guidance.

Also, the basic provisions regarding health, safety and welfare are made applicable to all work places irrespective of the number of workers employed except premises where processes are carried on by the occupier with the aid of his family only.

Employment of young persons: minimum age raised to 13.- Under this head the minimum age of employment for children is raised from 12 to 13 and their working hours reduced from 5 to 4½, with powers to provincial Governments to prescribe even a higher minimum age for employment in hazardous undertakings.

Holidays with pay.- The sections in the existing Act dealing with holidays with pay and substantially recast. The reference to 'seasonal factory' in the existing section is omitted and the section is redrafted to exclude persons working in a manufacturing process with which is ordinarily carried on for less than 180 days in a year. To remove the practical difficulties which were experienced in working, provision is made for the grant of holidays in two spells to cover the needs of workers. Provision is also made for the grant of proportionate holidays to workers whose services have been terminated but who have completed six months continuous service.

Industrial diseases.- ~~xxxxxxxxxxxxxxxx~~ With a view to ensure better control of industrial diseases a new clause is added (clause 89) requiring the manager of a factory where any worker in the factory ~~xxxxxxxx~~ contracts any disease specified in a Schedule appended to the Act, to send notice thereof to the authorities.

Finally the penalty clauses of the Factories Act at present in force have ~~also~~ been simplified.

(The Gazette of India, Part V, dated 13-12-1947, pages 546-585).

Assam:

Draft Rule under Factories Act: Provision for Canteens in Factories.

The Government of Assam published on 17 December 1947 the draft of certain rules it proposes to make under the provision of Section 33 A of the Factories Act. The draft rules require the occupier of every factory wherein more than 250 workers are ordinarily employed and which may be specified by the Assam Government by a notification in the Assam Gazette to provide and maintain for the use of all persons employed in the factory and remaining on the premises during meal intervals an adequate and suitable canteen within six months of such notification.

(The Assam Gazette, Part II, dated 17-12-1947, pages 1001-1002).

Assam Industrial Disputes Rules, 1947.

The draft Assam Industrial Disputes Rules, 1947, to which reference was made at page 3 of the report of this Office for October 1947 have been approved and the final rules have now been published.

(The Assam Gazette, Part II, dated 3-12-1947, pages 973-984).

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Payment of Wages Act extended to Plantations.

By a notification dated 21 November 1947 the Government of Assam has extended the provisions of the Payment of Wages Act, 1936, to the payment of wages to all classes of persons, employed in plantations. Draft amendments to the Assam Payment of Wages Rules, 1937, necessitated by the extension of the Act to plantations have also been gazetted.

(The Assam Gazette, Part II, dated
3-12-1947, page 969).

Bihar:

Industrial Disputes (Bihar) Rules, 1947.

The Government of Bihar published on 30-12-1947, the Industrial Disputes (Bihar) Rules, 1947, framed by it under the provisions of the Industrial Disputes Act, 1947. The Rules now gazetted are a revised version of the draft rules published in April 1947 (vide page 4 of the report of this Office for April 1947), include provision for the setting up of Works Committees and are almost identical with the Industrial Disputes (Central) Rules, 1947, framed by the Government of India (vide page 1 of the report of this Office for August 1947).

(The Bihar Gazette Extraordinary,
dated 30-12-1947, pages 1-16).

Bihar Maternity Benefit Act, 1947.

The Bihar Maternity Benefit Bill, 1947, received the assent of the Governor of Bihar on 5 December 1947 and has been gazetted as the Bihar Maternity Benefit Act, 1947 (Bihar Act XXIV of 1947). The provisions of the Act have been briefly noticed at page 5 of the report of this Office for November ~~1947~~ 1947.

(The Bihar Gazette Extraordinary,
dated 16-12-1947, pages 1-11).

6

Central Provinces and Berar:

Central Provinces and Berar Shops and
Establishments Rules, 1947.

The draft Central Provinces and Berar Shops and Establishments Rules, 1947, to which reference was made at page 7 of the report of this office for November 1947 have now been approved and the Rules gazetted.

(The Central Provinces and Berar Gazette,
Part III, dated 19-12-1947, pages 709-712).

Central Provinces and Berar Industrial Disputes
Settlement Rules, 1947: Draft published.

The Government of the Central Provinces and Berar gazetted on 19-12-1947 the draft of the Central Provinces and Berar Industrial Disputes Settlement Rules, 1947, which it proposes to make under the provisions of the Central Provinces and Berar Industrial Disputes Settlement Act, 1947 (vide pages 7-8 of the report of this office for November 1947). The rules prescribe the procedure to be followed by associations of employers and trade unions seeking recognition under the provisions of the Act in applying for such recognition; the form in which recognised trade unions shall submit periodical returns; the constitution and functions of works committees and industrial courts; the procedure for the submission and settlement of standing orders; and, define the powers of the Labour Commissioner and Labour Officers.

The rules provide *inter alia* that the recognition given to any employers' association may be withdrawn by the provincial Government on any ground including the unfair practices by any member of that association. The following are to be deemed unfair practices on the part of an employer, namely: (a) to interfere with, restrain, or coerce his workmen in the exercise of their rights to organise, form, join or assist a trade union and to engage in concerted activities for the purpose of mutual aid or protection; (b) to interfere with the formation or administration of any trade union, or to contribute financial or other support to it; (c) to encourage or discourage membership of any trade union by discrimination in regard to hire or tenure of employment or any term or condition of employment; and (d) to discharge or otherwise discriminate against any workman because he has made allegations or given evidence in any enquiry or proceeding relating to any matter such as is referred to in these rules. For trade unions seeking recognition under the Act the following minimum percentage of membership is prescribed as essential for recognition:- (i) in the case of the cotton textile mills in the province, 20 per cent of the average daily number of persons employed by the mills in the period of six months prior to the date of the application; and (ii) in the case of all other industries or undertakings, 15 per cent of the average daily number of persons employed in such undertaking in the period of six months prior to the date of the application.

(The Central Provinces and Berar Gazette, Part III,
dated 19-12-1947, pages 697-708)

Central Provinces and Berar Industrial Disputes Rules,
1947: Fresh draft gazetted.

The Government of the Central Provinces and Berar has gazetted this month a ~~new~~ fresh draft of the Central Provinces and Berar Industrial Disputes Rules, 1947, which it proposes to make under the provisions of the Industrial Disputes Act, 1947. The draft Rules now published prescribe the procedure to be followed in referring industrial disputes to boards of conciliation, courts of inquiry or industrial tribunals; specify the powers, and duties of such boards, courts, tribunals and conciliation officers; and lay down the constitution of the Works Committees to be set up in industrial establishments under the provisions of the Act. The draft Rules now gazetted supersede the draft gazetted earlier in July 1947 (vide page 2 of the report of this Office for July 1947).

(The Central Provinces and Berar Gazette,
Part III, dated 5-12-1947, pages 648-653).

United Provinces:

United Provinces Shops and Commercial Establishments
Act, 1947: to be enforced in a number of Municipal
areas from 1-12-1947.

The Chief Inspector of Factories in the United Provinces has been appointed Chief Inspector under the provisions of the United Provinces Shops and Commercial Establishments Act, 1947, and, by a notification dated 28 November 1947, the Government of the United Provinces announced that the Act shall come into force from 1 December 1947 in the Municipal and Cantonment Areas of Agra, Allahabad, Cawnpore, Lucknow and twenty other towns in the province.

(Notification No. 6076(L)(ii)/XVIII-208(L)-47,
Government Gazette of the United Provinces, Part I,
dated 6-12-1947, page 879;
Notification No. 6076(L)/XVIII-208(L)-47,
Government Gazette of the United Provinces, Part I,
dated 13-12-1947, page 897).

Amendments to United Provinces Factories Rules.

The Government of the United Provinces has gazetted this month a number of amendments to the United Provinces Factories Rules, 1945, relating mainly to the physical standards of children and adolescents employed in factories, the provision of adequate facilities for ~~working~~ washing and bathing separately for men and women workers, the guarding and fencing of machinery generally in all factories and safety measures in a number of hazardous occupations, the submission ~~of~~ by owners of regular half-yearly returns, and the grant to workers in factories of compensatory and annual holidays with pay. Reference was made to the publication of the draft of these rules at page 9 of the report of this Office for February 1947.

(The United Provinces Government Gazette, Part I-A, dated
20-12-1947, pages 785-810).

West Bengal:

Amendment to Bengal Industrial Disputes Rules, 1947:
Procedure laid down for setting up of Works Committees.

Reference was made at page 3 of the report of this Office for October 1947 to an amendment which the Government of West Bengal proposed to make in the Bengal Industrial Disputes Rules 1947, prescribing the procedure for the setting up of Works Committees. The draft has now been approved and the amendment published.

(The Calcutta Gazette, Extraordinary,
dated 13-12-1947, pages 397-398).

Mysore :

Mysore Assembly passes Shops and Establishments
Bill.

The Mysore Legislative Assembly passed on 23 December 1947 the Mysore Shops and Establishments Bill providing for the regulation of conditions of work in shops, commercial establishments, restaurants and theatres in the Mysore State.

The Bill prohibits employment of children below 12 years of age and requires that persons between 12 and 17 should not be allowed to work before 6 a.m. and after 7 p.m., maximum daily and weekly hours of work being limited to 7 hours and 42 hours respectively. The Bill empowers the Government to appoint inspectors to enforce its provisions.

(The Statesman, dated 28-12-1947).

SOCIAL POLICY.

Unit and Regional Tripartite Committees to step up Production; Proposals under consideration by Government.

It is understood that the Government of India, is working out details for setting up Central, Provincial, regional and unit production committees and works committees, on the lines recommended by the Industries Conference which met recently in Delhi (vide pages 22-31 of this report). Such committees are likely to be set up in the first instance in industries like textiles, steel, cement and sugar, and then extended to other industries like transport, mining and engineering.

Proposed set-up of various committees.- The unit committees for each factory might consist of 4 or 5 representatives of the employer, an equal number of labour representatives and one or 2 independent men nominated by the Government. There will be regional committees for each industry in a particular region with equal representation for employers, workers and the government. Consumers also will be represented. There will also be a Provincial committee for the whole province on the same lines as the regional committee. Lastly, there will be a Central All-India Committee. If there is a difference of opinion in a unit production committee, for example, on a proposal for increased production, the matter may be referred to the regional committee which will have expert advice. It will also be the function of the regional committee to see that agreements in the unit production committees are carried out. General directions may be issued by Provincial as well as Central Committees, the Provincial Committee's directions being subject to the Central Committee's decisions.

As regards works committees, it is felt that the personnel of the unit committees can perform the functions of works committees as well by holding separate sittings. If there is no agreement in a works committee, the matter will immediately be taken up by conciliation machinery and other industrial relations machinery. To facilitate their work, conciliation officers may be attached to the unit committees.

Conciliation and arbitration machinery.- Among the proposals on this subject under consideration is one that both the provincial and Central governments should maintain permanent conciliation boards and industrial tribunals. A province may have a tribunal consisting of 3 to 7 members, according to the extent of its industrialisation. The members may be distributed over different areas and a single member may settle small disputes on the spot. Important cases may be heard either by the whole tribunal or by two or more of its members. The Central Government may have a tribunal consisting of 3 to 5 members to lay down general principles on important points, which will serve as a guide to all the tribunals in India, where necessary, the provincial Government could utilise the Central machinery and vice versa.

Other measures to step up production.- Among the other measures under consideration for stepping up production are the grant of a production bonus to workers, government initiative in raising wages in industries where they are low and the introduction

of 'working parties'. It is suggested that the workers' share in profits accruing solely from increased production should be a substantial percentage and this bonus may be distributed preferably at short intervals. Again the Government is stated to be considering whether in industries where wages are low but no dispute has yet occurred, it should not, of its own accord, refer suitable cases to tribunals or courts of enquiry instead of waiting till there is an actual threat of a strike. Such Government action it is felt would create confidence in the workers in addition to removing the hardships of unorganised units. Apart from production and works committees, the government is studying the British system of "Working Parties" for each industry. The function of "Working Parties" would be to investigate the whole question of production in each industry and make recommendations, both short-term and long-term, for improving production.

(The Statesman, 25-12-1947).

Token Strike in Bombay: Protest against
"Inefficient Arbitration Machinery" and
"Unsatisfactory Labour Policy", 29-12-1947.

About 600,000 industrial and non-industrial workers comprising 50 per cent of the working population of the City and belonging to ~~the~~ 64 textile mills, railway and other workshops, the City's bus, tram, post and telegraph services, the press, the Mint and banks staged on one-day strike in Bombay on 29 December 1947 to "protest against the inefficiency of the existing machinery of arbitration and the general unsatisfactory labour policy of the Government of Bombay". The strike was called by the Socialist Party and nearly 7000 volunteers of the Party helped to maintain peace in the City on the day of the strike.

Strike decision: Working of arbitration machinery and Government's labour policy criticised.- A rally of workers representing over 60 trade unions in the city met in Bombay on 14 December 1947 and adopted resolutions criticising the working of the arbitration machinery and urging the Bombay Government forthwith to declare its labour policy. The resolution relating to the arbitration machinery expressed the Bombay workers' "strong disapproval of and discontent with the functioning of the present machinery ~~from~~ of industrial arbitration in Bombay". The workers were greatly exasperated by the operation of the machinery with its "unnecessarily elaborate and technical and legalistic procedure involving excessive delay, cost and waste of time", and were "thoroughly dissatisfied with the retrograde nature of the arbitration and adjudication awards, wherein legalistic outlook had been found to predominate over economic and social considerations and where considerations from the point of view of the principles of equity and social justice did not prevail with the result that workers are fast losing their confidence in the existing machinery of arbitration". Questioning the impartiality of the machinery the resolution

alleged that it had been the experience of the workers that it tended to serve the vested interests by perpetuating the 'status quo'. "Such machinery of arbitration could never be a satisfactory method of avoiding strikes, nor could it be conducive to lasting industrial peace". The resolution therefore called upon the Government to "to overhaul and improve basically the existing machinery of arbitration so as to safeguard and promote the interest of the working class, and in order to ensure full justice to the claims of labour, to appoint only such persons as arbitrators or adjudicators who are progressive in outlook, who can appreciate the economic and labour problems and who are familiar with labour psychology". Also while realising the utility of the method of arbitration in furtherance of the trade union of movement, the Rally strongly disapproved any imposition of compulsory arbitration in the context of the present economic forces and felt that it was the duty of the Government to create conditions in which workers would voluntarily prefer arbitration for the solution of their problems.

By a second resolution the rally urged ~~on~~ the Bombay Government to forthwith declare its labour policy and to hasten its programme of labour legislation. In this connection the Rally recommended to the Government the adoption of a comprehensive programme for the all round betterment of the working class which would include among other things:- (1) a guaranteed minimum living wage and security of services; (2) social security and housing schemes; (3) improvement of working conditions; (4) encouragement of collective bargaining without tampering with the workers' inherent right to strike; (5) establishment of Joint Committees for production and administration; and (6) the regulation of industrial relations in the interest of labour.

In a statement to the press issued on 25 December 1947, Mr. Gulzarilal Nanda, Minister for Labour in the Government of Bombay, claimed that despite occasional delays the arbitration machinery had functioned fairly well and warned that the ~~strike~~ token strike would achieve nothing more for any worker in the city than was available to him otherwise. To get the workers out even for a day might mean great disservice to the nation in the present context of grave shortages of all consumers goods and it might prejudice the success of the industrial truce which had been agreed to in Delhi (vide page 22-3 of this report).

All efforts to avert the strike, however, ended in failure and nearly 600,000 workers took part in the token strike which was staged on 29 December, 1947.

(The Bombay Chronicle, 16, 25 and 31-12-1947).

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Mysore to conform to International Labour Conventions:
Minister outlines State's labour Policy.

Addressing a press conference at Bangalore on 1 December 1947 Mr. K.T. Bhashyam, Minister for Law and Labour in the Mysore Government, declared that the labour policy of the Mysore Government was based on the recognition of labour as a partner with capital in the production of national wealth and in the discharge of national service. It was the desire of the Government of Mysore to bring up labour laws into line with those obtaining in adjoining Provinces and in India and it would try to ratify, as far as possible, the conventions of the International Labour Organisation.

Referring to the proposals actually under the Government's consideration, Mr. Bhashyam stated that it was proposed to introduce a Minimum Wages Bill and a Workers Insurance Bill including provisions against sickness. Another legislative proposal under consideration was complete revision of the Mysore Labour Act and an examination of the desirability or even the necessity of providing for compulsory arbitration under the Labour Act itself. The Government also intended to appoint Labour Officers in regard to industrial concerns under and the sole management of the Government and aided concerns also. The entire Labour Department had to be reorganised and a Labour Secretariat established. This matter was engaging ~~his~~ his earnest attention.

(The Hindu, dated 3-12-1947).

Permanent Industrial Tribunal set up in Cochin State.

The Government of Cochin issued a Proclamation on 24 December 1947 setting up a Permanent Industrial Tribunal for the State to which all awards of adjudicators will be referred when there are differences of opinion with regard to the award between labour and capital. The award of the Tribunal will be final. The Tribunal consists of Rao Bahadur A. Narayana Aiyar, retired Chief Justice, ~~and~~ Thomas Manjuran, retired Chief Justice and Mr. K.P. Kannan Nayar, retired Chief Secretary to Cochin Government. The proclamation is to come into force at once.

(The Hindu, dated 25-12-1947).

East Punjab Labour Conference, Ambala, 27 and
28-12-1947.

The first East Punjab Labour Conference met at Ambala on 27 and 28 December 1947. Mr. Prithwi Singh Azad, Labour Minister in the Government of East Punjab, presided over the Conference.

Opening the Conference Dr. Gopichand Bhargava, the East Punjab Premier, appealed to kisans and labourers to increase production in the province which had suffered heavily as ~~xxxxxxxxxx~~ a result of partition. If production was not increased the province would soon face an economic crisis. Owing to shortage of labour, caused by the evacuation of Muslims, only a nominal number of factories were working and large areas of land lay uncultivated.

Mr. Prithvi Singh Azad urged labour, capital, the Government and the people to make a united and concerted drive for the industrial advancement of the province. No improvement in the standard of living of the workers was possible, he said, until and unless industrial production was developed to the fullest possible extent. There were, however, few industries of any importance in the East Punjab at present and the speed at which industrialisation could be carried out was determined by the availability of trained technical labour. The great mass of displaced population which had arrived in East Punjab could help in this task. He was also strongly of the opinion that both trade unions and employers' associations should devote themselves to the wider interest of the country.

(The Statesman, 28 and 31-12-1947).

Burma Factories Act to be revised immediately:
Burma Government Resolution.

In a resolution dated 10-12-1947 on an Interim Report submitted by the Labour Legislation Committee (vide page 7 of the report of this Office for July 1947) on the revision of the Factories Act of 1934, the Government of Burma has expressed agreement with the Committee's suggestion that this matter should be dealt with in two parts—

(a) amendment to such provisions of the Act as are already out of date and are likely to create grave unrest and discontent if not amended immediately; and (b) enactment of new and comprehensive legislation to cover work and welfare in factories, taking full account of modern thought and practice on the subject.

In regard to (a) the Government proposes to take immediate action as soon as the public and interested parties have had an opportunity to consider the recommendations of the Committee. In regard to (b) the Government considers that the new Factories Act should be introduced in the legislature of the Union of Burma as soon after Independence as may be practicable, the public and interested parties being thus given ample time and opportunity to give their views on the Bill drafted by the Committee. The Bill, however, provides for certain principles which have received legislative sanction in Burma. In particular, the proposals to provide for holidays with pay and for adequate welfare facilities are such that no enlightened employer would contest, and the Burma Government desires to endorse these proposals in principle. Whatever form the Bill may take finally, the resolution emphasises, it is the determination of the Burma Government to make just and adequate provision in these respects.

