

COPY NO.2 -

80056

INTERNATIONAL LABOUR OFFICE
INDIA BRANCH

B.I.T. REGISTRY-GENEVA
- 2 FEB 1954
File No: 33-2-165
With: on:

Industrial and Labour Development in December 1953.

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

<u>Contents.</u>	<u>Pages.</u>
<u>CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.</u>	
<u>11. Political Situation and Administrative Action:</u>	
Orissa: Tripartite Labour Advisory Board set up.	1
<u>14. Conventions and Recommendations:</u>	
Action on I.L. Conventions adopted at 1952 Session: Statement laid on the Table of House of People.	2-4
<u>CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.</u>	
<u>25. Wage-Earners' Organisations:</u>	
(a) Sixth Annual Session of Indian National Trade Union Congress: Need for Development of Small-Scale Industries to combat Unemployment stressed.	5-13
(b) Fourth Annual Convention of Hind Mazdoor Sabha: Development of Small-Scale Industries to solve Unemployment suggested.	13-15
(c) Bombay: Working of the Indian Trade Unions Act, 1926, during the Year 1951-52.	16-21
<u>28. Employers' Organisations:</u>	
(a) Annual General Meeting of Employers' Federation of India: Criticism of Government's Policy towards development in Private Sector.	22-23
(b) Annual General Meeting of Associated Chambers of Commerce, Calcutta, 14 December 1953: Chairman's Plea for Revision of Tax Structure.	24-27
<u>29. International Co-operation:</u>	
U.S. Economic Aid for Indian Railways: \$ 20 Million Agreement concluded.	28-29

Contents.

Pages.

CHAPTER 3. ECONOMIC QUESTIONS.

33. <u>Full Employment Policy:</u>	
(a) Parliament Debate on Unemployment: Resolution on Expansion of Five-Year Plan adopted.	30
(b) Unemployment in Rural Delhi: Survey conducted by All-India Congress Committee.	30-35
34. <u>Economic Planning, Control and Development:</u>	
(a) Thirty-Sixth Annual Session of the All-India Economic Conference: Unemployment Major Problem before Country.	36-41
(b) 14 th All-India Agricultural Economics Conference: Mr.V.T. Krishnamachari's Presidential Address.	42-43
(c) All-Round Economic Improvement: Finance Minister's Review of Situation.	44-46
(d) Production Costs rising in Indian Industries: Tariff Commission's Review for the Year 1952-1953.	47-49
(e) Development Council for Bicycle Industry established.	49
(f) New Steel Plant for India: Agreement signed with German Combine.	50-51
(g) Improvement of Agriculture: Soil Conservation Board set up.	51
(h) Bombay: Financial Corporation set up to aid Small Industries.	52
(i) Dhoties (Additional Excise Duty) Act, 1953 (No.39 of 1953).	53
(j) Mill-Owners' Association to set up 10 Million Rupees Textile Research Institute.	53-54
(k) Ordinance to take over Sholapur Mills held invalid: Supreme Court's judgment.	54-56
36. <u>Wages:</u>	
(a) Index of Earnings of Factory Workers in India, 1950-1951.	57-61
(b) Madhya Bharat: Minimum Wages for Employment in Agriculture Not Feasible: Committee's Report.	61-62
(c) Delhi: Minimum Wage Rates for Employment in Dal and Flour Mills enhanced.	62-63
(d) Travancore-Cochin: Minimum Rates of Wages fixed for Employment in Cashewnut Industry.	63-64

<u>Contents.</u>	<u>Pages.</u>
36. <u>Wages (Continued):</u>	
(e) Punjab: Revised Minimum Rates of Wages Fixed for Employment in Road Construction, Building, Stone-breaking or Stone-Crushing Operations.	65-
(f) Uttar Pradesh: Increased Wages granted to Workmen in Vacuum-Pan Sugar Factories.	66
(g) Bombay: Bonus Award for Mill Workers.	67
38. <u>Housing:</u>	
Housing Programme of the Government of Bombay: Industrial Township to be built at Chembur.	68-70
<u>CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES OF THE NATIONAL ECONOMY.</u>	
41. <u>Agriculture:</u>	
Madras Indebted Agriculturists (Temporary Relief) Ordinance, 1953 (No. V of 1953).	71
43. <u>Handicraft:</u>	
Delhi: Cottage Industries, Khadi and Handicrafts Development Board constituted.	72
<u>CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.</u>	
50. <u>General:</u>	
(a) Draft Mines (Posting up of Abstracts) Rules, 1953.	73
(b) Conditions of Work in Tramways.	73-78
(c) Labour Conditions in the Cashewnut Processing Industry in India: Labour Bureau Survey.	78-83
52. <u>Workers' Welfare and Recreation:</u>	
Delhi: State Government's Labour Welfare Centre Opened.	84
53. <u>Women's Work:</u>	
Economic and Social Status of Women Workers in India: Study published by Labour Bureau.	85

<u>Contents.</u>	<u>Pages.</u>
56. <u>Labour Administration:</u>	
Working of the Factories Act in Madras during 1952.	86-89
2 <u>CHAPTER 6. GENERAL RIGHTS OF WORKERS.</u>	
64. <u>Wage Protection and Labour Clauses in Employment Contracts with the Public Authorities:</u>	
Payment of Wages(Bombay Amendment)Act, 1953 (No.LXII of 1953).	90
66. <u>Strike and Lockout Rights:</u>	
✓ (a) Assam: Rice and Oil Mills and Motor Transport Services declared Public Utility Services.	91
✓ (b) Bihar: Sugar Industry declared a Public Utility Service.	91
✓ (c) Delhi: Cotton Textile Industry declared a Public Utility Service.	91
67. <u>Conciliation and Arbitration:</u>	
✓ (a) Bombay Industrial Relations(Amendment) Act,1953 (No.LXIII of 1953).	92
✓ (b) Saurashtra: Bill to amend Industrial Disputes Act: Provision for Registration of Voluntary Agreements.	93
✓ (c) Madhya Bharat Industrial Relations (Adaptation)(Third Amendment)Bill,1953.	94
<u>CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS.</u>	
74. <u>Indigenous Labour:</u>	
Untouchability(Offence)Bill,1953: Measure to provide Penalties for Practice of Untouchability.	95-96
<u>CHAPTER 8. MANPOWER PROBLEMS.</u>	
81. <u>Employment Situation:</u>	
(a) Compensation for Lay-Offs: Industrial Disputes(Amendment)Bill passed by Parliament.	97-99
(b) Employment Exchanges: Working during October 1953.	100-103

<u>Contents.</u>	<u>Pages.</u>
83. <u>Vocational Training:</u>	
Labour Ministry's Training Schemes: Progress during October 1953.	104
<u>CHAPTER 9. INCOME SECURITY.</u>	
91. <u>Pre-Legislation Measures:</u>	
Rajasthan: Compulsory Life Insurance Scheme for Government Employees.	105
92. <u>Legislation:</u>	
Employees' Provident Funds (Amendment) Act 1953 (No.37 of 1953).	106
94. <u>Application:</u>	
West Bengal: Implementation of Employees' State Insurance Scheme: Medical Profession's Objections.	107
<u>CHAPTER 10. SOCIAL AND INDUSTRIAL MEDICINE.</u>	
101. <u>Conditions Requiring Medical Care:</u>	
Tuberculosis in Industry: All-India Institute of Hygiene and Public Health Survey.	108
<u>CHAPTER 11. INDUSTRIAL SAFETY.</u>	
111. <u>Prevention of Accidents:</u>	
Delhi Boiler Attendants' Rules, 1953.	109
<u>LIST OF THE PRINCIPAL LAWS PROMULGATED DURING THE PERIOD COVERED BY THE REPORT FOR DECEMBER 1953.</u>	110
<u>BIBLIOGRAPHY - INDIA - DECEMBER 1953.</u>	

CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - DECEMBER 1953.

11. Political Situation and Administrative Action.

Orissa: Tripartite Labour Advisory Board set up.

In pursuance of the Resolution of the Government of India on Industrial Truce adopted at the Industries Conference held in New Delhi in 1947, the Government of Orissa has set up a Labour Advisory Board for the State consisting of 3 representatives of Government including the Minister of Labour as Chairman, 3 representatives of employers and 4 representatives of employees with the object of promoting mutual understanding and co-operation between labour and management. The Board would ordinarily function for a period of three years commencing from 1 September 1953 after which it may be reconstituted. It is an advisory body and its duty is to advise the State Government in all matters relating to labour such as employment, conditions of service, welfare and management of labour and any other matter that may be referred to it by the State Government.

(Indian Labour Gazette, Vol. XI, No. 4,
October 1953, page 345)

14. Conventions and Recommendations.

India - December 1953.

Action on I.L.Conventions adopted at 1952
Session: Statement laid on the Table of
House of People.

Mr. Abid Ali, Deputy Labour Minister placed on the table of the House of People a statement showing action proposed to be taken by Government on the Conventions and Recommendations adopted at the thirty-fifth session of the International Labour Conference at Geneva in 1952. The Conference adopted three Conventions concerning (1) holidays with pay in agriculture, (2) minimum standards of social security and (3) maternity protection. It had also framed three Recommendations on (1) holidays with pay in agriculture, (2) consultation and co-operation between employers and workers at the level of the undertaking and (3) maternity protection. None of the Conventions or Recommendations had been accepted by Government, which, however, proposes to review the position in regard to social security and maternity benefit.

Industrial relations.- Dealing with the Recommendation regarding consultation and co-operation between employers and workers at the level of the undertaking, the statement said that the principle underlying this Recommendation had already been accepted in India. Works Committees for the settlement of disputes on the spot between workers and management constituted an important agency in the machinery of industrial relations conceived in the Five-Year Plan. This Recommendation had already been embodied in the Industrial Disputes Act of 1947, providing for the setting up of works committees in industrial establishments employing 100 or more workmen.

The Government had also taken various steps in pursuance of the industrial truce resolution of 1947 for the setting up of works committees and unit production committees at various levels. According to information available, there were about 2,000 works committees functioning on 30 September 1952. Their working had, however, not been wholly satisfactory owing to various reasons. Government had received suggestions for removing the difficulties encountered in their functioning in connection with the enactment of the proposed Industrial Relations legislation. The Five-Year Plan also contained recommendations in this regard and Government was giving attention to these suggestions and recommendations. In the light of these facts, it was not necessary to take any further action on the Recommendation.

Holidays with pay.- According to the statement, Government considered it neither necessary nor practicable to implement the provisions of the Convention pertaining to holidays with pay in agriculture. The reasons were: (1) that agricultural operations were seasonal in character; workers were not required to work continuously throughout the year and they got long intervals for rest and recuperation; (2) that the strain on agricultural workers was less than on industrial workers; and (3) that the administrative difficulties would be immense if holidays with pay were enforced in a large number of small holdings.

Social security.- As regards social security, the statement said that the Employees' State Insurance Act covered four of the branches of social security mentioned in the Convention, namely, medical care, sickness, maternity and employment injury benefits. Only a modest beginning had been made so far in the implementation of the Act. Government was making every effort in co-operation with the States to implement the scheme of insurance so as to cover the whole country as early as possible, but in view of the various difficulties, Government did not propose to ratify the Convention at present. The position would, however, be reviewed when the ~~scheme~~ scheme had been fully implemented.

Maternity benefits.- In order that it might be possible to ratify the Convention relating to maternity benefits, the statement said that it would be necessary to extend the application of the existing legislation widely. This might not be practicable at present. Even, the full implementation of the Employees' State Insurance Act in all States would take some time. Ratification of this Convention was not possible at present for another reason also, namely, that the benefits should be paid either through social insurance or out of public funds as against the present arrangements under which, except for the Employees' State Insurance Act, the benefits were payable by the Employer. Public funds had not yet come to be utilised for such a purpose and it was not possible to transfer the responsibility from the employer to the State in the present circumstances.

The provisions relating to duration of leave, rate and content of benefits were also on a higher scale under the provisions of the Convention than under the existing legislation. Government did not consider it desirable to increase the financial responsibility of the employers at present by amending the existing legislation to bring it on the lines of the Convention in these respects. Therefore, the statement said, Government did not propose to ratify this Convention at present. The subject would be reviewed again when the Employees' State Insurance Act had been implemented in all States.

As for the Recommendation on the subject, the statement said that it was in many respects even broader and more liberal than the provisions of the Convention. The Recommendations had, however, been brought to the notice of the State Governments for such action as might be considered practicable. In so far as the Central Government was concerned, it was not possible to give effect to it at present.

Mr. Abid Ali also placed on the table of the House the report of the Indian Government delegation to the Geneva Conference and texts of the Conventions and Recommendations adopted.

(Text of the Statement received in this Office)

'L'

25. Wage-Earners' Organisations.

India - December 1953.

Sixth Annual Session of Indian National Trade Union Congress: Need for Development of Small-Scale Industries to combat Unemployment stressed.

The sixth annual session of the Indian National Trade Union Congress was held at Jalagaon on 31 December 1953 and 1 January 1954. In the absence of Mr. Michael John, President of the I.N.T.U.C., Mr. Vasavada, Vice-President, presided. About 2,000 delegates representing over one million workers scattered in various industrial sectors throughout the country attended the Convention. The I.L.O. was represented by Mr. V.K.R. Menon.

Messages wishing the conference ^{success} were received from Central and State Ministers and from various trade union organisations including the All-Ceylon Trade Union Congress, the All-Pakistan Confederation of Labour, the International Transport Workers' Federation and the American Federation of Labour. The Convention was inaugurated by the Prime Minister, Mr. Jawaharlal Nehru and addressed among others by Mr. Gulzarilal Nanda, Central Minister for Planning.

The Convention, among others, adopted resolutions on employment, planning and wage policy. The resolution on unemployment categorically stressed the need for development of small-scale industries as the major solution of the problem of unemployment. The resolution on planning while noting the right start made by the Five-Year Plan, expressed its misgivings and incongruities exposed by the working of the Plan so far.

6

Mr. Nehru's address.- Mr. Nehru, in his inaugural address said that India was prepared to accept foreign economic aid for the development of her economy, but she should not rely on foreign aid too much. The country must depend primarily on her resources for her development. If foreign aid stopped, did it mean that India should cease to carry out the Five-Year Plan, he asked.

Referring to labour problems, Mr. Nehru said workers should be conscious of their responsibility in building the country. For the last 30 or 40 years he had been studying the question of amelioration of the condition of workers and peasants. It was the duty of workers to see that production of national wealth was increased. He asked trade union leaders to settle labour disputes by peaceful means without resorting to any sort of violence which might unnerve the employers.

Referring to the Five-Year Plan, he said there was no question of criticising this first attempt. There would be some inevitable lacunae. He had no doubt that in the second Five-Year Plan these lacunae would be filled up.

The Prime Minister stated that the social approach to India's problems was to improve the material conditions of the people to give them what was called a welfare State. "The best way we can realise this ideal is by realising that it takes time", he stated. People must realise that the problems of the country could not be solved by magic. The Constitution had given India a political structure, but the task of evolving the economic structure had to be performed. The first thing was to find out what exactly the Government was aiming at. They should have a clear picture of what was required to increase production and raise the standard of living.

He described ~~communists~~ communists and socialists as doctrinaire and said he was opposed to any rigid doctrine, religious or economic. Marx was a great man and every one could profit from ~~his~~ his writings, but that did not mean that certain postulates derived by him on the basis of the ~~nineteenth~~ nineteenth century conditions in Europe would hold good for India of today.

Presidential address.- Mr. Michael John, President of the INTUC could not attend the Convention owing to indisposition and his presidential address was read at the Convention.

Mr. John, in his address, expressed the hope that the Government would not delay the legislation that was necessary for improving labour-management relations and would be prompt in intervening in disputes, which were likely to have serious repercussions on the economic life of the country, if allowed to drag on. He said there was "an inordinate delay on the part of the Government in implementing even unanimous decisions of the trade union representatives. Legislation regarding the abolition of the Labour Appellate Tribunal and

the amendments regarding the definition of a "workman" in the Industrial Disputes Act were long overdue. Disputes of all-India importance like the one in the coal industry was allowed to drag on for over a year". Mr. John added that no new labour legislation had been passed during the past year excepting the ordinance which provided for compulsory relief during lay-off and compulsory gratuity to retrenched workers. The Labour Relations Bill had been pending before Parliament for a very long time and the workers were anxiously awaiting its enactment.

Mr. John was "glad to note that the emphasis is shifting from compulsory adjudication to negotiation and voluntary arbitration". Settlement of disputes by direct negotiations or voluntary arbitration was the best method of industrial relations, but in the present circumstances, adjudication by law would have to be provided for, so long as trade union movements were in a weak position.

Speaking on the economic situation in the country, Mr. John said: "Although the food situation had considerably improved, the cost of living had not been brought down to an appreciable ~~xx~~ extent. Production had gone up on all fronts but the low purchasing power of the people had created problems of overproduction and accumulation of stocks leading to retrenchment and consequent unemployment. The problems of unemployment and underemployment had assumed serious proportions which had compelled the Government to think afresh about the Five-Year Plan".

"Expressing appreciation of the Government's emphasis on cottage industries in the national economy, Mr. John said, any plan in India to be effective and successful must think in terms of labour rather than of capital. Priority must be given to the task of providing employment to millions of unemployed in the villages".

Stressing the need for creating "a new social climate" in the country, Mr. John said that it was high time that the income and consumption of the various sections of the society were co-related with the wealth of the country, for the one single factor primarily responsible for ~~the~~ disturbance in the economic life was the existing disproportionate distribution of the national wealth.

Referring to the attitude of business and industrial magnates, he said the sooner they realised that in planned economy the profit motive had to be subordinated to the larger interests, the better for all concerned. In laissez faire and a capitalist scheme of things, periodical cycles of depression were bound to recur and the only remedy that the employers thought was of curtailing production and creating an artificial scarcity so that prices were once again raised. The crisis in the tea, textile and other industries during the last one year

8

was a case in point and it had shown the imperative need of more governmental control. The Government had by its recent ordinances demonstrated that it was alive to this problem.

Referring to the headway made in achieving trade union unity amongst railwaymen, seamen and ordnance workers, he hoped that the coming year would bring the Hind Mazdoor Sabha and the Indian National Trade Union Congress nearer to one another towards the building up of a strong and united democratic trade union movement.

Referring to the INTUC's relations with the Indian National Congress, Mr. John said the relations had been satisfactory, "but this does not mean that the INTUC is prepared to liquidate its own separate identity". He added: "We have resisted upto now the attempts of the communists, socialists and other political parties to utilise the working class as a pawn in their political game. We shall resist any such attempt by congressmen also".

General Secretary's report adopted.— The Convention adopted the Annual Report (November 1952 to October 1953) drafted by the late Mr. Hariharnath Shastri and containing a detailed account of the expansion of the INTUC movement in the country, the activities of its various state branches and furtherance of its contacts and contributions abroad.

Industrial relations.— On the question of industrial relations the report said that during the year under review there was a marked aggravation in the intensity of labour disputes. The working class during this period was subjected to greater hardships and increased strain resulting in psychological restlessness. The causes of disputes generally continued to be the same as during the previous years, namely, bonus issue, wages and allowances, closures, rationalisation and retrenchment. The report emphasised that the question of bonus for industrial workers has to be considered as an industrial problem of national importance. This had come to stay as a legitimate and established claim of workers and as their rightful share in the fruits of the industry. It urged that this problem should be seriously considered by the Government with a view to determining the general criteria governing the payment of bonus. It pointed out that the claim for bonus did not necessarily emanate only from profits of the industry. In some industries where low wages have prevailed, bonus had to all practical purposes been treated as part of the wages. Such view was bound to prevail in future, unless the country had a rational wage-policy based on normal needs of the workers. In some cases bonus had also been in past linked up with production to the mutual advantage of labour and industry. That system should naturally continue.

7

The wage problem also continued to be a source of discontent and friction in industrial centres in several areas. In the first place, the continued rise in the cost of living had for years inflicted acute hardships on the working class. There had been no improvement in the situation and the working class continued to suffer from the consequences of high cost of living. The situation further worsened during the year in this respect. In some industries, there was a substantial fall in wages, particularly in the tea industry where there was a wage cut of about 20 per cent. Secondly, due to regular rise in lay-offs in some important industrial areas, there was considerable fall in earnings.

As in previous year, the closure of industrial concerns constituted another big factor responsible for industrial disputes. Attempts at rationalisation leading to retrenchment was another major cause of industrial discontent. In this connection the report deprecated the move on the part of some industries to introduce mechanisation and technological labour saving devices. It pointed out that in India where there was an abundance of manpower such methods were totally wrong and liable to create large scale unemployment. The workers were therefore, wholeheartedly against any such ~~works~~ *move*.

The Five-Year Plan and employment situation.- The ~~RRRRA~~ report stated that while, generally speaking, the Five-Year Plan had shown results within the bounds of the country's expectation it had failed to keep pace with the situation arising out of rapid deterioration in the employment ~~xxx~~ position.

While expressing concern on growing unemployment among middle class and other workers in urban areas, the report pointed out that one should not lose sight of the vast multitude of population constituting the rural areas. A state of increasing unemployment and underemployment has on the one hand adversely affected their living conditions and on the other hand it had brought about an appreciable fall in their purchasing capacity. Such conditions constituted a grave menace to the economic stability of the country as a whole. As a matter of fact a situation of slump that industrial concerns in general were experiencing at present was largely an outcome of poverty and unemployment prevailing with unabating tempo in the country and particularly among rural population.

The report suggested that the problem of under-employment in rural areas could be effectively tackled by rapid expansion of cottage industries. It was necessary that the Government should give active help in starting cottage industries in rural areas that may produce articles for which raw materials were available in the country. A ban should be placed on the import of articles that can be produced in the country. The Government should also provide marketing facilities for the products of such industries and for that purpose suitable assistance should be given. Steps should also be taken to demarcate the fields of

10

production as between large scale and cottage industries. The extension of cottage industries will also provide scope for employment to the middle classes. While the importance of cottage industries have constantly to be borne in mind, it would be necessary that the big industries should be subject to proper policy and planning. The large scale industries had come to stay as part and parcel of the economic development and care should, therefore, be taken that enormous national wealth that had been invested in these industries was fully exploited to the best interest of the country. The report also suggested that the time was ripe for the Government to institute an enquiry into the financial position, cost structure and management of large industries. A beginning in this direction should be made in cotton textile, jute, plantations and coal industries.

Government's labour policy.- On the ~~Government's~~ Government's labour policy, the report while acknowledging that during the last six years the Government had provided for various amenities for labour in some important directions, pointed out that implementation of labour enactments had been tardy, particularly as regards minimum wages. It further pointed out that in the implementation of labour laws and settlement of labour disputes in general, excepting those that were under the direct jurisdiction of the Central Government all powers vested in the State Governments. While in some States these powers were being properly exercised, there had been numerous complaints from several other States in regard to non-implementation of labour laws and enforcement of awards. The report suggested that some practical ways and means must be devised to ensure effective implementation of the national policy in regard to labour problems on an uniform basis.

Resolutions.- The Convention adopted a number of resolutions dealing with employment, planning, lay off and retrenchment and wages. The main resolution was on employment. The main resolution states that "the solution of the problem of unemployment rests largely on the pace of economic progress of the country, and this should, therefore, be greatly accelerated and all sections of the population should make their utmost contribution towards this end. It is, however, of the greatest importance that methods of production should be adopted which while supplying the needs of the people, provide full employment to all able bodied men and women of the country, whether in the urban or rural areas. With ~~regg~~ regard to industrialisation of large scale type, therefore, efforts in the country should be concentrated on basic industries, while all processing of food and other essential consumer goods should be left to village and small scale industries. No addition and expansion of such consumer goods industries should be permitted and even existing plants may have to be closed where there is a net advantage in following the course for the purpose of extending the scope of employment. With the same end in view, it is necessary to regulate the introduction of new labour saving devices and rationalisation, so that no unemployment results therefrom.

11

"INTUC is firmly of the opinion that if India has to solve its unemployment problem and provide gainful occupation to its large population, it shall have to adopt an integrated policy of village and small scale industries supplemented by the large scale industries which are already installed. Means will have to be found to afford ~~instaxix~~ protection to products of village and small scale industries, so that they may not be killed in competition with large scale industries. This object may be achieved by demarcation of spheres of production, or measures to ~~ax~~ equalise the prices of the products from the two sources by positive assistance and subsidies on one side and levy of a cess or excise duty on the larger establishments. In addition, the Central Government will have to revise ~~taximport~~ its import policy and ruthlessly cut out all imports of food and materials which can be produced in this country by the existing or new industries".

