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Industrial and Labour Developments in December 1955.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - DECEMBER 1955.

12. Activities of External Services.

Participation in Conferonces, Meetings, etc.

Mr. V.K.R. Menon, Director of this Office, attended a meeting of the Agricultural Extension Development Centre for Asia and the Far East sponsored by the Food and Agricultural Organisation. The meeting which was held at Bhopal from 5 - 15 December was attended by delegates from Philippines, Nepal, Thailand, Ceylon, Indonesia, the Vatican, Japan, Viet-Nam, Malaya and India besides representatives of the U.N., the U.N.E.S.C.O. and T.C.N.

Articles and Lectures.

An article by Mr. V.K.R. Menon entitled "Collective Bargaining - How to make it a success in Underdeveloped Area" was published in the December 1955 issue of the 'Commerce', Bombay (1955 Annual Review Number).

On 17 December 1955, Mr. Menon presided over a meeting of the Economic Society of S.N. Das Gupta College, Delhi. The subject of his address was "The ILO's Activities in Asia and Its Role in Solving the Unemployment Problem".

Visits.

Mr. R. Rao, Assistant Director-General was at New Delhi from 22 to 25 December 1955.

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14. Conventions and Recommendations.

India - December 1955.

Statement on Action taken or proposed to be taken
by the Government of India on Recommendation
No.98 Concerning Holidays with Pay laid before
Parliament.

The Government of India placed a statement on the action to be taken or proposed to be taken on the Recommendation (98) concerning Holidays with Pay adopted at the 31st Session, 1954, before the Lok Sabha on 10 December 1955 and the Rajya Sabha on 20 December 1955.

The Statement, after summarising the law and practice concerning holidays with pay, points out that the Committee on Conventions set up by the Labour Ministry at its second session held on 12 May 1955 in Bombay, considered the Recommendation and made a number of suggestions for gradual implementation of its provisions. These suggestions were endorsed by the Indian Labour Conference at its 14th Session held in Bombay from 14-16 May 1955.

The Committee suggested that the question as to how far the provisions of the Mines Act 1952 and Plantations Labour Act 1951 could be brought in line with the provisions of the Factories Act, 1948, should be examined and placed before an early session of the Industrial Committees on Coal Mines and Plantations respectively. The Committee also recommended that legislation on Shops and Commercial establishments should be enacted in those States where it does not already exist, and in those States where such legislation exists, its scope should be extended so as to cover as many undertakings as possible.

The State Governments have been requested to take necessary action for extending the Shops and Commercial Establishments Acts to as many establishments as possible. The States that have no such law in force have also been requested to enact suitable legislation.

As the provisions of the Plantations Labour Act in respect of holidays with pay are broadly in line with those of the Recommendation it is not proposed to place the matter before the Plantation Committee.

It is, however, proposed to place before the next session of the Industrial Committee on Coal Mines the question of amending the Mines Act so as to bring it in line with the provisions of the Recommendation.

(Text of the Statement received in this
Office)

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CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.

INDIA - DECEMBER 1955.

21. United Nations and Specialised Agencies.

Meeting of Agricultural Extension Development Centre
for Asia and the Far East, Bhopal, 5 - 15 December
1955: Training Institute Recommended.

Various measures for strengthening extension services in Asia and the Far East were recommended by the Agricultural Extension Development Centre for Asia and the Far East which concluded its deliberations at Bhopal on 15 December 1955, sponsored by the Food and Agricultural Organisation, ~~the~~ centre was the first of its kind to be held in India and the fifth to be held in the series. It was attended by senior policy level officials and administrators of extension and related services from the Philippines, Nepal, Thailand, Ceylon, Indonesia, the Vatican, Japan, Viet-Nam, Malaya and India. Representatives of the U.N., U.N.E.S.C.O. and T.C.H. also attended the centre. The I.L.O. was represented by Mr. V.K.R. Menon, ILO Representative in India. Mr. Menon's report on the meeting was forwarded to Geneva under this Office Minute No.F.4(e)/1809/55 dated 16 December 1955.

The centre recommended the immediate establishment of a regional training institute for training of personnel from each country responsible for training of extension workers and setting up of an experts committee to collect and analyse research in the techniques and methods of extension evaluation.

It also recommended the establishment of training centres for teachers in home economics subjects, organisation of a regional study tour through which administrators of extension services might study the extension organisation and programmes of various countries of the region and training of extension supervisory personnel to be given consecutively in a number of countries by means of an itinerant team of experts.

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Other recommendations of the centre, include, preparation of a manual or text-book on extension principles and methods as they apply to conditions in the countries of the region, organisation of a workshop for information officers on the preparation and presentation of audio-visual materials and development of a system for exchange of printed materials on agriculture and home economics.

The centre stressed the necessity for close co-ordination between research and extension services to ensure that the problems of the rural people are brought to the research organisation by extension workers and thus the research and extension service might work hand-in-hand in making the solutions and results of research available to rural people for practical application.

Need for Research.- Special recognition, the centre felt, should be given to the need for (1) research on the profitability of many of the phases of crop and animal production and practices involved, such as irrigation, use of fertilisers, mechanized versus animal power and (2) training of farm management, in the agricultural colleges, extension training and other agricultural schools.

The centre also suggested that the co-operation of teachers should be enlisted in such matters as interpreting the extension programme to the rural people, rural youth work, school gardens and other educational phases of extension work in which teachers are particularly qualified to provide and encourage leaderships.

The centre pleaded for developing a "co-operative approach" among the extension workers who should clearly understand the values and possibilities of co-operative organisation and extend all possible assistance in the development and utilisation of co-operative action by rural people.

Family Approach.- It also recommended "family approach" to extension work because it made possible much greater understanding and consequently much greater progress in the solution of rural problems which were inter-related.

Other suggestions of the centre included arrangements for periodic or frequent "in service" training for all levels of extension workers and integration or at least effective co-ordination of all extension services for rural people as a means of providing maximum services with the limited resources available.

(The Hindustan Times, 17 December 1955)

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28. Employers' Organisations.

India - December 1955.

Annual General Meeting of Associated Chambers of Commerce,
Calcutta, 12 and 13 December 1955: Need for Adequate
Incentives Stressed.

The annual general meeting of the Associated Chambers of Commerce was held at Calcutta from 12 to 13 December 1955. Mr. G.A.S. Sim, President of Associated Chambers, presided. Mr. T.T. Krishnamachari, Union Minister of Commerce and Industry, who addressed the meeting, clarified some of the outstanding misconceptions about the fundamental principles on which the Central Government's commercial and industrial policy was based. In his speech Mr. Krishnamachari referred to such issues as socialistic pattern of society, foreign aid, the attitude and fear of foreign investors, the role of the public and private sectors, rationalisation of the coal industry, transport, taxation and relationship between labour and management.

Resolutions on corporate and personal taxation, taxes on commodities, the cotton textile industry, labour legislation and industrial disputes, rail and road transport, were some of resolutions adopted by the meeting.

Presidential address: Co-operation of public and private sectors needed.- In his presidential address, Mr. G.A.S. Sim pleaded for the fullest co-operation between the public and the private sectors for the success of the Second Five-Year Plan and mentioned what he called the pre-requisites to this success from the point of view of the private sector. He said that India was approaching the end of her First Five-Year Plan with many of her targets achieved, with a rapidly rising gross national production and income, with a rupee whose respectability would bear comparison with that of any other currency in the world; with a not unsatisfactory balance of payments position; and with a still buoyant economy. But that was not enough. The population had also been increasing fast; poverty, illiteracy, disease and unemployment were still deep-rooted and it was imperative that the standard of life throughout the country be improved. It was for these reasons and because India's future depended on its success, that the Second Five-Year Plan was dominant in all their thoughts.

Mr. Sim said that they in the private sector, however, were puzzled by proposals which appeared illogical, ill-conceived and not in the country's best interests at this time of great and joint endeavour. Why, he asked, should proposals be canvassed involving the rejection of valuable revenue and the diversion of exiguous finance to effect the transfer to public ownership of substantial blocks of private enterprise which with co-operation and encouragement, could continue to play its full part ?

State-owned collieries.- In addition to reports they had heard about Insurance and State Trading, Government in the public sector, he said, was understood to be proposing to spend some 1,000 million rupees in expanding by 500 per cent the output of the State-owned collieries although private enterprise in the industry had undertaken to produce from its own resources, the whole of the extra coal required, provided it was given reasonable security of tenure. This appeared to them to be "a deliberate waste of the limited available resources, for there is no question of the State-owned collieries being the more efficient". In fact their performance economically, Mr. Sim remarked, was a deplorable one. Here, surely was a case for co-operation between the two sectors, and if it should be the wish of the people that public ownership should ultimately supersede private enterprise in the development of this and other national assets, must the step be taken, at great and unnecessary cost, at this particularly vital stage in the country's development ?

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Better and quicker transport needed.- Mr. Sim said that one of the pre-requisite for the success of the Second Five-Year Plan was the availability of necessary transport. "The Plan will stand or fall by the performance of India's railways. Without transport there cannot be the great industrial expansion which is required in the production of steel, of cement and of the many other raw materials and finished products which the Plan will involve".

Finance for New Plan.- Mr. Sim emphasised that in the field of finance for the New Plan, the export trades could play a valuable part as earners of the much needed foreign exchange necessary to pay for the imports of capital and other goods which the Plan envisaged, and admitted that both the export and the import trades had received much assistance from official sources. Two suggestions which he hoped would receive sympathetic consideration were that the existing machinery for the solution of their problems would be further assisted by the establishment of a Customs Advisory Council, and that India's trade representatives overseas should be continuously on the alert to let exporters and importers know, promptly and with the necessary supporting evidence, of all opportunities which might exist overseas for the expansion of these trades.

Mr. Sim said that experience of the First Five-Year Plan seemed to indicate that a measure of deficit financing could assist development without inducing inflation and it might be that in the same skilled hands, the Second Five-Year Plan could be assisted in this way to a greater extent than hitherto without undue risk. Similarly, more money than in the past, would have to be raised by means of Government loans and he believed there was greater scope for this than had hitherto been thought of. But loans should not be raised unless the money could be converted quickly and efficiently into capital assets, for if this was not the case, money would be lost to both the public and the private sector since if people were not convinced that their money was being productively and carefully used, they would tend to divert their savings to current consumption. On all this they were agreed, as also on the objectives of the Plan which were stated to be a rise in the living standard; the elimination of unemployment and a more even distribution of income and wealth. They were agreed also that these objectives could be achieved through democratic means only by what the Finance Minister in his address to the last annual meeting of the Associated Chambers of Commerce had described as a combination of larger public and private saving, more investment, more capital formation, larger sacrifices in the present and harder work all round.

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Mr. Sim said that the members of Associated Chambers of Commerce disagreed most strongly on the means, particularly taxation means, now being adopted to bring about this desirable state of affairs. "We contend", he said, "that it is the efforts and endowments of the individual that ultimately create all wealth, all savings, all investment, all capital formation, all employment. And we believe that if incentive is removed, enterprise and initiative wither away. In the end the capital for the country's needs comes from individual effort and saving. Whether this capital flows to Government through the channels of taxation or borrowing or to private enterprise by way of the stock markets, in the end it is the individual's savings that count, for it is from them that the banks and insurance companies collect their funds and place them at the country's disposal for the purposes of her trade, her industry, private and public, her public finances, her civil and welfare expenditure for the benefit of all. And it is from a tiny fraction of the population that much of the country's enterprise springs. Why then, as we believe is being done, remove the incentive and kill the initiative of this valuable but small sector of the people by an increasing burden of direct personal taxation which places India's scales among the highest in the world? The revenue involved is infinitesimal as a contribution to the desired increase in the national and per capita income".

In the field of corporate taxation also, Mr. Sim said, Government had been obsessed with the object of catching the evader to such an extent that the steps it had taken to amend the Income Tax Act were now adversely affecting the economy. A sense of proportion was required and Government would be well advised, on the company as on the personal side, to relax some of its present tax provisions, to strengthen its collecting staff and to try to bring within the net some of that shoal of fish, both big and small, who still escape. He wanted a more active drive against the actively dishonest.

Private enterprise.— Mr. Sim said that private enterprise had broadly attained the targets set up for it in the First Plan, and they would strain all their energies to succeed in the more onerous tasks which lay ahead. "We believe that it is imperative that the Second Plan should succeed if India with her tremendous resources of materials and manpower, is to march forward among the leaders of those nations which believe in the democratic way of life".

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Foreign capital.- Mr. Sim pointed out that some part of the finance necessary for the Plan would have to come from foreign capital and mentioned what he called "real deterrents" to the foreign investor. He said, among other things, current levels of personal taxation also were making it very difficult for the foreign investor to send and retain the services of his own best countrymen to see to his interests, except for very short periods of service.

Employment conditions.- Mr. Sim said that the man in the field and the factory, the mill and the workshop was just as vital to the success of the Plan as the planners themselves and the executives of that Plan. His willing co-operation, the strength of his arm, his skill as an operative must be brought to the task that lay ahead and this demanded the most settled and favourable conditions of employment, the country could afford. The year that had passed had made slow but steady progress towards that objective, partly, through the increasing application of the Minimum Wages Act, partly, through the decreasing resort to strike action and to violence and partly to the tendency which was now becoming more apparent for employers and employed to get closer together in the settlement of their inevitable differences.

Labour relations.- Referring to legislation in the field of labour relations, Mr. Sim said that the time had come for a pause to allow of the consolidation of the gains which had been made in the improvement of the conditions under which industrial labour lived and worked. There were still too many labour leaders who were more interested in the achievement of their own personal ambitions than in the welfare of those they represented, just as there were still too many employers who were more interested in profits than in the well-being of those who helped to produce those profits. More energy, he believed, should be expended in educating labour leadership and in ensuring that all - not only some - employers carried out the obligations which had been laid upon them.

Mr. T.T. Krishnamachari's address: Foreign investment safe in India.- In his address, Mr. T.T. Krishnamachari said that he did not subscribe to the view that the need of foreign capital was as great as India's poverty. But he realised that foreign capital would be a very useful element in helping to further the objectives of India's Second Five-Year Plan. At the same time foreign capital could only provide a top dressing. The bulk of the capital had to come from internal sources. "We held out assurances to foreign capitalists in the past and those assurances still remain there, if we can do nothing more it is not for the reason that there have been variation of our policy in the matter", he emphasised.

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India would accept aid from any quarter ~~that it came~~ so long as it was not tied to any political strings. "The real test of international interest", Mr. Krishnamachari added, "in India is not the giving of doles but in sharing of technical knowledge and helping India to industrialise and in sharing with India those materials of which she is now scarce and which are badly needed by her to achieve the objectives of the Second Five-Year Plan". He asked the foreign investors to get rid of the atmosphere of suspicion.

