

Report for August 1943

NATIONAL LABOUR LEGISLATION

International Labour Office	
Bureau International du Travail	
Date Recd	NOV 1943
File	
File With	

C 6/2/40

Government of India.-

The Indian Boilers (Amendment) Act, 1943.

The Indian Boilers (Amendment) Bill, 1943, adopted by the Central Assembly on 29-7-1943 (vide page 1 of our July 1943 report) was adopted by the Council of State on 6-8-1943. The Bill received the assent of the Governor General on 13-8-1943 and is published at page 43 of Part IV of the Gazette of India dated 21-8-1943.

Government of India.-

The Mines Maternity Benefit (Amendment) Act, 1943

The Mines Maternity Benefit (Amendment) Bill, 1943, adopted by the Central Assembly on 29-7-1943 (vide page 1 of our July 1943 report) was adopted by the Council of State on 6-8-1943. The Act received the assent of the Governor General on 13-8-1943, and is published at page 45 of Part IV of the Gazette of India dated 21-8-1943.

Government of India.-

The Motor Vehicles (Drivers) Amendment Act, 1943

The Motor Vehicles (Drivers) Amendment Act, 1943, adopted by the Central Assembly on 29-7-1943 (vide page 2 of our July, 1943, report) was passed by the Council of State on 6-8-1943. The Act received the assent of the Governor General on 13-8-1943 and is published at page 44 of Part IV of the Gazette of India dated 21-8-1943.

Ajmer-Merwara.-

The Weekly Holidays (Ajmer-Merwara) Rules, 1942

The Chief Commission of Ajmer-Merwara has, on 29-7-1943, gazetted the Weekly Holidays (Ajmer-Merwara) Rules, 1942, under which proprietors of restaurants and theatres are required to display conspicuously in their establishments a notice regarding the weekly holiday granted to their employees.

The rules are applicable to the municipalities of Ajmer, including Paltoon Bazar and Beawar, and Nazirabad Cantonment only.

(Pages 268-269 of Part II-A, The Gazette of India dated 3-8-1943.)

Assam.-

The Mines Maternity Benefit Act, 1941, and Rules Thereunder Extended to Excluded Areas in Assam.

By notification No. Ex-622/43/9-G.S. dated 17-8-1943, the Government of Assam has extended, with effect from the date of the notification, the provisions, with minor modifications, of the Mines Maternity Benefit Act, 1941, and the rules thereunder, to the 'excluded areas' in Assam.

(Part II of the Assam Gazette dated 25-8-1943, page 723.)

[Table of contents missing]

Assam.-Assam Government Notification re. Mines Exempted
From Operation of Mines Maternity Benefit Act, 1941.

In exercise of the powers conferred by the Mines Maternity Benefit Act, 1941, as applied to the Excluded Areas of Assam by notification No. Ex./622/43/9-G.S., dated 17-8-1943, the Government of Assam has exempted, under certain conditions, the following classes of mines:

(1) mines or parts of mines in which excavation is being carried out for prospecting purposes only and not for purpose of obtaining minerals for use or sale; and (2) iron-ore mines worked without mechanical power, the whole of the ore from which is supplied locally to village smelters and blacksmiths. The conditions of exemption are: for mines of class (1) that, (a) not more than 20 persons are employed in or about such excavation, (b) no part of the excavation extends beneath the superjacent ground, and (c) the depth of the excavation measured from its highest to its lowest point nowhere exceeds 20 feet or, in the case of an excavation for coal, 50 feet; and for mines of class 2 that the owner, agent or manager of any mines so exempted shall not permit any female to enter for purposes of employment, or be employed in, the underground workings, if any, of the mines.

(Notification No. EX/622/43/10-G.S. dated 17-8-43
of Part II of the Assam Gazette dated 25-8-1943.)

Bihar.-Exemption from the Hours of Work and Weekly Rest provisions
of Factories Act, 1934.

The Government of Bihar has gazetted, on 31-7-1943, the draft of the rules which it proposes to adopt in exercise of powers conferred by sub-sec. (2) of Sec. 43 of the Factories Act, 1934, regarding the exemption subject to certain conditions of some classes of adult workers, mostly male, engaged in essential war-work, from the provisions in the Act relating to hours of work and rest. The classes of workers exempted include those engaged on urgent repairs, 'preparatory and complementary' work, 'intermittant' work, continuous work, and workers engaged in manufacturing processes in tea, coffee and indigo factories, and engine room and boiler-house workers.

The draft will be taken up for consideration on or after 11-11-43.

