

INTERNATIONAL LABOUR OFFICE
INDIAN BRANCH
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Industrial and Labour Developments in August, 1947.

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NATIONAL LABOUR LEGISLATION.

Government of India:

Industrial Disputes (Central) Rules, 1947, gazetted. R

Reference was made at page 2 of the report of this Office for April 1947, to the draft of certain rules the Government of India proposed to make in exercise of the powers conferred by section 38 of the Industrial Disputes Act, 1947. The draft, with certain changes, has now been finally approved and the Rules gazetted.

The Rules lay down the procedure for the setting up and functioning of Works Committees, Boards of Conciliation, Industrial Tribunals, etc. The term of office of workman's representatives on Works Committees has been restricted to two years instead of six as originally proposed in the draft rules.

(Labour Department Notification No. LR 1(4) dated 9-8-1947, published in the Gazette of India Extraordinary, dated 12-8-1947, pages 750-762).

Amendment to Coal Mines Pithead Bath Rules, 1946,
gazetted: Provision for speedy construction of
Pithead Baths. R

An amendment to the Coal Mines Pithead Bath Rules 1946 (vide page 1 of the report of this Office for July 1946) gazetted by the Government of India this month provides that pithead baths conforming to the prescribed standards shall be constructed within six months from the date the rules came into force, i.e. from 1-7-1947.

(Labour Department Notification ~~LR 1(4)~~ No. IW-7(2)/46 dated 5-8-1947, The Gazette of India, dated 9-8-1947, Part I, section 1, page 1138).

2

British Baluchistan:

R

British Baluchistan Factories Rules, 1947,
gazetted.

In exercise of the powers conferred by the Factories Act, 1934, the Chief Commissioner of British Baluchistan framed and gazetted this month the British Baluchistan Factories Rules, 1947. The Rules inter alia, provide for the regular inspection of non-seasonal and seasonal factories, adequate health, safety and sanitation measures in such factories, the reporting of accidents, the provision of suitable rooms for workers' children under 6 years, etc. They also define the categories of persons deemed to hold positions of supervision and management, etc., and prescribe the conditions under ~~persons~~ which certain classes of factory personnel may be exempted from the provisions of the Act relating to hours of work. The Rules also prescribe the various forms in which particulars of workmen, etc., are required to be submitted under the Act.

à demander →

(Notification No. 695-G/47, dated 28-7-1947,
the Gazette of India, dated 9-8-1947, Part II-A,
pages 357-372).

Madras:

Draft Madras Factories (Canteens) Rules, 1947, published:
Employers obligation to provide canteens.

The Government of Madras published on 12-8-1947 the draft of certain Rules which it proposes to make in exercise of the powers conferred by section 35A(1) of the Factories Act, 1934. Under the Rules the occupier of every factory wherein more than 250 workers are ordinarily employed is required to provide and maintain for the use of all persons employed in the factory and remaining on its premises during the meal intervals, an adequate and suitable canteen. The Rules further provide for separate dining accommodation for men and women workers in factories where women ~~and~~ are employed, and the constitution of canteens managing committees consisting of representatives of workers and employers.

The draft is to be taken into consideration on or after 15-11-1947.

(Rules Supplement to Part I of the Fort St.
George Gazette, dated 12-8-1947, pages 161-162).

Orissa:Orissa Weekly Holidays Rules, 1947, gazetted.

In the exercise of the powers conferred by sub-section (1) of section 10 of the Weekly Holidays Act, 1942, the Government of Orissa has now finally framed and gazetted the Orissa Weekly Holidays Rules, 1947.

The Rules define categories of persons deemed to be employed in a confidential capacity or in a position of management, and provide for the regular inspection of establishments coming under the scope of the Act. They further provide for the display of a notice by the employer specifying the day or days of the week the persons employed by him are granted a holiday, the maintenance of registers, records and notices relating to any calendar year till the end of the next calendar year, and the maintenance of a visitor's book wherein an Inspector may record any breaches of the Act.

(Commerce and Labour Department Notification No. 2960-1111-50/46-Com., dated 28-7-1947, The Orissa Gazette, dated 1-8-1947, Part III, pages 237-238).

Sind:Industrial Disputes (Provincial) Rules, 1947, gazetted.

Reference was made at page 5 of the report of this Office for June, 1947, to the draft of certain rules which the Government of Sind proposed to make in exercise of the powers conferred by section 38 of the Industrial Disputes Act, 1947. The draft has now been approved and the Rules gazetted.

(The Sind Government Gazette, dated 7-8-1947, Part IV-A, pages 646-657).

4

United Provinces :

R

United Provinces Shops and Commercial Establishments Act, 1947: 8-hour day and Annual Paid Holidays for Shop Workers.

The United Provinces Shops and Commercial Establishments Bill referred to at pages 2-3 of the report of this Office for August 1946, after having been passed by the Legislature of the province, received the assent of the Governor-General of India on 12-8-1947, and has now been gazetted as the United Provinces Shops and Commercial Establishments Act, 1947 (U.P. Act No. XXII of 1947). The provisions of the Bill have been liberalised in certain important respects in the Act as at present gazetted; the main changes are summarised below:-

8-hour day for adults and 6-hour day for young persons.- The Act restricts the daily hours of work for adult workers, exclusive of intervals allowed for rest and for meals, to 8 instead of 9 as in the Bill, and steps up the rate of pay for overtime work to twice the normal rate. Similarly the maximum permissible daily hours of work for children and young persons is fixed at 6 instead of 8 and it is also provided that no employee shall be required by the employer to work for more than 5 hours without an interval for rest or for meals of at least half an hour.

15 days' ordinary and 15 days' sick leave with pay per year.- As regards holidays with pay, in addition to granting his employees one weekly holiday, every employer is required to close his shop or commercial establishment on all holidays for Government treasuries which may be notified from time to time in the official Gazette. Again every employee of a shop or a commercial establishment is to be entitled to 15 days ordinary leave with pay if he has been in continuous employment for a period of one year and to ~~sixteen~~ sickness leave with pay up to a maximum of 15 days after continuous employment for a period of six months.

Provisions relating to wage payments.- The maximum permissible wage period has been increased in the Act to one month and the maximum fine which the employer can impose has been reduced from one to half an anna *in the rule.*

The Act has not yet been brought into force, and is to be enforced, in the first instance, in a few specified urban areas.

(Government Gazette of the United Provinces
Part VII-A, dated 30-8-1947, pages 30-34).

5
Burma :

Burma Trade Disputes (Amendment) Act, 1947: to come
into force on 15-8-1947. XR

The Governor of Burma, by a notification dated 14-8-1947, has directed that the Burma Trade Disputes (Amendment) Act, 1947 (vide pages 5-6 of the report of this Office for July 1947) shall be brought into force in Burma with effect from 15-8-1947.

(Industry and Labour Department Notification No.79,
dated 14-8-1947, The Burma Gazette dated 23-8-1947,
Part I, Page 520).

Public Utilities Protection Act, 1947 (Burma Act No. XII
of 1947). K

The Government of Burma promulgated on 31-7-1947 an act for the protection of public utilities entitled the Public Utilities Protection Act, 1947. The Act, which came into force on 1-8-1947, provides that no person shall do any act with intent to impair the efficiency or impede the working of, or to cause damage to — (a) any buildings, vehicle, machinery, apparatus or other property used, or intended to be used, for the purposes of Government; (b) any railway, tramway, road, canal, bridge, culvert, causeway, port, dock-yard, light-house, aerodrome, or telegraph; (c) any rolling-stock of a railway or tramway, any vessel or aircraft; (d) any building or other property used in connection with the production, distribution or supply of any essential commodity, any sewage works, mine or factory. It further prescribes that the above provisions shall apply in relation to any ~~omission~~ omission on the part of a person to do anything which he is under a duty, either to Government or to any public authority or to any person, to do, as they apply to the doing of any act by a person.

Contravention of any of the provisions of the Act is punishable with imprisonment for a term which may extend to seven years or with fine or with both.

(The Burma Gazette Extraordinary, dated
1-8-1947, page 1).

SOCIAL POLICY.

Fundamental Rights in Social and Economic Spheres:
Constituent Assembly discusses Fundamental Principles
of Governance.

The Indian Constituent Assembly considered on 30-8-1947 a supplementary report on Fundamental Rights presented by Sardar Vallabhbhai Patel, Chairman of its Advisory Committee on Fundamental Rights. In addition to reexamining certain disputed clauses which had been referred back by the House during its previous session (vide pages 12 and 15 of the report of this office for June 1947) the supplementary report set forth certain "Fundamental Principles of Governance" which, though not cognizable by any court, were, nevertheless, in the opinion of the Committee, fundamental in the governance of the country. The Committee, therefore, recommended that the application of these principles in the making of laws should be the duty of the State.

The principles recommended in the report include social economic and political justice, the right to work, to equal pay for equal work, to education and to public assistance in case of unemployment, old age, sickness, disablement and other cases of undeserved want, just and humane conditions of work and maternity relief for workers, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities, free and compulsory primary education within a period of ten years and special care for the educational and economic interests of the weaker section of the people, in particular of the Scheduled castes and aboriginal tribes, and their protection from social injustice and all forms of exploitation.

Fundamental Principles of Governance. - The following are the principles:-

1. The State shall strive to promote the welfare of the whole people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of national life. (2) The State shall, in particular, direct its policy towards securing: (i) that the citizens, men and women equally, have the ~~right~~ right to an adequate means of livelihood; (ii) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good; (iii) that the operation of free competition shall be allowed to result in concentration of the ownership and control of essential commodities in a few individuals to the common detriment; (iv) that there shall be equal pay for equal work for both men and women; (v) that the strength and health of workers, men and women, and the tender age of children shall not be abused and that citizens shall not be forced by economic necessity to enter avocations unsuited to their age and strength; (vi) that childhood and youth are protected against moral and material abandonment. (3) The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in case of unemployment, old age, sickness, disablement, and other cases of undeserved want. (4) The State shall make provision for securing just

and humane conditions of work and for maternity relief for workers. (5) The State shall endeavour to secure, by suitable legislation, economic organisation and in other ways, to all workers, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social ^{and} cultural opportunities. (6) The State shall endeavour to secure for the citizens a uniform civil code. (7) Every citizen is entitled to free primary education, and it shall be the duty of the State to provide, within a period of ten years from the commencement of this constitution, free and compulsory primary education for all children until they complete the age of 14 years. (8) The State shall promote with special care the educational and economic interests of the weaker sections of the people, and, in particular, of the Scheduled castes and aboriginal tribes, and shall protect them from social injustice and all forms of exploitation. (9) The State shall regard the raising of the level of nutrition and the ~~improvement of public~~ standard of living of its people and improvement of public health as its primary duties. (10) It shall be the obligation of the State to protect every monument or place or object of artistic or historic interest, declared by the law of the Union to be of national importance, from spoliation, destruction, removal, disposal or export, as the case may be and to preserve and maintain, according to the law of the Union, all such monuments or places or objects. (11) The State shall promote international peace and security by the prescription of open, just and honourable relations between nations, by the firm establishment of the understandings of international law as the actual rule of conduct among Governments and by the maintenance of justice and scrupulous respect for treaty obligations in the dealings of organised people with one another.

(The Hindustan Times, 28 and 31-8-1947).

(N.B. Copies of the Supplementary Report have been asked for from the Government of India and will be forwarded to the Montreal and Geneva Offices as soon as they are received).

West Bengal Government's Labour Policy:
Minister outlines Plans.

At a Press Conference in Calcutta on 26-8-1947, Dr. S.C. Banerjee, Labour Minister in Government of West Bengal, declared that the main objectives of the Government's labour ~~policy~~ policy would be to prevent exploitation of labour by assuring labour a living wage and better living conditions; to settle industrial disputes by means of works committees and conciliation boards; and, when a dispute could not be settled by these means by adjudication by an impartial tribunal, the verdict of which would be binding on employers and employees; to nationalise big industries; and to promote the growth of cottage industries.

Special steps would be taken by the West Bengal Government to promote the development of cottage industries. A definite drive would be made for the development of ~~the~~ handspinning and hand-weaving industries, to make West Bengal self-sufficient in cloth. It was also proposed to develop the salt industry. Referring to nationalisation of industries, the Labour Minister said that one of the first steps in that direction would be to take over the Calcutta Electric Supply Corporation. For that purpose, about 500 million rupees would be required, and the West Bengal

Government was in correspondence with the Government of India. It had been decided to give notice to the company on 31-12-1947 and it would probably take two years to complete the transaction. The Government hoped, gradually to electrify the entire province of West Bengal in order that cottage industries, as well as other large-scale industries, could get cheap power and the poorest man in the village have the use of electricity.

(The Hindu, dated 27-8-1947).

CONDITIONS OF WORK.

9

Wages.

Move to standardize Textile Workers' Wages in India: Central Government's Letter to Provincial Governments.

It is understood that the Government of India has recently initiated a move to standardize wages in the cotton textile industry in India and has addressed a letter on the subject to provincial Governments and States requesting them to initiate preliminary measures. The letter refers to the recent award by the Industrial Court of Bombay, standardizing wages in the cotton textile industry in Bombay City (vide pages 13-14 of the report of this Office for June 1947). The other centres in which standardization of scales of wages has been in operation for some time in the industry are Ahmedabad and Indore. The letter is understood to have emphasised that as nearly half the number of workers in the industry were working on standardized systems, ~~already~~ it would be difficult to resist the claim of workers in other centres for the introduction of similar measures.

It is expected that the subject will be discussed by the Cotton Textile Industrial Committee which is likely to meet in November, 1947. Provincial Governments, however, have been requested to give effect to the measure immediately if a scheme of standardization can be arrived at by agreement between workers and employers in their territories. The Governments have further been asked to make preliminary inquiries and after consultation with representatives of workers and employers work out schedules of rates of wages for various centres.

The standardization scheme in Bombay has been worked out on the basis of a minimum wage of 30 rupees per month, the minimum wage being related to the 1939 cost-of-living index. In addition to the basic wage, workers are entitled to a dearness allowance. There is a considerable amount of opinion in favour of the adoption of 30 rupees as a basic wage throughout the country, but the Government of India feels that the other view which holds that differences still exist in the cost of living of different places, should also be taken into consideration in fixing basic wages and the scales of dearness allowance.

(The Hindustan Times, 14-8-1947).

Ad Hoc Committee to assist in Standardization of Wages of Textile Workers in Bombay.