Role of private enterprise in coal industry.- Referring to the role of private sector in the coal industry in the Second Five-Year Plan, Mr. Krishnamachari said he did "share the gloomy view taken by the chambers". The present plan leaves to the private sector to expand in terms of about 8,000,000 tons during the second Plan period.

Coal being definitely in the public sector in the industrial policy statement in 1948, it was not be possible to give any assurance that coal would not be nationalised in the future. He said: "My colleague, the Production Minister, has said in a statement which has been reinforced by the Finance Minister that in regard to improvements that have been carried out in coal fields with a view to augmenting production with the prior approval of the Government, the Government would guarantee full compensation for all expenditure that has been incurred in this respect. At the same time, it has been recognised in any planning for the augmentation of the public sector in coal, that the Government-owned railway system and the three new steel plants will be the single biggest consumers of coal. If, therefore, any justification is needed for the augmenting of the public sector in coal, may I say this fact alone will provide the justification".

Tax incidence.- On the question of taxation, the Commerce Minister felt, "that the incidence of taxation in India has been painted in rather more lurid colours than is justified".

He said: "When you discuss our inequity in regard to the high taxation and the remedies that you suggest to the Government as to these inequities, I am afraid I cannot hold out any hope of lowering the taxation beyond stating that certain adjustments could be made provided we find that it would not unduly affect any sector which is essential to the development of economy".

Labour participation in management.- Explaining the Government's labour policy, which had been referred to by the Chambers' President, Mr. Krishnamachari said the "Government is primarily interested in industry mainly because of the man who works the industry. Economy is undoubtedly more important but the man behind the machine and the industry is undoubtedly the more important factor so far as industry is concerned. May I suggest that the machine itself and the owner of the machine will have to adjust themselves to the circumstances".

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He, therefore, welcomed the Chambers President's statement on the issue, which, Mr. Krishnamachari said, was generally in tune with the Government's own policy, namely that it had a responsibility for the maintenance of production. "With us, I say, labour participation in management is not a slogan. We are convinced it is the only way of carrying labour with us in the scheme of increased and better production." "Job evaluation, statistical and quality control, rapid progress of technological assistance, introduction of a degree of automatization - all these cause fear and concern in the mind of the employee and it raises for him a grim spectre of future unemployment. If he is to be convinced that this advance in technique and management would cause him no harm but would after a period of time, increase his earning capacity and decrease fatigue, he must be closely associated with the management", he said.

Socialistic society.- Maintaining that Government had come up with a clearer enunciation of the policy in regard to raising the status of the individual since the last annual meeting of the body, Mr. Krishnamachari said that some people might lift their eyebrows when they heard about a socialistic pattern of society. "When we say this we do not mean any particular idea that is connected with the word socialism, but we mean what we want to achieve by way of sustaining those human values that are attached to the individual in a society where he is given a proper place", he said.

In a country where income levels were so low, even on a per capita basis, and where the people who were well off were a microscopic fraction of the entire country, capitalism could mean nothing to them and the alternative undoubtedly if they could use any political phraseology, happened to be the opposite of it. Mr. Krishnamachari said that he would call it "unfortunate", if Government's policy still created misgivings among those "whose help we need".

Indian shipping.- In conclusion Mr. Krishnamachari referred to the need of Indian participation in shipping and said that there had been complaints of discrimination exercised in the matter of space to Indian exporters and in the matter of shipment to certain destinations. The vested interests in shipping were not merely slow in recognising the need of Indian shipping, but would like to see that Indian shipping did not develop.

Resolutions.- The Associated Chambers of Commerce adopted, among others resolutions on corporate and personal taxation, taxes on commodities, the cotton textile industry, labour legislation and industrial disputes, and rail and road transport, delay in the payment of bills for goods supplied to the Government.

Corporate taxation.- The resolution on corporate taxation, welcomed and urged the early implementation of the Taxation Inquiry Commission's recommendations regarding the treatment of bonus shares and the abolition of the system of calculating depreciation on the "months of use" basis. Amongst other things it also drew the attention of the Government to the existing unsatisfactory double taxation relief arrangements and urged the negotiation of double taxation avoidance ^{with which India} traded.

agreements with the principal countries

Personal taxes.- The resolution on personal taxes "observed with dismay the practical effects of the implementation of some of the recommendations of the Taxation Inquiry Committee as part of the 1955 Budget and Finance Act", it contested the conclusions reached by the Commission on the present scope for a further increase in the level of personal taxation, the imposition of a ceiling on incomes, and the levy of a surcharge-cum-compulsory deposit.

It invited the attention of the Government to the serious and adverse effect which the adoption of these proposals would have and which the 1955 Budget measures are having on the ability of commerce and industry to attract and retain the administrative and technical personnel necessary for the development of the private sector of the country's commercial and industrial economy. If the second Five-Year Plan ^{is} to be successfully accomplished it was essential that greater encouragement be given to the individual to work, save and invest. The resolution made a number of recommendations on these lines.

Taxes on commodities.- The resolution on taxes on commodities, stated that, having duly considered the implications of the Assam Taxation (on Goods Carried by Roads or Inland Waterways) Act, and the West Bengal Taxes on Entry of Goods in Local Areas Act, it resolved that the Central Government be asked to take such action as is deemed appropriate to ensure that no commodity is made liable to taxation merely by reason that it moves from one State to another or from one place to another within the same State and that no commodity that is subject to Central excise or export duty be taxed by any State Government save with the consent and approval of the Central Government.

Textile industry.- The resolution on the cotton textile industry, stated that while recognising the extent of the problem of unemployment and under-employment in the country, and appreciating the reasons for the support and encouragement of small-scale and cottage industries, it considered that the objective of a healthy and viable cottage handloom industry would not be achieved by an arbitrary restriction on the productive capacity of the mill industry. Pointing out that the two industries could be complementary and not competitive and that the restrictions placed on the mill industry were leading to loss of markets and foreign exchange and had an inflationary effect, the resolution urged that the target for production of cotton cloth as well as the quota of the mill industry by the end of the second Five-Year Plan be increased and that every

encouragement and assistance be given for the modernisation of plant and methods in the industry as a whole, so that cottage industry, co-operating and not competing with the mill industry, may expand and share its prosperity.

Labour legislation and industrial disputes.— The resolution on labour legislation and industrial disputes, makes a number of suggestions "in the interests of the maintenance of industrial peace and the development of spontaneous and healthy labour relations". These include:

(a) the statutory changes contemplated in the Industrial Disputes (Amendment and Miscellaneous Provisions) Bill should be reviewed with the object of reducing the range of potential disagreement and, more particularly, ~~that~~ there should be an amendment of the provisions regarding retrenchment and lay-off, ~~that~~ the definition of workman should be clarified to exclude all supervisory staff, and ~~that~~ the proposed discretionary interference with Standing Orders should be abandoned;

(b) since the right of appeal is being withdrawn by the Bill, it is most desirable that qualifications for appointment to Industrial Tribunals and Labour Courts should be fixed at levels considerably higher than those contemplated in the Bill and that principles and norms should be formulated for the guidance of Industrial Tribunals and Labour Courts;

(c) the provisions in the Bill regarding notice of change, which are likely to cause grave dislocation, require to be amended at least to conform to the requirements of normal business practice;

(d) the extension of legislation such as the Employees' Provident Fund Scheme and the Employees' State Insurance Scheme to new areas or industries should be made with caution in order to reduce to the minimum the strain on employer-employee relationships involved in practice by such extension, particularly where satisfactory arrangements already exist;

(e) the formulation and application of new legislative measures dealing with labour relations should be examined in the light of the considerable volume of such legislation which has been applied to industry generally during recent years;

(f) the Government should resolutely oppose any resort to violent agitation and lawlessness, as also the declaration of strikes and hartals for political reasons, and in the suppression of such activities should utilise more effectively the legal sanctions with which ~~they are~~ already equipped.

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Transport.- The resolution on rail and road transport draw the attention of the Government to the grave inadequacy of the country's transport systems to cope with the increased traffic that has already resulted from an expanding economy and the threat to the success of the second Five-Year Plan, inherent in the ability of these systems to move the increased volume of traffic associated with it.

The resolution pointed out the need for the highest priority to be given to an appropriate expansion programme of rail development, in co-ordination with sea and road transport and the necessity for early action to rationalise the Central and State taxation of road transport, and the licensing procedure for goods vehicles.

(Amrita Bazar Patrika, 13 and 14
December 1955;

The Statesman, 11 December 1955) .

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33. Full Employment Policy.

India - December 1955.

Unemployment in Urban Areas of India: Results of Preliminary National Sample Survey.

The National Sample Survey conducted during September 1953 a preliminary survey of urban unemployment, which was in the nature of try-out intended to reveal the problems and difficulties likely to arise in an investigation of this type and to enable, on the basis of experience gained, the development of suitable concepts and proper design for carrying out sample surveys in future with a view to providing reliable estimates. The survey covered all towns of India with a population of 50,000 and above, except the four big cities of Calcutta, Bombay, Madras and Delhi. A total of 4446 sample households drawn from 23 sample towns were visited and detailed information was collected through the usual National Sample Survey method of interview. The survey has yielded valuable information and has, for the first time furnished a detailed picture of urban unemployment in quantitative terms. A summary of the results of the survey made available to this Office in a draft form is given below*.

A. General characteristics of the population.- The report has studied the problem of employment and underemployment against the background of demographic and general characteristics of the population covered in the survey.

A total of 55.9 per cent (males 29.4 per cent and females 26.5 per cent) of the population belong to the age-group 16-61, which may be assumed as the working age; 40.5 per cent (males 20.5 per cent and females 20.0 per cent) belong to the age-group 0-15 and 3.6 per cent constitute the older people (62 and above).

Economic status.- Earners and earning dependents together constitute only one-third of the total population; two-thirds are non-earning dependents. Among males, earners are 45.3 per cent and earning dependents 8.4 per cent; earners among females are only 6.0 per cent and earning dependents 7.5 per cent. Though persons of lower age-group constitute the bulk of non-earning dependents, the proportion of non-earning dependents in the employable age-group (16-61) is quite large (49.6 per cent) among females and not inconsiderable (17.2 per cent) even among the males.

* Draft. The National Sample Survey No.8. Report on Preliminary Survey of Urban Unemployment, September, 1953. October 1955.
Indian Statistical Institute, Calcutta.

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Household expenditure and economic status.- More than 60 per cent of persons belong to household having a monthly expenditure of not more than 100 rupees; less than 6 per cent belong to households having monthly expenditure in excess of 300 rupees. In the very low expenditure (upto 50 rupees per month) and high expenditure (500 rupees or more) households each earner has to support only two dependents on an average; in the middle expenditure households (100 rupees-300 rupees) there is a much lower proportion of earners, one earner having to support four dependents.

General education.- Illiterates constitute 57.4 per cent of the population, 'literate below matric' account for 37.9 per cent; those who have passed the matriculation examination are only 3.2 per cent; the intermediates are .7 per cent and graduates and above only .6 per cent. All the literates put together thus constitute only 42.4 per cent of the population, the males accounting for 27.8 per cent and the females for 14.6 per cent. Among males literates are 54.1 per cent, substantially more than their number (30.2 per cent) among females.

Technical or professional qualification.- Persons with no technical or professional qualification constitute 84.0 per cent of the urban population. Only 14.5 per cent have some professional or technical skill without any degree or equivalent diploma and a very small number, less than two-thirds of one per cent have higher technical or professional qualification.

Labour force.- A total of 32.2 per cent of the population are found to be gainfully employed; 2.6 per cent are unemployed; and these together make the labour force which represents 34.8 per cent of the total population. Two-thirds of the population are thus not in the labour force. Of them about one-third are family members engaged in domestic work and the rest are children, students, old and infirm persons and persons living on charities.

Industrial status and age.- On the one hand, as many as one out of every twelve persons of tender age (age group 7-15 years) is gainfully occupied; on the other hand, quite a large number of persons of the age-group 16-61, which may be considered the employable age-group, are economically inactive; females, presumably kept busy in domestic activities, constitute a large proportion of them.

B. The Employed and the Unemployed - Migration.- Nearly two-fifths of the labour force is composed of migrants, more than half of whom have come from rural areas and about a sixth from urban areas. A little less than one-fourth are displaced persons from Pakistan.

The percentage of unemployed among migrants from the rural and urban areas of the same state varies from 3.5 to 4.9 while for local persons it is 6.4. Migrants from urban areas of other states are unemployed to the extent of 11.4 per cent and those from East Pakistan reveal the highest percentage of 15.1.

Over a period of fifteen years, the pattern of migration, looked at from the point of view of relative importance of the category of place from where migrated, but for the influx of displaced persons, has remained more or less stable.

Migration per year to towns from within the same state has increased to double the rate which obtained during a period of 10-15 years earlier. The increase is even more marked in respect of persons in the labour force migrating from rural areas to towns in other states.

Extent of unemployment.- Unemployed persons in urban areas constitute 2.59 per cent of the total population of which 1.16 per cent are seeking employment for the first time and 1.43 per cent are now out of work but had some gainful occupation before. Unemployed persons among males are 4.32 per cent and among females only .75 per cent. The unemployed males, however, represent 7.76 per cent of the male labour force and unemployed females 6.0 per cent of the female labour. The following table shows the percentage distribution of labour force separately for males and females:-

Labour force	Male	Female	Total
<u>Gainfully employed persons</u>			
1. Employer	1.49	.56	1.35
2. Employee	50.64	50.28	50.56
3. Own account worker	34.36	25.22	32.77
4. Unpaid household labour	5.75	17.94	7.88
Sub-total	92.24	94.00	92.56
<u>Unemployed persons seeking employment</u>			
5. For the first time	3.47	2.80	3.33
6. Not for the first time	4.29	3.20	4.11
Sub-total	7.76	6.00	7.44
7. Total	100.00	100.00	100.00

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Age and unemployment.- There are unemployed persons even in the age-group 7-15 years and they constitute 9.3 per cent of the labour force of this age-group. But the incidence of unemployment is highest in the age-groups 16-17 and 18-21; 21.6 and 20.6 per cent respectively of the labour force of these age-groups are unemployed. In the age-group 22-26 years, the proportion of the unemployed is much less (8.8 per cent) and it is still further reduced to 4.2 per cent in the age-group 27-36 years. This level is maintained till the age of 56 but there is a decline to about 2 per cent after the age 57. Taking all ages together, the unemployed constitute 7.4 per cent of the labour force.

Pattern of employment.- Arranged in order of importance, manufacturing industries account for the largest percentage (31.9 per cent) of the gainfully occupied followed by 'other services' (22.5 per cent) distributive services (18.0 per cent), agriculture, animal husbandry, fishery and forestry (11.3 per cent), and transport, storage, communication (10.1 per cent).

The gainfully occupied are comprised of four categories - employers, employees, own account workers and unpaid household labour. Unpaid household labour is practically confined to the four industries, - agriculture, animal husbandry, fishery and forestry (35 per cent); manufacture (31 per cent); distributive services (21 per cent); and other services (10 per cent). These four industries account for nearly nine-tenths of own account workers also. Practically all the employers are also to be found therein.