Planning.— The resolution on planning while acknowledging that the Five-Year Plan has already yielded considerable benefits and new ground of a highly promising character is being covered specially in the programmes of local work, community projects and the national extension service, points out that the total effect of these efforts is grossly inadequate in relation to the huge problems of unemployment and poverty in the country. It ~~xxxx~~ says: ~~that~~ "The INTUC recognises fully that increased production is the only basis of an improved life for the people of the country, and that ~~xxx~~ this requires the fullest utilisation of the manpower and other resources of the country. Such utilisation, however, will not be possible as long as the existing disparities in wealth and income remain, and reliance in the matter of development is placed more on the performance of the vested interests than on the spirit and capacity of the mass of the people in the country. There is obviously something wrong with an economic system in which while the masses remain meagerly provided or have to go without the most essential needs of a decent life even small increase in the total volume of production create problems of disposal resulting in contraction of activity and the spread of unemployment. It is the duty of the community and the State to remove all impediments in the way of the maximum possible increase in employment and production with special regard to the interests of the consumers in the matter of quality and the price of the goods. If this course of action calls for radical measures, they should be taken and the country should be prepared for them, but no existing interests should be allowed to come in the way of progress on these lines and whatever overhauling of the country's Constitution is entailed on this account, must be undertaken."

12

"The INTUC whole heartedly offers its fullest co-operation in such steps as the State may take towards realisation of these aims".

Wage policy.- By a resolution on this subject the meeting pointed out that a good deal of leeway remains to be made up in improving and standardising the remuneration and working conditions of labour in the country. It requested the Working Committee of the INTUC to work out, as soon as possible scheme of norms with regard to the payment of minimum wages, dearness allowance, basic wages, bonus and other fields of industrial relations in which lack of uniformity is creating difficulties. The resolution suggested that the Joint Consultative Board set up by the representatives of workers and employers in the country should be approached in this behalf, in the first instance, for an early solution of these difficulties, and for this the machinery of the Board should be strengthened, so that it can function effectively.

Lay-off and retrenchment.- The resolution on this subject congratulates the Government on the prompt measures taken by it recently to avert large scale unemployment in the textile industry and to provide a degree of legal protection to the workers in factories, mines and other industrial undertakings in the matter of lay-offs and retrenchment.

"The INTUC welcomes this legislation as a first, though very modest step in the direction of realisation of the workers' right to security of employment, and requests the Government to ensure the effective implementation of the Statute and to extend its benefit to employees including plantation ~~and~~ workers.

Gratuity.- By a resolution on this subject the meeting urged that provision of gratuity to employees for loss of service due to old age or invalidity, retrenchment, death or any other reason must be secured to all industrial and commercial workers by law at an early date.

Plantation labour.- The resolution on plantation labour regretted that the Plantations Labour Act has not so far been put into force. It urged the Government to take immediate steps to enforce the Act. The Conference also requested the Government to restore the wage-cut enforced on plantation labour in Assam and Bengal as the industry was now in a prosperous state.

Office bearers.- Mr. S.R. Vasavada was elected President and Mr. K.P. Tripathi General Secretary for the next year. Mr. Michael John, Mr. Kashinath Pandey, Mr. G. Ramanujam and Mr. Ramsinghbhai Verma were elected Vice-Presidents, and Mr. G.D. Ambekar treasurer.

(The Indian Workers, 9 January 1954;
 The Hindustan Times, 30 and 31 December 1953;
 Text of the Presidential Address by Mr.
 Michael John, received in this Office;
 Indian National Trade Union Congress. Annual
 Report, November 1952 to October 1953,
 Presented by Shri Hariharnath Shastri, General
 Secretary, at the Sixth Annual Session held
 at Jalgaon on 31st December 1953. Indian
 National Trade Union Congress, 17, Queensway,
 New Delhi, pp.232;
 Text of Resolutions adopted received in
 this Office).

Fourth Annual Convention of Hind Mazdoor Sabha:
Development of Small-Scale Industries to solve
Unemployment suggested.

The fourth session of the Hind Mazdoor Sabha was held at Kanpur on 29 and 30 December 1953. It was attended by over 300 delegates from about 270 unions and presided by Mr. Sibnath Banerjee, President of the Sabha. The Convention, among others, suggested a three point programme to combat unemployment. The programme included large-scale execution of public works, clearing of slums and building of houses for the middle class and development of small-scale industries on modern lines.

Presidential address: Need for trade union unity stressed.— Mr. Banerjee, in his presidential address referred to trade union unity and said that if the principle of one union in one industry was honestly and democratically followed and all democratic socialist forces in State unions worked together, both reaction and disruption could not only be kept in check but might be completely overcome. It was want of unity among the trade unionists that was mainly responsible for keeping the working class weak and ineffective. He deplored that while every trade unionist in India realized it, very few were trying to remedy it in a determined way.

The Hind Mazdoor Sabha, he added, had decided to have unity with the United Trade Union Congress. As regards the INTUC and the AITUC, opinion was divided, but personally he favoured the ~~is~~ idea of achieving unity among all the four central bodies. There were of course, difficulties, in the way of such a development and it was impossible to achieve it in the near future.

Rationalisation opposed.— Mr. Banerjee said that "the fight against unemployment is really the fight for socialism". He added that the recent legislation regarding involuntary unemployment and retrenchment touched only the fringe of the problem. It gave a little more relief, no doubt, but that was inadequate. He suggested that this state of affairs must be remedied immediately by creating more employment with small machines till big industry was able to absorb these people.

Mr. Banerjee opposed rationalisation in view of present unemployment conditions and lack of provision for social security. Rationalisation, he said, resulted in further release of manpower swelling the ranks of unemployed.

Referring to industrial relations, Mr. Banerjee suggested that ways and means should be devised to settle industrial disputes through bi-partite approach between ~~the~~ labour and industry as a result of discussion round the table. He said that at present industrial relations in India were regulated by the Industrial Disputes Act and rules made thereunder providing for conciliation and adjudication by the Government Tribunal. Naturally, the intervention of the State had thwarted the normal growth of trade unions particularly its bargaining power. He, therefore, in such matters should diminish and it should be replaced by normal collective bargaining based on the strength and unity of workers.

*suggested that
government interference —*

Resolutions: Programme for combating unemployment.— The Convention viewed with grave concern the growing unemployment in the country and called upon the Central and State Governments to take all steps, including a drastic revision of its first Five-Year Plan, for increasing employment opportunities. Pending the implementation of the long range programme the Convention suggested a 3-point programme, namely, large-scale execution of public works, clearance of slums and building of houses for the middle class and development of small-scale industry on modern lines.

By another resolution the convention urged the Government to revise the Five-Year Plan to remove all its defects and take necessary steps to catch up with the rate of development visualised in the Plan. The resolution suggested that labour costs should be reduced by bringing down the present high cost of living of workers and not by curtailing the provisions of labour welfare legislation. The cost of production should also be reduced by limiting profits and conducting industry in an efficient manner.

On the subject of industrial legislation the Government urged the Central Government to undertake legislation on the industrial relations machinery, which should be simple and ensure speedy settlement of disputes on the combined method of collective bargaining and Government arbitration.

Other, resolutions related to the Minimum Wages Act, compensation for workers retrenched or lay-off, employees' State Insurance scheme, merger of dearness allowance with pay, the Payment of Wages Act, maternity benefit legislation, disputes in nationalised industries and subsidised housing scheme.

(The Hindustan Times, 28 December 1953).

'L'

Bombay: Working of the Indian Trade Unions Act, 1926; during the Year 1951-1952*.

Number and membership of trade unions.- There were 635 registered unions in the State at the end of the year 1950-51. Of these the registrations of 121 unions were cancelled owing to various reasons and 158 new unions were registered. Thus there were 672 unions at the end of the year under review. Only 561 unions submitted annual returns and out of which the returns from 411 unions were accepted for purposes of the report. The report, in this connection makes the observations that "(a) a large number of unions whose registrations was cancelled for non-submission of the annual returns appear to have been formed for securing certain specific advantages only and they cannot be said to be regularly functioning bodies and (b) the obligation under the Act to submit the annual return is still not adequately appreciated by a large number of unions as no annual returns were received from about 46 per cent of the total number of unions by the prescribed date and no improvement was noticed in the quality of the annual returns submitted by the unions, as a large majority of them had to be sent back to the unions for rectification".

Of the 411 unions, 383 were State unions and 28 Central unions; there were three Federations, one in the Central unions and two in the State unions.

The total membership as reported by 408 unions (excluding 3 federations) included in the report was 394,481 at the beginning of the year 1951-52 and 440,507 at the close of the year. A total of 177,440 members joined and 131,414 members left the unions during the year. The average membership of the unions included in the report which stood at 2,602 in 1945-46, had considerably declined during the last few years and was only 1,080 at the end of the year 1951-52. The total approximate membership of all the 672 unions at the end of the year 1951-52 was 588,500 as compared with the total approximate membership of 581,775 of the 635 unions at the end of the year ~~1950-51~~ 1950-51.

The following table shows the variation in the membership of registered trade unions in the State since 1941-42:•

* Annual Report on the Working of the Indian Trade Unions Act, 1926, for the State of Bombay, 1951-52. Bombay: 1953. Obtainable from the Government Book Depot, Charni Road Gardens, Bombay-4. Price Rs.9 Annas 1 or 15sh.6d. pp.127.

Year	No. of Registered Trade Unions	No. of Unions included in the report	Total memberships of the Unions shown in previous column			Average membership per Union included in the report.	Percentage of female members to total membership
			Males	Females	Total		
1	2	3	4	5	6	7	8
1941-42 --	81	65	135,105	7,254	142,359	2,190	5.10
1942-43 --	85	75	155,917	7,283	163,200	2,176	4.46
1943-44 --	91	77	176,277	8,030	184,307	2,394	4.36
1944-45 --	101	86	191,935	17,100	209,035	2,431	8.18
1945-46 --	115	87	210,700	15,684	226,384	2,602	6.93
1946-47 --	184	140	306,946	25,265	332,211	2,373	7.61
1947-48 --	329	261	359,283	24,511	383,794	1,470	6.39
1948-49 --	442	319	498,828	31,090	529,155*	1,659	5.88
1949-50 --	581	383	484,396	29,924	521,467*	1,361	5.74
1950-51 --	635	392	421,196	28,523	449,719	1,147	6.34
1951-52 --	672	408	411,384	26,876	440,507*	1,080	6.10

*Details regarding sex are not available in certain cases.

It will be seen from the above table that in contrast with the increase in the number of trade unions, the average membership per union showed a decline from 1,147 at the end of the last year to 1,080 at the end of the year under report.

Frequency distribution of membership.— A study of the frequency distribution of membership of the 382 unions discloses that the modal group is that of membership between 100 and 299; this group accounts for over 28 per cent of the unions, but only 6.33 per cent of the total membership. The following table shows the frequency distribution of membership of these unions as on 31 March 1952:—

Membership	No. of Unions	Percentage to total	No. of Members	Percentage to total
Below 50 -----	55	14.40	1,837	0.58
Between 50-90 -----	76	19.89	5,493	1.73
" 100-299 -----	110	28.80	20,061	6.33
" 300-499 -----	31	8.11	12,455	3.93
" 500-999 -----	44	11.52	30,362	9.58
" 1000-1999 -----	41	10.73	58,891	18.58
" 2000-4999 -----	16	4.19	49,284	15.55
" 5000-9999 -----	5	1.31	39,221	12.38
" 10000-19999 -----	1	0.26	11,195	3.53
" 20000- and over -----	3	0.79	88,116	27.81
Total	382	100.00	316,915	100.00

Similar figures for the 26 Central Unions as on 31 March 1952 are given below:-

Membership			No. of Unions.	Percentage to Total.	No. of Members.	Percentage to Total.
Below	500	---	10	38.46	1,646	1.33
Between	500-999	---	6	23.08	4,259	3.45
"	1000-1999	---	5	19.23	6,988	5.65
"	2000-4999	---	2	7.69	6,014	4.87
"	5000-9999	---	-	-	-	-
"	10000-14999	---	-	-	-	-
"	15000 and over	--	3	11.54	104,685	84.70
Total			26	100.00	123,592	100.00

Distribution according to industries.- The following table shows the industry-wise distribution of State unions and membership at the end of the year under report:-

Group	No. of Registered Unions	No. of Unions whose returns are included in the report	Membership at the	
			Beginning of the year	End of the year
Agriculture and Allied activities-----	9	6	8,763	8,163
Mining and Quarrying -----	1	1	969	4,169
Manufacturing -----	293	161	198,471	214,330
Construction -----	2	1	243	240
Electricity, Gas, Water and Sanitary Services-----	28	20	3,585	3,785
Commerce -----	83	67	15,477	14,762
Transport, Storage and Communication -----	79	42	42,046	46,873
Services -----	85	52	11,729	12,098
Miscellaneous -----	49	32	11,615	12,495

The number of unions reporting female membership increased from 175 having a total membership of 27,404 to 186 having a total membership of 25,769.

Similar statistics for Central unions are shown below:-

Group	No. of Registered Trade Unions.	No. of Unions whose returns are included in the report.	Membership at the	
			Beginning of the Year.	End of the Year.
Manufacturing -----	6	3	2,882	3,305
Construction -----	1	1	319	278
Commerce -----	3	3	1,994	2,666
Transport, Storage and Communication -----	25	18	94,848	116,553
Services -----	3	1	1,640	790
Miscellaneous -----	1	-	-	-

In the year 1950-51 there were 10 unions with 1,119 female members and during the year under report also there were 10 unions with 1,107 female members.

Finances of trade unions. The total income of the 408 unions during the year under report was 1,605,397 rupees with a balance of 1,249,385 rupees at the beginning of the year while their total expenditure for the same period was 1,372,646 rupees with a balance of 1,482,136 rupees at the end of the year. ~~Eleven~~ Eleven unions including one State federation maintained Political Funds and collected 15,535 rupees during the year. They had an opening balance of 53,014 rupees and a closing balance of 16,189 rupees. The three federations (one State and two Central) had a total income of 295,769 rupees during the year with an opening balance of 264,473 rupees while their total expenditure during the ~~year~~ same period was 308,242 rupees with a closing balance of 252,000 rupees.

The income of the State unions was 1,260,823 rupees and the total expenditure 1,070,992 rupees with the result that the General Fund which stood at 1,075,054 rupees at the beginning of the year 1951-52 increased to 1,264,885 rupees at the end of the year. All the groups showed excess of income over expenditure. The following table shows an analysis of the total income from various sources:-

Items of income.	Amount of income.	Percentage to the total income.
	Rs.	
Contributions from members -----	1,054,733	83.65
Donations -----	154,424	12.25
Sale of periodicals, books, rules, etc.	1,359	0.11
Interest with on investments -----	3,590	0.28
Income from miscellaneous sources ---	46,717	3.71
Total -----	1,260,823	100.00

The amount of donations was the highest, i.e., 71,479 rupees ~~xxxxx~~ in the case of "Manufacturing" group, while the "Commerce", "Miscellaneous" and "Transport", Storage and Communication" groups reported aggregate donations of 29,405 rupees, 19,335 rupees and 16,980 rupees respectively. The average income of the unions was 3,301 rupees for the year under review as against 3,590 rupees during the previous year.

The table given below shows the distribution of aggregate expenditure for the State unions:-

Items of expenditure.	Amount of expenditure incurred.	Percentage to total expenditure.
	Rs.	
Salaries, allowances and expenses of officers--	246,496	23.02
Salaries, allowances and expenses of establishment including rents, rates and taxes, stationery, printing and postage -----	444,812	41.53
Auditors' fees -----	8,044	0.75
Legal expenses -----	66,901	6.25
Expenses in conducting trade disputes-----	43,656	4.08
Compensation paid to members for loss arising out of trade disputes -----	5,179	0.48
Funeral, old age, sickness, unemployment benefits, etc. -----	7,627	0.71
Educational, social and religious benefits ---	59,282	5.54
Cost of publishing periodicals-----	7,399	0.69
Expenses incurred under Section 15(j) of the Act.	53,988	5.04
Other expenses -----	127,608	11.91
Total-----	<u>1,070,992</u>	<u>100.00</u>

The average expenditure per union was 2,804 rupees for the year as compared to 3,425 rupees for the year 1950-51.

As regards the Central unions, the average income was 13,253 rupees for the year as against 11,913 rupees during the year 1950-51. The following table shows the income from various sources of the Central unions:-

Items of income.	Amount of income.	Percentage to total.
	Rs.	
Contributions from members -----	291,854	84.70
Donations -----	9,177	2.66
Sale of periodicals, books, rules, etc. -----	557	0.16
Interest on investments -----	329	0.10
Income from miscellaneous sources -----	42,657	12.38
Total -----	<u>344,574</u>	<u>100.00</u>

As against the total income of 344,574 rupees the total expenditure during the year was 301,654 rupees with the result that the amount of general fund which was 174,331 rupees at the beginning of the year increased to 217,251 rupees. The average expenditure of the unions during the year was 11,602 rupees as compared with 11,339 rupees for the year 1950-51. The aggregate expenditure of all the ~~twenty-five~~ twenty-six unions on various items is shown in the following table:-

Items of expenditure.	Amount of expenditure. Rs.	Percentage to total.
Salaries, allowances and expenses of officers -----	59,454	19.71
Salaries, allowances and expenses of establishment including rents, rates and taxes and stationery, printing and postage -----	146,359	48.52
Auditors' fees -----	1,435	0.47
Legal expenses -----	1,510	0.50
Expenses in conducting trade disputes -----	2,404	0.80
Compensation paid to members for loss arising out of trade disputes -----	1,871	0.62
Funeral, old age, sickness, unemployment benefits, etc.	750	0.25
Educational, social and religious benefits-----	421	0.14 0.14
Cost of publishing periodicals -----	4,976	1.65
Expenses incurred under Section 15(j) of the Act---	10,048	3.33
Other expenses -----	72,426	24.01
Total -----	301,654	100.00

Affiliation to National Trade Union Organisations.-
The following table shows affiliation of the State and Central Unions to all-India Central Trade union organisations:-

Central Organisation of Labour.	State Unions		Central Unions	
	No. of Unions affiliated.	No. of Membership on 31 March 1952.	No. of Unions affiliated.	Total membership on 31 March 1952.
Indian National Trade Union Congress-----	100	176,551	1	41,685
Hind Mazdoor Sabha -----	40	37,870	6	67,630
All-India Trade Union Congress--	10	19,163	-	-
United Trade Union Congress----	1	860	-	-
Not affiliated -----	164	46,763	11	7,444
Affiliation not known -----	67	35,708	8	6,833
Total-----	382	316,915	26	123,592

28. Employers' Organisations.

India - December 1953.

Annual General Meeting of Employers' Federation of India: Criticism of Government's Policy towards development in Private Sector.

The overall policy of the Government towards development in the private sector was subjected to severe criticism by Mr. H.P. Mody, presiding over the twenty-first annual general meeting of the Employers' Federation of India, in Bombay on 17 December 1953*.

While free enterprise had been assigned a definite role and reassuring statements of the Government's intentions were made from time to time, Mr. Mody said, the blunt truth was that the Government's actions lacked cohesion and consistency and created a state of uncertainty.

He complained that the representations made by industrial interests seemed to receive little attention. The flow of labour legislation, the irksome control over profits, production and distribution, the refusal to provide adequate incentives for either old or new enterprises and "the irresponsible opinions indulged in by some of those who hold positions of influence", continued; they were not only sapping the morale of the industrialists, but were ~~destroying~~ destroying the confidence of the investor.

Mr. Mody was not against the concept of a controlled economy; but controls had to be reasonable and must pay sufficient regard to the problems and difficulties of the enterprises which were sought to be regulated in the public interest.

Five-Year Plan.- Dealing with the Five-Year Plan, Mr. Mody said that though the full impact of the major projects on production would not be felt for some years, there were signs of a general improvement in the levels of domestic output. The greater availability of raw materials had helped to make possible fuller utilisation of industrial capacity in the manufacturing industries. He felt that the problem of unemployment had its roots in the economic backwardness of the country and that until a nationwide effort over a period of years had substantially altered the picture, it would be idle to expect any material improvement in the position.

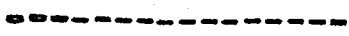
* The Employers' Federation of India. Proceedings of the 21st Annual General Meeting, 17th December 1953. pp.13.

Labour relations.- Mr. Mody said that judged by the figures of mandays lost, it was satisfactory to note that peace on the labour front was fairly maintained during the year. He was free to admit that much remained to be done in the firection of cultivating a human approach to the worker in the factory. He would, however, point out that the Government did not seem to have realised the basic fact that undue regimentation of employer-employee relations was calculated to come in the way of mutual understanding and must result in keeping the two sides indefinitely at arms length. Mr.Mody appealed to the Labour Minister and the Government to recognise that employers were ready to move with the times and were not seeking to fight a rearguard action.

Deprecating the move in some quarters to get rid of the Appellate Tribunal, Mr. Mody emphasised the necessity of maintaining a judicial machinery which would act as a corrective to individual judgments and ensure some sort of uniformity in the application of the principles which should govern the ~~xxxxxx~~ determination of claims in respect of wages, bonuses and the like.

Mr. Mody stated that an I.L.O. team of experts had been in the country for some time conducting an enquiry into productivity and system of payment by results in certain selected industries. " We hope their ~~xxxx~~ studies may lead to a solution of what is undoubtedly a difficult problem. We regard it as essential that wages should have some relation to production, and we hold that it is in the interests of both workers and employers that this basic principle should receive practical recognition. The Government of India have under contemplation the setting up of a National Productivity Centre. Employers' representa- tives have accorded their support to this proposal and it is hoped ~~xx~~ such a Centre will come into being at an early date".

Mr. Mody was re-elected President of the Employers' Federation of India for the ensuing year.



24

Annual General Meeting of Associated Chambers of
Commerce, Calcutta, 14 December 1953: Chairman's
Plea for Revision of Tax Structure.

The annual general meeting of the Associated Chambers of Commerce was held at Calcutta on 14 December 1953. Mr. E.J. Pakes, President of the Association presided. Mr. Deshmukh, the Union Finance Minister, Mr. Lal Bahadur Shastri Minister for Railways, Dr. B.C. Roy, the West Bengal Chief Minister, Sir Alexander Clutterbuck, the High Commissioner for the U.K. in India and members of the various Chambers of Commerce were among those present. The meeting was inaugurated by the Prime Minister, Mr. Jawaharlal Nehru.

Mr. Nehru's address: human approach to labour problems needed.- Mr. Nehru, in his inaugural address, said that industrialists in India should approach ~~their~~ their labour problems with a human touch and make workers feel they were partners in industrial undertakings. He added that a human approach meant that managements should take workers into their confidence. Such an approach, he believed, would improve employer-labour relations and result in a greater return from workers.

He said well-organised and disciplined trade unions should be encouraged and group rivalries among workers discouraged. He condemned violence by workers.

The Prime Minister was critical of the great disparities in wealth that existed in the country. He said that such conditions could not endure in a modern social outlook. The main object of taxation was to equalize incomes, he added.

There was no reason why there should be conflict between industries in the private and public sectors. Both had distinct roles in the development of the economy of an undeveloped country like India. In deciding a policy the Government's primary concern was the interest of the people at large and ultimately it was their voice that mattered.

Answering criticism about the Five-Year Plan, he said that the second Five-Year Plan would be an improvement on the first, which, he admitted, contained many lacunae.

Presidential address: revision of tax structure urged.- Mr. Pakes in his presidential address, said India with her vast potential wealth was now well on her way to full recovery from the upheavals caused first by the war and then by partition.

Reviewing the year, Mr. Pakes said, it had not been an easy one for those engaged in industry and commerce. But there had been some encouraging developments not the least of which had been the recovery in the tea industry which did so much to help with foreign exchange. However, the tax structure of the country needed urgent revision if the private sector was to be given a chance of playing its full part in bringing the first Five-Year Plan and its successors to fruition.