An Ad Hoc Standardisation Committee, with Mr. Nandulal M. Mehta as chairman, has been appointed by the President of the Industrial Court, Bombay, with a view to facilitating the implementation of the award given by the Industrial Court in the dispute between the Millowners' Association, Bombay, and mill workers on the question of standardization of wages (vide pages 13-14 of the report of this office for June 1947). The appointment of the Committee followed a report ~~submitted~~ to the ~~award~~ Industrial Court

10

by the Millowners' Association that the managements of most of the cotton textile mills in the city were experiencing certain difficulties in giving effect to the scheme of standardization of wages and wage rates fixed by the award. The terms of reference to the Committee are: to investigate and consider all questions which may be referred to the Committee by the Court; to report and advise the Court on all matters connected with clarification and interpretation of doubtful points, if any, in the award; and to suggest ways and means for the smooth execution of the standardization scheme without impairing the production in the mills or efficiency of the employees.

slow-down of production.- In this connection a statement issued by the Director of Publicity, Government of Bombay, in the first week of August 1947, expressed concern at the deliberate slowing down of production by workers in certain departments where wages were paid on piece-work basis, subsequent to the publication of the Industrial Court's award. The statement pointed out that the question of setting up a Standardization Committee, as recommended in the award, was under consideration of Government but in the meanwhile an Ad Hoc Committee had been appointed by the Industrial Court to deal expeditiously with any points relating to the interpretation of the terms of the award that might be raised on behalf of the employers or labour, and assured the workers that if any genuine complaints or hardships were brought to the notice of the Ad Hoc Committee, steps would be taken for their redress with the least possible delay.

(The Times of India, 8-8-1947).

"Independence Bonus" to Industrial Workers and
Bank Employees.

Employees in a number of industrial and commercial concerns in India are to be paid an "Independence Bonus" in commemoration of the achievement of independence by India. The Bombay Millowners' Association decided early in August to pay each of the workers in Bombay's cotton and textile mills one-eighth of his total earnings, exclusive of dearness allowance, in the period 1-1-1947 to 31-8-1947 as an 'Independence Bonus'; and mill employees in Ahmedabad are to receive a month's wages as bonus by virtue of a similar decision by the Ahmedabad Millowners' Association.

It is further understood that the following Tata concerns will grant half a month's wages as "Independence Bonus" to all their employees: Tata Sons and Tata Industries, Tata Iron and Steel Co., Tata Hydro-Electric Group of Companies, Tata Locomotives and Engineering Co., Tata Oil Mills, Tata Chemicals, Air-India and Indian Hotels Company. Among commercial concerns the Central Bank of India, the Bank of India, the Bank of Baroda, the Oriental Government Life Assurance Company, the New India Assurance Company, the Associated Cement Companies and Messrs. Killick Nixon and Company are also giving their employees half a month's salary as bonus.

(The Times of India, 12-8-1947).

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Three and a half Months' Pay as Profit-Sharing
Bonus: Tata Iron and Steel Company's Arrangements.

It is understood that the Tata Iron and Steel Company has decided to pay each of its employees a profit-sharing bonus equivalent to three and a half months' basic pay, out of the profit earned by the Company during the year ended 31-3-1947. It is understood that about 7.6 million rupees will go to Tata employees in Jamshedpur and elsewhere as a result of this payment.

(The Times of India, 15-8-1947).

12

Industrial Disputes.

Adjudication of Disputes in Jute Industry in Bengal:
Industrial Tribunal Appointed.

An industrial tribunal for adjudicating disputes between workers and employers in the jute industry has been appointed by the Government of West Bengal under section 7 and 10 of the Industrial Disputes Act, 1947. The tribunal will consist of a chairman, Mr. S.N. Modak (retired official), and Mr. H.C. Chakravarty and Mr. H.C. Banerji, both of whom are Additional District Judges. The tribunal has been appointed with the object of improving the conditions of the workers in the jute industry, and will study the entire jute industry with a view to ascertain the economic ~~poix~~ position of jute mills in West Bengal and find out what increment in wages and other amenities can be allowed to labour consistent with the capacity of the industry to pay. It will also consider the question of expansion of the industry and what should be the standard of profit.

Enquiry into Cotton Mills to be instituted.- The Government of West Bengal also propose to set up shortly a board of conciliation for investigating disputes in the cotton textile industry. The board ~~were~~ will enquire into the economic conditions of the cotton textile industry of West Bengal and ascertain how to improve the working and living conditions of the workmen.

(Department of Commerce, Labour and Industries
Notification No. 343 Lab dated 15-8-1947,
published in the Calcutta Gazette, dated
28-8-1947, Part I, page 34;
The ~~Times~~ Hindustan Times, 28-8-1947).

Holidays.

Maternity Leave to be counted as Duty For
Calculating Paid Holidays under Factories
Act: Bombay Government's Suggestion.

A note published in the 'People's Raj' (issued by the Directorate of Publicity, Government of Bombay) of dated 9-8-1947, states that in recommending that all workers who had worked for 250 days in a year should be ~~considered~~ considered eligible for holidays with pay under section 48-B of the Factories Act, ~~the Government of Bombay~~ (vide page 19 of the report of this Office for May 1947), the Government of Bombay had not taken into account the maternity ~~leave~~ leave which women workers may have taken during the year. The Government ~~is~~ has now consulted the Millowners' Associations of Bombay and Ahmedabad on this matter, and has been informed by them that in the case of women workers the actual period of maternity leave granted during the year is taken by the Associations to count as duty for the purposes of ascertaining their eligibility for holidays with pay; and that the Associations have informed their members accordingly. The Government has, therefore, suggested to all employers in the Province to adopt this basis for deciding the eligibility of women workers for holidays with pay under the Factories Act.

('People's Raj', dated 9-8-1947).

14

General.

Conditions of Colliery Labour in Assam:
Government of India sets up Fact-Finding
Committee.

The Government of India has appointed a Fact-Finding Committee to report on the extent to which monetary benefits and concessions can be granted to colliery workers in Assam on lines similar to those granted recently to the colliery workers in Bengal and Bihar as a result of the recommendations of the Board of Conciliation (Colliery Disputes) (vide pages 21-24 of the report of this Office for May 1947).

The Committee is expected to report on the present rates of basic wages and the increases that may be allowed on them, lead and lift rates, dearness allowances and other concessions to workers who correspond to the main categories of labour mentioned in the report of the Board of Conciliation. Similar conditions relating to other distinct categories of workers may also be reported on, if considered necessary. The Committee will endeavour to bring out the effects which the proposed increases may have on the real wages now enjoyed by workers in Bengal and Bihar. It will also take evidence from and hold consultations with representatives of workers' and employers' organisations in Assam, and if necessary elsewhere.

(Press Note dated 27-8-1947, issued by the
Labour Department of the Government of India).

Labour Conditions in Engineering Firms and Type Foundries
in Madras: Separate Court of Enquiry appointed.

Reference was made at page 19 of the report of this Office for April 1947, to the appointment of a Court of Enquiry to investigate the conditions of labour in the Motor Transport Services, Motor Transport Workshops, Engineering Firms and Type Foundries in Madras. The Government of Madras has now decided that one Court cannot deal with all the four industries and has therefore constituted a separate Court of Enquiry consisting of Mr. P.C. Sundaram Ayyangar, retired District and Sessions Judge, to enquire into the conditions of labour in the engineering firms and type foundries in the Province. The Court will among other matters enquire into the problems connected with the working conditions of labour such as wages, dearness ~~allow~~ allowances, bonus, leave facilities, etc., in these industries.

(Press Communiqué, dated 13-8-1947, issued by
the Government of Madras).

One Month's Basic Wage as Bonus for Madras Motor Transport Workers: Recommendations by Court of Enquiry.

Reference was made at page 19 of the report of this Office for April 1947, to the appointment of a Court of Enquiry by the Government of Madras to investigate the working conditions of labour in the motor transport services, etc. The Court, in an interim report submitted this month, has recommended that, in addition to the interim relief already awarded by the adjudicator (vide page 28-29 of the report of this Office for May 1947), the workers in motor transport services and motor transport workshops have completed twelve months' service on 30-6-1947 but have not received any bonus during the last twelve months, should be granted one month's basic wage as bonus. Workers who have completed six months' on that date, will receive fifteen days' wages as bonus. The Government has commended the recommendation to the parties and expressed the hope that both parties would abide by it.

(The Hindu, 17-8-1947).

ECONOMIC CONDITIONS.

Economic Conditions in India during 1946-1947:
Reserve Bank of India Review.

The report of the Central Board of Directors of the Reserve Bank of India for the year ended 30-6-1947 declares "but for the hope that a speedy resolution of the constitutional problem might leave Government strong and ready to deal with urgent problems urgently, the economic situation in India remains bleak and more full of problems challenging solutions than was the case ever, even during the anxious years of war", and, sound, the warning that "unless correctives are applied without delay, there is a danger of the very foundations of society and the economic life of the country being undermined by deepening penury and despair". The main developments during the year under review in the various spheres of India's economic life as sketched in the report are summarised below.

General Economic Conditions.- During this second post-war year reconversion to a peace economy continued to be the major economic problem but the pace of transition was rather slow and halting. The pre-occupation of the Government with constitutional changes also gave an air of unreality to some of its measures in the economic sphere, especially planning. The persisting maladjustments in the various sectors of the country's economy continued, and production actually declined in the more important industries, the main factors accounting for this, besides the widespread disorders in the country, being the virtual non-availability of capital goods, the frequent strikes and labour unrest, and the uncertainty of Government's policy in regard to various important controls. Acute shortages of essential consumer goods continued, resulting in rising prices and costs of living, and the prevention of a further inflationary rise in prices presented itself as the primary problem. Government continued to withdraw excess purchasing power in the hands of the community by continuing to encourage the small savings movement; and the ~~far~~ reduction in Defence requirements enabled it to release for civilian production and consumption larger supplies of essential raw materials and consumer goods. Import control was relaxed for a time with a view to augmenting the flow of goods from foreign countries and with the expiry of the Defence of India Act on 30-9-1946, a majority of the war-time controls including the Hoarding and Profiteering (Prevention) Ordinance of 1943, and the Consumer Goods (Control and Distribution) Order of 1944 were allowed to lapse. In February 1947, the Commodities Prices Board was set up to keep under review movements of commodity prices and advise Government in regard to price levels for controlled commodities, and also on the question whether other commodities also should be brought under control.

Besides the rising price level, the food situation continued to cause grave anxiety; the failure of some of the principal food crops rendered the country's overall position precarious and the threatened crisis was only tided over, partly by drastic reduction in ration scales, and partly through ~~the~~ imports towards the cost of which subsidies amounting to nearly 200 million rupees had been granted by Government in the revised budget for 1946-47. In order to cover the annual estimated deficit in food grains of 4 to 5 Million tons, it was decided to continue the "Grow More Food Campaign"

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for another five years by the end of which self-sufficiency in the matter of food on the basis of the existing levels of population and rations is expected to be achieved.

In the sphere of post-war economic development plans, the action taken by Government during the year included the acquisition of the Hindustan Aircraft Factory at Bangalore as a nucleus for building up an aircraft industry for India, the construction of an ammonium sulphate factory at Sindri in Bihar estimated to produce annually about 350,000 tons of this valuable fertilizer and the initiation of a special housing scheme for coal miners, the Centre paying a subsidy of 20 per cent of the cost of the houses, subject to a maximum of 400 million rupees per house. In November 1946, a bill for the establishment of an Industrial Finance Corporation was introduced, as outlined by the Finance Member in his budget speech for 1946-47 (vide page 24 of the report of this Office for November 1946). The Planning Advisory Board appointed by Government in October 1946, submitted its report in February 1947, which recommended, among other things, the establishment of a whole-time non-political Planning Commission assisted by a Scientific Consultative Committee, a Permanent Tariff Board, a Central Statistical Office and a Consultative Body representing Provinces and States, agriculture, industry etc. (vide pages 81-84 of the report of this Office for February, 1947).

Commodity Prices.— The Economic Adviser's general index number of wholesale prices (base-week ended 19th August, 1939=100) rose from 270.1 in July 1946 to 289.9 in May 1947, the pace of the rise being generally quicker after September 1946, following the relaxation of most of the controls. The maximum rise was recorded under the group 'Chief Articles of Export', and the minimum under 'Manufactured Articles', unlike during the early and peak periods of the war when the latter took the lead in the inflationary trend. The 'Food Index' (base-week ended 26th August, 1939=100) showed a sharp rise (from 248.2 in July 1946 to ~~225.8~~ 265.8 in April 1947), in spite of a heavy subsidy from Government in respect of imported foodgrains, while the index number of 'Industrial Raw Materials' showed a rise from 296.1 in July 1946 to 352.6 in May 1947. The steep rise in prices in the United States, the general prevalence of a sellers' market abroad, and the relaxation of export regulations were among the main factors which contributed to the rise in the prices of food and industrial raw materials.

Foreign Trade: Fall in favourable balance of trade.— The movements in the foreign seaborne trade of India during the year were primarily influenced by changes in Government's import and export control policy. During the early part of the year, Government relaxed the rigour of import controls as well as exchange regulations in order to bring about a freer flow of goods into the country. The full effects of this ~~relaxation~~ relaxation were not felt, however, till the first quarter of 1947, when imports mostly of non-essential goods began to arrive in very large quantities. The imperative need for conserving the limited exchange resources of the country to secure the supply of urgently required capital goods in the face of the continued drain caused by the large purchases of food from abroad demanded reconsideration of the Government's import policy and revision of its regulations during the second half of the year. Beginning from March 1947, therefore, the control over imports was again progressively tightened. Export controls in respect of essential raw materials were administered with the object of providing for the expanding ~~requirements~~ requirements of domestic industries, meeting the essential minimum requirements of countries dependent on India for their supplies, and developing new or maintaining old export markets. The incentives offered for the expansion of food crops in the country operated restrictively on the production of some of the ~~export commodities~~ export commodities, especially cash crops

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for exports, and necessitated the relaxation of export controls only gradually and in respect of such articles which were actually in excess of domestic needs. The requisite peace-time powers to regulate the foreign trade of the country for a period of three years were assumed by Government with effect from 25-3-1947 under the Imports and Exports Control Act, 1947. During the year, commercial and financial relations were resumed with the following ex-enemy countries: Siam, Indo-China, Hungary, Austria and Poland.