The four industries which account for nearly nine-tenths of the employees are manufacturing industries (35 per cent), other services (30 per cent), transport, storage and communication (13 per cent) and distributive services (8 per cent).

Employment and level of income.- Among the gainfully occupied persons 61.1 per cent have an income of less than 50 rupees per month. A total of 86.5 per cent earn less than 100 rupees per month. Persons whose income exceeds 300 rupees per month are only a little over 1 per cent.

Incomes in some industries are better than in others. For example, in agriculture almost 90 per cent of the gainfully occupied have income below 50 rupees per month; in transport this income group accounts for less than 40 per cent, and incomes are generally higher. The following table shows the per centage distribution of gainfully occupied persons by industry and income groups:-

Industry	Income group (Rs. per month)						Total ^{2/}
	Upto 25	26-51	51-100	100-150	151-300	above 300	
1. Agriculture, animal husbandry, forests.	72.3	16.2	7.2	1.3	2.3	0.7	100.0
2. Mining and quarrying.	9.3	74.6	12.7	3.4	0.0	0.0	100.0
3. Manufacture.	34.9	23.8	31.0	7.1	2.6	0.8	100.0
4. Construction.	47.7	29.3	15.7	4.2	2.1	1.0	100.0
5. Electricity, water, gas, etc.	28.6	38.1	19.0	10.7	3.6	0.0	100.0
6. Distributive service.	27.7	29.7	24.1	8.7	6.3	3.5	100.0
7. Transport, storage, etc.	18.7	21.1	37.7	16.1	6.0	0.4	100.0
8. Other services not recorded above.	33.5	27.3	23.1	8.6	6.3	1.2	100.0

^{2/} after distributing the 'not recorded' percentage proportionately over different income groups.

Employees and type of employer.- Employees are 54.7 per cent of the gainfully occupied persons, a little less than one-fourth of whom are government employees. In other words, one out of every eight gainfully occupied persons is in the employment of government.

The matric and intermediates are two and half times over represented and the graduates are nearly three times the employees under the government as compared with their proportion among all employees. Matriculates and above are only 6.6 per cent of the employees in the non-government sector compared to 30.5 per cent in the government sector.

Education and unemployment.- Only 8.6 per cent of the gainfully occupied persons have passed matriculation or any higher examination (as against 5 per cent of the general population under survey), and illiterates (48.2 per cent) and barely literates (43.1 per cent) are very numerous. Among the unemployed, 21.6 per cent are illiterate and 60.2 per cent are barely literates; the educated 18 per cent, showing a much higher proportion of the educated among the unemployed than among the gainfully occupied. The problem of unemployment in urban areas is seen to be much more acute for the literates than for the illiterates. Only 3.5 per cent are unemployed in the labour force belonging to the group 'illiterates'. In the group 'literate but below matric' 10.0 per cent are unemployed, and among the matriculates and intermediates a little over 15 per cent are without employment. There is some improvement in respect of graduates but even among them the unemployed are no less than 8 per cent.

Technical and professional qualification and unemployment.- A total of 61.3 per cent of the unemployed have no technical or professional qualification, 34.3 per cent have professional or technical qualifications without any degree or equivalent diploma and only 4.2 per cent have been trained for some profession or technology.

Under-employment.- A little less than three-fourths (72.9 per cent) among the gainfully occupied persons are fully employed and the rest (26.3 per cent) are under-employed to various degrees. The under-employed persons represent 8.5 per cent of the population. Among these under-employed those who have work only for 'quarter or less' of the time comprise 3.2 per cent of the population. On the assumption that these seriously under-employed persons may be considered as virtually unemployed, we get 5.8 per cent of the population either unemployed or badly under-employed. This represents an estimate which is more than double of the unemployed according to the definition adopted in the Report.

A more detailed breakdown showing percentage distribution of under-employed and fully employed persons in each industry is given below:-

Industry	Under employed persons.	Fully employed persons.	Not recorded.	Total	No. of sample persons.
1. Agriculture, animal husbandry, forestry, fishing and hunting.	28.1	71.5	0.4	100.0	(705)
2. Mining and quarrying.	11.8	88.2	0.0	100.0	(119)
3. Manufactures.	33.3	65.9	0.8	100.0	(2100)
4. Construction.	65.2	34.3	0.5	100.0	(198)
5. Electricity, water, gas and sanitary services.	12.2	87.8	0.0	100.0	(90)
6. Distributive services.	19.0	80.7	0.3	100.0	(1162)
7. Transport, storage and communication.	27.6	72.1	0.3	100.0	(660)
8. Other services not covered above.	17.6	82.3	0.1	100.0	(1457)
9. Total.	26.3	72.9	0.8	100.0	(6572)

Reasons for underemployment.- A total of 46.9 per cent of underemployed persons gave lack of demand as the reason for their under-employment; 18.3 per cent were unfit to accept work because of illness; 5.8 percent could not work for domestic reasons and 5.4 per cent did not have opportunity to work full time on account of lack of materials and equipment. Diverse reasons accounted for the under-employment of the remaining 25.6 per cent.

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Level of income and under-employment.- Less than 5 per cent of the under-employed have monthly incomes above 100 rupees and only 17 per cent have incomes exceeding 50 rupees. As many as 60 per cent have incomes below 25 rupees. The fully employed persons are naturally better off in this respect. A little more than half of them are still having incomes of less than 50 rupees per month but this compares favourably with more than four-fifths (83.0 per cent) of the under-employed belonging to this income group.

Income expectation of the unemployed.- An income upto 100 rupees per month will meet the expectation of 85 per cent of the unemployed and nearly half of them will be content with an income half as much. A total of 13 per cent do not expect more than 100-150 rupees per month. Barely 2 per cent expect an earning above that range.

Income expectations of 50 per cent of the illiterate unemployed mainly centre round the income range 26-50 rupees; 22.8 per cent would place their expectation at income not exceeding 25 rupees; 23.7 per cent would expect to earn an income between 81 rupees and 100 rupees. The only two important income levels for unemployed matriculates are 51-100 rupees, which attracts 59.4 per cent of them and 101-150 rupees, which attracts 27.5 per cent. For the graduates, the expectations are somewhat higher. Even among them an income of 51-100 rupees may satisfy 20 per cent, but half would expect an income of 101-150 rupees, and the remaining 30 per cent above 150 rupees.

Nature of employment sought by the unemployed.- The conclusions that may be drawn in respect of employment preference are of a broad character in view of the inadequate size of the sample which does not lend itself to meaningful analysis in respect of minute classification. One-fourth of the unemployed prefer to work on their own account and the rest seek jobs as employees. One-third of these latter seek employment as unskilled manual workers and one-fifth as skilled manual workers. The rest, wanting non-manual employment, are equally divided between those seeking administrative and clerical work and those seeking technical and professional work.

Attitude to registration.- Only one-fourth of the unemployed in the urban areas have registered with the employment exchanges and the rest have not registered on account of various reasons, namely, ignorance, remoteness, lack of faith, or mere indifference.

There are large differences observable in this matter between the unemployed having different education standards. The proportion of the registered among illiterate unemployed is the lowest. Only 15 per cent of them registered. This percentage goes upto 38 for the barely literates, 45 for the matriculates, 47 for the intermediate and drops to 22 for the graduates.

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Estimate of unemployment.- Lastly, although the present survey was not primarily designed to give reliable estimates for the urban area as a whole, and was limited in its coverage to towns of population exceeding 50,000, assuming that the broad picture is applicable also to towns of population less than 50,000 one might make a rough estimate of one and a half million unemployed in all the towns, excluding the four big cities of Calcutta, Bombay, Madras and Delhi and covering the urban population of about 55 million. The four big cities have a population of 8 million. On the basis of results obtained in a recent survey, conducted by the National Sample Survey in Calcutta about the same time as the present survey, about half a million may be the number of unemployed in these four cities. This, therefore, gives a rough estimate of 2 million unemployed in urban areas.

If the severely ^eunder-employed, that is, those having employment for only 'quarter or less' of the normal times are also to be treated as virtually unemployed, almost as many more would have to be added to the estimated number of the unemployed.

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Magnitude of the Problem of Unemployment in India:
Results of Surveys at Nagpur, Travancore-Cochin
and Lucknow.

AS a preliminary to planned effort to relieve unemployment, a number of surveys have been conducted in various States. A summary of some of these reports have already been included in the monthly reports of the New Delhi Office. The results of two further surveys, conducted in Nagpur City, are given below.

and
Travancore -
Cochin

Nagpur City.- The survey in Nagpur City was undertaken by the Directorate of Economics and Statistics, Government of Madhya Pradesh, in March 1955. The object of the survey was to assess unemployment among the educated persons in Nagpur city and was confined to those who had passed their matriculation examination during the five years, 1950-54. A ten per cent sample consisting of 868 students who had passed the matriculation examination during this period was drawn by the method of random sampling, but information could be collected from only 808 persons.

The survey was conducted by the interview method, and information was collected relating to employment, duration of unemployment, income and employment sought, and willingness to undergo further training. The general characteristics of the employed and the unemployed were also recorded.

The following are some of the findings of the survey:

(a) Out of those who passed the matriculation examination 25 per cent were employed (on a monthly income of at least 50 rupees per month); 22 per cent were partially employed; 14 per cent were unemployed and 52 per cent were still prosecuting their studies. The remaining 7 per cent could not be classified under any of the above categories. Of those prosecuting their studies, 73 per cent had taken up courses in Arts or Sciences, 12 per cent in technical subjects, 12 per cent in technical subjects, 10 per cent in commercial subjects and 5 per cent in professional subjects. Sixteen per cent of the total, who had passed the matriculation examination and were continuing their studies, were at the same time seeking employment.

(b) Seventy-five per cent of the matriculates were in the labour force while the remaining 43 per cent were outside it. The labour force was defined as consisting of all those available for gainful work on the day of the enquiry.

(c) Out of those who were employed, 67 per cent were engaged in clerical or administrative work, 15 per cent in professional, 10 per cent in technical and 4 per cent in executive work while the remaining of 4 per cent were engaged in business. Sixty-eight per cent of the employed had an income of 100 rupees or less per month, 30 per cent had income between 101 rupees and 150 rupees while only 2 per cent had an income of above 150 rupees per month.

(d) Regarding the time taken to obtain first employment since discontinuing studies, it was found that 7 per cent were employed before passing the matriculation examination, 13 per cent had to wait for less than three months, 50 per cent had to wait for a period of three months to one year, 24 per cent had to wait for one to two years and 6 per cent had to wait for over two years.

(e) The unemployed constituted 25 per cent of those in the labour force. Out of the unemployed, 84 per cent were freshers. Nearly 86 per cent of the unemployed were in search of clerical jobs while only 11 per cent were trying for technical or professional jobs and 3 per cent were seeking executive and other types of work. Concerning the duration of unemployment, the survey showed that 4 per cent were unemployed for less than six months, 61 per cent were unemployed for a period of six months to one year, 15 per cent for one to two years and 20 per cent for over two years. Out of the unemployed only 42 per cent were registered at the Employment Exchange.

Regarding the mobility of passed matriculates, it was observed that 64 per cent wanted jobs in Nagpur City, 12 per cent in other urban areas and only 1 per cent in rural areas. The remaining 23 per cent had no particular choice.

(f) Regarding the type of training desired by the matriculates, it was ascertained that 55 per cent desired technical or vocational training, 21 per cent desired professional training, 16 per cent desired teacher's training and the remaining 8 per cent desired training in social work.

The main causes of unemployment among the educated were found to be: (i) increase in the number of matriculates passing from year to year due to the growth in education and urbanisation; (ii) a low proportion of persons receiving technical, commercial or professional education which has resulted in an increase of persons seeking "white-collar jobs", which are limited in number; (iii) aversion to parental occupations like agriculture, business, etc; and (iv) lack of mobility.

The survey suggests certain measures to relieve unemployment among the educated, including reorganisation of secondary and college education, vocational guidance and diversion of persons from search for clerical jobs, aid in starting cottage industries, incentives to follow traditional family occupations such as agriculture, facilities for apprenticeship training in shortage categories and creation of incentives for migration to rural areas.

Travancore-Cochin.— A survey of unemployment was conducted in Travancore-Cochin in January 1954 at the instance of the Planning Commission. It was based on a random sample which covered 2 per cent of the house-holds in the rural areas and 5 per cent of those in the urban areas of the State.

For purposes of the survey, a person was considered as not at work if he had neither regular nor irregular employment for which he received payment. The women who were engaged in household duties for which there was no payment were also classified under this category unless they received an income from some other source. A person was considered as irregularly employed if he was employed intermittently in the course of the year. Information was collected regarding employment with reference to the years 1951-52 and 1952-53 as well as on a specified date, namely, 1 December 1953.

It was estimated that the population of Travancore-Cochin was growing by 180,000 per year, leading to a natural increase of 96,000 persons per year in the age group 15-54. This implied that nearly 60,000 additional jobs were needed every year to absorb the flow of persons into the employment market arising out of the population increase. It was assumed that the remaining 36,000 persons would take up household duties.

The following were some of the results obtained from the survey:-

(i) All persons aged 15 and above were classified into three categories in relation to the employment position - regular employment, irregular employment and no employment. Out of the total male population aged 15 and above, 44.3 per cent had regular employment, 31.3 per cent had irregular employment, and 24.4 per cent were not employed. Out of those not employed, nearly 50 per cent were students, the old and the sick and those who had no desire for employment while the remaining 50 per cent were unemployed. Out of the total female population aged 15 years and above, 17.3 per cent had regular employment, 17.9 per cent had irregular employment and 64.8 per cent were not employed. Of those not employed, nearly 10 per cent were unemployed while the remaining persons were students, the old and the sick and those who had no desire for employment. Thus, the unemployed constituted 12 per cent of the total male population and 6.4 per cent of the total female population in the State as a whole.

(ii) The proportion of persons unemployed was higher in the urban areas than that in the rural areas. Seventeen per cent of the urban male population were unemployed compared to 11 per cent of the rural male population; and 12.9 per cent of the urban female population were unemployed compared to 5.1 per cent of the rural female population.

(iii) Among the unemployed males, 74.4 per cent were aged between 15 and 24 years, 16.5 per cent between 25 and 34 years, 6.1 per cent between 35 and 55 years and 3 per cent were above 55 years of age. Among the unemployed females, 56.4 per cent were aged between 15 and 24 years, 25.6 per cent between 25 and 34 years, 16.4 per cent between 35 and 55 years and 1.6 per cent were aged above 55 years of age. Thus the vast majority of the unemployed in the State were young men and women between 15 and 34 years.

