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Contents.

Pages.

CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

11. Political Situation and Administrative Action:

- | | |
|--|-----|
| (a) President's Address to Parliament:
Planning Commission to be set up. | 1-4 |
| (b) The Adaptation of Laws Order, 1950. | 4 |
| (c) Mr. V.K.R. Menon appointed Labour
Secretary. | 4 |
| (d) Tenth Session of Indian Labour
Conference: Labour Relations Bill
to be considered. | 5 |
| (e) Bihar: Meeting of Labour Advisory
Board: Committee appointed to
examine Fixation of Minimum Wages. | 5-6 |
| (f) Bombay: Name of Labour Department
changed to Labour and Housing
Department. | 7 |
| (g) Ceylon: Mr. Banda appointed Labour
Minister. | 7 |

CHAPTER 3. PROFESSIONAL ORGANISATIONS.

31. Workers' Trade Union Movements:

- | | |
|---|-------|
| (a) The Trade Unions Bill, 1950:
Proportion of Outsiders holding
Office in Trade Unions reduced. | 8-10 |
| (b) Comparative Membership of Trade Union
Organisations: Labour Minister's
statement in Parliament. | 11 |
| (c) Meeting of Executive Committee of
I.N.T.U.C.: Proposal to form
Planning Commission welcomed. | 11-12 |
| (d) Indian National Railway Workers
Federation: Recognition granted by
Railway Authorities. | 12 |
| (e) Meeting of General Council of All-
India Railwaymen's Federation,
Lucknow, 1 and 2 February 1950. | 13-15 |

<u>Contents.</u>	<u>Pages.</u>
CHAPTER 4. <u>ECONOMIC QUESTIONS.</u>	
41. <u>Industrial and Mining Production:</u>	
Sound Development of Air Transport Inquiry: Enquiry Committee set up.	16-17
43. <u>Foreign Trade and Exchanges:</u>	
Meeting of Export Advisory Council, New Delhi, 11 February 1950: Commerce Minister reviews Trade Position.	18-22
44. <u>Prices and Cost of Living:</u>	
Revision of Textile Prices: Export Ceiling fixed at 800 Million Yards.	23-24
45. <u>Economic Development and Control:</u>	
(a) Congress Working Committee appoints Planning Sub-Committee: Priorities for next 12 months to be devised.	25
(b) Madras: The Madras Electricity Supply Undertakings (Acquisition) Act, 1949: Supply of Electricity Nationalised.	26
46. <u>Wages:</u>	
(a) Workers in Nellore Mica Mines to receive increased Wages: Agreement concluded.	27
(b) 115 Rupees Maximum Basic Wage for Kolar Gold Field Workers: Committee's Recommendation.	28
(c) Madhya Pradesh: Bonus for Textile Workers for 1948-49: Industrial Tribunal's Award.	28
48. <u>Public Finance:</u>	
(a) Union Budget for 1950-1951: Planning Commission set up: Tax Relief for Industry: Business Profits Tax and Limitation on Dividends abolished: Protection to Sugar Withdrawn.	29-47
(b) Railway Budget for 1950-1951: Marked Progress of Indian Railways.	48-53
(c) Allocation of Provinces' Shares of Income-Tax and Export Duty on Jute: Sir Chintaman Deshmukh's Award.	54

Contents.

Pages.

CHAPTER 5. WORKING CONDITIONS.

56. Labour Administration:
- (a) Inspection of Mines in Indian Dominion: Report of the Chief Inspector of Mines for 1947. 55-66
 - (b) Bombay: Working of the Factories Act, 1934 during 1948. 67-70
59. General:
- (a) Improvement in Service Conditions of Railway Workers: Big Benefits in Pay Scales. 71-72
 - (b) Madhya Pradesh: The Factories Act, 1948, and the Mica Mines Labour Welfare Fund Act, 1945, extended to Partially Excluded Areas. 72

CHAPTER 6. GENERAL RIGHTS OF WORKERS.

64. Wage Protection:
- Madras: Claims Authorities appointed under Payment of Wages Act, 1936. 73
66. Strike and Lockout Rights:
- (a) Decline in Industrial Disputes during December 1949. 74-75
 - (b) U.P.: Sugar Industry declared Public Utility Service under Industrial Disputes Act, 1947. 75
67. Conciliation and Arbitration:
- (a) The Labour Relations Bill, 1950: Procedure for Collective Bargaining Defined: Central Appellate Tribunal set up. 76-84
 - (b) Industrial Tribunal orders Reinstatement of 40 Lloyds Bank Employees: Bank's attitude to Employees participating in illegal strike considered Provocative. 85-86
 - (c) Bihar: The Industrial Disputes (Banking and Insurance Companies) Act, 1949, applied to Chota Nagpur Division and Santal Parganas District. 86
 - (d) Punjab: The Industrial Disputes (East Punjab) Rules, 1949. 87

<u>Contents.</u>	<u>Pages.</u>
<u>CHAPTER 7. EMPLOYMENT AND UNEMPLOYMENT.</u>	
71. <u>Organisation of the Labour Market:</u>	
(a) India: ^H Employment Exchanges: Working during December 1949.	88-93
73. <u>Migration and Colonisation:</u>	
(a) Indian Labour in Malaya: Steps to safeguard Interests.	94-95
(b) Conditions of Indians in South Africa: Round Table Talks to be held.	96
(c) Indian Labour in Fiji: Emigration not being continued.	96
<u>CHAPTER 8. SOCIAL SECURITY.</u>	
87. <u>Public Health:</u>	
West Bengal: The Bengal Mining Settlement (West Bengal Amendment) Bill, 1950: Mines Boards of Health to provide Medical Relief.	97
<u>CHAPTER 9. LIVING STANDARDS.</u>	
93. <u>Co-operation:</u>	
Assam: The Assam Cooperative Societies Act, 1950 (No. I of 1950).	98
<u>CHAPTER 11. PROBLEMS PECULIAR TO CERTAIN OCCUPATIONS OR CATEGORIES OF OCCUPATIONS.</u>	
111. <u>Agriculture:</u>	
(a) Standard of Living of Agricultural Labour: Sample Survey shows Deficit in Average Family's Budget.	99-100
(b) Co-operative Farming Scheme for U.P.: Experiment to be launched in Eight Districts.	101

<u>Contents.</u>	<u>Pages.</u>
113. <u>Navigation:</u>	
Dock Workers Advisory Committee set up.	102
117. <u>Shopworkers:</u>	
Madhya Pradesh: C.P. Shops and Establishments Act, 1947, extended to 6 Municipalities.	103
<u>LIST OF THE MORE IMPORTANT PUBLICATIONS RECEIVED</u>	
<u>IN THE NEW DELHI OFFICE DURING FEBRUARY, 1950.</u>	104-105

CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - FEBRUARY 1950.

11. Political Situation and Administrative Action.

President's Address to Parliament: Planning Commission to be set up.

A call to the nation for courage, co-operation and hard work was given by Dr. Rajendra Prasad, President of India, in his address to Parliament on 31 January 1950. Dr. Prasad emphasised that it was the firm policy of the Indian Government to maintain peace and friendship with all the nations of the world and to help in every possible way in the maintenance of world peace. The main features of the President's address are noted below:

Integration of Indian States.- Dr. Prasad referred to the integration of over 500 Indian States and said that the process was now practically complete. Their number had been reduced to sixteen units. The federal functions of the Unions and States would be taken over by the Central Government with effect from 1 April 1950. The Government proposed to bring forward a Bill during the current session which would bring about legislative uniformity, in so far as the Central laws were concerned, between the States and the rest of India.

Economic situation: Planning Commission to be set up.- Referring to the economic situation in the country, Dr. Prasad said that the situation had been a matter of grave concern to the Government. Suffering from many generations of colonial rule, India had to face the heavy burdens of the world war. Her economy was badly shaken, there was shortage of essential materials and inflation. It was the primary objective of the Government to raise the standard of living of the people. Owing to the great difficulties which had followed from partition and which had cast a heavy burden on the finances at the disposal of the Government, the progress it had hoped for had not been made. The burden of defence expenditure had been great, as also expenditure on the relief and rehabilitation of millions of displaced persons. The deficit in food had compelled Government to import large quantities of foodstuffs at a heavy cost to the country. The Government had aimed at stopping inflation and bringing about gradually a lowering of prices. All these additional

burdens and certain upsets which had taken place from time to time in the economy, had delayed the progress in many important aspects of nation-building, among them being education and health, to which the Government attached great importance. ~~The~~ Government regretted this delay greatly. It was essential, however, that in the difficult circumstances which the country had to face, every kind of economy should be practised, so that a sound foundation might be laid for future progress. There had been some definite progress in economy of expenditure.

Dr. Prasad mentioned that the Indian railways, which had suffered grievously during the war and immediately after the partition of the country, had recently registered a welcome improvement in many directions. With the integration of the railways of Indian States and Unions of States with the Indian Government railways from 1 April 1950, there would be practically one entirely nationalised railway system operating throughout India.

Dr. Prasad also announced the Government's intention to establish a Planning Commission so that the best use could be made of existing resources for the development of the nation. Such planning would need the fullest help from statistical information. It was proposed therefore to establish a Central Statistical Organisation. The Government was considering the reorganization of the machinery of Government in order to make it more efficient and to avoid waste.

Food problems.- Dr. Prasad stated that food had been a heavy item in the national expenditure and a great deal of thought and effort had been devoted to solving this problem. The Government had declared its intention to make good the deficiency in food by the end of 1951. At the same time it was necessary to ensure adequate production of cotton and jute, which were essential industrial raw materials in short supply. He was glad to say that definite progress was being made in regard to food production and the Government was proceeding with both short-term and long-term schemes for adding to it. Among the major schemes before the country were certain river valley projects. Three of these, viz., the Damodar Valley, the Bhakra Dam and Hirakud were under construction at present. The Government attached great importance to these from the point of view of irrigation and food and hydro-electric power.

7

Dr. Prasad also referred to the considerable progress made in the field of scientific research and said that it was ultimately on science and the applications of science that all progress depended. Recently two great national research laboratories had been started. One of these were the National Chemical Laboratory at Poona and the other the National Physical Laboratory in Delhi. Both were magnificent research institutions. It was proposed to have nine more national research laboratories, of which five would be working this year, in addition to the two mentioned above. These laboratories would not only carry out research work of all kinds but would also be feeders to industry and would thus help in industrialization.

Welfare of labour.- On the question of labour, Dr. Prasad emphasised that the well-being of the country depended very largely on the welfare of labour, both urban and agricultural. In the course of the last two years the Factories Act and the Minimum Wages Act had been enacted and a beginning had been made with schemes of social security by enacting the Employees' State Insurance Act of 1948 and the Coal Mines Provident Fund and Bonus Schemes Act, 1948. The Government would shortly bring before Parliament two comprehensive Bills dealing with labour relations and trade unions. An all-India agricultural labour inquiry was at present in progress and, when it was completed, it would assist the Government in devising measures for improving the lot of those who were engaged in agricultural production.

Rehabilitation of refugees.- As regards evacuees from Pakistan, Dr. Prasad said that the question of their rehabilitation was of great importance not only for them but also for the country. The Government had devoted its earnest attention to it and achieved a measure of success, and a large number of people had been settled and rehabilitated. But it was also true that a large number still remained to be settled and had suffered great hardships. The Government was determined to proceed with the rehabilitation of these displaced persons as quickly as possible.

Legislative measures.- Among other legislative measures which the President said the Government intended to bring before Parliament this session were the following: A Bill to amend the Indian Income-tax Act in the light of the recommendations made by the Income-Tax Investigation Committee, a Bill to extend the duration of the Import and Export Control Act, a Bill to give protection to certain industries, a Bill to provide for the conservation of India's coal resources and the regulation of the coal mining

4

industry, and a Bill to provide for the proper regulation and development of inter-State rivers and river valleys.

(The Statesman, 1-2-1950).

The Adaptation of Laws Order, 1950.

The Government of India gazetted on 26 January 1950, the Adaptation of Laws Order, 1950. The Order seeks to make certain adaptations of various Central and State Acts, Ordinances and Regulations, both of a general character and of particular application mentioned in a schedule. The adaptations are of a formal nature, such as substitution of the words "President" for "Governor-General", "Parliament" for "Central Legislature" and new names of States instead of the names of the provinces. Some of the earlier enactments have also been repealed. Suitable adaptations have been made to all the labour enactments in force in India.

(The Gazette of India, Extraordinary, dated 26 January 1950, pages 449-610).

Mr. V.K.R. Menon appointed Labour Secretary.

Consequent on the appointment of Mr. S. Lall as an Assistant Secretary-General of the U.N., Mr. V.K.R. Menon, I.C.S., Secretary, Ministry of Communications, has assumed charge as Secretary of the Ministry of Labour.

(The Hindustan Times, 13-2-1950).

5

Tenth Session of Indian Labour Conference:
Labour Relations Bill to be considered.

The Government of India has convened the tenth session of the Indian Labour Conference in New Delhi on 20 and 21 March 1950, to consider the Labour Relations Bill and the Trade Unions Bill.

The conference is a tripartite body consisting of 44 members - 22 representing Central, provincial and States Governments and 11 each representing employers and workers. Its functions are "to advise the Government of India on any matters referred to it for advice, taking into account suggestions made by provincial Governments, States and representative organisations of workers and employers recognized for the purpose of the conference".

(The Statesman, 14-2-1950).

Bihar: Meeting of Labour Advisory Board:
Committee appointed to examine Fixation of
Minimum Wages.

A meeting of the Bihar Labour Advisory Board was held at Patna on 11 February 1950. Dr. Anugrah Narain Sinha, Labour Minister, presided.

Dr. Sinha's address.- Dr. Sinha, in his address, expressed concern over the problem of housing and regretted that in the altered circumstances of the present times the assurances previously given by the Government of India had proved to be elusive. He, however, promised that the State Government would subsidize the Housing Scheme but it could not go far enough. Therefore, it was for the employers to take up the work for housing their labour on their own, for the responsibility in the matter was theirs. Dr. Sinha pointed out, that since conditions obtaining in the various industrial areas in the province were not alike, different types of houses would be required to suit different conditions. He stressed that a scheme on the subject should be prepared and the different industries should start the work of construction with a definite target date. He suggested that instead of crowding all the labourers near the factory, incentive should be offered to the local labour to develop their own houses and their efforts in this direction might be subsidised.

6

Decisions.- The Board decided that the State Government should approach the Central Government for securing a housing loan. The problem of housing should be examined by a special officer who should prepare his scheme on the subject within two months and the scheme so prepared should be examined by the Board's sub-committee on industrial housing. The sub-committee should communicate its recommendations to ~~the~~ the State Government within two months of the receipt of the scheme from the special officer. It was further resolved that the employers should endeavour to pursue vigorously their building programme wherever possible and the Government should assist in securing building materials.

Works Committee.- On the question of Works Committees, the Board accepted a proposal of the labour representative that where a union commanded the membership of 51 percent or more workers it would be entitled to nominate the workers' representatives to the Works Committees and where the membership of a recognised union was 50 per cent or less, the workers representative would be elected by secret ballot.

Unit production committees.- As regards formation of unit production committees, it was agreed that in order to have duly qualified workers on the production committees, the representatives of labour should be nominated by the unions.

Fixation of minimum wages.- The Board appointed a committee of five members to examine the question of minimum wages and to recommend practical measures for fixing the minimum wages of the workers of all categories in the near future. The committee will consist of two labour representatives, two employers' representatives, and the Labour Commissioner.

(Mazdur Avaz, 19-2-1950).

7

Bombay: Name of Labour Department changed
to Labour and Housing Department.

f The Government of Bombay has directed that its Labour Department should be designated as "Labour and Housing Department". This change has been made in accordance with the recommendations of its Administrative Enquiry Committee.

(The Bombay Government Gazette, Part I,
dated 9 February 1950, page 858).

Ceylon: Mr. Banda appointed Labour Minister.

On the appointment of Mr. T.B. Jayah as Ceylon's High Commissioner in Pakistan, Mr. M.D. Banda, Parliamentary Secretary, has been appointed Minister of Labour and Social Services, Government of Ceylon.

(The Times of Ceylon, dated
17-2-1950).

CHAPTER 3. PROFESSIONAL ORGANISATIONS.

INDIA - FEBRUARY 1950.

31. Workers' Trade Union Movements.

The Trade Unions Bill, 1950: Proportion of Outsiders holding Office in Trade Unions reduced.

Mr. Jagjiwan Ram, Minister for Labour, Government of India, introduced in the Parliament on 23 February 1950, the Trade Unions Bill, 1950, providing for the registration and recognition of trade unions and in certain respects to define the law relating to registered and recognised trade unions and to certain unfair practices by employers and recognised trade unions. The Bill which is ~~intended~~ intended to replace the existing Trade Unions Act of 1926 is primarily a consolidating measure but there are a few new provisions, which among others, (a) reducing the proportion of outsiders holding office in the trade unions, (b) enlarging the conditions for registrations of trade unions, and (c) imposing certain restrictions on trade unions of civil servants and Government employees. The Bill defines civil servants to mean a person who is a member of a civil service of the Union or an all-India service or a civil service of a State or holds any civil post under the Union or a State, but does not include a person who is paid from contingencies or is employed as a non-gazetted servant or as a gazetted servant drawing a basic pay (excluding allowances) of not more than two hundred rupees per mensem, in certain establishments owned or managed by or under the Central Government or a State Government. Such establishments ~~including~~ includes railways, ports, telegraphs, telephones, mints, printing presses, ordnance factories, work-charged staff of public works, irrigation and electric power systems, plantations, and certain categories of mines and factories. A Government ^{employee} is defined to mean a person who holds any civil post in connection with the affairs of the Union or a State. The provisions of the Bill differ from existing legislation mainly in the following respects:-

Scope.- The Bill extends to the whole of India except the State of Jammu and Kashmir. It does not apply to members of the Armed Forces or the police forces.

Registration of trade unions.- The conditions which entitle a trade union to registration have been enlarged. The rules of a trade union should hereafter provide, among ~~other~~ others, for: (a) the rate of subscription payable by members, which shall not be less than two annas per month, except in the case of those employed in agriculture, cottage industries in rural areas, conservancy service or such sweated industries as may be notified by the appropriate Government, where a lower rate of subscription per annum may be prescribed; (b) the circumstances (including default in payment of subscription for a specified period) in which the name of a member shall be removed from the list of members; (c) the procedure for taking disciplinary action against members who go on strike without the sanction of the executive, or the majority of the members of the trade union, or who otherwise violate the rules of the trade union; (d) the procedure for taking disciplinary action against officers who contravene the provisions of the Act or of the rules of the trade union; and (e) where the trade union consists, whether wholly or partly, of civil servants, the prohibition of its members from participating directly or indirectly in any form of political activity, and removal of the name of any member who takes part in any form of political activity from the list of its members.

The circumstances under which the registration of a trade union is liable to be cancelled have also been enlarged. The registration of a trade union is liable to be cancelled if it has wilfully and after notice from the Registrar, contravened any provisions of the Act or of its own rules or failed to comply with a binding award, order or agreement. The registration of a trade union wholly or partly of civil servants is liable to be cancelled if it has reformed or failed to expel any member who has taken part in any political activity.

Government servants prohibited from contributing to political funds.- The Bill provides that where a trade union consists wholly of Government employees no separate fund for political purposes shall be set up. Where a union consists partly of Government employees and partly of other employees, no contributions to political funds shall be levied from the Government employees.

Proportion of outsiders in a trade union reduced.- The proportion of outsiders who can become officers of a registered trade union has been reduced from one-half under the existing Act to four or one-fourth, whichever is less. In the case of trade unions consisting wholly or partly of civil servants, no outsider can become an officer of the executive.

Conditions for recognition.- The conditions for recognition of a registered trade union have been enlarged in the case of trade unions of civil servants and certain other categories. In view of the importance of civil servants to the country it is considered that they should not be exposed to the temptation of resorting to methods which are available to industrial labour in every country. With this object in view, the Bill provides that a trade union of civil servants will not be entitled to compulsory recognition by the appropriate Government if it does not consist wholly of civil servants or if it is affiliated to a federation, to which trade union of persons other than civil servants are also affiliated. Similarly, a trade union of employees of hospitals or educational institutions will not be entitled to compulsory recognition by order of a Labour Court if it does not consist wholly of employees of hospitals or educational institutions as the case may be. The same restriction to the association with other categories of employees applies to supervisors and the watch and ward staff.

More representative union to be recognised.- It is further provided that if more than one registered trade union apply for recognition the trade union having the largest membership shall be given preference for the purpose of recognition.

Unfair practices.- The Bill proposes to exclude recognised trade unions of civil servants from the provisions relating to unfair practices by trade unions and employers.

Settlement of election disputes in trade unions.- Provision has also been made for the settlement of disputes relating to the election of members of the executive or of other officers of a trade union by Labour Courts. ~~The~~ Where an election of the members of the executive or other officers of a trade union is held in contravention of the prescribed regulations or the rules of that trade union, the Registrar or any member of that trade union may file an application to the Labour Court for setting aside such election on the ground that there has been a contravention of such regulations or rules or that there has been an irregularity in connection with that election. The Labour Court may, if it finds that such a contravention has been made, set aside the election and order a fresh election or direct another person to have been duly elected.

(Text of the Trade Union Bill, 1950, as introduced in Parliament, received in this Office).

11

Comparative Membership of Trade Union
Organisations: Labour Minister's
statement in Parliament.