The total value of the foreign sea-borne trade of India (private merchandise) for the nine months ended March 1947 amounted to 4808 million rupees as against 3918 million rupees for the corresponding period ended March 1946, recording an expansion of 890 million rupees. The value of imports went up by 35 per cent from 1782 million rupees to 2399 million rupees as a result of the liberal import policy pursued by Government during the early part of the year. Exports recorded a moderate improvement from 2136 million rupees to 2408 million rupees or an increase of 13 per cent. The balance of trade was very slightly favourable by 9 million rupees as against the surplus of 354 million rupees during the corresponding period in the previous year. The figures available for the six months ended December 1946 also showed a marked change in the composition of the the import trade. While imports of 'Manufactured articles' and 'Food, Drink and Tobacco' increased sharply from 455 million rupees to 119 million rupees respectively to 855 million rupees and 232 million rupees, imports of 'Raw Materials' declined from 596 million rupees to 406 million rupees. Under exports, the value of 'Food, Drink and Tobacco' and 'Raw Materials' remained almost unchanged, while that of 'Manufactured Articles' improved from 529 million rupees to 673 million rupees.

Exchange Control: Rupee de-linked from Sterling.— There were no changes during the year in the principles on which exchange control was operated. The sterling area system, according to which payments to persons resident in other sterling area countries were allowed freely, continued; and transactions with persons in other countries were subject to restrictions. The signing of the Anglo-U.S. Loan Agreement in July 1946 and the establishment of the International Monetary Fund were among the year's developments having a significant bearing on the working of the present exchange control system in India. The Foreign Exchange Regulation Act, which came into force on 25-3-1947, conferred wide powers on the Central Government and the Reserve Bank in respect of transactions in foreign exchange and securities, import and export of bullion and currency notes. The new Act which supersedes the Defence of India Rules confers powers to restrict the freedom of transfer between India and other countries even in the sterling area, if necessary (vide page 65 of the report of this Office for March 1947), though, through notifications issued by the Bank on the day the Act came into operation, retention of the general permission for payments within the sterling area had been announced.

Consequent on India's membership of the Fund and the fixing of the par value of the rupee, sterling has ceased to be the sole determinant of the external value of the rupee. The Reserve Bank of India (Second Amendment) Act, 1947 passed by the Central Assembly in April 1947, repealed sections 40 and 41 of the Reserve Bank of India Act which obliged the Bank to buy and sell sterling without limit at specified rates and replaced them by a section which requires the Bank to buy and sell foreign exchange at such rates and such terms as the Central Government may determine from time to time in conformity with its obligations as a member of the Fund, (vide page 24 of the report of this Office for April 1947).

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Repatriation of Sterling Debt.- The transactions in respect of the repatriation of sterling stocks during the year related, as during the previous year, to the repayment of the repatriated stocks not surrendered earlier. The total amount thus repatriated during the year amounted to ~~Rs.~~ ^{Rs.} 3,337,602 against which rupee counterparts aggregating ~~Rs.~~ ^{Rs.} 422,714 million were created.

Industrial Share Market.- The Economic Adviser's general index number of prices of variable yield securities (1927-28=100) for the ten months ended May 1947, averaged higher at 261.2 as compared with 253.4 for the eleven months of the corresponding period of the previous year. But prices at the close of the year were much lower than those at the end of last year, the general index for May 1947, being 215.2 as compared with 280.9 for June 1946, representing a decline of a little over 23 per cent. The range of decline in the case of individual groups varied from 3.9 per cent in the case of tea shares to 34.3 per cent in the case of iron and steel shares. Expectations regarding further cheapening of money, prospects of higher dividends during the year and accumulation of surplus investible funds in the hands of the public contributed greatly towards the development of boom in the market during the earlier part of the year. The boom reached its peak in August 1946 when the Economic Adviser's general index of the prices of variable yield securities soared to 314.9 from 280.9 in June. From the middle of August, however, a decline set in following the outbreak of communal disturbances in several parts of the country. The decline was accentuated by other factors such as the widespread strike wave and the expectation that the Interim Government would pursue anti-inflationary and anti-profiteering policies. With the announcement of the new taxation proposals in the budget for 1947-48, share prices suffered a further heavy decline and the markets had to be closed for sometime to prevent a likely debacle. By June 1947, however, it appeared as if the market had turned and prices recorded an upward trend.

Agricultural Credit Department.- During the year, this Department continued to study the problems connected with the co-operative movement, land mortgage banks, debt legislation, regulation of money-lending, warehouse legislation etc., with particular reference to the post-war period. The services of the Department were, as in the previous years, utilised by co-operative banks, Registrars of Co-operative Societies and Governments. To encourage co-operative banks to make greater use of the rediscounting facilities offered by the Bank the special rebate in the rate of interest given to Provincial Cooperative Banks was increased from 1 per cent to 1½ per cent in case of accommodation against bills or promissory notes drawn for financing seasonal agricultural operations or marketing of crops.

Department of Banking Operations.- The Department of Banking Operations continued to deal with all problems relating to scheduled and non-scheduled banks and to keep a close watch over their affairs. Among the more important activities of the Department may be mentioned the inspection of banks on behalf of the Central Government, the examination of their applications in terms of the Banking Companies (Restriction of Branches) Act, 1946 (vide pages 22-23 of the report of this Office for November 1946), the examination of applications for issue of capital forwarded by Government for the Reserve Bank's opinion and in general the tendering of advice on banking and financial matters to banks and Governments. The report states that since the commencement of the Banking Companies (Restriction of Branches) Act, 1946, the Reserve Bank of India has disposed of 157 applications of which 67 were for opening 146 branches and 70 for changing the location of 84 existing branches. Licences have been granted to open 85 branches out of the 143 branches applied for and for changing the location of 79 branches out of the 84 branches in respect of which permission was sought. During the year, 19 banks were inspected under the provisions

of the Banking Companies (Inspection) Ordinance, 1946 and action in terms of the Ordinance was taken against two banks: one was prohibited from accepting fresh deposits at any of its offices, branches and agencies with effect from 13-1-1947 while the other was refused admission to the second schedule.

Control of Capital Issues.— The control of capital issues originally promulgated in May, 1945, under the Defence of India Rules was continued during the year, first by the issue of fresh ordinances and subsequently by the enactment of the Capital Issues (Continuance of Control) Act, 1947, which became effective from 19-4-1947, and is to remain in force for a period of three years. Originally intended as an anti-inflationary measure, the control is now sought to be exercised with a view to securing a balanced investment of the country's resources in industry, agriculture and the social services. During the eleven months ending with May 1947, sanction was given to 612 companies for an issue of 3551.5 million rupees, the total number of companies permitted to issue capital and the amount sanctioned since the inception of the control in May 1945 being 5,046 and 6812.6 million rupees respectively. Of this total the following table gives the group-wise distribution of consents.

Classification.	(In millions of rupees)	
	No. of companies	Amount allowed.
Industrial.....	2,528	4081.2
Agricultural.....	353	263.3
Financial	723	1072.2
Trade and Transport.....	1,090	1118.8
Other Services.....	352	276.9
Total Non-Industrial.....	2,518	2751.4
Grand Total (Industrial and Non-Industrial)...	5,046	6812.6

Department of Research and Statistics.— The Department commenced publication from January 1947 of a monthly economic and financial journal entitled "The Reserve Bank of India Bulletin". Among the subjects studied during the year by the Division of Monetary Research were (i) Regulation of the Stock Exchanges in India, (ii) New Capital Issues in India, (iii) Cheap Money Policy, (iv) Exchange Revaluation by Canada and Sweden, (v) Exchange Stabilisation Funds, (vi) Exchange value of the Rupee, (vii) Anti-Inflationary Measures in European Countries, (viii) Nationalisation of the Reserve Bank of India, and (ix) Full Employment. The results of these have already been published in the Bank's monthly bulletin. In order to comply with the request of the International Monetary Fund for information relating to India's balance of payments and international investment position etc., also to perfect the ~~own~~ knowledge of the country's balance of payments position, a beginning has been made in the Division of Monetary Research to organise the collection, analysis and study of the data relating to the country's balance of Trade, the invisible items in its international Accounts, etc.

The Division of Statistics, in addition to its regular work attempted, during the year, an enquiry into the family budgets of the Bank employees. But as the returns were called for on a voluntary basis the response was very poor and even among the returns received many proved to be fictitious.

The Division of Rural Economics is now engaged, among other things, in the preliminary work of sampling preparatory to embarking upon a survey of rural indebtedness in the Bombay Province on the basis of the information contained in the documents presented to the Debt Adjustment Boards or to the Civil Courts which, by a recent enactment, have been directed to ~~take over~~ take over the work of scaling down agricultural debt ~~originally~~ originally entrusted to these Boards. The Division has also under active contemplation the question of associating with the Gokhale Institute of Politics and Economics in the socio-economic survey of the Bombay-Deccan, which the Institute has undertaken, and also of conducting on its own (i) a survey of agricultural costs in a selected village and (ii) a comprehensive and thorough rural credit survey of a suitable taluka in the Bombay Province.

Fall in Sterling Assets.- The sterling assets of the Reserve Bank registered a decline by 1282.5 million rupees during the accounting year against a net increase of 2719.5 million rupees in the previous twelve months. This reversal of the rising trend which was in evidence for some years was partly brought about by the disappearance of factors such as Government's war expenditure and purchases of stores ~~XX~~ on account of Allied Governments, and partly by larger imports particularly of food grains and fertilisers, stores and equipment on Government account. It also presumably reflects, as stated by the Finance Member in ~~his budget~~ his budget speech for 1947-48, some repatriation of British Government securities renewed from time to time. Pointing out that the sterling balances constitute about the entire foreign exchange reserve of India accumulated at the cost of great hardship and sacrifice in order to assist the United Kingdom and her allies during the war, the report declares that India looks forward to an early settlement of these balances on which she depends for the purchase of capital equipment required for her development schemes and for meeting any deficit in her balance of payments.

Bleak Economic Prospect.- Turning to the future the report utters the warning that but for the hope that a speedy resolution of the constitutional problem might leave Government of India strong and ready to deal with urgent problems urgently, the economic situation in India remains bleak and more full of problems challenging solutions than was the case ever, even during the anxious years of war. The developments relating to problems of world trade make one "less optimistic" now than when discussions were first mooted on the basis of the draft Trade Charter. Internally in most countries, the post-war years did not bring about the much dreaded price recession and inflationary conditions have come to prevail, prices in many countries uptrending in the wake of short supplies of many goods relative to demand. The post-war labour problems and rising costs have also prevented the supply side from responding to the needs of demand. These various difficulties, common in different degrees to most countries, have been present in an even more acute form in India, have led to an utter disorganisation in the country's economy and raised many challenging problems of wage stabilisation, food supplies, price controls, control over exports, imports and speculation, all of which vie with each other in demanding urgent solutions which still remain to be found.

Listing the urgent problems that have to be tackled immediately by the Government of India and Pakistan, the report emphasised the need to stamp out the all-prevailing corruption that is destroying the vitals of public life generally and the administrative machine in particular. Unless its corrosive influence is countered rapidly and relentlessly, controls will deteriorate progressively into handicapping the poor and law abiding members of the community, and all talk of a planned development will have to be abandoned. Another problem, equally clamant, is that of increasing agricultural and industrial production, particularly that of food, in order to arrest the progress of inflation characterised by wages and prices chasing each other. If the cost of living is not reduced to a reasonable

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figure and if further deterioration in the economic ~~condition~~ ^{condition} of the middle class and the ~~other poorer~~ other poorer sections of society with fixed incomes is not stopped, any kind of planned industrialisation will prove impossible of achievement.

(The Gazette of India Extraordinary, dated 2-8-1947, pages 666-675).

Protection for Textile Machinery Manufacture in India:
Tariff Board recommends Postponement of Enquiry .

The India Tariff Board which has recently completed examination of the claim for protection submitted by the cotton textile machinery manufacturing industry in India, in an Interim Report published early in August, has dismissed the industry's claim for protection as premature and suggested that the inquiry should be postponed till early next year.

Bright Prospects.- According to the report the industry enjoyed natural advantages, since practically all the raw materials required were available in the country and there was a vast home market for the machinery. Moreover, the industry had importance from the point of view of national interest. But the volume of production was still almost negligible, and therefore no reasonable estimate of domestic costs of production could be arrived at for the purpose of comparison with prices of imported articles. In the absence of such data the Board was unable to come to any conclusion as to whether a case had been made out for protection. The Tariff Board, the report emphasised, could not entertain a request which in ~~effect was a claim for a subsidy for developmental purposes rather than for the purpose of meeting foreign competition.~~ ^{effect was a claim for a subsidy for developmental purposes rather than for the purpose of meeting foreign competition.} In the circumstances the Board came to the conclusion that the inquiry should be postponed and taken up again early in 1948. Meanwhile, it was expected that manufacturers would produce a reasonable output and maintain their accounts ~~in~~ ⁱⁿ such a manner as to enable the cost of production to be examined more accurately.

Industry's Background.- In this connection, the report recapitulates that ~~the first company to produce textile machinery in India was registered in 1939. It had hardly commenced work when it was requisitioned for war purposes in 1942. The factory was handed back by the Government in December 1945, and production of textile machinery was undertaken soon afterwards. The factory is reported to be well equipped and, besides producing ring frames, spinning rings and spindles, it proposes to manufacture other textile machinery, including bleaching and dyeing machines. Two other concerns were begun during the war for the manufacture of cotton textile machinery. Recently plans ~~it~~ had also been completed for a fourth factory.~~ ^{the first company to produce textile machinery in India was registered in 1939. It had hardly commenced work when it was requisitioned for war purposes in 1942. The factory was handed back by the Government in December 1945, and production of textile machinery was undertaken soon afterwards. The factory is reported to be well equipped and, besides producing ring frames, spinning rings and spindles, it proposes to manufacture other textile machinery, including bleaching and dyeing machines. Two other concerns were begun during the war for the manufacture of cotton textile machinery. Recently plans ~~it~~ had also been completed for a fourth factory.}

In accordance with the above recommendation the Government of India has authorised the Tariff Board to hold a fresh inquiry in 1948 after the cotton textile machinery industry in India has attained a sufficient volume of production which would enable the Board to estimate costs of production.

(The Gazette of India Extraordinary dated 9-8-1947, pages 709-710; The Statesman, dated 10-8-1947).

State Assistance for Indian Woollen Industry:
Recommendations of Panel on Woollen Industry.