Finally the resolution expresses the hope of the Government of Burma that the Committee will consider similar provision in regard to workmen not covered by the Factories Act, and make suitable recommendations in due course.

(Extract from the Proceedings of the Government of Burma, —No. 62 LC 47, Part VI, dated the 10th December 1947, Supplement to the Burma Gazette dated 20-12-1947).

(Copies of the Committee's Interim Report have been asked for and will be forwarded as soon as they are received).

afternoon
evening

Provincial Labour Advisory Committee set up
in Central Provinces and Berar.

The Government of the Central Provinces and Berar has constituted a Provincial Labour Advisory Committee with Mr. S. V. Gokhale, the provincial Labour Minister, as Chairman. 4 of the 21 members of the Committee are officials, 5 representatives of employers, 5 representatives of labour, and 4 representatives of consumers.

The functions of the Committee will be (1) to advise Government on the effect of current labour legislation with particular reference to its local application; (2) to advise Government on all Bills or proposed regulations concerning labour, which have been circulated for eliciting public opinion; (3) to discuss ~~the~~ questions of general application with regard to labour welfare and improved relations between the employers and employees; and (4) to discuss and advise Government on such other businesses as the latter may desire to refer to the Committee.

(The Central Provinces and Berar Gazette,
Part I, dated 5-12-1947, page 639).

Women's Work.

Employed Women's Conference, Bombay, 13 and 14-12-1947.

An "Employed Women's Conference" organised by the Bombay Branch of the All-India Women's Conference, met at Bombay on 13 and 14 December 1947 with Shrimati Kamaladevi as President.

Addressing the Conference Mr. S.S. Mirajkar urged on the Government to institute an inquiry into the service conditions of women in employment. About 20,000 women, ~~in all~~ he said, were employed in beedi manufacutre and their service conditions were far from satisfactory. He was also of the opinion that women should not be employed on heavy manual labour.

Resolutions.- The Conference passed a resolution protesting against the decision of the Government scrapping the rationing scheme as rationing alone assured the common man his food. The ~~is~~ Conference urged on the Government and municipalities to open suitable hostels for women in employment in at least big cities where proper housing accommodations were difficult to obtain and by a third resolution demanded that women in employment should have the freedom to form trade union organisations. Another resolution adopted by the Conference urged that women should have equal opportunities in employment ~~as~~ ^{with} men. ~~had~~

(The Times of India, 15-12-1947).

Employment Exchanges to help in Placing Women Workers.

The Ministry of Labour in the Government of India announced this month that facilities for employment assistance to women have now been extended. Women can now be registered at all employment exchanges and district offices besides the Regional Exchanges, where there are special womens' sections. ~~Upto~~ Upto November 1947, nearly 7,300 women were registered of whom over 1750 were found work in a large variety of occupations, such as, typists, stenographers, clerks and telephone operators.

During the last six months between 300 and 400 employers have notified demands specifically for women workers. As a rule, however, women are considered equally with men for all vacancies notified except when they are for male workers only. Over 860 women, it is stated, are at present being trained in the technical and vocational training centres set up by the Labour Ministry. The trades taught include stenography, typing, hair-dressing, commercial and clerical work, tailoring, telegraphy and telephone operating, interior decoration, domestic science and labour welfare.

(The Statesman, 29-12-1947;
Unofficial Note dated 29-12-1947, Press
Information Bureau, Government of India).

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Industrial Health and Safety.

All India Conference of Obstetricians and Gynaecologists:
Medical Centres in Industrial Areas urged.

Presiding over the fifth All-India Obstetricians and Gynaecologists Conference held in Bombay on 25 December 1947, Dr. A. Lakshmanaswamy Mudaliar urged among other things the need for a rapid survey of the existing facilities for maternity relief in the provinces *and* the grant of adequate housing accommodation to trained in maternity work. The Conference supported the institution of industrial medicine in industrial areas to maintain the health of workers and adopted a resolution suggesting that the Central Government should give a lead by starting such a centre in an industrial area.

(The Hindustan Times, 27-12-1947).

Inspection.

Training of Factory Inspectors: Second Five Weeks' Course, November 1947.

A five week training course for inspectors of factories in provinces and states started on 17 November in New Delhi. This is the second refresher course arranged by the Chief Adviser, Factories, in the Ministry of Labour, Government of India. The course comprises of a series of lectures on general and technical subjects such as industrial safety, lighting and sanitation in factories, occupational diseases, disposal of trade wastes, canteens and creches and a round of visits to factories including workshops in Bombay.

The object of the course is to make up for the lack of systematic training of factory inspectors in India. The need for this was stressed by the ~~the~~ Bhore Committee on Health Survey. The first course of this kind was held during February to April 1947 when intensive training was given to factory inspectors by Sir Wilfrid Garrett, then Chief Adviser, Factories, Government of India, and two senior inspectors who were on deputation to India from the Ministry of Labour and National Service, United Kingdom (vide page 13 of the report of this Office for February 1947).

The Government also proposes to give one week's refresher course in January 1948 for senior inspectors.

(Summarised from Unofficial Note, dated 17-11-1947, issued by the Press Information Bureau, Government of India).

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Wages.

Profit Sharing Unsound: Madras Chamber of Commerce
Chairman's views.

In the course of his address to the annual meeting of the Madras Chamber of Commerce, held in Madras on 8 December 1947, Mr. W.T. Williams, the retiring Chairman of the Chamber, referred to certain Ministerial references to the limitation of dividends and the sharing of profits with labour. Mr. Williams felt that restrictions on dividends must be expected to stifle new enterprises and should be regarded as a very dangerous proposal likely to retard rather than to develop the industrialisation of the Province. No proposal for the limitation of dividends was reasonable which did not take into account the different forms of capital structures in common use. As to sharing profits with labour, Mr. Williams felt that the principle was "fundamentally unsound". Labour, he said, should receive adequate remuneration in the form of salary irrespective of whether the company made a profit or a loss. If a company was sufficiently prosperous labour should receive improved amenities in the way of housing, medical aid, provision for retirement and other kinds of benefits that promoted the general welfare of labour. Alleging that the majority of workers let the rainy days look after themselves, and spent their weekly or monthly wage packet without thought of the morrow, Mr. Williams warned that if a share out of profit in cash were even made over to labour, absenteeism would be rife while the money lasted and "it would do all concerned more harm than good".

Calling on the Government to give top priority to the problem of labour unrest in the country, which was responsible for the heavy decline in production during 1946 and 1947, Mr. Williams suggested that the Government should devise ways and means of getting industry and labour together throughout the whole of India with a view to bringing about a closer co-operation between the two parties. An all-India conference of the representatives of recognised trade ~~the representatives of~~ unions and industry of the various provinces should be convened by Government in an endeavour to bring about a rapprochement between the two parties. In his opinion it was an All-India concern and should be tackled at the Centre and not by individual Provinces. The Centre should, after both sides had thoroughly thrashed out their differences, promulgate ~~its~~ legislation in as fair and impartial ~~as~~ a manner as possible to both sides. If this was done it should prove acceptable to both sides and a closer cooperation should be the result.

(The Hindu, dated 9-12-1947).

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Profit-Sharing as an incentive to Production:
Finance Minister's Statement.

In the course of his reply to the general debate on the interim budget of the Government of India (vide pages 50-55 of the report of this Office for November 1947), Mr. R.K. Shanmukham Chetty, the Finance Minister disclosed in the Constituent Assembly of India (Legislative) on 1-12-1947 that profit-sharing as a means of increasing production in India was now engaging the attention of the Indian Cabinet.

Emphasising that the Government could not by mere Ordinances and Orders increase production, Mr. Chetty urged that for this purpose it was necessary to secure labour's wholehearted and willing cooperation and to create an entirely new outlook in the relations between labour and employers. The time had come when Government with the cooperation of employers, should make labour feel that it was an integral partner in the country's industrial structure. The question of profit-sharing was one of the problems now engaging the attention of the Cabinet in this connection, and Mr. Chetty hoped that before long the Cabinet would be in a position to evolve a satisfactory formula which would ensure the willing cooperation of labour.

(The Bombay Chronicle, 3-12-1947).

Forced Labour.

Draft Regulation to prohibit Forced Labour
in U.P. Hill Tract.

The Government of the United Provinces has published this month the draft of the "The Jaunsar-Bawar Pargana (District Dehra Dun) Debt Control Regulation, 1947" which it proposes to enact to declare void any agreement or promise to render personal service in return for a loan advanced or to be advanced.

The government had appointed in 1939 a committee to look into the condition of the inhabitants of the Jaunsar-Bawar area in district Dehra Dun. It was found that the vast majority of the depressed classes of the area, known as Koltas, were living in a mild form of slavery, resting on the ancient indebtedness to the zamindars, incurred by their forefathers, which they never have had an opportunity to pay off. The committee suggested legislation to remedy the situation but considered that to extend to the plains debt laws ~~to~~ the area would be of little use since, firstly, the Koltas did not generally own land or any other property, and in the second place, the debts in pargana Jaunsar-Bawar did not rest on formal suits and decrees. The Committee's proposals were reviewed by the present Government as soon as it resumed office in 1946, and it has been decided to introduce the proposed Regulation to control debts, and to prevent any one being compelled against his wish to render personal service for the creditor.

acted for

(Government Gazette of the United Provinces, Part I-A, dated 13-12-1947, pages 764-765).

21

Industrial Disputes.

Industrial Disputes in Bombay during 1945 and 1946: Spectacular Increase in 1946.

Number of stoppages and man-days lost.- During the year ending December 1946, 544 industrial disputes were recorded in Bombay province, involving 786,645 work-people and a loss of 3,585,916 working days. The corresponding figures for 1945 were 310, 239,188, and 1,149,862 respectively, the 1946 figures thus revealing a rise in the tempo of industrial disputes in the Province by 75.5 per cent and a rise in the number of people involved and number of days lost by 228.9 per cent and 194.3 per cent respectively. The increases in the number of work-people involved and the number of working days lost during 1945 over the corresponding figures for 1944 were 38.2 per cent and 50 percent respectively.

Effect of disputes on industries.- During 1945 the textile industry accounted for 115 disputes, 37 per cent of the total, involving 105,770 workers and a loss of 563,619 working days. During 1946 it was responsible for 279 work-people and a loss of 2,169,648 working days. There were 55 disputes in the metals and engineering groups during 1945 and 57 during 1946.

Number of disputes according to work-people involved.- Both in 1945 and 1946 the largest number of disputes occurred in the group employing 100 workers or less, the number of disputes in this group being 88 in 1945 and 137 in 1946. The total number of disputes in the groups employing 1,000 or more including 4,000 and above for the two years was 65 and 162. According to work days lost the largest number of disputes fell in the group 101 to 250 working days lost, the number of disputes which resulted in a loss of 101 to 250 working days being 59 in 1945 and 86 in 1946. The total number of disputes in the groups, denoting 1,001 or more working days lost was 117 for 1945 and 244 for 1946.

Causes and Results.- In 1945 of the total number of disputes 117 or 37.74 per cent arose over questions relating to pay and allowances, 67 or 21.6 per cent to bonus, 35 or 11.3 per cent to leave and hours, 62 or 20 per cent to questions relating to employment of individuals while 29 disputes occurred on account of other causes. Of the total disputes, 149 or 48 per cent resulted in favour of the employers, 35 or 11.3 per cent in favour of the workers, while 64 or 20.6 per cent were reported to have resulted in compromise. Of the rest 50 disputes were indefinite, 1 inconclusive, while 11 were in progress at the end of the year.

Of the total number of disputes during 1946, 223 disputes occurred over questions relating to pay and allowances; 37 referred to bonus issues; 68 arose over leave questions, 108 related to employment of individuals and 108 owing to miscellaneous causes. Of the total disputes, 77 disputes were entirely favourable to workers, 108 partially favourable, 276 favourable to employers, 1 inconclusive, 74 indefinite, 1 indeterminate, and 7 were in progress at the end of the year.

(Labour Gazette, Bombay, September and
October, 1947).

ECONOMIC CONDITIONS.

Industries Conference, New Delhi, 15-18-12-1947: Labour and Management to keep Industrial Peace for Three Years.

An Industries Conference, convened by the Government of India and attended by representatives of the Central Legislature, Governments of provinces, leading industrial States, commercial bodies major labour organisations and of a number of industries including coal, steel, textiles, cement, paper, shipbuilding, leather manufacture, chemicals, glass, ~~sugar~~ sugar and machine tools, met at New Delhi from 15 to 18 December 1947. The Conference was concerned mainly with devising measures immediately to increase industrial output in India and one of the most important resolutions adopted by the conference called on labour and managements in India "to agree to maintain industrial peace and to avert lock-outs, strikes and slowing down of production during the next three years".

Presidential Address

Maximum production vital for India's progress.— Opening the Conference, Dr. S.P. Mookerjee, Industry and Supply Minister, Government of India, declared that every one in India—Government industry, labour and the public—should do every thing possible to speed up production to the maximum of India's capacity and refuse to allow any party or other extraneous consideration to sabotage this great and united effort. Appealing to representatives of ~~pro~~ provinces, ~~and~~ States, industry, commerce and labour to go all out to increase India's production, Dr. Mookerjee added that these efforts should be harnessed with the programme of expansion envisaged by the Ministries of Food, Agriculture, Works, Mines and Power, thus leading to a planned and progressive reconstruction of India's economic structure.

The decline in the industrial production after the war had been so serious that some had wondered whether it would not be better to forget for a while further industrial development in India and concentrate all efforts on bringing installed capacity now lying idle up to its fullest possible working. A review of the recent fall in industrial production ~~is~~ was indeed most disturbing. In cotton textiles, for example, production had fallen from round about 4,800 million yards in 1945—the production during the first two years of control—to 3,800 million yards. In steel, the fall had been from 1,180,000 tons per year to 875,000 tons. It was the same with cement, the monthly production of which had dropped from 160,000 tons to 120,000 tons. Side by side with this state of affairs was a worsening of the inflationary situation. The gap between spendable income which was growing and the volume of goods which was dwindling was widening everyday. Of the many causes responsible for the fall in production, the most important was the unsatisfactory relations between labour and industry.

Other factors were shortage of raw materials and defects in their distribution, inadequacy of transport to meet present needs, difficulty in obtaining capital goods and constructional materials to instal them and supply and exchange limitations on the import of full requirements of industry. Dr. Mookerjee emphasised that a remedy for these defects ~~wax~~ would be the first major problem of the Government. It depended on the collective wisdom and experience, which the conference represented, for evolving practical measures which would speedily eliminate these bottle-necks in the way of full production of Indian industries.

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Place of small-scale industries.- Referring in this connection ~~the~~ to the place of small-scale industries in the national economy of India, Dr. Mookerjee said that India was a land of villages and the Government must attach the greatest importance to the development of cottage and small-scale industries in order to ensure a balanced national economy. From their very nature, the development of these industries must remain the responsibility of the provincial and state Governments. But it would be the business of the Central Government to make continuous efforts to large-scale industries, Their healthy expansion depended on the provision of ~~the~~ cheap electrical power, provision of raw materials at economic prices, organised marketing of their produce and developing the latent skill in arts and crafts for which India was once famous.

Long and short term plans: Place of State ownership and management.- The increase in the production of existing industrial plants and the execution of short-term plans were matters of immediate urgency. Nevertheless, the future ~~of~~ could not also be neglected. The immediate and short-term programme ~~should~~ ~~showed~~ merge smoothly into future long-term plans. Such plans should be based on the needs of the country for the achievement of maximum self-sufficiency, the maximum exploitation of indigenous resources, equitable distribution of goods and services and a higher standard of living of the people.

In this connection Dr. Mookerjee felt that the State should take a major share in such industrial planning which involved a wise and co-ordinated investment of saving from national income in industrial undertakings with a view to increasing the contribution of industry to the national wealth at a definite rate. Private capital invested in organised industries in India did not exceed 2,500 million rupees in 1935; even under the stress of the war, the index of industrial activity in 1946 had increased by not more than 15 per cent over the base year 1935. Such slow progress would not do in the future India and there was a ~~case~~ for the State ownership and management of enterprises. It had often been argued that State management was far less efficient than private management and hence it should be avoided. This was rather an argument really in favour of the State adopting the methods of private management and not for giving up industrial undertakings altogether. In the advanced countries of the West, owner-managers were rapidly ~~giving~~ yielding place to salaried managing directors who were experts in business administration and industrial production. Management of State-owned industries by statutory corporations might offer the correct solution.

Government to start new steel plants.- Referring to a number of steps the Government of India had already taken in this direction Dr. Mookerjee stated that the Government had decided that two new steel plants each of 500,000 tons capacity with possibility of expansion to a million tons should be set up under the auspices of the State as early as possible. The Government also intend to consider the possibility of utilising the spare capacity of those ordnance factories which were remodelled and expanded beyond recognition ~~and~~ in wartime, for meeting the needs of industry. It had been decided to utilise the Mathematical Instruments Office in Calcutta for production of scientific apparatus and a committee had been appointed to advise the Government on the matter. Expansion of the resources of the Alipore Test House was under active consideration. Quality control was considered essential for the stability of Indian industry, and, with this end in view, an Indian Standards Institute had already been established. Dr. Shewhart of the Bell Telephone Laboratories, a world authority in quality control technique, was now in India.

Referring to the paucity of competent technical personnel in India, Dr. Mookerjee said that the Government intended to maintain a register of technically qualified men whom industry might absorb. During the past three years, considerable sums of public money had been spent in overseas training of Indian scholars. A committee under the chairmanship of Dr. B.C. Roy, had examined this scheme and recommended steps for making such training more effective. The wastage in this respect had been enormous. It paid better, Dr. Mookerjee emphasised to engage a foreign expert on £ 2,000 a year to train a dozen talented young Indians in the country itself than to send the same dozen overseas for similar training at a cost of £ 8,000 a year.

Industrialists' Views

Industrialists' Co-operation assured.- Mr. G.D. Birla, speaking on behalf of the industrialists of India, said that the industrialists were agreeable to giving their whole-hearted support and co-operation to the Government in any plan that might be prepared for the betterment of the general masses. Deploring the decrease in production during the past few years he felt that if favourable circumstances were created, in the next five years, if everybody worked hard and 100 to 150 million rupees could be invested in suitable industries the standard of living could be raised by at least 20 per cent, if not more, and that would lay a very good foundation for future expansion. But what was needed was proper planning and favourable circumstances. He did not mean the same thing by planning as was very often meant because during the last five years planning had been more or less for obstruction. In every sphere of action, people had been told 'don't do this or don't do that'. He thought the future planning would have to be something on a different model and on more positive lines. Referring to the difficulties of obtaining capital for investment in industries, Mr. Birla said it was not possible for even the best board composed of the top industrialists to float any decent concern with any reasonable expectation of getting capital. The fact remained that at present it had become impossible either for the Government or for private enterprise to get money for the purpose of creating new industries. After all, whether it was the Government, or private enterprise, if money was wanted money had to be produced, savings had to be promoted and investment had to be encouraged. These circumstances were entirely lacking today.

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Need for definite Government policy.- Mr. Birla referred finally the question of nationalisation versus private enterprise and said that the first need today was for the Government to lay down a definite policy. At present the industrialists did not know whether Government wanted state ownership or mixed enterprise. If favourable conditions for getting capital were to be created, the first thing that the Government should do was to lay down its policy, create more confidence so that the shy capital might cease to be shy and might come forward for investment.