Mr. Pakes said during the past year there had been many indications that conditions necessary "for the survival and expansion of the industry" were not as favourable as they could be - some in fact had been more favourable to the dispersal than to the collection of capital. The causes were of four kinds: (1) Those of a general character, forming parts of the climate in which private enterprise succeeds or fails; (2) those attributable to the present labour situation; (3) those deriving from the existing tax structure; and (4) those relating to the country's export industries which were of particular importance to the future.

The first, he said, related to international political and sociological tendencies - not peculiar to this country alone - the threat of Communist infiltration throughout the East, the dangers of conflicts, threats to law and order of which they in this part of India had recent experience. Mr. Pakes expressed satisfaction at the statesmanship shown in these respects by the Government in dealing with the formidable and delicate problems of external and internal policy. "These are factors which the private sector of commerce and industry throughout the world must take into account as best as they might, But they are of particular significance in Asia and in a relatively young industrial country such as India where political upheavals and any policy other than the firmest enforcement of law and order involve threats to commercial and industrial confidence".

As regards what he called "impediments to the flow of capital", Mr. Pakes said the first essential was a reduction in direct taxation which would at once give the individual more incentive to work, to save, to plan and to invest in new enterprise and afford the industrial company a sufficient margin of profit to plough back into the country for its expansion, development and improvement. The Association had also suggested before the Taxation Inquiry Commission means which it believed would make up the loss of revenue caused by a suitable reduction in direct taxation, principally by means of a wider spread of indirect taxation. Nothing short of a complete revision on these lines of the existing tax structure could give the necessary impetus to the country's industrialisation, he added.

Mr. Pakes said another connected factor, which had an unsettling effect on existing and potential enterprise, was "the hasty" and sometimes "illconsidered" legislation. Responsible business organisations should be given more time to analyse a proposed legislation and to put forward wellbalanced opinions on it before it was placed on the statute book.

He mentioned in this connection the Companies Bill, and said the scheme envisaged in the committee's report must stand as a whole and that any tampering with its essential components would destroy the whole finely-balanced structure.

Labour relations.- Mr. Pakes said the main impediments to more rapid expansion of industry in the private sector and to the flow of capital into these channels were discernible more clearly in the difficult field of labour relations. It was idle to hope, he said, that capital would happily come forward under conditions in which industry found itself ~~unable~~ totally unable to shed its surplus labour, technological improvements were impeded by clamour against retrenchment, and rising wage ~~time~~ levels and bonus awards imposed from outside. The ~~time~~ time had therefore come to consider what value in terms of work and output was to be placed on the rupee. He would not say that the standard of living of the workers should not be improved, but it could not be improved and in fact it would deteriorate if the internal value of the rupee was not maintained. The remedy, he suggested, must be to increase the output of the worker in return for his daily wage, to introduce technological improvements in the methods of production which should enable Indian industries to reduce their costs and to improve agricultural methods so as to reduce the price of food. By such methods alone would be possible to increase the purchasing value of the rupee and thus increase the standard of living in the country.

Resolutions.- The meeting adopted a resolution urging the Government to revise taxation policy so as to stimulate further enterprise in the fulfilment of the Five-Year Plan by giving positive incentive to work.

The Association urged that the Taxation Enquiry Commission ~~be directed~~ be directed to give immediate priority consideration to the question of inter-State sales transactions and present an early report on the matter to overcome the present difficulties and uncertainties and achieve uniformity throughout the country.

By another resolution the Association suggested that more comprehensive revision of the industrial disputes legislation on the lines of the original Labour Relations Bill should be effected.

Expressing appreciation of the substantial ~~expansion~~ expansion plans of the country's rail transport system, the Association considered that the programme so far announced fell short of what was necessary to cater for the vast increase in industrial production and trade visualised in the Five-Year Plan.

(Amrita Bazar Patrika, 15 December 1953;
The Statesman, 15 December 1953).

'L'

25

29. International Co-operation.

India - December 1953.

U.S. Economic Aid for Indian Railways:
£ 20 Million Agreement concluded.

The first operational agreement between India and the United States of America under the 1953-54 Indo-US Technical Co-operation Programme was signed in New Delhi on 24 December 1953. The project, which is to be financed under this agreement is for the rehabilitation of Indian Railways and involves a joint cost of £ 20 million and 32 million rupees.

The allocation of £ 20 million for this project is a part of the total authorisation of £ 77.1 million as assistance to India by the U.S. Government for the current financial year. Of this amount £ 60.5 million are earmarked for economic aid and £ 16.6 million for technical aid. In addition there is a provision of £ 12 million for meeting the expenses of technical, engineering and other services in support of the programme.

A special feature of the agreement is that this is for the first time that direct economic aid, as distinguished from technical aid, is being provided to India by the U.S.A. Mr. G.V. Allen, U.S. Ambassador in India, who was present at the signing ceremony, observed that this feature constituted a landmark in Indo-US. technical co-operation.

Under the agreement, the following rolling stock and equipment will be acquired by India from outside sources: 100 type "WG" broad gauge locomotives, 2,500 broad gauge freight wagons and 2,500 metre gauge freight wagons.

The rupee expenditure - 32 million rupees - for this project will be towards meeting the cost of ocean transportation of the rolling stock and equipment to India, handling expenses, construction and assembly of wagons and inland transportation in India.

The purpose of this project is to meet, in part, the present deficiency in railway rolling stock and equipment in India. The Indian railway system had been subjected to severe strain during the war and in subsequent years. The main difficulty has been replacement of over-age stocks. In the Five-Year Plan rehabilitation of the Railways has been given considerable importance, nearly a fifth of the total expenditure on the Plan having been signed to it.

Against the first three years' programme of the Five-Year Plan, India placed orders for 769 locomotives and ~~is~~ is placing orders for approximately

500 more against the programme for the last two years of the Plan. This will still leave a balance of about 1,500 over-age locomotives needing urgent replacement.

It is expected that once the accumulated arrears of repairs and replacements are cleared, the present level of traffic can be moved with about 7,800 locomotives with an average age of 20 years, against the present age of 30 years. When this average age is brought down to 20 years the annual replacement requirements will be approximately 200 locomotives which will be well within the capacity of India's two locomotive factories.

The number of wagons of all types owned by the Indian Railways was 199,094 in March 1951, of which 73,371 are or will be overage during the five-year period of the Plan. Against the first three years' programme of the Plan, orders were placed in India (local manufacture) and abroad for 32,293 new wagons and for the next two years orders for 29,000 more wagons will be placed. This will leave a balance of 12,000 over-age wagons which need replacement. Once the arrears are cleared, the normal annual requirement is likely to be about 6,000 wagons which can be met from the present manufacturing capacity of the country.

(The Statesman, 25 December 1953).

'L'

CHAPTER 3. ECONOMIC QUESTIONS.

INDIA - DECEMBER 1953.

33. Full Employment Policy.

Parliament Debate on Unemployment: Resolution on Expansion of Five-Year Plan adopted.

The House of the People adopted on 18 December 1953, an official resolution calling for a revision of the first Five-Year Plan with a view to increasing employment opportunities.

The resolution was in substitution of the one moved by a communist member, Mr. A.K. Gopalan, in the previous session. Mr. Gopalan's resolution urged the Government to take immediate steps to arrest the growth of unemployment in the country and to provide relief for the unemployed. The substitute resolution, which was moved by Mr. C.D. Deshmukh, Finance Minister, read: "This House is greatly concerned over the growing unemployment in the country and is of the opinion that with a view to increasing employment opportunities in the country the Government should take steps to revise the Five-Year Plan suitably and take immediately such measures as are necessary for the purpose".

(For the earlier debates of the House of the People on unemployment, see pp. 11-16 of the report of this Office for September 1953, and pp. 12-25 of the report of this Office for November 1953).

(The Hindustan Times, 19 December 1953).

Unemployment in Rural Delhi: Survey conducted by All-India Congress Committees

Four per cent of the total employable population of 31 Delhi Villages have no work to do and one in every hundred is idle due to physical disabilities, according to the findings of a survey conducted by the All-India Congress Committee. The team of investigators was headed by Mr. Shyam Nandan Mishra, M.P. The questionnaire on which it was based was prepared with the help of the Delhi School of Economics, while the layout of the survey was planned in consultation with the Central Statistical Organisation. The inquiry centred round three main questions: What are the types of employment? What is the degree of employment? What is the income-content of employment?

The following is a brief account of the results of the investigation:

Village groups.- Out of 304 villages of Delhi State, 10 per cent of the villages and 10 per cent of the households in each village were selected for purposes of the survey. The villages were selected on a stratification basis by grouping them on the basis of population. The composition of the population of rural Delhi is made up of 40.7 per cent males, 35.1 per cent females and 24.2 per cent infants.

In the villages there is an intimate relationship between the caste system and occupations which people pursue. Jats who form 23.9 per cent of the households ~~are~~ are generally agriculturists, and Harijans who form 22 per cent of the household are generally labourers.

In the villages of Delhi State, 42.3 per cent of the households belong to agriculturists, 14.7 per cent to labourers, 8.5 per cent to servicemen and the remaining 34.5 per cent to other occupations. Thus agriculture is the main stay of the people of the State.

The following is the percentage distribution of the occupational structure:-

Agriculturists -----	62.56 per cent
Labourers -----	11.00 per cent
Servicemen -----	7.70 per cent
Miscellaneous -----	18.74 per cent

Thus it is clear that in rural Delhi, more than half the people are engaged in agriculture. Ninetyone-point-five per cent of the agriculturists cultivate their own land; thus peasant-proprietorship is the predominant feature of land-holding in the State.

As regards the economic status of the rural population 24.93 per cent of the population are earners, 22.36 per cent are earning dependants and 52.7 per cent are non-earning dependants. Among those who are aged 14 years and above, 35.68 per cent are earners, 35.96 per cent are earning dependants and 28.36 per cent are non-earning dependants. This strata of the population can be considered as employable.

With regard to occupational status, 59.28 per cent of the employed population are self-employed. The following is the occupational status distribution of the employed persons:-

	Per cent
Self-employed -----	59.28
Government Service -----	5.66
Non-Government Service-----	2.11
Domestic Service -----	2.11
Wage-earners -----	13.63
Women engaged in household work ---	17.21

Thus, in rural Delhi, the majority of the people are self-employed. Excluding 17.21 per cent of the employed persons engaged in household work, the survey shows that 82.8 per cent of the employed population is gainfully employed. Out of the total employable population 4 per cent are completely unemployed due to want of work, and 1 per cent are unemployed due to physical disabilities.

On an average, there are seven persons per household in Delhi State villages. This comprises 3 males, 2.2 females and 1.8 infants below six years of age. An average household consists of 1.4 per cent earners, 1.6 per cent earning dependants and 4 per cent non-earning dependants. Thus, the majority of the people are non-earning dependants.

One significant feature has been that the people who are above 55 years of age constitute 25 per cent of the total number of earners, 5 per cent of the total number of earning dependants, and 13 per cent of the total number of non-earning dependants. A large section of the group is engaged in active work in the absence of any other earner in the family. The majority of the earners and earning dependants section of this group is engaged in ~~the~~ active work in the absence of any other earner in the family. Still the majority of the earners and earning dependants belong to an age group ranging from 14 to 55 years.

Period of employment.- The following are period of employment of certain classes of rural population:-

	Number of months in a year
Agriculturists -----	9
Potters -----	8
Carpenters -----	9
Masons -----	4
Agricultural labourers -----	6
Weavers -----	8

This shows that the rural population remains unemployed for a few months in a year. This observation is particularly true in the case of agricultural labourers. Though artisan classes are engaged in work for a greater part of the year, they do not have sufficient work during the employed period.

Nature of land.- In Delhi State villages, cultivation of land is carried on mainly with the help of well-water. Out of the total cultivated area, 60.28 per cent is dry land and the remaining is wet land. Wet land includes even those lands where cultivation is carried on with the help of well-water. Wheat, bajra, barley, jowar and gram are the main crops of rural Delhi.

Size of holdings and yield.- The average size of agricultural holding in rural Delhi is 78 kacha bighas per household; and the average yield is one maund of grains per bigha. The average yield per household is 78 maunds of grains. If one takes into consideration all adults working in the field, the average yield per head amounts to 17 maunds and the average size of the holding comes to 17 bighas per head. If one excludes the women working on land and make calculation on the basis of male adults working on the land, the average size of holding comes to 32 bighas per head, and the average yield amounts 32 maunds per head.

In terms of value, agriculturists get an annual gross income of 1,185 rupees per earner. If one includes helpers also, the income amounts to 309 rupees per year, while the general level of income for all sections of the rural population comes to 763 rupees per earner, and 375 rupees per earner plus earning dependant. Though superficially, agriculturists appear to be better off than other sections of the rural population, in reality they are not so due to the presence of a large number of earning dependants.

In agriculturist families, a large number of children also help in agricultural operations. They constitute 13.5 per cent of the total family labour force. The number of females working in fields is as high as 88 per cent of the number of males working there.

Eighty-four per cent of the agriculturists possess their own bullocks and other agricultural implements, while the remaining 16 per cent do not have their own. Twenty-eight per cent of the agriculturists engage hired labour while the rest manage with family labour.

Indebtedness.- Agricultural indebtedness constitutes 52 per cent of the total rural indebtedness. The average debt per household comes to 1,186 rupees in the case of agriculturists and 781 rupees in the case of non-agriculturists. The rate of interest ranges from 12 per cent to 24 per cent.

Economic conditions.- The table below gives the annual earnings of certain sections of the rural population in the year 1952-53:-

(In rupees)

Occupation	Income per earner.	Income per earner plus earning dependants.
1. Agriculturists-----	1,185	309
2. Agricultural labourers-----	174	165
3. Servicemen -----	1,140	-
4. Shop-keepers -----	1,101	676
5. Sweepers -----	220	191
6. Blacksmiths-----	541	201
7. Potters -----	464	263
8. Weavers -----	251	168

It will be seen that agriculturists, shop-keepers and servicemen are better ~~far~~ off than other sections of the rural population, but, as stated already, this is set off, in case of agriculturists, by the large number of earning dependants. Economic conditions are particularly bad in the case of weavers, sweepers and agricultural labourers. Conditions of artisan classes are far from satisfactory. The per capita income of the rural population of Delhi comes to 150 rupees while the income per household works out to 1,044 rupees.

Extent of unemployment.- The survey found that only 4 per cent of the employable population is completely unemployed. But a considerable percentage of the rural population belongs to the category of "Disguised Unemployment". It exists among those who have no independent income but who continue their hereditary ~~income but who continue the hereditary~~ occupation in the absence of alternative means of livelihood. This problem is peculiar to agriculture though found to some extent in the case of artisans too. In reality the work which is being done at present by both earners and earning dependants combined may to a great extent be done by earners themselves. Women earning dependants constitute 24 per cent of the employable population while men earning dependants constitute 11.96 per cent of the employable population. Even if ~~we~~ exclude the women earning dependants, ~~we~~ may consider male earning dependants as belonging to the category of "disguised unemployment". They constitute 11.96 per cent of the employable population.

Experience of some of the Western countries shows that agriculture can be easily carried on with a lesser number of people. In view of the low agricultural productivity the investigators suggest that a large number of people working on land can be transferred to alternative sources of employment without hampering production, the same condition being partially applicable to village artisans also. In view of this the survey considers 11.96 per cent of the employable population who are male earning dependants as unemployed. On this basis, in villages of Delhi State, 4 per cent of the employable people are completely unemployed and 11.96 per cent belong to the category of "disguised unemployment". In a sense, net unemployment figure may, therefore, be roughly estimated as 15.96 per cent. In addition to this, the survey considers all sections of the employed rural population except servicemen and shopkeepers as under-employed in the sense they are employed for a few months in a year only. This stratum of the under-employed population constitutes 89.9 per cent of the employed population. In addition to these types of unemployed and under-employed population there are women who constitute 17.21 per cent of the employable population and who do domestic duty only. Strictly speaking they are not gainfully employed.

(The Hindustan Times, 28 December 1953).

'L'

34. Economic Planning, Control and Development.

India - December 1953.

Thirty-Sixth Annual Session of the All-India Economic Conference: Unemployment Major Problem before Country.

Inaugurating the thirty-sixth All-India Economic Conference at Jaipur on 28 December 1953, Mr. T.T. Krishnamachari, Minister for Commerce and Industry, said that the problem of unemployment was India's major ailment and all attempts at economic progress had to be devetailed to fit into an overall scheme for providing at least optimum levels of employment. Prof. S. Kesava Iyengar delivered the presidential address.

Welfare state ideal.- Asking economists help in solving the country's problems, Mr. Krishnamachari said that leadership in economic thought in the country had so far not indicated in precise terms "the direction or directions in which we might proceed in order to reach the goals we in a welfare State have set for ourselves. In saying so I do not deny the fact that we have had pronouncements by leading economists or groups of them, which might have, so to say, provided ad hoc solutions to particularly problems. Nor could I deny the fact that some amongst them have indicated that the only direction in which we can possibly proceed if we want progress is to go along the road of rapid socialisation of both production and distribution by a stiffening of our tax system all of which necessitate the importation of a rigidity in methods approximating to the Soviet system. There is another school of thought which has sprung up in the recent past which ploughs undisguised along the Communist furrow. There is yet another school which luckily has not attracted any economist of eminence, whose approach is anachronistic and which believes in recreating society based on progressive economic thought but on the model of a type of society in the middle ages. These various currents of economic thoughts have gained prominence from time to time according to the socio-political atmosphere prevalent at any particular period.

"Contemplation of the picture is perhaps depressing especially when one believes that a great deal has to be done and something has to be done fairly quickly. It is while in this particular mood that I found a ray of hope in the approach made by Professor Rostow in his book on the Process of Economic Growth. I am not a good enough economist to recommend or underline the views expressed in this book, but all I can say is that I like the approach set out. In any attempt to find solutions for our problems the synthesis of the two approaches mentioned by Professor Rostow is significant, namely, regarding the social structure of society and its politics as partly determined by its economic life and at the same time regarding the operation of the economy as partially determined by the social and political framework.

"I have repeated this comparatively familiar idea to you only to emphasise that it would be dangerous in dealing with economic problems, to apply theories formulated either in the abstract, or with an abstract background, or on the basis of ideas evolved in terms of the absolute It is -----dangerous for the economist to make a specialist's approach ~~farther~~ to current problems without any concession to the forces that arise from the socio-political background that have to be dealt with. In underlying this aspect I am not ignoring the warning administered by Professor Robertson that it is the primary business of the economist to move on the economic plans and there is plenty ~~taxxxx~~ for him to do there".

Unemployment and Keynesian approach. - Referring to unemployment, Mr. Arishnamachari said that the problem of unemployment is "our major ailment and all our attempts at economic progress have to be dove-tailed to fit into an overall scheme for providing at least optimum levels of employment. The Keynesian approach undoubtedly gives us courage and hope to tackle the problems before us but it also raises doubts whether that approach without severe modifications would be much good for us".

"I would like to refer to the twin problems of Keynesian economics in relation to under-developed countries and the problem of unemployment. ~~xxxxxxx~~ ~~xxxxxxx~~ I do not know how and in what direction discussion on these ~~xxx~~ two problems will proceed. Some of the main problems raised by Keynes in his General Theory like the question of effective demand, the problem of consumption propensity attract our attention because of the possibility of applying these ideas to our economy. They have not, however, the same meaning to a country where industrialisation has made very little progress, nor does Keynesian theory provide a cut and dried solution to the question of raising the rising standards of ~~ixi~~ living in a notoriously underdeveloped country.

"In dealing with the ~~xxxxxxx~~ Keynesian approach it has to be remembered that it was typically liberal, Keynes's approach to economics was as one who sought practical solutions to the problems he was faced with, and as Schumpeter points out, Keynes confined his model though not always his argument to the range of short run phenomenon. In the concluding paragraphs in his General Theory he avers: "I believe that there is a social and psychological justification for significant inequalities of incomes and wealth, but not for such large disparities as exist today". These ideas were prima facie liberal and secondly his background was that of the United Kingdom and the world after the First World War. ~~xxxxxxx~~ ~~xxxxxxx~~ His technique, however, was utilised in the second World War to a large extent. In any projection of Keynesian thought into the life of an underdeveloped country like ours, or in the economic system of an underdeveloped country like ours, we cannot but deviate far from it. But the real problem we have to face in this connection is to decide on the quantum of compulsion that would have to be used for the purpose of implementing our economic policies.

"I might here refer to the pronounced tendency that is evident amongst a large section of Indian economists in recent times. Their approach is now definitely what you might call socialist. I have no quarrel with this as a thing in the abstract that approach can be fully justified. It is impossible in a country like ours with only a few people that are rich, to justify any form of economy where there is stratification of economic life at various levels. Any system of graded inequality which our social ideas help to perpetrate cannot be projected into the economic field and if this is done the reactions would be disastrous. At the same time the application of socialist ideas by the use of methods other than the revolutionary would create practical problems partly administrative and partly psychological and that is where I would like you to remember the fact of the dependence of the economic ~~and~~ ideas on the prevailing socio-political climate. Most of such economists believe in a controlled economy. So do I. But it does not mean that anything that is done which deviates from this rigid control in all sectors is something wrong. It might seem that my position is an incompatible one when having paid lip service to a controlled economy I hasten to relax control on textiles. I am not seeking to provide an explanation for my action but I am seeking to illustrate this question of relaxation of control on textiles as a case in point where not merely the economic set-up of the trade of this country but also the socio-political climate had made me take recourse to this step for the ultimate benefit of the consumer".

Controls in economy.— Mr. Krishnamachari said, that social control of the means of production as an accepted basis of a welfare State was not in dispute. There might be a dispute in regard to the degree of control but the emphasis was determined not on grounds of policy but on other grounds. It was not, therefore, a question of a difference, as was sometimes posed in the United Kingdom between the philosophy of economic liberalism and the philosophy of the planned economy. "In our scheme there is no place for a Von Hayek, or a John Jewkes or a Ludvig Von Mises. Our chief concern is that consistent with the philosophy of a planned economy, to what extent can we allow freedom in regard to the ownership of the means of production and the continuance of private property, and with it the incentives that go towards saving investment and capital formation, and whether control over distribution should be maintained irrespective of the fact that the supply position is adequate to allow competitive forces to operate.

"Our goal is often mentioned as the devising and maintenance of a mixed economy. No one has so far prescribed the proportion of the mixture. But it seems to me that with any estimate of the overall national wealth being comparatively modest there is very little meaning in the acquisition by the State of the elements of private interest in industry, and secondly, while such a move might have definite significance in a highly industrialized country, it can have no great significance

in a country where all the major industries could be counted by the fingers in one hand".

Trade policy.— He said the Government's trade policy had been subject to fluctuations between 1947 and 1951, alternating between freer imports and severe bans against imports. "We have been able to avert the logical consequences of these fluctuations because of the foreign balances that we have been building and the facility with which we have been drawing therefrom. Happily, in recent times, we have stabilised our exports and imports - though at a comparatively low level, but nevertheless approximating to the 1949-50 level. The fluctuations of world prices following the Korean war have had the effect of creating a situation in which terms of trade are against us. But nonetheless though there is no room for feeling satisfied we can feel safe".

A significant trend in exports during the years 1950-51 to 1952-53 as compared to 1938-39 has been that while in 1938-39 India exported 45 per cent of her total exports by way of raw materials, the average for the 1950-51 to 1952-53 period has been 23 per cent. "Similarly, while our exports of processed goods in 1938-39 were 29 per cent of our exports, our exports during the post-war period have been averaging about 53 per cent".

"The change in the contour of our trade makes us more vulnerable to competition and we have therefore now to follow the path of other advanced nations whose economy is dependent on exports by resorting to devices and methods of export stimulation".

The problem of import controls was presenting new facets. Import controls were exercised on the basis of quotas and these quotas were in turn determined by taking into account internal production, and an assessment of the shortfall which had to be imported was made. With the indigenous production angle being a vital part of the manipulation of these controls indigenous producers had come more or less to rely on the operation of these controls as a permanent feature and pressure was often brought upon the Government to extend the area of the banned imports or to impose fresh bans so that there would be a greater advantage for the indigenous producer by the higher prices that scarcity produced. There was also a certain amount of misconception among the public generally that all imports were evil and should be banned, and closely following this impression was a further misconception that the mere banning of the imports of certain goods would automatically generate indigenous production. As a large-range problem it might produce some amount of semi-efficient indigenous production, but in the short run it produced only scarcity and generated inflationary pressures.