Forms of State Assistance.- The Woollen mills of India, whether old or new, will require all the help and protection that the Government can give them according to the Panel appointed by the Government of India in March 1947 to report on measures for the development of India's woollen industry. The old mills, which worked continually throughout the period of war now find difficulty in obtaining spare machine parts, and the new licenses have to start their mills with machinery bought at ~~xxx~~ high prices. The Panel has, therefore, recommended the continuance of the existing revenue duty on imported woollen goods. It has also urged the ~~xxx~~ exemption of woollen machinery from import duty or reduction in its present incidence, continuance of the exemption of raw wools and tops from import duty and withdrawal of the duty on artificial fibres, which from a vital need to Indian woollen industry. The industry should also be helped to obtain at reasonable prices stores which it needs from the Directorate-General of Disposals.

Desirable Lines of Advance.- The panel has estimated the total annual requirement in India during the first five post-war years at 30.5 million lbs. or 60 per cent above the pre-war annual figures. The present capacity of the Indian woollen mills estimated at 82,000 woollen and 103,000 worsted spindles (including those already registered) should suffice according to the panel to produce the estimated requirement and any addition to the spindleage may result in over-production. In the opinion of the Panel the industry would be well advised to concentrate on the following types of goods: (1) cheap blankets and rugs of the continental type using blends containing processed wools, (2) tweeds and allied fabrics of the cheaper varieties, (3) lighter weight worsteds, and (4) mixture cloth and tropicals. Pointing out the necessity for manufacturing spare parts of woollen machinery in India, the Panel has suggested that the consideration of this question should be taken up along with ~~in~~ a similar proposition relating to India's cotton textile industry. There are already over 40,000 workers employed in the making of carpets in India, and according to the Panel, India is very fortunately placed with regard to the production of machine-made carpets of the cheaper varieties. The Panel has accordingly recommended that special facilities should be given to firms to import machinery from abroad, especially, specialised machinery from Germany and U.S.A., and that trade deputations should be sent to these countries and to Australia both for determining the availability of wools and artificial fibres and for fixing up the prices and the delivery periods for the machinery needed in India.

Cottage Woollen Industry to be preserved.- The Panel has also advocated the preservation of the woollen industry which at the outbreak of the last war consisted of 100,000 handlooms. It has insisted that the organisational aspect of the industry should receive vigorous attention and recommended the establishment of a demonstration centre at Delhi for producing high quality woollen textiles. Suggestions have also been made for improving the production of indigenous raw wool and for encouraging the greater use of such wools wherever suitable, for spinning worsted yarns.

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Finally, the Panel has put forward proposals for establishing a Woollen Textile Research Institute in India and for arranging facilities to train Indian Woollen technicians both in India and abroad. It has recommended in particular the creation of Woollen Development Section within the Industries Department.

(The Hindu, dated 7-8-1947).

Indian Businessmen to visit Japan: Efforts to restore Trade.

As a part of the Allied scheme to open up private trade with Japan, the Government of India has invited each of 39 selected firms to send representatives to that country as soon as possible after 15-8-1947. The total number of businessmen who will visit Japan in this connection is expected to be about 400—drawn from upward of 10 countries. Indian firms which have received invitations are interested in the following industries: textile and other machinery, chemicals, hardware, mill accessories, porcelain and glassware, cotton and woollen piecegoods, electrical goods, paper and printing machinery and the export of cotton.

(Indian News Chronicle, 1-8-1947).

Consolidation of India's Silk Industry: Silk Panel's Recommendations.

The panel on the development of the silk industry appointed by the Government of India (vide page 64 of the report of this Office for March 1945) has recommended a five-year programme of stabilisation for the silk industry in India, preliminary to a phase of expansion during the next two quinquennia. Consolidation rather than expansion, the report emphasises, is the immediate need of the silk industry in India. Pointing out that if this industry, developed by state assistance as part of war effort, is now left unsupported, it may collapse thus impairing India's war strength, the panel has recommended that the Japanese silk entering India by way of reparations should not be allowed to undersell Indian silk. Among the other measures recommended by the panel for the consolidation and improvement of India's silk industry are the improvement of mulberry cultivation and the adoption of a five-year sericulture programme, on the lines of the programme already adopted by the Madras Government, in all the silk producing regions. Finally the panel has emphasized the need for effective State control, to ensure an adequate supply of disease-free seed.

(The Hindustan Times, 1-8-1947).

Possibilities of Trade with Russia to be explored:
Government of India's Move.

The Government of India is understood to have deputed Mr. R.N. Nanavati to proceed to the Soviet Union to explore the possibility of procuring from that country the chemical fertilisers which India badly needs today, as also to investigate the general prospects for trade with the Soviet Union. Mr. Nanavati has trade connections with the Soviet Union and only two months ago imported into India 6,000 tons of sulphate of ammonia from the U.S.S.R.

In an interview given to the press early in ~~August~~^{August} on the eve of his departure for Moscow, Mr. Nanavati declared that it was estimated that India badly needed fertilisers to the extent of 350,000 tons against which she had a local production of only 40,000 tons; while out of the allocations made by the International Emergency Council, she was not likely to receive more than 60,000 tons. But today the situation was still more serious as there had been a further cut in this allocation due to the fuel crisis in Britain and prevalence of strikes everywhere. Thus every ton of chemical fertilizers imported meant several tons more of food grains produced in India.

(The Hindustan Times, 3-8-1947).

Advisory Board to help in Utilization of Forest Produce
in U.P.

It is understood that the Government of the United Provinces has decided to constitute a 20-member Advisory Board on Forest Utilization with the Forest Minister as Chairman to explore the possibilities of industrial ~~and~~ utilization of forest produce and to solve other forest problems. The Board will hold two meetings in a year, one at Lucknow during winter and the other at Naini Tal during summer. If the volume of work so demands the Chairman ~~may~~ may call an additional meeting of the Board.

(The Hindustan Times, 5-8-1947).

Work of India Supply Mission in U.S.A.

It is understood that the expanded activity and change of function brought about by India's post-war needs have led to the re-organization of the six-year-old India Supply Mission in Washington, which continues its activities throughout North America. The functions of the Mission, stated in general terms, include procurement and supply investigation, aid to Indian industrialists, serving as an industrial public relations office and obtaining facilities for higher technical training of Indian technicians and engineers in North America.

Procurement Work.- The procurement and investigation programme of the Mission covers as many as forty important categories of goods, though at the moment its main concern is stated to be the allocation, supply and shipping of food and allied items. Up to ~~Feb~~ 28-2-1947, the Mission had procured for India 885,000 tons of foodgrains (wheat, milo and corn) worth nearly 66 million dollars. In addition, demands for construction and transportation machinery, agricultural machinery, power plant and other industrial plant and machinery are on the increase. There are important demands on hand for irrigation projects for Punjab, Madras, Sind, Bengal, Nepal, U.P., Orissa, the Central Waterways, Irrigation and Navigation Commission and the Central Ground Water Section. Excavating machinery for Sind alone has amounted to approximately 3,000,000 dollars. Orders have been placed for 16 Pacific type streamlined locomotives for the Railway Board valued at approximately 1,600,000 dollars and the Mission is now arranging procurement of 183 locos and other railway equipment worth 15 to 20 million dollars. The Mission has also received urgent demands for a large quantity of generating and pumping equipment for the Electrical Commissioner worth approximately 2,000,000 dollars.

There are many other items for which the United States is practically the only source of supply. As the irrigation and power projects, agricultural projects, road building and other construction projects become more active in India, demands for plant and machinery and for technical assistance are expected to increase. Another phase of the Mission's procurement and supply activities covers war surplus material both in USA and Canada, the latter mainly for industrial plant and machinery.

Watching Brief for Contracts.- The Mission has also a good deal of work to do in connection with contracts placed in North America directly by other agencies. For example, the India Technical Mission, London, has placed an order for the design of a 350,000 ton fertilizer plant with the Chemical Construction Corporation, New York. The Mission has a watching brief for the performance of this contract as well as the responsibility for ironing out problems connected with it.

The Mission has already made arrangements for 27 technicians to receive training in North America.

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Interim Agreement on Sterling Balances:
£ 65 Million to be released by 31-12-1947.

Mr. R.K. Shanmukham Chetty, Minister for Finance in the Government of India, outlined at a Press Conference in Delhi on 22-8-1947, the main features of an interim agreement signed in London on 14-8-1947 between the Government of the United Kingdom and the Government of India on the question of India's sterling balances. The agreement which covers the period from 15-7-1947 to 31-12-1947 was negotiated by a delegation from India which included Mr. Narhari Rao of the Finance Department of the Government of India and Mr. Cayley of the Reserve Bank of India.

£ 65 Million of Sterling Balances to be released immediately.- Under the terms of the agreement (i) the sterling balances of the Reserve Bank of India are to be kept in the Bank of England in two separate accounts. The No.1 account which is the main operative account will contain the multi-laterally convertible currency. To this account will be credited the amounts released from the accumulated balances and all future current earnings. The No.2 account will contain the remainder of the accumulated balances. All future current expenditure will be debited to account No.1. (ii) A sum of £ 35 million will be transferred to the credit of account No.1. This amount is intended to meet the estimated deficit in India's balance of payments on current account from 15-7-1947 to the end of December 1947. (iii) In addition to this straight release of £ 35 million, a further amount of £ 30 million will be placed to the credit of account No.1 for use as a working balance to be used to meet any temporary deficit in India's available means of payments abroad. Although this amount is in the nature of a reserve which is expected ordinarily to be replenished, it is clearly understood that it will be drawn upon to meet any deficit. For the purposes of this agreement the sterling assets of the Reserve Bank of India have been taken to be £ 1,160 million.

Release of Blocked Sterling.- As regards the blocked sterling in Account No.2, the agreement provides that withdrawals from this fund may be made for the following purposes: (a) payments in respect of pensions, provident funds and gratuities estimated at about £ 2½ million during this period; (b) certain payments in connection with the release of enemy assets estimated to amount to over a million pounds; (c) payments on account of the purchase of HMG's surplus stores and adjustments in connection with transactions arising out of the war; (d) the repatriation of British assets without limit; (e) the transfer of savings of British nationals in the sterling area; (f) repayments of sterling debts of the Government of India, local bodies and companies; and (g) other capital transfers, to which the two Governments may agree.

The Finance Minister declared at the Press Conference that the restrictions on the convertibility of sterling announced by the U.K. Government on 21-8-1947 did not in any way affect the convertibility of the released to India under the terms of the above agreement.

(The Statesman, 23-8-1947).

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Difficulties of Indian Steel Industry:
Mr. Tata's Plea for firm action in
dealing with unlawful strikes.

Mr. H.R.D. Tata, Chairman of the Tata Iron and Steel Company Limited, devoted a considerable portion of his address to the annual general meeting of the Company held at Bombay on 26-8-1947, to a general review of the economic situation in India, and uttered the warning that if India was not to be overwhelmed in the near future by a crisis of the first magnitude, which would not only cause untold miseries to its people but also set back for many years its capacity to undertake the large schemes of economic development on which depended its future prosperity, it was imperative that Government, both at the Centre and in the Provinces, took firm and immediate steps to arrest the present disastrous trends and re-establish the country's agricultural and industrial productivity.

Deterioration in Economic Situation: Plea for control of wage increase.— In the economic sphere, the outlook for India was serious. The first and the most crying need of the country to-day was for production and more production, and yet on every hand one witnessed the spectacle of falling production, and rising costs. As compared with the highest war-time figure of 56 million tons of the principal foodgrains, India had to-day a deficit of about 5 to 6 million tons. The production of industrial goods as a whole also showed a steep decline in the post-war period. Despatches of coal, which averaged 2.1 million tons per month in 1945, fell to 1.9 million tons in 1946 and were round about the same figure today. Electrical energy sold for industrial purposes had fallen from 194 to 177 million units. Finished ~~the best~~ steel had fallen from 1,201,000 tons for the best war year to 892,000 tons in 1946; cloth from 4,850 million yards to 4,020 million yards; and sugar from 1,242,000 to 945,000 tons. The general price level, on the other hand, had gone up from 242 in September 1945 to 291 in June 1947 and the cost of living index in Bombay for the same period had risen from 231 to 267.

One of the main reasons for the increase in costs, Mr. Tata alleged, was the very large increases in wages and salaries which had recently been sanctioned all over the country, coupled with dwindling production. Including the Central Pay Commission's recommendations the additional cost to Government might be put down at 600 million rupees per annum. In the coal mines, the average earnings had gone up by 57 per cent and in the sugar industry by 60 per cent. Including Government, industrial and commercial establishments, Mr. Tata estimated the total increase in the wage bill at 1000 million rupees per annum in urban areas alone. Some of the increases were, of course, justified and necessary, but if the process of inflation was to be checked, it was only right that wages should be controlled as well as prices and production increased.

Unlawful Strikes: Firm action needed.— Wealth had first to be produced before it was distributed, and Mr. Tata complained that the present attitude of labour was such as to reduce the production of wealth in India and thereby to reduce the pool out of which to claim their share. The total number of man-days lost in India as a result of industrial disputes had risen from 2,542,000 in 1945 to 12,285,000 in 1946, and was likely to be even larger for 1947. "What seemed to be required, Mr. Tata stated was sympathetic

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stated was sympathetic yet firm action by Government in dealing with unlawful strikes in particular. But a feeling was already growing among employers to-day that the scales were weighted against them. In support of this contention Mr. Tata cited the recent award by the Conciliation Board in colliery disputes (vide pages ~~21-24~~ 21-24 of the report of this Office for May 1947) granting a fixed 4 months' bonus to colliery labour, apparently without reference to profits and on the ~~same~~ ground that the Tata Iron and Steel Company had given 4 months' profit-sharing bonus to its labour in one particular year.

Decline in Steel output: Labour's slow-down tactics.—Turning in particular to the working of the Tata Iron and Steel Company, Mr. Tata stated that the Company's output of finished steel had declined from ~~753,000 tons in 1946-47, the peak of 859,000 tons in 1941-42~~ 753,000 tons in 1946-47, the peak of 859,000 tons in 1941-42 to 753,000 tons in 1946-47. The production for 1947-48 was likely to be still lower. For the first four months of this year, the production had been 224,700 tons, which came to an average of 56,200 tons a month. Although some transport difficulties still prevailed coal which was the main factor retarding production, was now available in adequate quantities. What was holding up production, Mr. Tata complained, was the attitude of labour. Ever since April, production had slowed down and discipline had slackened despite the fact that the Tata Iron and Steel Company had been the pioneer in associating labour with its profits and had introduced a profit-sharing scheme as early as 1937 and had only recently further liberalised the scheme by granting to labour a definite percentage of the profits after deducting depreciation, taxes, preference dividends and 5 per cent on equity shares, without reference to the actual dividends declared to shareholders (vide pages 30-31 of the report of this Office for October, 1946).