(Pages 458-65, Part II, Bihar Gazette,
dated 4-8-1943.)

Punjab.-Exemption from the Hours of Work and Weekly Rest Provisions
of the Factories Act, 1934.

The Punjab Government has, on 21-8-1943, notified the draft of the rules which it proposes to adopt under sec. 43 of the Factories Act, 1934, regarding the exemption, subject to certain conditions, of certain classes of adult male workers from the provisions of the Act relating to hours of work and rest. The classes of workers exempted include: those engaged on urgent repairs in engineering and other workshops, on 'preparatory and complementary' work in factories, 'intermittant workers', those employed on 'continuous' processes, employees

in Bakeries, tea factories, engine-rooms and boiler houses, foremen, machine-men, oilers, packers and stichers. The draft will be taken up for consideration after 21-11-1943.

(Page 524, Part I, The Punjab Gazette dated 27-8-1943.)

2nd Plenary Session of the Tripartite Labour Conference,
New Delhi, 6 and 7-9-1945.

The Second Plenary Session of the Tripartite Labour Conference (the Conference was inaugurated in August 1945 - vide pages 1-5 of our August 1942 report) was held at New Delhi on 6 and 7-9-1945 with the Hon. Dr. B.R. Ambedkar, Labour Member with the Government of India, in the chair.

The session was attended by (1) representatives of the Departments of Labour, War Transport, Industries and Civil Supplies and Finance of the Government of India, and the Railway Board, (2) representatives of the Governments of Madras, Bombay, Bengal, U.P., Punjab (representing N.W.P.P. also), Bihar, C.P. and Berar, Orissa, Assam and Sind, (3) representatives of the Indian States of Hyderabad, Mysore, Baroda, Gwalior and Indore, (4) representatives of the All-India Organisation of Industrial Employers and the Employers' Federation of India, as also three other representatives of employers, and (5) representatives of the All-India Trade Union Congress and the Indian Federation of Labour, as also three other workers' representatives. The session was also attended by three observers - two representing Ceylon and Dr. P.P. Pillai, representing the I.L.O.

Items on the Agenda. - There were eight items on the agenda of the Conference, namely, (1) 'Involuntary' unemployment due to shortage of coal, raw materials, etc.; (2) Social Security : Minimum wages; (3) Principles for fixing dearness allowances; (4) Provision for standing orders on the lines of provisions in Chapter V of Bombay Industrial Disputes Act, in large industrial concerns; (5) Procedure for the Conference - Adoption of the report; (6) statement by Provincial Governments regarding their setting up of Tripartite Organisations in Provinces; (7) Labour representation in Legislatures, local bodies and Statutory Committees; and (8) Model Provident Fund Rules.

Presidential Address. - Opening the proceedings, Dr. Ambedkar, the Chairman, referred to the reasons for convening a tripartite Conference. He said: "For a long time the conviction had gained ground that the industrial problems and problems of Labour Welfare could not be solved unless the three parties - Government, Employers and Employees - developed a sense of responsibility towards one another, showed more respect for the views of one another and agreed to work in a spirit of give and take, and that there was not much chance of such a sense of mutual respect and responsibility growing up so long as one was engaged in talking at the other..... Although the idea of such a tripartite organisation was there, it is doubtful if it would have taken concrete shape so quickly if the war had not made the maintenance of labour morale an urgent and immediate necessity. The war has hastened the implementation of the Tripartite Organisation in another way. Under the stress of the war, the Government of India was called upon in increasing degree to deal with industrial problems and problems of labour welfare, and it did not hesitate to take a very bold line of action. It undertook the task of converting unskilled men by giving them technical training and establishing numerous training schools. It introduced two new principles in the prevailing Labour Code which are of far-reaching importance and which mark a significant departure from tradition. It took upon itself as its duty and responsibility the right to prescribe fair wages and fair conditions of service. It also took upon itself as its duty and responsibility to compel employers and employees to submit their disputes to arbitration. This is not all. The Government of India undertook the responsibility for ensuring the welfare of labour not merely by directing what should be done for the well-being of the workers, but also by appointing an agency of its own to see if the directions issued by it are carried out or not.

5

This bold policy was taken on its own initiative and judgment. It was however felt that it would be better for the labour policy of the Government of India if a machinery was created to enable it to obtain advice from Provincial and State Governments, and from employers and employees to enable it to act confidently in the discharge of the new duties which had fallen upon it."