On 22 February 1950, Mr. Jagjivan Ram, Minister of Labour, answering a question by Mr. V.C. Kesava Rao in Parliament, said that the comparative strength of the Indian National Trade Union Congress, the Hind Mazdoor Sabha and the All-India Trade Union Congress, as claimed by them in June 1949 was: Indian National Trade Union Congress 853 unions with a membership of 1,199,629; Hind Mazdoor Sabha 413 unions with 646,921 members and All-India Trade Union Congress 744 unions with 527,662 members. These figures had not been verified by the Government.

Mr. Jagjivan Ram added that the Government of India had on every occasion been inviting all the three organisations to furnish, if possible, joint lists of delegations to international conferences. As, however, no organisation had found it possible to agree with the other organisations in this respect, the Government had always to accept the nomination of the most representative of the three organisations.

(The Hindustan Times, 23-2-1950).

Meeting of Executive Committee of I.N.T.U.C.:
Proposal to Form Planning Commission welcomed.

A meeting of the Working Committee of the Indian National Trade Union Congress was held at Delhi on 25 and 26 February 1950.

The ^{Committee} expressed concern over the "static state of affairs in the economic field" which, for the present, held no hope of rapid recovery.

A resolution passed by the Committee said the Government had failed to bring down prices even by 10 per cent and the employment position had deteriorated due to retrenchment and closing of business. The situation could not be met in a satisfactory manner unless the entire industrial organisation was thoroughly examined and overhauled. The Committee, therefore, recommended the appointment of a commission to investigate into the affairs of industries of national importance. The Committee also urged the Government to stop all retrenchment pending inquiry by the proposed commission.

12

By another resolution, the Committee welcomed the decision to appoint a national planning commission. It was hoped that planning would aim at "progressive elimination of social and economic exploitation and inequality, the profit motive in the economic activity and the anti-social concentration of power in any form". It was suggested that the commission should be composed of persons with broad social outlook and it should be so related in the Government machinery as to retain an independent status and also to exercise effective influence on the economic policies of the Government.

It was decided to form a sub-committee to study and formulate proposals with regard to pending labour legislation. The Committee further decided to grant affiliation to 103 new unions with a total membership of nearly 72,000. It also passed a resolution cancelling the affiliation of the Sooti Mill Mazdoor Union of Kanpur and a union of tea plantation labour in Assam. The resolution said that the Sooti Mill Mazdoor Union had conducted its work in an irregular manner, no membership registers being maintained and permission not having been obtained on several occasions before giving a strike notice.

(The Statesman, 26 and 27-2-1950).

Indian National Railway Workers Federation:
Recognition granted by Railway Authorities.

According to Mr. G. Mapara, General Secretary of the Indian National Railway Workers Federation, an affiliate of the Indian National Trade Union Congress, the Railway Administration has accorded recognition to the Federation and all privileges and concessions following such recognition have been extended to its office-bearers and members. Mr. Mapara states that the Federation has a total membership of 145,000.

(The Worker, January, 1950).

Meeting of General Council of All-India
Railwaymen's Federation, Lucknow, 1 and 2
February 1950.

A meeting of the General Council of the All India Railwaymen's Federation was held at Lucknow on 1 and 2 February 1950. Mr. Jayaprakash Narain, President of the Federation, presided. The Committee decided to withdraw its membership from the Joint Railway Advisory Committee of all outstanding issues before that body are not settled by 31 May 1950. By another resolution the Committee criticized the Railway Ministry for recognizing the Indian National Railway Workers' Federation. The following is a brief summary of the meeting:-

Mr. Jayaprakash Narain's address: Working of Joint Advisory Committee criticised.- Mr. Jayaprakash Narain, addressing the Council, said that at their last meeting the Federation had decided to postpone a general strike in view of the assurances given by the Railway Minister (vide pages 15-17 of the report of this Office for February 1949). The past year had been one of hopes and expectations and prolonged negotiations. The main part of the negotiations had been carried through the machinery of the Joint Advisory Committee which was constituted in May last (vide pages 1-2 of the report of this Office for May 1949). Although the results achieved have not been inconsiderable, Mr. Narain said that it has to be noted that, in the first place the Joint Advisory Committee functions inexcusably slowly and, secondly, even the recommendations of the Committee are not acted upon quickly enough by the Government. He emphasised the urgency of the ~~situation~~ situation and the need to act with despatch and expedition. He suggested that the Committee should give up the practice of working intermittently and should be asked to complete its work by 31 May 1950.

Mr. Narain criticised the Railway Ministry for having granted recognition to the rival organisation of railway workers sponsored by the Indian National Trade Union Congress. He said that at the last meeting of the Federation with the Railway Ministry the question of recognition of the new organisation had been raised. The Federation had been assured that the whole question was under consideration in connection with the comprehensive labour legislation that was being drafted by the Labour Ministry. The Federation had hoped, therefore, that till the new ~~new~~ Labour Relations Bill was enacted the status quo would continue. It was surprising, therefore,

that recognition had now been granted. Mr. Narain stated that the All India Railwaymen's Federation had for the last 25 years been the sole representative of railwaymen in India and alleged that the new organisation had been set up with no other purpose than to disrupt the unity of railway workers.

Resolutions.- The meeting passed 13 resolutions on various subjects concerning railway workers. These, among others, related to:

(a) New Labour enactments.- The resolution on this subject pointed out that there was considerable apprehension about the proposed Labour Relations Bill, which affected the future growth of the trade union movement. To enable Railway workers to define their attitude, it suggested that an early meeting of the Working Committee should be convened to formulate the views of the Federation.

(b) Joint Railway Advisory Committee.- The Council regretted that the Joint Advisory Committee was functioning in a manner not calculated to reach decisions expeditiously and completely on important references made to it, and deplored the delays caused by the Government in announcing and giving effect to the recommendations of the Committee. It resolved that action should be taken by the Federation to impress upon the Government the imperative necessity of completing the settlement of the outstanding issues before the Committee by 31 May 1950, failing which the representatives of the All India Railwaymen's Federation in the Joint Advisory Committee would withdraw.

(c) Recognition of rival Federation.- By this resolution the Council strongly condemned the Ministry of the Railways for according recognition to the Indian National Trade Union Congress "Railway Workers' Federation" and considered this as a breach of understanding with the Federation and a hostile action calculated to disrupt the solidarity of the Railwaymen. It decided to observe 28 February as a protest day.

(d) Nationalisation of Light Railways.- The Council reiterated one of its ~~previous~~ previous resolutions regarding nationalisation of all company-managed railways and urged the Government to take necessary steps to finalise the matter.

(e) Dearness allowance.- The Council noted that the Government had failed to keep up the assurance of bringing down the prices of commodities within six months from January 1949 or alternatively to revise the rate of dearness allowance. It reiterated its ~~own~~ demand that the present rate of dearness allowance be revised according to the recommendations of the Central Pay Commission with retrospective effect.

(f) Other resolutions.- By other resolutions the Council demanded the immediate release and reinstatement of railwaymen in detention, protested against "attempts to retrench staff contrary to previous assurances"; expressed resentment against the Government's non-acceptance of the Federation's demand for adequate weightage for service in the fixation of ~~the~~ pay, and condemned what was described as the Government's "failure" to respond to the spirit of compromise shown by labour representatives on the Joint Advisory Committee.

("Railwayman", February 1950).

16

CHAPTER 4. ECONOMIC QUESTIONS.

INDIA - FEBRUARY 1950.

41. Industrial and Mining Production.

Sound Development of Air Transport Industry: Enquiry Committee set up.

With a view to place the operation of air services on firm economic footing and to ensure its future development on sound and healthy lines, the Government of India has set up a Committee consisting of 4 members with Mr. Justice Rajadhyaksha, Judge of the Bombay High Court as chairman and Mr. K.V. Venkatachalam, Deputy Secretary, Ministry of Communications as Secretary, to review the present state of the industry and advise the Government on the lines on which future development might be organised. Representatives of the Director General of Civil Aviation and the Indian Air Force will be attached to the Committee as advisers. Efforts are also being made to obtain the services of a foreign expert with wide experience of technical, financial and traffic organisation in air transport, as a third Adviser to the committee.

Terms of reference.- The Committee will enquire into and make recommendations on the following matters:- (a) the present state of the air transport industry in India in regard to both internal and external services; (b) the shortcomings, if any, in the organisation and management of the industry as a whole or in regard to any individual company or companies; (c) the major difficulties and defects in the industry as at present constituted; (d) the manner in which Indian air services, internal and external, could best be operated with the maximum economy, having due regard to all relevant factors, including passenger fares and freight and mail rates, during the 5 years ~~1950-54~~ 1950-54, providing also for adequate development of the air services and, for such purpose, the reasonable needs of the industry of assistance from the State and the manner and extent of such assistance and cost thereof to the State, regulation of the industry and control over its management by the State, and any necessary

17

re-organisation of the industry; and (e) the desirability, practicability and economic consequences of the operation of air services under State ownership and management, either direct or through a corporate body, and the cost of acquisition of such ownership.

(The Gazette of India, Part I, Section 1; dated 11 February 1950, pages 213-214).

43. Foreign Trade and Exchanges.

India - February 1950.

Meeting of Export Advisory Council, New Delhi,
11 February 1950: Commerce Minister reviews
Trade Position.

A meeting of the Export Advisory Council was held at New Delhi on 11 February 1950. Addressing the meeting, Mr. K.C. Neogy, Commerce Minister, expressed satisfaction at India's balance of trade position during 1949 and stated that the Government was determined to reduce the gap between imports and exports, not by curtailing imports but by stimulating exports. He said that India's adverse trade balance should not exceed the sterling balances releases, namely, £50 million. On the question of Indo-Pakistan trade, Mr. Neogy said that India had to find alternative markets for the goods which used to be exported to Pakistan and in this respect India could be able to export these commodities.

After Mr. Neogy's address, the Council discussed matters relating to administration and liberalization of export control, effects of devaluation on export trade, facilities for re-export and Indo-Pakistan trade.

It is understood that there was general approval of the policy of relaxation of control that the Government had progressively followed. The export control organization, it was felt, was proving increasingly helpful to the trade besides assisting in the development of exports. Some members pointed out that, though exports had shown an improved trend in the past two or three months, more time would have to elapse before the effects of devaluation could be accurately assessed. Improvement would call for higher volume of exports and higher dollar earnings.

Facilities for the import of articles for re-export purposes were discussed. It was urged that definite safeguards would have to be adopted in order to ensure that commodities specifically imported for re-export purposes were not consumed in the country. The Council noted the present position regarding Indo-Pakistan trade.

The Council also discussed export trade in certain important commodities.

for the first 11 months]

Fall in exports during 1949.- According to a statement prepared for the meeting, India's exports in 1949 were valued at 3775.3 million rupees as against 4153.0 million rupees in 1948. ~~Compared to 1948, the export trade in 1949 recorded a decline in respect of both soft and hard currency areas, the drops for the respective areas were 159.4 million rupees and 220.3 million rupees.~~ The total value of exports ~~in 1949~~ ^{for the period} (with 1948 figures in brackets) was 2747.0 million rupees (2906.4 million rupees) for soft currency countries and 1026.3 million rupees (1246.6 million rupees) for hard currency areas, the proportion of trade between the two areas being nearly 73 to 27.

With the total at 274.3 million rupees the value of exports to hard currency areas in the last quarter of 1949, which began almost after devaluation of the rupee, registered an increase of 61.2 million rupees over the figure for the previous quarter. This, however, was more than offset by the drop in the exports to soft currency countries which amounted to 168.7 million rupees compared to the third quarter. Raw jute and jute manufactures are among the items which recorded drops in 1949 compared to 1948, the figures for the two years were 1328.6 million rupees and 1767.3 million rupees, respectively. The decrease in respect of hard currency areas was more marked than that for soft currency countries, the respective figures being 289.4 million rupees and 87.8 million rupees. The decline is attributable to increased use of substitutes for jute and jute goods abroad and to the shortage of supply from India.

The following are some of the commodities which recorded increased in exports: manganese ore (15.2 million rupees), tea (143.1 million rupees), and cotton piecegoods (3.6 million rupees).

The total number of items placed on an Open General Licence for exports during 1949 was 56, over 50 being included since 1 June 1949. The liberalization followed the recommendation of the Export Promotion Committee (vide pages 27-28 of the report of this Office for November 1949). Simplification of the export trade control was achieved also by centralizing as far as possible the responsibility for export licensing under the Ministry of Commerce for instance, by including items under the control of the Ministry of Food, and the Ministry of Industry and Supply.

quotas and curtailing internal consumption. Fresh quotas would be related to current production so that each country to which a quota is given would be able to obtain supplies upto that level without much trouble.

As regards other commodities, Mr. Neogy, mentioned cotton piecegoods which had a very good contribution to India's foreign exchange position in recent months. The improvement began with the removal of the export duty on cotton textiles. This was very encouraging particularly as Pakistan, which used to consume very large quantities of Indian textiles in the past had virtually been out of the market. Trade in oils and oilseeds had also showed signs of revival and improvements.

Referring to the present deadlock in Indo-Pakistan trade, Mr. Neogy said that if it was not resolved in a manner acceptable to both Governments, India would have to find alternative markets for the goods she used to export to Pakistan. India was in this respect somewhat fortunately placed. Important and valuable though the Pakistan market ~~was~~, she could and ought to be able to export these commodities to other countries ~~to the extent that other countries~~ to the extent that Pakistan ceased to be a buyer. In respect of cotton piecegoods this change had very largely been accomplished already. India's other principal exports to Pakistan consisted of oils and oilseeds, salt, coal, iron and steel and a number of other items. There ought not be any difficulty in finding a market for most of these in other countries. Moreover, some of the supplies to Pakistan like iron and steel, consisted of items of which India was herself short. The stoppage of these exports to Pakistan would only mean a reduction in the imports of these items.

Referring to the salient features of the export trade, Mr. Neogy said that the total value of exports ~~was~~ during 1949 was 4280 million rupees, exclusive of Pakistan, as against 4190 million rupees in 1948. What ~~was~~ even more satisfying perhaps was the fact that the year 1949 was a record year both in terms of quantity and in terms of value for the export of a number of commodities, namely tea, tobacco, cotton waste, black pepper and spices in general. Not only were their exports higher than in the preceding year but they also exceeded the pre-war level. In addition, hides and skins, both raw and tanned, and manganese ore recorded an increase over 1949, although the exports were below the pre-war level. Of the commodities which showed a decline compared with 1948 was raw jute and raw cotton for obvious reasons, oils and oilseeds largely due to higher prices, and shellac because of high prices and low production. The steady decline in the export

of lac and shellac which had taken place over a number of years was a matter for some concern, and efforts to increase production and prevent a rise in prices would have to be intensified if shellac is to regain ^{the} ground lost to synthetic substitutes.

was satisfactory

Concluding, Mr. Neogy said that on the whole, the showing of the ~~export trade~~ export trade during the previous year ^{was satisfactory} The Government was determined to see that the balance of payments position was not upset by a gap between imports and exports which was larger than what it could finance out of the sterling balance releases. To the extent that it could develop exports, this balance could ~~be maintained~~ be maintained without restricting imports to an extent which would damage India's economy. It was, therefore, necessary to develop the country's export trade.

(The Statesman, 10-2-1950;
The Hindustan Times, 12-2-1950).

23

44. Prices and Cost of Living.

India - February 1950.

Revision of Textile Prices: Export Ceiling
fixed at 800 Million Yards.

In accordance with the system of periodical revision recommended by the Tariff Board, the Government of India has decided to revise the price of cotton textiles from 1 February 1950. The basis of cotton textile prices will be the statutory ceiling prices of different varieties of Indian cotton of this year's ~~exported~~ crop and the actual prices of imported cotton. Simultaneously with the revision of the ex-mill prices, the excise duty on fine cloth will be reduced from ~~fixed~~ 6 1/4 per cent to 5 per cent and that on superfine cloth from 25 per cent to 20 per cent, so that there will actually be a slight reduction in the price of cloth.

A 4 per cent cut was imposed on the ex-mill price of cotton textiles in pursuance of the Government's general policy of bringing down the prices of essential commodities. This cut will be maintained.

The Government of India has already allocated foreign exchange for the import of 1 million bales of cotton during the first half of 1950. It hopes to be able to provide further foreign exchange for the import of additional quantities of cotton during the second half. The Government expects that with the Indian cotton available this year and the imported cotton, mills will be able to produce sufficient cloth and yarn for internal consumption and export. To stimulate export of fine and superfine cotton textiles, it has been decided to allow a refund of the import duty on cotton at the rate of 2 annas per ^{hundred} lb on the weight of fine and superfine textiles actually exported.

The present ceiling on price which may be charged from overseas buyers for cloth and yarn exported from India will be removed, but the ceiling on price which a mill may charge from an Indian exporter will remain. A ceiling of 800 million yards has been fixed for the export of cloth from India during the period September, 1949 to August, 1950. The effect of exports on internal availability of cloth will be kept under close examination and steps will be taken, if necessary, to prevent any serious internal shortage of popular varieties of cloth without interfering with firm commitments for exports.

24

To maintain sufficient supplies of yarn of counts 1 to 29 for the handloom industry, it has been decided to so regulate the export of such yarn that monthly exports (except to hard currency areas) do not exceed one-third of production. Existing firm commitments will not be interfered with. To assist the handloom industry, it has been decided, as an experimental measure, to reserve for it certain limited fields of production. Such reservation will be of assistance to the handloom industry, without having any adverse effect on mills and weaving factories.

A Press note on the subject issued by the Government states that the only long-term solution of the textile problem is for India to increase her cotton production by at least 10 million bales. Such production must be part of an integrated agricultural economy for the whole country. This matter is under consideration of the Government and steps to be taken will be announced separately.

(The Statesman, dated 1-2-1950).

25

45. Economic Development and Control.

India - February 1950.

Congress Working Committee appoints
Planning Sub-Committee: Priorities
for next 12 months to be devised.

The Working Committee of the Indian National Congress, at a meeting held at New Delhi on 17 and 18 February 1950, announced the formation of a five-man planning sub-committee to report within a month a realistic and workable short-term programme for the economic betterment of the country. The planning sub-committee consists of the Chief Minister of Uttar Pradesh Pandit Pant, as chairman, Mr. Shankarrao Deo as convener, and the Central Labour Minister, Mr. Jagivan Ram, Prof. W.G. Ranga and the Bombay Labour Minister, Mr. Gulzarilal Nanda, as members.

It has been asked to divide its report into two parts - the first part to lay down priorities for the next 12 months, while the second part will include the broad outlines of a five-year programme of economic development for the whole country. In drawing up its report, it will be a special charge of the sub-committee to specify the part which the premier political organization of the country, the National Congress, can play in its effective implementation.

Mr. Kala Venkata Rao, General Secretary of the Congress, stated at a Press Conference that the Working Committee was determined to enliven the party organization so that it is able to play an active role, not only in drafting the programme, but in effectively assisting the Central and State Governments in its implementation. Thus alone, he added, would the Congress be able to influence the policies of the Government and serve society at large. The formation of the sub-committee, he said, showed the anxiety of the Congress to do something tangible to improve the lot of the common people. Quick results would be assured by having only such a programme that could be given effect to despite the limitations inherent in the situation, and by laying down short-term targets.

(The Hindustan Times, 19-2-1950).

26

Madras: The Madras Electricity Supply
Undertakings (Acquisition) Act, 1949:
Supply of Electricity Nationalised.

Reference was made at pages 29-40 of the report of this Office for November 1949, to the Madras Government's Bill for the acquisition of electricity undertakings. The Bill has now been passed by the legislature and after receiving the assent of the Governor General on 18 January 1950, has been gazetted as the Madras Electricity Supply Undertakings (Acquisition) Act, 1949 (No. XLIII of 1949). The Act comes into force with immediate effect.

(The Fort St. George Gazette, Part IV-B,
dated 24 January, 1950, pages 22-40).

22

46. Wages.

India - February 1950.

Workers in Nellore Mica Mines to receive
Increased Wages: Agreement concluded .

Workers in Nellore mica mines are to get increased wages and improved conditions of service; following a conference of representatives of mine-owners and miners, held in Gudur during the last week of January, 1950. The conference was attended by the Collector of Nellore and the Regional Labour Commissioner (Central), Mr. V. Balasundaram.

According to the terms of agreement, the minimum wages fixed range from 1 rupee for unskilled labourers to 2 rupees 4 annas for blasting maistries. It is stated that the existing rates range from nine annas to twelve annas for the corresponding categories. The agreement also provides for the grant of an annual bonus of one month's wages and also for fifteen days' leave with pay in a year.

The revision which is to take effect from 1 January 1950 will benefit about 10,000 employees working in various mica mines.

A suggestion is understood to have been made to the ~~Government~~ Government of India for the appointment of Labour Inspector to arrange for an expeditious implementation of the terms of the agreement.

(The Hindu, 9-2-1950).

28

145 Rupees Maximum Basic Wage for Kolar Gold
Field Workers: Committee's Recommendation.

A maximum basic pay of 115 rupees to Kolar gold field miners has been recommended by a Committee on fixation of wages and minimum workloads in its report submitted to the Mysore Government. For an unskilled labourer the Committee has recommended a basic wage of 1 rupee per day or 26 rupees per month. The Committee has also recommended the continuance of the present dearness allowance at the rate of 22 rupees and supply of foodgrains at concession rates. While recommending the continuance of the present provident fund scheme, the Committee has noted that the employers have agreed to continue the present bi-annual increment scales and increase to the maximum of the present daily wage grade by 3 annas.

(The Statesman, 11-2-1950).