40

The Government had been handling this problem, which had both political and industrial angles, by seeking to replace import controls for many articles with an indigenous angle of production by means of higher tariffs. This method not merely gave protection to an indigenous industry but also ensured that the consumers who preferred quality and were willing to pay for it - part of their payment going to the exchequer - might indulge in their tastes for quality articles. In the process it also set about a certain amount of discontent about the quality of the indigenous product by providing a yardstick for comparison.

Presidential address.- Delivering the presidential address, Prof. S. Kesava Iyengar, former Economic Adviser to the Hyderabad Government, said, that while externally India was growing in stature there was "inadequate deliberation and hasty decisions" on numerous major internal economic issues.

Referring to Prohibition, the Professor said that partial Prohibition, regionally and administratively, had encouraged evasion and put the State Governments to a loss of about 2,000 million rupees annually - an amount which should have tangibly financed the first Five-Year Plan.

Land Reform.- Speaking of land reforms, he said that the healthy middle class was bound to deteriorate and agricultural production suffer on account of the theoretical concepts of ceilings on holdings. The bulk of agricultural land was cultivated by owners and the bulk of tenanted land was cultivated by occupants-cum-tenants. Protecting the tenants was quite different from expropriating the land-holder, he said. He stated that if the proposed land reforms were really enforced, about which there was serious doubts, distressed cultivation in India would grow more and fallow land become more extensive on account of agricultural credit drying up to zero point. Neither the Governments nor the Reserve Bank of India, Professor Kesava Iyengar said, had as yet given serious thought to the dimensions of short medium and long-term agricultural finances.

Professor Kesava Iyengar said that administration, especially in the interior, was somewhat theoretical. Most of the inspection tours of officials were very frequent and at break-neck speed.

He said poverty in the villages was so acute that anything like sound village improvement was extremely difficult and an uphill task. The situation was further vitiated by the influence of political leaders on day to day administration. Radio bulletins and Press notes gave more and more space to exaggerated accounts of achievements and advice by Ministers. "The swan song of co-operation, had not improved matters during the last decade. Village records were unreliable, and make-believe continued un-reprimanded".

41

Criticising Governments in the country for "taking very unwise step in entrusting serious, wholetime and laborious reconstruction work to political leaders, honorary workers and University under-graduates", Mr. Kesava Iyengar said that week-end visits on holiday by such persons would be all right but to expect from them tasks like running of adult classes, construction of roads, schools and wells involved not only moral breaches of contracts but serious risks and responsibilities. The right procedure would be to decentralise recruitment and selection of suitable villagers to guide development work instead of imposing raw graduates, hardly inspiring any confidence in the villagers.

He said that the present trend of the Centre to assume more and more powers regarding to internal economic development would lead to a defeat of the Plan itself.

Labour problems. Prof. Kesava Iyengar said, that labour policy and legislation sorely required a reverse gear. The holiday mania among the labourers and the threat to strike work, stop railway trains and fast unto death were developing into a national calamity, he added. While shifts and bonus on production characterised planning in advanced countries, holidays with pay were eating at the roots of the national income of India.

Prof. Kesava Iyengar stated that two fundamental reforms were necessary in the country. First, the States in India should be allowed the initiative in policy making and become the hubs of administrative machinery and the Centre limit its activities to a few national problems like defence, communications and foreign affairs. Secondly, the inferiority complex in Indian Universities, other academic organisations and administration must give way and discussions must be based on local matters of fact.

(The Hindu, 30 December, 1953).

42

14th All-India Agricultural Economics Conference:
Mr.V.T. Krishnamachari's Presidential Address.

The fourteenth session of the All-India Agricultural Economics Conference was held at Jaipur on 25 December 1953. Mr. V.T. Krishnamachari, Deputy Chairman of the Planning Commission, presided.

In the course of his presidential address, Mr.V.T. Krishnamachari said that the basic problems of rural India were the enormous volume of unemployment and under-employment that existed in agriculture and its extremely low productivity. The population had been growing steadily and as a consequence there had been a progressive decline in the cultivated area per head of the population.

Taking the agricultural population as a whole, constituting 69.8 per cent of the total population, 71 million were self-supporting persons, 31 million "earning dependants" and 137 million were non-earning dependants. The figures showed ~~xx~~ not only the disproportionately large part of the populations, which agriculture had to support, but also the relatively low proportion of workers. The land units cultivated by a family, small as they were, did not lie in compact holdings, but were often dispersed as isolated plots in different parts of the village.

Besides, over about three-fourths of the agricultural area depended on the monsoon which even when it was regular, was confined to three to four months in the year. Rainfall was precarious over 30 per cent of the area - ranging from about 30 to 10 inches. These were the "scarcity areas". Even in areas of higher rainfall there were years in which rain failed in the crucial periods before the ripening of the crop. Moreover, for about eight months, from October to June, there was practically no rainfall except in a small part of the country. That long rainless stretch of eight months, had a most depressing effect on the rural economy. Under the best of conditions, agriculture was thus possible over 75 per cent of the cultivated area only for four to five months of the year. In the rest of the area, which was irrigated, it was possible to double the period. During the rest of the year employment opportunities were limited and intermittent for the millions in the countryside.

To complete the picture, ~~xxx~~ he said, every three years millions were added to the population which land had to support. Further, practically over the whole area "subsistence agriculture" was practised. It had been estimated that after several years of intensive effort under the grow more food campaign only 2 per cent to 4 per cent of the cultivated area came under the influence of improved scientific methods. These facts disclosed the colossal volume of unemployment and under-employment and this was not merely an economic waste but

43

was more wasteful in terms of human values. The Five-Year Plan sought a solution for this the more deep-seated evil in the economy.

Five-Year Plan and Agriculture.- Referring to the Five-Year Plan for rural India, Mr. Krishnamachari said the plan was based on the dignity and worth of the individual. Its basic idea was to bring about a change in the outlook of the millions of families in the countryside and to assist them in their efforts to build a new life. The foundations were now being laid for a National Extension Service - the welfare State in action - which would cover about one-third of India by 1955-56 and the whole country in as short a time as possible after that. A pattern of social and economic life had been placed before the country which it would be the aim of the welfare State to bring into existence.

There were instances of communities organising themselves on this pattern, but nowhere had the experiment been tried for a vast rural population like India's and in an under-developed economy, which faced so many intractable problems, they could not afford to fail, for failure would mean the destruction of values which they all cherished. The results so far obtained had been on the whole encouraging, and as administrations and leaders and the village and other associations gained more and more experience there were grounds for hope that the movement would gather momentum. What was essential was that the movement, while basing itself on a sound system of co-operative finance, should always retain its vigour and dynamism as a genuine people's movement ever adapting itself speedily to the new demands and new situations that would arise.

Mr. Krishnamachari said the Planning Commission had drawn attention to the increase in population in the last 30 years and the pressure exercised on the limited resources available and the urgency of measures for family planning and population control. No increase could be achieved in the present standard of living, which were so low as to constitute a serious menace, unless the growth of population was controlled, he added.

He also referred to the land reforms for ensuring social justice and the question of reasonable prices for agricultural produce and said the land reforms legislation in India was impressive, judged by the far-reaching character of the changes.

Welfare State.- Mr. Krishnamachari also stated that the far-reaching organisation of rural life in India which the Planning Commission proposed, could be achieved only if India transformed itself speedily into a welfare State.

(The Statesman, 27 December, 1953).

44

All-Round Economic Improvement: Finance Minister's
Review of Situation.

At a press conference held at New Delhi on 29 December 1953, Mr. C.D. Deshmukh, Finance Minister, Government of India, stated that his appraisal of the economic condition of the country was one of "improvement all round".

Production trends.- In the field of production, Mr. Deshmukh said all the indices had been uniformly good, barring a few exceptions for which there were special reasons. At one time it looked as if the price situation was not as satisfactory as one was entitled to expect with the gradual transition from the sellers' to a buyers' market. But recent returns had shown that what appeared to be an anomaly was purely a temporary one, indicating lack of complete parallelism between production and prices, and between the wholesale price index and the cost of living index. "It seems clear, on the whole, prices are now showing a trend towards stabilising at a level which is fairly comparable to a level that was obtaining before the outbreak of the Korean hostilities".

Employment situation.- Mr. Deshmukh referred to the question of deterioration in the employment situation and said, "our reading of the situation was that it was really the failure of employment to rise to the extent anticipated. The reason for that is to be sought in the same transition from the sellers' to a buyers' market, although the public sector contributed perhaps to absolute unemployment by reason of discontinuance of rationing in several articles. On the whole, from a study of unemployment figures, principally the figures available at the employment exchanges, one could justly come to the conclusion that the contraction occurs very largely in the sphere of commerce and trade and not so much in the public sector or the industrial sphere. In any case, it was the duty of the Government to take notice of the fact that the employment opportunities were not keeping pace with the availability of people for employment, and the Government came to the conclusion that the only enduring way of meeting this was to review the Plan and enlarge it whenever it was regarded appropriate.

It was indicated at the same time, added Mr. Deshmukh, that where unemployment seemed to cause acute distress, special short-term measures or emergency measures might be taken. The Government had taken in both these directions. The Planning Commission had suggested the enlargement of the Plan and an indication had been given of the size of enlargement, namely 1,750 million rupees. When one considered that figure, one would recall that even in accordance with the phasing of the original Plan of expenditure, there was going to be an increase in the expenditure of the last two years of the Plan period amounting to about 50 per cent over expenditure of the current year.

72

Five-Year Plan.- In regard to the implementation of the Plan, the Government had received foreign assistance not perhaps according to expectations. Apart from the assistance that had already been received at the time the Plan was finalised, it was indicated that external assistance to the extent of 3,650 million rupees might be needed. Out of that 2,900 million rupees is the deficit at the present time.

"On the one hand", said Mr. Deshmukh, "it looks as if we are still not investing sufficiently rapidly or sufficiently massively in the foreign exchange front. The sterling balances seem to indicate that we have not established that import surplus which was assumed for the purpose of the Plan. I am myself inclined to consider that ~~we~~ again this is a temporary state of affairs and this bulge in the availability of sterling will be absorbed by the resultant demands that would be set up by our increase in expenditure during the next two years of the Plan. There are certain commitments which we have to meet as, for instance, purchases of our rupee from the International Monetary Fund for which amounts have to be earmarked from our sterling balances; cushion has to be maintained for untoward happening like the failure of monsoon.

"Considering everything, I do not think there is any reason to worry that the import surplus anticipated by the Planning Commission would not be established".

Replying to criticism that the private sector had been starved on account of increased expenditure on the public sector, the Finance Minister said the data on which the propounders of this view relied were not really correct. Detailed examination had shown that investment in the private sector was more or less as expected in the first two years of the Plan, apart from expenditure on items like oil refinery and steel projects. He had no doubt that the delay in the expenditure on such items would be made up in the coming two years.

So far as borrowing from the market was concerned in the first two years of the Plan, the Government hardly succeeded in borrowing. The current year was the first year in which the Government had succeeded in borrowing sufficient amount ~~of~~ for the Centre as well as for States.

Indicating the progress that had been made in the implementation of the Plan, the Finance Minister said that in the first year the expenditure was 2,620 million rupees and in the second year 3,230 million rupees, while the budgeted figure for the current year was 4,200 million rupees making up a total of 10,050 million rupees. Thus out of the total Plan outlay of 22,440 million rupees, including the new addition of 1,750 million rupees, the balance to be spent in the coming two years would be 12,390 million rupees that is, over 6,000 million rupees a year.

46

Referring to the outturn of the current year, the Finance Minister forecast that the deficit that he had anticipated would probably accrue. "I raise this point", said Mr. Deshmukh, "because people keep studying figures of cash balance that appear from time to time in the Reserve Bank notices and feel doubtful whether we are spending money at the rate we envisaged. Many large payments have to be made towards the end of the year and no conclusions should be drawn from ~~the~~ the current state of cash balance of the Central Government as given in the weekly figures of the Reserve Bank".

A correspondent asked if the increase in size of the Plan was a solution to the unemployment problem since in many cases like community projects, road-building, etc., allotment had not been utilised; one might not be certain that administration was quite ready to translate the expansion in the programme into actual employment.

On the whole, replied Mr. Deshmukh, he would say yes. "The instances that have been quoted were perhaps the worst one could think of. That is a sector in which expenditure is likely to fall short of budget expectation. The reason is that it took us a long time to put our training establishment on a proper footing and obtain trained personnel. I do not think there has been any appreciable shortfall, taking India as a whole, in ~~road-building~~ road-building.

"So far as multi-purpose projects are concerned, we have allotted as loans larger sums than we have budgeted for. There has been some shortfall in ~~subjected~~ subjects like Education, Industrial Housing, etc., but taking the dimensions of various items of expenditure, I do not think it will make a very large percentage of difference. Sums are spent on other items, like multi-purpose projects and rehabilitation of railways. On the whole, absolute shortage is not likely to be very considerable".

He had been assured by the engineers in charge of major projects, he said, that they could spend significantly large sums of money. If one could compare the rate of expenditure in the first two years of the Plan with that in the current year, he would notice that there had been a "very considerable", increase. Likewise shortfall would be due to non-availability of stores from abroad. There was a likelihood, for instance, of the railways not attaining their targets of ~~expenditure~~ expenditure for the reason that the number of locomotives, wagons and coaches were not fully available abroad.

(The Hindustan Times, 30 December 1953).

Production Costs rising in Indian Industries:
Tariff Commission's Review for the Year 1952-1953.

The Indian Tariff Commission, in a review covering the period October 1952 to September 1953, records the conclusion that production costs of Indian industries, particularly labour costs are rising. This explains why the retention prices or control prices of commodities such as steel, raw rubber and tinplate had to be revised upward after inquiry.

Several protected industries have also represented to the Commission that the liberalization of import policy had reduced or nullified the protection ~~xxx~~ they enjoyed. They have asked for a review of the position.

Another noticeable feature of many industries which came up for fixation of prices or grant of protection was the high cost at which their machinery ~~had~~ and building had been acquired and installed. This affects the competitive position of the industry which finds it difficult to build up a sound low-cost industrial economy for the country.

Of the 44 industries now enjoying protection 25 have acquired it merely by conversion of the revenue duty into an equivalent protective duty. The significance of such conversion is that, once an industry is protected, the amount of protection can be varied from time to time by a notification under the Indian Tariff Act, 1934. In these cases, no additional burden has been imposed on consumers.

The remaining 19 industries have been conferred protection by an increase in their revenue duty in force prior to the grant of protection. These industries are: glucose, soda ash, calcium chloride, hydroquinone, pencils, fountain pen ink, coated abrasives, sericulture, artificial silk and cotton textile machinery, ~~stactitani~~ electrical accessories made of plastics, bicycles (including parts and accessories thereof), buttons, studs and cuff links, starch (including sago flour and farina), photographic chemicals, alloy, tool and special steels, certain categories of grinding wheels and segments and iron or steel machine screws.

For many of the industries, protection has been renewed after the initial period. No industry, however, now enjoys subsidy.

During the period under review, the Government referred to the Tariff Commission five new investigations, including grant of protection for the titanium dioxide manufacturing industry in India, and the retention of prices of steel produced by the Tata Iron and Steel Company and the Indian Iron Steel Company for 1953 and the subsequent period.

48

The Commission also inquired into the revision of cement prices. It was asked to determine a fair ratio between the ordinary shares of the Steel Corporation of Bengal and the Indian Iron and Steel Company.

The Commission during this period held inquiries into 20 industries and was able to report on 19. The Government generally accepted the recommendations of the Commission in these cases.

At the close of the year, the Commission had made substantial progress regarding the question of fixation of the fair retention prices for steel produced by the Indian Iron and Steel Company. The Costs Accounts Officer of the Commission visited the Company's works to examine and finalize the cost estimates for the future.

The inquiry into the fixation of prices of rubber tyres is also progressing. Preliminary discussion had been held with representatives of the four rubber tyre manufacturers.

With regard to the bicycle industry, representations had been received by the Commission for a reduction in the import duty on cold rolled steel required to be imported for the manufacture of bicycle components.

The Commission has also received a recommendation from the Development Department of the Madras Government regarding the question of levy of preferential rates of duty on components and parts of bicycles not manufactured in India.

Inquiries are also in progress regarding the dyestuff industry, the bichromates industry, the non-ferrous metals industry, the caustic soda and bleaching powder industry. Questionnaires have also been issued in connection with the issue of continuance of protection to the artificial silk and cotton and artificial silk mixed cotton fabric industry.

The Commission is also undertaking a comprehensive examination of the question whether collieries owned and operated by the steel companies should be treated as a part of the iron and steel blocks for the purposes of computing the cost of steel.

Production trends.— Other activities of the Commission during this period included a review of production trends of protected industries. It appears that not all protected industries have benefited from this status. For instance, of 10 items included in the group called metallurgical industry, production recorded an increase in 1952 as compared with 1951 in respect of three items, namely aluminium sheets, piglead and ferro-silicon. In the case of the remaining items production showed a decline, which is particularly heavy in the case of stainless steel.

47

The Commission also kept a watch over the price trends of the protected industries. It came to the conclusion that wholesale prices during the first quarter of 1953 as compared with the similar period of 1952 showed an appreciable rise among metallurgical industries particularly in the case of high speed steel, cabalt steel, stainless steel and nickel steel. A fall was recorded in the case of aluminium ingots, aluminium circles antimony, and pig lead.

In the engineering group, prices were low in the case of bicycles, electric brass lamp holders, cotton and hair beltings, hurricane lanterns and wood screws, while prices of looms and electric motors were higher.

In respect of chemical and allied industries, bichromates, calcium chloride, calcium lactate, glucose, moulding powder, plugs and sockets made of plastics and sheet glass showed a fall in prices, the maximum fall of 26 per cent being recorded in the case of calcium lactate. Prices were, however, higher in the case of hydroquinone, plastic switches and sheet glass.

(The Statesman, 19 December 1953).

Development Council for Bicycle Industry established.

In exercise of the powers conferred under the Industries (Development and Regulation) Act, 1951, the Central Government has established a Development Council for the industry engaged in the manufacture and production of bicycles. The Council consists of 12 members representing employers, employees, consumers and persons having special knowledge of matters relating to the technical and other aspects of the industry.

The Central Government has assigned the Council the following functions: (1) to recommend targets for production, co-ordinating production programmes and reviewing progress from time to time; (2) to suggest norms of efficiency with a view to eliminating waste, obtaining maximum production, improving quality and reducing costs; (3) to recommend measures for securing the fuller utilisation of the installed capacity and for improving the working of the industry, particularly of the less efficient units; (4) to promote arrangements for better marketing and helping in the devising of system of distribution and sale of the produce of the industry which would be satisfactory to the consumer; (5) to promote standardisation of products; (6) to promote or to undertake the collection and formulation of statistics; and (7) to promote the adoption of measures for increasing the productivity of labour, including measures for securing safer and better working conditions and the provision and improvement of amenities and incentives for workers.

(The Gazette of India, Extraordinary, Part II,
Section III, 18 December 1953, pp. 3537-3538).

50

New Steel Plant for India: Agreement signed
with German Combine.

The Government of India signed on 22 December 1953, an agreement with the German Combine of Krupps and Demag A.G. for the installation of a new steel plant in India.

Designed to produce 500,000 tons of steel in the first place, the plant will be expanded later into a 1 million ton unit. The first phase is estimated to cost "not more than 700 million rupees".

The question of selecting ~~the~~ a site for its location has not yet been settled. Necessary data has been collected and a final decision is expected to be taken by the middle of next month.

The agreement relates in the main to the financial provisions for the formation of the company and the basis of Indo-German partnership.

An agreement providing for technical consultation arrangements for the planning, erection and initial operation of the new steel plant was also signed. The planning will provide for the expansion of the initial capacity of half a million tons of steel to a million tons in stages. The combine will continue as consultants for an additional period of three years without any additional payment after the commissioning of the plant, which will take four years from the date of selection of the site.

The memorandum and articles of association for a private limited company under the name 'Hindustan Steel Ltd.', with an authorised capital of 1,000 million rupees were also signed today. The new company is being incorporated with an initial capital issue of 500,000 rupees of which 400,000 rupees are to be contributed by the Government of India and 100,000 rupees jointly by Messrs. Fried Krupp and Demag A.G.

Subsequent issues of share capital will be made with reference to the progress of expenditure to preserve the ratio of 4:1 in the share holding between the Government and the combine. It is intended that a substantial proportion of the capital investment will be in the form of loans, whether raised externally or internally.

Mr. A.K. Chanda, Secretary to Ministry of Production, who signed the agreement on behalf of the Government of India, giving details of the agreement at a Press Conference described ~~that~~ it as an important move towards achieving self-sufficiency in steel and making India the cheapest producer of quality steel in the world.

Production would begin even before full installation of the plant. This would have the additional benefit of providing training facilities to Indians before the plant was fully commissioned. Within three years of its being fully commissioned the Government planned to expand the plant to double its capacity. This was expected to cost nearly 50 per cent of the initial capital investment.

Asked about the cost of production, Mr. Chanda said that the Government had been told that when in full production "the unit cost of production in this plant will compare favourably with the unit cost of production in any other plant". A million tons was regarded as an economic unit.

The new plant would form part of an integrated plan for steel production under which India's three plants would be complementary to each other. The proposed plant would produce largely plates and other "flat products" for which there was a growing demand in India. The plant would produce finished goods and would not supply any quantity of pig iron to engineering industries.

Regarding selection of a site for the plant the Production Secretary said the German experts had inspected several sites including Durgapur in West Bengal, Bilhal in Madhya Bharat, Roukilla in Orissa and Sindri in Bihar.

(The Statesman, 22 December 1953).

Improvement of Agriculture: Soil Conservation Board set up.

A Central ~~Government~~ Conservation Board, with headquarters at New Delhi, has been set up by the Government of India.

The Board will organise, co-ordinate and initiate research in soil conservation, assist States and river valley projects in drawing up schemes of soil conservation and in legislation for the purpose and give them technical advice. It will be a "clearing house" for information on soil conservation, and it will arrange for training of technical personnel.

Its other functions will be to assist in surveys and ensure uniform standards for them and to recommend financial schemes for States' and river valley projects' conservation work.

Dr. Panjabrao Deshmukh, Union Minister for Agriculture, is the chairman of the Board.

The Board has been set up in accordance with the recommendation ~~xxx~~ made by the Planning Commission.

(The Statesman, 25 December 1953).

52

Bombay: Financial Corporation set up to aid
Small Industries.

Mr. Morarji Desai, Chief Minister, Bombay, inaugurated on 22 December 1953, the Bombay State Financial Corporation, which has been set up with the object of giving financial help to medium and small-scale industries in the State. The Corporation is expected to help renovate and expand medium and small-scale industries with the loans and advances made available to them by the Corporation. These industries are at present helped with the grant of loans under the State aid to Industries Act. But the assistance extended to them has been found to be inadequate.

So far as large industries are concerned, they can secure assistance from the Industrial Finance Corporation of India set up by the Central Government.

The authorised capital of the Corporation will be 20 million rupees divided into 200,000 shares of the face value of 10 rupees each. The capital to be issued initially will however, be 10 million rupees; 25 rupees for each share will be called up with the application and the remaining 75 rupees on allotment.

The share capital will be distributed at 31 per cent for Bombay Government, 20 per cent for the Reserve Bank of India, 44 per cent for scheduled banks, insurance companies, investment trusts and other financial institutions and co-operative banks and 5 per cent for others including private individuals.

The Board of Directors will consist of those nominated in the proportion of three by the Bombay Government, one by the Reserve Bank of India, one by the Industrial Finance Corporation of India, one each to be elected by scheduled banks, co-operative banks and the remaining financial institutions, respectively, and one by other share-holders. There will also be one Managing Director.

(The Times of India, 22 December, 1953).

52

Dhoties (Additional Excise Duty) Act, 1953
(No. 39 of 1953).

The Dhoties (Additional Excise Duty) Bill (vide page 35 of the report of this Office for November 1953) as passed by Parliament received the assent of the President on 16 December 1953 and has been gazetted as Act No. 39 of ~~the~~ 1953. The Act provides for the levy and collection of an additional excise duty on dhoties issued out of mills in excess of the quota fixed for the purpose.

(The Gazette of India, Extraordinary, Part II,
Section 1, 17 December 1953, pp. 423-425).