During the year, the Company's costs had shown a marked increase. Its labour costs had gone up 100 per cent compared to 1938-39 while coal costs had gone up 146 per cent over the same period. The costs of stores, raw materials, etc., had also increased, with the result that the total cost per ton of steel had gone up very substantially. The Company had, therefore, been compelled to apply to Government for an increase in its prices during the year beginning the first April 1947, which would still have left a part of its increased costs uncovered. The application which was referred to the Commodities Prices Board had just been examined by them and awaited the decision of Government. If with the very large increase in the costs and substantial reduction in production, a price increase were not granted, Mr. Tata pointed out, the result would be a serious reduction in profits which would correspondingly reduce the ~~dividends~~ dividends and make it impossible for labour to earn profit-sharing bonus on a scale which would satisfy them. It would also greatly reduce the Company's capacity to provide the various amenities in the shape of housing, education, medical relief etc., which it had been providing at heavy cost every year. In this connection Mr. Tata added that the burden of providing housing for all the employees at Jamshedpur was becoming too heavy for the Company to bear alone. The Government of India ~~was~~ had long had under consideration a scheme for subsidising industrial housing, but nothing tangible had yet come of it. If the whole of the burden of providing housing for all its employees were thrown on industry alone and not shared as it should be in all fairness by Government and local bodies, Mr. Tata felt that it would constitute such a heavy charge as would seriously retard the industrial development of the country.

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Crippling effects of heavy taxation.- In conclusion Mr. Tata referred to the damaging effects of the heavy taxation imposed in the last Budget of the Government of India on industrial expansion and business activities in general. The Tata Locomotive and Engineering Co. Ltd., in which the Steel Company was interested required sum of 5 million rupees for its locomotive project but had not been able to go to the market as yet owing to the ~~xxxx~~ loss of confidence ^{among} the investing public caused by the Budget. The Company had also been compelled either to abandon or postpone many of its schemes of expansion and replacement including one for the manufacture of steel tubes for which it had entered into an agreement with Messrs Stewarts and Lloyds as early as 1939, and another for the manufacture of tool and alloy steels.

(The Hindu, dated 4-9-1947).

Board of Trade for Hyderabad: Legislative
Assembly's recommendation.

The Hyderabad State Legislative Assembly adopted on 28-8-1947 a resolution requesting the Government to establish a Board of Trade to advise the Government regarding exports and imports with representatives of agriculture, trade, commerce and industry. The resolution was moved by Mr. Abdul Karim Thimmapuri.

(The Hindu, dated 30-8-1947).

SOCIAL INSURANCE.

Calcutta Private Firm to introduce Pension Scheme for its Employees.

Messrs Karam Chand Thaper & Bros. Ltd., a firm in Calcutta, has decided to introduce a Superannuation Scheme designed to provide pensions on retirement and death benefit in case of death while in service for its employees. The scheme, which is intended to come into force as soon as approval of the Central Board of Revenue is received, includes benefits of pension commencing at the age of 58 years payable for a guaranteed period of 5 years, and thereafter throughout the lifetime of the pensioner if the employee concerned survives, with facilities of commuted payment at the time of retirement. In case of death whilst in service of the Company, a cash payment equivalent to six months' salary of the employee together with returnable contributions made to the scheme both by the employee as well as the employer will be paid to the employee's dependents.

(Amritabazar Patrika, 26-8-1947).

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EMPLOYMENT, UNEMPLOYMENT AND VOCATIONAL TRAINING.

Improved Facilities for Training in Mining: Indian School of Mines to be reorganised.

The Indian School of Mines, Dhanbad, which is to be called, hereafter, the Indian School of Mines and Applied Geology, will be shortly reorganised so as to keep pace with the rapid mineral developments in free India. Steps towards its reorganisation have been recommended by a committee appointed by the Government of India under the chairmanship of Mr. D.L. Mazumdar, Secretary, Ministry of Works, Mines and Power. Besides the chairman the committee consisted of the following members: the Mineral Adviser to the Government of India, the Director of the Geological Survey of India, a Deputy ~~geological survey~~ Educational Adviser to the Government of India, the Chief Inspector of Mines and the principal of the Indian School of Mines. The committee was asked to formulate proposals for the extension of the activities of the school, for an increase in the annual intake of students, and, generally, for raising the school to a standard as near as possible to that of the Royal School of Mines, London. In arriving at its ~~result~~ conclusions and making its recommendations, particularly on matters relating to the recognition of the diplomas of the school and provision of facilities for practical training, the committee held special consultations with the representatives of the Indian mining industry.

The Committee, in its report, has recommended that the annual intake of the school should be increased gradually from the present total of 24 to 60, consisting of 48 mining and 12 geology students. Admission should continue to be through an entrance examination. It has also recommended the abolition of the present three-year certificate course, as a result of which all entrants will be required to take a full four-year course leading to the granting of a diploma in either mining engineering or geology. A technical sub-committee, appointed by the committee, has made recommendations for the revision of the course and the curricula of studies in the school. The sub-committee, which took into account the Royal School of Mines, London, has made special recommendations in which it has insisted that subjects like fuel technology, oil technology, refractory and ceramics, metallurgy, and geophysical prospecting should be given greater attention hereafter. It has also pointed out that as in the Royal School of Mines, London, greater emphasis should be laid on geology in teaching mining.

The committee has further proposed a scheme of post-graduate training to enable graduates of the school to pass the competency examinations prescribed under the regulations. This scheme is estimated to cost about 265,000 rupees annually, and, this amount, the committee has suggested, should be shared equally between the Government and the industry.

(The Statesman, dated 6-8-1947).

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Technological Education: Madras Government
sets up Advisory Board.

The Government of Madras has constituted an Advisory Board of 27 officials and non-officials to advise it on matters of technical and technological education of all types of university, diploma and artisan standards, with a view to co-ordinating them on a proper basis. The Board will make recommendations for re-organising technical and technological education on a basis that will make it more useful, efficient and up-to-date.

The Minister for Education in the Province will be the chairman of the Board which will include among others, the Minister for Public Works, the Director of Public Instruction, the Chief Engineer (General Buildings and Defence) of the Province, the Chief Engineer for Electricity, the Chief Engineer Highways and the Chief Engineer for Irrigation.

(The Hindu, dated 21-8-1947).

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MIGRATION.

Difficulties of Indian labour in Malaya:
Police accused of helping planters to
suppress labour.

Police helping Planters to suppress organised labour: Malayan Indian Congress Charge.— Following the refusal of the Malayan Government to institute an enquiry into certain incidents in estates in Kedah between February and March 1947 when some Indian workers were injured by police action and many workers were arrested and jailed, the Malayan Indian Congress set up in July 1947 a Board of Enquiry with Mr. J.A. Thivy as chairman to enquire into the incidents, and in particular to investigate the charges that had been made by Indian labour leaders that the Police, under the instigation of the European planters, had exceeded their jurisdiction in their efforts to deal with labour troubles and had attempted to break up Indian labour organisations in the guise of maintaining law and order. Before it commenced its work the Board sent invitations both to the Government and the Police to participate in the enquiry but these invitations were declined. In its report, which was signed on 1-8-1947, the Board has levelled the charge that in all the three incidents which it investigated there was a degree of co-operation that amounted to collusion between the vested interests, on the one hand, and the Government Executive, the Police, on the other for the purpose of suppressing the fundamental rights of the largest class of people in the country, namely, labour. This, the report emphasises is a very dangerous tendency, particularly as the public have the right to expect impartiality from the Police in the execution of their duties. The report, therefore, warns that "either the Government will have to take immediate steps to ~~restore~~ restore public confidence in its Police or create a suspicion in the minds of the public that Government is developing tendencies akin to Fascism". A copy of the report is to be submitted to all members of the British Parliament.

Meanwhile, it was reported in the last week of August that rubber estate labourers throughout Malaya, the majority of ^{whom} are Indians, had decided to observe an one-day strike on August 25 as a protest against the planters' refusal to grant increased wages or restore the recent 20 per cent cut imposed on contract labour. The strike had been called by the All-Malayan Rubber Workers' Council representing 300,000 workers of whom 225,000 were Indians, following the Council's repeated failure to get the United Planters Association of Malaya to negotiate on the workers' demands. The strike was intended as a demonstration of the workers new-found solidarity, as also the first direct and countrywide challenge to the Government and planters. Supporting the Indian labourers' demand for higher wages, Mr. S.K. Chettur, till recently the Government of India's Representative in Malaya, in the course of a press interview in Madras on 24-8-1947, revealed that the entire Chinese labour force in Malaya, numbering about 200,000 was backing the Indian labourers' ~~organised~~ agitation for increased wages and that the Indian workers were now well organised, and Trade Union leaders were endeavouring to bring together the workers in various plantations, for unified action to get their grievances ~~redressed~~ redressed.

(The Times of India, 26-8-1947;
The Hindu, 25 and 27-8-1947).

Proposed Inter-territorial Organisation for
East Africa: East African Indian Congress
Withdraws Support.

The Executive Committee of the East African Indian Congress has withdrawn its support from the proposed scheme for Inter-territorial Organisation in East Africa, and asked for a Royal Commission to be set up before the scheme goes into force. The scheme which was outlined in a British Colonial Office White Paper published in February 1947 provided for a territorial legislative assembly of 25 members covering Kenya, Uganda and Tanganyika with 3 seats each for the Indians and the Africans and 1 for the Arabs. The Kenya African Union Executive has also passed a resolution protesting against implementation of the scheme.

(Indian News Chronicle, 11-8-1947).

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AGRICULTURE.

Draft Burma Agriculturists Debt Relief Bill 1947:
Provision for Compulsory Scaling Down of Agricultural
Debts.

The Government of Burma has gazetted this month the draft of a Bill which it proposes to enact to give relief to indebted agriculturists. The Statement of Objects and Reasons appended to the draft Bill points out that cultivators in Burma have been deprived of their wealth on the repudiation of the Japanese occupation currency and that consequent on the high cost of living and other abnormal conditions as an aftermath of war, it has become necessary for the Government to relieve agriculturists from indebtedness by reviewing and revising the agricultural debts in the light of new conditions. In May 1947, the Government of Burma enacted, as a preliminary measure, the Burma Agricultural Debts Moratorium ⁱⁿ respect of agricultural debts and requiring all creditors to register within six months with the Deputy Commissioners the amounts and particulars of their claims against agricultural debtors and the place where the debtors resided, (vide page 41 of the report of this Office for May 1947). The draft Burma Agriculturists Debt Relief Bill, 1947, which the Government of Burma now proposes to enact provides for the setting up of Debt Settlement Boards and the compulsory scaling down of agricultural debts.

Constitution and Jurisdiction of Debt Settlement Boards.— Under the provisions of the Bill the Governor of Burma may, by notification, establish a Debt Settlement Board for any district or part of a district consisting of not less than three and not more than five members including the Chairman. ~~Among~~ Any debtor, i.e. a person who earns his livelihood mainly by agriculture and who is a tenant or landholder or landlord and whose debts exceed 200 rupees, but amount to 10,000 rupees or less, may apply to the Board established for the local area within which he ordinarily resides for compulsory scaling down of his debt with his creditor or creditors.

Compulsory Scaling down of Debts.— As regards the scaling down of debts, the Bill makes a distinction between debts incurred before 1-10-1941 and those incurred on or after that date. In the case of the former, all interest outstanding on 1-10-1941 is cancelled. Where the debtor has paid to the creditor twice the amount of the principal whether by way of principal or interest or both, such debt including the principal, is deemed to be wholly discharged. Where the sums ~~repaid~~ repaid by way of principal or interest or both fall short of twice the amount of the principal, such amount only as would make up this shortage, or the principal amount or such portion of the principal amount as is outstanding, whichever is smaller, is repayable. As regards debts incurred on or after 1-10-1941 the rate of interest charged is to be 5 per cent simple interest or the rate applicable to the debt under the law, custom, contract or decree of Court under which it arises, whichever is less and the excess amounts paid by way of interest are to be credited towards the principal.

(The ~~Burma~~ Burma Gazette dated 16-8-1947, Part III, pages 1-4).

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Madras Government's Scheme for Cattle
Insurance.

It is understood that the Government of Madras has decided to launch a scheme for cattle insurance on a co-operative basis at certain selected places in the province. It is proposed to insure 1,500 animals to start with, and if the scheme is successful it will be extended to other parts of the province. The scheme is being finalised by the Minister for Agriculture in consultation with the Provincial Livestock Improvement Board.

(Indian News Chronicle, 8-8-1947).

Free Legal Assistance to Poor Tenants: Bombay
Government's Move.

The Government of Bombay has decided to grant legal assistance to the tenants who are poor and unable to bear the expenses of litigation and belong preferably to the backward classes, including the aboriginals and hill tribes. A press note announcing this decision issued in the first week of August explained that representations had been made to the Government that pleaders should be allowed to appear in tenancy cases on behalf of the parties concerned. The position in this respect was that pleaders had no right to appear in the proceedings under the Bombay Tenancy Act as a matter of course, but the revenue officers concerned could at their discretion, allow pleaders to appear in cases where their assistance was likely to be helpful. It had also been represented to the Government that the tenants who were poor and illiterate should be assisted by pleaders appointed by the Government for the proper defence of their cases.

(The Hindu, dated 5-8-1947).

Lands in Burma to be Nationalised:
Constituent Assembly accepts Principle.

The Constituent Assembly of Burma, meeting in Rangoon on 11-8-1947, adopted a motion moved by a Socialist Member that all lands in the country be State-owned, and that restrictions on private ownership be introduced as a preliminary measure.

(The Hindustan Times, 13-8-1947).

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PROFESSIONAL WORKERS, SALARIED EMPLOYEES AND PUBLIC SERVANTS.

26th Madras Provincial N.G.O's Conference, Vizagapatam,
23-8-1947: Plea for Revision of Salaries and Whitley Councils.

The 26th Provincial Non-Gazetted Officers' Conference of Madras ~~Province~~ Province met at Vizagapatam on 23-8-1947 with Mr. K. Jagadisa Aiyar in the Chair.