Madhya Pradesh: Bonus for Textile Workers
for 1948-49: Industrial Tribunal's Award.

A bonus equivalent to one and a half month's wages for employees of eight textile mills in Madhya Pradesh and two months' wages for employees of the remaining two mills, has been awarded by the Industrial Tribunal, Nagpur, for the year 1948-49. The increase in the bonus granted to employees of two mills is due to the larger profit earned by them. The bonus is payable to all employees including clerical staff and badli labourers.

(The Award on bonus for textile workers in Central Provinces and Berar for the year 1947-48 was summarised at page 47 of the report of this Office for April 1949).

(The Madhya Pradesh Gazette, Extraordinary,
dated 27 January 1950, pages 33-35).

48. Public Finance.

India - February 1950.

Union Budget for 1950-1951: Planning Commission set up: Tax Relief for Industry: Business Profits Tax and Limitation on Dividends abolished: Protection to Sugar Withdrawn.

Dr. John Matthai, Finance Minister, Government of India presented the Budget for the year 1950-51 in the Indian Parliament on 28 February 1950. The Budget contains no proposal for fresh taxation and provides for substantial tax relief to industry, including abolition of Business Profits Tax and removal of the restrictions on the declaration of dividends. Introducing the Budget, the Finance Minister announced the Government's decision to set up a Planning Commission with Pandit Jawaharlal Nehru as chairman.

For the year 1950-51 revenue at revised taxation level is estimated at 3391.9 million rupees and expenditure at 3378.8 million rupees, leaving a surplus of 13.1 million rupees.

The Finance Bill, to give effect to the financial proposals contained in the Budget for 1950-51 was introduced in the Parliament on the same day. The Bill also contains a provision replacing the protective duty on sugar due to terminate on 31 March 1950, by a revenue duty at the same rate.

The following are the revised estimates for 1949-50 and the budget estimates for 1950-51:-

Revenue		
	(In millions of rupees)	
	Revised 1949-50	Budget 1950-51
Customs	1204.3	1065.4
Union Excise duties	691.9	715.5
Corporation Tax	406.0	387.2
		- 6.2*
Taxes on Income other than Corporation Tax	1084.0	-1439.0
		- 143.7*
Opium	12.8	15.5
Interest	13.2	11.4
Civil Administration	71.7	78.7
Currency and Mint	99.9	95.2
Civil Works	11.3	12.7
Other Sources of Revenue	78.2	97.9
Posts and Telegraphs - Net Contribution	37.7	-44.8
		- 4.4*
Railways - Net Contribution	70.0	63.7
Deduct - Share of Income-tax revenue payable to States	-457.4	-552.0
		x 71.2*
Total Revenue.....	3323.6	3391.9

* Budget Proposals.

Expenditure (see next page)

31

Expenditure

(In millions of rupees)

	Revised 1949-50	Budget 1950-51
Direct demands on revenue	136.9	138.1
Irrigation	1.1	2.3
Debt Services	388.1	365.0
Civil Administration	408.9	500.6
Currency and Mint	24.3	17.6
Civil Works	81.3	99.7
Pensions	26.8	74.5
Miscellaneous-		
Expenditure on displaced persons	137.0	60.0
Subsidy on foodgrain	296.7	210.0
Other expenditure	46.7	42.4
Grants to States, etc.	29.6	154.1
Extraordinary items	17.0	14.4
Defence Services (net)	1700.6	1680.1
Pre-partition payments	66.0	20.0
Total Expenditure	3361.0	3378.8
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Deficit	- 37.4	Surplus 13.1
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Revised estimates for 1949-50.- For the current year (1949-50) against a nominal surplus of 4.9 million rupees provided in the budget, there is likely to be a deficit of 37.4 million rupees. The revenue receipts are now estimated at 3323.6 million rupees compared with the Budget estimate of 3230.2 million rupees, an increase of 93.4 million rupees. Receipts under Customs show an improvement of nearly 90 million rupees due to a phenomenal increase in imports during the earlier months of the year, the increase in the export duty on jute, and the levy of export duties on mustard oil and pepper during the course of the year. This increase will be partly set off by a reduction in revenue in the closing months of the year, as the result of the reimposition of import controls, by the abolition of the export duty on cotton cloth and the reduced yield from the export duty on raw cotton. The revenue from Union Excise Duties is not expected to differ materially from the Budget, Income-tax receipts are now estimated at 1490 million rupees, and the provincial share of income-tax at 407.4 million rupees, to which a sum of 50 million rupees will be added for the payment of arrears carried over from last year. The contribution from the Posts and Telegraphs Department is now estimated at 37.7 million rupees (7.0 million rupees less than estimated) while, following the improvement in Railway earnings, the

32

Railway contribution has been raised from 47.2 million rupees to 70 million rupees. Miscellaneous heads of revenue are expected to show an increase of 25 million rupees.

The revised estimate of expenditure in 1949-50 is placed at 3361 million rupees of which Defence Services account for 1700.6 million rupees and Civil estimates for 1660.4 million rupees. In Civil expenditure the increase of 8.8 million rupees is the result of a number of factors such as payment of compensation to Saurashtra Union for the surrender of customs rights, payment to provinces and States of Centre's share of expenditure in preparing ~~electoral~~ electoral rolls for the new Parliament, additional expenditure of 30 million rupees over relief of displaced persons, payment of bonus to provinces for internal food procurement etc. These, and other minor increases under other heads, will be partly set off by a saving of 67.5 million rupees in the provision of 287.5 million rupees for the payment of subsidy on imported foodgrains. A saving of .108 million rupees is also expected as a result of the decision to recover from the sale proceeds of surpluses the cost of the Disposals Organisation.

Budget Estimates for the year 1950-51.- At the existing level of taxation the total revenue for 1950-51 is estimated at 3475 million rupees and the expenditure charged to revenue at 3378.8 million rupees leaving a surplus of 96.2 million rupees. As a result of federal financial integration, the estimates for 1950-51 include the revenue and expenditure under Central heads in the former Indian States and provision for payments such as the privy purses or grants incidental to the integration. They also include the entire revenue and expenditure of such of these States as have been taken under direct Central Administration and constituted into Chief Commissioners' States. The estimates are, therefore, not comparable with those of the current year.

The total ^{receipts} from Customs is estimated at 1065.4 million rupees. The reduction over the current year's receipts is mainly due to the effects of the reimposition of import controls this year in order to conserve foreign exchange and the changes in duties introduced during the current year. Union Excises are expected to bring in 715.5 million rupees, after allowing for the full effects of the reduction made on the 1 February 1950 in the excise duty on cotton cloth. Receipts from income-tax, which include 95.6 million rupees on account of Excess Profits Tax and 80.9 million rupees on account of the Business Profits Tax have been placed at 1826.2 million rupees, the increase over the current year's revised estimate being due to the inclusion of 103.6 million rupees on account of revenue from the former Indian States, increased

33

revenue as a result of the work of the Income-tax Investigation Commission and larger collection of arrears. The divisible pool of income-tax is estimated at 1087.8 million rupees and the shares of the former Indian Provinces at 543.9 million rupees. In addition, a sum of 8.1 million rupees is expected to be paid to the continuing Indian States, as the share of revenue of such of them as do not qualify for a grant-in-aid under the integration scheme. The contribution from the Posts and Telegraphs is estimated at 44.8 million rupees. Under the arrangement between Railways and General Revenues, recommended by the Railway Convention Committee and approved by Parliament, Railway will, from next year, pay General Revenues a dividend of 4 per cent on the capital at charge instead of interest plus contribution. The total payment by Railways will amount to 318.5 million rupees (against 301.5 million rupees received as interest plus contribution this year) of which 254.8 million rupees will be taken in reduction of the expenditure on interest and the balance of 63.7 million rupees as a contribution to revenue. Miscellaneous revenue is estimated at 97.9 million rupees against the current year's revised estimate of 78.2 million rupees, the increase being mainly due to the new Chief Commissioners' States.

Expenditure in 1950-51.- The total expenditure in 1950-51 is estimated at 3378.8 million rupees of which 1680.1 million rupees will be on Defence Services, Civil estimates accounting for the balance of 1698.7 million rupees. The civil estimates include a total provision of 34.2 million rupees on the administration of the Indian States which have been taken over as Chief Commissioners' States. They also include, under various heads, a sum of 66.9 million rupees on account of the expenditure on Central subjects in these States and in the continuing Indian States and Unions. The Budget makes a provision of 45.1 million rupees for the privy purses of Indian Rulers and of 115.6 million rupees for grants-in-aid to the provinces and States and Unions to cover the dislocation caused to them by federal financial integration. Excluding these special items the budgeted expenditure in 1950-51 amounts to 1436.9 million rupees compared with the revised ~~estimate~~ estimate of 1660.4 million rupees this year. Expenditure on the relief of displaced persons is estimated at 60 million rupees against 137 million rupees this year while the expenditure on the payment of subsidies on imported foodgrains and on procurement ~~will amount to~~ will amount to 210 million rupees, a reduction of 86.7 million rupees as compared with the current year. Expenditure on the payment of pre-partition liabilities has been placed at 20 million rupees against 66 million rupees in the current year.

24

Of the total expenditure of 1698.7 million rupees provided in the budget for the next year, 303.4 million rupees are accounted for by special items such as relief of displaced persons, payment of food subsidies, expenses on the coming elections and prepartition payments, the ordinary expenditure amounting to 1395.3 million rupees. Of this 138.1 million rupees is on tax collection while obligatory expenditure such as payment of interest charges and pensions and provision for debt redemption absorb 439.5 million rupees. Grants-in-aid to the former Indian States and the provinces account for 154 million rupees. Allowing for the expenditure on Currency and Mint of 17.6 million rupees and the expenditure of 280.2 million rupees in the nation building spheres, such as Scientific Department, Education, Medical, Public Health, etc., the balance of 365.9 million rupees represents the provision for administration, civil works, etc.

Tax relief for industry. - The Budget contains no proposal for fresh taxation. With a view to increasing production and stimulating investment ~~at~~ grant substantial relief to the business community. Among the new measures are: (1) The Business Profits Tax is to be abolished, resulting in a net loss of revenue of 43.7 million rupees; (2) The maximum rate of Income-tax paid by companies will be reduced from five to four annas, with a concurrent increase in Super-tax by half an anna, resulting in a net loss of 52.8 million rupees; (3) The tax on the slab of income between 10,000 rupees and 15,000 rupees is reduced from three and a half to three annas, resulting in a net loss of 10.1 million rupees; (4) The tax on the slab of income above 15,000 rupees is reduced from five to four annas at a cost of 65 million rupees; (5) The distinction between earned and unearned income for Super-tax is abolished and the maximum rate for Super-tax is reduced from nine annas for earned income and ten annas for unearned income to a flat rate of eight and a half annas operating from the stage of income above .15 million rupees. The rates in the various slabs are also proposed to be re-arranged at one anna above the present rate for earned income. These changes are expected to increase the revenue by 22.9 million rupees; (6) For Hindu undivided families, it is proposed to raise the exemption limits from 5,000 rupees to 6,000 rupees. This will cost the exchequer 1.2 million rupees. The net result of the changes in Income-tax proposed above will be a loss of 149.9 million rupees, of which only 78.7 million will fall on the Centre and the rest on the States; (7) Postal rates for local delivery have been reduced from two annas to one anna for letters and from nine pies to six pies ~~for~~ postcards. The basic minimum charges for ordinary and express telegrams have been reduced by one and two annas respectively. The maximum trunk call rate of 16 rupees for three minutes has been reduced to 12 rupees. These posts and

25

telegraph changes are expected to cost 4.4 million rupees.

The Corporation Tax would be increased from two to two and half annas. The existing concession in respect of exemption of income from houses constructed upto March, 1950, and increased initial depreciation allowance for business premises constructed by that date would be extended for a further period of two years. The effect of all these proposals is a net loss of 83.1 million rupees, leaving a net surplus of 13.1 million rupees.

Taking the two years ending with the Budget year together, the Central Government would be drawing 1140 million rupees from its balances to meet its expenditure. This, ~~known~~ however, does not represent inflationary expenditure as in these two years the net remittances for financing overseas expenditure for meeting the cost of the purchase of foodgrains, stores, etc., and the payment of pensions etc., ~~will~~ ~~amount~~ will amount to 3450 million rupees. In these two years, taking all Governmental transactions, together, the net rupee surplus will be 2310 million rupees and the reduction in the cash balances will have been utilised only for financing expenditure outside the country.

Capital expenditure.- The current year's budget for capital expenditure has been reduced from 950 million rupees to 750 million rupees. Next year's budget provided 620 million rupees for capital outlay and 430 million rupees for loans and advances. A special payment of 790 million rupees has been made this year to the International Monetary Fund and the International Bank for Reconstruction and Development to make good the deficit in the payments to them caused by the devaluation of the rupee. This payment has been made in non-interest bearing non-negotiable securities. Next year's budget includes 194.9 million rupees for Railways, ~~Rs~~ 56.4 million rupees for Posts and Telegraphs, 190 million rupees for the river valley schemes and 96.3 million rupees for industrial development. Defence capital outlay is estimated at 81.5 million rupees next year.

Borrowing programme.- Owing to stringency in the money market it had not been possible to float any regular loan this year and the market borrowings had amounted to 400 million rupees against the budget estimate of 850 million rupees. For next year market borrowings has been taken at 750 million rupees. The mobilization of small savings and development of the saving habit in the rural areas was under active consideration and the recommendations of the Rural Banking Inquiry Committee were being awaited. The system of authorized agents for canvassing the sale of National Savings Certificates, which had been abandoned in 1948, was being reintroduced as an experimental

26

measure in Bombay, West Bengal and Madras and if successful would be extended to the other States.

Dr. Matthai's speech: Planning Commission to be set up.- Presenting the Budget in the Parliament, Dr. Matthai, Finance Minister, announced the Government's decision to set up a Planning Commission. Pandit Jawaharlal Nehru, Prime Minister, would be the chairman of the Commission, Mr. Gulzarilal Nanda, Labour Minister, Bombay, Deputy Chairman, and Mr. C. D. Deshmukh, Mr. R. K. Patil, Food Commissioner, Government of India, and Mr. G. L. Mehta, President, Tariff Board, as members. The name of another member would be announced later. Mr. N. E. Pillai would be the Secretary of the Commission and Mr. Trilok Singh, Deputy Secretary.

Estimates committee to be set up.- The Finance Minister said that this year the Government was not adopting the elaborate budget procedure outlined in the Constitution. The Government would, however, ask the House to set up an estimates Committee to scrutinize expenditure of each department of Government and of the Government as a whole.

Effect of financial integration of States.- Dealing with financial integration of States and the federal financial integration, he said that the estimates for the year 1950-51 covered not merely the finances of the old provinces but also the federal expenditure and revenues of the integrated States. The result would be that the estimates for 1950-51 would ~~not be strictly comparable~~ not be strictly comparable with the figures of 1949-50 nor of preceding years. This would mean a break in the continuity of the budgetary statistics. The year 1947, which saw partition, saw a break in the continuity of statistics. The integration of States in 1950 is going to ~~mark~~ mark a further break.

Stage of crisis over.- Reviewing economic trends during the last year, Dr. Matthai said that it had been a year of great difficulties and a period of almost unprecedented trouble. There were times during the year when persons immediately concerned with the economic activities of the Government had a sense of almost overwhelming crisis, but on a close examination of facts as they stood today he felt that he was in a position to say that the stage of crisis at any rate had now definitely passed. Of course, there were still many difficult problems to solve, but it would not be beyond the ability of the Government to meet them.

37

Inflation.- Dealing with the problem of inflation, the Finance Minister said that it was a world problem which had come to India as a legacy principally of the war. Tracing the trend of prices following the last war and this year, the Finance Minister said that the inflation created by 1914 war continued till 1920 and in 1921 there was a marked downward trend. In the case of second war, though it ended in 1945, the inflationary pressure still continued in many countries and in several countries it was actually on the increase. India, therefore, was finding itself entangled in a world situation the many aspects of which were beyond the control of the country. Examining the trend of prices in 1949, he said that, as the result of anti-inflationary measures, the prices began to come down since October, 1948, until March, 1949, and he thought that the movement would continue. His expectations did not materialize. On the other hand, since April, 1949, for several months, the trend of prices was upward and it continued till October, 1949. The special measures taken to counteract devaluation resulted in stabilization of prices right up to the end of January. There were certain redeeming features in the situation, he said. There has been no fall in the prices index of food grains. There has been a steady fall in prices of essential food since October, 1949, right up to now. The fall in the general group of food-stuffs might have been greater but for the fact that certain articles included in the food category, like sugar, behaved in a somewhat erratic fashion. He said that devaluation had not resulted in the rise of general price level, as in the United Kingdom. There had been an upward movement in regard to the price of industrial raw materials. It was symptomatic of a world movement and the controlling of it was, therefore, not entirely in the hands of India.

Increased production needed.- Emphasising that the crux of the problem of inflation was increased production, Dr. Matthai said that the only effective way of ending inflation was by increasing the quantity of goods and services available in the country. In 1949 there had been a substantial increase in various important industries - steel, cement, coal, heavy chemicals, paper and generation of electricity. In cotton textiles and jute manufactures, that proposition could not be made, the limiting factors in the matter of production in respect of them being supply of raw materials, partly as a result of the deadlock in the trade between India and Pakistan.

As regards food production, the estimated production, ~~was~~ in 1949 was 43 million tons against 41 million tons in 1948. In 1950 the Government expected to increase by 2.8 million tons over 1949. Procurement had been very satisfactory and in 11 months in 1949 about 4.2 million tons had been procured. The procurement target for 1950 was a million tons over the target for 1949.

From these trends, the Finance Minister drew the conclusion that though production still needed a great deal of improvement, there was not the slightest cause for pessimism. Paying a tribute to labour in this connection he said: "They have grown in stature and they have gathered strength. They have greater consciousness of their legitimate rights and developed a greater sense of self-respect. They are inspired by a spirit of patriotism and sense of responsibility. We can look forward with confidence to a bright future of Indian industry." As a detached student of economics, he had come to the conclusion that the relations between labour and capital in this country were fundamentally sound and that the predominant sentiment in the country was nationalism.

Investment position.- Reviewing the money market, the Finance Minister said that in the first half of 1949, it was one of stringency in regard to short-term money and of continued stagnation in regard to long-term money. Emphasising that capital was not on strike he said he had looked into the matter with some care and had come to the conclusion that there was no foundation whatever for the allegation. The position of the investment market could be fully explained away by such factors as increased cost, reduced margin of profit and other psychological factors. Such conditions prevailing in any other country would have resulted in the same situation in the investment market. It was still too early to predict a permanent recovery in the investment market. The activity of the investment market, particularly of the stock exchange, was still confined very largely to professional operators. He was not suggesting that professional operations were necessarily unhealthy, but, unless the activity of the professional operators was supplemented and corrected by the activity of the genuine investor, the investment market would not be sufficiently broad-based and would not be restored to really healthy conditions. A big problem facing the Government today was ~~what~~ ^{how} exactly could the genuine investor be brought back into the investment market. One of the reasons for the genuine investor holding aloof was that he had not got the measure of confidence which would justify his putting what little he had into investment. he said.

necessary not
merely -

Foreign capital.- On the question of foreign capital, Dr. Matthal said that foreign capital was for the purpose of supplementing India's resources but for instilling a spirit of confidence among her investors. Any considerable assistance in the way of capital from foreign countries must hereafter be looked for not in the shape of fixed interest-bearing loans and bonds but in the shape of equity capital on the basis of joint participation on strict business considerations without any political strings attached to it.

Restrictions on Dividend to be removed.- He announced that the Government has decided not to extend the Public Companies (Limitations of Dividends) Act, 1949, after March 1950, when it expires. The reasons for this decision were, first, the general fall in the level of profits made the limit fixed in the Act practically inoperative, secondly, as an anti-inflationary measure, the effect of the Act had been negligible, and thirdly, it had had a depressing effect on the investment market.

Balance of Payments position.- Dealing with the balance of payments position, Dr. Matthai said that the figures were sufficiently encouraging to hope that there had been a definite turn for the better as regards balance of payments. The figures of exports in November and December were practically record figures. There was, however, no room at all for self-complacency. A balance of external payments which was based upon a drastic reduction of imports and by continued releases of accumulated balances was an unhealthy kind of balance. A healthy balance was the sort of balance that is attained at the highest possible level of imports as well as exports.

Looking at the present size of India's sterling balances - ~~Rsx~~ 8320 million rupees by the end of January - Dr. Matthai said that, if allowance was made for an adequate reserve against India's currency in foreign assets and assuming for the time being that the releases would be more or less at the average rate of the last two years, India's sterling balances were not likely to last more than six or seven years. Therefore, it was of the very highest importance that "we should begin to plan for a balance of payments which would be self-balancing and that can be done only by a stimulation of exports". Again the crux of the problem was production more production and still more production.

Indo-Pakistan currency deadlock.- Dr. Matthai referred in detail to the deadlock with Pakistan over the exchange issue. He stated that India's proposal was that there should be joint discussion between the two countries covering all matters relevant to the economic relations between them. The Pakistan Government were definitely opposed to the question of prices and exchange ratio being brought within the purview of the discussion. As far as India was concerned he said he did not think that a conference which was not able to discuss prices and exchange ratio would serve any useful purpose. ~~That~~ That was how the matter stood at present. He pointed out that Pakistan's favourable balance of trade was entirely because of her favourable balance with India, which was due to a large extent to the open-door policy followed by India and Pakistan's restrictive policy. Pakistan, the Finance Minister/stated has been, recently running a deficit both on her

sterling and dollar accounts. In view of all these he considered it an anomaly that Pakistan should remain in the sterling area and yet decline to devalue her currency as a means of rectifying her adverse balance like every other member of the sterling area. He also made it clear that whatever rate may be agreed to by the International Monetary Fund for the Pakistan currency, it may not in practice result in a normal restoration of trade between India and Pakistan unless that rate fitted in with the facts of the economic situation.