Mill-Owners' Association to set up 10 Million
Rupees Textile Research Institute.

The Bombay Millowners' Association's scheme for a 10 million rupees Textile Research Institute in Bombay has been approved by the Cotton Textiles Fund Committee constituted by the Government of India.

The Institute will undertake research in all departments of the industry with the following fully equipped sections: spinning, weaving, bleaching, dyeing, finishing, and engineering. There will be a physical and a chemical laboratory and departments of industrial psychology and operational research, as well as a liaison department.

Members of the Association are setting up a separate organisation and registering it under the Friendly Societies Act of 1860.

The new association will raise from its members, through entrance fees 5 million rupees. The same amount will be contributed by the Cotton Textiles Fund Committee. These funds will be spent on land, buildings and equipment for the Institute, which will be owned and controlled by the new association.

The management of the Institute will be vested in a council comprising eight representatives of the industry, the directors of the Regional Research Institutes at Ahmedabad, Bombay and Coimbatore, three representatives of the Government of India and the Secretary of the Association.

54

Recurring expenditure of the Institute in the initial stages may be about 250,000 rupees annually, rising gradually to 1.1 million rupees when the Institute begins to work at full capacity. Half of this recurring expenditure will be met from the Cotton Textiles Fund and the other half will be raised by members of the organisation by means of annual subscriptions.

(The Statesman, 12 December 1953).

Ordinance to take over Sholapur Mills held invalid:
Supreme Court's judgment.

The Constitution Bench of the Supreme Court on 18 December 1953, held by a unanimous and concurring judgment that the Sholapur Spinning and Weaving Company (Emergency Provisions) Ordinance of 1950, subsequently placed by an Act of Parliament, authorising the directors appointed by the Government to take over the assets and management of the company (vide page 27 of the report of this Office for May 1950), offended against the provisions of Article 31(2) of the Constitution and was therefore void. Article 31(2) of the Constitution prohibits the compulsory acquisition of property for public purposes under any law without compensation.

The Sholapur Spinning and Weaving Co. Ltd., was incorporated under the Indian Companies Act. In 1949, there was accumulation of stocks and financial difficulties. In order to overcome this situation the directors decided to close the mills and gave notice to workers that the mills would be closed on 27 July 1949.

This created a labour problem and to solve it the Bombay Government appointed a controller to supervise the affairs of the mills under the Essential Supplies Emergency Powers Act, 1946. On 9 November 1949, the Controller, in order to resolve the deadlock, decided to call in more capital and he asked the directors of the company to make a call of 50 rupees per share on the preference share-holders, the amount remaining unpaid on each of the preference shares.

When the directors refused to comply with this requisition, the Governor-General on 9 January 1950 promulgated the impugned Ordinance, under which the mills could be managed and run by directors appointed by the Central Government. On 9 January 1950, the Central Government acting under Section 15 of the Ordinance delegated all the powers to the Government of Bombay, which appointed certain directors to take over the assets and management of the mills.

Pursuant to resolution making a call of 50 rupees on each of the preference shares, a notice was addressed to the plaintiff, Dwarkadas Srinivas, who held preference shares, to pay 162,000 rupees, the amount to be paid before 3 April 1950. Thereupon the plaintiff, instead of meeting the demand, filed a suit in the Bombay High Court on 28 March 1950, in a representative capacity, challenging the validity of the Ordinance and questioning the right of the directors appointed by the Government to make the call. The suit was dismissed by the High Court which held that by force of the Ordinance the State had neither acquired the property of the plaintiff nor of the company, and that the State was only supervising the affairs of the company through its nominated directors.

The principal questions that arose for the consideration of the court were first whether the provisions of the Ordinance for taking over the management and administration of the company contravened the provisions of Article 31(2) of the Constitution and, secondly, whether the Ordinance as a whole or any of its provisions infringed Articles 14 and 19 of the Constitution.

Dealing with the Attorney-General's contention on behalf of the State that by promulgating the Ordinance the Government had merely taken over the superintendence of the affairs of the company, Mr. Justice Mahajan said: "The field of superintendence has to be demarcated from the field of eminent domain. It is one thing to superintend the affairs of a concern and it is quite another to take over its affairs and then proceed to carry on its trade through agents appointed by the State itself. It seems to me that under the guise of superintendence the State is carrying on the business or trade for which the company was incorporated with the capital of the company but through its own agents who take orders from it and are appointed by it and in the appointment and dismissal of whom the shareholders have absolutely no voice".

Their lordships said it was not possible to subscribe to the contention of the Attorney-General that the effect of the Ordinance was that the Central Government had taken over the superintendence of the affairs of the company and the impugned legislation was merely regulative in character. "In the present case, practically all incidents of ownership have been taken over by the State and all that has been left with the company is mere paper ownership".

56

The judgment, allowing the appeal, set aside the decision of the High Court and decreed the plaintiff's suit with costs. Their lordships did not however, give any decision on the second question, namely, whether the law was void because it infringed the fundamental ~~rights~~ rights under Articles 14 and 19 ~~as~~ as the decision reached on Article 31 was sufficient to allow the appeal.

(The Statesman, 19 December 1953).

'L'

36. Wages.

India - December 1953.

Index of Earnings of Factory Workers in India,
1950-1951.

The Indian Labour Gazette, Vol.XI, No.4, October 1953 has published a note on index of earnings of factory workers in India, 1950-51. A study on "Index of Earnings of Factory Workers in India" was published in the February 1953 issue of the Indian Labour Gazette describing in detail the methods of compilation of these indices on base, 1939 = 100 and giving figures upto 1949 (vide pp.19-23 of the report of this Office for April 1953). Since then figures of earnings under the Payment of Wages Act, 1936, for the years 1950 and 1951 have become available and the indices of earnings for these years also have been compiled following the methods described in the article referred to above. The present series of index number of earnings with 1939 as base will run upto 1951 only. A Working Party, which was recently set up by the Departmental Statisticians Committee of the Government of India to examine the question of a common base period for all official series of index numbers, has recommended that a new series of index numbers of earnings should be compiled on 1951 as base. One of the objects of extending the present series with 1939 as base to 1951 is that when the new series with 1951 as base is compiled, it will be possible to link up the two series in order to derive a continuous series with 1939 as base.

Comparision with old industrial classification.- The chief difficulty in compiling indices for 1950 and 1951, mainly because of which a new series with 1951 as base has been advocated, was that in the consolidated returns under the Payment of Wages Act received from States a new industrial classification based on the U.N. Standard International Classification of all Economic Activities has been adopted from 1950. This new classification differs fundamentally from the old and it is not possible to exactly reproduce the old groups of industries in the new classification. The Labour Bureau has, therefore, worked out figures of earnings for the old groups for the years 1950 and 1951 on the basis of approximate correspondence between the old and new classification as shown below:-

Industry groups of the old classification for which indices of earnings were previously compiled.	Industry groups of the new classification which are approximately taken to correspond to the industries mentioned in Column (1).	Code Number of the industry-groups of the new classification mentioned in Column(2).
1	2	3
Textiles ----- Engineering-----	Textiles ----- Manufacture of metal products, manufacture of machinery, Electrical machinery and Transport Equipment.-----	23. 35, 36, 37 and 38.
Minerals & Metals -----	Products of petroleum and coal, mica and basic metal industries.	32, 339(c) and 34.
Chemicals and Dyes-----	Chemicals and Chemical Products.	31.
Paper and Printing-----	Paper and paper products,printing, publishing and allied industries.	27 and 28.
Wood, Stone & Glass-----	Wood and cork, furniture and fixtures and non-metallic mineral products (except mica).-----	25, 26 and 33 (excluding 339(c)).
Skins and Hides-----	Footwear, other wearing apparel, etc., and leather and leather products.	24 and 29.
Ordnance factories-----	Ordnance factories.-----	399(a).
Mints -----	Mints.-----	395(b).
Miscellaneous-----	Rubber and rubber products, Miscellaneous industries(excluding Ordnance factories and mints). Electricity, gas and steam, water and sanitary services, Recreation services and personal services.---	399(a) 30, 39 (excluding 399(a), 395(b)), 51, 52, 83 and 84.

While the correspondence seems to be fairly valid for most of the industries, in some cases, e.g., Chemicals and Dyes and Miscellaneous, it can be taken as only a rough approximation. The following figures of employment for the Part A States and the Part C States of Delhi, Ajmer and Coorg as furnished in the returns under the Payment of Wages Act for the year 1949 according to the old industrial classification and for the year 1950 according to the new classification throw interesting light on this question.

Industry groups of the old classification.	Employment in 1949 as given in the returns under the Payment of Wages Act according to old classification.	Employment in 1950 derived from the new classification on the basis of approximate correspondence between new and old classification.
1	2	3
Textiles-----	1,048,277	1,016,090
Engineering-----	246,748	246,965
Minerals and Metals-----	111,976	123,305
Chemicals and Dyes -----	108,922	60,380
Paper and Printing-----	80,091	83,328
Wood, Stone and Glass-----	93,961	103,372
Skins and Hides -----	26,977	21,706
Ordnance Factories*-----	88,319	72,598
Mints -----	3,528	2,769
Miscellaneous-----	51,956	78,269
All Industries -----	1,840,755	1,808,782

* The figures relate to Bihar, Bombay, Punjab, West Bengal, U.P. and Delhi only as the other States did not furnish figures for Ordnance Factories in their returns for 1950.

One additional point to be noted in connection with the figures for 1950 and 1951 is that during both these years there has been some expansion in the list of factories covered by the Payment of Wages Act because of the change in the scope of the Factories Act, 1948, and at least in some States this factor should have contributed in some degree to the variations in average earnings. The effect of this has been generally to depress the level of earnings because the new establishments brought under the scope of the Act are generally small in size with lower wage level.

Subject to these limitations, the index numbers of earnings (Base: 1939 = 100) for the years 1944 to 1951 by States and by industries are presented in the following tables respectively:-

State	Average annual earnings in 1939	Index Numbers							
		1944	1945	1946	1947	1948	1949	1950	1951
	Rs.								
Assam-----	273.7	236.2	263.5	282.7	302.0	322.7	388.7	417.8	428.4
Bihar-----	415.5	129.3	133.8	130.9	204.9	217.2	227.6	209.3	278.0
Bombay-----	370.4	235.4	223.6	220.8	267.3	314.7	336.9	318.6	349.2
Madhya Pradesh-	-	258.8	286.2	250.7	325.7	390.1	437.6	482.5	405.7
Madras-----	175.9	192.8	204.0	243.4	337.6	371.8	438.2	341.5	377.8
Orissa-----	161.8	229.1	230.0	263.7	300.3	402.9	417.9	449.8	521.3
Punjab-----	296.0	197.8	209.8	-	234.1	256.2	345.5	304.8	254.5
Uttar Pradesh--	235.6	216.7	223.7	242.2	284.0	380.9	427.2	401.9	418.7
West Bengal----	248.7	170.0	176.7	193.6	222.8	282.3	333.5	344.7	363.3
Ujmer-----	163.7	227.1	234.3	280.9	273.3	341.1	343.2	412.1	443.4
Delhi-----	309.4	241.7	242.4	240.3	266.3	322.9	323.6	348.1	453.8
All States-----	292.3	202.1	201.5	208.6	253.2	304.0	340.3	334.2	356.8

Industry	Average annual earnings in 1939	Index Numbers							
		1944	1945	1946	1947	1948	1949	1950	1951
	Rs.								
Textiles-----	284.0	216.9	211.9	214.9	263.9	319.8	363.1	339.2	363.9
Engineering-----	317.0	177.6	191.3	212.2	220.6	280.4	289.1	322.7	348.9
Minerals & Metals	435.1	136.3	141.0	135.2	212.3	215.1	237.8	273.3	291.1
Chemical & Dyes	220.8	227.7	210.2	230.4	288.9	339.0	357.7	430.3	443.3
Paper & Printing	335.0	139.0	165.0	188.0	215.9	247.7	270.4	202.2	302.9
Wood, Stone & Glass	193.5	203.4	238.1	244.1	281.0	317.2	340.9	349.7	395.3
Skins & Hydres---	286.0	181.6	177.8	188.6	207.9	285.5	312.4	251.2	276.2
Ordnance Factories	362.2	175.0	200.2	221.0	225.8	284.8	351.9	327.3	272.2
Plants-----	367.5	200.9	193.7	233.3	292.5	379.3	391.6	407.7	423.2
Miscellaneous--	250.7	202.6	188.1	243.4	255.7	316.5	346.2	414.0	447.7
All Industries--	292.3	202.1	201.5	208.6	253.2	301.0	340.3	334.2	356.8

The tables show that the general index of earnings for all States and for all industries declined from 340.3 in 1949 to 334.2 in 1950 and then appreciated to 356.8 in 1951. The rise in the level of the index between 1949 and 1951 has been of the order of 5 per cent only. As regards the significant fall in the index for 1950, it may be recalled that during that year there was a general strike in the textile mills of Bombay for about two months causing an enormous loss of earnings to the textile operatives in that State. This is reflected in the decline in the index for 1950 both for Bombay State and for the textile industry as a whole. In Madras also the index recorded a steep decline in 1950 particularly in the textile industry. This was because a large number of small handloom factories, etc., was brought under the scope of the Act.

Real earnings.- The note has also brought upto date to 1951 the index of real earnings, published in the earlier study; these are shown in the table given below:-

	1945	1946	1947	1948	1949	1950	1951
Index of earnings -----	99.7	103.2	125.3	150.4	168.4	165.4	176.5
Cost of living index-----	100	106	120	134	138	138	144
Index of real earnings---	99.7	67.4	104.4	112.2	122.0	119.9	122.6

The index of real earnings for 1951 has risen by three points to 123 as compared with its level in 1950 and is one point higher than its level in 1949. Much caution should, however, be exercised in interpreting these figures in view of the limitations of both the Index of Earnings and the All-India Cost of Living Index and also the change in the coverage of the statistics of employment under the Payment of Wages Act, 1936 during the years 1950 and 1951.

Madhya Bharat: Minimum Wages for Employment in Agriculture Not feasible: Committee's Report.

The six-man committee appointed by Madhya Bharat Government in April 1952, to hold an inquiry into the wage levels and other conditions of workers employed in agriculture and to recommend the fixation of minimum rates of wages for agricultural labour, has in its report said that the fixation of an agricultural minimum wage for the whole State or even some of the districts was far from feasible. The reason ascribed was that the general effect of wage ~~max~~ fixing on the purchasing power of rural workers would react adversely on prices, production, employment, savings and indebtedness and thus upset the efforts and policy of the Government in relation to price stabilization, reduction in the cost of living, incentives for savings and relieving unemployment.

A small and temporary improvement, the report said, may really be the worst enemy of a great and permanent improvement which the Central and the State Governments were determined to bring about in the life of the community as a whole.

The committee's findings with regard to the occupational distribution of the surveyed villages indicated that out of the 21,000 villages in Madhya Bharat, as many as 1,900 were having a population of less than 500. Of this, the landowners formed 39.7 per cent, tenants 23.8 per cent, and agricultural workers 19.5 per cent. The non-agriculturalists population was only 17 per cent. The committee estimated that agricultural labour with and without land were 431,000 in the State.

62

Size of families.- The average size of a tenant family was 5.86 as against 5.4 of the families of landowners. The average size of a family of agricultural labourers was 4.62, that of the workers without land 4.36 and 5.05 of workers with land.

The percentage of landless labour was 10.4 per cent while that of all workers was 16.3 per cent. Only 10.6 per cent of the total population represented persons occupationally distributed as cultivating labourers or agricultural workers.

The report indicates that the average daily wages of a worker in Madhya Bharat was 13 and a half annas as against 1 rupee 1 anna and six pies in Bombay, 12 and half annas in Madhya Pradesh, 15 annas in Bhopal, 1 rupee 3 annas 8 pies in Uttar Pradesh and 1 rupee 3 annas 3 pies in Rajasthan.

Experiment suggested.- Though the committee was of the opinion that fixation of minimum wages for agricultural workers in Madhya Bharat was not possible, it has, however, suggested that an experimental field of operation may be selected. Accordingly, the Raipur Community Project area in Nimar District which covers about 200 villages has been recommended.

(The Hindustan Times, 3 December 1953).

Delhi: Minimum Wage Rates for Employment in Dal and Flour Mills enhanced.

Consequent on the rise of the Delhi estimated working class cost of living index number above 375, the Chief Commissioner of Delhi has, with effect from 1 October 1953, ~~enhanced~~ enhanced the minimum rates of wages payable to workers employed in any dal and flour mill by rupees three per month or one rupee seven annas per day for daily rated workers.

The rates of minimum wages for employees engaged in any dal or flour mills as effective from 1 October 1953 are detailed below:-

Class of employees	Minimum rates of wages	
	(1)	(2)
I. A. Unskilled workers -----	For all Flour or Dal Mills situated within the Delhi and New Delhi Municipalities as well as within the limit of Shahdra, Najafgarh, Narela, Mehrauli, Yusuf Sarai and Delhi Cantt. Rs.63 per mensem or Rs.2/1/2 per diem.	For Flour or Dal Mills situated within other outlying areas of Delhi State Rs.57 per mensem or Rs.1/14/- per diem.
B. Semi-skilled workers-----	Rs.70 per month or Rs.2/5/4 per diem for daily rated workers.	Rs.64 per month or Rs.2/2/1 per diem for daily rated workers.
C. Skilled workers-----	Rs.78/-per month or Rs.2/9/7 per diem for daily rated workers.	Rs.72 per month or Rs.2/5/7 per diem for daily rated workers.
D. Clerical & Non-technical Supervisory Staff:		
1. Non-Intermediate or Below Higher Secondary.	Rs.78 per month.	Rs.72 per month.
2. Intermediate or Higher Secondary.	Rs.85 per month.	Rs.79 per month.
3. Graduates.	Rs.100 per month.	Rs.94 per month.
II. Adolescent.-----	Rs.1/7/2 per day.	Rs.1/7/2 per day.
II. Children-----	Rs.1/3/2 per day.	Rs.1/3/2 per day.

(Government Gazette, Delhi State, Part V, 19 November 1953, page 763)

Travancore-Cochin: Minimum Rates of Wages Fixed for Employment in Cashewnut Industry.

In exercise of the powers conferred under the Minimum Wages Act, 1948, and by a notification dated 10 December 1953 the Government of Travancore-Cochin has fixed the minimum rates of wages payable to persons ~~employed~~ employed in the cashewnut industry.

I. Minimum Time Rates. - For all items of work in the cashew factory, for which the ~~per~~ piece work rate has been fixed and for which no specific rate has otherwise been fixed, the following time rates shall be paid:-

Rs. As. P.

Adult Males -----	1 14 0 per day
Adult females-----	1 4 0 per day
Adolescent male permitted under medical certificate to do the work of an adult:	
i. who completed 15 years but not completed 16 -----	1 2 9 per day
ii. Who completed 16 years but not completed 17 -----	1 6 6 per day
iii. Who completed 17 years but not completed 18 -----	1 10 3 per day
Adolescent female permitted under medical certificate to do the work of an adult:	
i. Who completed 15 years but not completed 16 -----	0 12 6 per day
ii. Who completed 16 years but not completed 17 -----	0 15 0 per day
iii. Who completed 17 years but not completed 18 -----	1 1 6 per day
Male children -----	0 15 0 per day
Female Children-----	0 10 0 per day

II. Time rate with work load. - Grading white wholes
 Rs. 1-4-0 per day with customary work load.

- III. Minimum piece rates. -
- (a) Shelling. Rs. 0-1-3 per pound of shelled whole kernels delivered at the weighing machine.
 - (b) Peeling. Rs. 0-1-5 per pound peeled wholes delivered at the weighing machine.
 - (c) Peeling Shelling pieces. Rs. 0-1-4 per pound of kernels peeled and delivered at the weighing machine.
 - (d) Peeling of Kattals (unpeelables). As. 2 per pound of kernels peeled and delivered at the weighing machine.

IV. Compensation for under-employment. - In case of under employment of piece rate workers, due to the failure of the employer to provide work for at least 6 hours on any particular working day for which no work notice was not previously given, piece work rated employees will be entitled to a compensation equivalent to wages for his or her normal 6 hours work inclusive of any wages he or she was able to earn that day by partial employment.

(Travancore-Cochin Gazette, Part I,
 15 December 1953, page 2246)

Punjab: Revised Minimum Rates of Wages Fixed for Employment in Road Construction, Building, Stone-breaking or Stone-crushing Operations.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Punjab has fixed the following revised minimum rates of wages payable to workmen employed in road construction, building, stone-breaking or stone-crushing operations.

Type of Workers.	All-Inclusive Minimum Rates of Wages	
	Daily Rs. As.	Monthly Rs.
Unskilled labour (Mazdoor, Beldar, Etc.)	1 12	45
Concrete (hand) Mixer	1 12	45
Survey Khalasi		
Chowkidar		
Mali		
Mate		
Head Mali	-	55
Head Survey Khalasi		
Daffadar		
Bajri Spreader		
Boilerman		
Bucketman		
Handleman		
Fireman	2 0	60
Hole Driller		
Cleaner		
Quarry Operator		
Hammer-man		
Hammer-man		
Steam Road Roller Driver	-	96
Lorry Driver		
Water Pump Mechanical Driver	-	96
Mixer Mechanical Driver	-	
Stone Crusher Mechanical Operator		
Boatman	-	60
Head-Boatman	-	65

(Punjab Government Gazette, Part I, 18 December, 1953, page 1118.)

16

Uttar Pradesh: Increased Wages granted to
Workmen in Vacuum-Pan Sugar Factories .

In exercise of the powers conferred under the U.P. Industrial Disputes Act, 1947, the Government of Uttar Pradesh has ordered that every vacuum-pan sugar factory shall give the following increases in wages of its workmen during the crushing season 1945-46.

Wage levels of 1945-46 (per month)	Increase to be given
(1) Rs. 22-8.	Rs. 32-8.
(2) Rs. 23 to Rs. 30.	An increase of Rs. 32-8.
(3) Rs. 31 to Rs. 40.	An increase of Rs. 28-14.
(4) Rs. 41 to Rs. 50.	An increase of Rs. 26-8.
(5) Rs. 51 to Rs. 100.	An increase of Rs. 24.
(6) Rs. 101 to Rs. 200.	An increase of 24 per cent of wages.
(7) Rs. 201 to Rs. 300.	An increase of 18 per cent of wages.

The above increase shall be given with effect from the date actual crushing started (or starts) in a particular factory during the current (1953-54) season.

Every vacuum-pan sugar factory in Uttar Pradesh shall observe the following conditions in giving increase in wages to its workmen.

(i) No workman shall get less than Rs. 55 per month as his wage;

(ii) Increments earned by a workman in the usual course during the period from 1945-46 season to 1952-53 season or increments allowed by the employers in response to the appeal of the Minister for Labour, Uttar Pradesh, in Sugar Industry Tripartite Conference held on 19 November 1952, shall be in addition to increments sanctioned in this order.

Every vacuum-pan sugar factory in Uttar Pradesh shall continue to give all the existing facilities, allowances and concessions to its workmen in addition to the wages sanctioned in this order.

(Government Gazette of Uttar Pradesh,
Part I-A, 19 December 1953, pp. 3258-3259).

Bombay: Bonus Award for Mill Workers.

The Bombay Industrial Court awarded on 16 December 1953 to employees of 48 textile mills in the City a bonus equivalent to 15 per cent of their basic earnings for 1953. The Court defined the basic earnings as exclusive of dearness allowance and bonus paid during the year. The award directed millowners to make the payment within two months of the publication of the award in the Government Gazette.

The question of bonus to the employees of 20 other mills declared as having made losses during 1952 was kept pending by the Court till an inquiry into their affairs was made.

The award, involving 14.6 million rupees, will benefit about 160,000 out of the 225,000 mill-workers in the City. The average monthly basic wage of a textile worker is about 46 rupees. On this basis he will receive about 83 rupees as bonus for 1952.

Appeal to Tribunal.- Mr. G.D. Ambekar, Secretary of the Rashtriya Mill Mazdoor Sangh, recognised as the representative body of textile labour and a party to the award, announced that the Sangh would appeal against the award to the Appellate Tribunal.

(The Hindustan Times, 18 December 1953).

'L'

38. HOUSING

India - December 1953.