Presidential Address: Demands for Permanent Conciliation Machinery.-
Addressing the Conference Mr. Jagadisa Aiyar demanded the appointment forthwith of a non-official Committee to find out how far the Provincial Government could implement the recommendations of the Central Pay Commission. Next in importance was the provision of a permanent conciliation machinery for non-gazetted officers (N.G.O's). Notwithstanding the numerical strength of the N.G.Os and their importance in the administrative machinery, they had little or no influence in shaping the policy of the Government in regard to their own affairs and resolutions passed in this behalf were summarily rejected. Due to the changed conditions, the N.G.Os felt that they had a right to organise themselves, make representations and to be heard on equal and honourable terms, in the same way as other associations with trade union rights. In the coming years, Mr. Jagadisa Aiyar felt there would be need for a strong Government and it would be in the interests of the Government as well as its subordinates, that there should be machinery on the model of Whitley Councils to decide and settle all the points of dispute of the grievances of subordinates. ~~Mr. Jagadisa Aiyar~~ Liberalisation of the existing rules for the grant of gratuity was another important matter which deserved the immediate attention of the Government. The rate of mortality in the rank of N.G.Os in service, Mr. Jagadisa Aiyar asserted, was abnormal, and the existing rules did not permit the grant of any reasonable gratuity to the families of those affected. Pending the introduction of the contributory provident fund system, it was desirable that Government should take steps at once to liberalise the rules for the grant of compassionate gratuity. Other subjects which needed the Government's prompt attention were a revision of the Government Servants' Conduct Rules which in their present form were, according to Mr. Jagadisa Aiyar, an insult to the self-respect of the N.G.O's and proper housing.

Resolutions.- The Conference adopted resolutions requesting the Government of Madras to implement the recommendations of the Central Pay Commission forthwith, to recognise the Provincial Non-Gazetted Officers' Association as a Trade Union and to set up a non-official Committee to revise and redraft the Government Servants' Conduct Rules which were at present "oppressive and inconsistent" with the "dignity and self-respect" of Government servants. The session further resolved that if the Government did not announce its decision before November 1947, ~~for~~ or if its decision and reply to the representations were not satisfactory, the Central Executive Committee should convene a special convention of N.G.Os during the Christmas holidays¹⁵ to decide on the future line of action.

(The Hindu, 25 and 27-8-1947).

Revised Pay Scales for Cochin Government Employees.

On the 14-8-1947 the Government of Cochin issued Press Note accepting the recommendations of a Pay Revision Committee which it had set up earlier. According to the note the last general revision of salaries of all classes of Government servants was effected in Cochin State in 1929-30. Since then there have been piecemeal revisions of salary scales in certain departments. To suit the present changed conditions of living and to remove the inequalities and anomalies that had crept in due to piecemeal revision the Government appointed an official committee to consider the question of revision and standardisation of the salaries of all classes of Government employees. The recommendations of the Committee were scrutinised by a non-official committee elected by the Legislative Council, and the latter, after examining the recommendations of the official Committee, submitted a report. After examining these recommendations the Government decided that uniformity in the pay structure and immediate revision of pay of the officers were necessary. Though the Committees recommended a revision of the pay of the Heads of Departments and Gazetted Officers, the Government has not accepted all their recommendations. As a general rule, the Government has refrained from enhancing the pay of Officers in the higher grades, keeping intact the grades of most of them. The same rules with a few more exceptions, necessitated by special circumstances, have been followed in the matter of the revision of pay of Gazetted Officers of the Lower Grade. The pay of inferior servants in certain cases has been doubled.

The revision of pay applies to the officers of the State, Group Dewaswams and Municipalities with due regard to Municipal Revenue. Revision of officers of Government Press, Land Mortgage Bank, etc., is under consideration. All officers who are not benefited by the revision will be given an advance increment in their respective grades. The revised scales of pay will be applicable to teachers of aided schools. Non-gazetted officers are to get an interim relief of one month's pay and the new raised scales are to be given retrospective effect from a date roughly equivalent to January 1947 (salaries in Cochin State are paid according to the Cochin Calendar). The Government decisions announced are estimated to cost Government an additional expenditure of over 3 million rupees per annum, including leave pay and pension charges and an excess expenditure under grant-in-aid. Though this will be heavy burden on the State Exchequer the Press Note emphasises that the Government is actuated by a desire to raise the standard of living of even the lowest paid employee and to create in him a reasonable sense of security and contentment so essential for an efficient and a satisfactory discharge of his duties and obligations to the Government.

(The Hindu, dated 18-8-1947).

New Scales of Pay for Burma Defence Services:
50 rupees minimum and 1400 rupees maximum.

On 13-8-1947 the Government announced new rates of pay and allowance for the Burma Defence Services. The minimum basic pay for an army recruit has ~~xxx~~ been fixed at 30 rupees and ~~the~~ the maximum pay for a Brigadier at 1400 rupees.

(The Hindustan Times, 17-8-1947).

Future Recruitment in Central Services:
Communal weightage abolished.

A resolution of the Government of India dated 21-8-1947 announces that the Government of India has reviewed its policy relating to recruitment to the Central services in respect of domicile qualifications and communal reservations.

The ~~policy~~ policy of the Government is that, save in exceptional circumstances, appointments under Government should be confined to Indians only. It is not, however, proposed to declare all residents of adjoining territories ineligible for appointments under the Indian Dominion. In future, a candidate for appointment to the Central services under the Indian Dominion will be either (i) a national of the Indian Dominion by birth or by domicile, or (ii) a person of Indian descent, or a ruler or a citizen of Indian State, or a citizen of Pakistan or other territory adjacent to India in whose favour a declaration of eligibility has been issued by the Central Government.

Communal Weightage to go except in case of Scheduled Castes.- As regards communal representation, the Government of India has decided that it is no longer necessary to retain the system of reservation in respect of vacancies filled by competition except for the Scheduled Castes, who need this protection in view of their backwardness. Orders are accordingly being issued to the effect that where recruitment is made by competitions, that is, by means of competitive tests held by the Federal Public Service Commission or other authority or by selection through the Federal Public Service Commission, appointments should be made entirely on merit, subject to a reservation in favour of the Scheduled Castes of 12 1/2 per cent of the vacancies filled by direct recruitment. In regard to posts filled from the open market otherwise than by competition, recruitment will be made approximately in proportion to the population of the various communities in the Indian Dominion. The ~~reservations~~ reservations which have been fixed are: Hindus (other than Scheduled Cases) 60 per cent; Scheduled Castes 16-2/3 per cent; Muslims 1 1/3 per cent; and others 10 per cent.

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LIVING CONDITIONS.

Nutrition.

Increasing Vegetable Production: Bombay Government's
Five-Year Plan.

A scheme for the extension of vegetable cultivation (excluding potatoes) in the Province has been sanctioned by the Government of Bombay to take effect 1-8-1947. The scheme will be spread over a period of five years and ~~its~~ is estimated to cost 500,800 rupees. During the war, in 1943, a Vegetable Extension Scheme was initiated to purchase and supply vegetables to the Army. Under this scheme an additional area of 3,000 acres had been brought under vegetable cultivation. The scheme was closed down on 31-3-1947 and the Government now proposes to run the same scheme in a new form so as to meet the needs of the civilian population of the province.

that A note on the subject published in the 'People's Raj' of 30-8-1947, ^{adds} the present cultivation of green leafy and green non-leafy vegetables in the Province is appallingly low. The total requirements of such vegetables, to meet the entire demand, calculated on the basis of 10 ozs. per head, is more than 19,000,000 tons, while the present production is only 35 per cent of the total requirements. During the next five years the present acreage of 115,177 acres under vegetable ~~and~~ cultivation would be trebled and additional land with irrigation facilities would be made available specially for growing green leafy and green non-leafy vegetables, the area under which, at present, is ~~disappointingly~~ disappointingly low.

A proposal to reduce by 10 per cent the areas under the irrigated non-food crops like sugarcane in favour of leafy and non-leafy vegetables and to make it compulsory for the cultivators to grow one acre of vegetables per every new well dug with Government help is also under consideration. Other facilities to encourage vegetable cultivation such as improved and new types of vegetable seeds, manures and fertilisers are also to be made available to the growers' co-operative unions.

(The People's Raj, 30-8-1947).

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Housing.

Housing Problem in Madras City: Need for Government Construction and Subsidised Schemes.

The main features of the housing shortage in Madras City and the lines on which the problem can be tackled were outlined by Mr. Venkatakrisna Aiyar, Chairman, Madras Housing Committee, in the course of an address to the Rotary Club in Madras on 5-8-1947.

Housing in Madras City.- Madras City, Mr. Aiyar said had a population of 1.255 million comprising .92 million of people with incomes of less than 50 rupees; .16 million with incomes above this but less than 100 rupees; .095 million with incomes of over 100 rupees but below 200 rupees and only .078 million with incomes over 200 rupees. The average number of members in a Madras family was about 6.3. Taking it as 6, they would need .154 million of houses for Group I; 27,000 houses for Group II; 16,000 houses for Group III; and 15,000 houses for Group IV. The minimum accommodation for any family was at least two rooms besides a kitchen, a bath and a lavatory. These would require a plinth area of about 350 sq.ft. and cost about 2,750 rupees to 3,000 rupees as a minimum. The rental value of this was an 180 rupees per annum. With a progressive increase in accommodation and cost to 5,000 rupees and 7,500 rupees for the next two groups, the rental value for each of these two groups would be about 300 rupees and 450 rupees per annum. But there were only some 35,000 houses of this value in the City against .197 million of houses required. As regards Group IV, namely persons getting an income of over 200 rupees, there were some 30,000 houses for this group with rental values ranging from 450 rupees to over 1,800 rupees.

Suggesting a solution for the problem in respect of the first three groups, Mr. Aiyar said that none of the first three groups could pay an economic rent and therefore, means must be found to finance the larger number of houses required by these groups. There were four ways of solving the problem. The Government, local bodies and quasi-Government public utility corporations could provide houses to their employees. Subsidised schemes could be encouraged for the housing of industrial labour. The Government or local bodies could construct tenements to the poor and lastly, co-operative and corporate house building schemes could be undertaken. The Government at present paid a house rent allowance to its employees of all grades. This covered all rents paid in excess of a certain minimum, i.e., ten per cent of their salary. There was in theory no upper limit to such payments except in the case of non-gazetted subordinates who got a fixed allowance. He had known cases where officers had taken up houses far beyond their means and the Government paid them the rents. If the Government constructed houses for all its men and recovered rents at ten per cent, limiting accommodation to suit the class, it would be cheaper in the long run, and in the case of subordinates a great help to the men. A house rent allowance did not help a man to get a house which did not exist. The same should apply to the other bodies classified along with the Government the Government giving such subsidies

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and loans as might be necessary to make the proposition feasible. The subsidies in this case should be outright gifts and not refundable long-term loans as in the case of the United States housing authority.

Housing Industrial Labour.- In the case of industrial labour Mr. Aiyar said, it would kill the industry if it were to be asked to provide houses for all its operatives out of its own funds. In the case of one large industry, it was found that it would require a capital of 10 to 12.5 million rupees, to build houses for all its 14,000 odd operatives. Obviously ~~for~~ this would kill the industry. But long-term loans at low rates of interest and a subsidy from the government would enable it to just manage it. As regards unclassified labour and low paid men in private employ, they would require about ~~private~~ 100,000 houses at an average cost of 4,000 rupees. Such a scheme would cost 100 million rupees for the City alone. This along with the subsidies to be paid for building houses to persons belonging to groups II and III together with the houses to be built by the Government for their servants would cost about 200 million rupees. Spread over a period of five years this would require an annual allotment of 40 million rupees.

(The Hindu, dated 7-8-1947).

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ORGANISATION, CONGRESSES, ETC.

Employers' Organisations.

Annual General Meeting of United Planters' Association
of South India, Coonoor, 11 and 12-8-1947.

The 54th annual general meeting of the United Planters' Association of South India was held at Coonoor on 11 and 12-8-1947 under the presidency of Mr. F.G. Wallace. Sir Archibald Nye, Governor of Madras, inaugurated the meeting.

Presidential Address.- Referring to the far-reaching constitutional changes in India as they affected the future of the planting industry and that of the Association, Mr. Wallace in his presidential address, said that though some changes of ownership in South Indian estates had resulted, partly from anxiety about the future, generally speaking the Association as a whole were not perturbed about the constitutional changes. Planters in South India were far more perturbed by the more immediate and more pressing problems, such as shortage of food, building materials, fertilisers and the ever-increasing cost of production. Mr. Wallace added that while the labour position was on the whole, somewhat easier, the supply of essential materials for normal day-to-day estate work had been generally worse even than during the war years. Taking the case of fertilisers, the low quota placed by Government at their disposal and the considerable delay in actual deliveries had proved an extremely serious handicap in the manuring programme of many estates both within and outside the province of Madras. The position was no better as regards packing materials such as tea chests, tin sheets and wire nails or building materials like pipes and fittings and cement.

Effects of Food Shortage on workers' canteens.- Surveying the conditions obtaining in different plantations and the position of tea, coffee, rubber and cardamom, the President said that most of the factors governing the prices of these commodities were subject to Central Control, while control over labour conditions and other factors affecting cost of production were subject mostly to Provincial control. The dangers of this lop-sided control were becoming more and more apparent. The prevailing food shortage in the country had continued and several estates which had embarked upon schemes for the canteen-feeding of workers in response to Government propaganda, had since found it impossible to continue this valuable amenity.

Hasty Labour Legislation criticised: Need for effective price control.- Mr. Wallace emphasised that the prolonged and steadily worsening shortage of food and other necessaries and the vicious race between wages and prices were at the bottom of most of the industrial unrest which had swept the country during the past two years. There had been a tremendous spate of hasty legislation recently which would ~~contribute to the basic cause of the unrest thereby~~ ~~contribute to the basic cause of the unrest thereby~~ until Government

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serve to increase rather than diminish industrial strike until Government was prepared to make the basic cause of the unrest India's No.1 priority problem. As a solution, he suggested that instead of a new army of factory inspectors, conciliation officers, prohibition officers, etc., the country's most urgent but temporary need was a bigger and more efficient army of price control and ~~and~~ blackmarket inspectors and a vastly improved distribution system.