Tax reductions.- Announcing tax reductions to the tune of 150 million rupees of which the Centre would bear about 80 million rupees, Dr. Matthai said that he had for some time held the view that the present level of taxation in the country was uneconomic in the sense that the economy of the country could not bear it. He felt that the effect of the present level of taxation was not deflationary but positively inflationary, because assuming that the solution for the problem of inflation was production, a very high level of taxation which reduced the margin of savings available for investment was really a potentially inflationary force.

He regretted that he had to make these adjustments within the existing framework of tax structure. He would have preferred to make these adjustments on the basis of a more fundamental revision of the tax structure but he had refrained from doing so because India was still in the middle of a very difficult period of transition. Also he did not have sufficient data on which a scientific review of the present position could be made. It was for that purpose that the Government had set up a committee to inquire into the whole question of national income and its distribution. That committee would be able to report by the end of 1950, on the basis of which he hoped the Government would be able to make more satisfactory proposals regarding taxation system.

A White Paper on the Budget, was also issued, inter alia, describing the economic and political background against which the Central Budget for 1950-51 has been framed. A brief summary of the White Paper is given below:-

Inflation.- The White Paper stresses that the main problem in the country in post-war years has been that of keeping the inflationary trend under control. The large increase of purchasing power in the hands of the community and the shortage of commodities in the post-war period had led to a steep rise in prices which had been aggravated by the influx of people from Pakistan and the economic dislocation following the partition. Measures had been taken towards the end of 1948 to check the

41

inflationary tendencies and stimulate production. Duties on certain luxuries had been raised, tax collection expedited and refunds of deposits of E.P.T. postponed for a further three years. Production had been assisted by the reduction of duties on machinery and industrial raw materials, tax concessions to new industries and the liberalization of depreciation allowances. These steps had a steadying effect on the ~~sit~~ situation. There was an appreciable fall in prices between December 1948 and March 1949 but from April 1949 a reverse trend set in and prices rose continuously for six months. This ~~movement~~ movement coincided with the grant of increases in the price of certain controlled commodities and the imposition of import controls. Prices moved up by about 6 per cent in this period. Since then there had been a perceptible drop and at the end of December 1949 the general index number of wholesale prices stood a little lower than it did in December 1948. An analysis by individual commodities indicates a substantial drop in the price level of certain important commodities which go to make up the cost of living. Thus the index numbers of cereals and pulses dropped 55 points and 72 points respectively during 1949, while food articles as a whole dropped 23 points. Semi-manufactured articles and manufactured articles remained steady, the index number of textiles registering a drop of 17 points, Industrial raw materials were the only important sector in which prices moved up continuously, the index number showing a rise of 20 points during last year.

The Government's entire economic policy came under review in September 1949 following the devaluation of the rupee, and an eight-point programme was announced for meeting the situation. This programme envisaged the formulation of a new pattern of future trade so as to conserve foreign exchange, the use of the country's position as a large buyer to secure reasonable price for raw materials, prevention of speculative price increases, imposition of export duties on exports to hard currency areas to secure an equitable distribution of the advantage secured by devaluation among the exporter, the importer and the Government, the stimulation of investment, the extension of banking facilities in the rural areas, the enforcement of economies in public expenditure, particularly capital expenditure, and the reduction of 10 per cent in the retail prices of essential commodities, including manufactured goods and foodgrains. Following this programme export duties on hessian and raw cotton were raised and new export duties levied on mustard oil, black pepper and iron and steel. Textile prices were reduced by reductions in the ex-mill prices, distribution costs and the excise duty, while prices of coal, iron and steel were also reduced. The Government aimed at a reduction in food prices ranging from three to 15 per cent. The cumulative effect of these measures

42

would take some time to be realized but their effect in holding the price level was manifest. Industrial production showed a definite upward trend. Last year the production of steel rose from 854,000 tons to 925,000 tons, cement from 1.5 million tons to 2 million tons, coal from 29.9 million tons to 31.09 million tons, paper from 97,900 tons to 103,300 tons, power alcohol from 3.5 million ~~tons~~ gallons to 6.7 million gallons, super-phosphates from 21,000 tons to 43,000 tons, and Diesel engines from 1,025 to 2,048. Cotton textiles and jute however registered a drop, the former due to accumulation of stocks and difficulties in getting cotton and the latter due to difficulties in getting raw jute.

Food production.- The production of foodgrains was also higher showing an increase of 2 million tons over the production of 41 million tons in 1948. The drive for self-sufficiency in food was being vigorously pursued and production in 1950 was expected to be up by a further 2.8 million tons. Next year's procurement target will be 1 million tons more than this year, while imports will be reduced to 1.5 million tons, of which ~~200,000~~ 200,000 tons will go to build a reserve. Plans are on hand for stepping up jute and cotton production. The target next year for the former had been fixed at 5 million bales against this year's production of 3 million and for the latter at 3.6 million bales compared with 2.8 million bales grown this year.

Conditions in the money market.- Money conditions were very stringent at the commencement of the year, with the large requirements of finance for the import trade and for the payment of income-tax placing a heavy strain on banking resources. Scheduled Banks' outstandings reached the peak figure of 5140 million rupees in May 1949 since when they had been continuously dropping. Conditions became easier from July onwards, partly assisted by the repayment of the 2 1/2 per cent loans 1949-52. During this period the Central Government was able to obtain 387.6 million rupees by way of treasury bills and the provincial Governments 135 million rupees. The sale of Treasury Deposit Receipts in the first ten months of the year also realized about 80 million rupees. The gilt-edged market remained fairly steady during the year but there was no appreciable demand for fresh investment. The position had recently improved and a further issue of 150 million rupees of the 2 1/2 per cent Loan 1955 had been made to enable the Reserve Bank to meet the investment demand. No fresh loan was issued during the year, but demands for investment and for conversion of the 1949-52 Loan had been met by the creation of fresh blocks of the 2 1/2 per cent 1955 Loan.

43

The devaluation of the rupee had given a fillip to equity prices which, after sagging in the earlier months of the year, started improving from July onwards. The year-end prices showed substantial gains over the mid-July levels. On the whole both in the equities and the gilt-edged markets, investment inquiries were broadening and a return of confidence was apparent.

Balance of Payments position and external trade.-
India's foreign exchange reserve consisted of the sterling assets held by the Reserve Bank. These had declined from 15,370 million rupees at the end of June, 1948, to 8200 million rupees by June, 1949, a drop of 7170 million rupees. This large drop was due to the payment of 2960 million rupees to the British Government for military stores and funding of sterling pensions and the transfer of 1870 million rupees to Pakistan towards her share of these ~~assets~~ assets. The balance had been used to meet the deficit in the country's balance of payments. Of the total imports of 6500 million rupees for the year ending June 1949, foodgrains had accounted for 1370 million rupees, while industrial goods and essential consumer goods had accounted for the balance, luxury goods amounting to not more than 2 per cent of the imports. There had also been in this period a slight fall in exports due to a fall in overseas orders during the period of business recession in the United States of America. This large adverse balance had led to an overdrawal of ~~Rs~~ about ~~Rs 100 million~~ £81 million from the sterling balances. The agreement with the United Kingdom of July, 1949, regularized this overdrawal, raised the annual releases for the next two years from £40 million to £50 million a year and released a further £50 million for financing imports against commitments entered into before the liberal import policy was reversed.

It was obvious that the country could not afford an adverse balance of payment of this order and steps were accordingly taken to reverse the policy of liberal imports. The open general licence was cancelled in May, 1949, and following the talks with the United Kingdom Government in July 1949, further restrictions had been placed on imports. Meanwhile, to conserve the dollar resources of the sterling area, dollar licensing had been suspended for 2 1/2 months from June, 1949. Following the devaluation of the rupee, exports had improved and the sterling balances had risen to 8320 million rupees by the end of January.

The Sterling Balances Agreement of 1948, permitted the convertibility of \$60 million, but owing to a fall in the export earnings the deficit amounted to \$213 million of which \$56 million had been covered by purchases from the International Monetary Fund and \$ 17 million from the opening

44

balance, leaving a net overdrawal of \$80 million from the Central reserves. This overdrawal had been regularized by the agreement of July, 1949. Under this agreement, India was now a full member of the Sterling Area with no quantitative limits to her drawings from the Central reserves to meet her dollar deficits.

In common with other sterling area countries, India had agreed to limit her imports from the dollar area for the year ending June, 1950 to 75 per cent of the imports in 1948. In the six months ending December, 1949, India's dollar earnings had exceeded her payments by \$13 million, but this had been due to temporary reasons such as a carryover of orders and a fall in imports due to the suspension of dollar licensing for a part of the half year. The new convertibility arrangements and the stoppage of food imports had made it possible to permit reasonable imports from dollar areas of essential commodities not available in the soft currency area.

World Bank loans.- Loans ^{aggregating} ~~agreement~~ \$44 million had been negotiated with the World Bank for the rehabilitation of railways and land reclamation. A further loan for the Bokaro Thermal Plant was under negotiation.

The devaluation of the rupee, which India decided upon as a measure of protection to her export trade, had assisted export earnings, the exports in the last quarter rising to 1399.7 million rupees against the quarterly average of 1070.8 million rupees in 1948. While the increase was partly due to temporary causes, and it was too early to assess the effects of devaluation, there was reason to hope that the increase in the demand for export commodities was more than a passing phase.

Indo-Pakistan Trade.- On the Indo-Pakistan trade relations, the White Paper points out that Pakistan, although a member of the sterling area, had not devalued her currency like the other members of the area. Available statistics indicate that Pakistan also had an adverse balance of trade particularly with countries other than India. For the year ending June 1949 her deficit with countries other than India was of the order of 630 million rupees, the overall deficit being roughly 45 per cent of the import trade and 81 per cent of the export trade. Pakistan's dollar deficit during this period was of the order of \$50 million. During the same period India's deficit balance with countries other than Pakistan was only 39 per cent of her imports and 64 per cent of her exports. Excluding the trade between the two countries Pakistan's balance of trade problem had been no less serious than that of India.

45

Accurate statistics were not available but it was estimated that for the year ending June 1949 India's exports to Pakistan had amounted to 830 million rupees and her imports to 1170 million rupees, giving an adverse balance of 340 million rupees. This deficit has been financed partly by a flight of capital and partly by a transfer of sterling (110 million rupees). This deficit was due to various factors. India's imports from Pakistan were mainly of raw materials (970 million rupees). While India maintained an open general licence for Pakistan goods, Pakistan had restricted imports of Indian textiles, which had dropped to a quarter of the off-take of this area before partition. Pakistan had also not paid some of the claims from India and this had also gone to increase her favourable balance of payments. Pakistan, the White Paper, states, had presumably reckoned on the continuance of her favourable position vis-a-vis India in deciding to appreciate her currency. But this is unlikely to be realized as India would inevitably have to take steps to balance her trade with Pakistan. Pakistan had also substantial amounts to pay to India for evacuee property and as her partition debt to India. Taking these factors into account, the White Paper comes to the conclusion that Pakistan can hardly count on the continuation of her favourable balance of payments with India to cover her larger deficits with other countries. Pakistan's trade with other countries also appeared to be showing signs of decline as a result of devaluation, it observed.

Stating that Pakistan's decision not to devalue her currency had led to the virtual suspension of trade between India and Pakistan, the White Paper, continues that it had made it uneconomical for Indian manufacturers to buy raw materials, principally jute, from Pakistan. Some amount of trade had continued on the basis of barter or of free exchange but even this had been brought to a standstill by the action of the Pakistan Government. The question of revival of trade was under correspondence between the two Governments but Pakistan's insistence that her exchange rate and the floor prices for jute should not be discussed had made progress impossible towards restoration of normal trade relations. These events had emphasized the danger to the country of remaining dependent on an outside source for the essential raw materials of the jute and cotton industries. Steps were being taken to increase the production of both.

New financial set-up: relations with former States. - The process of reducing the number of Indian States and merging them in the neighbouring provinces or forming them into sizable units had been going on steadily since the achievement of independence. A large number of States had been merged in the provinces or formed into Chief Commissioners' States while others continued as separate States or Unions. The problem of reorienting the financial relations of these States with the Centre had arisen in consequence and in October 1948 a committee had been appointed under Mr. V.T. Krishnamachari to advise on the integration of the federal finances of these States with those of the Indian Union. The recommendations of this Committee had been accepted by the Government of India and the Governments of the States with certain modifications.

The scheme of integration, which will take effect from 1 April 1950, places the States and Unions in the same position as the Indian Provinces vis-a-vis the Centre. The present composite Governments of these States will be divided on a functional basis and the Centre will take over the Central subjects and services from these States with the related assets and liabilities. But since ~~the~~ some of these States were financing what would be provincial services from the surplus of their revenue from Central subjects some form of financial assistance to them to meet the dislocation caused by the lifting of federal revenue and expenditure from their budgets is obviously necessary. Following the Committee's recommendations, these States would be given for a transitional period the difference between the federal revenue and federal expenditure taken over by the Centre but States which realize a surplus in this process would retain the surplus. The States would be entitled to the same share of the divisible revenue as the Indian provinces but this would be set off against the grants made to them to cover the revenue gap. It was estimated that four of the States viz., Mysore, Saurashtra, Travancore-Cochin and Hyderabad would have to be paid grants-in-aid and provision had been included in the next year's budget for these. A similar pattern of financial adjustment had been agreed upon in respect of provinces in which Indian States had been merged. It was difficult to estimate the effect on Central finances of the integration of the Indian States, but on a very rough estimate, taking all the services ~~the~~ into account including the Railways, the burden falling on the Centre was likely to be ^{of} the order of 95 million rupees.

Finance Commission to be set up.- Following the partition of the country the Government of India had reallocated the provincial share of income-tax and jute export duty. This allocation had been criticised and the Government decided that this should be re-examined by an impartial authority whose findings would regulate the matter till the Finance Commission decided it. Mr. C.D. Deshmukh had been entrusted with this investigation and his decision since announced would regulate the allocation till the Finance Commission settled the matter. Apart from the change in the situation created by partition, the integration of the Indian States had radically altered the financial position of the provinces. A fresh inquiry into the resources and needs of both the Centre and the States seemed called for and the ~~States~~ Government had decided to appoint the Finance Commission which is expected to start functioning next year.

The Government had also decided to invite Parliament to set up an Estimates Committee to scrutinize the budget after it had been passed by Parliament. The Committee would not be concerned with matters of policy and its main function would be to consider how economies could be effected consistent with the policy on which the budget had been framed.

Planning Commission.- On the setting up of the Planning Commission, which was announced by the Finance Minister during the Budget speech, the White Paper states, ^{at} the end of the last war a comprehensive scheme of post-war development was drawn up and a large number of development schemes have been undertaken both by the Centre and the States on the lines of this development plan. This plan was drawn up for undivided India and in the expectation that for the first five year period the total resources, taking revenue surpluses and borrowing together, will be of the order of 10,000 million rupees. The partition of the country and subsequent developments have radically altered the position and the available resources are unlikely to be of the magnitude contemplated some years ago. It has, therefore, become necessary to reconsider the position de novo and draw up a new plan for development taking into account the changes in the economic conditions in the country, the resources likely to be available and the situation created by the integration of the former Indian States with the rest of the country. The National Planning Commission which the Government has decided to set up, will deal with this problem. Meanwhile, to the extent to which the available resources permit, the execution of the development schemes on hand will go forward.

(The Hindu, dated 1-3-1950;
The Statesman, dated 1-3-1950).

Railway Budget for 1950-1951:
Marked Progress of Indian
Railways.

A surplus of 140 million rupees in 1950-51 was forecast by Mr. N. Gopaldaswami Ayyangar, Minister for Railways and Transport, presenting the Railway Budget for 1950-51 in Parliament on 21 February 1950. The surplus for the current year is now estimated at 110.2 million rupees against the budget anticipation of 94.4 million rupees. Other important features in the Budget include the absence of any change in the current rates for passenger fares or goods freight and a claim for a noticeable increase in operating efficiency. The following are the revised estimates for 1949-1950 and the budget estimates for 1950-1951.

	Actuals 1948-49	Revised Estimates 1949-50	Budget Estimate 1950-51
(in millions of rupees).			
Gross Traffic Receipts.	2131.0	2251.5	2325.0
Total Working expenses.	-1733.2	-1866.0	-1819.2
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A. Net Traffic Receipts	397.8	385.5	505.8
B. Net Receipts on Miscellaneous transactions.	-25.6	-43.8	-47.2
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Net Railway Revenues (AxB)	423.4	341.7	458.6
Interest charges	223.6	231.5	-
Dividend to General Revenues	-	-	-318.5
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Net Gain	-199.8	-110.2	-140.1
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The anticipated surplus of 140.1 million rupees is proposed to be distributed as follows:

Depreciation Reserve Fund	20 million rupees
Development Fund	100 million rupees
Revenue Reserve Fund	-20.1 million rupees

	140.1 million rupees

Review of Railway problems: Mr. Ayyangar's speech.- Presenting the Budget, Mr. Ayyangar said that Indian Railways had made a remarkable recovery in their workings and were moving rapidly towards the attainment and maintenance of a progressive standard of operative efficiency and public service. The so-called bottleneck in rail transport, was no longer even a mentionable contributory factor to such malaise in the economic sphere in production or distribution as now prevailed in the country. The system of priorities has ceased and rationing has been almost replaced by free and equal opportunity to all for obtaining transport. He said that the drive for the betterment of amenities available to the travelling public was being continued with the utmost vigour, work had begun in the new factory for the manufacture of locomotives in India, the arrangements for establishing a factory for the manufacture of all-steel welded passenger coaches were well forward and the conditions of railway labour had been ameliorated and the relations between railway management and railway labour had entered on a new phase of cordiality and mutual co-operation.

Referring to the revised convention, for regulating relations between general and railway finances which comes into effect from 1950-51, he stated that it was a great step forward in the development of the railway financial policy and had enabled the Government to take up development projects in the budget year which, otherwise, it would have been impossible to do. The completion of the Assam rail link much ahead of schedule in difficult and unhealthy terrain was another achievement which was mentioned by the Minister. Ten States lines covering a route mileage of over 6,500 will come under the control and management of the Centre from 1 April 1950, as a result of the federal financial integration.

Financial results.- Dealing with the financial results for the current year, the Minister said that the total gross traffic receipts were now expected to be 2251.5 million rupees as against 2100 million rupees anticipated in the budget estimate. This increase was almost entirely due to improvement in goods earnings, as a result of better wagon turn-round and improved loadings. Partly as a result of stricter control over expenditure and partly of stringent measures introduced to ease the ways and means position of the Government, it had been found possible to reduce the ordinary working expenses from 1590.3 million rupees provided in the budget to 1580 million rupees. The principles of the Revised Convention had been applied in the current year to the extent possible and an adjustment of 150 million rupees had been made from the Capital and Depreciation

50

Reserve Fund to Revenue in the accounts of this year. The net surplus after adjustments was estimated at 110.2 million rupees as against 94 million rupees anticipated last year. Out of the surplus, 70 million rupees would be contributed to General Revenues against the budget figure of 47 million rupees. The balance of 40.2 million rupees would be added to the Depreciation Reserve Fund.

As regards the budget year 1950-51, he stated that the budget estimate of gross receipts from Indian Government railways had been placed at 2155.0 million rupees or about 96.5 million rupees less than the revised estimate of the current year, and the receipts from the States lines, which would come under the Centre from 1 April 1950, were estimated at another 170 million rupees, thus bringing the total gross receipts of Indian railways to 2325.0 million rupees. The working expenses estimate has been placed at 1560.1 million rupees for Indian Government railways, which was 19.9 million rupees less than the revised requirements of the current year and at 105.8 million rupees for the States lines. In terms of the Revised Convention, General Revenues have to be paid a dividend of 4 per cent on the capital-at-charge and 318.5 million rupees had been provided in the budget on this account, including 25.7 million rupees for the States lines. The surplus for the coming year is estimated at 140.1 million rupees, which was proposed to be distributed as follows: Railway Development Fund 100 million rupees, and Railway Reserve Fund 20.1 million rupees; and Depreciation Reserve Fund 20.0 million rupees. It was anticipated that the Depreciation Reserve Fund would close with a balance of 1047.7 million rupees and the Railway Reserve Fund, which would be renamed the Revenue Reserve Fund, would have a closing balance of 104.1 million rupees on 31 March 1951. The Betterment Fund would be merged with the new Development Fund constituted as a result of the revised Separation Convention to be used for financing expenditure on passenger amenities, labour welfare and on projects which, although unremunerative, were necessary. The closing balances of this fund at the end of the budget year would be 190.3 million rupees.