Another spokesman of the industrialists, Mr. Ardeshir Dalal, put forward the view that more than anything else, labour difficulties were retarding increase in production. He cited the special case of steel in support of this view. He appealed for an all-India Act on the line of the Bombay Trade Disputes Act to meet this difficulty. He also disagreed with the view that the immediate need of the country was for establishing new industries and pleaded for regaining the ground already lost by Indian industry and agriculture. The first priority on the increased production drive should be food. He disagreed with the view that India could use foreign exchange of the magnitude of 2000 million rupees for any short-term economic plan. Speaking of controls, Mr. Ardeshir Dalal found it difficult to reconcile the Government's policy of decontrolling food with the reports that existing controls on industries were to be extended.

Views of Labour Spokesmen

Labour's support for the Government's plan for increased production was pledged by Mr. Hariharnath Sastri, President of the Indian National Trade Union Congress. He reminded labour that in order to gain its rightful place in the new set-up, it must remember its responsibilities to the community as a whole and help the Government in tiding over the crisis which the country was confronted with. Miss Maniben Kara, of the Indian Federation of Labour, disagreed with the view that the fall in production was solely due to unrest among the working classes. She quoted the case of the textile industry in support of her view. Miss Kara, however, hoped that the employers and the Government would do all in their power to see that the strikes did not take place. She asked the Government to adopt a bold policy in this regard and called for improvement of the condition of the workers and for setting up of a machinery for the speedy settlement of all industrial disputes.

Resolutions

The Conference adopted a number of resolutions relating inter alia to the stepping up of production, methods for improving transport, the use of foreign capital, and the maintenance of industrial peace for a period of three years.

Measures to increase production.- The resolution on ~~this~~ this subject moved by Mr. J.R.D. Tata dealt with the decline in industrial production in the last two years and outlined the steps which in the opinion of the Conference, should be adopted to step up industrial production. The resolution recommended that production targets for the next five years should be fixed for all important

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industries and suggested the setting up of regular machinery for watching and ensuring the execution of immediate, short-term industrial plans. A priorities board was recommended to be set up for proper utilisation of scarce raw materials. The following is the full text of the resolution:-

"This Conference views with grave concern the continued decline in industrial production which has occurred during the last two years.

This Conference is of the view that the present inability of industry to produce to its installed capacity and to expand as planned is mainly due to inadequacy of transport to meet present needs, unsatisfactory relations between management and labour, shortage of raw materials and defects in their procurement and distribution, ~~difficultly~~ difficulty in obtaining capital goods and constructional materials to instal them, supply and exchange limitations on the import of the full requirments of industry and paucity of technical personnel.

This Conference recommends the following immediate measures:-

Transport.- The increase in the movement of coal by four million tons per annum over the existing level of 25 to 26 million tons per annum to enable existing requirements to be met. For this purpose, the fullest use should be made of present wagon availability, and every effort should be made to increase wagon availability and other railway facilities;

The assessment of the transport required for the movement of finished goods and raw materials necessary for full production and arrangements to secure such transport through a reduction of less essential movements, whether of goods or passengers;

An examination of all possibilities of increasing total goods traffic such as rationalisation of line, power and wagon capacity, and the fullest use of the present resources; and

The fullest utiligation of road, river, sea and air transport.

Raw Materials.- Special assistance for increased production in India of industrial raw materials like steel, cement, caustic soda and other chemicals, light metals etc;

Increase of imports of essential raw materials in short supply, like steel, non-ferrous metals, caustic soda and other chemicals etc. Foreign exchange ~~difficulties~~ difficulties should be overcomes to the extent possible by limiting less essential imports, by increasing exports, including export for barter, and by arranging deferred payments and loans in cash or commodities on lines approved by the Government;

The planned utilisation of industrial raw materials in critical short supply with a view to securing increased production. To the extent possible, such distribution of raw materials should be effected in consultation with representative associations of industry in the case of ogranised industries and with provincial and State Governments in other cases;

Provinces and States should be invited to consider, in consultation with industries in their areas, the possibilities of rationalising the use of raw materials in short supply so as to secure maximum production. For this purpose they should suggest standards of classification of units in an industry according to efficiency in production, so that all-India standards may be laid down.

Technical Manpower.- The establishment of scientific and technical liaison offices abroad for the recruitment of technical personnel and the placing of advanced Indian students and technicians in foreign universities, technical institutions, and the acquisition of technical information;

The increase of facilities in India for the training of scientific and technical personnel, and the training of labour to increase its efficiency and skill; and

The maintenance of a register of scientific and technical personnel.

This Conference recommends that during the next three to five years, the increase of capacity and production in certain industries for which plans have been approved and are under execution should be pressed forward with vigour. The essential pre-requisite for such expansion is the increase of production of commodities and provision of services which are basic to industry and without which any expansion would be impossible.

Measures to Raise Output.- The following measures are, therefore, recommended:-

Railways.- The capacity of rail transport should be increased to meet prospective demands of movement of constructional materials, fuel, raw materials and finished products. The import of locomotives and wagons should be given high priority and existing capacity for manufacture should be developed so as to secure self-sufficiency at the end of this period.

Steel.- New steel plants should be erected and brought into production and in the meantime every effort should be made to import the country's essential requirements in iron and steel.

~~Manufacture~~ Cement.- The approved plan for the expansion of cement production should be hastened to an early completion so that this important constructional material becomes available for the installation of new industrial plants.

Electric power.- Simultaneously with the preparation and execution ~~and~~ of hydro-electric projects like the Damodar Valley Scheme, which will take time, existing plans for the installation of ancillary thermal power stations should be speedily implemented.

Coal.- The recommendations of the Indian Coalfields Committee regarding the acquisition of mineral right, planned and co-ordinated development of production in ~~new~~ new areas, regulation of use and distribution and creation of suitable executive machinery amongst other things, must be implemented early, so that the growth of the coal industry on rational lines can be facilitated.

Oil.- In order to reduce dependence on foreign sources, prospecting for oil should receive increased attention and the possibility of producing substitutes from ~~coal~~ coal should be investigated. In addition, legislation to secure the fullest utilisation of power alcohol produced in the country should be enacted.

In the light of the development anticipated in the various industries mentioned above targets for the next five years should be fixed in a realistic manner for other important industries like cotton textiles, paper and newsprint, chemicals, penicillin, sulphadiazine and anti-malarials, heavy and light engineering, electric and other machinery and machine-tools. Suitable machinery should be established for watching and ensuring progress towards the targets.

Machinery for watching and ensuring the execution of immediate and short-term plans.- The need ~~is~~ of close consultation between the various Ministries concerned with industrial development needs no emphasis.

It is also necessary to associate representatives of provincial and States' Governments, Industry and Labour in a periodical review of progress and the measures necessary to stimulate it. A Central Industrial Advisory Council should be set up with appropriate sub-committees for important groups of Industry and one sub-committee for reviewing and advising on problems of transport in relation to industry. Similar industrial advisory committees should also be constituted in the provinces.

To assist the Government on the proper utilisation of scarce raw materials, capital goods, foreign exchange and other resources, a Priorities Board should immediately be set up.

Long-Term Planning.- Current limitations of men and materials necessitate concentration on immediate and short-term measures for increasing productive capacity. A long-term plan, however, should be based on the needs of the country for the achievement of maximum self-sufficiency, a higher standard of living and maximum exploitation of indigenous resources. The long-term plan, therefore, must be of a fundamentally different character.

The Conference, therefore, recommends that separate machinery for long-term planning must be established very early so that completion of the immediate and short-term programme might merge smoothly into future plans for industrial development. A planning commission or development board, free from the pre-occupations of immediate problems of industrial development appears to be suitable.

This Conference recommends the creation of permanent machinery, both at the Centre and in the provinces and States for the regular collection and maintenance of accurate industrial statistics, as provided for in the Industrial Statistics Act of 1942."

Industrial development and Social justice: Need for equitable distribution of wealth.- A second resolution emphasising the need for equitable distribution of wealth and the fullest utilisation of the economic resources of the country was moved by Mr. Keshav Dev Malaviya. It recommended that industries should be divided into three groups; industries to be owned by the State; industries to be owned by jointly by Government and private enterprise; and industries to be owned and managed entirely by private enterprise. The resolution reads as follows:-

"This Conference recommends to the Government that, while enunciating their national policy of industrial development, the following aspects, among others, should be kept in view:

The need of an equitable distribution of the country's wealth and production leading to rapid improvement of the standard of living and comfort of the masses of the Indian people, based on social justice;

The need for the fullest utilisation of the country's wealth and production leading to rapid improvement of the standard of living and comfort of the masses of the resources without allowing wealth to accumulate in the hands of a section of the people;

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The need of central planning, co-ordination and direction so as to obtain maximum efficiency and output, a fair and reasonable distribution of the industries throughout the country in relation to the potentialities of each area, and also to determine a fair basis of wages and profit;

The division of industries into three broad categories: industries which should be under State ownership and management; Industries which may be jointly owned and managed by the State and private enterprise; and industries owned and managed by private enterprise.

In selecting the industries as aforesaid, which will be reviewed from time to time, the paramount considerations will be the country's basic economic and defence requirements on the one hand and the possibility of quiet and efficient production on the other".

Place of foreign capital.- By the another resolution, "this Conference, while recognising that participation of foreign capital and enterprise, particularly as regards industrial technique and knowledge, would be of value for the rapid industrialisation of the country, considered that the conditions under which they might participate in Indian industry should be carefully regulated in national interests, and suggested that all arrangements between private industry in India and abroad should have the prior approval of the Central Government." The resolution was moved by Mr. Alagappa Chettiar.

Three-year Industrial Truce.- On 18-12-1947, the Conference adopted a resolution, calling on labour and management "to agree to maintain industrial peace and to avert lock-outs, strikes and slowing down of production during the next three years", and recommending the fullest use of statutory and other machinery to settle industrial disputes in a "just and peaceful" manner. It further recommended the establishment of machinery for the study and determination of fair wages and conditions of labour and ~~fix~~ fair remuneration for capital and association of labour in all matters concerning industrial production and the constitution of works committees. In regard to the improvement of the standard of living of workers, immediate attention, the resolution said, should be paid to the problem of housing of industrial labour.

Pandit Nehru's appeal.- Emphasising the need for some kind of industrial truce between capital and labour under the present conditions in India, Pandit Jawaharlal Nehru, Prime Minister of India, in an address to the Conference, appealed to both industry and labour to create necessary psychological conditions for the maintenance of industrial peace in the country. Labour had had the feeling that it was not getting a fair deal at the hands of employers. Employers, on the other hand, had been feeling that the attitude of labour was not conducive to the creation of stable conditions in industry. Thus it happened that employees and employers approached each other in a spirit of hostility. Wherever there were schemes of peaceful solution of industrial disputes, it was curious that opposition was taken to them on both sides, and Pandit Nehru stated that at the recent annual meeting of the Associated Chambers of Commerce he was surprised to find the President of the Chambers repeatedly telling his audience that Government should not interfere or intervene in any way, ~~xxxxxxxxxxxxxxxx~~ on the other hand, labour's idea of arbitration and adjudication often was that if they were not happy about the result then they were free to do what they liked. He could understand that psychologically, but practically speaking, it became impossible to have ~~adjust~~

adjudication or arbitration if the question was approached in that spirit.

He was sure that it would be a tremendous thing for India, if employers and employees could come to some sort of an agreement for a truce for a certain number of years. This could be done if some machinery could be created to ensure industrial peace. Such machinery he was confident could be evolved in India and in the modern world it was bound to incline towards labour rather than towards others.

The resolution.- The following is the text of the resolution:

"This Conference considers that the increase in industrial production which is so vital to the economy of the country cannot be achieved without the fullest co-operation between labour and management and stable and friendly relations between them. The employer must recognise the proper role of labour in industry and the need to secure for labour fair wages and working conditions; labour for its part must give equal recognition to its duty in contributing to the increase of the national income without which a permanent rise in the general standard of living cannot be achieved. Mutual discussion of all problems common to both and a determination to settle all disputes without recourse to interruption in or ~~and~~ slowing down of production should be the common ~~and~~ aim of employers and labour.

The system of remuneration to capital as well as labour must be so devised that while in the interests of the consumers and the primary producers excessive profits should be prevented by suitable measures of taxation and otherwise, both will share the product of their common effort after making provision for payment of fair wages to labour, a fair return on capital employed in the industry and reasonable reserves for the maintenance and expansion of the undertaking.

Principal Recommendations.- For attaining these objectives, this Conference recommends:

(a) That the fullest use should be made of statutory and other machinery for the resolution ~~and~~ of industrial disputes in a just and peaceful manner; where it does not exist, it should be created without delay. Such machinery should as far as possible be uniform throughout India.

(b) The establishment of machinery, Central, regional and functional, for the study and determination of fair wages and conditions of labour, and fair remuneration for capital; and methods for the association of labour in all matters concerning industrial production, such as the formation of Central, Regional and Unit Production Committees.

(c) The constitution in each industrial undertaking of works committees representing management and duly elected representatives of labour for the settlement of any dispute which may arise from day to day.

(d) That, as a first step towards improving the standard of living of workers, immediate attention should be devoted to the problem of housing of industrial labour; the cost of such housing should be shared in suitable proportions between the Government, ~~and~~ employers and labour the share of labour being given in the shape of a reasonable rent.

The principles enunciated above having been accepted, this Conference calls upon labour and management to agree to maintain industrial peace and to avert lock-outs, strikes or slowing down of production during the next three years.

The Conference invites labour and management to assist Government to secure, promote and guarantee such agreements between the parties as will usher in a period of contented and orderly advancement towards a co-operative commonwealth".

Other Resolutions.- Other resolutions adopted by the Conference recommended effective steps for the healthy expansion of cottage and small-scale industries; exemption of essential raw materials used in basic industries from sales tax; the adoption of a uniform excise policy and the removal of inter-provincial restrictions on the movement of spirit used in industry; the expansion of the alcohol industry, and the formation of adequate machinery for collection ~~of~~ and maintenance of accurate industrial statistics.

(The Hindustan Times, dated 15, 16, 18 and 19-12-1947).

Pakistan Industries Conference, Karachi, 15 to 17 December, 1947.

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A Pakistan Industries Conference, attended by representatives from all the provinces / states in Pakistan including representatives of industry, was held at Karachi from 15 to 17 December 1947, under the Chairmanship of Mr. I.I. Chundrigar, Minister for Commerce, Industries and Works in the Pakistan Government.

Chairman's address.- ~~Addressing~~ Addressing the Conference on the opening day Mr. Chundrigar surveyed the economic resources of Pakistan and emphasised the urgent need for planned industrialisation. Pakistan was rich in resources but was industrially backward. The ~~principal~~ principal objective of the Government's industrial policy, he declared, should be the steady improvement in the standard of living of the people to be brought about by harnessing, to the maximum extent possible, the forces and treasures of nature in the service of the people, by providing gainful and legitimate employment to all able-bodied citizens, and by assuring them freedom from want at all times.

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State aid to industries.- Referring to ~~the~~ questions of nationalisation Mr. Chundrigar said that it would be safe to assume that the armament industry, railways, posts and telegraphs, broadcasting and hydro-electric power would be state-owned. The question of state ownership of the coal industry, of road and air transport, and waterways services would also have to be considered. All mineral and oil rights must also vest in the state to ensure proper development and maximum utilisation. With regard to other industries a certain amount of control in respect of the size and number of economic units, the location of industry, the allocation of raw materials in short supply the import of capital goods and machinery from abroad, the establishment and maintenance of fair labour

standards and the grading and standardisation of raw materials and finished products. On the positive side, the state would give all possible help for the establishment and development of private industry. This help might take the form of a reasonable amount of protection, subject to the making out of a good case before the Tariff Board. It might also be possible to consider requests for remission of taxation in the early period of the establishment of an industry with a ~~view~~ view to ensuring a reasonable margin of profit for the industrialist, but each case, Mr. Chandrigar declared, would have to be considered on its merit and at the proper time.

Employment of foreign capital.- As regards the employment of foreign capital in Pakistan, the Government proposed to lay down a definite policy in the near future. In his view such a policy would provide for—(a) the participation of indigenous capital; (b) participation of nationals of Pakistan in management and technical services; and (c) the provision of training facilities for nationals of Pakistan.

Committees.- After the Minister's address the Conference split itself into committees to consider in detail questions relating to (a) the Long-Term Objectives; (b) Minerals and Power; (c) the Cotton Industry; (d) the Jute Industry; and (e) other Miscellaneous Industries including Engineering. The reports of the committees were adopted by the Conference on 19-12-1947.

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Decisions.- The Conference generally agreed that co-ordination and planning of the more industries should devolve on the Centre and that the ~~implementation~~ implementation and execution of these plans should rest with the Provinces and the States. The following industries are among those which were accepted as subject falling within the purview central planning: arms and munitions of war; cement; coal; generation of electric power—hydel and thermal; glass and ceramics; heavy chemical industry; heavy engineering industries for building ships, locomotives; wagons, automobiles, agricultural machinery; iron and steel; machine tools; mineral industries; non-ferrous metals and alloys industry; petroleum; power and industrial alcohol; pharmaceuticals and drugs; tanning and textiles.

Recommendations of Cotton Committee.- One million spindles was recommended as ~~the~~ target of production capacity for the first ~~five~~ five years by the cotton committee of the Conference. The Committee also recommended the establishment of agricultural credit banks to improve ~~the~~ marketing of cotton. Other recommendations related to fixing of the proportion of fine and coarse varieties in the total yarn and cloth produced and the location of mills.

Recommendations of Jute Committee.- The Jute Committee recommended the establishment of a jute research institute at Dacca for the improvement of cultivation and propagation of pure seed, and research on jute fibre. This was to be followed in due course by the establishment of a pilot plant ~~of~~ for the manufacturing process. Narayanganj, Chittagong and Chandpur were considered for the establishment of jute mills.

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Recommendations of Power and Minerals Committee.- The highest priority for the generation of hydro-electric power was recommended by the Committee on Power and Minerals. The committee urged that the Mianwali Hydro-electric Project in West Punjab (which is capable of generating 26,000 kilowatts), and the Karnafulli Project in East Bengal (with a capacity of 60,000 kilowatts) should be taken up immediately. Immediate action was also advised in the case of the Rohri and Nara canal projects in Sind, which can supply power to Hyderabad (Sind), Bahawalpur and Kalat. The stepping up of power at Dargai in the Malakand Agency to 9,000 kilowatts was another recommendation. Preliminary investigation of a possible site for a dam near Warsak on Kabul River and another on the Indus were also recommended. A plan to set up a Statutory Electric Authority for Pakistan, charged with the duty of surveying, planning and designing projects, both hydro-electric and thermal, was also considered by the Conference. The Committee expressed itself dissatisfied at the pace at which the survey of Pakistan's mineral resources had proceeded in the past and suggested the adoption of a more modern technique. It was recommended that the services of organisations in the U.S.A. which had conducted mineral surveys in China, Russia and South America should be indented upon and a competent geo-physicist should be recruited for the staff of the Geological Survey of Pakistan. The establishment of two testing laboratories, one in Eastern and the other in Western Pakistan, and the opening of a drilling school and mining school were also recommended.