Housing Programme of the Government of Bombay:
Industrial Township to be built at Chembur.

Mr. Jawaharlal Nehru, Prime Minister, laid the foundation-stone of the Government of Bombay's new industrial township at Chembur, 14 miles from Bombay City, on 1 January 1954. The Chembur project, when completed, will house 35,000 people.

Prime Minister's address.- Laying the foundation stone the Prime Minister said that the era of one room tenements was over, as it was impossible for a family to live in such a tenement. He added that everywhere the Government was building two-room tenements.

Mr. Nehru said that the Union Government would give top priority to industrial housing in the country. The picture of a free and independent nation, he said, would not be complete if the basic needs of the people such as food, housing and clothing were not properly solved.

The Prime Minister stressed the need for building houses with proper amenities, adequate drainage system and lighting. "Mere walls and a roof do not make a house" he said, and added: "No house should be built without at least two rooms and a verandah. It is inhuman to expect a family to live in one room". If housing conditions were not good, it would adversely affect the ability of labour to work, he added.

He said that the Government wanted to tackle the housing problem in a big way. This could not be accomplished without the whole-hearted co-operation of private enterprise. The problem was so tremendous that mere Government effort was not enough to solve it.

Minister's Review of Government's programme.- Mr. G.D. Tapase, Minister for Housing, Bombay, in the course of his address said that the Bombay State had realised very early the need for providing cheap housing accommodation for the industrial population of Bombay. In order to meet the housing shortage experienced at the end of the First World War the Government of Bombay launched a programme of constructing 50,000 one-room tenements in Bombay City. Accordingly chawls consisting of 16,000 tenements were constructed at different centres but the programme was abandoned in 1923 due to financial difficulties.

The laissez-faire policy which was prevalent in those days with regard to the location of industries led to the haphazard growth of towns and industrial cities and the Second World War further aggravated the already serious housing situation. There was virtual cessation of building activities during the War since essential building materials such as cement, iron and steel were diverted towards war efforts.

Immediately the Congress Ministry came into power in 1946, it took in hand the problem of serious housing shortage and set up a Provincial Housing Board in 1947 for formulating and implementing the housing programme. A programme of constructing 15,000 tenements for industrial workers and low-income group families estimated to

cost 75 million rupees was prepared and launched in 1947. It was proposed to finance this programme by equal contributions from the State Government, the Central Government and the employers. But as the contribution from the Central Government and employers was not forthcoming as originally envisaged, the programme had to be carried out on a restricted scale and ultimately a provision of 50 million rupees was made for this purpose in the Post-War Reconstruction Programme of the State. Subsequently, however, the Central Government advanced a loan of 10.89 million rupees towards the industrial housing scheme.

As the work of the Provincial Housing Board was rapidly increasing, the Bombay Housing Board Act was enacted in 1948 providing for a statutory Housing Board. The Bombay Housing Board Act came into effect on 15 January 1949.

So far as the housing for industrial workers and low-income group families was concerned, 7,900 tenements had been constructed at a cost of about 50 million rupees under the programme of direct construction by the Government. Of these 2,326 tenements had been exclusively allotted to industrial workers on subsidised rent and the remaining to low-income group families.

In addition to direct construction, the State Government had also advanced to co-operative housing societies loans amounting to 11.6 million rupees at low rates of interest for constructing 1,633 tenements. The Government had also actively helped the societies by acquiring 1,400 acres of land for them.

As an incentive to private builders, essential building materials were made available by the State at controlled rates which had helped them to put up about 76,000 tenements in the urban areas of the State.

Mr. Tapase stated that in spite of all the efforts made to tackle the serious problem of housing for industrial workers, "we could not make so far the desired progress for want of sufficient funds." But due to the inclusion of housing in the country's First Five-Year Plan, the matter has been put on a national footing. Under its subsidised Industrial Housing Scheme, the Government of India had sanctioned schemes costing 22.36 million rupees for constructing 5,929 tenements at Bombay and Ahmedabad. Of these, 2,169 tenements costing 9.76 million rupees were under construction. The Government had a similar programme for the next two years.

As regards displaced persons' housing, Mr. Tapase said that the Government had constructed tenements for providing shelter to the displaced persons. So far 26,273 tenements at a cost of about 75 million rupees had been provided; and work on 14,429 tenements was in progress at an additional cost of about 30 million rupees. Thus, there would be in all 40,702 tenements constructed at a cost of 105 million rupees. In constructing tenements, the Bombay Government had given special attention to the provision of essential services. The tenements of the Board had been provided with piped water, electricity and drainage.

Details of the township.- Mr. Tapase stated that at Chembur ^{houses would} be built for 468 families of industrial workers of the Burmah-Shell

Refinery at a cost of 4.74 million rupees borne by the Burmah-Shell Co. The tenements for these workers would be self-contained three room flats with electric lights and independent sanitary conveniences attached to them. The tenements would enjoy good transport facilities being within easy reach of Chembur and Kurla railway stations.

The whole site when developed during the next twelve to eighteen months would provide for 7,092 tenements accommodating about 35,000 people.

(The People's Raj (Published by the Government of Bombay), Vol.VII, No.41, 7 January 1954).

HPL:

71

CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN
BRANCHES OF THE NATIONAL ECONOMY

INDIA - DECEMBER 1953

41. Agriculture.

Madras Indebted Agriculturists (Temporary Relief)
Ordinance, 1953 (No. V of 1953).

The Governor of Madras promulgated on 5 December 1953 an Ordinance declaring ~~the~~ one year's moratorium with immediate effect in respect of debts of agriculturists in order to provide temporary relief for them. The Ordinance aims at protecting agriculturists against "distractions and expenditure involved in litigation launched by these creditors, in order that the maximum possible advantage may result to the State in the matter of production of food crops."

The Ordinance prohibits for a period of one year institution of suits for recovery of debts and execution of money decrees made by courts and also stays pending proceedings in suits and applications in respect of such debts. Provision is also made to safeguard property under attachment enabling courts to pass orders for the custody and preservation of such property or for the sale of the property if it is subject to speedy or natural delay. The State Government has been empowered to make rules to carry out the purposes of the Ordinance.

(Fort St. George Gazette, Part IV, Extra-ordinary, 5 December 1953, pp. 71-74).

HPL:

43. Handicrafts.

India - December 1953

Delhi: Cottage Industries, Khadi and Handicrafts Development Board constituted.

The Chief Commissioner of Delhi has by a notification dated 8 December 1953 constituted a Cottage Industries, Khadi and Handicrafts Development Board for the Delhi State under the chairmanship of Mr. Gopinath Aman, Minister for Industries and Labour, Delhi State. The Board consists of 18 members, officials and non-officials, besides the chairman.

The function of the Board will be to advise the State Government generally on the problems of small scale and cottage industries and handicrafts and khadi, in the State and in particular to improve and develop production and promote sales in India and abroad. The Board will also advise the State Government on grants and loans to small scale, cottage and handicrafts industries and to those engaged in the production of khadi for financing activities necessary for the development and improvement of handicrafts.

(Government Gazette, Delhi State,
Part V, 17 December 1953, p.882).

HPL:

43

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - DECEMBER 1953.

50. General.

Draft Mines(Posting up of Abstracts)Rules,1953.

The Government of India published on 19 December 1953 the draft of the Mines(Posting up of Abstracts) Rules,1953, proposed to be made in exercise of the powers conferred under the Mines Act,1952. The rules require that the abstracts of the Act contained in the scheduled to the rules shall be posted up at or near every mine in English, Hindi and in the language of the district in which the mine is situated and shall be maintained in clear and legible condition. The draft rules will be taken into consideration by the Government after 20 March 1954.

(The Gazette of India, Part II,Section 3,
19 December 1953).

Conditions of Work in Tramways.

An enquiry into the conditions of labour employed in Tram and Bus services in India was conducted by the Labour Investigation Committee in 1944-45 and the results of the enquiry were incorporated in a report published by the Committee in 1946. With a view to bringing the data relating to tramways contained in that report up-to-date, the Labour Bureau subsequently issued questionnaires in 1947 and again in October 1950 and articles based on the replies to these questionnaires were published in the issue of the Indian Labour Gazette*. The following is a summary of a note published in the November 1953 issue of the Indian Labour Gazette based on replies received to the latest questionnaire issued by the Labour Bureau early in March 1953, to the four Tramway companies in Bombay, Calcutta, Madras and Delhi. No reply was received from the Madras Tramway Co., which went into liquidation in April 1953. This article, therefore, deals mainly with the other three Tramway concerns, although information relating to the Madras Tramways has also been included wherever available from other sources.

* Cf. pages 31-35 of the Report of this Office for June 1951.

Employment.- The four tramway companies in India which employed about 15,000 workers in 1950 employed about 19,000 workers in January 1952. Details regarding the number of workers employed in the different tramways are given below:-

Concern	July 1949	June 1950	January 1952	January 1953
BEST Undertaking, Bombay -----	4,691	4,810	8,261	8,373
Calcutta Tramway Co., Calcutta-----	8,094	8,355	9,263	9,538
Madras Tramway Ltd., Madras -----	1,676	1,644	2 *	*
Delhi Road Transport Authority (Delhi Tramways), Delhi-----	*	*	331	315

* Not available.

In none of the units ~~was~~ are women or children employed; and in all the centres, workers are directly employed by the managements and no labour is employed through contractors. A large majority of workers in all the units are classified as permanent and as such are entitled to certain privileges in matters of leave, provident fund, notice of discharge, etc. The percentage of workers classified as permanent as in January 1953 was 85.7 in Bombay, 93.2 in Calcutta and 100 in Delhi.

Recruitment.- In the Calcutta Tramways, for the engineering department, skilled men are generally recruited through the employment exchanges, while unskilled workers ~~was~~ are recruited from amongst relatives or others brought by existing employees; in the traffic department men are recruited partly through the employment exchanges and partly direct by the management. Relatives of employees with long and approved service are also selected. The candidates for appointment are given aptitude, educational and other tests, in addition to being medically examined for physical fitness. In the BEST, traffic outdoor staff and workshop staff are recruited from among applicants placed on waiting lists. As vacancies arise candidates from these lists are called up and if the required conditions are satisfied they are appointed. In the workshop, vacancies in the various trades and other superior positions are filled, as far as possible by promotion from the ranks. In Delhi, workers to the various departments are recruited through the employment exchange.

Apprenticeship and training.- In the unit in Bombay, workers, after selection and appointment, are sent to the training school for training appropriate to their job. Moreover, raw hands recruited as 'trade learners' in the workshops receive training for varying periods and are eventually absorbed in the workshops if their work is found satisfactory.

While under training, the trade learners are paid daily wages in the scale of 14 annas 4 pies - 1 rupee 2 annas 10 pies - 1 rupee 7 annas 2 pies; in addition to allowances on the same scale as permanent workers. In Calcutta, drivers and conductors have to undergo training for a period of 2 1/2 to 3 months and 1 month respectively. Apart from this, there is a scheme of apprenticeship. Apprentices are of three types: 'A', 'B', and 'C'. Apprentices for 'A' class are recruited from among graduates of recognised engineering colleges and those for 'B' class are recruited from among those who have passed the admission examination of the board of apprentices training. They are recruited to attend the Calcutta Technical School for a period of 5 years and are paid 22 rupees per month during the first year, 25 rupees per month ~~during~~ in the second year, 29 rupees per month in the third year, 33 rupees per month in the 4th year and 36 rupees per month in the fifth year. They are also given dearness allowance at 47 rupees 8 annas per month. They are trained to fit them for position of foremen. 'C' class apprentices are recruited generally from among the sons of the company's workmen and are given training in one trade only for a period of 5 years. The rate of pay for them is 22 rupees per month in the first year rising up to 30 rupees per month in the fifth year, with an annual increment of 2 rupees. They also get dearness allowance at 47 rupees 8 annas per month. In Delhi Tramways, drivers and conductors are given training for a period of one month during which they are paid wages at half the normal rate.

Length of service.- Information regarding length of service is available only in respect of workers employed in Calcutta Tramways where out of a total of 8,901 workers 410 or 4.6 per cent had service below one year; 2,790 or 31.4 per cent between 1 to 5 years; 3,181 or 35.7 per cent between 5 to 10 years and 2,520 or 28.3 per cent over 10 years.

Absenteeism.- No comparable data of absenteeism is available in respect of workers in the various departments of the tramways companies. However, according to data available in respect of tramway workshops, absenteeism due to various causes, varied from 0.9 to 17.6 per cent in Bombay, from 16.2 to 25.7 per cent in Calcutta and from 11.4 to 25.0 per cent in Delhi during 1952.

Working conditions.- Generally speaking, the hours of work for all employees in the three units are 48 per week. In the case of workers in the general shift, the daily hours are 8, with a spreadover of 8 1/2 to 9 hours. Shift workers work straight duties of 8 hours. In the unit in Bombay, employees are transferred from one shift to another periodically. In carsheds, however, a certain section of the staff has to work on permanent night duty.

10

Holidays and leave.- In the BEST, workers are allowed 10 days' sick leave with full pay (or 20 days with half pay), 10 days' casual leave with full pay and 24 days' privilege leave in a year. While no limit has been placed on accumulation of sick leave, privilege leave is cumulative for 3 years. All employees in carsheds and workshops with less than 10 years' service get 12 holidays with pay in a year. Persons with over 10 years' service get 4 additional holidays. The outdoor staff of the traffic department, viz., conductors, drivers, inspectors, starters, etc., get only 8 holidays with pay. In the Calcutta Tramways, employees in the engineering department get 7 days' casual leave, 14 days' privilege leave with full pay (or 28 days with half pay). In the traffic department all employees get 10 days' casual leave, privilege leave is linked to length of service. Those whose length of service does not exceed 15 years get 21 days' privilege leave and others get 30 days' leave with full pay in a year. In the Delhi Tramways, workers are allowed 14 days' sick leave and 14 days' privilege leave ~~for~~ after completing 12 months' service in addition to 8 festival holidays.

Basic wages.- The basic minimum wage of the least skilled worker in the tramway services varies from 30 rupees per month in Delhi to 37 rupees 8 annas per month in Calcutta. It amounts to 1 rupee 7 annas 2 pies per day in Bombay.

The table below shows the average wages and earnings of certain important categories of workers employed in the Tramway companies in different centres.

Category	Bombay			Calcutta			Delhi			Earnings								
	Basic wage			Basic wage			Basic wage			Rs. A.P.								
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.						
Drivers -----	48	10	0	118	0	0	51	5	9	105	7	3	48	8	10	115	5	7
Starters-----	69	1	0	133	7	0	79	11	5	134	12	11	51	1	3	104	15	1
Conductors----	48	10	0	113	0	0	50	13	2	104	5	0	44	15	2	106	2	7
Fitters-----	53	12	2	118	2	2	51	7	5	103	0	10	94	15	2	222	9	1
Turners-----	53	12	2	118	2	2	51	6	7	102	3	10	60	15	0	111	11	6
Welders-----	53	12	2	118	2	2	62	0	0	118	10	9	57	1	7	104	11	0
Carpenters----	53	12	2	118	2	2	51	1	2	103	6	1	81	1	9	148	11	0
Greasers-----	53	12	2	118	2	2	41	1	2	91	10	0	40	4	0	95	5	0
Mazdoors-----	37	10	4	102	0	4	38	7	10	92	4	11	29	8	8	74	5	8

Dearness allowance.- The rate of dearness allowance paid in the different centres varies considerably. In Calcutta, it is paid according to a scale graded by income groups. The present dearness allowance payable to workers getting a basic wage up to 50 rupees is 47 rupees 8 annas. Prior to December 1952, it was 42 rupees 8 annas per month. In Bombay, it is paid according to the Bombay Millowners' Association scale of dearness allowance for cotton mill workers in Bombay city and is linked to the cost of living index number

for Bombay City. The amount of dearness allowance payable for the month of January 1953 was 2 rupees 6 annas per day. In Delhi, it is paid on a scale graduated according to income (as fixed by the Central Pay Commission) and amounts, since June 1952, to a minimum of 40 rupees per month in the case of the lowest paid workers.

In addition to the regular dearness allowance, the BEST is paying 2 annas 3 pies per day as tramfare to the least skilled workers, good conduct, and badge allowance of 1 rupee to 5 rupees per month to conductors and drivers according to their length of service and good conduct and good driving bonuses of 25 rupees per quarter to all conductors and drivers. The Delhi Tramways has been paying attendance bonus at the rate of 5 rupees per month to drivers and conductors for full attendance and high collection and low consumption bonuses to conductors and drivers at 15 rupees and 10 rupees respectively. House rent and compensatory allowances are also paid to the employees according to the recommendations of the Central Pay Commission.

Housing and welfare.- The BEST undertaking has provided pucca berths for bachelors and rooms for families to about 5 per cent of the workers. The rent for some berths is 12 annas per month and for others 4 rupees per month, while that for rooms varies from 6 rupees per month to 23 rupees per month according to size. A housing scheme on a large scale at Parel is under the consideration of the management. In Calcutta, the company has provided housing accommodation in rented quarters to about 750 workers. Others are paid house rent allowance of 2 rupees 8 annas per month. No housing is provided by the Delhi Tramways.

Welfare.- All the three concerns maintain dispensaries in charge of part-time or full-time doctors. In Bombay and Calcutta, canteens are maintained at various depots and workshops where workers are supplied tea and refreshments. Rest shelters are maintained by all the concerns. Co-operative Credit Societies and grainshops are maintained by the units in Bombay and Calcutta. Arrangements for ~~xxx~~ recreation and sports ~~xxx~~ also exist in Bombay and Delhi.

Provision for the future.- Provident fund schemes ~~xxx~~ are in operation in all the units. In Bombay, about 3,500 workers are members of the scheme. The rate of contribution is 16 pies per rupee in the case of workers ~~xxx~~ with a basic salary of 100 rupees or above per month and 12 pies or 16 pies per rupee in the case of other workers at their option. A similar amount is contributed by the undertaking. The amount of the employers' contribution is payable after more than 5 years' service, except in the case of dismissal, etc. The undertaking has also a savings fund to which the employees can contribute at a maximum rate of one anna per rupee, the interest thereon being on a fixed scale according to the length of service of

the employees. About 10,000 employees in the Calcutta Tramways are members of the Company's Provident Fund Scheme. In Delhi, in addition to the normal contributions by the employees and the employer, a special contribution to the fund is made by the latter according to the Railway Rules. In Bombay, workers are also given gratuity at the time of retirement, subject to certain conditions. The amount of gratuity varies from 3 months to 12 months' pay according to the length of service.

Accidents.- Information regarding the number of accidents, their nature and the compensation paid in the three Tramways companies during 1952 is given below:-

Unit	No. of accidents				Amount of compensation paid		
	Total	Minor	Serious	Fatal	Rs.	A.	P.
1, BEST Undertaking -----	3,610	3,459	137	14	3,300	0	0
2, Calcutta Tramway Co. ---	1,116	1,076	40	-	13,681	2	9
3, Delhi Tramways -----	5	5	-	-	146	0	0

Labour Conditions in the Cashewnut Processing Industry in India: Labour Bureau Survey.

The Indian Labour Gazette, Vol. XI, No. 4, October 1953, published the results of an enquiry conducted by the Labour Bureau in March-April 1953 into the conditions of labour in the Cashewnut processing industry in India.

The Cashewnut processing industry in India is located mainly in the Quilon district of Travancore-Cochin. The South Kanara, Malabar in Madras and Guntur, East Godavari and Srikakulam districts in Andhra State and the Ratnagiri district in Bombay are the other areas in India where cashewnut processing is carried on. The industry provides employment to over 50,000 workers and the export of cashewnuts brings in substantial foreign exchange to the country. Large quantities of raw cashewnuts are imported into the country from Africa every year. The bulk of the kernels produced is exported. In 1951-52 India exported 18,436 tons of cashew kernels valued at 82,44,299 rupees.

The enquiry was conducted on the basis of a stratified random sample and conditions of work, living and wages in each sampled unit were investigated personally by an officer of the Bureau. Twentyfive cashewnut factories figures in the sample.

The main occupations in cashewnut factories are roasting, shelling, peeling, grading and packing. Very little machinery is used in the manufacturing process and the various occupations do not call for much skill. For this reason, women and children form the bulk of the workers in the industry. The occupational distribution in cashewnut factories is roughly as follows:-

Roasting, packing and general work -----	6 per cent
Shelling -----	37 per cent
Peeling -----	42 per cent
Grading -----	15 per cent

For roasting, packing and general work men are employed and women and children are usually employed for shelling, peeling and grading.

Employment.- The following table shows the number of factories and the number of workers employed in the cashewnut processing industry according to information furnished by the Government of Bombay, Madras and Travancore-Cochin, to which States the industry is confined.

State	District	No. of factories	No. of workers	Remarks.
Bombay	Ratnagiri	10	1,550	Figures of employment relate to 6 factories only.
Andhra	Srikakulam	13	448	2 factories were not working. 1 factory was not working.
	East Godavari	5	82	
Madras	Guntur	8	350	1 factory was not working. 16 factories were temporarily closed; in 3 factories there was no work; and employment figures were not available for 2 factories.
	South Arcot	1	50	
	Malabar	4	1,744	
Travancore-Cochin	South Kanara	9	6,686	1 factory was not working. 16 factories were temporarily closed; in 3 factories there was no work; and employment figures were not available for 2 factories.
	Trivandrum	5	1,499	
	Quilon	154	39,887	
	Trichur	3	521	
	Total	212	52,817	Figures of employment relate to 183 factories only.

Employment in the industry is unsteady and subject to seasonal fluctuations. The following table shows the number employed in sampled units in August 1952, when all the units were working:-

State	District	No. of sampled units	Number of persons employed			
			Men	Women	Children	Total
Bombay	Ratnagiri	2	54	701	-	755
Andhra	Guntur	1	6	10	-	16
	Srikakulam	2	N.A.	N.A.	-	76
Madras	South Kanara	3	50	1,546	83	1,679
Travancore-Cochin.	Quilon	17	824	4,408	833	6,065
Total		25	934	6,665	916	8,591*

* Sex distribution of 76 workers not available.
N.A. - Not Available.

The labour force in the cashewnut industry is mostly temporary and appears to be very unstable possibly due to the fact that no special benefit or advantages are given to persons with a long record of service. The factories recruit their labour afresh year after year at the commencement of the working season. Figures of labour turnover available from 7 factories in Travancore-Cochin showed an average turnover of 53.3 per cent during 1952. Absenteeism was also on the high side.

Hours of work. - Hours of work in the cashewnut industry are regulated by the Factories Act, 1948. Daily hours are 8 and weekly hours 48. Overtime work is not common. Children, wherever they are employed, are shown as working only 4 1/2 hours per day but it is uncertain to what extent their working hours are restricted. Personal investigations revealed that they are actually working the same hours as adults and a comparison of the piece wages earned by children and adults day by day would only confirm these findings.

Wages and earnings. - In the cashewnut industry piece work is more common than time work. The main occupations in the processing, namely, shelling, peeling and grading are paid for at piece rates. Roasting and packing in which usually men are employed are paid for at time rates.

The minimum daily rate for time rated men workers is 1 rupee in Bombay, 1 rupee 12 annas in the South Kanara district and 1 rupee in Travancore-Cochin. Daily rated women workers are paid a minimum wage of 9 annas in Bombay, 14 annas in Guntur, 10 annas in Srikakulam, 1 rupee in South Kanara and 13 annas 6 pies in Travancore-Cochin. In some factories in all the areas minimum rates are higher for both men and women.

The following are the piece rates paid for shelling and peeling:-

State and District		Shelling	Peeling
Bombay	Ratnagiri		
	(a) Indian nuts----	9 pies per lb.	9 pies per lb.
	(b) African nuts---	1 anna per lb.	1 anna per lb.
Andhra	Guntur-----	1 anna per lb.	7 pies per lb.
	Srikakulam-----	6 pies per lb.	6 pies per lb.
Madras	South Kanara-----	1 anna per lb.	1 anna 2 pies per lb.
Travancore- Cochin	Quilon -----	1 anna 2 pies per lb.	1 anna 2 pies per lb.

In Ratnagiri, Guntur and Srikakulam peeling is done on the outwork system. Grading is paid for on time rate but the wage is related to a task, the minimum daily rate being paid on the completion of the grading of about 100 pounds of whole kernels. For the grading of splits, butts and brokens a bewildering variety of piece rates prevails.