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(iv) From an analysis of the unemployed, according to their educational attainments, it was observed that among the males 24.5 per cent were illiterate, 48.1 per cent were literate, 22.2 per cent were above the middle school standard (but below the Intermediate level), 2.8 per cent were Intermediates and Graduates and 2.4 per cent held professional degrees or diplomas. Among the unemployed females, 48.8 per cent were illiterate, 42.2 per cent were literate, 8 per cent were above the middle school standard (but below the Intermediate level), 0.5 per cent were Intermediates, and Graduates and 0.5 per cent were professional degree or diploma-holders.

The proportion of unemployed persons was the highest among those who had passed the middle school stage (but had not completed Intermediate). The figure was 24 per cent in the case of men and 8.3 per cent in the case of women. Next in order were intermediates and graduates of whom 20 per cent among men and 6.4 per cent among women were unemployed.

(v) From an analysis of the livelihood class to which the unemployed belonged, it was observed that, among the males, 39.1 per cent of the unemployed were agriculturists, 31.6 per cent were non-agriculturists, 3.8 per cent were pensioners or rent receivers, and 25.5 per cent were dependent on miscellaneous labour. Among the unemployed females 25.6 per cent were agriculturists, 28.3 per cent were non-agriculturists, 3.6 per cent were pensioners or rent receivers, and 42.5 per cent dependent on miscellaneous labour.

(vi) From an analysis of the income group of families to which the unemployed belonged, it was observed that, among the males, 51.5 per cent of the unemployed belonged to families earning not more than 500 rupees per annum, 28 per cent to families earning between 501 rupees and 1,000 rupees and 20.5 per cent to families earning over 1,000 rupees per annum. Among the unemployed females, 56.7 per cent belonged to families earning not more than 500 rupees per annum, 27.4 per cent to families earning between 501 rupees and 1,000 rupees per annum and 15.9 per cent to families earning over 1,000 rupees per annum. It was further observed that the highest percentage of the unemployed in the rural areas belonged to poor families whereas the highest percentage of the unemployed in urban areas belonged to families in the highest income group. Thus, nearly 59.1 per cent of the rural unemployed males belonged to families earning not more than 500 rupees per year, while 42.5 per cent of the urban unemployed males belonged to families earning over 1,000 rupees per year.

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In addition to the information regarding the unemployed, particulars were collected regarding the duration of total employment in a year in respect of those who were irregularly employed. Among the males who had irregular employment in 1952, 9.9 per cent had worked for less than 3 months, 48.2 per cent for 3 to 6 months, 27.6 percent for 6 to 9 months and 14.3 per cent for 9 to 12 months. Among the females who had irregular employment in the same year, 26.6 per cent worked for less than 3 months and 37.6 per cent for 3 to 6 months, 18.9 per cent for 6 to 9 months and 16.9 per cent for 9 to 12 months. Under conditions of irregular employment the average period worked in a year was 5.89 months in the case of men and 5.28 months in the case of women. To that extent, it was found that irregular employment would add to the problem of unemployment.

(Employment News, December 1955).

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34. Economic Planning, Control and Development.

India - December 1955.

Economists' Panel discusses Second Five Year Plan: General Support for an Allocation of 48,000 Million Rupees.

The Panel of Economists attached to the Planning Commission met at New Delhi on 15, 16 and 17 December 1955, under the presidency of Mr. C.D. Deshmukh, Finance Minister, who is the Chairman of the Panel to consider proposals for the Second Five Year Plan. The Deputy Chairman and members of the Planning Commission attended.

The Panel was informed that the aggregate investment in the public sector would have to be increased from 43,000 million rupees - the figure assumed in the Plan-frame - to 48,000 million rupees, in order to secure the fulfilment of the physical targets.

Size and pattern of outlay.- The Panel devoted considerable attention to the considerations that should govern the size and pattern of the Plan. Several economists felt that an outlay of 48,000 million rupees in the public sector was on the high side and that it would be desirable, if possible, to reduce the size of the Plan somewhat. The general view, however, was that the magnitude of the Plan must be judged in relation to the policies envisaged and an outlay of 48,000 million rupees, was not itself excessive.

In fact such an outlay was probably necessary in order to get an increase in employment opportunities both of which were major objectives of the Plan. The consensus of opinion, however, was that in view of the amount sought to be deficit-financed it was essential to pay special attention to the kind of social and economic climate necessary to increase the resources available to Government and also to have ready for implementation an appropriate scheme of regulatory measures for preventing the emergence of inflationary pressures in the economy.

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In regard to the pattern of investment now proposed, some economists felt strongly that it constituted a serious departure from the original philosophy of the Plan frame, in so far as it now laid less emphasis on the primary machinery industries that could be used for producing other machinery and also in so far as it now gave more importance to the private sector. Some others felt, on the other hand, that the new pattern was more balanced and more realistic.

It was pointed out on behalf of the Planning Commission that the Plan proposals did provide for the primary machine industry but that these provisions had not been brought together in one place. The necessary development was to be undertaken through the National Industrial Development Corporation and the Planning Commission understood that these would be placed in the public sector.

There was general agreement that the Plan should be such as not to result in the emergence of inflation or even a substantial rise in prices and that for this purpose proper provision should be made for ensuring supplies of consumer goods during the Plan period.

Karve Committee's Report.- The question of the supply of consumer goods was also connected with the problem of economizing the use of capital and increasing availability of employment opportunities. The Karve Committee report was discussed in this context and the general view that emerged was that while the solution to the problem of unemployment had to be found through the entire scheme of investment proposed in the Plan there was a case for preventing further technological unemployment by regulating the pace of technical progress in selected industries.

In choosing the less advanced techniques to be promoted, it was necessary to consider the differences in relative costs as between one level of technology and another, and generally to ensure that the most efficient methods possible that could be used within the existing establishments should be encouraged. There could be no question of freezing techniques and the whole approach to this question should be in terms of ~~this~~ the most efficient utilisation of manpower. A representative of the Khadi and Village Industries Board mentioned in this connection that the Board was not at all thinking in terms of stagnant techniques and that it was prepared to recommend the adoption of the most efficient techniques available, consistently with decentralised mode of production. Most members of the Panel were also of opinion that there were limits to any policy of subsidisation or even of differential excises.

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It was suggested by some members that unless Government were prepared to undertake marketing of the products of large-scale and competing small-scale industries, it would be difficult to attain the twin objectives of avoiding unemployment on the one hand and promoting technological development on the other.

The problem of Control.- Members of the Panel laid great stress on the need for formulating policies and deciding on institutional changes appropriate to the attainment of the objectives of developmental planning already accepted. The problem of control and regulation was not merely of controlling or cancelling the inflationary effects on a particular mode of financing. The object of the Plan was to secure a rate of investment higher than would be possible on the basis of spontaneous decisions on the part of private individuals.

The feasibility of the Plan proposed to the public sector together with the development programmes in the private sector depend ultimately on whether savings of the order of 11 per cent or so of national income would become available. This would be so only if consumption could be kept in check and there was a demonstrable equality of sacrifice on the part of all the sections of the community.

Measures like ceilings on income and expansion of State trading, either directly or through marketing boards, regulation of wages and a suitable set of direct controls were considered in this context. Barring a few members whose approach to the problems was in terms of the maximum that could be done within the existing economic frame-work, others agreed that the right psychological climate for the fulfilment of a bold Plan could not be created unless the necessary institutional changes were made in the direction of greater economic and social equality.

Several members of the Panel stressed the need for special effort to promote the development of backward areas in which the problems of underemployment or unemployment were acute. It was felt that a general plan of development, however big, could not look after the needs of all areas to the country and that certain special outlays would be necessary in order to look after them.

Most members stressed the need for a rapid development of the co-operative sector. They also stressed the desirability of expanding the public sector with a view to enlarging public savings and averting the growth of private monopolies. Private enterprise, it was emphasised, meant opportunities for small producers or traders and not unrestricted operation of big enterprises which in their nature were monopolistic or quasi-monopolistic.

Economists participating in the discussion expressed their individual views and no attempt was made to formulate conclusions acceptable to all members. The Panel of Economists, therefore, have no joint conclusions to offer on all the particular questions placed before them. However, it would be fair to say from the trend of discussions in the last three days that expert economic opinion in this country favours the adoption of Plan of the size of 48,000 million rupees only if there is an assurance that the necessary measures of economic regulation are adopted, and that there is a bold move forward in the direction of the socialistic pattern of society.

(The Hindustan Times, 16 December 1955;
The Statesman, 18 December 1955)

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35. Productivity.

India - December 1955.

Trend in the Index of Productivity of Factory Workers in India: Labour Bureau Study.

In an article published in the Indian Labour Gazette for November 1955, the Labour Bureau has constructed an index of productivity of factory workers and also studied its trend in relation to the trend in the index of real earnings, which was constructed by the Labour Bureau recently (vide pp.14-15 of the report of this Office for November 1955). The article also gives the statistical methods of arriving at the index of productivity. A brief summary of the article is given below.

Compilation of a parallel series of productivity is of great importance, as there is at present considerable uncertainty in the public mind as to whether real earnings have advanced more or less than productivity since the pre-war year. The problem does not admit of easy examination. The relevant statistics have to be coordinated and carefully analysed before conclusions can be drawn. For simplicity, the index of overall productivity can be taken as a ratio of the index of production to the index of employment, both the indices being referred to the same base year. The first essential, therefore, is to construct two independent series of index numbers - one of industrial production and the other of employment.

The Labour Bureau has compiled a complete series of the index of industrial production with base 1939 - 100 by linking the series based on 'labour cost' weights for the years 1939 to 1946 with the series of index of industrial production compiled by the Directorate of Industrial Statistics for the years 1946 to 1954.

As for the comparable series of index numbers of employment, the statistics of employment utilised in the construction of this series are those compiled from the returns under the Factories Act. It must be understood here that the industrial classification for purposes of these returns is not in every case identical with the classification adopted by the Directorate of Industrial Statistics. An attempt has, therefore, been made to establish a correspondence between the two classifications by suitably combining the relevant groups and/or subgroups of industries. There has also been a change in the scope of the statistics collected under the Factories Act with the passing of the new Act in 1948. The impact of the change was not, however, felt until 1950. In order to make the statistics of employment prior to 1950 comparable with those for the years from 1950 onwards the statistics of employment in respect of Sections 2J and 5(i) factories according to the old Act have been taken to correspond to the statistics relating to 2m(i) factories according to the new Act. It may be stated here that the general trend of the figures round about the transitional period reveals the reasonableness of the assumption made. One other factor to be taken note of in this connection is the

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necessity to correct the employment figures for the preparation period for the effects of partition so as to make the series comparable for all the years. This has been done on a rough and ready basis by taking the average annual difference in the employment statistics for West Bengal and Punjab for the trienniums ending 1946 and 1949 and deducting this constant difference from the employment figures for each of the years 1939 to 1946 for the States concerned.

The table below shows the series of index numbers of employment (E), of production (P) and of productivity ($P/E \times 100$):-

Year	Index of		
	Employment (E)	Production (P)	Productivity ($P/E \times 100$)
1939	100.0	100.0	100.0
1940	103.7	108.1	104.2
1941	120.6	114.3	94.8
1942	125.3	106.9	85.3
1943	132.8	112.2	84.5
1944	134.1	115.7	86.3
1945	141.5	112.5	79.5
1946	137.8	102.9	74.7
1947	136.6	99.1	72.5
1948	141.4	112.3	79.4
1949	143.3	108.4	75.6
1950	136.0	107.2	78.8
1951	135.7	120.4	88.7
1952	136.7	133.2	97.4
1953	133.1	140.8	105.8
1954	135.9	153.6	113.0

A comparison of the trends in the indices of real earnings and productivity is made in the following table:-

Year	Index of	
	Real Earnings	Productivity
1939	100.0	100.0
1940	108.6	104.2
1941	103.7	94.8
1942	89.0	85.3
1943	67.0	84.5
1944	75.1	86.3
1945	74.9	79.5
1946	73.2	74.7
1947	78.4	72.5
1948	84.4	79.4
1949	91.7	75.6
1950	90.1	78.8
1951	92.2	88.7
1952	101.8	97.4
1953	99.9	105.8
1954	102.7	113.0

The above table shows that the index of productivity, follows more or less the same trend as the index of real earnings. Comparing the simultaneous variations in the two indices, four distinct periods can be marked out, namely (i) 1940 to 1942, when the curve of index of real earnings stood above the curve of index of productivity, (ii) 1943 to 1946 when it was the other way, (iii) 1947 to 1952 when real earnings again scored over productivity and (iv) 1953 to 1954, when the index of productivity for the second time overstepped the index of real earnings. These alternating cycles of relative variations in the two indices are a very interesting phenomenon.

Examining the question, whether the index of productivity has risen more or less than the index of real earnings, the method used being fitting curves of the form $\log Y = A + Bx$ to the two series by the method of least squares, the study has found that during the period 1943 to 1954 the index of real earnings has advanced geometrically at an average rate of 3.9 per cent per annum. During the same period the corresponding rise in the index of productivity has been of the order of 2.7 per cent. During the entire period 1939 to 1954 the average rate of increase (geometric) in the index of real earnings has been of the order of only 0.4 per cent, while that in the index of productivity has been still less being only 0.2 per cent. It is, therefore, clear that the rate of growth in real earnings has on the whole been higher than in productivity whether we look at the question from the point of view of the rise since the prewar year or the rise since 1943-44 from which year the index of real earnings showed a more or less steady upward movement. In an examination of these trends, one should not, however, make the mistake of overlooking the spectacular rise in the index of productivity that has taken place during the period 1950-54 which synchronises with the period of the first Five Year Plan. The rise has been of the order of about 43 per cent in the space of 5 years or at an average annual rate of 8.6 per cent. This speaks volumes for the efforts made under the Plan in the industrial sphere and is partly explained by more intensive utilisation of unused capacity in factories and the prevalence of favourable transport and trade conditions. Credit should also be given to the I.L.O. Productivity Mission which demonstrated modern techniques of work study and plant organisation in the Textile and Engineering industries. The rise in the index of real earnings between 1950 and 1954 has been of the order of only 14 per cent or at an average annual rate of 2.8 per cent.

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39. International Economic Relations.

India - December 1955.

Reserve Bank Survey of India's Foreign Assets and Liabilities: In-flow of Investment reported.

During the period July 1948 to December 1953, there was an increase of foreign business investments in India of the order of 1,320 million rupees, net of repatriation or about 1,800 million rupees on a 'gross' basis, according to a report on a survey conducted by the Reserve Bank of India.

The survey was initiated in April 1954. The first census of India's Foreign Liabilities and Assets, as at the end of June 1948, was published early in 1951.

According to the survey at the end of 1953, the country's long-term foreign liabilities (obligations maturing beyond a year) amounted to 10,360 million rupees while its long-term foreign assets aggregated 11,750 million rupees. The official sector owed 5,830 million rupees and the private sector 4,530 million rupees.