Recommendations of Committee on Other Industries.- The Committee on other industries including engineering recommended the establishment of proper ship-repairing workshops and dockyards at Karachi and Chittagong. Other recommendations of the committee related to the manufacture of agricultural implements, machine tools, ~~heavy oil engines, small tools and cutting tools,~~ heavy oil engines, iron and steel casting foundries, steel forging factories and ~~and~~ electrical furnaces. A factory for the manufacture of bicycles and spare parts was recommended as also the expansion of the sewing machine factory at Lahore and establishment of other factories in Sind and East Bengal. Establishment of factories for manufacture of electrical equipment was also recommended.

Winding up the proceedings of the Conference on 18-12-1947, Mr. Chundrigar gave the assurance that the recommendations of the conference would be carefully considered and that the Government would shortly formulate definite schemes for implementation.

('Dawn', dated 14 and 18-12-1947).

A.I.C.C. Resolution on Economic Policy:
Economic Programme Committee set up .

Meeting at New Delhi on 17-11-1947 the All-India Congress Committee, adopted a resolution defining the 'Objectives' of the Indian National Congress and setting up a committee to draw up an economic programme in accordance with these objectives.

The following is the text of the resolution relating to 'Objectives':-

"political independence having been achieved, the Congress must address itself to the next great task, namely, the establishment of real democracy in the country and a society based on social justice and equality. Such a society must provide every man and woman with equality of opportunity and freedom to work for the unfettered development of his or her personality. This can only be realised when democracy extends from the political to the social and ~~and~~ the economic spheres. Democracy in the modern age necessitates planned central direction as well as decentralisation of political and economic power, in so far as this is compatible with the safety of the State, with efficient production and the cultural progress of the community as a whole. The smallest territorial unit should be able to exercise effective control over its corporate life by means of a popularly elected Panchayat. In so far as it is possible, national and regional economic self-sufficiency in the essentials of life should be aimed at. In the case of industries, which in their nature must be run on a large-scale and on centralised basis, they should belong to the community, and they should be so organised that workers become not only co-sharers in the profits but are also increasingly associated with the management and administration of the industry. Land, with its mineral resources, and all other means of production as well as distribution and exchange must belong to and be regulated by the community in its own interest.

"Our aim should be to evolve a political system which will combine efficiency of administration with individual liberty, and an economic structure which will yield maximum production without the creation of private monopolies and the concentration of wealth and which will create proper balance between urban and rural economies. Such a social structure can provide an alternative to the acquisitive economy of private capitalism and the regimentation of a Totalitarian State".

With a view to drawing up the economic programme for the Congress in accordance with the above-mentioned principles and the election manifesto of the Congress, the following committee was appointed:-

1. Pandit Jawaharlal Nehru, 2. Maulana Abul Kalam Azad,
3. Mr. Jai Prakash Narain, 4. Prof. N.G. Ranga, 5. Mr. Gulzari Lal Nanda,
6. Mr. J.C. Kumarappa, 7. Mr. Achyut Patwardhan, 8. Mr. Shankarrao Deo—with powers to co-opt.

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Sub-Committees appointed.- The Economic Programme Committee met at Delhi on 11 December 1947 and appointed four sub-committees to report on the following specific aspects of the programme :- (i) small industries; (ii) large-scale industries; (iii) cooperative organisations; and (iv) Agriculture.

(Congress Bulletin, Number Six, issued by the Office of the All-India Congress Committee on 31-12-1947; The Hindustan Times, 13-12-1947).

Plans for increasing Jute Production in India:
Five Research Centres to be established.

Presiding over a meeting of the governing body of the Indian Central Jute Committee in Calcutta on 10 December 1947, Sir Datar Singh said that the production of jute in the Indian Dominion could be increased by about 2,000,000 bales, by growing early varieties of jute as a second crop in some of the lands now used for paddy in Bengal, Bihar and Orissa. The area of land so available was approximately 10 million acres a large portion of which could be utilised for immediate cultivation. One of the difficulties in the way of increasing jute cultivation was shortage of seed. Sir Datar Singh announced that a survey of the land lying fallow in the province had been made by the Government of Bengal. The Government had also decided to start a scheme for Government procurement of surplus jute seed from cultivators for utilisation in extending cultivation in the coming season. It proposed to bring all such fallow land under jute.

Decisions.- The committee decided to establish five research centres for investigation into the economics of jute growing in India. Two of these will be located in West Bengal and one each in the provinces of Assam, Bihar and Orissa. The Committee further decided to depute two experts to Assam and one each to Bihar, Orissa and the U.P., to assist the provincial agricultural staff in carrying out a land survey to find out new areas which might be brought under jute cultivation in various provinces. They will also investigate and report on what particular classes of land were available for growing particular varieties of jute. To increase the supply of jute seeds the Committee felt that a sum of 150,000 rupees should be provided for advance without interest to provincial Governments repayable in a few years, for assisting them in the establishment of seed multiplication farms on the basis of 10,000 rupees for every 100 acres of land, to be selected in consultation with the Director of Jute Agricultural Research. Selected jute growers would also be registered for growing improved seeds under the supervision of the provincial Ministries of Agriculture.

The Committee was of the opinion that the technological research under the Committee should be carried on in collaboration with the Research Institute of the Indian Jute Mills Association, Calcutta. Attempts would also be made to make available to cultivators the results of research through the medium of leaflets and brochures written in simple Indian languages and also charts and attractive photographs distributed through the provincial Governments. The Director of Jute Agricultural Research was directed to carry out research in regard to spacing and other experiments for improving the quality of jute in cultivators' fields for two years. The

Committee decided to change the constitution of the Indian Central Jute Committee due to the partition of the country. It also decided to exclude those members who represented the interest of jute growers in the areas which now fall in the Dominion of Pakistan. As the funds of the Committee were provided by the Government of India, it was decided to terminate the activities of the committee outside the Dominion of India. Representation of communal organisations on the Committee was also done away with.

(The Statesman, 15-12-1947;
The Hindustan Times, 15-12-1947).

30th Session of Indian Economic Conference, Calcutta,
22 and 23 December, 1947.

The 30th session of the Indian Economic Conference was held at Calcutta on 22 and 23 December 1947, with Dr. P.S. Lokanathan as President. The Conference was inaugurated by Mr. C. Rajagopalachari, Governor of West Bengal.

Inaugural address.- Referring to the role the economists can play in the administration of the country, Mr. Rajagopalachari suggested that the Indian Economic Association should appoint a panel of six eminent economists and leave them to work out plans and schemes and advise Government on the production and distribution of wealth in India. For this purpose the authority and sanction of the Government were not necessary. The Government might accept or reject the panel's suggestion but the Conference, he urged, must put forward its considered opinion to assist those who had undertaken 'the dangerous task of governing the country'. He, however, warned economists not to be tempted to please one set of politicians or another but to make a scientific approach to truth.

Presidential address: Slow progress of recovery in Far East.

Dr. Lokanathan, in his address, analysed the economic position in the countries of the Far East and pointed out that the process of rehabilitation and recovery had been painfully and unexpectedly slow all over the world and more particularly in Asia and the Far East. Inflationary conditions were ^{persisting} presenting in a more or less acute form all over Asia and the Far East. But recognition of the importance of the economic reconstruction of Europe to the stability and prosperity of the world in general had to some extent led to excessive pre-occupation with the problems of European recovery at the expense of attention to the reconstruction of Asia's economy. The rehabilitation of Asian economy instead of being regarded as an end to be directly reached was looked upon as a desirable by-product or an aftermath. No plan comparable to the Marshall Plan for Europe had been put forward for the rehabilitation of the countries of the Far East which needed it even more urgently than Europe. Much however could be achieved, he felt, by a regional approach to Asia's main problems. Regional self-help did not in any sense exclude outside aid or application of international treatment, but the organisation of the resources, capital and manpower within the vast ~~region~~ region of Asia could do far more than external aid for the promotion of economic development. Asia's capital resources were admittedly unequal to the heavy demands on them; nor was Asia in a position to do without foreign technical

skills and expert assistance. But the opportunities for regional co-operation in canalizing existing resources and facilities for production were vast. In the sphere of technical training, for example, facilities could be created by one country which would be open to the nationals of other countries in the region.

Speaking about the economic consequences of the division of the India, Dr. Lokanathan said that the economies of India and Pakistan were to a great extent inter-dependent. Even a cursory examination of the effects of partition on the resources of the two countries could not but lead to the conclusion that unless the economies of the two were integrated and allowed to function in a complementary manner there would be grave difficulties for both. Their mutual dependence, both in times of prosperity and adversity, was so close that statesmanship and wisdom dictated the adoption by both of a sensible economic policy based on co-operation in the economic field. But whatever be the degree of inter-governmental co-operation in the economic field, some re-alignment of economic policies was bound to occur. The Dominion of India would certainly have to divert part of its resources to build up her agricultural strength; Pakistan would have to build up her industrial potential. But there was no reason why these different economic programmes should not be pursued in an environment of friendliness and co-operation built on enlightened self-interest.

Among the subjects discussed by the Conference were the problems of agricultural labour, the commercial policy in India, and the role of the State in the future economic development of India.

Dr. J.C. Sinha was elected president of the Indian Economic Association for 1948-49.

(Amrita Bazar Patrika, 23, 24 and 25-12-1947)

Maximum rates of interest for Money-lending
fixed in Bombay Province.

In ~~exercise~~ exercise of the powers conferred by the Bombay Money-lenders Act 1946, the Government of Bombay has fixed the maximum rates of interest for all classes of business of money-lending for the whole Province. These are to be six per cent per annum for secured loans and nine per cent per annum for unsecured loans.

(The Bombay Government Gazette Extraordinary,
dated 27-12-1947, page 858-D).

Manufacture of Textile Machinery in India:
New Company started.

A new engineering venture known as the Machinery Manufacturers Corporation Limited has recently been set up in India for establishing in India a comprehensive engineering factory intended to serve the textiles, sugar, jute, paper and cement industries, and also heavy industries like oil, mining, marine, public utilities, chemicals and other related industries. In the establishment of its factory and works the corporation will seek to utilise modern technical advancement in machinery manufacture, and it is hoped that it will be able to meet as far as practicable the machinery equipment requirements of most of the major industries in India, whether existing or planned for future development.

It proposes to proceed with the erection of the works and factory at Calcutta as early as possible. The Directors expect that the works will be completed within a period of two years of the placing of orders for the necessary plant and equipment. Approximately 10 per cent of the equipment will be available in India, and ~~the~~ 75 per cent ~~xxxx~~ of the plant and equipment, is expected to be obtained from abroad.

The Corporation has secured the co-operation of ~~the~~ leading textile machinists from the United States of America and Mr. K.C. Mahindra, the promoter of the Corporation and a former Head of the Government of India Supply Mission in Washington, also proposes to set up a model mill completely equipped with American machinery which, it is hoped, will show the value of establishing in India an entirely new manufacturing technique in textiles.

(The Indian Textile Journal, December, 1947).

Working Class Cost of Living Index for various
Centres in India during March, 1947.

The index numbers of cost of living for working classes in various centres of India registered the following changes during March 1947 as compared with February 1947:-

Name of Centre.	Base = 100	February 1947	March 1947
Bombay	Year ending June 1934	263	269
Ahmedabad	Year ending July 1927	206	-
Sholapur	Year ending January, 1928	237	242
Nagpur	Year ending August, 1937	307	319
Ludhiana	1931-35	-	-
Cawnpore	August 1939	346	341
Patna	Average cost of living for five years preceding 1914	379	379
Jamshedpur	-Do-	378	356
Jharia	-Do-	389	394
Madras	Year ending June 1936	254	267
Madura	-Do-	286	294
Coimbatore	-Do-	273	280

(Monthly Survey of Business Conditions in India, March, 1947).

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Damodar Valley Corporation Bill, 1947.

The Damodar Valley Corporation Bill was introduced in the Constituent Assembly of India (Legislative) on 5-12-1947 by Mr. N.V. Gadgil, Minister for Works, Mines and Power. Reference has been made to the details of the Damodar Valley Project in earlier reports of this Office.

The Bill seeks to set up a Corporation, called the Damodar Valley Corporation on the lines of the Tennessee Valley Authority in the U.S.A. It will be an autonomous body within the framework of the enactment. Its objects, constitution and powers are laid down in the Bill. Briefly, its main function will be to control flood in the Damodar, generate electric power for distribution and provide water for irrigation and other purposes. In addition, the Corporation will endeavour to promote economic development of the Damodar Valley and the adjoining areas. It will consist of three members including the chairman. These ~~two~~ three members and the secretary and treasurer will be appointed by the Central Government. The Corporation will have power to acquire land and construct or cause to be constructed such dams, barrages, reservoirs, power houses and power structures, electrical transmission lines, irrigation and navigation works as may be necessary. The capital required by the Corporation will be provided by the central Government and the Governments of Bihar and West Bengal. The profits and losses will be shared between these three Governments in certain agreed proportions.

The Bill was referred to a Select Committee of the House on 12-12-1947.

(The Gazette of India, Part V, dated
13-12-1947, pages 585-595 ;
The Hindustan Times, 4 and 13-12-1947).

EMPLOYMENT, UNEMPLOYMENT AND VOCATIONAL TRAINING.

Large-Scale Unemployment among Official Workers in East Bengal: Statement by Minister.

In a statement to the Press issued in the second week of December, Mr. Hamidul Haq Chaudhury, Minister in charge of Finance, Commerce, Labour and Industries in East Bengal, announced that the question of securing employment for its surplus staff and other unemployed persons in East Bengal had been engaging the attention of the Government for sometime past and that the number of such unemployed persons was ~~far~~ far in excess of the posts that the Government could offer. He, therefore, appealed to the industrial and commercial concerns in East Bengal to come to the help of the Government. It had been found on enquiry that many of these commercial and industrial concerns were short of staff and were on the look out for trained and experienced hands. The Government, therefore, proposed to set up a body which would act as a liaison between the surplus staff and other unemployed persons on the one hand and industrial and commercial establishments on the other. The proposed body would act in close co-operation with the existing employment ~~exchanges~~ exchanges, would draw up statistical data about the qualifications, experiences, etc., of unemployed persons and then approach potential employers with a view to securing suitable jobs for them.

('Dawn', dated 12-12-1947).

Burmese Students to get Training in U.S.A.:
Burma-U.S. Agreement.

The first agreement entered into by the Republic of Burma with any foreign country was signed in Rangoon on 22 December 1947, when the Burmese Foreign Minister, U. Tin Tut and the U.S. Charge d' Affaires Mr. R. Austin Acly, launched a 200,000 dollar programme under which Burmese students may study in American universities. The programme provides for the exchange of students between the two countries "on an unprecedented scale" and finances the transport, ~~and~~ tuition and maintenance of scholars.

In addition to the 200,000 dollars worth of Burmese currency deposited in America for Burmese students, the USA will deposit 3,000,000 in Rangoon for American students.

Known as the U.S. Educational Foundation in Burma, the programme was planned by the Democrat Senator William Fulbright, of Arkansas, and it will be financed by sales of surplus war properties to Burma. The Foundation will have an eightman Board of Directors, headed by Dr. Frederick L Jochem, American Embassy, Rangoon. The Burma Government have named Dr. Tin Aung, U Cho and Sao Sai Mong, to the Board. The other members will be appointed later.

(The Statesman, 22-12-1947).

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Refugees from Pakistan to receive Technical Training: Government of India sanctions Scheme.

To facilitate their settlement in life and to help meet the shortage of artisans urgently required for reconstruction work in East Punjab, the Government of India has sanctioned a scheme for imparting technical and vocational training to a selected number of adult male refugees from Western Pakistan. It will come into operation with immediate effect. The existing training centres for ex-servicemen in Delhi, Ajmer-Merwara and East Punjab are to be opened to refugees and 4 new centres will be started in East Punjab.

The training will embrace 12 trades including smithy, carpentry, brick-laying, fitting, gas-welding, watch-repairing, mechanical draughtsmanship, manufacture of footwear and tailoring. The scheme contemplates provision of 2,272 seats, half of which will be immediately available. The selection of candidates will be made by local committees, presided over by the Regional Director.

The period of training will vary for each trade but, on an average, it will be six months. ~~During~~ During the training period, the trainees will receive a consolidated allowance of 40 rupees a month, in lieu of board, lodging and stipend. In addition, technical trades trainees will receive quarterly a free supply of workshop clothing, or an allowance in lieu thereof. In addition, free medical treatment will be available at each centre.

(The Government of India Press Note; The Statesman, dated 10-12-1947).

MIGRATION.

Exploratory Indo-Burman Talks in Delhi: Problems awaiting settlement.

Preliminary talks between India and Burma for an Indo-Burma treaty were held at New Delhi in the first week of December, between Pandit Nehru, the Prime Minister of India, and a Burmese delegation consisting of Thakin Nu, the Prime Minister of Burma, U Tin Tut, Foreign Minister, Burma, and U BA Swe, Secretary of the Anti-Fascist Peoples' Freedom League and Private Secretary to the Prime Minister of Burma. The talks are understood to have been mainly exploratory and a delegation from India is expected to visit Burma in January 1948 to continue the negotiations on a secretarial level. The immediate problems on which understanding has to be reached are stated to be the problem of the emigration of Indian evacuees to Burma, the question of Indians serving under the Government of Burma, certain outstanding financial adjustments to be made between Burma and India, and a trade agreement between the two countries.

Outstanding Indo-Burman Problems.- It may be recalled that in June this year, the Burmese Government enacted the Immigration (Emergency Provisions) Act by which certain restrictions were placed on the return to Burma of Indian evacuees who had left the country during the war (vide pages 46-47 of the report of this Office for June 1947). Subsequently, the Burmese Government issued a Press note clarifying its attitude. Constitutional development in India and Burma, however, prevented the resolution of a virtual deadlock over the question between the two Governments. The question was left open for fuller discussion at a later date. Nearly 400,000 Indians evacuated Burma during 1941-42, and hardly 108,000 of these had returned till July 1947.

Indians serving under the Government of Burma number about 4,000. There are three classes of Indian Government servants. Those belonging to the Central Services in Burma have been serving there for many years. A great majority of these Government servants entered service when India and Burma were one and decided to stay on in the country in the interests of Burma itself. Then there is a class of Government servants who joined after the separation of Burma. The third class belongs to the group which entered service in local bodies and in the provinces. The choice before these Government employees now is to accept Burmese citizenship or run the risk of being thrown out of employment at any time, as soon as suitable Burmese are available to fill the posts.

On the financial side at the time of separation ~~and~~ of Burma, the latter's share of debt obligation came to 480 million rupees and this amount due to India remains unpaid. Another 20 million rupees is due on account of payment of pensions.

In ^{the} matter of trade, the outstanding feature of Burma's pre-war exports was that India was her best customer. India was also supplying some of Burma's essential requirements. Even during the war, in 1940-41, 51.5 per cent of Burma's exports were to India, while 62.6 per cent of Burma's imports were made up of commodities ~~sent~~ sent from India.

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The negotiations in New Delhi are understood to have explored the possibility of an agreement on these four points besides considering the desirability of a defensive alliance between the two countries.

(The Hindustan Times, 3 and 4-12-1947).

All-Burma Indian's Conference, Rangoon,
27 December, 1947.

An All-Burma Indian's Conference attended by over 1000 delegates from various parts of ~~the~~ Burma met at Rangoon on 27 December 1947 to consider various problems facing the Indian community in Burma. The Conference which was inaugurated by Sir B.N. Rao, Constitutional Adviser to the Government of India, was addressed by Burma's Deputy Prime Minister, Bo Let Ya and Foreign Minister, U Tin Tut.