Works expenditure.- Mr. Ayyangar said that in view of the present economic situation and the difficult ways and means position of the Government, the capital programme had been curtailed so as to include only projects which were considered necessary in the national interest. The allotment for the current year covering Rolling Stock and Machinery Programmes and Open Line Works had been curtailed to 556.0 million rupees against 623.5 million rupees provided in the Budget. The provision for the Assam rail link and the Locomotive Manufacturing Works at Chittaranjan had not, however, been disturbed. The provision for other works had been so adjusted as not to interfere with operational efficiency or the programme of providing amenities to the travelling public. The capital programme for next year provided for 397.5 million rupees for the Indian Railways, including the States lines. In addition, 60 million rupees were provided for works to be financed from the Development Fund. 15.0 million rupees had been allotted for the completion of the Assam rail link and 42.3 million rupees for the Locomotive Manufacturing Works at Chittaranjan. Two important projects were being financed from the Development Fund, viz the construction of a metre-gauge link between Kandla and Deesa, required for the development of a major port at Kandla to compensate for the loss of Karachi, and provision for adequate ferry and other arrangements at Manihari-Sakrigali Ghats to augment the transshipment capacity at the ghats for the purpose of getting the maximum results by intensive use of the Assam rail link.

Rolling stock.- Mr. Ayyangar said that the power position had improved very considerably in recent months. Four hundred and forty-seven broad-gauge and 51 metre-gauge locomotives had been received during the period between the partition and 31 January 1950. Delivery of another 209 broad-gauge, 156 metre-gauge and 20 narrow-gauge locomotives was expected to be completed in the course of the current year. Special steps had also been taken to secure the spares necessary to keep existing locomotives in efficient operation and thus avoid the adverse effects of the suspension of the normal replacement programme in the coming year. A technical aid agreement had been entered into with the Locomotive Manufacturing Company of Britain for the manufacture of locomotives at Chittaranjan. Under this agreement, the company would make available advice, technicians and skilled supervisory staff for services at Chittaranjan and would also provide facilities for the training of the required number of Indian technicians in the United Kingdom. The target of production at Chittaranjan which had been agreed on would be three locomotives in the calendar year 1950, 33 in 1951, 45 in 1952, 66 in 1953 and

52

90 in 1954. At the end of five years, India would be turning out locomotives entirely of Indian manufacture and the annual production will be of the order of 120 locomotives.

As regards coaching stock, with a view to relieving overcrowding in passenger trains, 350 coaches were now on order, out of which 50 had been delivered. Four hundred and seven coaches had been provided for in the budget year, out of which 50 would be from Switzerland, to a design which provided wider seats, more leg room, better lighting, wash basins, mirrors and insulation against heat. The remaining coaches would be obtained partly from Messrs Hindustan ~~Art~~ Aircraft at Bangalore and partly from Railway workshops.

Labour relations:- Mr. Ayyangar claimed that relations between railway management and railway labour had entered a new phase of friendly and beneficial co-operation. For the purpose of settling outstanding disputes between the All-India Railwaymen's Federation and the Railway authorities, the Government had constituted a Joint Advisory Committee ~~of~~ with four representatives each of labour and the Railway Board with a chairman nominated by the Ministry of Labour. Amongst the four labour representatives was one representing railway labour not affiliated to the All-India Railwaymen's Federation. As a result of the deliberations of this committee, which were continuing, many of the anomalies arising out of the application of the Central Pay Commission scales were being gradually removed. Legitimate grievances of labour other than those which came under the description of these anomalies were also being separately redressed. Apart from these developments, the conditions of employment had been gradually liberalized and improved. Referring to some of the major steps taken in this direction, Mr. Ayyangar said that in accordance with the recommendations of the Central Pay Commission substantial improvements in pay scales had already been effected. The leave rules had since been liberalized, and temporary railway sergeants with one year's continuous service had been given the same terms as were applicable to permanent employees. The method of calculating leave salary had been revised. The ~~Provident~~ Provident Fund scheme had been extended to the lower categories of railway employees, whether permanent or temporary. Though the Central Pay Commission had not made any recommendation on this matter and labour also had not raised the specific issue, it was considered only just that insurance against old age and calamity which a provident fund provided should be extended to all railway employees. Daily-rated employees in railway workshops had now been brought on to monthly rates of pay which, in the majority of cases were higher than the scales recommended by the Central Pay

53

Commission. The conditions regarding over-time work and holidays had been standardized. He said that the financial effect of all these and other measures of liberalization of terms of employment was of the order of 520 million rupees, against which 190 million rupees, representing savings in grainshop working, should be set off, the net ~~addition~~ addition being 330 million rupees to the wage bill as it was before these revised terms were sanctioned. The total number of workers on Indian Government railways alone had increased from 641,000 in 1938-39 to 850,000 in 1948-49, while the wage bill went up during the same period from 350 million rupees to 1070 million rupees. Against the increase in strength of 30 per cent, the increased wage bill was nearly 300 per cent of 1938-39. The average cost of staff per head was 547 rupees in 1938-39; it had increased to 1,265 rupees at the end of 1948-49. The statistical returns, however, showed, that the productivity of railway labour measured by the yardstick of train miles, vehicle miles, gross ton miles and traffic units had fallen from 100 in 1938-39 to 69.38 in 1948-49. He stressed that not only had this decline to be arrested but labour had to make an active effort rapidly to regain the pre-war level of per capita productivity.

In conclusions, Mr. Ayyangar emphasised that it has been the constant ~~endeavour~~ endeavour of the Government to deal with railway labour not only justly but generously and indeed to set an example in this respect for other industrial undertakings. It had plans for the greater association of labour wherever possible in the administration of this nationalized undertaking. He for one, had no doubt that, with the reorientation in the attitude of the railway ~~grades~~ ~~grades~~ taking towards its workers of all grades and its increasing positive efforts to ameliorate their service conditions, a sense of greater responsibility and a healthy pride in the work they performed was finding increasing expression in the workers themselves. The railways belonged to the workers in a very real sense and the quantum and quality of the public service rendered was almost entirely in their hands. As regards regrouping of Railways, preliminary investigations for this purpose had been completed and a plan was in the making. It envisaged the welding of the different systems into one railway undertaking divided into as small a number of major zonal administrative units as possible. When the plan was completed trade, industry and other interests concerned would be consulted before the Government took a decision. The set-up of the Central Railway Executive would also require to be reoriented as a part of the new plan.

(The Statesman, 22-2-1950;
Commerce and Industry, 1-3-1950).

Allocation of Provinces' Shares of
Income-tax and Export Duty on Jute:
Sir Chintaman Deshmukh's Award.

The Government of India had invited Sir Chintaman Deshmukh, former Governor of the Reserve Bank of India, to carry out an enquiry into and to determine the allocation of the shares of the States in income-tax and in the export duty on jute. Sir Chintaman recently completed his enquiry and transmitted his decision to the Government. It will have the effect of an award binding on all States concerned. The award will take effect from the next financial year and will continue to be in force till the Finance Commission decides the matter fully in accordance with the Constitution. The award does not take into account the former Indian States which have been merged in the provinces. The problem of financial adjustment between the Centre and the States in which the merger has taken place is being separately examined by the Government of India.

The award makes the following allocation of the States' percentage shares of income-tax:

~~(In millions of rupees)~~

Bombay	2.1	21
Uttar Pradesh	1.8	18
Madras	1.75	17.5
West Bengal	1.35	13.5
Bihar	1.25	12.5
Madhya Pradesh	0.6	6
Punjab	0.55	5.5
Assam	0.3	3
Assam Orissa	0.3	3

The award declares that the grants payable under the Constitution to the States which are entitled to grants in aid in lieu of a share in the export duty on jute and jute products should be as follows:

(In million of rupees)

West Bengal	10.5
Assam	4.0
Bihar	3.5
Orissa	0.5

55

Chapter 5. Working Conditions.

56. Labour Administration.

India - February 1950.

Inspection of Mines in Indian Dominion:
Report of the Chief Inspector of Mines
for 1947*.

During the year 1947, as in previous years, the Indian Mines Act, 1923, applied to India only and not to the Indian States. As statistical information received from the mines, now in the Dominion of Pakistan, for the period January - 15th August is incomplete and as annual returns from these mines were not received, no information relating to these mines for the year is given in the annual report of the Chief Inspector of Mines. For purposes of comparison, figures relating to mines in the Indian Dominion only, for the year 1946 are taken. The report, however, separately gives the figures for mines in Pakistan upto 14 August 1947. During the year there were 902 coal mines and 1,074 mines other than coal mines at work which came within the purview of the Indian Mines Act. The comparative figures for the year 1946 and 1,069, respectively.

Persons employed: slight rise during 1947:-
During the year 1947, the daily average number of persons working in and about the mines regulated by the Indian Mines Act was 407,263, as compared with 400,376 in the previous year. The increase was 6,887 persons, or 1.72 per cent. Of these persons, 151,200 worked underground, 103,295 in open workings, and 152,768 on the surface. The number of men and women who worked underground, in open workings and on the surface was as follows:-

*

Annual Report of the Chief Inspector of Mines in India for year ending 31 December 1947: Published by the Manager of Publications, Delhi, 1949: Price Rs.6-4-0; pp.188.

	Men		Women	
	1947	1946	1947	1946
Underground	151,200	135,807	..	10,782
In open workings	63,228	66,751	40,067	41,605
Surface	101,585	96,118	51,183	49,313
Total	316,013	298,676	91,250	101,700

Distribution of workers.- The daily average number of persons employed in coal mines was 521,537 which is 5,519 or 1.74 per cent more than the number employed in 1946. Of these persons, 57,498 were males employed in cutting coal, 33,692 were males employed as loaders of coal and 66,255 were women. Although the number of persons employed in coal mines in 1947 increased by 1.74 per cent the quantity of coal produced in 1947, was 2.26 per cent more than in 1946.

A classification of the coal mines according to their size as determined by the daily average number of workers employed during the year in three important coalfields is given in the table below:

	Number of mines employing						Total number of mines.
	Less than 50 persons	50 to 150 persons	150 to 300 persons	300 to 500 persons	500 to 1000 persons	above 1000 persons	
Jharia	90	146	99	51	32	34	452
Raniganj	100	88	58	31	32	26	335
Central Provinces	4	14	8	8	5	7	46

Returns relating to the number of workers employed in coal mines on the day with the maximum turn out of workers in a week in February, specified for this purpose by the Chief Inspector of Mines, showed that on the selected day in February 1948, 378,550 persons were either at work or were prevented from attending work. This figure is 57,013 or 17.73 per cent more than the average number of persons employed in coal mines during 1947. Three of the important district comparisons were as follows:-

	Average daily attendance	Attendance on selected day (absentees included)	Excess or shortage over average daily attendance.	Percentage excess or shortage
Jharia coalfield	145,071	159,338	x 14,267	x 9.83
Raniganj coalfield	104,452	130,585	x 26,133	x25.02
Central Provinces coalfield	19,663	25,910	x 6,247	x31.77

Some of the percentages of absentees on the selected day were as follows:- All mines from which returns were received 5.57; Jharia 2.57; Raniganj 5.57; Giridih 24.95; Central Provinces 5.77; and Bokaro 12.55. It is probable that the reason for the low percentage of absentees in the Jharia coalfields is that a larger proportion of the labour force is resident at or near the mines than in the other areas.

During 1947, as in 1946, there was an increase in surface workers due primarily to building and other programmes which were held in abeyance during a large part of the war period and which was now being undertaken. The coal out put per person employed increased from 225 tons in 1946 to 238 tons in 1947 if only coal-cutters and loaders employed underground and in open workings are taken into account; and from 138 tons in 1946 to 142 tons in 1947 if account is taken of ~~open working~~ all workers employed underground and in open workings.

Increased employment in metalliferous mines.- The number of persons employed in metalliferous (including mica, stone, and clay mines) was 85,726 which is 1368 or 1.62 per cent more than the number employed in 1946. Sixty thousand, seven hundred and thirty-one were men and 24,995 were women.

Wages.- In 1947 there was a general increase in the wages of all classes of labour in the various coalfields.

Accidents.- During the year 1947, at mines regulated by the Indian Mines Act 1923, there were 239 fatal accidents in which 263 persons were killed and 58 persons seriously injured, as compared with 315 persons killed and 46 persons seriously injured in 258 fatal accidents during 1946, in the Indian Dominion.

In addition to the fatal accidents there were 1,411 serious accidents involving injury to 1,450 persons, as compared with 1,203 serious accidents involving injuries to 1,240 persons in the previous year. The "serious" accidents reported were those in which an injury had been sustained which involved, or in all probability would involve, the permanent loss or injury to the sight or hearing, or the fracture of any limb, or the enforced absence of the injured person from work over a period exceeding twenty days.

The number of men and women involved in both serious and fatal accidents was 247 men and 16 women killed and 1,425 men and 84 women seriously injured.

In the fatal accidents, in 21 cases two were killed; in one case four were killed; in one case one was killed and seven seriously injured; in 2 cases one was killed and three seriously injured and in one case two were killed and two seriously injured.

In the serious accidents, in 21 cases 2 were seriously injured; in 7 cases 3 were seriously injured and in one case 5 were seriously injured.

Out of the total of 1,451 persons seriously injured, 3 persons were permanently totally disabled; 73 were permanently partially disabled and 1,375 were only temporarily disabled. In addition, it was reported that 8,137 persons received minor injuries which necessitated the enforced absence from work for a period exceeding forty-eight hours.

Health and sanitation: (a) The Asansol Mines Board of Health held eleven ordinary and five special meetings during the year. The health of the Mining Settlement was at a satisfactory level, though there was a slight increase in the death rate and in the infant mortality rate compared to what obtained in the previous year. The death rate in 1947 was 13.5 per thousand against 12.8 per thousand in 1946. The infant mortality rate was 96.0 per thousand births compared to 84.8 per thousand births in the preceding year. The birth rate fell from 19.5 in 1946 to 17.5 in 1947. Malaria which is the single largest cause of sickness, showed a decline. The incidence was 37 per thousand, as compared to 40 per thousand in 1946. Malaria control in collieries was in charge of the Malaria Institute of India and is financed from the coal Mines Welfare Fund. One hundred and sixty-two collieries and 92 villages were included in the control scheme. Anti-larval measures were discontinued as a measure of economy. D.D.T. spraying was undertaken against ~~and~~ mosquitoes and was carried out thrice during

the year, at intervals of six weeks. Rural malaria control was carried out by the Board's Malaria Department in 25 villages from which colliery labour is drawn.

Cholera was mildly prevalent during the year. Out of a total of 613 cases, 253 were reported from collieries. The epidemic reached its peak in July and August and declined from September. Intensive inoculation was carried out in anticipation of and during the Cholera season, the total number of persons inoculated being 121,925. The number of small-pox cases reported during the year was 1,494. Of these, 245 occurred at collieries. The maximum incidence of small-pox coincided with the summer months and declined with the onset of the rains. Out of a total of 196,056 vaccinations performed during the year, 14,729 were primary and 181,327 were re-vaccinations. The bye-laws regulating isolation of cases, segregation of contacts and quarantine were enforced in respect of both cholera and small-pox.

There was a staff of six Lady Doctors and four Health Visitors in the Maternity and Child Welfare Department under the supervision of ~~three~~ a Lady Superintendent. Ten Welfare Centres were maintained by the Board serving 47 collieries and 54 villages with population of about ^{100,000} one lakh. 801 expectant mothers were under pre-natal supervision. Four hundred and sixty-two cases were confined by trained dais, while in 133 cases the Lady Doctors were in attendance along with the dais. Forty-three cases were admitted in the Maternity Wards. This was followed up by post-natal supervision in all cases. Regular home-visits were paid to 467 infants and 327 toddlers. The morning clinics held in the Welfare Centres were attended by 178 infants and 258 toddlers.

The Board prescribed a minimum standard of drugs and equipment for colliery dispensaries. Two Assistant Sanitary Officers were appointed to inspect the dispensaries and assist the Medical Officers in diagnosis and treatment. In the Annual Bay Show held in seven centres, 227 infants and 196 toddlers were presented for examination. The defects noted were explained to the working mothers. Fifteen teams participated in the Senior Inter-Colliery Ambulance Competition open to holders of St. John Ambulance Certificates. In the Junior Competition, there were eight miners' teams and 18 non-miners' teams. The number of beds reserved in the Sanctoria hospital for the use of collieries other than those of Messrs. Andrew Yule and Company, Limited, was increased from 15 to 25. The facilities of specialised hospital treatment were fully availed of, the number of admissions during 1947, being 156.

(b) The Jharia Mines Board of Health.- During the year, the Jharia Mines Board of Health held ten ordinary and seven special meetings and one joint meeting with the Jharia Water Board. The estimated population of the Settlement was 596,956. The death rate was 11.87 per thousand, as compared with 10.38 in the previous year. There was a decrease in the birth rate from 25.31 per thousand in 1946 to 22.22 in 1947. The infant mortality rate increased from 43.98 per thousand in 1946 to 51.33 per thousand in 1947. The standard of health among the colliery population was ~~was~~ at a higher level than that of the general population. The death rate among the colliery population was 5.82 per thousand during the year, as against 5.04 in 1946. The sickness rate among the colliery population was 5.60 per cent in January, the healthiest month of the year, and 11.95 per cent in August.

Cholera appeared in an epidemic form during July 1947. There was a higher level of incidence during July and August, as compared with the remaining months of the year. Out of 1,500 cases, 522 were reported from collieries, 100 from the Dhanbad Municipality and the remainder from the rural areas. Preventive measures adopted by the Board consisted of mass inoculation, phage administration and disinfection of water supplies. In all, 38,172 people were inoculated of whom 10,785 were from collieries and 27,387 from rural areas. Small-pox appeared in an epidemic form in a number of places between January and May. Out of 2,135 cases, 1,126 were reported from collieries, 110 from the Dhanbad Municipality and the remainder from the rural areas of the Mining Settlement. Mass vaccination was resorted to throughout the Mining Settlement, the number of operations performed being 80,325 out of which 61,655 were re-vaccination.

During the year, the field of Maternity and Child Welfare activities was extended to many more collieries. New circles were started and 12 new ~~ex~~ clinics came into existence so that there are now 6 circles with 23 clinics as against 3 circles with 11 clinics in the previous year. Furthermore, a number of adjacent collieries was grouped with the old clinics, with the result that compared to 13 large collieries served by the Board in the previous year, the scheme now embraces 65 large and small collieries, and about 117 villages. ~~and the mining settlement~~

Quinine substitutes were distributed among Santal villages through local agencies. All leprosy work within the Dhanbad Sub-Division continued to be managed during the year by the Dhanbad and District Leprosy Relief Fund, the average number of patients treated at different clinics during the year being 530. A school Medical Officer was

61

appointed by the Board during the year and jointed ~~his~~ his duty in May 1947. During the year, the system of public health lectures was revived as a routine measure.

The Jharia Water Board functioned throughout the year and supplied a total of 771,610,000 gallons of water, as compared with 802,635,000 gallons in the previous year. The Board supplied water to about 240 collieries, four bazar areas and some villages in the Jharia coalfield during the year.

The Mines Maternity Benefit Act.- During the year, 1,072 inspections of mines were made in connection with the enforcement of the provisions of the Mines Maternity Benefit Act and Rules made thereunder.

General labour situation and welfare measures.- During the year under report there was a gradual deterioration of relations between employers and workers and ~~was~~ an increase in the number of strikes. The report says that many of the strikes were fomented by labour leaders, with the object of gaining control of the labour for political reasons, and not infrequently after a union had been started by a leader of one party, the leader of another party entered the colliery to raise an opposing union. The preaching of indiscipline in the mines, and quite frequently, incitement to assault of those concerned with the management and control of the mines by some of the more irresponsible agitators, ~~many of whom~~ many of whom were outsiders and had no knowledge of mining or of mining labour, were the most regrettable feature of the movement. Assault of managers or members of the supervisory staff of mines actually occurred and open threat of assault was a common occurrence. Defiance of orders for the safe or proper conduct of operations underground, wilful neglect of duty and laxity in carrying out specific duties were frequently reported and a number of accidents which occurred during the year resulted from indiscipline, neglect or dereliction of duty. On the other hand, some of the unions were set up and conducted on proper lines and these proved a boon to the workers and of considerable assistance to the management in enforcing discipline. The Government of India set up a Board of Conciliation for the arbitration ~~of~~ settlement of grievances of coal mine labour, appointed various fact finding committees. The coal industry was also declared a Public Utility Service under the Industrial Disputes Act. As the result of the recommendation of the Conciliation Board the workers obtained considerable increases in the rates of pay and allowances and other benefits (vide pages 21-24 of the report of this Office for May 1947).

Directorate of Unskilled Labour Supply abolished.- During the year the Directorate of Unskilled Labour Supply was abolished by the Government and the Gorakhpur labour force in the coalfields which had been organised and administered by the Directorate was taken over by the Coalfields Recruiting Organisation - an organisation set up jointly by the Indian Mining Association, Indian Mining Federation and Indian Colliery Owners Association. The new organisation also took over the Raniganj Coalfields Central Recruiting Organisation with the Gorakhpur labour force of over 2,000 workers it had administered. The organisations set up in the coalfields for the supply of foodgrains, cloth and consumer goods functioned satisfactorily throughout the year although procurement, particularly of rice, was difficult.

Coal Mines Welfare Fund.- The Coal Mines Labour Welfare Fund Ordinance, 1944, was repealed during the year by the Coal Mines Labour Welfare Fund Act, 1947, which came into force on the 14 June 1947. The rate of the cess on despatches of coal and coke was, with effect from that date, raised from annas 4 to annas 8 per ton. Under the Act, a Housing Board was created to administer all matters relating to the housing problem of miners. Provision was also made in the Act for fixation of standards and for the payment of grants-in-aid for colliery dispensary services.