Liabilities.- The liability of the official sector comprised mainly (1) the securities of the Centre, States and the local authorities owned abroad (2,540 million rupees), (2) the capitalized value of the Government's pensionary liability to retire British nationals (1,810 million rupees), and (3) official loans payable abroad (1,380 million rupees). A major portion of the foreign-owned securities was non-interest bearing and had been issued in favour of the International Monetary Fund and International Bank for Reconstruction and Development, partly as subscription to the respective organisations and partly as the rupee counterpart of the dollars borrowed from the International Monetary Fund. Of the total official loans outstanding, 900 million rupees represented the Food Loan granted by the U.S. Government in 1951 and 220 million rupees the loans extended by the I.B.R.D. for financing the Bokaro-Konar Project, the Agricultural Machinery Project and the Railway project.

Most of the liabilities of the private sector (4,190 million rupees) took the shape of foreign business investments. Of this over 80 per cent (3,490 million rupees) belonged to the direct investment category; they consisted of 2,320 million rupees of funds invested in the branches of foreign firms and companies (including banks and insurance companies) and 1,170 million rupees of foreign ownership (accompanied by control) of ordinary shares in Indian joint-stock companies. The bulk of the "portfolio" investment (foreign ownership without any accompanying control) was in the shape of equity capital (580 million rupees).

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The distribution of the business investments among the different business sectors was as follows: manufacturing - 1,360 million rupees; trading - 950 million rupees; plantations - 720 million rupees; utilities - 370 million rupees; financial - 310 million rupees; transport - 130 million rupees; mining - 80 million rupees; and miscellaneous - 270 million rupees. The two individual lines of business activities in which there was substantial foreign capital were tea plantations and trading in petroleum products, with a net foreign investment of 710 million rupees and 670 million rupees respectively.

Business investments from the United Kingdom (3,470 million rupees) constituted over 80 per cent of the total foreign business investments in the country. With a total investment of 310 million rupees the U.S.A. was the next important country with investments in India on any appreciable scale. A substantial portion of the investment from both the U.K. and the U.S.A. was of the 'direct' category.

Long-term Foreign assets.- India's foreign long-term assets were primarily held by the official sector with a total holding of 11.12 million rupees. The share of the private sector at 630 million rupees appears relatively insignificant. The main constituents of the foreign assets in the order of magnitude were: (1) Foreign Government securities (3730 million rupees); (2) debts due from Pakistan and Burma (3480 million rupees); and (3) subscription to share quota in the I.M.F. and I.B.R.D. (2290 million rupees) and (4) deposits (1860 million rupees). The deposits represented largely the outstanding value of the annuity purchased by the Indian Government for payment of pensions to retired British nationals. The magnitude of business investment owned abroad was insignificant.

At the end of 1953, the overall international financial position of the country, taking both long-term and short-term obligations into account showed a "net" excess of assets over liabilities of 5000 million rupees. The surplus on short-term account was 3460 million rupees and that on long-term accounts 1540 million rupees. While the official sector had net assets abroad to the extent of 9000 million rupees, the private sector had net foreign liabilities in the tune of 3990 million rupees. The 'net' assets position of the official sector was attributable to the ownership of Government securities, deposits and 'residual' items in foreign countries. On the other hand, the private sector was 'net' debtor because of a large volume of foreign business investments.

Foreign business.- The survey shows that, contrary to the published balance of payments statistics (according to which during the period there was a 'net' disinvestment of foreign capital from the country), there was an increase of foreign business investments of the order of 1320 million rupees, net of repatriation.

Fresh foreign investments came partly in the form of cash leading directly to an accrual of foreign exchange to the country, partly through retained earnings of foreign enterprises and partly in the shape of imports of goods and equipment, not calling for immediate official release of foreign exchange. Of the gross total receipts, capital received in cash was estimated at 300-350 million rupees, reinvested or retained profits at 600-700 million rupees and the balance of 750-850 million rupees in the form of goods and machinery. Of the 'net' increase in foreign business investments 85 per cent (1120 million rupees) belonged to the 'direct investment' category.

It was estimated that 450 million rupees of Indian capital was probably repatriated from nearby countries like Burma, Malaya, Ceylon, etc., and about 150 million rupees accounted for the disinvestment of foreign securities and shares owned by persons "resident" in India.

(Reserve Bank of India Bulletin, November 1955).

India's Economic Relations with U.S.S.R.: Trade Volume to be expanded: Joint Communiqué by Mr. Nehru and Mr. Bulganin .

India will purchase one million tons of steel from the Soviet Union during the next three years beginning from 1956 and the USSR will increase "substantially" its purchases from India both of raw materials and of manufactured goods, according to a joint communiqué regarding economic relations between the two countries issued at New Delhi on 13 December 1955.

The communiqué was issued simultaneously with a joint statement of Mr. Jawaharlal Nehru and Mr. N.A. Bulganin, Chairman of the Council of Ministers of the USSR, dealing with international and other problems of common interest.

The joint statement stated, inter alia: "In the joint statement..... reference has been made to the desire of the two countries to develop economic co-operation and expand trade relations. In this connection the representatives of the Government of India and of the Government of the USSR have had preliminary discussions and are of the view that it will be to the mutual benefit of the two countries to increase the volume of trade between them to as high a level as possible. As a first step in this direction the following understanding has been reached.

"(a) The USSR will supply, and India will purchase, one million tons of steel during the next three years beginning from 1956, including 300,000 tons per year in the two subsequent years. The terms and conditions of the supplies are to be settled by subsequent negotiations.

"(b) During these three years the USSR will sell, and India will purchase, such equipment for the production of oil, mining and other equipment, and goods as may be agreed upon between the parties. The terms and conditions for the sale and purchase of these goods and equipment will be settled by subsequent negotiations.

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"(c) The USSR will increase substantially its purchase from India, both of raw materials and of manufactured goods, on terms agreed upon by negotiations between the buyers and sellers. It is hoped that the total value of such purchases, including sums which may be required for the maintenance of Soviet official organisations in India will be equal to the total value of goods purchased by India from the USSR.

"(d) As stated in the Indo-USSR Trade Agreement, for the import and export of the goods both the Governments will grant maximum facilities allowed by their respective laws, rules and regulations and will render all possible assistance for the same.

"2. In view of the increased volume of trade now envisaged and in order to provide adequate shipping facilities, both the Governments consider that it is necessary to organise regular shipping services to be run by India and Soviet ships between the ports of India and the ports of the USSR.

"3. The representatives of the two Governments have further agreed that delegations will be sent from the USSR to India and/or from India to the USSR, at the earliest possible date to discuss the terms and conditions and to enter into agreements to implement the above understanding".

(The Hindustan Times, 14 December 1955).

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

INDIA - DECEMBER 1955.

41. Agriculture.

Madras Cultivating Tenants (Payment of Fair Rent) Bill, 1955.

The Government of Madras published on 21 December 1955 the text of the Madras Cultivating Tenants (Payment of Fair Rent) Bill, 1955, proposed to be introduced in the Legislative Assembly of the State. The Bill seeks to fix fair rent at 40 per cent of the normal gross produce and provides that the tenant shall bear the expenses of cultivation while the land-owners shall be responsible for all dues to the Government and local authorities and shall have the right to recover from the tenants, public charges which are expressly made payable by the tenant.

The procedure for determining the fair rent is also laid down and provision made for constituting rent courts and tribunals to dispose of appeals from the decisions of the rent courts. The Bill also makes the decisions of the Appellate Tribunal final.

It is proposed to apply the measure to the entire State except areas governed by the Malabar Tenancy Act, bring it into operation from 1 April 1956.

The Statement of Objects and Reasons of the Bill says that except in the areas governed by the Malabar Tenancy Act of 1929 and the Tanjore Tenants and Pannayals Protection Act, 1952, there is no law to regulate the rent to be paid by the cultivating tenants to their land-owners. It is one of the directive principles of State policy, as embodied in the Constitution, that the State shall strive to promote the welfare of the people by securing and protecting, as effectively as they may, social and economic justice. The Planning Commission has also recommended that the rights of tenants require to be defined and that the rent should be fixed, taking into account the expenses of cultivation and other risks of the cultivators. The question of laying down the principles for the determination of fair rent has, therefore, been engaging the attention of the Government for some time past.

In April 1955, a Cabinet Sub-Committee was appointed to examine the question along with the other aspects of the land reform and the Bill now published is a result of the deliberations of the Committee.

(Fort St. George Gazette, Part IVA,
21 December 1955, pp. 251-259).

42. Co-operation.

India - December 1955.

Steps to improve Co-operative Marketing and Training: All-India Conference's Proposals.

An All-India Conference on Marketing and Co-operation met in Hyderabad from 27 to 30 November 1955, under the presidentship of Dr. Punjabrao Deshmukh, Union Minister for Agriculture. The Conference was attended by 85 delegates from all over the country.

Co-operative marketing, a part of National Plan:
Dr. Deshmukh's address.- Dr. Deshmukh addressing the Conference said that the whole programme of co-operative marketing had to be conceived as a definite and very material part of the national plan. The programme, he added, had to be welded into the schemes for community development. He said that regulated markets had to be so operated that the producer would have an effective voice in their management.

Referring to the integrated programme of co-operative development, embracing all forms of co-operative activity, which was being drawn up to be put into immediate operation, the Minister said that it envisaged the organisation of large-sized primary agricultural societies. They would also act as agents of marketing societies for the distribution of agricultural requirements and collection of produce. Each such society would have to be equipped with a small godown.

It was expected that during the second Five-Year Plan period about 5,500 such godowns would be constructed. He further stated that about 1,700 primary marketing societies were proposed to be set up, each covering a region served by a mandi. It was also proposed to construct about 1,570 godowns in the next five years to meet the requirements of marketing societies. In addition, there would be licensed warehouses of which about 350 would come into existence by 1960-61.

The schemes drawn up for the second Plan included the establishment of 36 sugar mills, 77 cotton gin factories, 30 oil-crushing plants and nine jute-baling plants on a co-operative basis.

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He expected that within the next few months central organisations for co-operative development would come into existence. Necessary funds would be allotted for this, so that they could go forward with their programmes on the lines indicated in the second Plan.

Dr. Deshmukh said he was most anxious to develop set up a central consumers' co-operative store with which a large net-work of stores all over the country would be linked. The main objective of this was to secure for co-operative societies a definite place in the export as well as import trade.

Resolutions: (i) Co-operative training.— The Conference felt that three preliminary considerations should be kept in mind in this connection namely, (1) the scheme of training should be so devised in content and phasing as to fit into and keep step with the programmes of development in the community project and national extension service blocks, (2) the general policy in organising training centres should be to distribute them as far as it was practicable, regionally, subject to availability of accommodation, staff and other conveniences and (3) the existing institutions should be put to the maximum possible use, consistent with efficiency, before new ones were started.

The Conference felt that the training imparted to block-level officers should include sufficient orientation in co-operative marketing, processing and ware-housing. The existing curricula should be amplified, if necessary, to cover the requirements in this direction.

On the basis that each of the new large-size co-operative societies would require the services of a paid manager, the total requirements of managerial staff, the Conference thought, might be placed at 14,000 for the next plan period.

The Conference noted that the existing number of central and primary land mortgage banks was 300, and it was envisaged that during the next plan period every State would have a central land mortgage bank.

In respect of warehousing, it was estimated that the total requirements of the staff for the whole of the next plan period would be 350 warehousemen, 350 accountant-cum-cashiers, 25 storage assistants, 25 analysers and graders and 75 technical assistant-cum-analysers.

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Besides incorporating co-operative principles and practices in the general scheme of education, the training of non-official co-operators, the Conference felt, had to be envisaged in three stages, namely, (1) present and prospective members by means of Conferences and seminars, (2) members of elected committees by short sessions at suitable centres, and (3) elected office-bearers by longer course at centres having training schools and colleges.

(ii) Marketing.- The Conference recommended a phased programme for extending regulation to all important agricultural markets. The Conference reviewed the progress made so far towards regulation of markets in various States. In order to accelerate it during the second Five-Year Plan, the Conference urged:

(a) The objective should be to cover all important market centres not so far regulated, by the end of the second Plan and that a phased programme be prepared in this regard by States which had not already done so.

(b) The Market Acts be extended to all important agricultural commodities and livestock.

(c) It was paramount to bring municipal and other markets controlled by local bodies within the regulatory orbit.

(d) Introduction and enforcement of the open auction system of sale and weighment of produce in the market yard were essential for the benefit of producer-sellers.

(e) State Governments should create a separate cadre of market secretaries and lend their services to market committees.

(f) In view of the extended programme for developing marketing in States and properly executing the schemes included in the second Plan, the supervisory staff of State Marketing Departments should be adequately strengthened.

The Conference recognised the principle of giving adequate representation to co-operative organisations on regulated market committees.

The Conference also suggested certain measures for carrying out development work in market yards.

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With a view to securing better prices for the farm produce and for facilitating efficient operation of co-operatives, warehouses and regulated markets, the Conference considered grading and standardisation of farm produce as an essential marketing service. For effective promotion of grading it recommended the creation of an independent and common cadre of trained graders. Further, to secure uniform standards, it proposed that a supervisory service should be established in States with the assistance of the Centre.

The Conference considered market news as an essential service and recommended that the country be covered expeditiously by the proposed scheme within three years instead of the five years as at present contemplated.

The Conference considered it necessary that marketing societies should be established, as far as possible, even in advance of large-sized credit societies, so that crops to be raised with loans were bound over for sale through marketing societies, and seeds, fertilisers and other requisites of agriculture were stocked in marketing societies for purchase and supply by credit societies to their members. It suggested division of functions between these two types of co-operatives.

(The Times of India, 1 December 1955;
The Hindustan Times, 30 November 1955 and
1 December 1955).

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43. Handicrafts.

India - December 1955.

Better Marketing of Indian Handicrafts: Survey Committee's
Proposals.

The extension and co-ordination of the handicrafts industry through a network of production and marketing co-operatives at all levels, to take the place of merchants and to take over Government depots and emporia, has been recommended by the survey team appointed by the All-India Handicrafts Board.

The report is the result of an intensive survey sponsored by the Board and conducted on its behalf by the Indian Co-operative Union, New Delhi. The Board invited the Union to undertake the survey following up the recommendation of the first handicrafts marketing conference at Trivandrum in February 1953.

The team led by Prof. Raj Krishna of Delhi College, spent two years in an extensive study of the major handicrafts of India.

The report says that the working of private enterprise in the handicrafts sector has to be reformed. Government enterprise has to be expanded to cover the transition. The Government has also to provide certain facilities to help the dealers to improve products and extend their markets. The report, however, warns against an unthinking enthusiasm for State enterprise from a reaction against the weaknesses of private enterprise.

The report says that the role indicated for Government enterprise, therefore, is transitional and two-fold. It should set new standards of marketing service and influence private trade by quality-competition to reform itself. Then it should pave the way for co-operative enterprise which in the opinion of the team, should dominate handicraft production and marketing in the long run.