Prime Minister's message: Assurance to Indians.- In a message to the Conference, Thakin Nu, the Prime Minister of Burma, urged Indians who chose to remain in Burma to identify themselves with the Burmese, with whom they would be one politically, and to try and understand the Burmese point of view. No country could afford to leave immigration uncontrolled and Indians should not resent such permanent immigration laws as Burma would be enacting shortly. Burma would exclude from permanent entry ~~who~~ into Burma all those who were not needed for Burma's economy; those allowed into the country would be well treated and protected. The Prime Minister also added that those Indians who preferred to retain political connections with their motherland would not be entitled to the privileges pertaining specially to Burma citizens.

Position of Indians in Burma Government service.- Addressing the Conference the Burmese Foreign Minister, U Tin Tut, stated that he had been authorised to deny reports that all Indian officials and employees of the Burma Government would be shifted back to India on 4 January 1948. They would continue in service after that date and the Government of Burma would devise equitable measures which, they hoped, all of them would be able to accept.

(The Statesman, dated 27 and 28-12-1947;
The Hindustan Times, dated 29-12-1947).

East African Immigration Bills become Law:
Indians' Protest.

The Indian Association, Tanganyika Territories, is understood to have informed the Government of India that the East African Immigration Bills (vide page 36 of the report of this Office for May 1947) have been passed into law in all the four colonies and will come into force on 1 July 1948.

In a memorandum sent to the Ministry of Foreign Affairs and Commonwealth Relations in the Government of India, the Association is understood to have alleged that there was little doubt that the restrictions on immigration were intended for Indians only, and appealed to the Government of India to urge His Majesty's Government to indefinitely suspend application of the immigration ordinance and other immigration regulations in the East African colonies. The Memorandum pointed out that Tanganyika had a number of development

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schemes in operation, including the gigantic State groundnut scheme , the mineral development scheme, and the construction of two new railways and an up-to-date harbour. It, however, alleged that though everybody was emphasising the need for semi-skilled and skilled labour, no facilities were given for employment of Asians. Europeans were being imported in hundreds and about 5,000 more European immigrants were expected this year.

(The Hindustan Times, 27-12-1947).

Status of Indians in Ceylon: Indo-Ceylon
Exploratory Talks in Delhi.

talks to solve the long-standing problem of the status of Indians in Ceylon began at New Delhi on 28-12-1947 between Pandit Nehru, the Prime Minister of India, and Mr. Senanayake, Prime Minister of Ceylon; Mr. V.V. Giri, the Indian High Commissioner in Ceylon, also met Mr. Senanayake. The talks which were continued on 29-12-1947 are understood to have centered round the political status of Indians resident in Ceylon and the allied problem of immigration restrictions operating against Indians desirous of migrating to Ceylon.

(The Hindustan Times, 29 and 30-12-1947).

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AGRICULTURE.

Madras Legislative Assembly passes Reduction of
Rent Bill.

The Madras Legislative Assembly passed on 12 December 1947 the Madras Estates Land (Reduction of Rent Bill), 1947, as reported by the Select Committee (vide pages 26-27 of the report of this Office for September 1947). The main changes introduced in the Bill by the Select Committee were (i) the insertion of a sub-clause making the Government responsible for the collection of the reduced rates of rent in respect of an estate after these had been ascertained and notified, and its payment to the landholder after deducting therefrom the costs of collection; and (ii) the insertion of fresh clause requiring the Government to make good the income lost by the religious, educational or charitable institutions by reason of the provisions of the Act.

(The Fort St. George Gazette
~~Extraordinary~~ Extraordinary, dated
4-12-1947, pages 1-6);
The Hindu, 11, 12 and 13-12-1947).

Revenue Ministers' Conference, New Delhi,
16 and 17 December 1947: Review of Zamindari
Abolition Legislation.

A conference of provincial Revenue Ministers which met in New Delhi on 16 and 17 December 1947 to review the schemes of abolition of zamindari in various provinces, decided that in view of the fact that the circumstances prevailing in the provinces differed materially, there could not be any uniformity in compensation schemes and the scheme of each province had to be examined on its merits and ~~therein~~ in the light of local opinion. Dr. Rajendra Prasad, Food and Agriculture Minister of the Government of India, presided over the conference which was attended by the Revenue Ministers of all provinces, except Orissa. Bombay was represented by the Parliamentary Secretary to the Revenue Minister.

The Conference discussed the question of State acquisition of zamindaris on payment of compensation, and the agrarian reforms which should come after the system was abolished. On the suggestion of Mr. Krishna Ballabh Sahay, Revenue Minister, Bihar, it was unanimously decided that the President of Indian National Congress be requested to appoint a small committee of experts which will tour the provinces and examine the local conditions and recommend a scheme of agrarian reforms for adoption in the provinces. The committee should submit its report by March 31 next. It was also decided that by the end of the first week of January 1948 all provinces should submit memoranda to the office of the All-India Congress Committee and the Finance Department of Government of India indicating the financial implications of their "abolition schemes".

(The Statesman, 17 and 18-12-1947).

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Huge Land Reclamation scheme inaugurated in
United Provinces.

Described as the largest land reclamation plan in the East—excluding Russia—a land reclamation scheme was inaugurated in the Ganga Khadar terrain of the United Provinces on 17-12-1947 when a long line of heavy tractors up-turned virgin soil, which for centuries has remained a waste land.

The U.P. Government assisted by the Government of India, will have reclaimed about 20,000 acres of waste land by May 1948, on which will be established village colonies. Individual holdings will not be less than 10 acres nor more than 20 acres in extent, and no fragmentation will be allowed. The ~~size~~ size of each village will be 500 acres. Among the colonists, preference will be given to refugees and ex-soldiers. The land which is now being ploughed up will first be grown with sun-hemp, a valuable green manure, and later with wheat. It is hoped to increase the U.P.'s yield of foodgrains by 15,000 tons in terms of wheat, by May 1949, as a result of the present scheme alone. This scheme, which in its magnitude and extent of operations, is, excluding Russia, the first of its kind in Asia, will be followed by similar reclamations in the United Provinces and Bihar.

(The Statesman, 10 and 22-12-1947).

Bihar Tenancy (Amendment) Act, 1947.

The Bihar Tenancy (Amendment) Bill to which reference was made at page 30 of the report of this Office for April 1947, after having been passed by the Bihar Legislature received the assent of the Governor of Bihar on 1-12-1947 and has now been gazetted as Bihar Act XXIII of 1947.

(The Bihar Gazette Extraordinary,
dated 11-12-1947, pages 12-24).

Tenancy Standard Rent Act 1947: Rent fixed
at twice the Land Revenue Demand in Burma.

The Government of Burma published on 15 December 1947 the Burma Standard Rent Act, 1947 (Burma Act No. LXXVIII of 1947). The Act, which will apply to such areas as the Governor of Burma may from time to time notify, provides that the standard rent of an agricultural land cultivated with paddy for the tenancy year 1947-48 shall be reckoned as twice the amount of the land revenue payable in respect of such land.

(The Burma Gazette, Part I,
dated 13-12-1947, page 814).

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NAVIGATION.

Maritime Labour and Seattle Conventions:
Negotiations between Shipowners and
Seafarers.

Replying to a question in the Constituent Assembly of India (Legislative) on 2 December, 1947, Mr. Gadgil, Minister for Works, Mines and Power, revealed that negotiations were under way between shipowners and seafarers designed to give practical effect to the conventions affecting maritime labour adopted by the Seattle Conference.

(The Statesman, dated 3-12-1947).

Indian Shipping Proposals: Bombay Conference
accepts scheme.

Representatives of 16 Indian shipping companies, who met at a Conference in Bombay on 10 December 1947 to discuss the shipping proposals put forward by the Commerce Minister Mr. C.H. Bhabha on 3 November 1947 (vide pages 52-54 of the report of this Office for November 1947), are understood to have agreed to accept the proposals with certain modifications.

~~It is understood that~~ Mr. Walchand Hirachand, Chairman of the Scindia Steamship Company, who presided, said that the Government of India's proposals for the expansion of the Indian Mercantile Marine "may be regarded as a reply to the failure of the negotiations conducted in London" in July last and as "terminating the activities of the Indian delegation to London to carry on the talks with British ship-owners".

It is understood that the conference decided that a company or a group of companies desiring to form a corporation for any overseas route, should apply to the Government direct.

(The Statesman, dated 12-12-1947).

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PROFESSIONAL WORKERS, SALARIED EMPLOYEES AND PUBLIC SERVANTS.

pay and Service Conditions of Secondary School Teachers
in Bombay: Parulekar-Ghate Committee's Recommendations.

Reference was made at page 40 of the report of this Office for April 1947 to the grant by the Government of Bombay of higher scales of pay to secondary school teachers on the recommendations of the Provincial Board of Secondary Education. The Government subsequently appointed a Committee, known as the Parulekar-Ghate Secondary Schools Committee, to report on salaries and service conditions of secondary school teachers, in Bombay, school fees and the system of grants-in-aid. The Committee's report was published in December and the more important recommendations are summarised below:-

Standardisation of pay scales.- For purposes of school fees, pay scales of staff and grants-in-aid, the Committee has suggested a tentative division of the province into (1) Bombay City and suburbs, (2) Ahmedabad, Poona, Surat and Sholapur, (3) other municipal towns, and (4) rural areas. For the standardisation of pay-scales academic qualifications for secondary teachers have been prescribed. The basic pay scales suggested range between 50-120 rupees for matriculates, 56-140 rupees for intermediates and 70-200 rupees for graduates. In addition, a local compensatory allowance is suggested at 20-30 rupees in Bombay City and suburbs and ~~25~~ 10-20 rupees for Ahmedabad, Poona, Surat and Sholapur for pay ranging between 50 to 200 rupees. Both men and women teachers are to receive equal pay but in cases where it is difficult to recruit women advance increments upto to four have been recommended.

The scales for heads of schools are divided into four categories with minima of 150 rupees to 350 rupees and maxima of 250 rupees to 500 rupees with corresponding duty allowance of 30 rupees to 125 rupees and 50 rupees to 200 rupees. The local allowances in addition range between 30-40 rupees in Bombay City and suburbs and 20 to 30 rupees for Ahmedabad, Poona, Surat and Sholapur. Supervising and administrative posts should be provided, according to the sizes of classes, and such staff should get a special allowance between 20 and 50 rupees with the previous approval of Government. These scales prescribed are for the purposes of Government grants, and the managements are to be free to exceed the scales if they want.

Security for teachers: Courts of Arbitration to settle disputes.- The Committee has made special recommendations for safeguarding the security of employment and service interests of the teaching staff with provision for machinery for investigation into complaints brought against teachers as well as managements and the establishment of a Court of Arbitration for each educational division comprising the Educational Inspector and outside arbitrators. The Committee has recommended that instead of grant of increase in the rate of contribution to the teachers' provident fund as demanded by the teachers, the management and Government should contribute along with teachers substantially towards a scheme of life insurance and gratuity or both. Leave on medical certificate

on full average pay for a period not exceeding three months at any one time at the rate of 1/22 of active duty, the total period of such leave being limited to 12 months in the whole service, has been suggested as an amended model rule.

A full-time secondary teacher should also to be entitled to have free secondary education for his sons and daughters in a secondary school or schools conducted by the management.

School fees: Special provision for ~~free~~ fee concessions to working class children.- The Committee has suggested that the minimum school fees for the lowest and the highest standards should be ~~at~~ 5 rupees and 8 rupees for Bombay City and suburbs, 4 rupees and 7 rupees for Ahmedabad, Poona, Surat and Sholapur and 3 rupees and 6 rupees for all other areas, respectively. It has further recommended that in the case of schools located in ~~at~~ industrial areas and attended largely by children of the labouring classes, it should be permissible for the managements to charge 25 per cent less than the prescribed rates of fees to such children as are found to be in need of such concession and that Government should give the ~~managements~~ managements special fee grants to make up for the loss.

Other ~~the~~ recommendations of the Committee relate to the grant of free studentships, provision of night schools, grants-in-aid, to schools, etc.

(The Times of India, 2-12-1947).

Madras Non-gazetted Officers Strike ~~work from~~ 15 to 21 December: Higher Allowance and Investigation into Revision of pay scales demanded.

The Non-gazetted officers' Association, Madras, in October 1947, in a letter addressed to the Government had stated its intention to call for a general strike by its members if certain minimum demands it had put forward were not conceded by Government. The following were the Association's minimum demands: (1) The grant of dearness allowance and other allowances on the basis of the recommendations of the Central Pay Commission with retrospective effect; (2) The examination by a non-official committee of the question of salaries of Government subordinates. In accordance with this decision and in view of the failure of settlement talks carried on between the Government and representatives of the Association, non-gazetted staff of the Madras Government all over the Province went on strike on 15 December 1947, demanding immediate announcement of more dearness and house rent allowances and appointment of a Committee to go into the question of revision of scales of pay. The strike took place despite the fact that the Government had earlier withdrawn the recognition accorded to the Madras Non-gazetted Officers' Association and declared the Madras Secretariat services and all other subordinate services under the Government of Madras to be "essential services" under the Madras Maintenance of Public Order Act, 1947.

Government's attitude.- The Government of Madras, in a Press Note issued on 11 December 1947, pointed out that the Government had already taken various measures in an attempt to improve the conditions of service of its non-gazetted officers, especially as regards pay and other emoluments. The Note made a detailed survey of the measures adopted and, after referring to the revision of the

salaries sanctioned by the Government to the non-gazetted Government staff early in 1947 on the recommendation of the Cabinet Committee (vide pages 40-41 of the report of this office for January 1947), maintained that in view of the present state of the Provinces' finances the scales of pay of the non-gazetted staff could not be further revised.

Association's stand.- Mr. K. Jagadisa Aiyar, President of the Non-Gazetted Officers' Association, in a statement issued on 12 December, reiterated the main objectives of the Association—implementation of the recommendations of the Central Pay Commission in respect of dearness allowance with retrospective effect and the appointment of a non-official committee to examine the question of revision of salaries. The existing rates of dearness allowance had been fixed in 1944, ~~which~~ when the index number stood at 202 ~~points~~ points. Today the index number was about 300 points with a prospect of further increase, but the Government ~~had~~ had not indicated any intention so far to enhance the dearness allowance and all representations by the Association had been rejected. He, however, announced on behalf of the Association that it was ready to refer its case for examination by a non-official tribunal and to abide by its verdict unconditionally.

Strike called off: Government to investigate grievances.- The strike was finally called off on 21 December 1947 as a result of compromise talks between the representatives of the Association and Mr. O.P. Ramaswami Reddiar, Prime Minister of Madras. The statement calling off the strike announced that the Government had agreed to expedite investigation of the Association's grievances and to make an early announcement in regard to dearness allowance.

(The Hindu, 8, 12, 13, 16 and 22 December, 1947;
The Fort St. George Gazette, Extraordinary,
Part I, dated 4-12-1947).

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ORGANISATION, CONGRESSES, ETC.

Employers' Organisations.

Annual General Meeting of Associated Chambers of
Commerce, Calcutta, 15 December 1947: Pandit
Nehru Indicates Government's Policy.

Addressing the annual general meeting of the Associated Chambers of Commerce of India at Calcutta on 15 December 1947, Pandit Jawaharlal Nehru, Prime Minister of India, indicated that the economic policy of Free India was likely to involve inevitably State control of some key industries. There would, however, be considerable scope for private enterprise. The Government was anxious to industrialise the country rapidly and for this, help in the shape of foreign assistance and foreign technicians was undoubtedly needed. British and other foreign interests in India were therefore likely to have a large field open to them but the Government could not allow any special privileges for any foreign interest in India. Among the resolutions adopted by the meeting were one criticising the working of the Industrial Disputes Act and stressing the desirability of greater uniformity in adjudication awards, and another urging the Government to revise its labour policy with a view to checking inflation.

Mr. Cumberbatch's welcome address: criticism of working of Adjudication.— Welcoming Pandit Nehru, Mr. H.D. Cumberbatch, President of the Associated Chambers of Commerce, stated that the business community regretted the division of India but now that the division had taken place would do its best to assist in the rehabilitation of the economy of the whole country. Industry and commerce had already been gravely affected by the unforeseen and still unforeseeable effects of the partition and the disruptions that had followed that event. Their position had been rendered even more difficult during recent months by conflicting adjudication awards under the Industrial Disputes Act granting all manner of prizes to labour; many of these had brought impossible burdens to the industries concerned or else brought about inflation in prices in general, the labour concerned ultimately obtaining no real benefit and the great mass of the people suffering through increased prices. A spirit of indiscipline was rife among industrial workers and the longer this was allowed free rein, the longer would be India's climb up-hill towards industrial power. Mr. Cumberbatch also felt constrained to point out that trade unionism, as it had grown in India, was achieving little that was of real and lasting benefit to workers. Often a trade union consisted of a number of executives who had never been inside a mill or factory, who had no knowledge of nor real interest in the conditions of the workers and no representative support

from among the labourers. He therefore felt that the authorities should undertake a more careful scrutiny of trade unions before registration and before recognition was demanded from employers. Also, first things should come first and Mr. Cumberbatch suggested that the Government should concentrate on improving the living standards of the agricultural workers who formed the backbone of the country. He had often wondered how it was that so much time, money and hard work had been allotted to legislation-laws, rules, etc., to cover the minute portion of the country's population, namely those within organised agriculture and industry, when the real masses had been comparatively speaking neglected. Mr. Cumberbatch, therefore, pleaded that Government should concentrate on further developing its own services such as communications, so sadly in need of improvement, irrigation schemes and the like for the immediate benefit of the agriculturist and at least for a while leave organised industry and commerce alone except to support them in maintaining discipline, production and distribution.

In the course of his address Mr. Cumberbatch also referred to the proceedings of the Preparatory Asian Regional Conference of the I.L.O. in New Delhi and stated that the whole conception of such a meeting in India was much to be applauded. He took much encouragement from the Conference because he felt sure it would assist towards a realistic and practical solution of the extremely difficult and delicate problems connected with labour.

Pandit Nehru's speech: Need to adjust social policy to changing times.- Addressing the meeting Pandit Nehru, the Prime Minister, made it clear at the outset that what he proposed to say was not always necessarily the policy of the Government of India because all these matters had not been decided upon by the Government so far, but it did represent the general trend of Government policy.

In a changing world, Pandit Nehru emphasised, in order to keep pace with it, the basic economic and social structure must also be suited to changing conditions. The economics of the Mediaeval age could not be applied to the post-Mediaeval age. The economics of the Nineteenth century would not suit now. That was not logical or reasonable. Some obvious change had to be made. It was a reasonable proposition that the economics of the pre-industrial age did not apply to the post-industrial age. The first thing to be considered was 'what is good for the Indian masses?' Everything should be judged from that standard. How the millions of Indians would benefit or prosper, that was the real test of any policy, economic or political, which they might put forward. The Government's immediate problem was, therefore, to put through various development schemes which would give India greater power, more land, irrigation and more power for its industries. There was a considerable number of such big schemes, like the Damodar valley Scheme, and the Governments, both Central and Provincial, would give every priority to their development. They had to get money for these schemes, if necessary by ~~borrowing~~ borrowing.

Concern at Decreasing production: Defence of Government's labour policy.- As regards production there was no manner of doubt that more production in every sphere of activity was urgently needed in India today, but actually production had declined during the last year for a number of reasons. That was the most distressing symptom in India's economy today. He agreed with the President

that there was a good deal of indiscipline among labour, which also interfered with production. But, at the same time, he would tell them that it was wrong to cast that blame on labour or agitators. During the war big business concerns which made vast fortunes had created distrust among the people. It was the same case with peasants who were distrustful of landlords. The question was how to resolve the problem. He did not think that it would be a good policy not to encourage trade unions, but he agreed that the time had come when few outsiders should go into them. Referring to the Industrial Disputes Act and adjudications, Pandit Nehru said that Government could not allow industrial disputes to be fought out by employers and employees because they were dissatisfied with the present system. No Government could afford to have such thing happen. Therefore, the only other way was to have a system for the settlement of such disputes. It might be that a particular adjudicator had not acted as he should have, but it was equally fantastic to say that they should leave those matters to be decided by an industrial struggles on a large scale. The time must come, if it had not already come, when all disputes would have to be decided as far as possible by Tribunals that a State could produce.