Strikes and high cost of living: tribute to work of Tripartite Conference on ~~plantation labour~~ plantation labour.- Turning to labour unrest in plantations and recent strikes in a number of estates in Wynaad District, Mr. Wallace said that though there was some evidence of Communist activity in the area, a Trade Union organiser who took the opportunity to commence organising the workers there said that the general reply to his question 'who told you to go on strike?' was 'our tummies'. The Executive Committee had to devise a new wage and dearness allowance formula, based on the official cost of living index for the district which had been well received by the workers in all districts, and only one or two minor troubles, Communist inspired, had occurred subsequently. Mr. Wallace added that as soon as some signs of a stabilised cost of living appeared the Association intended to introduce a new consolidated wage. ~~Mr. Wallace~~ Mr. Wallace welcomed the Government of India's initiative in convening a Plantation Tripartite Labour Conference (vide pages 5-7 of the report of this Office for January 1947). This move, was well received by all parties to the conference and resulted in a number of worthwhile concessions to labour without legislative compulsion and agreement by the employers to cooperate with Government in a further examination ~~and~~ of wage levels, housing standards and medical services.

Relations with labour Unions.- Mr. Wallace finally referred to suggestions that had previously been made for the formation of a new organisation or a separate Department of U.P.A.S.I. to deal with trade unions, and estate labour relations generally, and stated that the stage had now been reached when this proposal was likely to be carried into immediate effect.

Problems before Tea Industry.- The Tea Section of the Association met at Coonoor on 12-8-1947, Mr. G.B. Reade, Chairman of the Section, in his address, discussed the various problems, such as, the future of tea ~~tax~~ control and of scientific research, the taxation policy of the Central and Provincial Governments, etc., that were facing the tea industry in South India today.

(The Hindu, 13 and 15-8-1947).

Workers' Organisations.

All-India Railwaymen's Federation Meeting, New Delhi,
4 and 5-8-1947: Strike Ballot to be taken if Minimum
Demands/ not met.

The General Council of the All-India Railwaymen's Federation met at New Delhi on 3 and 4-8-1947 to consider the report of its Negotiating Committee on its discussions with the Railway Board on the implementation of the recommendations of the Central Pay Commission with regard to railway workers (vide pages 47-48 of the report of this Office for July 1947).

Strike deferred.- On the first day of the meeting the Council decided by 64 votes to 57 to call upon all affiliated unions to take a strike ballot before 30-9-1947 and to form a council of action to implement the decision. This decision, however, was reversed the next day at the instance of the President of the Federation, Mr. Jai Prakash Narain, who is understood to have stressed the responsibilities which had devolved on the workers in the wake of freedom and also to have urged the Council to give the new Dominion Governments time to break away from policies pursued towards the workers by the foreign Government. ~~According~~ Accepting the President's plea and as a gesture of co-operation, the Council, on ~~5-8-1947~~ 4-8-1947 decided to stay further action on its demands for one year provided the Railway Board passed orders for full implementation of the favourable recommendations of the Pay Commission as a whole with ~~the~~ certain essential provisions.

Essential Provisions.- The essential provisions demanded by the Council were: (i) Protection against reduction of dearness relief by allowing option to choose between the quantum of relief hitherto given in kind and cash or the cash ~~allowance~~ allowance proposed by the Pay Commission, whichever may be more favourable; (ii) Fixation of minimum scale of 55-130 rupees for artisans and skilled staff in the railway workshops, sheds and other departments; (iii) On fixation in the prescribed scales, no employee should suffer reduction in the basic pay and allowances and ^{be} denied the next higher stage in the proposed scales; and (iv) Continuance of assurance against retrenchment^s, pending the publication of the Railway Adjudicator's report and its consideration by the Federation.

Strike if demands ^{are} not met.- The General Council ~~of~~ hoped that the Dominion Governments of India and Pakistan and their railway administrations would reconsider their attitude and would agree to these "irreducible minimum demands" without further delay. Should they, however, fail to do so by 1-9-1947, the General Council directed the affiliated unions to proceed to take a strike ballot from 16-9-1947 and complete this work by 1-10-1947.

(The Statesman, 4 and 5-8-1947).

Labour Associations in Mysore State Warned
against affiliating with Mysore State Labour
Federation.

The Commissioner of Labour, Mysore, has advised labour associations in the State against affiliating with the Mysore State Labour Federation or any outside organisation. The Commissioner in a circular letter to all associations pointed out that the Mysore Labour Act did not allow affiliation of labour associations with any other organisation, such as the Mysore Labour Federation, which took part in political activities.

('Dawn', dated 4-8-1947).

Indian Federation of Labour to set up separate
Labour Federation in Pakistan.

The Executive Committee of the Indian Federation of Labour has decided to form a Pakistan Federation of Labour consisting of the unions affiliated to it from the area included in Pakistan. A ~~provisional~~ provisional executive committee has been formed with Mr. M.A. Khan from the Punjab as President. It has been decided to hold the inaugural session shortly at Karachi. Announcing this decision Mr. V.B. Karnik, General Secretary of the Federation, added that as the problems of the workers in both the States would be similar, the Pakistan and the Indian Federation of Labour would work in close collaboration.

(The Times of India, 19-8-1947).

Mysore State Railway Employees to Strike on 6-7
September if demands not met.

The President of the Mysore Railway Employees' Association, Mr. Raghavaraj in a statement to the Press on 27-8-1947, announced that the employees of the Mysore State Railway, numbering about 11,000, had decided to down tools at midnight of September 6-7 if the Mysore Government did not accede to their two basic demands. According to Mr. Raghavaraj the Association had formulated forty demands for amelioration of the conditions of the railway workers, but no attention had been paid to these by the State Government. The Association had, therefore, decided to call a strike if its two irreducible minimum demands were not acceded to, viz., same scales of pay, allowance, etc., as on the neighbouring railway in the Indian Union and a flat compensation of 1,000 rupees to every employee for denying this treatment before.

(The Hindu, 28-8-1947).

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SOCIAL CONDITIONS.

Institutions for Juvenile Delinquents in Madras:
New Post of Adviser to Government created.

The Government of Madras has created a new post of Adviser to the Government on Child Psychology, to assist it in shaping the administration of institutions run for the reform of juvenile delinquents. Major J. Ford Thomson, IMS (retired), has been appointed to the post.

(The Statesman, 24-8-1947).

PUBLIC HEALTH.

Water Supply and Drainage Systems in Madras:
Provincial Committee's 10-Year Plan for
Improvement.

A 10-year plan for the improvement of water-supply and drainage in the Province has been recommended by a Provincial Rural and Urban Water-Supply and Drainage Schemes Committee set up in Madras with Mr. A. Kaleswara Rao as Chairman. The plan is estimated to cost about 400 million rupees.

The Committee made a detailed survey of the sanitary facilities obtaining in various parts of the province and noticed that 35 out of 81 municipalities in the province had not been provided with protected water-supply and only 7 municipalities had anything like a drainage scheme. Out of 997 urban panchayats, only 12 had protected water-supply facilities. The Committee viewed that the Government all along had laid emphasis on the curative rather than preventive aspect of public health and had vested the Local Boards and Municipalities with the task of supplying drinking water and ~~arr~~ arranging for drainage schemes. The members were of the emphatic opinion that the entire responsibility for providing adequate supply of water and chalking out a proper drainage scheme, should rest with the provincial Government and the Local Boards be divested of this responsibility. The Committee has accordingly recommended a 10-year plan for the purpose. The plan envisages the supplying of water free of cost generally to all villages. In municipal and non-municipal urban areas with a population of more than 5,000, supplies could be made after levying a small water-drainage tax. It is emphasised that the tax should vary according to the capacity of each locality, with a maximum not exceeding 15 per cent of the annual rental value in Municipal and 10 per cent in other urban areas.

For the execution of the plan the Committee has recommended the creation of a separate and adequately staffed Public Health, Engineering Department, independent of the Public Works Department. It also recommends the starting of an institute to train Public Health Engineers as well as Junior Engineers (Public Health), with an 18-months course in Engineering and another course of 18 months in Public Health. For the immediate present however it is suggested that the existing Municipal engineers may be imparted a short but intensive course of study in Public Health. Under the plan there would be one top-ranking specialist as the Chief Engineer for Public Health and under him two Deputy Chief Engineers, in charge of the Northern and Southern halves of the Province. Finally, the Committee has urged that legislation should be introduced to negate riparian claims and for quick acquisition of land necessary for the execution of various water works in connection with the proposed plan; and that all villages with 20,000 or more of population should be compulsorily constituted into Municipalities.

(The Hindu, dated 17-8-1947).

Steps to improve Nursing Service in Madras:
Health Minister's Press Statement.

In a statement issued to the Press on 2-8-1947, Mr. A.B. Shetty, Minister for Public Health, Government of Madras, outlined the various measures taken by the Government for improving the conditions of ~~the~~ Nursing Service in the Province. Among the more important steps were: (a) additional posts for nurses in hospitals; in future one nurse and 2.5 nurse-pupils for every 15 beds in teaching institutions and one nurse for every 8 beds in other hospitals were to be employed as against the previous strength of one nurse and two nurse-pupils for every 20 beds in teaching institutions and one nurse for every 14 beds in other hospitals; (b) construction of nurses quarters in Madras, ~~and~~ Coimbatore and Vizagapatam; sanction had already been given to a scheme for a Nurses Home in the General Hospital, Madras, at a cost of 1.7 million rupees; (c) sanction of a leave ~~and temporary strength of other nursing~~ reserve of ten per cent for all permanent and temporary strength of the Nursing staff and the establishment of a post-graduate course, i.e., Diploma in Nursing Service, in the Government General Hospital, Madras. Whenever opportunities occurred Government would send suitable persons for higher training abroad in nursing. Steps in accordance with the recommendations of the ~~Committee~~ Bhore Committee (vide pages 50-60 of the report of this Office for March 1946) for providing more facilities for preliminary training to nurse-pupils, were also being taken. The Lady Hope School constiting about .56 million rupees had recently been opened for this purpose.

(The Hindu, dated 3-8-1947).

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EDUCATION.

Overseers Scholarships for Overseas Education:
Pakistan to continue Arrangements.

It is understood that the Government of Pakistan is making arrangements for the admission, maintenance and welfare of those students who were ~~awarded~~ awarded ~~of~~ scholarships for higher studies abroad by the Government of India before 15-8-1947, and who have since elected to serve in Pakistan (vide page 55 of the report of this Office for December 1945). The Government will also grant a series of scholarships to students for studies abroad, particularly in technical education.

(The Statesman, 27-8-1947).

Educational Facilities for Bombay Aboriginal Tribes:
Teachers to get Bonus for each Successful Child at
School Examination.

With a view to encouraging education among the Aboriginal and Hill tribes in the certain districts in the Province the Bombay Government has decided to grant bonuses varying from 10 rupees to 5 rupees to teachers for every boy and girl belonging to these tribes passing the primary school certificate examination. In addition, cash prizes or free studentships are ~~also~~ also to be given to successful students.

(People's Raj, 30-8-1947).

Compulsory Primary Education in Madras District:
Government accepts District Board's recommendations.

The Government of Madras has accepted a resolution adopted by the Chingleput District Board that elementary education should be made compulsory for all children of school-going age in 32 villages in the district. The Director of Public Instruction has been asked to arrange for the provision of sufficient school places in the villages where compulsory education is to be introduced by the opening of new schools, employment of additional teachers, etc. In cases where the additional school places required to implement the resolution are provided by the District Board either in whole or in part, the Government will grant a subsidy to cover the extra cost. Similar grants may be given to private managements ~~if~~ if necessary.

(The Hindu, dated 1-8-1947).

Control Measures.

Severe Penalties for Black Marketing in Bombay:
New Ordinance to enhance Penalties.

Imprisonment up to a period of seven years, together with a fine, is the punishment for ~~the~~ black marketing under an ordinance promulgated in Bombay on 29-8-1947. At present a person contravening any order made under the Essential Supplies (temporary powers) Act is punishable with imprisonment for a term which may extend to three years or with fine or with both, and a person contravening any order made under the Bombay Essential Commodities and Cattle (control) Act (vide page 67 of the report of this Office for October 1946) is punishable with imprisonment for a term which may extend to three years and is also liable to fine. It has, however, been found that these penalties are not adequate for checking the evil of black marketing, and the Governor of Bombay has ~~also~~ accordingly promulgated on 29-8-1947 the Bombay Essential Supplies (temporary Powers) and the Essential Commodities and Cattle (control) (enhancement of penalties) Ordinance, 1947. The new Ordinance prescribes a minimum of six months imprisonment and a maximum of seven years' for offences of black-marketing and allied anti-social activities. A fine of an "unlimited amount" is also prescribed under the Ordinance.

The Ordinance will be operative for a period of six months but the Government of Bombay is expected to introduce a Bill during the next session of the Provincial Legislature to replace the Ordinance by an Act.

(The Bombay Government Gazette Extraordinary,
dated 29-8-1947, Part IV, pages 328-329;
The Times of India, dated 30-8-1947).

Food.

Deterioration in Food Situation in India:
Parts of Country Face Famine.

Deterioration in Food Situation.- Reference was made at page 56 of the report of this Office for July 1947 to the grave food shortage at present facing India; failure of the usual monsoon rains in the Punjab, Rajputana, Gujarat and Kathiawar is now stated to have aggravated the shortage and the situation was described in Delhi in the second week of August as "ship to mouth". It has been further estimated that on 1-1-1947 Hyderabad State would have on hand food supplies to last only two days, Travancore and Cochin five, Bihar eight and Bengal and Madras a fortnight. The southern and eastern areas of the country are on the verge of famine and there are 50 per cent chances of escaping it and the months of August and September are expected to prove a critical period. Symptomatic of the threatened shortage is the fact that in Travancore and Cochin rations have already been reduced to 6 and 8 ounces per day.

Central Government's Warning to Provinces and States: No possibility of Help from Pakistan.- A routine monthly conference of food officials from provinces and States held in New Delhi on 22-8-1947 estimated the next kharif crop in India at only 83 per cent of the normal yield, and, it is understood that all administrations have been warned to take prompt steps to avoid a breakdown in the food administration by intensifying procurement and altering the composition and reducing the size of rations, if necessary, to meet the serious position in their areas.

In the meanwhile it is stated that the Pakistan Dominion, which usually has a surplus of rice and wheat, ~~the Pakistan~~ will not be able to export any foodgrains to the Indian Union or elsewhere till April 1948. The reason for this is understood to be the failure of crops in East Bengal, Sind and West Punjab. While heavy rains and floods in East Bengal have ruined the rice crops and damaged millets, in West Punjab and Sind the lack of rainfall augurs a bad harvest of the kharif crop (rice, millets and pulses) in November. It is further understood that the harvest of the rabi crops (wheat, gram and barley) in April will also fall much below early expectations. It is, therefore, considered most unlikely that Pakistan, after having met its internal demands, will have surplus foodgrains of the coming kharif and rabi to export to the Indian Union or any other country.