Arising out of this basic conclusion the report makes 155 recommendations covering 10 chapters with subjects ranging from private and public marketing to co-operative organisations, inter-State trade, foreign trade, quality control, designing, research, training, extension and financing.

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The report also suggests an increase in the number of sales depots in a phased programme of two, three-year periods, the setting up of mobile vans for reaching village markets, handicrafts stalls in cantonments, hill-stations and tourist resorts, better display and a more resolute publicity programme, more participation in exhibitions and an intensive programme of market research through clinics.

The report makes 15 recommendations on the organisation, financing, training and administration of co-operatives, the ultimate objective of handicraft marketing.

In order to assist in marketing the report also suggests, among other things, concession on freight rates, introduction of zonal parcel-post rates and the exemption of a few selected handicrafts from sales tax as a measure of development assistance. It recommends specialised studies of indirect competition between handicrafts and corresponding machine industries and emphasises the need for protective measures in the form of duties, subsidies or reservation of spheres.

In a chapter on finance, the report says the recommendations of the Reserve Bank Committee on Finance for the Private Sector apply to problems of financing aid to handicrafts and these should be implemented as soon as possible. A definite proportion of the funds of every State Financial Corporation should be reserved for granting credits to handicrafts manufacturers and dealers. For this purpose, the minimum asset requirements of borrowers may have to be lowered.

In regard to the All-India Handicrafts Board, the report says it should become an autonomous body with power to use its funds and appoint its personnel directly. It should not only be in a position to give financial assistance to State Governments and other institutions at its discretion but also to administer its own schemes and set up and run new institutions under its direct supervision.

All-India Marketing Conference considers recommendations.
The fourth All-India Marketing Conference convened by the All-India Handicrafts Board on 25, 26 and 27 November 1955 at New Delhi, considered the proposals made in the survey report and recommended the formation of a central handicrafts marketing committee to co-ordinate and improve the working of public emporia and extend public marketing work until it reaches every small town and village where handicrafts are located.

It also recommended the establishment of an export promotion and marketing organisation to intensify the handicrafts' export drive and open wholesale depots in important commercial centres abroad.

The Conference was attended by representatives of State Governments and the private and co-operative sector in handicrafts.

The Conference felt that the case for the protection of many handicrafts against competition of corresponding machine industries was very strong from the point of view of creating employment and giving opportunity to them to improve their techniques and organisation.

It recommended that the All-India Handicrafts Board and the State Governments should make specialised studies of direct and indirect competition between handicrafts and corresponding machine industries. Where these studies reveal the need for protective measures, the Government should be requested to adopt them. These might take the form of protective duties, subsidies, reservation of spheres, ceilings on production and differential excise duties.

As a first step the Conference recommended that no further expansion of capacity should be permitted in the machine printing of cloth in the interests of the hand printing industry during the second Five-Year Plan and that the current notification under which machine printing was restricted to the best year's output between 1949 to 1954 should be amended so as to restrict machine printing capacity to the best year's output between 1949 to 1953.

Studies should also be immediately undertaken of competition in non-ferrous metalware, pile carpets and handicraft articles from plastic industry.

The Conference endorsed the recommendation of the Karve Committee that the Central and State Governments' industrial licensing committee should have adequate representation of the interests of all the groups of village and small-scale industries, and particularly handicrafts. For reforming the private sector, it recommended the establishment of recognised dealers' associations in every craft in every town.

The Conference suggested that public emporia must minimise their purchases from dealers in favour of co-operatives. They should minimise consignment purchases and sales to reduce their overhead costs and margins.

It recommended ~~the~~ pilot project programmes for the organisation of co-operatives in the handicrafts sector.

The Conference recommended that the All-India Handicrafts Board must be immediately reconstituted into a statutory autonomous body with adequate financial powers to promote handicrafts development.

For finance the Conference suggested that a portion of the fund of the State Financial Corporation should be earmarked for handicrafts. A handicrafts insurance fund should be established to guarantee loans from commercial and co-operative banks to handicrafts dealers and co-operatives. In the proposed export credit guarantee scheme also, a portion of the fund should be reserved for handicrafts exporters.

(Survey of Indian Handicrafts. Sponsored by the All-India Handicrafts Board. Ministry of Commerce and Industry, Government of India. Report on the Marketing of Handicrafts. 1955. Research and Education Division, Indian Co-operative Union, New Delhi. The Hindustan Times. 27 November 1955.)

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Steps for Development of Small-Scale Industries:
All-India Board's Suggestions.

Easy credit facilities for small-scale industries and the setting up of industrial estates have been recommended by the All-India Small-Scale Industries Board, at its meeting held at Rajkot on 5 and 6 December 1955.

The Board asked for greater co-ordination between small industries and the Government. It suggested that small units should be charged at a rate not exceeding one and a half annas per unit for electricity and that if necessary the Central and State Governments should grant them a subsidy. Steel also should be supplied at a lower rate than at present, it suggested.

The Board said that individual small industrialists should be granted loans up to 1,000 rupees on execution of personal bonds and loans exceeding this amount, but up to 5,000 rupees on sureties.

State Governments should construct and manage industrial estates, the entire cost of which should be loaned by the Central Government, the Board said.

Mr. T.T. Krishnamachari, Union Minister for Commerce and Industry, addressing a Conference of representatives of the Governments of Madras, Mysore, Andhra and Travancore-Cochin at Madras on 27 December 1955, stressed the importance of small-scale industries in the economy of the country and said that the Central Government was prepared to give financial assistance on a very liberal scale to encourage these industries.

The State Governments, Mr. Krishnamachari said, should liberalise the conditions for distribution of loans under the State Aid to Industries Act and sought the assistance of State Governments in the formation of industrial estates.

Mr. Krishnamachari drew the attention of the representatives of State Governments to the fact that the loans sanctioned by the Central Government for distribution under the State Aid to Industries Act had not been spent with that speed with which they were expected to be.

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The Minister stated that in the second Five-Year Plan it was likely that about 650 million rupees would be provided for the development of small industries and a portion of that would be ear-marked for industrial estates. He was anxious that a beginning should be made in the current year itself for the setting up of industrial estates and assured that funds would be made available by the Central Government.

It was decided at the Conference to start four workshops in Madras State under the scheme of industrial co-operatives.

(The Times of India, 7 December 1955;
The Hindu, 28 December 1955).

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52. Workers' Welfare, Recreation and Workers' Education.

India - December 1955.

Uttar Pradesh Labour Welfare Fund Bill, 1955.

The Government of Uttar Pradesh published on 5 December 1955 the text of the Uttar Pradesh Labour Welfare Fund Bill proposed to be introduced in the Legislative Assembly of the State. The Statement of Objects and Reasons of the Bill says: "The question of creating a labour welfare fund for promoting the welfare of labour employed in various industries has for long been under the consideration of the Government. In the case of the fines realised from the workers, provision already exists in the Payment of Wages Act, 1936 that the amount so realised shall be applied for approved purposes beneficial to the workers. In addition to the fines there are the accumulations of unpaid wages, bonus, gratuity, etc., which remain lying with the employers without being put to any proper utilization. It is, therefore, felt that all such amounts should be pooled together for the creation of a Fund to finance labour welfare activities to be undertaken by a Board under the control of the Government. It is also considered that other possible sources, viz., voluntary donations, grants-in-aid from the State Government, borrowings by the Board, etc., would also go a long way in supplementing the finances of the Board, thereby promoting Labour Welfare in a considerable measure." The U.P. Labour Welfare Fund Bill, 1955 is accordingly introduced for the above purpose in view.

The Bill provides for the establishment of a fund called the U.P. Industrial Labour Welfare Fund for the financing of activities to provide welfare of labour in the State. The Fund is to consist of all fines realized from employees, all unpaid accumulations all amounts lying to the credit of welfare account at the industrial establishments, any grants-in-aid by the State Government, any other voluntary donations and any sums borrowed by the U.P. Industrial Labour Welfare Board under the Bill. The moneys in the Fund may be utilized to defray expenditure on :

- (a) community and social education centres including reading rooms and libraries;
- (b) public baths and washing places;
- (c) medical relief and convalescent homes;
- (d) community necessaries;
- (e) educational facilities for women and children;
- (f) games and sports;
- (g) excursions, tours and holiday homes;
- (h) entertainment and other forms of healthy recreations;
- (i) home industries and subsidiary occupations for women and aged ones;
- (j) cost of administering the Act including the salaries and allowances of the members of the Board;
- (k) co-operative, thrift, credit and multi-purpose societies;
- (l) corporate activities of a religious and social nature;
- (m) facilities for preparation and processing of food and materials;
- (n) housing schemes; and
- (o) any such other objects as would go to improve the standard of living and ameliorate the social conditions of labour employed in industrial establishments.

(Government Gazette of the Uttar Pradesh,
Extraordinary, 5 December 1955, pp. 1-8.)

55. Protection of Minors.

India - December 1955.

Employment of Children (Major Ports) Rules, 1955.

The Central Government published on 10 December 1955 the text of the Employment of Children (Major Ports) Rules, 1955, made in exercise of the powers conferred under the Employment of Children Act, 1938, and in supercession of the rules issued in November 1940. The rules provide inter alia, the conditions under which children between 15 and 17 years of age may be employed in any occupation connected with a port authority within the limits of any port, the form of register to be maintained under section 3D of the Act and the powers of Inspectors.

(Gazette of India, Part II, Section 3,
10 December 1955, pp. 2346-2348).

Employment of Children (Railways) Rules, 1955.

The Central Government published on 3 December 1955 the text of the Employment of Children (Railways) Rules, 1955, made in exercise of the powers conferred under the Employment of Children Act, 1938, and in supercession of the rules issued in February 1940. The rules provide inter alia that every child between 15 and 17 years of age employed in any occupation connected with the transport of passengers, goods or mail by railway shall be allowed an interval of rest for at least 12 consecutive hours which shall include seven consecutive hours from 10 P.M. to 5 A.M. The rules further provide that the provisions of section 3(2) of the Act prohibiting the employment of children between 15 and 17 years of age except under certain specified conditions shall not apply to children employed as an apprentice or for the purpose of receiving vocational training subject to certain conditions.

(Gazette of India, Part II, Section 3,
3 December 1955, pp. 2325-2327).

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56. Labour Administration.

India - December 1955.

Third All-India Conference of Labour and Welfare Officers,
Nagpur, 2-4 December 1955: Faith in Collective Bargaining
and Joint Consultation.

The third All-India Conference of Labour and Welfare Officers was held at Nagpur from 2 to 4 December 1955. Mr. Shantilal Shah, Minister for Labour, Bombay, presided and Mr. Ravi Shankar Shukla, Chief Minister of Madhya Pradesh, inaugurated the session.

Mr. Shukla in the course of his inaugural address said that a contented and happy labour force was the sine qua non of industrial progress and the foundation of an industrial democracy. "It is equally necessary that labour on its part should give up its age-old prejudices against management and come to recognise them as their co-workers rather than oppressors."

Mr. Shah's address.- Mr. Shantilal Shah, who presided over the Conference, said industrialisation and technological advantage would not mean any progress if unhealthy industrial relations and un-cooperative human element in the industry were allowed to continue unattended. It was therefore necessary that labour and personnel management and welfare had to be developed as a "science and as an art" for the maintenance of and improvement in healthy industrial relations.

Mr. Shah said large industrial undertakings even with the adoption of the best methods of recruitment and selection would have to be manned by workers, strong and weak, with mediocre and high skills, trained and untrained, good tempered or otherwise and care-worn and care-free. This vast army of humanity, he added, had to be harnessed to the wheels of production and national well-being.

The significance of trade unionism and collective bargaining, Mr. Shah said, was growing every day and he was glad that most of the employers had now realised that trade unionism had come to stay. Trade unions had as much stake in sound industrial management and vice versa. "The labour and welfare officers is a very important link between these two, though it must be remembered that he can never be a substitute for organised trade unions".

Referring to the demand for the formation of a Wage Commissioner for the fixation of uniform and sound principles and co-ordination of wage policies all over the country, Mr. Shah said: "I should like to emphasise that even if very sound and uniform principles relating to fixation of wages are adopted, their application to individual industries and plants will have to be made on a realistic basis and toward that end direct settlement between the parties would be far more welcome than any other effort".

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With the establishment of the National Productivity Centre and the Central Labour Institute, the Minister said, a step in the right direction had been taken in which all parties concerned could work together in solving the practical problems which face the industry and labour every day. Here the labour and welfare officers had an "excellent opportunity" to make their own contribution based on their knowledge and experience, Mr. Shah added.

Resolutions: a) Co-operation in Industry.- The Conference affirmed its faith in the system of collective bargaining, joint consultative machinery, and the association of workers in the administration of industries at appropriate levels in gradual stages.

The Conference, however, opined that the participation of workers' representatives in the management and direction of industries "is not feasible at present". A resolution adopted by the conference to this effect did not, however give any reason for this conclusion.

The Conference suggested a number of steps for making the conciliation machinery more useful and function in a proper atmosphere. Conciliation proceedings should be concluded within a prescribed time limit of 30 days from the date of commencement of conciliation proceedings.

Stressing the need for exercise of proper caution in referring cases for adjudication, the resolution said that Government should have full discretionary powers in the matter of referring a dispute to a tribunal and that if there was any hindrance in the existing law to the exercise of this discretion, the relevant provisions of the Industrial Disputes Act should be suitably amended.

The Conference felt that the success of conciliation for industrial peace in general depended largely on the existence of a representative bargaining agent and said it should be the endeavour of all concerned to encourage and develop such bargaining agents.

b) Personnel departments.- By another resolution, the Conference suggested the adoption of a greater degree of uniformity and standardisation in the designation of officers working in the "Personnel Department". Increasing use of Government employment exchanges should be made as a source of supply for the recruitment of new entrants in industrial services, the resolution said.

The Conference elected Dr. U. Krishna Rao of Madras as the its new Chairman and Dr. J.C. Ghosh, member of the Planning Commission as Vice-Chairman.

(The Hindu, 5 and 7 December 1955)

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CHAPTER 6. GENERAL RIGHTS OF WORKERS.

INDIA - DECEMBER 1955.

63. Individual Contracts of Employment.

Industrial Employment(Standing Orders)(Bombay Amendment)Act,
1955 (No. LIII of 1955).

The Industrial Employment (Standing Orders) (Bombay Amendment) Bill, 1955 (vide pages 44-45 of the report of this Office for August 1955) as passed by the Bombay Legislature received the assent of the President on 12 December 1955 and has been gazetted as Act No. LIII of 1955. The Act makes a number of amendments to the Industrial Employment (Standing Orders) Act, 1946, in its application to the State of Bombay. The provisions of the amendment, were summarised at pp. 44-45 of the report of this Office for August 1955.