Measures to assist agricultural workers: interdependence of agricultural and industrial development.- As for the charge made by the President that the Government had not paid sufficient attention to the problem of improving the living standards of the peasants, the Prime Minister denied it. The Indian National Congress which he represented, had given high priority to the agricultural problem. One of their first priorities was to change the land system in India. He was sorry that it had been delayed, partly because of the difficulty of the problem and partly because of other factors. But the fact that it was given first priority showed how much importance the Government attached to it. To improve agriculture in India, industries also had to be encouraged and among the many things the Government had to consider was a proper balance between rural and urban economy. This balance had to be found whether the country became capitalist or was trying to be socialist. As regards the type of industrial development, the Prime Minister felt India should have a spread-out economy and not too much concentration in certain areas. That would also help in reducing the problem of transport. The Congress had, of course, talked a great deal about cottage industries, but was not opposed to large-scale industries as some people imagined. India should have both big and small industries side by side.

Future of controls.- As regards controls, ~~that~~ the policy with regard to food had recently been announced by the Food Minister. (vide pages 67-70 of this report). The Government proposed to follow a cautious policy and if decontrol led to soaring prices, then immediately Government would go back to controls and severe controls, because no Government could permit a major disaster of that type again.

Basic economic policy: No special privileges for foreign capital.- On the question of basic economic policy, the Prime Minister was not prepared to commit the Government in any way. He could however indicate the Government's approach to the problem.

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He had little doubt that that approach would involve a large measure of Socialism in regard to certain industries. The tendency would be ~~that~~ that some of the basic ~~of~~ generally to be State-controlled. Probably, the Government would proceed on the basis of having some kind of public control in the shape of a public corporation. At the same time in any kind of real planning a measure of State direction or control of all industries was inevitable, but he felt a large field would still be left over for private enterprise. The Government wanted to industrialise India as rapidly as possible, and in order to do so, it would undoubtedly require help in the shape of foreign assistance and foreign technicians. It was not going to stop them coming, and would welcome them. At the same time it wanted to preserve India's economic independence. It did not want foreign capital to come in at the expense of Indian capital but on favourable terms like a business transaction. There was a ~~large~~ large field in India, especially for the next few years, and India was going to develop industrially very rapidly. The Government wanted the co-operation of other countries with India in the process of her development. British and other foreign interests that existed in India would have, and should have, this large field open to them. Whether they would function on old lines or on new, he could not say. But ~~the~~ inevitably such changes, when they took place in their economy, would change their outlook. They could not have any special privileges for any foreign interests in India, but he felt sure that there were good prospects of their working together.

Resolutions. - The more important among the eight resolutions adopted by the meeting related to the taxation of incomes, control measures, the economic crisis in the country, the working of the Industrial Disputes Act and the relation of wage policy to inflation. These are briefly noticed below.

Plea for reduction of income tax. - This resolution asserted that the present basis of taxation both on personal and business incomes was a definite check on incentive, savings for investment and business activity and welcomed the assurance of the Finance Minister of the Government of India that a careful investigation will be made into the consequences of the present taxation policy (vide pages 30-33 of the report of this Office for November 1947). Accordingly, it strongly recommended to Government that a lower level of taxation on income should be introduced. It was moved by Mr. L.A. Halsall of the Bombay Chamber of Commerce and seconded by Mr. G.R. Crooks of the Bengal Chamber.

Demand for Review of control measures. - This resolution whilst recognising that there may be need for continuing control in the case of some essential commodities in short supply declared that many of the controls at present in force were operated to the detriment of increased production and efficient distribution, and recommended that all existing controls be reviewed individually and without delay in consultation with the trade concerned with the object of determining whether control could now be withdrawn, or, if not, to what extent it could be progressively relaxed and its administration improved, pending its complete abolition. Making a specific reference to cloth and yarn the resolution stated that the present scheme of control and standardisation of cloth and yarn was not conducive to increased production and should be revised and an immediate and definite decision taken in this matter. The resolution was moved by Mr. A.L. Fusson of the Bombay Chamber of Commerce and seconded by Mr. G.R. Crooks of the Bengal Chamber.

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Economic crisis.- By this resolution the meeting sought to impress on the Government the urgent need for a comprehensive plan to over-come the present economic crisis in the country and offered the services of its member-bodies in helping Government to formulate such a plan and giving speedy effect to it. Moved by Sir Shankar Lal of the Punjab Chamber this resolution was seconded by Mr. C.P. Bramble of the Bombay Chamber.

Review of Industrial Disputes Act.- Moving the resolution criticising the recent working of the Industrial Disputes Act, Mr. A.P. Benthall of the Bengal Chamber of Commerce, attributed the inflationary spiral to the policy of appeasement generally adopted by adjudicators, and said that its effect on the discipline of the labour force was serious. He complained that strike pay had been granted in the most unreasonable circumstances despite the fact that there was no statutory provision. He suggested that adjudication proceedings should be associated in some measure with the same safeguards against abuse as were found in the civil courts, and that Government should make every effort to improve the quality of their work. Supporting the resolution Sir Robert Menzies (Upper India Chamber) said that the matter should be handled by the Centre and pointed out that there were limits to which good employers should be taxed. The resolution invited the attention of Government to the unsatisfactory nature of some of the recent adjudication awards under the Industrial Disputes Act, and urged that the Act be ~~re-examined~~ reviewed with the intention of avoiding in future the serious consequences that might arise from such awards. In particular ~~the~~ it stressed the desirability of greater uniformity in adjudication awards, especially on vital matters of policy and principle.

Wage policy and inflation.- The resolution on this subject stated that the Association viewed with grave concern the ~~present~~ present tendency to demand and grant widespread wage increases which, not being counter-balanced by a corresponding increase in production, were causing a general rise in the cost of living. It, therefore, urged that Government should revise its labour policy with a view to checking the inflationary movement that already appeared to be in progress. Mr. W.T. Hain (Bengal Chamber), moving the resolution, observed that the mere increase in wages and allowances could not bring about improved living standard, and there was, therefore, the need for stabilising the wages at the present level and giving back to employers their right of control over labour which had been taken away by industrial legislation in recent years. Seconding the resolution, Mr. A.L. Hutson (Bombay Chamber) stated that ~~the~~ he had no doubt that the present decrease in production as well as the inflationary tendency in the country were the results of indiscriminate wage increases. He was in favour of a uniform policy with a ~~greater check on increase in cash~~ check on increase in cash wages until a greater volume of goods was available, and ~~also~~ supported wages being linked to living cost.

(Summarised from the texts of Mr. Cumberbatch's speech and the resolutions submitted to the meeting received in this office;
Amrita Bazar Patrika, dated 16-12-1947;
The Times of India, 20 and 25-12-1947)

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Fifteenth Annual General Meeting of Employers'
Federation of India, Bombay, 19-12-1947.

The Fifteenth Annual General Meeting of the Employers Federation of India was held at Bombay on 19-12-1947. In the absence of the President of the Federation Sir H.P. Mody, who had been held up in Delhi on account of the Industries Conference (vide pages 22-31 of this report), Sir Vithal Chandravarkar presided over the meeting and read Sir H.P. Mody's speech. In view of the industrial 'truce' arrived at in Delhi, Sir Vithal omitted the portion of the speech dealing with labour management relations in the country and declared that though the resolution passed at the Industries Conference imposed certain principles which went against the previous convictions of the employers, they had agreed to extend their fullest support to it taking into consideration the national interest which was at stake.

Presidential Address: Reference to Asian Regional Conference.-
The presidential address of Sir Homi Mody was devoted largely to a review of the refugee problem and of the economic consequences of the partition of India. Following quickly in the wake of independence had come the tragedy of the Punjab disturbances and the resultant, ~~larger~~ large scale movements of population. In the forefront of India's immediate ~~difficulties~~ difficulties stood the refugee ~~problems~~ problem. No definite indication had yet been forth-coming of the policy of either Dominion towards this problem. A permanent exchange of population seemed to him to be an impossible solution. To rehabilitate, in totally different surroundings, millions of people uprooted from their homes was a task which would dislocate, not only the economy of the areas to which they had migrated, but would throw a burden on India's finances from which they may not recover for many years. And, after a disproportionate expenditure of the energies and resources of government on the accomplishment of this task, there must still remain millions of Hindus and Muslims in both Dominions faced with the self-same difficulty of having to live in a hostile atmosphere and surroundings. The only solution of this problem, Sir Homi felt, lay in reaching a common understanding. Neither India nor Pakistan had a chance of ordered existence, except on the basis of a close understanding between the two and of the minorities within their borders being assured of the fullest protection of their lives, properties and interests. The Central Government had given more than one indication of its desire to reach such ~~and~~ an understanding and it was the bounden duty of every Indian to do all ~~he~~ could to help the Government to achieve it.

The economic problems which emerged from the partition were many and complex. Normal trade channels had been dislocated, and the economic unity of the country, which resulted since the turn of the century in a considerable development of its resources, had been destroyed. New frontiers had been set up and a large part of the internal trade might some day be subjected to controls and tariff barriers. The uneven distribution of raw materials and ~~and~~ industrial resources as between the two Dominions had also created problems which demanded a solution. The disruption of the economic unity forged by the long continuance of British rule would call for many adjustments and, altogether, it was obvious that, without a close accord between the two Dominions, the progress of both must suffer, though in varying degrees.

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Turning to the question of nationalisation Sir Homi felt that the incursion of the State into the field of industrial enterprise in India at this stage would be unfortunate from every point of view. India had a tremendous leeway to make, and the Government had neither the capacity nor the resources to undertake the development of the country on anything like the scale which was required. He therefore, felt reassured to hear from the Finance Minister that there was need and scope for private enterprise in India and that it was not the policy of Government to hamper in any way the expansion of business enterprise or the accumulation of savings likely to flow into investment (vide pages 30-33 of the report of this Office for November 1947).

Referring to the Preparatory Asian Regional Conference held at New Delhi according to the decision of the Governing Body of the International Labour Organisation, Sir Homi stated that the Conference served a useful ~~purpose~~ purpose in providing an opportunity to Asian countries for the discussion of the problems which were common and peculiar to them. One important feature of the Conference was that a good deal of attention had been focussed on agricultural workers. He hoped that the Central and provincial Governments would at long last make a real effort to extend the scope of labour legislation to workers and workplaces falling outside the narrow purview of the Factories Act.

Proceedings: Pledge to support Government in improving Indian economy.- The meeting passed a resolution assuring the Government of India of the whole-hearted assistance and co-operation of the Federation in the tasks which confronted the provincial and Central Governments in the direction of balancing and improving the economy of the country.

Sir H.P. Mody was re-elected President of the Federation for the year 1948, and Mr. H.D. Cumberbatch, Sir Robert Menzies and Mr. C.S. Ratnasabapathi Mudaliar were appointed Deputy Presidents.

(The Times of India, 20-12-1947).

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Workers' Organisations.

Pakistan Postal Employees Conference: Demand for
Implementation of Pay Commission's Recommendations.

A West Punjab, Frontier Posts and Telegraphs Employees' Conference met in Lahore on 8 December 1947 to protest against the non-implementation of the Central Pay Commission recommendations by the Pakistan Central Government. The Conference which was attended by about 1,500 employees representing the posts, telegraph, telephones and railway mail, services was presided over by Dr. Tassaduq Hussain Khalid.

Addressing the Conference Mr. Ghazanfar Ali Khan, Minister for Food, Refugees and Rehabilitation in the Pakistan Cabinet, appealed to the members to have perfect confidence in ~~the~~ their Government which would always be prepared to meet and redress the just demands of its employees. The Government was quite alive to the fact that it could not function for a day without the co-operation of its public servants and as such could not afford to be oblivious of their legitimate grievances. But, Mr. Ghazanfar Ali Khan pointed out, the Pakistan Government had been faced with a grave crisis right from its very inception. The problem of the day was the gigantic task of rehabilitating hundreds of thousands of Muslim refugees who had sought shelter in Pakistan. It was a national emergency which called for a ~~national~~ nation's compact efforts. He sounded a stern note of warning against "certain interested" elements who were trying to fan the flame of discontent and undue excitement. They were the enemies of Pakistan and as such deserved to be dealt with an iron hand.

Mian Iftikharuddin, President of the West Punjab Muslim League, also addressed the Conference. He suggested that the employees should knit themselves into a disciplined union whose guiding principle should be "the betterment of its rank and file and perfect unity among ~~the~~ its rank".

Special Committee to negotiate with Government.- The Conference appointed a special committee consisting of Mian Iftikharuddin MLA, Mr. Faiz Ahmed Faiz, Editor, Pakistan Times, Dr. Tassaduq Hussain Khalid, and Mr. Abdul Abdullah Anwar to place the employees' view point before the Finance Minister, Pakistan and Mr. Ghazanfar Ali Khan.

('Dawn', dated 9-12-1947).

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Miscellaneous.

First Session of All-India Commerce Conference,
Lucknow, 25-26-12-1947.

Inaugurating the first session of the All-India Commerce Conference held at Lucknow on 25 December 1947, Pandit G.B. Pant, Premier of the United Provinces, said that commerce was an international affair. So the genius of Indian merchants had to be combined with rational and scientific methods of the modern age. Concerted efforts in this matter would give the right kind of direction. Otherwise, commerce, as such, had only a limited scope, and it was only concerned with distribution. The Chambers of Commerce had now to deal more with production than distribution. Commerce now comprised the entire financial and fiscal field. As regards the development of industries, ways and means had to be found for the reconstruction of the fabric of economic system. Private enterprises would have to be given latitude to a certain extent. Key industries were to be nationalised. He suggested to the industrialists to ~~not~~ divert and concentrate their energy on agriculture. They should manufacture machines for agricultural purposes. The development of industry and agriculture needed the active co-operation of every individual. Making a plea for a complete co-ordination of labour and capital, Pandit Pant characterised the whole problem as psychological. He asked industrialists to develop a humanitarian angle of vision because all progress depended on the ~~average~~ average good of the masses. The labourers could produce more if a proper psychological approach ~~was~~ made.

Decisions.- The Conference appointed four sub-committees to go into the questions of Indian taxation policy, abolition of zamindari, revision of railway rates and planning of India's Foreign Trade. The sub-committees will take note of discussions on these subjects in the Conference and will, after a period of about two months, report on the conclusions arrived at. It is intended to give a lead in the solution of these problems by incorporating these conclusions in resolutions recommending appropriate measures to the Government of India.

(The Statesman, dated 28-12-1947;
The Hindustan Times, 28-12-1947).

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SOCIAL CONDITIONS.

Backward Communities Committee set up in Assam:
Measures for amelioration to be studied.

The Government of Assam has set up a Committee with Mr. Omeo Kumar Das as Chairman to study the difficulties which handicap and impede the progress of socially and educationally backward classes in Assam and recommend measures for their elimination. The Committee is required by its terms of reference (1) to determine the backward areas and backward people in the plains of the Province; (2) to suggest the measures the Government should adopt to remove their backwardness—(i) socially, (ii) economically—stressing the immediate and special measures to be adopted; (3) to examine whether it would be necessary to have any special administrative machinery in any particular area if it be very extensive; and, if so, to suggest the machinery and how it should work; (4) to indicate what special administrative set up, if any, the Committee would recommend in the Provincial Government including the allocation of funds for the welfare of the backward areas and backward people; and (5) to make other recommendations cognate to any of the above references.

The Committee will submit its report within two months.

(The Assam Gazette, Part II, dated
24-12-1947, page 1049).

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PUBLIC HEALTH.

24th Annual Session of All-India Medical
Conference, Bombay, 24-12-1947.

The 24th session of the All-India Medical Conference met at Bombay during the last week of December, 1947. The Conference was inaugurated by Sir John Colville, Governor of Bombay, and presided over by Lt.Col.Amir Chand.

Inaugurating the Conference, the Governor appealed to medical practitioners to put their heads together and devise measures in co-operation with the Governments of their respective provinces to rid the country of epidemics like cholera, plague and smallpox. He stressed the need for co-operation between the profession and Government and urged medical men to take steps to stop the economic waste which now occurred as a result of sickness which was preventible. Honest and sincere work of this sort would assist India to take its place among the leading nations of the world. Referring in particular to the difficulties experienced by the Government in Bombay and in other provinces in India in securing an adequate number of qualified doctors for schemes of rural relief, the Governor believed that this was, in ~~some~~ a large measure, due to the tendency on the part of medical practitioners to crowd into large cities and towns and their unwillingness to settle in rural areas. The medical profession owed its greatness to its spirit of self-sacrifice and its ideals of service of humanity, and to practice these high ideals and to help government to extend the benefit of medical relief in rural areas by offering themselves for service in such areas in large numbers, even at some sacrifice to themselves. In the sphere of preventive medicine great strides had been made and he hoped more would follow as he believed that the best service a doctor could render to his patients was to advise them how to prevent illness rather than to cure it after it occurs. If the public were to obtain the full benefit of the knowledge and experience of doctors, it was necessary that the latter must take an increasing share in civic responsibilities. There were several matters in which they could help, such as, medical examination of school children, and problems relating to their nutrition, promotion of physical education and improvement of sanitation in the towns and willages in which they reside. If they co-operated in all these different spheres, they would have contributed a great deal towards the health and happiness of their fellow-men.

Presidential address.- In his presidential address, Lt.Col. Amir Chand referred to the tragedy that overtook India after August 15 and said that communities in certain parts of the country had been ruined. He hoped that Government would do something for these sufferers. The provincial and Central Governments had a gigantic task facing them in the national reconstruction programme. In his opinion, that plan should be so worked as to raise the standard of living of the nation in all its aspects, economic, social, educational and medical. He ~~knew~~ knew of the economic and financial difficulties of the Governments, but these factors should not be allowed to unduly delay the initiation of the nation-building

activities. Referring to the high mortality in India, Colonel Chand said that the health of the individual was a national asset of the first degree, and for its improvement special attention had to be paid to diet, housing, clothing, general education, hygiene and maternity and child welfare. Poverty and ignorance must be eradicated, and in this connection, he said, there must be active co-operation between Government and the people. One of the urgent tasks that needed Government attention was the development of heavy ~~drug industries and the~~ chemical, bio-chemical and synthetic drug industries, and the manufacture of instruments of precision, quality and durability. Two other problems for Government were food and the eradication of famine and epidemics. He stressed ~~on~~ the need for post-graduate education in medicine and appealed to Governments, Universities and teaching institutions to take up that matter in right earnest. The standard of post-graduate, training and examinations, he added, must be kept very high and those who attained it should be preferred to those with foreign qualifications.

Appealing to Government to implement the Bhole Committee's recommendations, Colonel Chand welcomed the Workmen's State Insurance Bill (vide pages 3-4 of the report of this Office for November 1947). There was, however, one defect in the Bill and that was that there was no provision for free medical care for the families and dependents of insured persons. He also hoped that Government would pass into law a National Health Insurance Act. Referring to the appointment of a Committee of Inquiry by Government in regard to the indigenous systems of medicine, he said that Government should not recognise any system other than the one which scientific opinion all over the world had pronounced to be the most efficacious and practicable.