During the year the Fund sanctioned the installation of two X-ray units at a cost of 25,000 rupees each, one for the State Railway's Collieries hospital at Giridih and the other for Messrs Shaw Wallace and Company's hospital at Barkul in the Central Provinces. The grant of a sum of 43,176 rupees from the Fund to the Jharia Mines Board of Health for extended sanitary services was continued. The amount of the grant to the Asansol Mines Board of Health was increased from 33,000 rupees to 49,300 rupees annually.

A scheme of establishing three static clinics for the treatment of patients suffering from tuberculosis was sanctioned by the Government and the Fund had under consideration the question of selection of suitable sites for the clinics. The Fund also made a subvention of 125 million rupees for anti-malaria operations in various coalfields. Tenders for the construction of a Central Hospital at Dhanbad were called for. Building work is expected to commence in the near future. Building for the four Regional Hospitals (two each for the Bihar and Bengal coalfields) were ready, and recruitment of staff and procurement of drugs and equipment for the hospitals and maternity and child welfare centres were well in hand. For the transport of

colliery patients, the Fund maintained seven Ambulance vans - two for the Jharia coalfield, two for the Bengal coalfield and three for the Central Provinces and Berar coalfields. The number of beds reserved in the Sanctoria hospital for the free treatment of the colliery labour was increased from 15 to 25. The Tata Iron and Steel Company, Limited, terminated their agreement for the reservation of beds in their Jamadoba hospital.

The mobile shop and the mobile canteen did useful work in the collieries. The former visited 250 collieries during the year, selling goods to the value of 73,942 rupees. Vegetable gardens started by the Fund were abandoned as it was not found ~~for the same~~ economical to run them departmentally. With ~~the~~ a view to giving relief to lepers, the Fund sanctioned grants of 20,000 rupees non-recurring and 720 rupees per bed recurring, for twelve beds, to the Dhanbad and District Leprosy Relief Fund. Grants of 25,000 rupees non-recurring and 250 rupees per bed recurring, were sanctioned for the Asansol Coalfield. For the ¹¹ingir-Rampur colliery in Orissa, the Fund sanctioned 450 rupees recurring and 215 rupees non-recurring for the same purpose. The Fund contributed 10,000 rupees towards the cost of organising a course of training for colliery medical officers in the Jharia and Raniganj coalfields. A sum of ~~Rs~~ 14,000 rupees was sanctioned for the same purpose for the year 1948.

Pithead baths and creches.- Owing to difficulties in obtaining steel and cement, most collieries could not complete the construction of pit-head baths and creches and consequently Government have had to extend the original time limit imposed for their construction.

Housing.- It was decided to construct 50,000 miners' houses in the various coalfields within the next five years. Already 66 houses at Bhuli in the Jharia coalfield and 48 houses at Bijoynagar in the Raniganj coalfield had been constructed. The construction of 2,500 houses at Bhuli had already been taken in hand. Colliery owners in Bihar, Bengal and the Central Provinces have been asked to furnish details regarding availability of land in their collieries in order that colliery ~~own~~ land may also be utilised for construction of houses thereon.

Kamin Kalyan Sanstha.- The year witnessed the inauguration by the Labour Ministry of the first State-sponsored scheme of welfare work among the women of the coalfields - a scheme of promoting welfare through women for women. Miss C.A. Radha Bai, Lady Conciliation Officer of the Ministry of Labour, was entrusted with the work of implementing the scheme.

A training centre was opened at Pathardih in the Jharia coalfield, utilising the accommodation available in a labour camp used during the war for housing Gorakhpur labour, and a number of women belonging to middle class Bihari and Bengali families were trained in social service, first-aid, nursing, handicrafts and community life. The higher grades of welfare personnel were given an intensive training at Delhi, and equipped with the necessary knowledge and background for shouldering duties of important nature including promotion of craft education, propaganda and inspection of the operation of statutory measures enacted by the State for the protection and benefit of working women.

At the end of the year under review, ~~thirty~~ thirty-four women workers were trained and posted to welfare centres (called Kamini Kalyan Kutirs). Activities at these centres included nursery schools, craft education for boys and girls, recreational activities. Audio-visual education and entertainment through a mobile cinema, organising first-aid services and health talks, popularising hospitals, schools, etc., at the collieries, diversion of surplus money into useful channels and dietetic propaganda by sale of vegetables and by demonstrating cooking.

On an average about 600 children attended these centres and about 200 women benefitted by tuition in handicrafts such as knitting, sewing, handloom weaving, etc. With the co-operation of employers, labour and labour leaders, the organisation obtained a considerable measure of success during its first year of operation.

Labour associations in mining areas.- Seven registered workers' organisations functioned in the mining areas during 1947. These were:-

(a) The Indian Colliery Labour Union.- This union, registered under the Indian Trade Union Act, claimed a membership of 11,577, the members ~~his~~ being chiefly miners, skilled and unskilled manual workers and clerical staff of mines and coke-plants. The rates of subscription remained as in the previous year and varied from three pies to four annas per month per member. The Union assisted members in wages and compensation disputes and arranged lantern lectures on maternity, child welfare, temperance, hygiene and safety-first, etc. The Union did not conduct any strike during the year under review on principle, as it did not consider it worthwhile and necessary particularly under the regime of the present National Government. The President of the Union was Mr. M. John.

(b) The Indian Miners' Association Jharia.- This association is a registered trade union. The membership of the Union during the year rose to about 8,000. The members are chiefly miners and other manual workers of mines. The rates of subscription vary from one to four annas per month according to scale of pay. The Secretary of the Association, Mr. P.C. Bose, served on the Conciliation Board (Colliery Disputes) appointed by the Government of India, to represent labour, and also attended the Mining Committee meetings of the I.L.O. held at Geneva during the year. The Association, apart from its normal activities, was very busy during the year in fighting for the implementation of the Conciliation Board Award.

(c) Kustore Workers' Union.- The Kustore Workers' Union is a registered trade union, its president being Mr. Mukutdhari Singh and its Secretary Mr. Radha Ranjan Banerjee. The number of subscribing members at the end of the year was 3,000. All categories of workers working in Kustore and Burragarh collieries are members of this Union. The subscription rate is annas four per month. During the year a large number of workers enlisted as members. The total amount collected during the year was 3,435 Rupees and 4 annas which included some donations from the members.

(d) The East Indian Coal Company Workers' Union.- This union, is registered under the Indian Trade Union Act, and has Mr. Shah Nawaz as its President and Mr. Satya B. Sen as its General Secretary. The number of subscribing members at the end of the year was 2,546. All categories of workers with the exception of the officials and heads of the various departments are members of the Union. The scale of subscription is one day's wage in a year. The total amount collected during the year was 1,927 rupees 9 annas and 9 pies. The Union set up an arbitration board at the collieries to which petty quarrels were referred and thus many criminal cases were avoided.

(e) The Bhulanbararee Coal Company Workers' Union.- This union was formed on 4 September 1947 and was duly registered under the Indian Trade Unions Act, 1926, in November 1947. Its President is Mr. Shah Nawaz and General Secretary, Mr. Satya B. Sen. The total membership of the Union was 1,050. Since its inception, the Union has conducted a campaign for the improvement of education and sanitation, and prohibition of liquor.

(f) The Mugma Coalfield Workers' Union.- This Union was registered in November 1947 by the Registrar of Trade Unions (Bihar) and it is said to embrace ten collieries in the area. The number of members is said to be more than 3,000. Since its inception, the Union has held eight mass meetings as well as ten meetings of its Executive Committee. The main activities of the Union have been the organisation, in consultation with the management of various mines, of Works Committees and obtaining redress of grievances relating to the implementation of the Conciliation Board Award.

(g) The Coal Workers' Union, Giridih and Bokaro.- The Coal Workers' Union during the ninth year of its existence, continued to press for abolition of the contract system and its efforts were successful in respect of the State Railway collieries of the Giridih group and the Jarangdih and Sawang collieries in the Bokaro coalfield. It was the fulfilment of five years' effort. The Union, which although recognised for all practical purposes, received formal recognition for the Giridih group of Railway collieries late in 1947. The Union commanded a membership of nearly 11,000 out of which about 5,500 were members from Jarangdih and Bokaro collieries and the amount collected as subscriptions was 11,244 rupees and 3 annas for the financial year 1946-47. The level of membership in the year 1947 was maintained.

Mr. Chapal Bhattacharyya, General Secretary of the Union represented Indian miners at the second session of the Coal Mining Committee of the International Labour Organisation held at Geneva in April 1947.

Inspections.- During the year, 1,478 mines were inspected, many of them being inspected several times. Three thousand five hundred and forty-three separate inspections were made. The cause and circumstances of nearly all fatal accidents and serious accidents of importance, and all complaints of breaches of regulations and rules were investigated. Many inspections were made at the invitation of mine-owners, superintendents and managers desirous of obtaining advice on safety matters. In the major coalfields, a large portion of the time of the Inspectors was occupied in investigating cases of actual or threatened damage to dwellings and roads by reason of the underground workings of coal mines, in dealing with underground fires and in examining protective works against the risk of inundation. In addition, a large number of inspections of the sanitary conditions of mines were made by medical officers as ex-officio Inspectors of Mines.

(The Annual Report of the Chief Inspector of Mines in India for 1946 was summarised at pages 47-53 of the report of this Office for September 1949).

Bombay: Working of the Factories Act,
1934 during 1948*.

Number of factories and workers.- The total number of working factories in Bombay Province, during 1948 was 5,254 as compared with 4,703 for 1947. Of these 4,191 factories were perennial and 1,091 seasonal. 940 of the perennial and 485 of the seasonal concerns were connected with the cotton industry. The figures do not include a number of artificial factories.

The number of operatives employed in all industries including the weighted night average in cotton mills was 737,460 as compared with 697,895 in 1947. 85,327 were women and 1,804 children. The figures for 1947 being 84,360 and 1,922 respectively.

Inspection and prosecutions.- During the year 4,311 factories were inspected; 2,760 factories were inspected once, 902 twice, 254 ~~twice~~ thrice and 395 more than three times. The number of cases instituted during the year was 758. Convictions were secured in 524 cases against 163 factories and the fines imposed totalled 21,551 rupees during the year. Two hundred and two cases against 49 factories were pending at the end of the year under report. In 26 cases against 6 factories the accused were acquitted while 6 cases were withdrawn. Nineteen cases against the occupiers of the factories were instituted during the year for failure to submit the notice of occupation. Convictions were secured in 16 cases with a total fine of 665 rupees. Three cases are pending. Thirty-two cases were instituted against 8 factories for the irregular employment of women. Convictions were secured in 13 of the cases with a total fine of 275 rupees whilst 9 cases against 2 factories are pending. In 10 cases against 2 factories the accused were acquitted. Sixty-four cases against 20 factories were instituted for the irregular employment of children during the year.

* Annual Report on the Administration of the Factories Act in the Province of Bombay for the year 1948: Printed at the Government Central Press, Bombay: 1949: pp.95; price Rs.2 As.8 or 4s.6d.

66

Convictions were secured in 53 cases with a total fine of 1,565 rupees. Six cases against 3 factories were pending at the end of the year whilst in 4 cases against 2 factories the accused were acquitted and one case was withdrawn. Five cases were instituted for failure to provide latrine accommodation and convictions were secured in all of them. The fines imposed totalled 160 rupees.

Holidays with pay.- The report states that workers in general are now aware of their rights for receiving holidays with pay. Several complaints were received during the year. Most of them were disposed of and a few were pending disposal. The managements of some factories paid remuneration in respect of holidays with pay granted to the workers, at a rate equivalent to the daily average wages during the three months preceding the completion of 12 months' service in the factories. Provisions of Section 49-C of the Factories Act were explained to the management of the factories concerned and short payments were refunded to the workers.

Creches.- The rules framed under Section 33 of the Factories Act, 1934, required factories, employing hundred or more women workers, to provide creches on the premises for the children (upto 6 years of age) and such women workers. During the year there were 137 such factories employing a total of 39,143 women workers. As many as 130 factories provided compulsory creches while 10 more, where the women have been reduced to below the prescribed number kept up the standard of their creches voluntarily. With regard to the attendance of children, the report shows the average attendance of 4,889 on the registers and the actual daily average attendance of 3,019 with a maximum of 3,879, and a minimum attendance of 2,713.

Accidents.- During the year 25,097 accidents were reported. Of these 65 were fatal, 4,653 were serious and 20,379 minor.

Sanitation.- The report mentions that the general condition of sanitation was satisfactory and efforts were made to improve ventilating conditions. Provision of roof-lighting was urged in a number of factories where natural lighting was found inadequate. Installation of fluorescent lighting is one the increase. A mill at Ahmedabad installed fluorescent lighting in the Ring Frame department at an approximate cost of 12,500 rupees.

Fencing of machinery.- Close attention was paid to the question of fencing of machinery during the year under review. The report mentions that the guard for the drag and measuring rollers of sizing machines is now to be seen in most of the mills. Flap guard for the fly-chamber door of cards was not so universal, but it was likely to be fitted up on all the machines in a year or so. Suitable models of both these guards were demonstrated fairly widely by the Department. Although the standard of fencing in gur factories has improved, provision of efficient guards on crushing machinery needs improvements. Fencing in ground-nut factories showed slight improvement, though not to the desired extent.

The importance of the provision and maintenance of efficient guards has not been fully realised by the management and workers alike in smaller types of factories. The management, it appears, is inclined to think that the fencing is an obstacle to the proper working of the machines while the workers are inclined to take chances. Two main difficulties were experienced in the provision of ~~the~~ up-to-date guards. One was the management's lack of engineering knowledge and the other was that the smaller factories were unable to maintain a full time engineer.

Hazardous occupation rules.- Women, adolescents and children are not employed on these operations. Workers are medically examined, ventilating and washing facilities have been provided where required by the rules. During the year only one person who was suspected of lead poisoning was asked to change work and to take treatment.

Bombay Maternity Benefit Act.- According to the report the attitude of employers in general having a large complement of women workers has been one of understanding with the spirit of the Act, and maternity rest periods and benefits at the enhanced rates have been usually granted. Of the 52,804 women employed in factories amenable to the Bombay Maternity Benefit Act in the Bombay Province, as many as 5,123 women presented their claims and received 202,836 rupees as maternity benefits. Of these claimants 1,946 women were paid the pre-maternity benefit instalments when going on maternity leave. The percentage of claims to employment works out at 9.29 for the province as against 11.37 in the year 1947.

During the year 19 complaints were received. All the complaints were settled satisfactorily and full payments were secured to the workers.

Employment of Children Act.- The full time Inspectors of Factories are responsible for the administration of the Act in the City of Bombay, Bombay Suburban District, Ahmodabad City and Cantonment, and Poona City and Cantonment. In other areas the Sub-Divisional Magistrates, Mamlatdars and Mahalkaris are responsible within the limits of their respective jurisdictions.

The full time Inspectors visited over 250 factories to check employment of children below the age of 12 years and found that most of the concerns did not employ children, at all. Some of them employed very few children duly certified. Only six children below the age of 12 years were found employed in five concerns (three in 2 biddi-making and three in soap factories).

Reports were received from several revenue officials who are appointed Inspectors under the Act but most of them were either "blank" or "nil" reports. Some officials have, however, reported that no breaches of the Act were detected by them.

Payment of Wages Act.- During the year the Department received 1,540 complaints. While most of them related to non-payment of wages, dearness allowance and bonus, wrongful discharge as well as notice pay, a few were in respect of illegal deductions. Action was taken by the Inspectorate and the grievances were redressed in most of them. Only four applications were filed under section 15 of the Act against the managers of three factories in the Court of the Authority for delayed payment of wages amounting to about 11,400 rupees. In one application, payment of wages together with compensation of 2 rupees per head was awarded. Two applications against one factory were pending whilst in the case of the fourth application, wages were paid by the factory before the application could come up for hearing. Compensation for delayed wages was pressed, but the manager was let off with a warning by the Authority to make payments regularly in future.

71

59. General.

India - February 1950.

Improvement in Service Conditions of Railway
Workers: Big Benefits in Pay Scales.

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According to a brochure issued by the Ministry of Railways, India's 850,000 railway employees are today much better off, due to the substantial improvements effected in their pay scales, allowances, conditions of service and amenities by the various railway administrations in the country.

Most of the main pay scales recommended by the Central Pay Commission have been adopted by the Government. As a result, unskilled and other class IV staff, comprising nearly 500,000 men, have now uniform pay scales. Rationalisation and standardisation of pay and allowances of the running staff, numbering about 35,000 was done at an additional cost of 20 million rupees per year. Besides dearness allowance and grainshop facilities, railway employees are entitled to compensatory allowance in all towns and house rent allowance in 85 following the railway Grainshops Inquiry Committee's report, employees drawing less than 250 rupees per month were given the option to elect either higher cash allowance or continuance of the grainshop facilities with the then existing dearness allowance. Of the 786,000 employees eligible for exercising this option nearly half elected to have the concession and lower cash dearness allowance. During 1948-49, the railways spent nearly 290 million rupees for the relief afforded through their 589 grain shops.

The new leave rules, based on the recommendations of the Pay Commission, have removed the previous differences between various categories of employees. As regards hours of work, periodic rest and leave reserve, the Government accepted, in June 1948, the adjudication award of Mr. Justice Rajadhyaksha, the full implementation of which is expected to cost the railways 143 million rupees per annum.

* Railway Workers in India; issued by Ministry of Railways (Railway Board), pp 34; price Annas 12.

72

Liberalisation of provident fund rules has expended their benefits to practically all employees save those temporary hands with less than twelve months' service. The system of daily rates in the case of workshop staff has now been abolished.

Other spheres in which improvement has been effected include co-operative societies and stores, facilities for education of children, housing and medical aid.

(The Times of India, 10-2-1950).

Madhya Pradesh: The Factories Act, 1948, and the Mica Mines Labour Welfare Fund Act, 1945, extended to Partially Excluded Areas.

In exercise of the powers conferred under section 92 of the Government of India Act, 1935, the Madhya Pradesh Government has extended a number of enactments, both Central and State, to all the Partially Excluded Areas in the State, including the Factories Act, 1948 and the Mica Mines Labour Welfare Fund Act, 1945.

(The Central Provinces and Berar Gazette, Extraordinary, dated 24 January 1950, pages 24-27).

Chapter 6. General Rights of Workers.

64. Wage Protection.

India - February 1950.

Madras: Claims Authorities appointed
under Payment of Wages Act, 1936 .

By a notification under section 15(1) of the Payment of Wages Act, 1936, the Madras Government has appointed the Commissioner for Workmen's Compensation, Madras and the two Additional Commissioners for Workmen's Compensation, as the authorities to decide claims arising out of deduction from the wages or delay in payment of wages for areas specified in the notification.

(The Fort St. George Gazette, Part I,
dated 14 February 1950, page 319).

76

66. Strike and Lockout Rights.

India - February 1950.

Decline in Industrial Disputes during December
1949.

The end of 1949 recorded an appreciable improvement in industrial disputes as compared to other periods. According to the statistics of the Labour Bureau, there were 78 disputes during December 1949 as against 90 in November, the number of workers involved being 55,192 as against 104,510 in the previous month. The number of man-days lost declined from 451,200 in November to 416,131 in December. Of the 78 disputes recorded during the month, 12 were lockouts accounting for a time-loss of 277,757 man-days ~~lost~~ or about 67 per cent of the man-days lost during the month. Eleven of the lockouts were in West Bengal.

A slight deterioration in the labour situation in Bombay and Uttar Pradesh was more than offset by comparative peace in other States, there being no dispute in Ajmer, Assam, Delhi and Orissa. Bombay showed an increase in the number of disputes from 30 in November to 32 in December with a corresponding rise in the number of man-days lost from 56,468 in November to 67,620 in December. West Bengal, which recorded only 20 disputes as against 21 in the previous month, showed a loss of 167,420 man-days as against 156,028 during the previous month. In Uttar Pradesh there were 12 disputes during the month as compared to seven in the previous month and the number of man-days lost was 154,759 as against 130,604 in November.

Textiles showed an increase in the number of man-days lost as compared to the previous month and accounted for over three-fourth of the recorded time-loss. About 72 per cent of the man-days lost in textiles i.e., 226,000 was due to lockouts. Lockouts further contributed to a time loss of 29,100 man-days in engineering; 1,650 in wood, stone and glass and 20,810 in miscellaneous industries.

Seventeen disputes representing 16.7 per cent of the workers involved related to wages, allowances and bonus and accounted for 14.1 per cent of the man-days lost. Twentynine disputes representing 28.1 per cent of the workers involved related to question of retrenchment and grievances about personnel. These accounted for 19.1 per cent of the man-days lost.

Labour triumphed in 15 disputes representing 36.9 per cent of the workers involved while in 23 cases representing 58.7 per cent of the workers involved, the workers were ~~xxx~~ unsuccessful.

Fifty-six disputes terminated during the month, 39 lasting for five days or less, there being only four cases where the duration was more than 30 days.

(The Statesman, 24-2-1950).

U.P.: Sugar Industry declared Public Utility Service under Industrial Disputes Act, 1947.

By a notification dated 1 February 1950, the Uttar Pradesh Government has declared the Sugar industry and every undertaking connected with the manufacture or distribution to be a public utility service for the purposes of the United Provinces Industrial Disputes Act, 1947, for a period of 6 months from 10 February 1950.

(The Government Gasette of the Uttar Pradesh Part I, dated 11 February 1950, page 99).

67 Conciliation and Arbitration.

India - February 1950.

The Labour Relations Bill, 1950:
Procedure for Collective Bargaining
Defined: Central Appellate Tribunal
set up.