(The Hindustan Times, 9-8-1947;
The Hindu, dated 23-8-1947;
The Statesman, dated 27-8-1947).

Demobilisation and Resettlement.

Partition of Resettlement Organisation between India and Pakistan.

The Resettlement and Employment organisation of the Government of India, like other Departments of the Central Government, is being divided between Pakistan and India. The following details regarding the division are taken from an unofficial Press note issued by the Government of India and published in the Indian Press during the second week of August.

Division of Employment Exchanges.- The Dominions of India and Pakistan will retain the employment exchanges existing in their respective territories. Of a total of 70 exchanges in British India 17 will go to Pakistan and 53 (including the Central Employment Exchange) will remain in India. Of the nine Regional Directorates, one, i.e. Sind-cum-Baluchistan, will be assigned intact to Pakistan. The two Regional Directorates of Bengal-cum-Assam and, Punjab-cum-N.W.F.P., are being partitioned. A separate Regional Directorate is being set up for Eastern Punjab since the recruitment from this region (including the States) was heavy. Similarly, a separate Regional Directorate for West Bengal will be constituted since it contains 90 per cent of the registered factories, all the collieries, most of the trade and commerce, and 90 per cent of the industrial labour of the former Bengal Province.

Division of Training Centres.- On a territorial basis, Pakistan will get 45 training centres, with a seating capacity of 4,101, as against 160 training centres, with a seating capacity of 10,384, for India. The training centres will be assigned intact with their existing workshop, office equipment, machinery and stores. Ex-servicemen will hereafter be trained at centres in the Dominion to which they belong. If in exceptional circumstances it becomes necessary to send men from one Dominion for training to the other, payment will have to be made by the Government concerned.

Incidentally, it is stated that the partitioning of the Resettlement and Employment Organisation is taking place at a time when the Organisation was just getting into its full stride and had begun to achieve substantial results. Till the end of July, 1947, over 200,000 ex-servicemen and discharged war workers had been placed in employment through its efforts. Approximately one out of every four persons who asked for employment assistance each month had found a job through the employment exchanges. The monthly placings by the Exchanges had risen from 6,428 in June 1946, to 14,861 in June 1947. The number of employers making use of the exchanges had increased, in the same period, from 2,579 to 3,527.

(Unofficial Note dated 5-8-1947 issued by the Government of India; The Hindustan Times, 9-8-1947).

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Working of Resettlement Organisation: Employment Exchanges Returns for July 1947.

Number of Registrations and Placings.- The following table gives the details regarding the working during July 1947 of the Employment Exchanges in India established by the Ministry of Labour.

Number of Exchanges.....	70
Number of Registrations during the month.....	58,955
Number of applicants placed in employment during the month.	16,654
Number of applicants on the Live Register at the end of the month.	348,399
Number of Employers using Exchanges during the month.	3,500
Number of vacancies notified during the month.	21,639
Number of vacancies outstanding at the end of the month —	
(a) Reserved Railway.....	54,999
(b) Central and Provincial Governments.....	22,665
(c) Others.....	10,509
Total.....	88,173

Note:- The figures are incomplete as details from the Comilla Exchange were not received.

Placings by Wage Groups.- The following figures give an analysis of the placings during the month by wage groups:

Wage/Salary group	Number placed in Employment by Exchanges		
	EX-Service	Others	Total
Rs. 55/-p.m. and below.	5884	3752	9636
Rs. 56/-p.m. to Rs. 60/-p.m.	3201	2673	5874
Rs. 61/-p.m. to Rs. 100/-p.m.	565	411	976
Rs. 101/-p.m. and above.	80	88	168
Total	9730	6924	16654

Number of Training Centres.- The total number of training centres working at the end of July 1947 was 220. 5257 ex-service personnel were selected and posted to training centres during the month. The total number of ex-service personnel selected and posted in technical and vocational training centres upto the end of July, 1947 were 27,915 and 8,878 respectively. The total number training at the end of the month was 11,562 including 1,129 war-disabled and 959 ex-Servicemen.

(Summarised from a Note issued by the Ministry of Labour, reviewing the work done by the Directorate General of Resettlement and Employment, during the month of July, 1947).

Post-War Reconstruction.

Transport to be nationalised in Central Provinces.

A Press Note issued by the Government of the Central Provinces and Berar in the second week of August announced the decision of the Government to nationalize the transport system in the province. The Government hopes that the programme and of nationalization will be in "full swing by the beginning of 1948". Explaining the decision, ~~in~~ the Press Note added that the Government was convinced that once the existing transport services were consolidated and a policy of steady nationalization was pursued, it would not be long before the public would receive the best service at reasonable cost.

Details of Scheme.- Under the proposed scheme the transport services will ~~eventually~~ be owned by the Central and the provincial Governments which will contribute 25 per cent and 75 per cent, respectively, of the total capital. The two existing road-rail companies, namely, the C.P. Transport Services Limited and the Provincial Transport Company Limited in which only 51 per cent capital has been contributed by the Central and the Provincial Governments will be nationalized in the same way as road transport services operated by private permit holders. The area of operation of each of these two road-rail companies will be examined and consolidated.

Areas outside the area of operations determined for the two road-rail companies will be allotted to ~~private~~ private operators on temporary permits as the Government is not now in a position to operate services in this area.

As regards capital equipment, the Government proposes to purchase such of the capital equipment of the permit holders as is found suitable according to a schedule to be prepared which will be fair to them as also to the Government.

To implement the above decision the Government has set up a new Transport Department and has appointed a Director of Transport Services for the province. This department will be entrusted with the work of executing the policy of nationalization.

(The Hindustan Times, 11-8-1947).

U.P. Government appoints Industrial Adviser to Plan Development.

It is understood that an American expert, Mr. L.C. Bingham, has been appointed Industrial Adviser to the United Provinces Government for a period of five years.

Mr. Bingham will be required to plan the industrial development of the province and advise the Government on the type of large-scale factories which could be started, where the necessary machinery could be obtained and how and where industrial training might be arranged for suitable young men from the United Provinces. It is reported that the Government has particularly in view factories for the production of textiles, chemicals, rayon and cement.

Mr. Bingham was a member of the UNRRA organization, planning the rehabilitation of industry in Italy, Greece and Czechoslovakia.

(The Statesman, 19-8-1947).

Expansion of Indian Shipping: Government accepts Main Recommendations of Sub-Committee on Shipping.

Reference was made at pages 69-70 of the report of this Office for March 1947 to the recommendations of the Sub-Committee of the Reconstruction Policy Committee on Shipping. The Government of India in a resolution published on 12-7-1947 has endorsed the Sub-Committee's views that India, like other important maritime countries, must adopt a dynamic policy with regard to her shipping.

Expansion of Indian Shipping.-- The resolution states that it is the Government's intention to assist Indian shipping as far as possible to attain the targets laid down by the Sub-Committee. These targets, to be reached during the next five years to seven years, are 100 per cent of the purely coastal trade of India, 75 per cent of India's trade with Burma, Ceylon and other geographically adjacent countries, 50 per cent of India's distant trade and 30 per cent of the trade formerly carried in Axis vessels in the Orient. The Government agrees with the majority view that the ideal definition and ultimate objective of Indian shipping should be shipping owned, controlled and managed by Indian nationals. But, the resolution points out a rigid application of this definition would exclude some of the most important shipping companies in India simply because a small proportion of their shares is held by non-Indians. The Government has, therefore, decided that to be deemed an "Indian Shipping Company", a company must satisfy the following conditions: (a) Its steamers should be registered at a port or ports in British India. (b) At least 75 per cent of its shares and debentures should be held by Indians in their own right. (c) All the Directors should be Indians. (d) The Managing Agents, if any, should also be Indians. If a company finds it difficult to comply with any of these conditions, it may apply to the Government for specific sanction to be treated as an Indian shipping company.

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Shipping Boards.— The Government has accepted in principle the recommendation that a Shipping Board should be set up and generally agrees with the Sub-Committee's proposals regarding its functions. The resolution further points out that some of the Sub-Committee's recommendations have actually been in operation for some time past. For instance, the Government is actively assisting Indian shipping companies to acquire additional tonnage from overseas, and steps are to be taken in such cases to secure cargoes of foodgrains.

Other recommendations of the Sub-Committee including the question of developing shipbuilding in India are still under consideration.

(Resolution No. 172-H 1(25/47), dated 12-7-1947, published in the Gazette of India Extraordinary, dated 12-7-1947, pages 633-634).

X Board to operate and develop Road Transport in Burma. X

The Government of Burma issued on 31-7-1947 an order entitled the Road Transport Order, 1947, for the operation, regulation and control of road transport in Burma. The order provides for the constitution of a Board of Management for Road Transport with the Secretary of the Transport and Communications Department as Chairman. It will be the duty of the Board to operate, regulate and control all or any road transport in Burma and to encourage, promote, organize or establish any form of road transport owned or controlled by a person or persons indigenous to Burma. For the purpose of enabling the Board to exercise its powers and functions the ~~former~~ Governor is authorised to advance to the Board such sums of money, whether on revenue or capital account, as he may think fit. For the operation of road transport the Board may buy or sell all or any form of transport vehicles and in discharging its duties the Board is required to act on business principles and be guided by such instructions as may be given by the Governor.

(The Burma Gazette, dated 9-8-1947, Part I, page 473).

Meeting of Mysore Industries and Commerce Policy Committee.

Matters connected with Mysore's post-war planning and foreign capital were discussed at a meeting of the Industries and Commerce Policy Committee of the Mysore Economic Conference at Bangalore in the last week of July. Among other subjects the Committee also considered the problem of housing labour and appointed a sub-committee to go into this question.

(The Statesman, 1-8-1947).

Development of Scientific and Industrial Research
in Orissa: Board constituted.

The Government of Orissa has set up this month a Board of Scientific and Industrial Research under the chairmanship of the Prime Minister.

A resolution of the Provincial Department of Planning and Reconstruction dated 1-8-1947, stated that in November 1941 the Government of Orissa had constituted for a period of two years the Orissa Industrial Research Committee with the limited function of forming a liaison with the Board of Scientific and Industrial Research set up by the Government of India. The Committee had become defunct during the war years and had not been re-constituted. The problem of post-war reconstruction had ~~now~~ now focussed attention on the efficient use of scientific resources and man-power for the development of the country in general and on the application of scientific research for the development of industries in particular. In pursuance of these objectives the Government of Orissa were now ~~setting~~ setting up a Board of Scientific and Industrial Research. The functions of the Board, broadly speaking, would be: (i) promotion and development of fundamental and applied scientific research and advanced scientific training in Orissa; (ii) encouragement, organisation and direction of industrial research with special reference to the resources and needs of Orissa so as to help the co-ordinated development of industries in the Province; (iii) co-ordinated direction of research done by different departments of Government and in different institutions in Orissa; (iv) award of research studentships and fellowships for the development of scientific talent in Orissa and for the study of scientific problems; (v) maintenance of close liaison with the Council of Scientific and Industrial Research, Government of India and with similar bodies ~~and~~ set up by other Provincial and State Governments; ~~(iv)~~ (vi) establishment of a Scientific Information Bureau for collection and dissemination of information relating to scientific and industrial research and the practical utilisation of that information by making it available to laymen specially for the development of agriculture and cattle wealth and the utilisation of the raw material resources of the Province; and (vii) publication of a journal of scientific and industrial research.

In addition to the Premier the Board has 19 members including the Ministers incharge of Development and Education, the Directors of Agriculture, Industries and Health and representatives of Orissa's Commerce and Industry.

(Resolution No. 2790-PR dated 1-8-1947,
Supplement to the Orissa Gazette, dated
8-8-1947, pages 289-290).

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GENERAL.

Transfer of Power to Dominions of India and
Pakistan, 15-8-1947.

In accordance with the provisions of the Indian Independence Act, 1947 (vide page 77 of the report of this Office for June 1947) the Government of United Kingdom transferred power to the two new Dominions of India and Pakistan on 15-8-1947. In both the Dominions, pending the introduction of the new constitution at present being framed by their respective Constituent Assemblies, the respective Constituent Assemblies are to function as the Dominion Legislatures. Lord Louis Mountbatten has been appointed Governor-General of the Dominion of India, and in the new Indian Dominion Cabinet, which assumed office on 15-8-1947, Pandit Jawaharlal Nehru is the Prime Minister and Mr. Jagjiwan Ram, Minister for Labour, Mr. Mohammad Ali Jinnah has been appointed Governor-General of Pakistan, and in the Pakistan Cabinet which is led by Mr. Liaquat Ali Khan, Mr. J.N. Mandal is the Minister in charge of Labour.

(The Gazette of India Extraordinary,
dated 15-8-1947, pages 1017-1020).

Dominion of India to succeed to Membership in
International Organisations: Indian Independence
(International Arrangements) Order, 1947.

The Indian Independence (International Arrangements) Order, 1947, issued by the Governor-General of India on 14-8-1947 outlines the terms of an agreement between the Dominions of Pakistan and India regarding the devolution of international rights and obligations arising from India's membership of international organisations, following the partition of India into the two Dominions of India and Pakistan as from 15-8-1947.

Membership of International Organisations.— Under the terms of the agreement as specified in a schedule attached to the above Order, membership of all international organisations together with the rights and obligations attaching to such membership, will devolve solely upon the Dominion of India. For this purpose rights or obligations arising under the Final Act of the United Nations Monetary and Financial Conference as to be deemed to be rights or obligations attached to membership of the International Monetary Fund and to membership of the International Bank for Reconstruction and Development.

International Agreements.— As regards international agreements rights and obligations under all international agreements to which India was a ~~member~~ party immediately before 15-8-1947 are to devolve both upon the Dominion of India and upon the Dominion of Pakistan, and will, if necessary, be ~~apportioned~~ apportioned between the two Dominions. Rights and obligations under international agreements having an exclusive territorial application to an area comprised in the Dominion of ~~India~~ India will devolve upon that Dominion and those ~~rights and~~ having an exclusive territorial application to an area comprised in the Dominion of Pakistan will devolve upon that Dominion.

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The agreement finally provides that the Dominion of Pakistan will take such steps as may be necessary to apply for membership of such international organisations as it chooses to join.

(The Gazette of India Extraordinary,
dated 14-8-1947, pages 911-912).