The average earnings of cashewnut workers vary from month to month according to the season and the extent of absenteeism among the workers. The average monthly earnings and the average earnings per day worked in August 1952 were the following:-

State and District	Average monthly earnings						Average daily earnings											
	Men		Women		Children		Men		Women		Children							
	Rs.	A.P.	Rs.	A.P.	Rs.	A.P.	Rs.	A.P.	Rs.	A.P.	Rs.	A.P.						
Bombay	32	11	11	6	14	3	-	1	9	3	0	9	0	-				
Andhra	12	0	7*	-	-	-	-	1	4	1*	-	-	-	-				
Madras	38	8	1	15	1	2**	-	N.A.	0	14	1**	-	-	-				
Travancore- Cochin	32	14	5	16	14	10	13	14	0	1	10	1	0	14	8	0	13	4

* Including Women. ** Including Children.

In the cashewnut factories in Travancore-Cochin payment for shelling and peeling is made only in respect of the whole kernels produced. The splits, butts and brokens which form 10 to 15 per cent are not paid for. Similarly, unlike in Bombay, higher rates are not paid for the shelling and peeling of African nuts, which are smaller in size and yield a comparatively smaller proportion of wholes.

No ~~dearness~~ dearness ~~allow~~ or other allowances are paid to cashewnut factory workers anywhere. In South Kanara and Travancore-Cochin the workers are paid bonus. One factory in South Kanara paid bonus for 1952 at the rate of 1 rupee per month, another at the rate of 15 days' wages for men and 1 rupee for every 25 days worked for women and the third factory at the rate of 8 1/2 per cent of wages. In Travancore-Cochin the workers were paid bonus at the rate of 4 per cent of wages earned.

Working of Labour Acts.— The cashewnut factories are subject to the various labour laws in regard to wages, conditions of work, etc., but the present enquiries revealed serious defects in the enforcement of some of these laws.

The study gives a brief account of the application of the provisions of the Factories Act. The question is generally satisfactory.

The provisions of the Payment of Wages Act, 1936 are being observed and wages are disbursed every week. Usually no fines are levied or other deductions made from wages.

As regards the Workmen's Compensation Act, 1923, the nature of work in cashewnut factories is such that accidents are rare and if at all they occur ~~are minor~~ are minor in nature. There was no case of any compensation being paid for accidents in any of the sampled units. In the Travancore-Cochin Workmen's Compensation Act which was in force in that State before the passing of the Part B States (Laws) Act, 1951, primary cancer of the skin arising out of the roasting and shelling of cashewnuts or handling of roasted cashewnuts or extraction of cashewnuts was included in the schedule of occupational diseases under the Act. In the list of notifiable diseases in the schedule to the Factories Act, 1948, primary epitheliomatous cancer of the skin is included. So far there has been no claim for compensation on account of such diseases. Contact with shell oil no doubt causes peeling of the skin but it is not a lasting injury and heals in three or four days. There is neither any disablement nor much discomfort on this account. The workers smear their hands with dust or ash as a protective measure. Also, there were no complaints from the workers in this regard.

The Bombay Maternity Benefit Act has not been enforced in the Ratnagiri district where cashewnut factories are located. No maternity benefit was paid to the workers in the cashewnut factories there. There have been no claims or payments for benefit in Guntur and Srikakulam districts of Madras. Workers in South Kanara are paid maternity benefit under the Madras Maternity Benefit Act for a period of 7 weeks at the rate of 8 annas per day. Workers in

83

Travancore-Cochin were being paid benefit at the rate of 8 annas per day for 8 ~~weeks~~ weeks. With effect from 15 April 1953, however, the workers are eligible for benefit under the Travancore-Cochin Maternity Benefit Act, 1952 at the rate of 5 rupees 4 annas per week for a period of 12 weeks. In the three sampled units in South Kanara district there were 111 claims for benefit in 1952 which were all paid. In Travancore-Cochin there were 303 claims in the seventeen sampled units out of which only 196 claims were paid.

The Travancore-Cochin Governments has included the industry in the State among the list of employments in which minimum wages are to be fixed under the Minimum Wages Act, 1948. No wages have been fixed as yet.

Housing and welfare.- In Bombay, Andhra and Madras the employers do not provide any housing accommodation to workers. The workers live in their own houses which are 2 to 5 miles distant from the factories. Four of the seventeen sampled units in Travancore-Cochin provide living accommodation to a small proportion of the workers. One unit has provided 25 quarters for 100 of their workmen; another, 4 quarters for 12 workers; the third a shed of two rooms for 12 workers; and the fourth has built on a shed for 4 women workers. The quarters provided are built of bamboo and thatch and no rent is charged. The majority of the workers live in their own houses.

Apart from providing a first aid box, cashewnut factories do not usually make any arrangement for the medical treatment of the workers in case of illness. Only two of the sampled units in South Kanara district have provided a canteen. Grainshops, schools for the education of workers and their children and recreational facilities are not provided anywhere.

Industrial relations.- Cashewnut factory workers in South Kanara and Travancore-Cochin have organised themselves into trade unions. None of the sampled units have employed a labour officer. The owners of cashewnut factories in Travancore-Cochin have organised themselves into the Southern India Cashewnut Manufacturers' Association which has at present a membership of 31 manufacturing interests. The Association looks after the general interests of the manufacturers and gives them advice on various matters. It has drawn up a set of Standing Orders which apply to all cashewnut factories in its membership. Two of the three sampled units in South Kanara have also drawn up standing orders.

84

52. Workers' Welfare and Recreation.

India - December 1953.

Delhi: State Government's Labour Welfare
Centre Opened.

Delhi State's first labour welfare centre was opened in Kamla Nagar, by Mr. Brahm Prakash, Chief Minister, Delhi, on 7 December 1953.

The centre is equipped with a library and reading room and facilities for indoor and outdoor games. Adult literacy classes will be held in it for workers and their families.

The Government has sanctioned 3,000 rupees for initial expenditure and an estimated 3,000 rupees for annual recurring expenditure. Six more such centres are expected to be opened in other industrial areas in the State.

The centre will serve a labour population of 12,000 out of the State's total labour force of 150,000. It will be managed by an advisory committee of workers' representatives under the supervision of the Directorate of Industries and Labour.

(The Statesman, 7 December 1953).

'L'

85

53. Women's Work.

India - December 1953.

Economic and Social Status of Women Workers
in India: Study published by Labour Bureau.

The Labour Bureau, Ministry of Labour, Government of India has published recently a study on the economic and social status of women workers in India*. The study has confined itself to the important industries in the country employing women in large numbers, namely cotton and jute textiles, coal mining and plantations.

The study is divided into the following chapters:
(1) Legislative measures for the protection and welfare of women workers (2) Employment (3) Wages and Earnings (4) Working conditions (5) Social conditions and (6) Health and Welfare.

'L'

* Economic and Social Status of Women Workers in India. Labour Bureau, Ministry of Labour, Government of India, pp. 1 & 97. Price Re. 1/- or 1sh. 6d.

86

56. Labour Administration.

India - December 1953.

Working of the Factories Act in Madras
during 1952*.

The following information about the working of the Factories Act, 1948, in Madras State during 1952, is taken from the annual report of the Commissioner of Labour. The Factories Act, 1948, applied to all power factories employing 10 and more persons and non-power factories employing 20 and more persons. In the Madras State, the provisions of the Act have been extended to smaller non-power factories also, employing 10 to 19 persons.

Number of factories and number of workers.— There were 12,336 factories at the beginning of the year as against 10,330 at the beginning of the year 1951. During the year, 1,221 factories were brought on the registers and 2,962 factories were removed from the purview of the Act. The number of factories at the end of the year was 10,595 of which 10,207 factories were in commission. The number of power factories employing ten and more ~~xxx~~ persons was 5,405. The number of non-power factories employing 20 and more persons was 2,240. The number of non-power factories employing 10 to 19 persons was 2,562.

The average daily number of workers employed in 7,378 factories which submitted the annual return in time for the year was 400,379 as against 417,545 in the previous year. The slight decrease in the number of workers was due to the removal from the purview of the Act many tobacco barns during the year. Twenty-eight thousand five hundred and twenty-one workers were daily employed (average daily employment) in 124 Government and local fund factories.

Inspections.— Of the 10,207 factories which were in commission during the year, 3,308 factories were inspected once, 3,761 factories twice, 1,150 factories thrice and 442 factories more than thrice. The total number of inspections made was 16,048 as against 19,408 in the previous year. One thousand five hundred and forty-six factories were not inspected; of these 1,400 factories were found closed while 446 factories could not be inspected for want of time.

* Report on the Working of the Factories Act in the State of Madras for the year 1952: Printed by the Superintendent Government Press, Madras, 1953. pp.56 - 1; Price 1 rupee 12 annas.

87

The total number of inspections and visits made by full-time Inspectors was 19,904 as against 21,815 in the previous year.

Health, safety and welfare.— The health of the workers was generally normal. No epidemics were reported from any of the factories during the year. Cleanliness of factory premises and their surroundings was fairly well maintained. Adequate steps were taken wherever necessary, to mitigate dust nuisance in textile mills, rice mills, decorticating factories, tea and coffee curing factories and also to prevent, as far as possible, inhalation of dust, by employees working in processes emanating dust.

Twenty-three factories provided housing accommodation to some of their workers during the year, and four factories provided schools for the benefit of the workers and their children. The existing co-operative stores and societies in factories continued to function satisfactorily. ~~Particulars of other amenities are given in Appendix III.~~

Lime-washing and painting.— The periodical sanitary treatment of wells of factory buildings and latrines was attended to. Attention of managers of factories was drawn to the rules wherever necessary.

Due provision was made in factories for adequate supply of drinking water to workers.

Fences and guards to the dangerous parts of ways, works and working parts of machinery, etc., were provided. The ~~dangerous~~ dangers involved in unfenced machinery were explained to managers of factories, wherever necessary and steps were taken to see that the orders issued in this matter were duly complied with.

Wages.— The cost of living index fell by 11 points in Madras City during the year.

Accidents.— The total number of accidents reported for the year was 6,856 as against 6,650 in the previous year. Of the accidents reported, 40 were fatal as against 28 fatal accidents in the previous year. Six thousand eight hundred and sixteen accidents were non-fatal as against 6,622 non-fatal accidents in the previous year. The majority of the non-fatal accidents were reported by the Railway Workshops and textile mills.

Of the 6,816 non-fatal accidents, seven resulted in loss of limbs, five in partial loss of power in limbs, eight in loss of fingers, eleven in partial loss of fingers, one in loss of thumb, one in loss of palm, one in loss of power in fingers and one in loss of vision in one eye.

In 86 cases, the injured persons were paid compensation amounting to 48,029 rupees 4 annas. The percentage of 6,856 accidents to the total number of workers employed through the year in man-days (100,407,981) was 0.00682.

Prosecutions and convictions.— Occupiers and managers of 602 factories were prosecuted during the year, many of them for non-payment of licence fees. Convictions were obtained against 521 factories involving 547 persons. A sum of 19,233 rupees was imposed as fines ranging from a minimum of 3 rupees to a maximum of 600 rupees. Prosecutions against 55 factories were pending disposal at the end of the year. Occupiers of 26 factories were acquitted. Of the 99 factories prosecutions against which were pending at the end of 1951, convictions were obtained against 48 factories and a sum of 3,825 rupees was imposed as fines. The occupiers of twelve factories were acquitted. Prosecutions against one factory was dropped and prosecutions against 38 factories were pending disposal.

Strikes.— There were 213 strikes during the year as against 223 in 1951. Conciliation by the Labour and Factories department proved successful in 111 cases.

Employment of children.— In view of the application of the Factories Act, 1948, to non-power factories employing ten or more persons and in view of the application of the Madras Shops and Establishments Act to smaller establishments, the employment of children in the establishments covered by the Employment of Children Act, has been effectively checked.

Working of the Madras Maternity Benefit Act.— Of the 10,207 ~~factories~~ factories in commission during the year, 3,871 factories employed women as against 3,906 factories in the previous year. The average number of women employed daily in 3,471 factories from which returns were received in time was 92,655 as against 86,869 in the previous year. The average number of women employed daily in 3,471 factories from which returns were received in time was 92,655 as against 86,869 in the previous year. Four thousand three hundred and twenty-eight claims were made during the year as against 4,167 in the previous year, of which 4,045 claims were paid to the women concerned or their nominees. The total amount of benefit paid was 159,275 rupees as against 148,863 rupees in the previous year. No woman was employed in any factory during the four weeks immediately following the day of confinement. Inspections were made by the full-time Inspectors of Factories along with inspections under the Factories Act, 1948, and claims and benefits were checked by them. The managers of 14 factories were prosecuted during the year. Convictions were obtained against 12 factories. A sum of 340 rupees was imposed as fines. Two cases were pending

trial. The prosecutions against three factories pending last year (1951) have since been disposed off and convictions were obtained in all the cases. A sum of 40 rupees was imposed as fines.

(The Working of the Act during 1951 was reviewed at pages 64-66 of the report of this Office for March 1953).

'L'

CHAPTER 6. GENERAL RIGHTS OF WORKERS

INDIA - DECEMBER 1953.

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

Payment of Wages (Bombay Amendment) Act, 1953 (No. LXII of 1953).

The Payment of Wages (Bombay Amendment) Bill (vide page 42 of the report of this Office for August 1953), as passed by the Bombay Legislature, received the assent of the President on 22 November 1953 and has been gazetted as Act No. LXII of 1953. The Amending Act adds certain provisions to the Payment of Wages Act in its application to the State of Bombay to make the Act more effective in its purpose. One of the amendments makes both the employer and the manager or person in control of an industrial establishment liable jointly and severally for the recovery of wages. Another amendment provides that when the amount of any bonus payable to an employee exceeds an amount equal to one-fourth of his earnings (exclusive of dearness allowance) for the year to which the bonus relates, such excess shall be paid or invested in the manner proscribed. Another provision exempts the employees from liability for payment of court fees in proceedings under the Act. Where the applicant succeeds in such proceedings, provision is made for the recovery from the employer instead of the employee the court fees payable on the application. Provision is also made for penalties and a higher limit of fine (2,000 rupees) to make the Act more effective.

(Bombay Government Gazette, Part IV,
27 November 1953, pp.256-259).

HPL:

91

66. Strike and Lockout Rights.

India - December 1953

Assam: Rice and Oil Mills and Motor Transport Services
declared Public Utility Services.

The Government of Assam has declared the following services to be public utility services under the Industrial Disputes Act 1947, for a period of six months from 14 December 1953:

- 1) Rice and oil mills,
- 2) All motor transport services undertaken by public carriers and stage carriage operations as defined in the Motor Vehicles Act, 1939.

(Notification No. GLR 86/50/59 dated 24 November 1953; The Assam Gazette, Part II-A, 2 December 1953, p.2087).

Bihar: Sugar Industry declared a Public Utility Service.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of Bihar, by a notification dated 30 November 1953, has declared the sugar industry in the State to be a public utility service for the purposes of the Act for a period of six months from 1 December 1953.

(Notification No. III DL-14013/53-2-16484 dated 30 November 1953; Bihar Gazette, Extraordinary, 1 December 1953, p.1).

Delhi: Cotton Textile Industry declared a Public Utility Service.

The Chief Commissioner of Delhi has by a notification dated 3 November 1953 declared the cotton textile industry in Delhi State to be a public utility service for the purposes of the Industrial Disputes Act, 1947, for a period of six months from 4 November 1953.

(Notification No. F 14(154)/52 EI and L dated 3 November 1953, Government Gazette, Delhi State, Part V, 12 November 1953, p.760).

HPL:

67. Conciliation and Arbitration

India - December 1953

Bombay Industrial Relations (Amendment) Act 1953

(No. LXIII of 1953)

The Bombay Industrial Relations (Amendment) Bill (vide pages 44-45 of the report of this Office for August 1953) as passed by the Bombay Legislature received the assent of the President on 20 November 1953 and has been gazetted as Act No. LXIII of 1953. The Amending Act introduces certain improvements in the Bombay Industrial Relations Act, 1946, and removes certain difficulties experienced in the working of the Act. (For a summary of the provisions of the Bill please see pages 44-45 of the report of this Office for August 1953)

(Bombay Government Gazette, Part IV,
27 November 1953, pp. 260-266)

Saurashtra: Bill to amend Industrial
Disputes Act: Provision for Registration
of Voluntary Agreements

The Saurashtra Government has published recently a bill to amend the Industrial Disputes Act, 1947, mainly seeking to provide for the registration of voluntary arbitration agreements.

The Statement of Objects and Reasons, appended to the Bill, says that the Industrial Disputes Act, 1947, was applied to the State of Saurashtra by an ordinance in 1948. The Industrial Disputes Act, 1947, was made applicable to the State of Saurashtra in the year 1950 by Industrial Disputes (Appellate Tribunal) Act, 1950. The provisions of the Act have been availed of extensively by the employers as well as the workmen. It has to a very large degree served the purpose for which it was intended. No provision however is existing in the present law relating to industrial disputes for the registration of voluntary arbitration agreements. Nor is there any provision relating to representative unions. With a view to enable the employers and workers to take recourse to voluntary arbitration, the Bill provides for the registration of voluntary arbitration agreements and awards. Where employers and workers have agreed to refer disputes to arbitration, the official machinery will not be brought into operation in the earlier stages and may or may not operate in the later ones. The Bill also provides for registration of unions which fulfil certain requirements as regards membership and which is intended to be helpful to evolution of voluntary arbitration.

(Indian Labour Gazette, Vol.XI, No.4,
October 1953, page 333)

Madhya Bharat Industrial Relations

(Adaptation)(Third Amendment)Bill, 1953.

The Government of Madhya Bharat has published recently the Madhya Bharat Industrial Relations (Adaptation)(Third Amendment)Bill, 1953, which seeks to amend the United State of Gwalior, Indore and Malwa (Madhya Bharat) Industrial Relations (Adaptation) Act, Samvat 2006, (No.XXXI of 1949). The following is the Statement of Aims and Objects appended to the Bill:

"It has been observed from certain judicial decisions of the Labour Courts and Industrial Courts that under Sub-clause (i) of Clause (a) of paragraph A of Sub-Section (1) of Section 78 of the Bombay Industrial Relations Act, 1946, as adapted by Madhya Bharat, that the Labour Courts have no power to decide on the propriety or legality of notices displayed by employers under the Standing Orders, as a result of which considerable difficulties exist in obtaining a judicial examination by the Labour Courts of these Orders which are not covered by the above and said sub-clause. Section 78 of the Industrial Relations (Adaptation) Act, is, therefore, proposed to be amended so as to allow an examination of the propriety or legality of all industrial matters arising out of the action taken by employers under the Standing Orders which would include both notices given by the employers and orders passed on them".

(Indian Labour Gazette, Vol.XI, No.4,
October 1953, page 332)

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS

INDIA- DECEMBER 1953.

74. Indigenous Labour.

Untouchability (Offences) Bill, 1953: Measure to provide Penalties for Practice of Untouchability.

The Government of India published on 26 December 1953, the text of the Untouchability (Offences) Bill, 1953, proposed to be introduced in the House of the People. The Bill seeks to provide for a punishment of imprisonment up to six months or fine up to 500 rupees or both for the practice of untouchability or the enforcement of any disability arising therefrom.

The statement of objects and reasons appended to the Bill ~~xx~~ says: "Under Article 17 of the Constitution, untouchability is abolished and its practice in any form is forbidden. The enforcement of any disability arising out of untouchability shall be an offence punishable in accordance with law. As no Central law exists on the subject a law has to be enacted by Parliament as required by Sub-Clause (2) of Clause (A) of Article 35 of the Constitution and the Bill has been prepared in pursuance of this requirement.

"It is not possible to define untouchability and therefore, the scheme of the draft Bill is to make express provisions with respect to the more common forms of untouchability which are practised in India.

"The special features of this Bill, as compared with the existing State laws on the subject, are that: (a) the Bill is not confined to Hindus; (B) an untouchable shall not cease to be an untouchable if he resides in any locality other than the locality mentioned in relation to him under the Constitution (Scheduled Castes) Order, 1950; (c) whoever takes any part in the excommunication of, or imposition of any disability on any person who refused to practise untouchability or does any act in furtherance of the objects of this new law will also be guilty of an offence; and (d) in addition to the normal penalty for an offence, the court may also cancel or suspend any licence in respect of any profession, trade, calling, or employment when an offence is committed under this law during the course of such profession, trade, calling or employment. Offences under this new law are to be cognizable".

Religious worship.- Under the new law, every place of public worship shall be open to every untouchable for worship and for the performance of any religious service or for offering prayers therein in the same manner and to the same extent as it is open to any other person belonging to the same religious denomination or to the same section thereof as the untouchable, and every such untouchable shall be entitled to bathe in or use the waters of any sacred tank, well, spring or water-course in the same manner and to the same extent as other persons belonging to the same religious denomination or any section thereof as the untouchables are entitled to.

With regard to the removal of social disabilities on untouchables, the Bill provides that no untouchable shall on the ground only that he is an untouchable (a) be ineligible for office under any authority constituted under any law, or (b) be subject to any disability, liability, restriction or condition with regard to (1) access to any shop, public restaurant, hotel or any place of public entertainment; (2) the practice of any profession or the carrying on of any occupation, trade or business; (3) use of or access to, any river, stream, spring, well, tank, cistern, tap or other watering place, or any bathing ghat, burial or cremation ground, any sanitary convenience, any road or passage of any other place of public resort, which other members of the public have a right to use or have access to; (4) use of or access to any place used for a charitable or a public purpose maintained wholly or partly out of State funds or dedicated to the use of the general public or to the use generally for persons belonging to the same religious denomination or to the same section thereof as the untouchable; (5) the enjoyment of any benefit under a charitable trust created for the benefit of the public generally or for the benefit of persons belonging to the same religious denomination or to the same section thereof, as the untouchable; and (6) use of or access to any public conveyance licensed to ply on hire, by any authority constituted under any law.

Admission to hospitals.- The Bill lays down that untouchables shall not be refused admission to hospitals, dispensaries, educational institutions or hostels attached to them established or maintained for the benefit of the public, on the ground that they are untouchables.

No person shall refuse to sell any goods or refuse to render any service in the ordinary course of business to any untouchable on the ground only that he is an untouchable.

~~Other provisions of the Bill relate to penalties, offences by companies, overriding effect of the provisions of the Bill, etc.~~

(The Gazette of India, Part II, Section 2, Extraordinary, 26 December 1953, pp.1203-1209).

97

CHAPTER 8. MANPOWER PROBLEMS

INDIA - DECEMBER 1954

81. Employment Situation.

Compensation for Lay-Offs: Industrial Disputes (Amendment)
Bill passed by Parliament.

The Industrial Disputes (Amendment) Bill, 1953, providing for compensation to workers in the event of lay-offs (vide page 67 of the report of this Office for November 1953) was passed by the House of the People on 30 November 1953 and by the Council of States on 10 December 1953.

Debate in Lower House.- Mr. V.V. Giri, Minister for Labour, speaking during the debate on the Bill in the Lower House explained an amendment moved by the Government on which there were some criticisms. He said that the amendment did not go beyond the spirit and letter of the tripartite agreement in this matter. Originally, the proviso to the clause relating to payment of compensation for lay-off said that "compensation payable to a workman during any period of twelve months shall in no case be for more than fortyfive days". The official amendment to this proviso further provided that if during any period of twelve months, a workman had been paid compensation for 45 days and during the same period he was again laid-off for further continuous periods of more than one week at a time, he should, unless there was any agreement to the contrary between him and the employer, be paid for all the days, during such subsequent periods of lay-off, compensation at the rate specified in this sub-section. This was subject to the proviso that it shall be lawful for the employer in any case falling within this sub-section to retrench the workman in accordance with the relevant provision contained in the Bill and any compensation paid to the workman for having been laid-off during the preceding twelve months would be set off against the compensation payable for retrenchment.

A concession given to the workers as a result of another amendment by Mr. Khandubhai Desai was that although a laid-off worker would be required to appear for two years before his employer to entitle himself for compensation (50 percent of the wages) he would not be deprived of this payment in case he took up another employment during this period. Originally, the Bill provided that a workman engaging in any other job would lose his right to compensation.