(Bombay Government Gazette, -Part IV.
29 December 1955, pp. 205-210).

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

India - December 1955.

Payment of Wages (Bombay Amendment) Act, 1955
(Bombay Act No. XLVIII of 1955).

The Payment of Wages (Bombay Amendment) Bill, 1955 (vide pages 49-50 of the report of this Office for August 1955), as passed by the Bombay Legislature received the assent of the President on 28 November 1955 and has been gazetted as Act No. XLVIII of 1955. The Act makes a number of amendments to the Payment of Wages Act, 1936, in its application to the State of Bombay.

The definition of 'plantations' occurring in section 2(m) of the Act is amended so as to include any farm which is maintained for the purpose of growing sugar cane and attached to a factory established or maintained for the manufacture of sugar, provided 25 or more persons are engaged on such estate or farm. Another amendment empowers the Government to appoint more than one authority under section 15 of the Act for the purpose of deciding claims arising out of deductions from wages. Another amendment provides for the recovery of wages payable to ~~the~~ employed persons who subsequently discharged by his legal representative. The other amendments are minor and have been summarised at pages 49-50 of the report of this Office for August 1955.

(Bombay Government Gazette, Part IV,
8 December 1955, pp. 191-193).

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66. Strike and Lockout Rights.

India - December 1955.

Hyderabad: Transport Industry declared a Public
Utility Service.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of Hyderabad has declared the transport industry other than railways for the carriage of passengers and goods by air to be a public utility service for a period of six months from the 2 December 1955.

(Hyderabad Government Gazette, Part I D,
24 November 1955, page 1213).

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67. Conciliation and Arbitration.

India - December 1955.

Bombay Industrial Relations (Amendment) Act, 1955
(No. XLIX of 1955).

The Bombay Industrial Relations (Amendment) Bill, 1955 (vide page 55 of the report of this Office for August 1955) as passed by the Bombay Legislature received the assent of the President on 28 November 1955 and has been gazetted as Act No. XLIX of 1955.

(Bombay Government Gazette, Part IV,
8 December 1955, pp. 194-196).

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Chapter 7. Problems peculiar to certain categories
of Workers.

73. Officials and Public Employees of National, Regional and
Local Administrations, of Nationalised Undertakings or
Undertakings Managed with the Participation of the Public
Authorities.

India - December 1955.

Scientific Civil Service set up: Scientists' help in
economic progress sought.

On 22 December 1955, Prof. M.S. Thacker, Director of the Council of Scientific and Industrial Research, Government of India, announced at Calcutta the setting up of a Scientific Civil Service in India. Prof. Thacker said that Mr. Jawaharlal Nehru, Prime Minister, who is Chairman of the Council, had approved in principle the setting up of such a service and its details were now being worked out. It would be integrated with other services of the Government.

The new service was aimed at building up a cadre of men of ability for scientific study and research, so that they might not be "allured away by other services". Such a service would help scientific work and progress, he added.

Prof. Thacker said the emphasis of the Council would be in those fields which would help in the country's economic progress. Research would be directed towards chemical industries, ferrous and non-ferrous industries, electrical industries, heavy machinery, pharmaceuticals, drugs, etc.

The Council would co-operate with industries in the private and public sectors and help in solving their problems.

(The Hindustan Times, 23 December 1955).

74. Indigenous Labour.

India - December 1955.

Madras Compulsory Labour (Amendment) Bill, 1955.

The Government of Madras published on 14 December 1955 the text of the Madras Compulsory Labour (Amendment) Bill, 1955 proposed to be introduced in the Legislative Assembly of the State. The Statement of Objects and Reasons to the Bill says that Section 6 of the Madras Compulsory Labour Act, 1858 (Central Act I of 1858), relates to labour which a person is by custom bound to contribute towards the maintenance of an irrigation work or a drainage work. Difficulties have been experienced in enforcing the section as it requires the service of a notice on each and every pattadar. The Government therefore considers that the section should be amended so as to provide for the effective enforcement of the Act and to speed up the execution of the Kadimaramath works pending the enactment of the comprehensive Irrigation Bill dealing with the permanent scheme for the maintenance of irrigation works. This Bill gives effect to this object.

(Fort St. George Gazette, Part IVA,
14 December 1955, pp. 247-249).

CHAPTER 8. MANPOWER PROBLEMS.

INDIA - DECEMBER 1955.

81. Employment Situation.

Unemployment in Urban Areas of India: Results of Preliminary National Sample Survey.

The National Sample Survey conducted during September 1953 a preliminary survey of urban unemployment, which was in the nature of try-out intended to reveal the problems and difficulties likely to arise in an investigation of this type and to enable, on the basis of experience gained, the development of suitable concepts and proper design for carrying out sample surveys in future with a view to providing reliable estimates. The survey covered all towns of India with a population of 50,000 and above, except the four big cities of Calcutta, Bombay, Madras and Delhi. A total of 4446 sample households drawn from 23 sample towns were visited and detailed information was collected through the usual National Sample Survey method of interview. The survey has yielded valuable information and has, for the first time furnished a detailed picture of urban unemployment in quantitative terms.

For a summary of the survey, please see pp. 15-22 of this report.

Magnitude of the Problem of Unemployment in India:
Results of Surveys at Nagpur and Travancore-Cochin.

AS a preliminary to planned effort to relieve unemployment, a number of surveys have been conducted in various States. The results of two recent surveys conducted in Nagpur City and Travancore-Cochin are summarised at pp. 23-27 of this report.

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Employment Exchanges: Working during October 1955.

General employment situation.- According to the review of the work of the Directorate General of Resettlement and Employment during October 1955, the number of fresh registration effected by the employment exchanges during the month was the lowest since April 1955. There was a steep decline of approximately 23,000 in the number of applicants registered from the figure relating to the previous month. One cause of this decrease was the Puja holidays, which limited working hours at exchanges. The decline was also in accord with a seasonal trend. In spite of the fall in the number of fresh registrants the cumulative figure of the registered unemployed (the Live Register) showed a slight increase over last month's figure. Vacancies notified recorded an increase both in the public and private sector. Placements in private establishments increased by 800 over the previous month but there was a decline in placements in the public sector. There was an overall increase of 75 in placement figures as compared with the previous month.

Widespread shortage continued in respect of stenographers, experienced draughtsmen, trained teachers, overseers, compounders, experienced typists, midwives and nurses. A number of exchanges also reported dearth of qualified doctors, surveyors, experienced civil engineers, lady health visitors, pattern makers and skilled technicians such as fitters, moulders, turners, welders and boiler makers.

Widespread surplus of applicants was reported in respect of untrained teachers, clerks, unskilled office workers, freshers from schools and colleges, motor drivers and carpenters. Semi-skilled fitters, turners, wiremen and motor mechanics were also surplus to requirements. A number of exchanges reported surplus of chowkidars and postmen.

Registrations and placings.- The following table shows registrations for employment and placings for October 1955 and September 1955:-

	October 1955	September 1955
Registrations.	121,978	144,888
Placings.	13,461	13,386

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Registrations marked a fall of 22,910 over the figures of the previous month. The decrease in registrations was marked in the States of Uttar Pradesh (8,526), West Bengal (5,286), Punjab (4,075), Delhi (3,368) and Bihar (1,790). There was an increase in registrations in the States of Travancore-Cochin (5,251) and Bombay (1,342).

The number of applicants submitted to employers during October 1955 was 70,241, as against 80,031 during the previous month. There was a rise of 75 in placements. The increase in placings was comparatively large in the States of Bombay (381), Punjab (310), and Bihar (276). On the other hand, there was a fall in case of Travancore-Cochin (496), Delhi (292) and Rajasthan (170). Of the placements effected, 4,771 were under Central Government Departments, 5,241 under State Government Departments and 3,449 were with private employers.

Placings by wage groups.- The table below shows placings during the month classified according to wage groups:-

<u>Wage groups</u>	<u>Number placed</u>
101 rupees and above	1,913
61 rupees to 100 rupees	6,483
30 rupees to 60 rupees	4,918
Below 30 rupees	147

Vacancies notified.- The number of employers who utilised the services of the exchanges during the month was 4,599 as against 5,045 in September 1955. A total of 28,289 vacancies were notified to the exchanges during October 1955 as compared to 23,343 during the preceding month. Thus vacancies made available to the exchanges recorded an increase of 4,946 over the figure for the previous month. The increase in the number of vacancies notified was notable in the States of Travancore-Cochin (5,888), Andhra (400) and Assam (267). The fall in the number of vacancies notified was marked in the States of Uttar Pradesh (487), Bombay (442), Himachal Pradesh (307) and Orissa (275). Whereas Central and State Government departments together, notified 22,053 vacancies, 6,236 vacancies were notified by private establishments. An increase of 3,590 was recorded in regard to vacancies notified by the public sector and of 1,356 in the private sector.

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Register of unemployed.- The number of persons on the live register of exchanges seeking employment assistance on the last day of the month was 695,239; which was 1,464 more than the figure as it stood at the end of the previous month. The number of employed persons, seeking further assistance, included in the live registers of exchanges at the end of the month, was 4,798. The composition of the live register occupationwise is shown below:-

<u>Occupation</u>		<u>No. on Live Register on 31 October 1955.</u>
1. Industrial Supervisory.	--	4,916
2. Skilled and semi-skilled.	--	55,963
3. Clerical.	--	202,403
4. Educational.	--	22,554
5. Domestic Service.	--	22,277
6. Unskilled.	--	349,237
7. Others.	--	37,889
Total	--	<u>695,239</u>

Employment position of special types of applicants.- The employment position regarding special types of applicants during October 1955 is shown in the following table:-

<u>Category</u>		<u>Registrations</u>	<u>Placings</u>	<u>No. on Live Register</u>
1. Displaced persons.	--	5,409	690	50,509
2. Ex-Servicemen.	--	5,745	1,141	31,538
3. Scheduled Caste applicants.	--	13,917	1,896	69,865
4. Scheduled Tribe applicants.	--	1,868	191	6,376
5. Surplus and Discharged Central and State Government employees.	--	1,531	540	8,358
6. Highly Qualified applicants.	--	693	113	5,051
7. Women.	--	4,194	536	25,681

Anglo-Indian applicants.- Employment exchanges effected 249 registrations and 24 placements in respect of Anglo-Indian applicants during the quarter July-September 1955. The figures for the earlier quarter being 339 and 30 respectively. Of those placed in employment during the quarter, 14 were placed under Central Government departments, 4 in State Government departments and 6 in other establishments. During the quarter 21 vacancies were notified (all by Central Government establishments) as specifically reserved for applicants belonging to this community. Of which two were filled during the same period. There were 509 Anglo-Indian applicants, including 115 women, on the live registers of the employment exchanges seeking employment assistance at the end of September 1955.

Educated persons.- During the quarter July to September 1955, 128,315 registrations and 12,506 placements were effected by the employment exchanges in respect of persons who had passed matriculation or higher examinations as against 108,887 and 12,093 respectively during the preceding quarter. Of the total number of registrants 112,162 were matriculates (including 16,432 registrants who had passed the intermediate examination) and 16,153 were graduates. Amongst the graduates 613 were engineers, 136 were doctors and 15,404 had degrees in various other subjects. Employment exchanges placed in employment 10,499 matriculates (including 1,761 intermediates) and 2,007 graduates of whom 164 were engineers and 14 were doctors. At the end of September, 1955 there were 230,142 educated persons on the 'Live Registers' of exchanges seeking employment assistance as against the corresponding figures of 206,783 at the end of the previous quarter and 189,976 at the end of September 1954. Of those on the Live Register 201,662 were matriculates (including 28,056 who had passed the intermediate examination) and 28,480 were graduates. Of the graduates 829 were engineers, 190 doctors and 27,461 had obtained degrees in various other subjects.

Special Investigation: Medical graduates and licentiates on the live registers of employment exchanges: (a) Graduates.- A total of 189 medical graduates were seeking employment assistance at the end of September 1955, as against 216 at the end of June 1955. One hundred and forty-six or 77 per cent of them were on the live registers of the employment exchanges in West Bengal alone, of whom as many as 96 were in search of jobs at the Calcutta exchanges. Of the total number of medical graduates 103 were fresh from colleges and 43 had an experience of less than two years. These two categories thus account for 77 per cent of the total medical graduates on the live register at the end of September 1955. Lack of adequate experience, therefore, appears to be a major factor standing in the way of their ready absorption. In addition, 13 graduates were over 45 years of age. Fiftyone or 27 per cent of the medical graduates were ready to accept jobs carrying a pay of less than 200 rupees per month.

(b) Licentiates.- As against 234 medical licentiates who were on the live registers of the employment exchanges as on 30 June 1955, 250 such licentiates were seeking employment assistance as at the end of September 1955. Of them 194 or 78 per cent were on the live registers of the exchanges in West Bengal alone; of whom as many as 71 were in search of jobs at the Calcutta exchange. One hundred and twelve of these were freshers and 58 had an experience of less than two years, which together accounted for 68 per cent of the total number of medical licentiates on the live register. In addition 48 licentiates were over 45 years of age. Two hundred and twelve or 85 per cent of the licentiates were willing to accept posts carrying a salary of less than 200 rupees as pay per month.

(Review of Work done by the Directorate General of Resettlement and Employment during the Month of October 1955; issued by the Ministry of Labour, Government of India).
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83. Vocational Training.

India - December 1955.

Labour Ministry's Training Scheme: Progress during October 1955.

Training of Craftsmen.- The number of trainees on the roll of various training institutes and centres on 31 October 1955 was 9,446. There were 7,658 (including 16 women; 14 at the industrial training centre Maharaja's technical institute, Trichur, 1 at the industrial training centre, Trivandrum and 1 at industrial training institute Bangalore) trainees in the technical trades and the remaining in vocational trades.

Training of displaced persons.- The total number of displaced persons undergoing training as at the end of October 1955 was 2,132; of these 1,768 were in technical trades and the remaining in vocational trades.

Apprenticeship training for displaced persons.- A total of 888 displaced persons were undergoing training as apprentices in industrial undertakings and establishments in Uttar Pradesh and West Bengal, against 1,400 seats sanctioned for the purpose.

Training of women.- A total of 489 women were undergoing training at the end of October 1955 at the three women training institutes in New Delhi, Dehra Dun and Madras. In addition, 15 women at industrial training institutes, Kakinada, 5 at industrial training centre Orissa poor cottage industries, Cuttack, 34 at the industrial training institute, Alambagh, Lucknow, and 37 at industrial training institute, Almora, were undergoing training along side men.

Training of supervisors and instructors.- The final examination of the XV session which commenced on the 16 May 1955, and the short term courses ended on the 31 October 1955. Ninety-nine students who were on roll at the end of the month were discharged after their trade tests. The total number of students appeared was 103 including 4 failed students who re-appeared.