On 17 February 1950, Mr. Jagjivan Ram, Labour Minister, introduced in Parliament the Labour Relations Bill, 1950, providing for the regulation of the relationship between employers and employees, for the prevention, investigation and settlement of labour disputes and for other incidental matters. The Bill contains comprehensive provisions covering standing orders, collective bargaining, conciliation and arbitration and is intended to replace the existing industrial disputes enactments of the Central and provincial Governments and the Industrial Employment (Standing Orders) Act of 1946.

Statement of Objects and Reasons.- The Statement of Objects and Reasons appended the Bill, observes that ^{it is} the first attempt at providing the country with a comprehensive law on the subject, superseding the Industrial Disputes Act, 1947 and similar legislations obtaining in States. Uniformity in the basic law governing labour relations has, in recent times, become imperative, particularly in view of the necessity for the setting up of an All-India Appellate Tribunal with jurisdiction over all Union and State Tribunals.

Standing Orders.- The Industrial Employment (Standing Orders) Act, 1946, which provides for the framing of standing orders regulating the day-to-day working of an establishment is now a separate enactment, but its provisions have been incorporated in the Bill as they cover matters which are essentially part and parcel of the relations between management and labour. The Bill is extensive in scope and applies to all categories of employees except civil servants, persons employed in the defence forces and domestic servants and to all establishments working with more than ten employees.

Three new authorities set up.- Three new authorities are envisaged in the Bill, namely, Standing Conciliation Boards, Labour Courts and the Appellate Tribunal. Standing Conciliation Boards and Labour Courts have been tried in certain States with a fair-messure of success. The Appellate

77

Tribunal, the setting up of which will be the responsibility of the Union, is a new authority of considerable importance. Lack of uniformity in the awards given by the large number of Tribunals in the country has resulted in divergent, if not conflicting, decisions, causing much embarrassment to employers, particularly those with establishments in more than one State, and restlessness and expectancy among employees who find their compeers in a neighbouring district or State much better off than themselves. It will be the responsibility of the Appellate Tribunal to ensure all possible coordination and uniformity in the settlement of labour disputes throughout the country. It will be noticed that though a large number of authorities are enumerated in the Act, some are purely optional, some are to be set up only when the necessity arises, and only two, viz., Registering Officers and Conciliation Officers, have of necessity to be appointed from the start.

Constitutional and practical difficulties have ~~been~~ made it necessary for the Union to assume a wider jurisdiction than in the past. Regulation and control of a number of industries by the Union may necessitate the regulation of labour relations in some of those industries by the Union. Power has been taken in the Bill for that purpose, but the assumption of control by the Union will not be automatic or even immediate and would take place only when a situation arose warranting such a course. Even in that case, the States concerned would be consulted beforehand. Where establishments such as banks, insurance companies, transport services, etc., have branches and activities in more than one State, practical difficulties necessitate the regulation of labour in those employments by the Union.

Settlement of disputes through negotiation and bargaining Collective bargaining.— Faith in the efficacy of friendly negotiations between an employer and his employees is the very basis of the Bill. Negotiations must be attempted at an early stage and in a proper atmosphere and not after a strike has already taken place or a Conciliation Officer has been forced to come on the scene. The Bill provides for a notice requiring the other party to start negotiations within seven days. If the party which receives the notice takes advantage of that opportunity (which it must in a public utility service), negotiations must be concluded within 14 days in the case of a public utility service and 7 days in any other case unless those periods are extended by mutual agreement. Where negotiations break down, a 14 days notice is required in public utility services before a strike or lock-out can be declared.

1/8

Collective bargaining which is the recognised procedure in the West for the regulation of labour-management relations has hitherto not received in this country the attention it deserves. An attempt has been made to introduce a simple procedure for collective bargaining which may be adopted in place of the less formal procedure for negotiations and conciliation. Even that simple ~~process~~ procedure may, in the first instance, be suited only to the industrially advanced States. After experience has been gained of the working of collective bargaining, it may be necessary to improve the procedure, but it has been considered advisable not to complicate it by making it too rigid from the very beginning.

Where Labour Courts are set up in a State, they will have jurisdiction over all disputes except those mentioned in a schedule which will continue to remain under the jurisdiction of Labour Tribunals. Where Labour Courts are not set up, all disputes are referable to Labour Tribunals at the discretion of the appropriate Government.

Go-slow policy to be deemed as illegal strike or lockout.- Among the other special features of the Bill may be mentioned the provisions relating to retrenchment, go-slow policy and the exercise of control over certain categories of undertakings in certain circumstances. Retrenchments can be effected only after the prescribed notice has been given and gratuity paid. A go-slow policy, whether on the part of employers or of employees, if proved before a Labour Tribunal, will be deemed to be an illegal lock-out or strike and dealt with as such. The power to exercise control over undertakings is restricted to those deemed essential for the maintenance of order and for supplies and services essential to the life of community and is subject to stringent safeguards.

A serious drawback of the Industrial Disputes Act, 1947, is the fact that the provisions contained in it for the enforcement of settlements and awards are too weak to be effective and that persons entitled to relief find it very difficult to enforce their rights. The Bill seeks to remedy those defects. The penalty for breach of a settlement, collective agreement, order or award has been substantially increased, and amounts due from an employer may be recovered as if they were arrears of land revenue. In suitable cases Government might step in and exercise control over the undertaking. Employees are liable to forfeit their claims to bonus and the employer's share of the provident fund and to be dismissed from service. Trade unions are liable to forfeit their registration and recognition and certified bargaining agents, their certificates.

It should be the goal of any progressive labour policy to so influence labour-management relations as to make the withdrawal of State intervention possible. A strong trade union movement which is conscious alike of its rights and responsibilities - one that will stand on its own legs and not lean for ever on a crutch - can alone make industrial peace enduring. It is the aim of the Bill to build up labour-management relations on such sure foundations, and if rights have been tempered with responsibilities, the scales have been held even as between the parties.

Provisions

Scope.- The Bill extends to the whole of India except the State of Jammu and Kashmir, and shall come into force in any State on such date as may be notified by the Central Government. Different dates may be appointed for different States.

The Central Government will have jurisdiction over labour disputes or any matter regulating relationship between employers and employees concerning establishments under the Central Government including railways, mines, oilfields, major ports, banks and insurance companies having branches in more than one State, inter-State transport, industries, the control of which is vested in the Union by law, and establishments, whose objects and activities are not confined to one State and which is notified in this behalf by the Central Government. The State Government will have jurisdiction over labour disputes and labour relations concerning other establishments within the States.

Authorities under the Bill.- The Bill provides for setting up 9 authorities, viz., registering Officers for the purpose of registering employment standing orders; Works committees for promoting good relations between employer and worker within an establishment; conciliation officers, Boards of conciliation, Standing conciliation Boards and Commissions of enquiry for aiding negotiation, collective bargaining and conciliation, and labour courts, labour tribunals and the appellate tribunal for arbitration.

Registration of standing orders.- The provisions of the Bill relating to registration of standing orders by establishments are on the lines of the Industrial Employment (Standing Orders) Act, 1946. It prescribes that within the six months of the application of the Act, all industrial establishments employing more than 100 workers should submit to the registering officer for approval draft standing orders covering, inter alia, classification of workmen (permanent, temporary, etc.), manner of intimating to them hours of work, holidays, pay days

and wage rates, procedure for application for leave and holidays, termination of employment, dismissal, disciplinary action, etc. The registering officer may modify the draft standing orders.

Works Committees.- The appropriate Government is empowered to require works committees consisting of equal representatives of employers and workers to be constituted in industrial establishments employing 100 workers or more, in order to promote measures for securing and preserving amity and good relations between employers and employees, for increasing production and for promoting the settlement of any labour disputes that may come before them.

Settlement of labour disputes through conciliation.- According to the Bill, prior resort to conciliation machinery is made obligatory in the case of public utility services and is optional in ~~the~~ other cases. Settlement through conciliation may be made by negotiation between the parties to the dispute, or in the case of certain notified establishments, through collective bargaining, or through conciliation officers and conciliation Boards proposed to be set up under the Bill.

If a labour dispute has arisen or is apprehended, either of the parties, employer or employee, may send a notice to the other party setting out the nature of the dispute and the specific demands and requiring the starting of negotiations within 7 days. Resort to negotiation is compulsory in the case of public utility services and optional in other cases. Negotiations must be concluded within 14 days in the case of public utility services and 7 days in other cases, though the period may be extended by mutual agreement.

The procedure regarding conciliation of disputes in establishments declared by the Government as appropriate for collective bargaining, is slightly different. Under this procedure, negotiations may be conducted by a certified bargaining agent in respect of any establishment or class of establishments. In granting such certification, the labour court which is the certifying authority, shall give preference for a federation of trade unions to a trade union and for a trade union to elected representatives of employees. Where there are more than one trade union, the most representative union shall be given preference. The labour court may ~~not~~ revoke certification of a bargaining agent, if it ceases to fulfil the conditions entitling for certification or ~~it~~ refuses or fails to give effect to any term of collective agreement or where it has resorted to any unfair practice under the Trade Unions Bill, 1950. Negotiation is compulsory and should be concluded within 14 days.

A settlement (or collective agreement in the case of collective bargaining) arrived at in the course of conciliation proceedings will be binding for such period as may be agreed upon by the parties; where no period has been agreed upon, it will be binding for a period of one year, and thereafter until revoked by two months' notice given by either party to the agreement.

Conciliation officers and conciliation Boards.- The Bill provides for the appointment of conciliation officers, charged with the duty of mediating in and promoting settlement of labour disputes. The Government may also refer any labour dispute to a Board of conciliation consisting of an independent chairman and equal representatives of employers and workers, not exceeding four, for bringing about a settlement of the dispute. There is also provision for the constitution of standing conciliation Boards for a specified area or for a class of establishments. If conciliation by a Board ends in failure, the Board is required to submit a report to Government with its recommendations for the determination of the dispute.

Commissions of enquiry.- A Commission of Enquiry may be appointed for inquiry whether any matter referred to it, is relevant to a labour dispute or not.

Reference of disputes to a labour court or labour tribunal.- A reference to a labour court or a labour tribunal may be made by any party to a dispute or ~~it~~ by the appropriate Government if it considers it expedient to do so. A tribunal will have jurisdiction over certain issues mentioned in a schedule, including wages, bonus, contribution paid or payable by the employer to any provident fund or pension fund, compensatory and other allowances hours of work, leave with pay, work shifts, classification by grades, rationalisation of labour and plant, wrongful dismissal and reinstatement, and damages for wrongful dismissal, victimisation, allegations of go-slow tactics, non-compliance with any settlement or collective agreement, order or award, illegal strikes and lock-outs and any other matter that may be prescribed. Where no labour courts are set up, all disputes may be referred to labour tribunals. The tribunal may also hear all appeals from the orders of labour courts and applications respecting alterations, to the prejudice of the employee, of conditions of service during pendency of conciliation or adjudication proceedings, wrongful termination of service, non-compliance with any settlement, order or award and questions of illegal strikes or lock-outs. No dispute relating to the termination of service of an employee surplus to the requirements of the employer may be referred

222/1/117

82

for adjudication. An order of a labour court will be binding for a specified period, not less than one year and not exceeding three years and an award of a labour tribunal, will be binding normally for one year. But the Government may reduce the period or extend it by any period not exceeding one year at a time and for not more than three years.

Central Appellate Tribunal to be set up.- The provisions relating to the setting up of a Central appellate tribunal are on the same lines as contained in the Industrial Disputes (Appellate Tribunal) Bill, 1949 (vide pages 55-58 of the report of this Office for December 1949). The Central Government may, by notification in the official Gazette, constitute a labour appellate tribunal, consisting of a chairman and such number of other members, generally of the status of High Court Judges, as it may consider necessary. The Appellate tribunal shall have jurisdiction to hear appeals from every award if- (a) the appeal involves any substantial question of law, or (b) the award is in respect of any of the following matters, namely:- (i) wages; (ii) bonus or travelling allowance; (iii) any contribution paid or payable by the employer to any pension fund or provident fund; ~~(iii)~~ (iv) any sum paid or payable to, or on behalf of, an employee to defray special expenses entailed on him by the nature of his employment; (v) gratuity payable to an employee on the termination of his service; (vi) classification by grades; (vii) any decision on an application made to a tribunal; (viii) any other matter which may be prescribed. (c) No appeal shall lie from an award made with the consent of parties. (d) No appeal shall lie from any decision of a tribunal dismissing an appeal.

The Appellate Tribunal shall also exercise superintendence over all labour courts and tribunals in India and in this regard may call for returns, make and issue general rules and prescribe forms for regulating the practice and procedure of such courts in matters not expressly provided for in the Bill, and settle a table of fees payable for processes issued by a labour court or tribunal.

Conditions of service to remain unchanged during pendency of proceedings.- During the pendency of conciliation proceedings or proceedings before a labour court, tribunal or appellate tribunal, the Bill prohibits employers from altering conditions of service to the prejudice of their employees or discharge or punish any employee concerned in such dispute, except without the express permission of the authority concerned. This restriction, however does not apply to terminating the service of an employee who is surplus to the requirements of an employer, after one month's notice and payment of gratuity due to him.

Special provisions relating to strikes and lockouts.- Resort to strikes and lock-outs is prohibited until conciliation has been attempted and the same has ended in failure. In public utility services, 14 days' notice is required before a strike or lockout can be declared. Strikes and lockouts are also prohibited during proceedings before a Conciliation Board, labour tribunal or appellate tribunal, or during any period in which any settlement or collective agreement or award is in operation. Where labour courts have been set up, a strike or lock-out can not be declared over any matter under the jurisdiction of the labour courts. Where a strike or lockout is already in progress before conciliation or arbitration is resorted to; the appropriate Government may prohibit its continuance. Finally the Bill empowers the appropriate Government ~~to~~ prohibit, if public interest or emergency ~~to~~ requires, strikes and lock-outs in any specified public utility service for a period not exceeding six months. All strikes and lockouts in contravention of these provisions as also sympathetic strikes and lockouts, will be considered illegal. A go-slow policy, whether on the part of employers or employees, if proved before a tribunal will be deemed as illegal strike.

The consequences of illegal strikes for employees would be forfeiture of ~~wages~~ their claims to wages, bonus, contributions to provident fund or any other concession for the strike period. If a lockout is declared illegal, the employer has to pay twice the average rate of wages for the period and all other concessions. Where a strike is declared which is legal, the tribunal may direct payment of some allowance to employees on strike in lieu of wages.

Control over certain industries.- The Bill also provides that the appropriate Government may, in public interest, declare any factory, establishment or class of establishments as a controlled undertaking. Where the employer of a controlled undertaking fails to comply with any term of a settlement, collective agreement, order, or award, the Government may direct such employer to comply with such settlement, collective agreement, order or award, within two months. If the employer still fails to comply with the terms, the Government may appoint a controller to manage the undertaking for a period not exceeding three years in the aggregate. The affairs of the undertaking will be reviewed once in six months, and if it is found to be working at a loss for over any two consecutive half-yearly ~~xxx~~ periods, the appropriate Government may refer the settlement, collective agreement, order or award for decision to the appellate tribunal whether it ~~should~~ should be revised in view of the financial

84

position of the undertaking. The undertaking may be released if the employer agrees to comply with the concerned agreement or award. Where any agreement or award is not modified by the appellate tribunal and the employer is unable to comply with it, the appropriate Government may continue to work it or close it down.

Termination of employment.- Under the Bill no employee who has been in continuous employment under any employer for not less than three months shall be dismissed from service by that employer for any misconduct until such employee has been given a reasonable opportunity of showing cause against the action proposed to be taken in regard to him. An employer may, however, terminate the service of any employee surplus to his requirements, after giving him a month's notice or in lieu of it, a month's wages and gratuity at 15 days' average pay for every completed year of service or any part of a year.

Industrial Disputes Act repealed.- The Bill repeals a number of enactments on the subject including the Industrial Employment (Standing Orders) Act, 1946, the Industrial Disputes Act, 1947, the Industrial Disputes (Banking and Insurance Companies) Act, 1949, the Industrial Disputes (Appellate Tribunal) Bill, the Bombay Industrial Relations Act, 1946, the United Provinces Industrial Disputes Act, 1947, the Central Provinces and Berar Industrial Disputes Settlement Act, 1947 and the Industrial Disputes (Madras Amendment) Act, 1949.

(Text of the Labour Relations
Bill, 1950, received in this
Office).

Industrial Tribunal Orders Reinstatement
of 40 Lloyds Bank Employees: Bank's
attitude to Employees participating in
illegal strike considered Provocative.

The All-India Industrial Tribunal for Bank Disputes, adjudicating in a dispute between the Lloyds Bank Limited, Calcutta and 40 of its workmen on charges of dismissal due to alleged victimisation, has ordered the reinstatement of the 40 men, characterising the attitude of the Bank authorities as unduly harsh and drastic.

History of the dispute.- The dispute arose as a consequence of an illegal sympathetic strike held on 17 August 1948. On the next day the Bank authorities sent a notice to the employees who took part in the strike asking them to show cause why they should not be dismissed, discharged or otherwise punished for participating in the illegal strike. Criminal prosecution was also launched upon all members of the staff, for ~~joining~~ going on strike and incitement of others to strike, which resulted in their conviction. The staff association demanded the withdrawal of prosecution and there was a set-down strike on 20 October 1948. The same day the Labour Department, West Bengal, intervened and the offer that no action would be taken if the strike was immediately called off was made. After resumption of duty, on 25 October 1948, the Bank authorities issued an office notice, requiring the staff to work overtime for about a week without payment of overtime or "tea money," in order to ~~the~~ ~~are~~ clear arrears of work. This was not obeyed on the plea that the arrears could be cleared without working overtime. The Bank authorities, upon this, ~~asked~~ the staff to sign a declaration of loyalty, which too was not given. As a consequence the Bank dismissed all its employees and advertised for the vacancies ~~stating~~ stating that preference would be given to ex-employees. 434 ex-employees were thus re-engaged and the dispute related to 40 remaining men who were left out.

Award.- The Tribunal considered the effects of the prosecution, requirement to sign the declaration of loyalty, the ~~treats~~ ~~of~~ dismissal held out in more than one notice, ~~its~~ refusal to negotiate with the Association (negotiations were held triangularly through the West Bengal Labour Department) and the order on overtime work as unduly provocative. Though the initial strike might have been illegal, the conduct of Bank authorities, when viewed in its proper perspective, seemed unduly harsh and drastic. Such conduct, the award

The Bank's

86

stated did not promote the best interests of industry. Hence the award ordered the reinstatement of the ~~52~~ 40 men within one month from the date on which the award was enforced, and payment of to them of their arrears of pay and allowances for a period of six months before reinstatement.

By a notification dated 17 January 1950, the Central Government has made the award binding for a period of one year.

(The Gazette of India, Part I-Section 1,
dated 28 January 1950, pages
~~1336~~ 136-144 and 148).

Bihar: The Industrial Disputes (Banking and
Insurance Companies) Act, 1949, applied to
Chota Nagpur Division and Santal Parganas
District.

By a notification dated 24 January 1950 under section 92 of the Government of India Act, 1935, the Government of Bihar has extended the Industrial Disputes (Banking and Insurance Companies) Act, 1949, to Chota Nagpur Division and Santal Parganas District.

(The Bihar Gazette, Extraordinary,
dated 24 January 1950).

57

Punjab: The Industrial Disputes
(East Punjab) Rules, 1949.

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The draft Industrial Disputes (East Punjab) Rules, 1949 (vide page 60 of the report of this Office for August 1949) has now been approved and gazetted as the Industrial Disputes (East Punjab) Rules, 1949.

(Punjab Government Gazette, Part-I,
dated 27 January 1950, pages 68-75).

CHAPTER 7. EMPLOYMENT AND UNEMPLOYMENT.

INDIA - FEBRUARY 1950.

71. Organisation of the Labour Market.

India: Employment Exchanges: Working during
December 1949.

Employment situation.- During December 1949, according to the Review of the work done by the Directorate-General of Resettlement and Employment, the employment situation continued to be unsatisfactory inspite of a slight increase in the number of vacancies notified.

In Assam the employment situation showed further deterioration. Retrenchment of staff was affected in some of the provincial and Central Government Departments. Recruitment to the Railways through Exchanges was temporarily stopped. The plans of the provincial Government in connection with various development schemes have either been partially curtailed or suspended for the present thereby affecting employment opportunities. In Bihar the employment situation continued to be gloomy. Employment opportunities which were available hitherto in the Dhanbad Exchange area on various construction works at Sindri were reduced appreciably on account of the closing of one division of the Central Public Works Department. The volume of industrial employment in the Hazaribagh and Jāmsheḍpur areas was reported to have shrunk. Muzaffarpur Exchange, however, reported ~~ka~~ a temporary rise in placings due to the recruitment of staff for the provincial Agricultural Department and enrolment in the army. Some employment was also provided in sugar mills. In the Bombay Region further deterioration of the employment situation in the textile industry ~~in~~ at Ahmedabad was reported, where, in addition to 8 mills which continued to remain closed, notices of closure were put up by three more mills. Bombay and Parel Exchanges reported that ~~the~~ Government Departments continued to cancel notified demands for workers. Employment under private business concerns also showed no sign of improvement. A common complaint of private industrialists in the Bombay area was the high cost of production due to non-availability of essential raw materials. Sholapur Spinning and Weaving Mills remained closed and textile mills at Barsi were also expected to close

87

down. Poona Exchange reported that reduced activity in the construction of the National Academy, reduction in the staff of the Military Engineering Service and a cut in the Extra-temporary-establishment of a number of Ordnance Depots have affected the local employment position. The textile mills at Hubli and Jalgaon continued to experience difficulty in procuring supplies of cotton and other raw materials and curtailment of work in some of the sections of the mill was expected. In the Central Provinces and Berar Region, the employment opportunities were low on account of the cancellation of Railway vacancies coupled with the drive for economy in Government and privately owned establishments. Government Offices located in Delhi informed the Delhi Exchange that there was little likelihood of their notifying any demands for staff for the present. On the contrary retrenchment of some personnel on a small scale might be necessary. The Government Housing Factory at Bhogal (Delhi) and the work connected with overhauling 16 ice factories in Delhi provided a little employment ~~work was connected with~~ to mechanical and engineering applicants. Some textile mills in the Ajmer area experienced difficulty in obtaining supplies of cotton. In consequence they were working only one shift and 50 per cent of their labour was said to have been rendered idle.