(The Times of India, 25-12-1947).

Indian Nursing Council Act gazetted.

The Constituent Assembly of India (Legislative), on 8 December 1947, passed the Indian Nursing Council Bill (vide page 68 of the report of This Office for November 1947), with a minor amendment. The amendment provides for the inclusion of two members elected by the Central Legislature in the proposed Indian Nursing Council.

The Bill received the assent of the Governor-General on 31 December and has now been gazetted as Act No. XLVIII of 1947.

(The Gazette of India Extraordinary, dated 31-12-1947, Part IV, pages 1407-1414;
The Times of India, dated 9-12-1947).

Control Measures.Import Control to be retained during
January-June, 1948.

Owing to the continued stringency of foreign exchange, the Government of India has decided to continue the main features of the existing import control restrictions for the January-June (1948) shipping period. This decision is announced in a statement issued by the Ministry of Commerce on 12 December 1947. The dollar position has seriously deteriorated during recent months and the Government of India has decided for the present to make a distinction between dollar and non-dollar areas of supply in the administrative arrangements for licensing. The dollar area will comprise all countries included in the continents of North, South and Central America, besides the Philippine Islands. Imports have been divided into three categories: those which will be licensed freely from (a) dollar areas; (b) non-dollar areas; (c) and those which will not be licensed at all. Lists of goods in these categories are published in a Gazette of India Extraordinary dated 12 December, 1947. Goods not in these lists will be subject to over-all monetary ceilings.

(The Gazette of India Extraordinary,
dated 12-12-1947, pages 1359-1368).

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Food.

Food-grains Policy Committee: Majority in favour
of Progressive Decontrol and Reduction of Government
commitments.

The Government of India released to the Press on 1 December 1947 the interim recommendations of the Foodgrains Policy Committee (vide page 51 of the report of this Office for October 1947). The more important among these are briefly noticed below:-

Food control policy: Reduction of Government commitments favoured.- In the field of food control policy the majority of the Committee recommended that provincial Governments should accept a policy of reduction of Government commitments under rationing and controlled distribution. A beginning might be made with those rationing commitments which were accepted in recent years and reduction might be effected in the reverse order to the original process of extension. The basis of reduction, according to the Committee, should be decided with reference to local conditions with the definite aim of liquidating Government commitments as early as possible.

A minority of three members of the Committee, however, was of the opinion that none of the existing controls over foodgrains should be relaxed during 1948 and that relaxation of foodgrains control should begin only after supplies sufficient for honouring all commitments on a 12 ounce basis throughout the year, in all parts of the country were assured, together with a margin for emergencies. It was therefore, in favour of education of the public on the foodgrains control policy, and resolute enforcement.

Increase in prices of foodgrains.- The Committee as a whole was in favour of ~~the~~ an increase in the procurement prices of controlled foodgrains. The majority of the members, therefore, recommended that the Central Government might allow the provincial Governments to increase procurement prices after satisfying itself that the increase proposed was not excessive in the circumstances of the case; (a) that it did not involve unduly wide differences in the procurement prices in force in areas adjoining the common boundary of different units; and (c) that the increase did not exceed 2 rupees per maund in any case. Before passing on the cost of increasing the procurement price in whole or in part to the consumer, both the Central Government and the provincial Governments should satisfy themselves that this could be done without raising the consumer price to an unduly high level.

Emphasis on cut in imports.- As regards imports and the 'basic plan', the majority of the Committee was of the opinion that ceiling should be fixed for imports from abroad during 1948 and that the Central Government should announce its decision to terminate its dependence on imports at the earliest possible date. Out of the quantities actually imported from abroad, the Central Government should retain a specified quantity as an emergency reserve. At the same time, the Central Government should determine, in agreement with the Governments of surplus Provinces and States, a 'basic export quota' for each. The Provincial or State Government concerned should accept responsibility for procuring and making

available this 'basic export quota' during 1948, and endeavour to make available as much grain as possible in the form of 'supplementary export quotas'. Similarly 'ceiling import quotas' for 1948 should be fixed for the deficit Provinces and States by the Central Government in consultation with them and the government of the deficit Province or State concerned should accept responsibility for management of its food affairs, without making larger demands on the Centre and for endeavouring to reduce its requirements from the Centre as much as possible. The following are the 'basic export quotas' and 'ceiling import quotas' suggested by the majority for the 'surplus' and 'deficit' Provinces and States respectively:-

BASIC EXPORT QUOTAS

(Figures in thousands of tons)

Coorg.....	.. 12
Assam.....	.. 50
Central Provinces.....	..150
Orissa.....	..150
Indian States.....	..120
	<hr/>
Total	..482

CEILING IMPORT QUOTAS

Bihar.....	.. 0
Bengal.....	..150
Madras.....	..150
Bombay.....	..350
Central Provinces.....	.. 50
United Provinces.....	.. 0
Delhi.....	..120
Miscellaneous areas.....	..100
Defence services.....	.. 80
East Punjab.....	..100
Indian States.....	..400
	<hr/>
Total	..1,500

Control of foodgrains.- According to the majority of the members of the Committee the following foodgrains should continue to be subject to controls, viz., (i) Rice (including paddy); (ii) Wheat (including atta and flour); (iii) Millets (including jowar, bajra, and any other millet at present procured and distributed in rationed areas); and (iv) maize. In respect of all cereals except those mentioned above and all pulses other than gram, the majority recommended that all controls should be removed and complete free trade should be established.

Procurement.- In order to secure the supplies necessary for meeting Government commitments, within the Province (reduced in the manner recommended already) and in order to meet the requirements for export from surplus provinces, freedom should be given, according to the majority of the Committee, to individual Provinces to use the method of compulsory levy or monopoly purchase in selected districts or a combination of both. Details regarding the assessment and collection of the levy, as also the operation of monopoly purchase, should be settled by provincial Governments with reference to these commitments and other relevant local conditions.

In the opinion of the majority all grain traders and those grain growers who fall within a category to be defined (so as to cover holders of stocks exceeding 50 maunds of controlled foodgrains) should be licensed and made subject to the following conditions: (A) Submission of returns of stocks; and (B) anti-hoarding restrictions. While the control of movements of foodgrains across provincial boundaries should remain, restrictions on the movement of foodgrains within the Province should generally be removed, excepting in so far as they were necessary in the opinion of the provincial Government concerned to enable it to complete its purchases. Also, apart from the liability to deliver either on a monopoly or a compulsory levy basis, at a fixed price, control over prices should be removed.

(The Statesman, dated 1-12-1947).

Progressive Decontrol of Foodgrains: Government of India announces revised Food Policy.

The Government of India's decision to revise its food control policy in the direction of progressive decontrol was announced in a Press communiqué issued on 10 December 1947. The communiqué stated that consistently with this basic decision on policy, the Government of India had advised the Governments of Provinces and States that "they should progressively reduce their commitments under rationing and controlled distribution in the reverse order to the original process of extension, so as to be able to withdraw and end all rationing and control as soon as may be feasible". Recognising that the new policy "entails a certain amount of risk", the Government stated that the results of decontrol would be carefully watched and declared that, should the situation so demand, the Government of India would not hesitate to re-establish rigid control.

Reasons for decontrol.- Giving the reason for this decision the communiqué pointed out that the present system of controls was evolved during the war in order to meet the emergency conditions then prevailing. Though the war ended in 1945, these ~~control~~ controls were not only not relaxed or removed but were continued, intensified, and extended. The reason for this was that, though imports from abroad had become available in quantities exceeding pre-war average figures, seasonal conditions were adverse and the yield of crops suffered to an unusual extent for two successive ~~ya~~ years. This would be seen from the following figures:-

YIELD OF CEREALS (ALL-INDIA) (Figures in millions of tons.)

Average 5 years ending.	Rice.	Wheat.	Jowar and Bajra.	Total (four cereals).	Difference from average.
1943-44	28.2	10.6	11.2	50.0	—
1944-45	30.1	10.8	10.9	51.8	+ 1.8
1945-46	28.2	8.2	8.8	46.4	- 3.6
1946-47	30.2	8.1	8.5	46.8	- 3.2

As a result of this exceptional shortfall in production, food administration had been far more difficult after the war than during the war.

A number of serious problem had also arisen in regard to procurement, rationing, and imports which had led to discontent amongst almost all sections of the population—traders, producers, and consumers. Internal procurement of foodgrains had been yielding poor results and causing great strain on administrations. Ration scales were diminishing and there was a constant threat of breakdown, with stocks steadily falling. The allocations of foodgrains by international bodies had fallen far short of the minimum needed to maintain even a 12 oz. ration throughout the country. In spite of fullest co-operation by India and strong representation against increasing prices of foodgrains in exporting countries, the international organisations had been unable to hold these prices at a reasonable level. As a result, imports from abroad were proving more and more costly, causing an abnormal strain on the country's limited foreign exchange resources and involving heavy expenditure on subsidisation. These difficulties had reacted upon one another so as to aggravate them. The consumer was discontented because of the feeling of insecurity owing to falling rations and complaints about quality of foodgrains. The producer felt aggrieved because he considered the controlled price inadequate. The trader, as a class, had never liked the controls which had restricted his business.

These problems had been discussed at an informal conference held in July 1947 attended by Premiers and Food Ministers of certain provinces and in accordance with the consensus of opinion expressed at that conference, a Committee ~~express~~ consisting of officials and non-officials, including leading businessmen and members of the Constituent Assembly, had been appointed under the Chairmanship of Sir Purushotamdas Thakurdas. The Committee had been asked to submit its conclusions regarding the policy to be followed in 1948, urgently and in advance of its long-term recommendations. These had been received (vide pages 65-67 above) but were not unanimous. There had also been no unanimity of opinion in the conference of Food Ministers of Provinces and States which had discussed the recommendations of the Foodgrains Policy Committee (vide pages 79-80 of the report of this Office for November 1947) and the press and the public had been equally divided on the issue of control versus decontrol. A sub-committee of the Cabinet had discussed the issues further with the Provincial Premiers on 25 November 1947, and after the most anxious consideration the Government of India had reached the following conclusions.

Progressive de-control of foodgrains.— The government of India had decided that the existing policy should be revised and the revised policy should be one of ~~the~~ progressive decontrol of foodgrains. Consistently with this basic decision of policy, the Government of India had advised Governments of Provinces and States that they should progressively reduce their commitments under rationing and controlled distribution in the reverse order to the original process of ~~extension~~ extension so as to be able to withdraw and end all rationing and control as soon as might be feasible.

Food imports to be reduced: Emergency reserve to be built up.— All the imports of foodgrains in 1948 would continue to be made by the Central Government only, and the present Basic Plan arrangements would continue. Out of the quantities actually imported from abroad, not less than 500,000 tons and if possible 1 million tons

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would be retained by the Centre as an emergency reserve. Provinces and States had been intimated the basic export quotas for surplus areas, and ceiling import quotas for deficit areas. Governments of surplus units had been asked to accept responsibility for procuring and making available the basic export quotas during 1948 and also to endeavour to make available as much additional grain as possible in the form of supplementary export quotas. Governments of deficit units had been asked to plan on the basis that ceiling import quotas would not be exceeded during 1948, and that they should have to accept full responsibility for management of their food affairs without making larger demands on the Centre. They should also endeavour to reduce their requirements from the Centre as much as possible.

Provinces to be free to fix foodgrains prices: Centre to grant Food Bonus.- Decision regarding the prices at which procurement should be effected and foodgrains should be sold within their respective areas would be left to the provincial Governments concerned. The Government of India had however, suggested that provinces should fix prices bearing in mind the need for preventing an undue increase in the cost of ~~the~~ living. The Government of India would not bear any portion of the losses, if any, arising from enhancement of procurement price which was not passed on to consumers by an equivalent increase of the consumer's price. The subsidy required for levelling down the price of foodgrains imported from abroad which was at present borne entirely by the Central Government, would be shared during 1948 by the Central Government and the provincial Governments concerned in the ratio of 2 to 1. In order, however, to encourage internal procurement and production and maximum assistance by surplus provinces to deficit provinces, the Centre would pay to every provincial Government a Food Bonus. This Bonus would be assessed at the rate of 8 annas per maund of foodgrains procured and another 8 annas per maund of foodgrains, exported, subject to the condition that the Food Bonus should be utilised either on meeting the loss, if any, on the distribution of foodgrains procured in India or on supplying to the foodgrains producer at concessional prices manure, fertilisers, and other commodities essential for the production of foodgrains. Supplies exported under the Basic Plan from surplus areas to deficit areas would continue to be charged on a non-profit no-loss basis as hitherto. It ~~was~~ was the hope of the Government of India that these arrangements would prevent undue increase in consumer's price, improve procurement and reduce provincial demand ~~of~~ for food imports on the Centre.

In so far as procurement, rationing and controlled distribution continue, controls would continue to be exercised in respect of rice, including paddy, and wheat, including atta and flour, and jowar and bajra and any other millet at present procured and distributed in rationed areas, and maize. Inter-Provincial barriers would continue to be maintained for the present.

The Government of India fully recognised, the communiqué made it clear, that these decisions entailed a certain amount of risk. The new ~~is~~ policy was based on the expectation that decontrol would bring out more stocks than at present under control; and that these stocks would be distributed without serious hoarding or profiteering. Only experience would show whether these expectations would be fulfilled or not. If they were the country would gain immensely; the phase of return to normalcy would be quickened; administrative

personnel at present engaged on controls would be released for more ~~urgent~~ urgent and productive tasks and there would be general public satisfaction. On the other hand, should there be an outburst of hoarding and profiteering on the part of traders and large producers or panic among consumers, then the consequences would be extremely serious. While the Government of India considered that the risk involved in a policy of progressive decontrol of food should be taken in the larger national interests, they were fully conscious of the need for watching developments carefully and maintaining preparedness against possible emergencies. The Government of India had, therefore, advised the Governments of Provinces and States that the present food control organisation should be maintained substantially intact until the success of the revised policy had been assured. They had also been advised that existing arrangements of requiring holders of stocks of foodgrains to take out licences and submit returns should be continued. In order to watch the situation closely the Government of India would obtain weekly information from Provinces and States regarding stocks, procurement, prices and the general food situation. Besides, the progress of implementation of the revised policy would be reviewed at all-India conferences at a Ministerial level to be held at quarterly intervals. Should the situation so demand, the Government of India would not hesitate to re-establish ~~again~~ rigid control.

(The Statesman, dated 11-12-1947).

Government of India lifts Control on Sugar.

Notifications published in a Gazette of India extraordinary issued on 7 December 1947 announced the decision of the Government of India to decontrol sugar and gur (unrefined sugar) with immediate effect.

There will now be no internal control exercised over the movement, distribution and prices of any grades of sugar and gur, but movements to countries including Pakistan will be subject to quota control.

(The Gazette of India Extraordinary, dated 7-12-1947;
The Hindu, dated 8-12-1947)

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Debate on Food Policy in Union Assembly,
10-12-1947: Mixed Reception to Government's
New Policy.

The Government of India's revised food policy and its decision gradually to decontrol foodgrains (vide pages above) were discussed by the Constituent Assembly of India (Legislative) on 10 December 1947. Opinion in the House ~~showed~~ showed itself to be sharply divided and replying to the debate, Dr. Rajendra Prasad, the Food Minister, declared that the criticisms in the House were a reflection of the difference of opinion in the country and in the Cabinet itself. There was, however, no reason, according to him to fear that anything disastrous was going to come about it. The House could in a spirit of hopefulness accept the decision and go forward.

Criticism of new food policy.- Speaking in the course of the debate Pandit Balakrishna Sharma, characterised the policy of decontrol as a retrograde step and held that, in pursuing it, the Government was trying to go counter to the trend of world opinion which was for planned economy and controls over essential commodities. He apprehended grave dangers ahead and asked how the Government could ever think of lifting controls when there was scarcity of commodities. The theory that prices would find their level which would be within the reach of the ordinary consumer failed to convince him. 3.5 million people died in Bengal and yet the profiteers did not stop making profits. It was his opinion that the Government would soon have to regret its present decision. The country was bound to be caught in a rising spiral of inflation and the Government could do nothing but print more notes. They had seen the effects of such a policy in China. Even the United States had to switch back to control. If controls had failed in India, it was because the source of supply was not controlled. The Government, by its new policy, were trying to put the clock back and he felt it necessary to dissociate himself from that policy.

Referring to the Government's statement on the new food policy (vide pages 67-70 above) Pandit Kunzru declared that he had never read a document so fraught with grave consequences and which was supported by such flimsy arguments. Surplus countries were today turning to wartime controls again. President Truman was compelled to ask Congress again for powers to institute controls. In Australia a Bill was recently passed to continue war-time controls. It was difficult for anybody to understand how a deficit country like India could afford to do away with these salutary checks which countries more fortunately placed had found necessary to continue. Statistically there was an overall food shortage in the country and he characterised the argument that if only few more tons sold in the ~~but~~ black-market were available to consumers, all would be well, morale would improve and material difficulties would disappear, as puerile. He was sure the Government's decision would lead to greater inflation and make the situation more difficult, it was like thrusting a dagger into the consumer and at the same time promising to take care that no drop of blood should fall.

Mr. M. Ananthasayanam Iyengar, another member who criticised the Government's new policy described it as a "dangerous experiment". The rationing level was very low and in some areas it was just six ozs. a day. The producers clamoured for higher prices and so did the traders and the "foolish" consumer was there. Food controls, he said, should be treated differently from controls on cloth, sugar, cement, etc. If there ~~were~~ were no cereals people would die. He was afraid China would be repeated in India and dark days lay ahead. He appealed to the Government not to undertake such an experiment. They must build up a reserve of three million tons instead of the target of half million tons and proceed cautiously.

Support for decontrol of foodgrains.- A number of members, on the other hand welcomed gradual decontrol and supported the Government's revised food policy. The main arguments advanced in support of the decision to decontrol foodgrains were that decontrol would spread the rise in prices among larger sections of the public and benefit the agriculturists; increase the production of foodgrains; and eliminate the damage to public morale caused by the existence of controls, corruption and blackmarkets.

(The Hindustan Times, 11-12-1947).

Decontrol of Foodgrains in Provinces.

In pursuance of the revised food policy announced by the Government of India (vide pages 67-70 of this report), a number of provincial Governments have announced programmes for the progressive decontrol of foodgrains in their respective provinces.

Bombay.- On 10 December 1947, Mr. Dinkarro Dessai, Civil Supplies Minister, Government of Bombay, announced that with effect 16 December 1947 rationing would be discontinued in the Bombay Province except in four cities, levy for procurement of foodgrains would be abandoned and the agriculturists would be assured of higher prices generally. To implement the policy of ~~progressive~~ progressive decontrol the Government of Bombay has decided (1) to restrict commitments under statutory rationing to four cities only, i.e., Greater Bombay, Ahmedabad, Poona and Sholapur Cities; (2) to give up commitments under rationing, statutory or otherwise, in respect of the rest of the Province with effect from 1 January 1948; (3) to abandon the Government monopoly and compulsory levy for the purchase of cereal foodgrains and gram throughout the Province with effect from 16 December 1947; and (4) to guarantee to purchase cereal foodgrains voluntarily offered by cultivators at prescribed rates, which would be ~~1 rupee six annas~~ 1 rupee six annas per maund, For paddy and 2 rupees per maund for wheat, rice, jowar and bajri above the present procurement rates.

Madras.- ^{on} The Madras rural rationing and procurement have been given up with effect from 28 December in all deficit districts barring Malabar and Nilgiris. In Municipal centres of these districts however, statutory rationing is to continue. Procurement will

continue in Madras city which is a statutorily rationed area.