Training of women craft-instructors.- Under the scheme for the training of women craft instructors introduced at the industrial training institute for women, New Delhi with effect from 1 May 1955, 21 women instructors-trainees were receiving training against a sanctioned capacity of 20 at the end of October 1955.

Training of school going children in hobby centre Allahabad.- A total of 74 trainees were undergoing training at the end of month under report at the hobby centre, attached to the industrial training institute, Allahabad, as against 74 last month.

Short-term course of training in sheet metal work trade.- A short-term course of training in trade 'sheet metal work' was started at the industrial training institute, Bangalore under the craftsmen training scheme during the month of September 1955. A total of 106 trainees were undergoing training in the trade against a sanctioned capacity of 96 as at the end of the month under review.

(Review of the Work done by the Directorate-General of Resettlement and Employment, during the Month of October 1955; issued by the Ministry of Labour, Government of India).

Chapter 9. Social Security

93. Application.

India - December 1955.

Employees' State Insurance Scheme: Benefits extended to Workers' Families.

At a meeting of the Employees' State Insurance Corporation held on 18 December 1955 with Mr. Khandubhai K. Desai, Central Minister for Labour in the chair, it was decided to extend medical benefits to the families of employees covered by the Employees' State Insurance Scheme. The 39-member Corporation considered the report of the valuer appointed last year to examine whether medical benefits could be extended to the families of insured persons with the contributions laid down under the schedule of the Act. According to the report submitted by the valuer, the extension of medical care to families was possible under the schedule. The Corporation also decided that the report of the valuer should be published.

In regard to the construction of hospitals for the indoor treatment of insured persons, the Corporation decided that, besides the construction of hospitals under the joint ownership of the State Government and the Corporation, which it had agreed to previously, the construction could in future be under the sole ownership of the State Government or the Corporation.

The administration of medical care under the scheme is the statutory obligation of the State Government. A draft agreement in this regard between the State Governments and the Corporation was finalised at the meeting of the Corporation.

The meeting considered the report of the sub-committee which made a critical appraisal of the working of the scheme in Delhi, Kanpur, Amritsar and Bombay. The Corporation recommended that the panel system for the provision of medical care for insured persons in the Punjab should be substituted by the service system.

(The Hindustan Times, 19 December 1955).

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CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - DECEMBER 1955.

115. Research, Investigation, Study.

Bihar: Silicosis Survey in Refractories Industries
in the State.

The Government of Bihar recently made a survey of the refractories industries in the State with a view to having complete data based on definite medical findings regarding the incidence of silicosis at three factories considered to be fairly representative of the whole. Of these, two manufactured only fire-clay bricks while the third manufactured both fire-clay and silica bricks. The results of the survey are briefly summarised below.

Environmental studies.- Samples for dust counts were collected at various workplaces during actual operations with a midget impinger, using dust free pyrex glass, redistilled water and the counts carried out in a bright-line haemocytometer. These dust counts in the different sections in the silica bricks industry ranged from 24 to 112 million particles per cubic foot and from 13 to 1,118 million particles per cubic foot in the fire-clay industry against the permissible limit of 5 and 20 million particles per cubic foot in the silica brick and fire-clay brick industries respectively. In almost all the sections no dust control measures were adopted.

Random samples of the raw material used in the manufacture of silica and fire-clay bricks were collected and analysed for free silica both by X-ray diffraction and phosphoric anhydride methods. The range of free silica contents of the materials in silica brick industry was 58 to 98 per cent; the raw materials used in the fire-clay brick manufacturing ranged from 16 to 40 per cent in their free silica contents.

Medical Studies.- It was not considered necessary to medically examine all the 3,614 workers employed in the three factories as those with relatively short service were not likely to show any roentgenographic changes. For similar reasons workers employed in non-dusty operations were also excluded. Thus the examination was confined only to those who were employed in dusty operations and who had put in service of 5 years or more. The total number of such workers was 680. Of these, 327 or 48 per cent (215 employed in fire-clay works and 112 in silica brick manufacturing) were medically examined. The workers were physically examined, their chest was X-rayed, and blood examined for eosinophilia and their medical histories were collected. X-ray examination revealed that 16.9 per cent and 23.2 per cent of the workers in the silica and fire-clay brick industries respectively had nodular silicosis. In the State of North Carolina in the U.S.A. where a similar survey was carried out amongst mica mine and pegmatite workers the incidence of silicosis was 3.6 per cent which was considered very high.

There was no case of conglomerate silicosis. However, there was a large percentage of workers (40 per cent) in each industry who showed ground glass two appearances, which is suggestive of the ill effects of the dust of the occupational environment. Direct positive correlation was found to exist between the time intensity factor of dust exposure and pulmonary fibrotic effects in the case of workers in both the industries.

Twenty-four or 7.3 per cent of the workers examined showed X-ray evidence of pulmonary tuberculosis. Of these, 8 (or 7.1 per cent) were amongst silica-bricks workers and 16 (or 7.4 per cent) were amongst fire-clay workers. All these cases were associated with advanced pulmonary fibrotic effects. This showed that silicosis can also be a predisposing factor in the development of tuberculosis.

With a view to reducing the dust hazard the report has made the following recommendations:-

(1) Unless it is absolutely necessary for the purpose of a process, all the raw materials should be thoroughly wetted before handling.

(2) Dusty processes should be isolated from the non-dusty processes as far as practicable.

(3)(i) The jaw crusher should be installed in sheds with open sides.

(ii) It should be provided with an efficient water spray system.

(iii) It should preferably be completely enclosed and fitted with efficient exhaust.

(iv) The crushed material should be allowed to drop through a chute into an enclosed mechanical conveyor system.

(4) Dry and semi-dry grinding pan mills should be completely enclosed, access doors being provided to the extent necessary which should be opened only for feeding purposes. The enclosure should be provided with an effective exhaust system.

(5) Dust collecting chambers should be replaced by properly designed bins. Until such changes are effected, the existing arrangement should be improved by providing isolating screens and dust chambers should be properly maintained so as to prevent the escape of dust. Manual handling of dusty material should be avoided as far as practicable.

(6) Screening devices, elevators, conveyors and chutes should be completely enclosed. When manual handling of dusty material cannot be completely avoided, workers should be provided with suitable protective masks.

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(7) Storage bins and tops of elevators discharging raw materials into the bins should be totally enclosed.

(8) All types of dry dust-mixers and troughs of pug mills should be totally enclosed and provided with such lids or access doors as may be necessary.

(9) Ball mills should be completely dust tight and no dust should be allowed to escape.

(10) For dust control good house keeping is extremely important. All floors, landings, stairways, platforms, machinery ducts and structures should be regularly cleaned and, except when not possible, sweeping should be done after wetting the floor.

(11) Workers who have served for more than five years in operations, where there is a potential hazard should be periodically examined which should include chest X-ray examination for selected group of workers.

(Indian Labour Gazette, November 1955).

CHAPTER 12. INDUSTRIAL COMMITTEES.

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121. Special Informations.

Labour Conditions in the Jute Industry: Employers' Association's Annual Report for 1954.

Further progress in the development of the joint negotiation method, both bipartite and tripartite, for the settlement of disputes and differences, was one encouraging feature of labour relations in the Indian jute mills according to the report of the Committee of the Indian Jute Mills Association for the year ended 31 December 1954*. The report of the Committee covers a number of matters connected with the jute industry including market position, contract matters, transport, labour and welfare matters etc. A brief summary of sections of the report dealing with labour conditions is given below.

Working Time Agreement.- For the major part of the year under review the working hours of the industry continued to be controlled by the terms of the Third Principal Working Time Agreement. During the first half of the year the general level of working hours remained at 42 1/2 per week, with 12 1/2 per cent of the mills' looms remaining sealed, subject only to those special arrangements applicable to a few members. It was found possible, largely because of a substantial improvement in the stock position, to increase working hours from 42 1/2 to 45 per week effective from 12 July, and the working hours were further raised to 48 per week with effect from 18 October. The latter increase in hours was essentially for the purpose of replenishing the industry's stocks and to meet an anticipated seasonal increase in demand, and the opportunity was taken of the higher levels of working hours to reduce the mills' balances of recoverable hours - accumulated under previous Agreement owing to various factors beyond the industry's control - and the arrangements proved notably successful. From a figure of approximately 6,500,000 of hours at the beginning of the July the accumulated balances were reduced to some 2,000,000 of hours by 25 December, from which date it was found necessary to terminate the absorption of these hours because of their uneven distribution throughout the industry.

* Indian Jute Mills Association. Report of the Committee for the Year ended 31st December 1954. 1955. pp. iv - xvii - 226.

During the year the Committee gave close consideration to the arrangements to be made on the expiry of the Third Principal Working Time Agreement on 11 December, and it unanimously concluded that it was in the best interests of the industry that a further agreement, in terms similar to that currently in force, should be entered into by the members of the Association for another period of five years from 12 December. The only alteration considered necessary was a provision for a minimum level of working hours of 45 per week, instead of 42 1/2 as prescribed under the existing agreement, as it was felt that this would be more in line with the prevailing and probable conditions. A new agreement along these lines was approved at a special meeting of the member associations held on 9 December 1954.

General labour situation.- The problems that arose during the year in connection with employer-employee relations followed the pattern of previous years. One encouraging feature was the further development of the joint negotiation method- both bipartite and tripartite - for the settlement of disputes and differences. The effectiveness of such negotiations was, however, nullified to a considerable extent by the existence of rival trade unions. Settlements were difficult to reach either because the efforts of a particular union to negotiate were belittled or hopes of better terms were held out by another union. Despite this, a number of settlements were arrived at and, where necessary, agreements signed. As bipartite agreements had not legal validity these had some times to be converted to tripartite agreements by seeking the intervention of the Labour Directorate.

A disquieting feature was that there was no guarantee of finality of a dispute even after it had satisfactorily passed the enquiry and negotiation stage before the Labour Directorate. There were a few instances when settled disputes were re-opened by way of reference to tribunals.

One of the important developments in the labour sphere during the year was the order of the West Bengal Government in April 1954 making an omnibus reference of certain issues including wage structure to an industrial tribunal. The reference was largely the result of the agitation by trade union leaders from time to time for the increase of working hours from 42 1/2 to 48 per week or payment of compensation for the loss of earnings due to the curtailment of working hours*.

* For the award of the Tribunal on this dispute, see pp. 22-23 of the report of this Office for October 1955.

Though the omnibus reference to the tribunal caused some satisfaction to the workers, the two successive decisions of the Association, first, to increase the working hours from 42 1/2 to 45 per week from 12 July and then from 45 to 48 from 18 October were more welcome as these resulted in an immediate increase in earnings.

As in previous years the problem of redundancy of labour caused either by change in the line of production or the introduction of modern machinery was largely overcome by the retirement of old workers, lay-off and transfer to alternative jobs.

Trade Unions.- Regarding the trade union set-up, there was little change in the situation as compared with the previous year. There was a clear line of demarcation between Communist and non-Communist unions. The attempts on the part of the Bengal Chatkal Mazdoor Union, the Central union of jute mill workers of the Communist Party, to bring together all jute workers' unions to put up a joint front against the mills did not meet with success. Efforts were also made to narrow down the difference between the non-Communist unions but though there has been much speculation about this, no official announcement has yet been made by the unions concerned. It would appear that the clash of personalities rather than any fundamental difference in principle is the chief reason for the continued existence of rival non-Communist Unions.

Strikes and Lock-outs.- The details of strikes and lock-outs in the jute industry and the consequent loss of man hours in the course of the last ten years are given below:-

Year	Number of Strikes and Lock-outs	Man Hours lost
1945	9	3,583,609
1946	67	34,249,696
1947	27	9,712,073
1948	57	9,704,583
1949	16	4,256,345
1950	18	3,299,548
1951	6	426,431
1952	22	1,114,175
1953	71	4,231,857
1954	15	2,551,496

During the year under review there was a substantial decline in the number of man-hours lost due to strikes as compared to the previous year. Of the 15 stoppages that occurred 11 were illegal, the workers having struck work during the pendency of the adjudication proceedings before the omnibus tribunal.

The majority of the stoppages were of short duration. Protests against the issue of warnings and charge-sheets for misconduct under the Standing Orders were responsible for six stoppages. Waste of yarn, short production, disorderly behaviour, intimidation and violation of the lawful orders of the management were the reasons for the issue of warnings and chargesheets.

Details of the references of industrial disputes to Tribunals and the appeals arising therefrom in 1954 are given below:-

	Total Number	No. of cases in which Awards were published in 1954.
Disputes pending at the end of 1953.	22	18
Fresh References in 1954.	18	5
		No. of Appeals disposed of in 1954.
Appeals pending at the end of 1953.	5	Nil
Appeals filed during 1954.	13	1

Works Committees.- During the year under review Works Committees functioned in all jute mills with the solitary exception of Gondalpara, where until recently the Indian labour laws were not applicable. In one mill a Works Committee was set up for the first time, as no such Committee could previously be constituted owing to the opposition of the workers.

The usefulness of this joint consultative machinery is being more and more appreciated by the workers and trade unions. When fresh elections were held in a number of mills on the expiry of the existing term of the Works Committee, greater interest was taken by the workers in the elections and many unions who had hitherto shown little or no interest in Works Committee elections took a very active part in the electioneering campaign. The election results revealed that whereas previously most of the members on the Committee had been elected on individual tickets, a large number were elected on union tickets in 1954.

Generally speaking, all matters affecting employer-employee relationship were discussed at the Works Committee meetings. Consultation on matters relating to punishment for misconduct, rates of wages, sick leave benefit, workload, distribution of working hours, welfare measures etc., figured prominently on the agenda. With past years of experience the workers' representatives showed greater signs of responsibility, although there were occasions when attempts were made to encroach upon the managerial functions. Many major troubles were averted, a number of strikes settled and numerous disputes resolved through discussions found the table with the Works Committee.

In the absence of any well organised unions representing all categories of workers of any mill, negotiations had often to be carried on with the workers' representatives on the Works Committee. Works Committee members in many cases acted as the spokesmen of the recalcitrant elements without having any adequate or effective hold over them, but in spite of this they represented to some extent the collective views of the workers and thus enabled the management to assess situations arising out of disputes.

Absenteeism due to sickness.- The following table shows the extent of absenteeism in mills due to sickness:-

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Number of persons absent due to sickness as percentages to total number of persons employed.	11.73	11.89	13.52	12.97	13.29	13.68	14.59	14.5	12.02	11.61	15.01	14.75
Average period of absence per sick persons(days).	5.10	5.00	4.82	4.93	4.79	4.72	4.80	4.71	4.65	6.11	6.33	6.01
Average period of per capita absenteeism of all workers employed(days).	0.80	0.60	0.65	0.64	0.64	0.65	0.70	0.68	0.56	0.71	0.95	0.89

LIST OF PRINCIPAL LAWS PROMULGATED DURING THE PERIOD COVERED BY THE REPORT FOR DECEMBER 1955.

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