In East Punjab the employment position continued to be gloomy and showed signs of further deterioration on account of curtailment of Railway and Government recruitment. Shortage of raw materials and a trade depression was said to have affected adversely employment in private establishments. In Madras the Tungabhadra Project continued to offer good scope of employment for stone dressers. Calicut Exchange reported that the employment market there was dull. The construction work in Elathur Canal and Malampuzha dam however provided some scope for employment. In Mangalore the Shiriya anicut work absorbed many unskilled workers. The commencement of work in the seasonal factories connected with coffee curing and the launching of an ex-Servicemen's motor transport society offered some relief to an otherwise discouraging employment situation. In Coimbatore area, the Lower Bhavani Project offered employment to many unskilled workers. On the other hand, due to large-scale retrenchment of staff at the Engineering Stores Depot, Base Ordnance Depot, Avadi and the Madras Port, the trend of employment was low in the Madras Exchange area. In Orissa the employment position was reported as static. In the United Provinces it was reported that the general labour situation was unsatisfactory. Reports of an increase in the ~~number~~ number of pay-offs and closures in the textile industry were increasing. Almora Exchange reported that unskilled employment in that area had shifted

from road and building work to forest work. The collection of babli grass, bamboos and lime-making had attracted a large number of workers. Limited employment opportunities continued to be provided by canal construction work in the Pali, Bajeswar and Lohagat areas. In the West Bengal area, the Review states that the employment situation received a further set back on account of a series of communist disturbances which resulted in loss of life and damage to property. There was no evidence of industrial expansion to provide increased employment opportunities, and most of the industries were said to be experiencing difficulty in obtaining raw materials and essential machinery and were faced with high costs of production in consequence. Retrenchment of staff was reported to be imminent.

Persistent shortages of certain types of skilled personnel was reported from almost all regions e.g. doctors, engineers, draughtsmen, trained teachers, nurses, midwives, compounders and stenographers. Shortages of surveyors were reported by Jorhat and Poona; boiler attendants and welders by Ahmedabad, Amraoti and Vishakapatnam and cooks by Jubbulpore, Delhi, Amritsar, Rohtak and Asansol exchanges. Unfilled vacancies for motor launch drivers existed at Calicut, Cuttack and Calcutta Exchanges; for pattern makers at Delhi, Meerut and in most exchange areas in West Bengal Region and for statistical assistants at Delhi and Agra. A surplus of unskilled workers, clerical categories, semi-skilled technicians and persons fresh from educational institutions continued to exist in all regions. The Review states that many of these applicants belonged to a hard core of unemployables, whose expectations in regard to emoluments and conditions of service were not matched by their skilled, experience and market value. Surpluses of semi-skilled fitters, carpenters, general mechanics, clerks, peons and cleaners were reported by many exchanges. Untrained school teachers were without employment in a number of areas.

Registrations and placings.- The total number of registrations for employment assistance and the total number placed in employment during the month are shown below:-

	December 1949	November 1949	December 1948
Total number of registrations	71,189	77,317	84,916
Total number placed in employment	19,505	18,510	24,164

Of these registered during December, 8,359 were ex-Service personnel, 7,504 were displaced persons and 3,353 discharged Government employees. Registration of the latter category had never been so high. Registrations in general, however, recorded a fall of 5,498 as compared with the previous month. Excepting Bihar, Delhi and Ajmer, all other regions contributed to this fall. The main reason for the decrease was said to be the limited employment opportunities available, the knowledge of which discouraged employment-seekers from registering at exchanges.

Of those placed in employment 2,331 were displaced persons, 1,168 ex-Service personnel and 592 discharged Government employees. Placings showed an increase of 995 during December as compared with the previous month and maintained the upward trend which began last month after five months persistent fall. All regions except Assam, Bombay and Central Provinces and Berar, contributed to those increased placings.

Employment of displaced persons.- During the month, 7,504 displaced persons were registered as against 8,634 during November and 19,032 during the same month in the previous year. Except for a temporary rise last month registrations have persistently fallen since last June. 2,331 were placed in employment during December as against 2,070 in November. Suspension of admissions of displaced persons to training Centres, slowing down of recruitment to Railway vacancies and a general aversion of registered displaced persons to work involving manual labour were some of the potent factors affecting their rapid resettlement. Several exchanges again reported that displaced persons were taking to private business on their own account.

Employment of women.- During the month 759 women applicants were placed in employment as against 679 placed in November 1949. Employment opportunities in higher grade posts showed an appreciable improvement. Calcutta exchange secured a number of vacancies in the Audit Service for women applicants who previously were considered ineligible for such appointments. In the Madras region, exchanges continued to place a large number of women as labourers. Ferozepore reported difficulty in securing suitable candidates for 46 vacancies of trained teachers.

92

Number of unemployed on Live Registers at the end of December 1949.- The number of unemployed persons on the Live Registers of the exchanges on the last day of December 1949 was 274,335. Of these 33,987 were displaced persons, 36,685 were ex-Services personnel and 11,133 were discharged Government employees. Of the latter 8,389 had been discharged by Central Government establishments and 2,744 by provincial Government establishments.

During December, for the second month in succession, the number of vacancies filled under private (as against Government) employers predominated, it being 55.3 per cent of the total number of vacancies filled. This is taken to be indicative of the increasing measure in which the employment service is meeting the needs of private employers in the industrial field. Upto October 1949, Government had been persistently the best employer. During the month tripartite Sub-Regional Employment Advisory Committees met at Dhanbad, Ajmer, Almora, Allahabad, Kanpur, Anantapur, Asansol, Barrackpore and Darjeeling to discuss problems affecting the Employment Exchanges. A District Employment Office was opened at Faridabad in East Punjab during December and the Office at Kurukshetra was closed down.

Employment Exchanges in States.- 10,419 employment seekers were known to have been registered and 778 placed in employment by employment exchanges in States and Unions of States during the three months ending December 1949. The figures, however, are incomplete as returns from some States were not received regularly. Nine employment exchanges were known to be in operation in States and Unions of States at the end of December 1949.

Inspection of exchanges.- During December, 8 employment exchanges were inspected, 3 in Uttar Pradesh, 1 each in West Bengal, Bihar and East Punjab and 2 in Assam. The local offices in the Assam Region were inspected for the first time. Inspections have brought to light some general weaknesses and suggestions have been made and acted upon calculated to bring the work of the exchanges to a more uniform level of efficiency. Opportunity has been taken during the inspections to impress upon Employment Officers and staff the importance of prompt service and courtesy to the public.

Technical and vocational training.- During December 1949, there were 70 technical training centres and 74 vocational training centres functioning with 3,443 and 1,310 ex-Servicemen trainees respectively under training. 2,975 displaced persons were undergoing training at the training centres in Bihar, Bombay, Central Provinces and Berar, Delhi and Ajmer-Merwara, East Punjab, United Provinces and West Bengal. 163 Displaced girls and women were undergoing training at the centre at New Delhi run by the Ministry of Labour. 9 trainees passed the prescribed test during December, bringing the total passed out upto 31 December 1949 to 278. 1,158 trainees (both ex-Servicemen and displaced persons) passed the trade tests in technical trades, bringing the total of passed out trainees to 18,515. In the vocational trades 352 trainees passed out, bringing the total of passed out trainees to 4,362.

The Apprenticeship Training Scheme was withdrawn from 28 firms. The total number of Apprenticeship Training Centres was reduced to 221. 313 ex-Servicemen and 710 displaced persons were undergoing training at these Centres. 146 supervisors and instructors continued their training at the Central Institute for the training of instructors during the month. 153 Adult civilians were undergoing training on 31 December 1949 at the Combined Training Centre, Koni, Bilaspur (Central Provinces) under arrangements made with the Government of Central Provinces and Berar. 219 primary school teachers continued their training in woodwork at the training centre in Aundh (Poona) under arrangements made with the Government of Bombay.

Mr. Morse's visit to exchanges.- Among the activities of the Directorate of Publicity, the Review, mentions the visit of Mr. David A Morse, Director-General of the I.L.O. to the employment exchanges at Lucknow and Kanpur and also the Employment Service Stall set up at the "Bombay shows the way" Exhibition sponsored by the provincial Government. He testified to the efficient working of the employment service and his remarks received wide press publicity.

(Review of the Work of the Directorate-General of Resettlement and Employment For the Month of December 1949, issued by the Government of India).

73. Migration and Colonisation.

India - February 1950.

Indian Labour in Malaya: Steps to
safeguard Interests.

On 14 February 1950, Dr. B.K. Keskar, Deputy Minister for External Affairs, in answer to a question in Parliament, stated that the Malayan Legislature had passed a Bill withdrawing the privilege enjoyed so far by the Indian Agent in Malaya to inspect the condition of Indian labour there. The Bill was passed in December 1949 but had not yet been implemented (vide page 72 of the report of this Office for December 1949). Dr. Keskar added that the Agent of the Government of India had been consulted when the Bill was pending but it had been passed in spite of the Indian Government's disapproval. The Indian Representative in Malaya has taken up the question whether after the implementation of the Act he could look after the interests of Indian labourers there informally.

A Press Trust of India message states that as a result of discussions between the Government of India's Representative in Malaya, Mr. Thivy, and the Federal authorities, including the High Commissioner, Sir Henry Gurney, a procedure is likely to be evolved under which the Indian Agent will still remain in contact with Indian labour. Special steps may be taken to enable him to study conditions of Indian labour in estates and other places where they are employed in large numbers.

Mr. Thivy is also understood to have discussed with the Federal authorities the changes proposed in respect of the Indian Emigration Fund. The fund, which totals about five million straits dollars (nearly eight million rupees) was formed during the period when emigration of unskilled Indian labour to Malaya was permitted. It was contributed by estate owners for the recruitment of Indian labour, safeguarding of their interests in Malaya and repatriation back to India at the end of their service. The fund is administered by a committee presided over by a Malayan Government official. Following the Indian ban on the emigration of unskilled labour, imposed in 1948, the Malayan authorities have recently been considering a

95

proposal to change the name of the fund to "Malayan Employers' Labour Fund" and utilise it for purposes connected with the recruitment and welfare of local labour in Malaya. It is understood that Mr. Thivy suggested that ~~by law~~ there should be legislative provision whereby the interests of Indian labour would continue to be safeguarded and catered for by the Fund, and that a new law should be enacted for the purpose. He also suggested that a portion of the fund should be utilised for the settlement on land in Malaya of Indian labour when it retired from service in estates or other normal occupation. A large percentage of such Indian labour now settles down permanently in Malaya, and Mr. Thivy is understood to have pressed that the utilisation of the Fund for their settlement in Malaya would be a very legitimate use of the fund, in keeping with the objects for which it was established.

Questions relating to Malayan federal citizenship for Indians were also discussed. There is a fairly large number of Indians in Malayan Government service who may be retiring in the coming few years, and may not therefore elect for Malayan federal citizenship. A declaration that they are permanently settled in Malaya has to be made by applicants for federal citizenship, and it is thought that Indians who have already completed the major part of their service and are looking forward to returning to India are not likely to give such an undertaking and qualify for federal citizenship. The Indian Agent is understood to have pressed that Indians in this ~~category~~ category should not be discriminated against in anyway if they did not become federal citizens, but should be accorded all facilities of promotion, gratuities etc., to which they would be entitled to otherwise.

(The Statesman, 15-2-1950;
The Hindu, dated 13-2-1950).

96

Conditions of Indians in South Africa:
Round Table Talks to be held.

A three-Power conference on the conditions of Indian and Pakistanis in South Africa was held at Capetown from 6 to 11 February 1950. The Indian delegation was led by Pandit Kunzru, and Pakistan's delegation by Dr. Mahmud Hussain while Mr. Donges, South African Minister of the Interior led the Union's delegation.

The conference held preliminary talks, mostly in camera, and decided to recommend to their respective Governments that a Round Table Conference be convened to explore means of settling the Indian question in South Africa. It was agreed to leave the venue and the date of the Round Table Conference to be decided after consultation between the three Governments.

(The Hindu, dated 20-2-1950).

Indian Labour in Fiji: Emigration not
being continued.

In reply to a question in Parliament on 27 February 1950, Dr. B. V. Keskar, Deputy Minister for External Affairs, stated that emigration of indentured labour to Fiji islands was not being continued now. The total Indian population in those islands was 12976 which was nearly half of the total population.

(The Hindu dated 29-2-1950).

97

Chapter 9 Social Security

87. Public Health.

India - February 1950.

West Bengal: The Bengal Mining Settlements
(West Bengal Amendment) Bill, 1950: Mines
Boards of Health to provide Medical Relief.

The West Bengal Government has published a Bill to amend the Bengal Mining Settlements Bill 1950, providing among others, for the ~~function~~ inclusion of measures for providing medical relief to residents of mining settlements as one of the objects of the Mines Boards of Health.

The Statement of Objects and Reasons appended to the Bill says that the Bengal Mining Settlements Act, 1912, provides that a Mines Board of Health shall consist of nine persons but with the growth of the mining areas and different interests in the areas it is not possible to include representatives of all interests in the Board if the number of members is not increased. For instance, the Labour Welfare Officer cannot be nominated to the Asansol Mines Board of Health as the Board now consists of the maximum number and none of the interests at present represented on the Board can be left out. It is therefore proposed to increase the maximum number of members of the Board to twelve. It is also proposed that measures for providing medical relief to the residents of mining settlements should also be included as one of the objects of the Mines Boards of Health. It is necessary for the proper supervision of the work of the Mines Boards of Health that the State Government should be able to exercise some control, if necessary, over them without interfering with their internal administration.

The Bill has been framed for these three objects.

(The Calcutta Gazette, Extraordinary,
dated 2 February 1950, pages 126-27).

CHAPTER 9. LIVING STANDARDS.

INDIA - FEBRUARY 1950.

93. Co-operation.

Assam: The Assam Cooperative Societies
Act, 1950 (No. I of 1950).

The Assam Cooperative Societies Bill, 1949 (vide page 76 of the report of this Office for April 1949) as passed by the legislature received the assent of the Governor-General on 25 January 1950, and has been gazetted as the Assam Cooperative Societies Act, 1950 (No. I of 1950). The Act will come into force on a date to be notified by the Government.

(The Assam Gazette, Part IV,
dated 8 February 1950, pages 5-42).

99

CHAPTER 11. PROBLEMS PECULIAR TO CERTAIN
OCCUPATIONS OR CATEGORIES OF
OCCUPATIONS.

INDIA - FEBRUARY 1950.

111. Agriculture.

Standard of Living of Agricultural Labour:
Sample Survey shows Deficit in Average
Family's Budget.

An inquiry into the conditions of agricultural workers in India for the purpose of fixation of minimum wages under Minimum Wages Act, was initiated by the Central Ministry of Labour in June 1949. Statistics received from Vandalur, a village in Chingleput District in Madras, which is one of the 1,000 villages selected for the purpose of the survey, show that the annual average income of a family of five members is 323 rupees, against the expenditure of 336 rupees, representing a deficit of 13 rupees.

As high as 74 per cent of the total income is spent on food, mostly rice. Out of the balance, 12 per cent is taken up by clothing and 2 per cent by house rent. Such luxury items as pan, supari, tobacco and drinks cost per family 21 rupees a year.

The workers' low standard of living is shown from the high percentage of expenditure on food alone, which comprises 6.6 oz of rice and 5 oz of ragi per head daily. The amount spent on pulses, gur, sugar and vegetables forms 9.6 per cent of the total expenditure. Out of the 54 agricultural labour families of the village, 15 were found to be in debt; the average debt amounting to 42 rupees per family. The budget of 18 families showed excess of income over expenditure, while in the case of 36 families there was a deficit.

Vandalur, a ryotwari village, is inhabited by 362 families of whom 114, or 31.5 per cent are agricultural and 248 or 68.5 per cent non-agricultural. The number of families of agricultural workers is 54 or 14.9 per cent of the total. Out of the 147 families with holdings, 88 were non-agricultural. This would indicate that most of the agricultural families work as wage earners on the holdings of non-agricultural families. Holdings were very small, nearly 60 per cent being below two acres and 33 per cent between two and five acres. Only 4 per cent of the boldings exceeded 10 acres. The work in the field fetched an agricultural labour family 177 rupees, or 54 per cent of its total annual income of 323 rupees, the balance being derived from other occupations, such as mud-working, cutting palmyra leaves, wood splitting and carting. The daily wages of casual workers were generally 12 annas in cash and 4 annas worth of "kanji" (porridge) for men and 6 annas with some "kanji" for women and children, those bringing their own bullocks being given 1 rupee extra.

The average size of a family was 4.98 persons for the whole village. Of them, 1.35 were earners (1.1 men, .21 women and .04 children), .53 helpers and 3.1 dependants. The number of earners in an agricultural labour family was the highest compared to others, the exact figure being 1.93 (1.24 men and .69 women) out of the total of 4.16. Medical and educational facilities are far from adequate. There was only one District Board dispensary for the entire village; the dispensary was not only not adequately equipped but was situated at a distance of four miles from the village. For the education of their children the villagers have to depend on a primary school run by the Methodist Mission.

Agricultural statistics showed that the cultivated land amounted to 366.64 acres, representing nearly 26 per cent of the total area of the village. The current fallow land, uncultivable land and cultivable waste land comprised 167.54 acres, 266.38 acres and .38 acres respectively. The total area irrigated was 208.82 acres and of which 183.73 acres were irrigated by tanks and 25.09 acres by wells.

107

Co-operative Farming Scheme for U.P.:
Experiment to be launched in Eight
Districts.

A conference of development officers, official and non-official and district magistrates of eight districts of eastern Uttar Pradesh was held at Gorakhpur on 14 February 1950. Mr. K.D. Malaviya, Development Minister, Government of U.P. presided. The conference unanimously agreed that co-operative farming should be introduced in these districts.

Addressing the conference, Mr. Malaviya said that the State Government proposed to give more attention to organisation of farming when the abolition of zamindari was accomplished. Three experiments had been launched in the State in this respect. The first was in 1948, when development blocks were organised covering about 1,000 villages. These blocks tackled the sale, purchase, production and distribution activities of the rural areas, but more attention was paid to distribution work. The economic position of the villagers was consolidated to some extent and they came to appreciate the advantages of co-operation. But the real problem was, for the villagers to integrate their resources so as to obtain maximum yield from their ~~fixed~~ fields with the means at their command.

The second experiment was launched about 14 of 15 months ago in the district of Etawah. Under the supervision of an American expert an effort was made in 60 villages to integrate the entire rural life on the basis of self-help and the result had been astounding. The income of the cultivator had almost doubled. The third experiment of co-operative farming was launched in the Jhansi district and the results there too were quite encouraging. It had, therefore, been decided that this experiment be launched in the eastern districts of the State particularly in Deoria and Gorakhpur, where the pressure on land was the heavy and the poverty among the tenantry was acute.

The different districts were asked to select the areas in which the scheme is to be tried and to depute two persons each for a three weeks intensive training course at Gorakhpur. Mr. Malaviya said that the Government proposed to introduce the scheme by May 1950 so that the experiment may be carried out in the next kharif session.

(National Herald, 15-2-1950).

113. Navigation.

India - February 1950.

Dock Workers Advisory Committee set up.

In exercise of the powers conferred by section 5 of the Dock Workers (Regulation of Employment) Act, 1948, and rule 3 of the Dock Workers (Advisory Committee) ~~Rules~~ Rules 1949, the Central Government has set up an advisory committee consisting of 5 representatives each of the Governments, Union and States, employers and dock workers, with Mr. Jaleshwar Prasad, Chief Labour Commissioner as the chairman.

(The Gazette of India, Part I-Section 1
dated 18 February, 1950, page 246).

117. Shopworkers.India - February 1950.Madhya Pradesh: C.P. Shops and Establishments Act, 1947, extended to 6 Municipalities.

By a notification dated 19 January, the Madhya Pradesh Government has extended the Central Provinces and Berar Shops and Establishments Act, 1947 to the Municipalities of Khandwa, Khamgaon, Burhanpur, Saugor and Raigarh with effect from 27 January 1950.

(The Madhya Pradesh Gazette, Part I, dated 27 January 1950, page 48).

LIST OF THE MORE IMPORTANT PUBLICATIONS RECEIVED
IN THE NEW DELHI OFFICE DURING FEBRUARY 1950.

INDIA - FEBRUARY 1950.

Professional Organisations

- (1) Annual Report on the Working of the Indian Trade Unions Act, 1926 for the year 1945-46: Superintendent, Orissa Government Press, Cuttack 1947: Price Annas 3 Pies 9 or 4d; pp.2.
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