Employers were given concession by another official amendment which laid down that an employer would have the option to give alternative employment to the laid-off workmen in the same or any other industrial establishment of theirs within an area of five miles from the establishment.

An amendment by Mr. K.P. Tripathi also accepted by the House, provided that the claims of a workman on an employer by way of compensation for lay-off or retrenchment would be recoverable as arrears of land revenue or as public demand by the appropriate Government on an application made to it by the workman.

76

In the Council of States.- The Labour Minister speaking on the Bill in the Council of States on 7 December 1953 said that the Bill was no complete answer to the anxieties of the worker but "goes some way towards sustaining his morale". The provisions relating to lay-off, Mr. Giri said, were applicable only to factories and mines and he was aware of the feeling in certain quarters at the restriction of the lay-off benefits to these two categories of establishments. The case of the plantation industry, he said, required re-examination and the Government proposed to hold consultation with the concerned parties at an early date with a view to exploring the possibilities of evolving an agreement on the lines concluded for factories and mines. If the parties were able to come to an agreement, the Government would be spared the responsibility of taking a decision whether, and if so what, statutory safeguards were necessary for plantation labour.

The Labour Minister said this was a new experiment, and with experience in due course it might be possible to enlarge the scope of lay-off so as to cover establishments now left out. Retrenchment compensation provided in the Bill, Mr. Giri said, would enable the worker to tide over the inevitable period of unemployment between termination of one employment and securing another. He did not think the justification or necessity for paying compensation was any less because of the prior stipulation by the employer that employment would terminate at a certain date or at the completion of certain work. Hence he had not been able to meet the demands of employers that no retrenchment compensation should be payable to the worker on completion of service at the end of a specified period of engagement.

In return for these benefits, the Labour Minister said, workers should play their part and play it adequately. He appealed to them to realise their responsibilities and to do everything in their power to increase their productivity.

Mr. S. Guruswamy (Independent), a trade unionist, said that the Bill was important not so much because of the quantum of relief it sought to give to the worker as the principle it sought to introduce.

Mr. Guruswami suggested that in regard to the excluded categories of employees, the Government should be more liberal in appointing adjudicators for granting relief in deserving cases. It should be made clear that compensation in cases of retrenchment would be in addition to the gratuity which normally the employees were given at the time of retirement. Otherwise, the little benefit the workers would obtain under the present scheme would be taken away. He stated that on account of improper application of the definition of workmen, a large number of employees were being deprived of the benefits to which they would be entitled under the Industrial Disputes Act. The Labour Minister should have taken this occasion to remove the anomaly.

Replying to the debate, the Labour Minister said the Bill, though a modest measure, was a good beginning to make the worker feel that "he is not a mere animal but is a human being".

Mr. Giri said he did not share the pessimism of some members that this Bill, when enacted, would cause the industry to go to "rack and ruin". "I do not apprehend anything of that character. Nothing will happen. At the most, it will be a pointer to the

employers not to resort to light-hearted retrenchment. That is a deterrent which would make employers feel that they must set their house in order".

He was one of those who did not believe in labour laws, Mr. Giri said. He attached greater value to agreements, were more abiding and permanent than laws. A trade union organised on a democratic basis, he felt, would produce greater results.

Explaining the delay in putting into execution the agreement arrived at the Standing Labour Committee regarding compensation for lay-off, the Minister said the representatives of the workers and the employers desired that agreement could be effected only if he gave an assurance that the public sector would take equal responsibility with the private sector and with representatives of labour. But he took some time to discuss the matter with the Cabinet and other employer-Ministries before they came to the conclusion that they would respect the agreement arrived at between both the parties. That was the reason for some delay in the matter, Mr. Giri said.

Referring to the demand for a comprehensive labour legislation, Mr. Giri said sometimes he felt he was not sorry for the little delay made in the matter. He had always held the view that agreements could be arrived at and disputes settled without adjudication. When the Labour Relations Bill was introduced in the last Parliament by Mr. Jagjivan Ram, the Hind Mazdoor Sabha and the All-India Trade Union Congress were of the view that adjudication must continue. He found himself in the strange company of employers objecting to adjudication and standing for conciliation. He felt employers were giving not that sympathy which he expected, and he had reason to feel in some cases that they merely wanted to escape adjudication and refuse conciliation.

"I have almost eaten my words", Mr. Giri added, "when I say in all humility but not humiliation, that section 10 (relating to adjudication) of the Labour Relations Bill introduced by Mr. Jagjivan Ram stands. It took time to digest some of these propositions. Therefore, I think it is good there was some delay".

Mr. Giri said: "I am trying to understand the employing Ministries who have a great responsibility, and know their point of view, to convince or be convinced of their points of view and at the highest level we are trying to see whether we can evolve a Bill that is good for the country".

Mr. Giri made it clear that compensation provided for retrenchment was in addition to any gratuity that the worker might be entitled to.

The Minister said he did not claim the provision for lay-off was wholly satisfactory. But in the absence of a fuller agreement between the parties, the Government had to go slow in the matter. He hoped the scope of this provision would be extended by mutual agreement between the parties.

(The Hindustan Times, 1 and 8-12 December 1953)

Employment Exchanged: Working during October 1953:

According to the review of work done by the Directorate-General of Resettlement and Employment for the month of October 1953, there was decline of over 12,000 in the number of fresh registrants at exchanges during October. Decline at this part of the year is seasonal. The total number of registered unemployed continued to rise, though less steeply. The usual seasonal rise in the number of vacancies notified to exchanges also occurred, but the number involved had little or no effect on the employment situation in general. Some reports indicated, however, that in the near future, activity under the Five Year Plan, particularly in the expansion of the educational programme, was likely to create more employment opportunities.

A shortage of stenographers, typists, nurses, compounders, highly qualified doctors, excavating machine operators, electric and gas welders, Hindi language teachers and physical training instructors was reported by a number of exchanges. Applicants desirous of clerical jobs, unskilled applicants, carpenters, watchmen, motor drivers, wiremen, platers and riveters, telephone operators and weavers were reported to be surplus by a large number of exchanges.

Registrations and placings.- The following table shows registrations for employment and placings during the month as compared to the previous month.

		October 1953	September 1953
Registrations	.. ..	108,738	121,600
Placings	.. ..	12,038	12,507

During the month registrations recorded a decline of 12,862 as compared to the previous month. The fall in registrations was comparatively large in the regions of West Bengal (5,548), Uttar Pradesh (5,072), Delhi, Ajmer and Rajasthan (1,830) and Orissa (1,196). Employment exchanges in Bombay region on the other hand showed an increase of 919 over the previous month's figure.

Of the total number of placements effected, 2,412 were placed with private employers and 9,626 in Central and State Government establishments. There was an over-all decline of 469 in placements as compared to the preceding month. Placements recorded a fall in West Bengal (447), Madras (432) and Uttar Pradesh (220). Employment exchanges in Punjab region on the other hand showed an increase of 855 as compared to previous month.

Placings by wage groups. The following table shows the placings

by wage groups:

<u>Wage Groups</u>		<u>Number placed</u>
101 rupees and above .. ..	.. ..	1,358
61 rupees to 100 rupees .. ..	.. ..	4,499
30 rupees to 60 rupees .. ..	.. ..	5,519
Below 30 rupees .. ..	.. ..	662

Vacancies notified and Submissions.- The number of employers who used the exchanges was 4,027 as compared to 4,348 during the previous month. The number of vacancies notified by them was 18,616 as against 18,557 during September 1953. Of the vacancies notified 13,769 were by Central and State Government establishments and 4,847 by private employers. There was an increase in the number of vacancies notified in the regions of Bihar (591), Bombay (462), Punjab (451), Delhi, Ajmer and Rajasthan (262) and Assam (189). A fall on the other hand, was recorded in Madras (592), Uttar Pradesh (561), Orissa (429) and West Bengal (365).

The number of persons submitted to employers during October 1953, was 67,026 as against 62,354 during the previous month.

Employment of displaced persons and ex-Servicemen.- During the month 7,111 displaced persons were registered and 679 were placed in employment as against 9,326 and 765 respectively during the previous month. Of those placed in employment 169 were migrants from East Pakistan and 510 migrants from West Pakistan. The number of displaced persons still requiring employment assistance at the end of the month was 44,893.

A total of 6,135 ex-Service personnel were registered during October 1953 and 896 were placed in employment. The number still requiring employment assistance at the end of the month was 28,469.

Placement of Scheduled caste and tribal applicants.- A total of 11,240 Scheduled caste applicants was registered at the employment exchanges during October 1953 as compared to 12,269 during the previous month, and 2,063 such applicants were placed in employment as against 1,938 during the previous month. Of the total number of such applicants placed 1,275 were placed in Central Government vacancies 393 in State Government vacancies and 395 in other vacancies. Two hundred ninetyone vacancies specifically reserved for Scheduled caste applicants were notified to the employment exchanges during the month. A total of 44,676 such applicants remained on the live register at the end of the month, of whom 2,317 were women.

The number of Scheduled tribe applicants registered by the employment exchanges during the month was 1,266 as against

1,673 during the previous month. Two hundred sixteen such applicants were placed in employment as against 235 during the preceding month. The number of vacancies notified specifically for this type of applicants was 64. At the end of the month 4,074 scheduled tribe applicants remained on the live register seeking employment assistance.

Employment assistance to Anglo-Indians.- During the quarter July-September 1953, 341 Anglo-Indian applicants were registered at the employment exchanges and 62 were placed in employment. Forty-six applicants were placed against vacancies in Central and State Government Departments and 16 in private establishments. Of those placed in employment 19 were women. At the end of September 690 such applicants remained on the live registers of exchanges of whom 187 were women. Four vacancies specifically reserved for Anglo-Indian applicants were notified to exchanges during the quarter.

Re-employment of surplus and discharged Central and State Government employees.- A total of 1,946 surplus and discharged Central and State Government employees were registered during the month as against 2,425 during the previous month and 646 were placed in employment as against 528 during September 1953. Of those who were found employment 331 were discharged Central Government employees and 315 ex-State Government employees. At the end of October 8,431 such applicants remained on the live register of whom 4,676 were ex-Central Government employees and 3,755 ex-State Government employees.

Employment of highly qualified applicants.- Seven hundred sixty-nine applicants possessing high technical, scientific, professional or administrative qualifications and experience were registered during the month as against 999 during the previous month and 76 such applicants were placed in employment. The number of such applicants still requiring employment assistance at the end of the month was 5,162.

Employment assistance to women. Four thousand and seventy-three women applicants were registered for employment assistance during the month and 719 were placed in employment as against 4,333 and 1,009 respectively during the previous month. The number of women remaining on live register of the employment exchanges at the end of the month was 18,276.

The live register. The number of persons seeking employment assistance through the exchanges on the last day of October 1953, was 514,976. This was 2,622 more than the figure on the last day of September 1953. Of those on the live register 2,548 were known to be employed persons who desired further employment assistance.

Special investigation: Analysis of Anglo-Indian applicants and unskilled applicants on the live registers.- A special ad hoc examination was made of the particulars in respect of Anglo-Indians on the live registers of exchanges as on the 15 October 1953. The examination revealed that, on that date, there were 741 Anglo-Indians registered at exchanges, 537 of them being men and 204 women. One hundred eighty-two were below 20 years of age, 370 between the ages of 20 and

30, 104 between the ages of 30 and 40 and 85 above 40 years of age. With regard to their educational qualifications, it was found that 428 had not passed either the matriculation or Junior Cambridge examination, 69 had passed the Senior Cambridge examination, 163 had matriculated, 11 were Intermediates and 25 held degrees. The applicants were registered in a fairly large variety of occupations. Notable among them were 183 registered for jobs as clerks or store-keepers, 36 as typists, 44 as stenographers, 46 as telephone operators and telegraphists, 31 as mechanics, 27 as turners and fitters, and 104 for purely unskilled trades.

An ad hoc analysis of unskilled vacancies filled and unskilled applicants on the live register of the employment exchanges for the period June to August 1953, revealed that 53 per cent. of the total number of vacancies filled were unskilled vacancies, but the number of unskilled persons on the live register was only 48 per cent. of the total. Unskilled applicants showed a strong inclination towards unskilled office jobs and as many as 47 per cent. of them were desirous of being placed as peons, daftries and watchmen. Thirteen per cent. of the applicants had specified "railway employment" as their first preference. Those interested in employment in the building industry were 11 per cent. of the total. Of the unskilled vacancies filled by the employment exchanges as many as 31 per cent. were unskilled office jobs. Employment in the building industry and the railway accounted for 21 and 16 per cent. respectively.

(Review of work done by the Directorate General of Resettlement and Employment during the month of October 1953, issued by the Ministry of Labour, Government of India).

HPL:

83. Vocational Training

India - December 1953

Labour Ministry's Training Schemes:
Progress during October 1953:

Training of adult civilians.- According to the review of the work done by the Directorate-General of Resettlement and Employment for the month of October 1953, the number of trainees on the rolls of various training institutes and centres on 31 October 1953 was 7,602. There were 5,747 trainees in technical trades and the remainder in vocational trades.

Training of displaced persons.- The total number of displaced trainees in the rolls, at the end of October 1953 was 2,130; of them 1,798 were in technical trades including 150 who were undergoing training in production and professional work. The remaining were undergoing training in vocational trades.

Apprenticeship training for displaced persons: Six hundred and twentyseven displaced persons were undergoing training as apprentices in industrial undertakings and establishments, in West Bengal and Uttar Pradesh against 700 seats sanctioned. They were recruited and posted direct to the undertakings and establishments concerned.

Training of Women. A total of 401 women were undergoing training at the end of the month at the three women's training institutes in New Delhi, Dehra Dun and Madras. In addition 57 women and 4 women were undergoing training along with men trainees at the Industrial Training Institute, Almora, and at the Industrial Training Institute, Poor Cottage Industry, Cuttack, respectively.

Training of supervisors and instructors. Trainees under the 11th regular session at the industrial training institute for instructors, Koni-Bilaspur (M. P.) completed training during the month and the final examination was held in the 3rd and 4th week of October 1953.

(Review of work done by the Directorate-General of Resettlement and Employment during the month of October 1953, issued by the Ministry of Labour, Government of India).

CHAPTER 9. INCOME SECURITY

INDIA - DECEMBER 1953

91. Pre-legislation Measures

Rajasthan: Compulsory Life Insurance Scheme
for Government Employees.

The Rajasthan Government has decided to extend the compulsory life insurance scheme of the former Jaipur State to all employees of the Rajasthan Government.

The scheme will be compulsory for all permanent Government servants drawing a substantive pay of more than 50 rupees per month and aged 50 and below.

The scheme will come into force in January 1954. Those already insured with private insurance companies on the date of applicability of the scheme may be exempted to the extent they are already insured.

Normally there will be no compulsory medical examination. It may, however, be arranged if considered necessary.

Six and a quarter per cent of the substantive pay will be deducted towards monthly insurance premium. Those who desire may contribute at the rate of 12 1/2 per cent subject, however, to medical examination.

(The Statesman, 14 December 1953)

92. Legislation

India - December 1953

Employees' Provident Funds (Amendment) Act 1953

(No.37 of 1953)

The Employees' Provident Funds (Amendment) Bill (vide pp.33-35 of the report of this Office for October 1953) as passed by Parliament received the assent of the President on 12 December 1953 and has been gazetted as Act No.37 of 1953.

The amending Act removes certain defects brought out in the working of the Employees' Provident Funds Act and adds certain new provisions to the Act. One of the amendments provides that the Central Government may make the provisions of the Act applicable to a factory the majority of whose employees and the employer are agreeable to it. Another amendment prohibits the reduction by an employer, either directly or indirectly, of the wages of an employee or the total quantum of benefits in the nature of old age pension, gratuity, etc., to which the employee is entitled under the terms of employment by reason only of his (employers') liability for the payment of any contribution to the fund or any changes under the Act or scheme. Provision is made for inspection of factories whether covered by the Act or not to ensure strict compliance with its provisions and the Central Government is empowered to exempt some factories from the operation of the Act on grounds of financial difficulties. Other amendments deal inter alia, with offences by companies, power to recover damages from employer who makes default in payment of contributions to the fund or changes payable under the Act, and power to remove difficulties in giving effect to the provisions of the Act.

(The Gazette of India, Extraordinary, Part II, Section I, 12 December 1953, pp. 411-420)

157

94. Application

India - December 1953

West Bengal: Implementation of Employees'

State Insurance Scheme: Medical Profession's Objections

The medical profession in West Bengal has decided to boycott the panel system, which is to be introduced shortly in the State, under the Employees' State Insurance Act, 1948. The State branch of the Indian Medical Association has, in a resolution, asked its members not to accept any post under the panel system unless the Government brings down the number of patients to be placed under a panel doctor from 2,000 to 1,000 and shifts the responsibility of the supply of medicines from the doctors to regional store or dispensaries to be run under the supervision of the Government or the Employees' Insurance Corporation.

Other demands made by the Association include the opening of zonal hospitals or wards in existing hospitals for panel patients and revision at a later date of doctors' remuneration.

The doctors have agreed to accept for the present a fee of 4 rupees per patient per year, though, according to them, it would mean a real income of 2 rupees 13 annas per patient per year after deducting the running cost of the clinic.

The State Government is of the opinion that a doctor can easily manage to have 2,000 patients on his panel since he will have to attend to only 60 patients, 20 of them new, a day. This has been calculated on the basis of 3 per cent sickness incidence as shown by the working of the Act in Kanpur. The Government thinks that a doctor can attend to these 60 patients in six hours, leaving him another six hours for private practice as a doctor usually works for 10 to 12 hours a day.

The doctors' plea that a panel practitioner will have to pay six visits a day has been rejected by the State Government on the ground that the actual working of the Act in Kanpur has shown that home visits by panel doctors averaged only one in two days.

As regards the medicine allowance of 2 rupees per patient per day (of attendance), the Government points out that it has averaged only 1 rupee 10 annas per capita in Delhi. It does not favour shifting of the responsibility to regional stores because the doctors in this case would be tempted to prescribe costly medicines and drugs, which has been the experience in the United Kingdom.

The boycott of the doctors has delayed the date of enforcement of the State Insurance Act in West Bengal.

(The Hindustan Times, 31 December 1953)

CHAPTER 10. SOCIAL AND INDUSTRIAL MEDICINE

INDIA - DECEMBER 1953

101. Conditions Requiring Medical Care

Tuberculosis in Industry: All-India Institute of
Hygiene and Public Health Survey

A survey conducted by the All-India Institute of Hygiene and Public Health, Calcutta, has shown "in a remarkable way the adverse influence of industry on tuberculosis", according to a statement laid on the table of the House of the People on 7 December 1953 by the Minister for Parliamentary Affairs, Mr. Satyanarayan Sinha.

The statement said the Institute had been making investigations regarding incidence of T.B. among industrial workers. A survey made during 1937-42, in and around a jute factory, some 23 miles away from Calcutta, revealed that the infection rate varied from 42.5 to 81.2 per cent and the morbidity rate from 0.6 to 3.7 per cent.

"The higher the degree of industrialisation, the greater the incidence of both infection and disease". The lowest percentages in the above figures related to population 10 to 15 miles away from the factory, living in a rural environment and having no connection with the factory, while the highest figures related to persons exposed to factory and industrial environment.

A subsequent study, while confirming the findings of the first study, brought out the fact that tuberculosis in the rural areas was influenced by the proximity of an industrial town. It was also revealed that incidence of T.B. was not so much due to the distance of the industrial centre as the increased frequency of contact.

Industries associated with high incidence of pulmonary tuberculosis were those where workers were exposed to a dusty atmosphere laden with silica, such as mining, potteries, refractories, stone crushing, stone dressing, glass and quarrying.

(The Hindustan Times, 8 December 1953)

CHAPTER 11. INDUSTRIAL SAFETY

INDIA - DECEMBER 1953

111. Prevention of Accidents

Delhi Boiler Attendants' Rules, 1953

The draft Delhi Boiler Attendants' Rules, 1953 (vide page 68 of the report of this Office for October 1953) have been approved and gazetted on 10 December 1953. The Rules, made in exercise of the powers conferred under the Indian Boilers Act, 1923, require, inter alia, that the owner of a boiler shall not use it or permit it to be used, unless it is placed under the charge of a competent person possessing a certificate of competency as an attendant. The Rules also prescribe the conditions and the mode of examination for granting such certificates.

(Government Gazette, Delhi State, Part V,
10 December 1953, pp. 790-794)

LIST OF THE PRINCIPAL LAWS PROMULGATED DURING
THE PERIOD COVERED BY THE REPORT FOR DECEMBER
1953.

INDIA - DECEMBER 1953.

Chapter 3. Economic Questions

Dhoties (Additional Excise Duty) Act, 1953 (No. 37 of 1953) (Gazette of India, Extraordinary, Part II, Section 1, 17 December 1953, pp. 423-426).

Chapter 4. Problems Peculiar to Certain Branches
of the National Economy

Madras Indebted Agriculturists (Temporary Relief) Ordinance, 1953 (No. V of 1953) (Fort St. George Gazette, Part IV, Extraordinary, 5 December 1953, pp. 71-74).

Chapter 6. General Rights of Workers

Payment of Wages (Bombay Amendment) Act, 1953 (No. LXII of 1953) (Bombay Government Gazette, Part IV, 27 November 1953, pp. 256-259).

Bombay Industrial Relations (Amendment) Act, 1953 (No. LXIII of 1953) (Bombay Government Gazette, Part IV, 27 November 1953, pp. 260-263).

Chapter 9. Income Security

Employees' Provident Funds (Amendment) Act, 1953 (No. 37 of 1953) (Gazette of India, Extraordinary, Part II, Section 1, 12 December 1953, pp. 411-420).

BIBLIOGRAPHY

INDIA - DECEMBER 1953.

Chapter 2. International and National Organisations.

- *(a) Annual Report (November 1952 to October 1953) presented at the Sixth Annual Session of Jalgaon on 31 December 1953. I.N.T.U.C., 18, Queensway, New Delhi, pp.232.
- *(b) Proceedings of the 21st Annual General Meeting, 17 December 1953. Employers' Federation of India, Elphinstone Building, Vir Nariman Road, Fort, Bombay, pp.13.
- *(c) Twenty First Annual Report, 1952-53. Employers' Federation of India, Elphinstone Building, Vir Nariman Road, Fort, Bombay, pp.48.
- *(d) I.N.T.U.C. Sixth Annual Session, Jalgaon, December 1953. I.N.T.U.C., 17 Queensway, New Delhi, pp.52.

Chapter 3. Economic Questions.

- (a) An Econometric Model for Development Planning (with special reference to India). By C.M. Palvia; Victoria College, Gwalior. Price Rs.3/-.
- (b) An Economic Geography of India: By Prof. Manoranjan Chaudhri; Prachi Prova Prokasani, 7, Kristo Mullick Lane, Calcutta-37; Price Rs.5/8/-.
- (c) Labour Economics: Handbooks on Economics and Commerce No.6: General Editor - Kastur Chand Lalwani; Artha Vaniya Gabesana Mandir, 12 Duff Street, Calcutta-6, 1953; pp.240; Price Rs.6/4/-.
- *(d) List of Sugar Mills in India and Pakistan, 1953. Indian Sugar Mills Association, Calcutta, 1953. pp.42.

Chapter 4. Problems Peculiar to Certain Branches of the National Economy.

- (a) The Co-operative Movement in the Bombay State: By K.N. Naik; The Popular Book Depot, Lamington Road, Bombay-7. pp.282; Price Rs.10/8/-.
- (b) Co-operative Movement in India and Abroad - Part I: By M.P. Mathur; The Indian Press (Publication) Ltd., Allahabad. pp.112; Price Rs.3/-.

Chapter 5. Working Conditions and Living Standards.

- * Transport Development in India, Shri Krishna Srivastava, Deepak Publishing House, Ghaziabad, pp.196. Price Rs.3/-.

Chapter 7. Problems Peculiar to Certain Categories of Workers.

- * Government of India: Ministry of Home Affairs: Report of the Commissioner for Scheduled Castes and Scheduled Tribes for the Year 1952. Manager of Publications, Delhi, 1953. pp.214.

Chapter 9. Income Security.

- * Government of India: Ministry of Labour:
Report of the Activities of the Coal Mines
Labour Welfare Fund, 1951-1952. Printed by the
Government of India Press, Calcutta, 1953. pp. 28.

'L'

* Publications received in this Office.