The Madras scheme of decontrol provides for allotment of quotas, as now, for each deficit district. The basis of the quotas would be the allotment made in previous years when rationing was enforced. Out of this quota, the needs of municipal towns will be met and the balance will be left at the disposal of the Collector of the district for distribution, through "Fair Price" or "Relief" shops in semi-urban and rural areas where such measures are necessary. Land-owners belonging to surplus districts living in statutorily rationed areas would be enabled, through permits as hitherto to import their ~~district~~ requirements of rice from their districts.

Central Provinces and Berar.- In the Central Provinces and Berar with effect from the 10 December 1947 all import and export bans in the statutorily rationed areas of Nagpur and Jubbulpore have been relaxed. Simultaneously, the prohibition on sale of rationed foodgrains in those areas by persons other than authorised ration shopkeepers, has been removed. Up till 1 February 1948, the existing system of distribution on ration cards will, be continued through the existing shops in these areas. Thereafter a certain number of fair price shops will continue to be run in the two rationed areas. These shops will sell foodgrains obtained from Government stocks at fair prices, subject to a limit which will be fixed per individual transaction. These fair price shops are intended primarily to ensure that the poorer classes of the public obtain their minimum requirements at reasonable prices, and to have a stabilising effect on the general price level. All rural rationing schemes are to cease to function in respect of ration cards with effect from 1 January 1948.

West Bengal to continue food control for one more year.- The West Bengal Government, however, has decided to continue food controls for one more year in view of the acute scarcity of food in the province, according to an announcement made by Dr. P.C. Ghosh, Premier of West Bengal on 4-12-1947.

(People's Raj, dated 13-12-1947, issued by the Directorate of Publicity, Government of Bombay;
The Fort St. George Gazette Extraordinary, dated 24-12-1947;
The Hindu, dated 23-12-1947;
The Central Provinces and Berar Gazette Extraordinary, dated 10-12-1947, pages 645-646;
Amrita Bazar Patrika, dated 5-12-1947).

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Textile Industry.

Industrial Committee on Cotton Textiles to meet
on 12-1-1948: Items on Agenda.

The first meeting of the Tripartite Industrial Committee on Cotton Textiles is to be held at New Delhi on 12 January 1948.

Composition of Committee.- The Committee, which is modelled on the I.L.O. Industrial Committees will have 13 representatives each of Governments, employers and workers. On the Government group there will be three representatives of the Government of India and one each of the provincial Governments of Bombay, Madras, the Central Provinces, the United Provinces, Bihar and Bengal and the State Governments of Baroda, Indore, Gwalior and Mysore. On the Employers group there will be three representatives for the Mill Owners' Association, Bombay, two for the Mill Owners' Association, Ahmedabad, and one each for the All India Organisation of Industrial Employers, Employers Federation of India, Bengal Mill Owners' Association, Calcutta, Southern India Mill Owners' Association, Coimbatore, Employers' Association of North India, Kanpur, the C.P. Mill Owners' Association, Nagpur, the Indore Mill Owners' Association and the Federation of Baroda State Mills and Industries. Workers' representatives will be seven for the A.I.T.U.C and six for the I.N.T.U.C.

The Governments of the East Punjab, Assam and Orissa have been invited to send one observer each. Similarly, the Kathiawad Mill Owners' Association has also been asked to send an Adviser.

Agenda.- The Committee is expected to discuss inter-alia the following subjects relating to the textile industry: (1) the standardisation of wages and rationalisation of the structure of dearness allowances, (2) measures to increase production, (3) training of workers with a view to improving their efficiency and (4) provision for old age through provident funds and insurance schemes.

(The Bombay Chronicle, 22-12-1947;
Unofficial Note, dated 20-12-1947, Press
Information Bureau, Government of India)

Government considering desirability of Decontrolling cloth: Debate in Union Legislature.

Dr. S.P. Mookerjee, Minister for Industry and Supply, Government of India, announced in the Constituent Assembly of India (Legislative) on 5 December 1947 that the Government was examining the question of decontrolling cloth distribution at the same time maintaining control over production and that instructions had already been issued to explore this possibility. Dr. Mookerjee was replying to a debate raised by a cut motion moved by Mr. Mohanlal Saxena to discuss the desirability of removing control on cloth, yarn and other commodities.

control encourages black-market: Mr. Patil's plea for removal.- Supporting the motion Mr. S. Patil (President of the Bombay Provincial Congress Committee) said that nobody objected to control if it was necessary, but the real objections were against bad administration of control. Speaking from knowledge of Bombay he felt that all manner of loopholes existed in the system prevalent in that province whereby cloth went into the black market. For instance there was a half per cent allowance of cloth produced for millowners to be used in any way they liked. He was not against this allowance, but it must be possible to find out how this was used. Again there was the free allowance of 18 yards per head to every textile worker in addition to the normal quota of 10 yards which every citizen got. There were over a quarter million workers with on an average, 10 dependents. Millions of yards of cloth was thus issued to them which next day went into the black market. There was thus corruption, not only at the top, but it had penetrated to the lower ranks amongst people who normally did not do these things. This was because temptation was put in front of them. Again there were the "ghost", ration cards for cloth and foodgrains. Bombay's population was only 2,800,000, but there were 3,500,000 ration cards. The population seemed to be growing in terms of ration cards, although there were no people. The whole system had gone so rotten that there was urgent need for a clean-cut surgical operation in the form of immediate decontrol. The sooner cloth was decontrolled the better.

peasants' hardships.- Dr. Ranbir Singh Choudhry supported the motion because, he said, peasants had to suffer great hardships owing to cloth control. Prices would no doubt go up after decontrol, but still they would not be so high as at present in the black market. He hoped that the Government would remove control over cloth as well as foodgrains.

Employer's view: decrease in production due to shorter working hours.- Answering allegations that industrialists had sabotaged production, Mr. Singhania urged that before making allegations members should study the question. One hand only to compare the figures of cotton consumed and the amount of cloth produced to see that industrialists did not secretly conceal cloth for the benefit of the black market. According to Mr. Singhania, the fall in production was directly attributable to the reduction of working hours. He appealed to labour leaders to come forward and ask labour to raise production and strengthen the country's bargaining power.

Government's reply: continuance of control justified.- Replying to the debate Dr. Mookerjee argued that if there was justification for controlling cloth in 1943, when the total quantity of cloth available for civilian distribution was 5,400,000,000 yards, there was more justification today when the total quantity available was less. (In 1946 it was only 4,888,000,000 yards). The real ~~difficulties~~ difficulty was that production had gone down. It appeared that after control was introduced in 1943 production increased in the first two years, but from 1946, owing to communal disturbances, reduction of hours of work and strikes, it had gone down alarmingly. It had been suggested that mills were making enormous profits, but after the introduction of control, figures were actually on the decline, as could be seen from the fact that whereas the gross profit for mills in 1943 was 1,090 million rupees the gross estimated profit for 1946 was only 410 million rupees. During the two years net profits amounted to 210 million rupees and 90 million rupees respectively. The Government was not enamoured of control and was at one with members that it should be lifted as soon as circumstances permitted, the prime consideration being the welfare of the masses.

Attempt to increase production.- Dealing with the government's efforts to increase cloth production, Dr. Mookerjee said that the standardisation scheme under which more medium and coarse cloth would be produced had been accepted by the Government and the question of fixation of prices had been referred to the Tariff Board (vide pages 77-78 of the report of this office for November 1947).

Quota system: abolition being considered.- Referring to allegations made against the quota system, Dr. Mookerjee said that the Government had already issued orders that the commission paid to quota holders should be reduced from three per cent to one ~~per cent~~ and a half per cent from February. The quota system normally deprived the industry of 90 million rupees of its total profits. The Government was also considering whether the system should be abolished altogether and normal trade channels permitted as formerly.

Tripartite Committees for supervising production.- The Government was examining a suggestion made that, while retaining control over production, it should remove control over distribution and prices. Steps had already been taken to explore the matter. He believed that this would be a via media. Some ~~kind~~ sort of control over production was, he believed, necessary. To exercise supervision over production, the Government had already announced that it would set up production committees with representatives of labour and management on them, charged with ensuring that there was no wastage or leakage. He had asked the industry to accept this in a good spirit. The industry did not like it generally but it was pointed out to them that instead of allowing the cleavage between labour and management to widen, it would be better if all worked together. If, as they claimed, employers had nothing to hide, ~~that~~ there should be no difficulty in accepting the arrangement.

Distribution among Provinces.- As regards distribution Dr. Mookerjee said that he proposed to consult the Standing Committee as to whether it would not be desirable to continue some sort of direction with a view to ensuring that ad hoc distribution amongst the various provinces was maintained fairly. There were some provinces like Bombay, Madras, and the United Provinces which produced most of India's cloth. To ensure that provinces which were deficient in cloth did not suffer it was desirable, in the initial stage at any rate, that there should be some directions given so that certain minimum quantities ~~were~~ went into each province.

Dr. Mookerjee was sure most ^{of the} likely problems would disappear the moment production went up. This was a matter which affected not only the textile industry. The industries conference, to be held in Delhi on ~~the~~ 15 December (vide page 22-31 of this report) would discuss the question fully. Dr. Mookerjee warned that in every industry in India production was below the maximum and India was passing through a grave economic crisis. The co-operation of industry, labour, and Governments was necessary. Industrialists must recognise that labour had to be satisfied in a reasonable manner. The Government was considering how proper adjustment could be made so that within the next few years India could have no strikes and no interference with normal production and could have increased production.

The cut motion was withdrawn on Government's assurance that it was examining the question.

(The Statesman, dated 6-12-1947).

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Demobilisation and Resettlement.

Working of Resettlement Organisation: Employment Exchanges
Returns for the period 15 August to November 1947.

Reference was made at page 54 of the report of this Office for August 1947 to the division of the Resettlement and Employment Organisation of the Government of India between Pakistan and India consequent on the partition of the country. The following are the details regarding the working of the Employment Exchanges in India during the period August to November 1947.

Number of placings during 1 to 14 August.- No official report has been issued on the working of the Resettlement and Employment Organisation for the period 1 August to 14 August 1947. But a Press Note issued by the Directorate-General of Resettlement and Employment, however, stated that 5,859 applicants, including 3,945 ex-servicemen, were placed in employment during this period.

The total number of training centres working on 14 August, 1947 was 233. 1,139 ex-service personnel were selected and posted to these training centres between 1st and 14 August 1947, bringing the total number selected and posted upto the end of that period to 41,941. Postings during the period included 1,047 ex-Servicemen to vocational and technical training centres, and 91 ex-Servicewomen to training centres for women. The total number of persons under training at the end of the period was 12,024, including 1,126 war-disabled persons and 1,050 ex-Servicemen.

Progress of Work done during 15 August to November 1947.- The total number of registrations effected at Employment Exchanges and District Employment Offices during the period 15 August to 30 September 1947 was 50,672. Of the ~~max~~ registrations effected 8,520 were registrations of applicants whose previous registrations had lapsed. The total number of persons placed in employment was 15,434. Of those placed in employment 9,641 were ex-Service personnel. During the period about 1,000 persons were recruited through Employment Exchanges by the Directorate of Unskilled Labour Supply for employment in coal fields.

During the month of October the total number of registrations effected was 45,959. Of these 5,854 were re-registrations of applicants whose previous registrations had lapsed. The total number of persons placed in employment during the month was 14,395 as ~~compared~~ compared with 6855 during the same month last year.

During November 1947 the total number of registrations effected was 53,133. Of these 6,985 were registrations of applicants whose previous registrations had lapsed. The total number of persons placed in employment was 15,797, including 8,216 ex-Service personnel. During the month 2,555 employers used the exchanges and 25,884 vacancies were notified. The total number of vacancies outstanding at the end of the month was 72,371. Of these 39,467 were reserved appointment in railways and 22,937 in the Central and provincial Governments.

Number of training centres.- The total number of training centres working at the end of November 1947 was 234. 1587 ex-Service-men, including 102 war disabled, were selected and posted to technical and vocational training centres during the month.

Placings by wage groups.- Analysis of the placings by wage groups shows that for the period 15 August to 30 September 124 persons were placed in posts carrying a monthly pay of more than 100 rupees, 1,282 in posts carrying a monthly pay of 61 to 100 rupees, 5,505 in posts carrying a monthly pay of 36 to 60 rupees and 8,725 in posts carrying a monthly pay of 35 rupees or less. Increase in placings was effected only in the wage group 36 to 60 rupees. During the period 9103 persons, including 6,396 ex-Service personnel, failed to take advantage of employment opportunities offered.

During the month of October, 214 persons were placed in posts carrying a monthly pay of more than 100 rupees, 1,810 in posts carrying a monthly pay of 61 to 100 rupees, 6,058 in posts carrying a monthly pay of 36 to 60 rupees, and 6,315 in posts carrying a monthly pay of 35 rupees or less. During the month 12,306 persons, including 9,304 ex-Services personnel, failed to take advantage of employment opportunities offered.

During November, 187 persons were placed in posts carrying a monthly pay of more than 100 rupees, 1,613 in posts carrying a monthly pay of 61 to 100 rupees, 7,765 in posts carrying a monthly pay of 36 to 60 rupees and 6,238 in posts carrying a monthly pay of 35 rupees or less. Placings in the wage group 36 to 60 rupees showed a considerable increase. 7,160 applicants, including 5004 ex-Services personnel, failed to take advantage of employment opportunities offered.

(~~Summary~~ Summarised from Report on the Work of Employment Exchanges for the period 15 August to 30 September 1947 and for the months of October and November 1947, issued by the Directorate-General of Resettlement and Employment).

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Post-War Reconstruction.

Proposed Five-Year Industrial Development Plan for
North-West Frontier Province.

Khan Abdul Qaiyum Khan, Premier of the North-West Frontier Province outlined at a Press Conference in Peshawar on 26-12-1947, the provincial Government's ~~emphasis on~~ ~~independence~~ ~~of~~ ~~any~~ industrial expansion programme aimed at making the North-West Frontier Province a self-supporting unit, independent of any financial subsidy from the Centre.

According to Mr. Khan a five-year plan, providing for the establishment of sugar, leather, woollen, textile, fruit canning, drugs, matches and tobacco factories, was under contemplation. The setting up of the factories would, however, largely depend upon the speed with which the machinery could be imported from abroad. He disclosed that the Pakistan Government was prepared to extend its support and co-operation for rapidly industrialising the province.

('Dawn', dated 27-12-1947).

Industrial Development Plans of East Bengal.

The East Bengal Government's plans for the industrial development of the Province were announced this month, by Mr. H.H. Choudhury, Minister for Industries and Commerce in the East Bengal Government in a number of press conferences and meetings in Dacca. As regards short term planning, the Government of East Bengal was contemplating to set up in the near future a number of jute mills and bailing presses, a few cotton textile mills and sugar, leather and paper factories. The immediate need of the province, however, was the development of its power resources so that cheap power could be supplied not only to the principal industrial centres but also to the villages. The most important scheme under examination under this head was the harnessing of the Karnafuli River with a view to controlling floods, irrigating fields and development of hydro-electric power. Along with the preliminary work of survey and making experimental boring, the question of execution and the financing of such a large project were also under active examination. The preliminary work which would need one full season, would be finished during this cold weather.

Some coal and iron pyrites had been found in Chittagong. Their economic and commercial possibilities were being examined. The greatest difficulty, was lack of experienced, qualified and trained technical personnel. The Government ~~was~~ was trying to secure the services of suitable men from ~~near~~ other parts of the country and abroad.

The Government of East Bengal also proposed to set up an ~~Industrial~~ Industrial Development Board to advise it as to how best to encourage quick development of industries—whether industries should be directly or indirectly run by the State and how best to ensure their efficient management and control. Whatever might be the ultimate policy of the Government, it was certain that every

possible assistance would be given to private enterprise so that it might have the fullest possible facilities in developing industry, commerce and trade. The Government was going to set up an Industrial Information Bureau whose main function would be to collect information from private industrialists who wished to set up business in this province, ~~and~~ of their requirements in regard to raw materials, power, labour, land and other prerequisites of industry and advise them generally and help them in other ways.

(The Indian Textile Journal, December, 1947).

Development Board set up in Bihar to advise on
Industrial Expansion.

A Bihar Government Resolution dated 26 November 1947 announced that the Government of Bihar had decided to set up with immediate effect a Provincial Development Board with the Provincial Minister for Development as Chairman and 21 other members to discuss and make recommendations to Government on all questions of policy relating to the post-war Development and industrial expansion. The functions of the Board will be—(1) to formulate detailed plans of industrial development of the province; (2) to advise in regard to each industry whether it should be state-owned or left to private enterprise; (3) to advise in respect of the industries to be left to private enterprise, the degree of state control to be exercised over them and the method of exercising the control whether by ~~xxx~~ purchase of shares or otherwise; (4) to advise on the selection of sites for industries; (5) to advise on such other matters connected with industrial or other development of the province as may be referred to the Board by Government; and (6) to obtain the services of experts if and when necessary.

The ~~mentioned~~ Resolution requires the Board to meet at least once in each quarter of the year. The life of the Board will be in the first instance five years. The Post-War Reconstruction Board, Bihar, constituted by the previous Government in the year 1944, has been abolished.

(Supplement to the Bihar Gazette, dated
3-12-1947. No.1753-D.C. Development and
Employment ~~and~~ Department, Government of Bihar).

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GENERAL.

Financial settlement between India and Pakistan.

Sardar Patel, Deputy Prime Minister, announced in the Constituent Assembly of India (Legislative) on 12 December 1947 details of the financial settlement which has been reached between India and Pakistan.

Cash balances.- The undivided Government of India's cash balances, as on the date of partition, are estimated at a little under 4,000 million rupees. Of this, Pakistan's share has by agreement been fixed at 750 million rupees. To this amount will be debited the 200 million rupees already made available to the Government of Pakistan on 15 August 1947, and the expenditure incurred on that Government's account to date.

Sterling assets.- Pakistan's share of sterling assets will be the ratio of the note circulation after adjusting any expansion against Pakistan securities in that Dominion. It has been agreed that India should sell to Pakistan for Indian rupees additional blocked sterling up to an agreed limit as and when demand is made until 31 December 1947.

Public Debt.- As regards the public debt of undivided India the Government of India has assumed initial responsibility for all the liabilities of the old Government, subject to an equitable contribution by the Pakistan Government. Pakistan's share of the uncovered debt has now by agreement been fixed at 17 $\frac{1}{2}$ per cent, ~~in 15 August 1947~~ With regard to the payment of debt by Pakistan to India it has been agreed that the total amount will be paid in Indian rupees in 50 annual equated instalments for principal and interest combined. The instalments will be payable on August 15 each year, but no instalments will be payable for the first four years from the date of partition i.e. 15 August 1947.

(The Statesman, dated 13-12-1947).

(22/12/47)
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List of the more important publications received in this Office during the month of December, 1947.

Conditions of Work

The Spirit of Industrial Relations, by H.S. Kirkaldy. Oxford University Press. 1947.

Navigation

Administrative Report and Annual Accounts of the Port of Calcutta for the year 1946-47. 1947.

Organisation, Congresses, etc.-

Congress and Labour Movement in India, by P.P. Lakshman. Congress Economic and Political Studies Series No. 3. Economic and Political Research Department, All India Congress Committee, Allahabad.

The Transition from War to Peace

Further education for Ex-Services Personnel - Details of Schemes and Arrangements in Provinces. Issued by the Directorate-General of Resettlement and Employment, Government of India, New Delhi.