The Chairman, then, surveyed the work of the First session held in August 1942, and continued: "The Tripartite Labour Conference has its genesis in the exigencies of the war. But I am happy to say that it is to last beyond the war. It is going to be an institution which will have a permanent place in the economic structure of the country."

Work of Standing Labour Committee.- Dr. Ambedkar, then, reviewed the work of the three sessions of the Standing Labour Committee (vide pages 3-7 of November 1942 report and pages 4 to 5 and 2 of our January and April 1943 reports respectively) and declared that, though unanimous decisions could not be arrived at, the "discussions have been extremely useful and the Government of India have been greatly benefited by them. Owing to want of unanimity the Government of India could not take positive action on most of the matters that were discussed. But where there has been unanimity the Government of India has not been slow to accept those decisions and give effect to them." In support of this he referred to certain items such as the War Injuries (Compensation Insurance) Act and the National Service (Technical Personnel) Amendment Ordinance. Other instances would be the Industrial Statistics Act and the Employment Exchanges Scheme. Action in consonance^{with} of the decisions of the Conference under both these is to be taken very soon. Referred to the slow progress of action on some of the problems, Dr. Ambedkar pointed out that "in an old country like India, with no tradition of collective action and no trace of social conscience, progress is bound to be slow. But what matters is not so much the rate of progress as the nature of the outlook. Looking at the Tripartite Conference from this point of view, I have no hesitation in saying that the great achievement of the Tripartite Conference is the fundamental change it has brought about in the outlook of the Government, employers and employees on labour problems. No one who has participated in these Conferences could have failed to sense it. Assured of a healthy and wholesome change in the outlook, we can confidently hope for acceleration in the rate of our progress."

Social Security.- Dealing with the items on the agenda of the Plenary Conference, he said that two of them, namely, social security and representation of labour in public bodies, are very important. "They are matters of serious consideration all over the world and the Beveridge Report is only one instance of the general interest which the problem has aroused all over the world. We in India cannot shut our eyes to them. Those who are living under the capitalistic form of industrial organisation and under the form of political organisation called Parliamentary Democracy must recognise the contradictions of their systems. The first contradiction is between fabulous wealth and abject poverty not in its simple form but in its aggravated form in which we see it, wealth for those who do not work and poverty for those who do. The second contradiction lies between the political and the economic systems. In politics, equality; in economics, inequality. 'One man, one vote: one vote, one value' is our political maxim. Our maxim in economics is a negation of our political maxim."

Secondly, "ever since the basis of social life was changed from status to contract, insecurity of life has become a social problem and its solution has occupied the thoughts of all those who believe in the betterment of human life. There has been an enormous energy spent in

enunciating the rights of man and the different sorts of freedom which must be regarded as his inalienable birth right.... There will be very little security unless and until, to use the words of the Report of the Economic Group of the Pacific Relations Conference, these rights are translated into terms which the common man can understand, namely - peace, a house, adequate clothing, education, good health, and above all the right to walk with dignity on the world's great boulevards without the fear of a fall. We in India cannot fail to recognise these problems or by-pass them. We must be prepared for the revaluation of values. It will not be enough to make industrial development of India as our goal. We shall have to agree that any such industrial development shall be maintained at a socially desirable level. It will not be enough to bend our energies for the production of more wealth in India. We shall have to agree not merely to recognise the basic right of all Indians to share in that wealth as a means for a decent and dignified existence, but to devise ways and means to ensure to him against insecurity.

Decisions of the Conference. - (1) Involuntary Unemployment:- Owing mainly to transport difficulties supplies of coal even to essential industries in certain localities have not been on the requisite scale. Supplies to the jute mills in Bengal have been particularly short and shortages have also occurred in Cawnpore and other areas. The question for consideration by the Conference was what action should be taken if and when supplies fall so short as to lead to closing down of establishments. It was known that the jute industry in Bengal paid Rs. 3 per week, plus an allowance of Rs. 1-4-0 per week, plus food at concessional rates during the recent enforced closure of the mills. On one occasion the closure extended for two weeks, and the estimated expenditure by the mills was Rs. 3.5 million per week. The mills at Amalner, East Khandesh, Bombay Province, have also had to close on several occasions for want of coal.

Enforced unemployment owing to shortage of raw materials was also reported to have occurred. It is known that owing to shortage of silk, some silk mills in Bombay had to discharge a large part of their labour force, but it is believed that all that labour was absorbed by the expanding cotton textile industry. Similarly, labour which was redundant in a particular employment due to shortage of raw materials required for that industry had probably soon been absorbed in other expanding war industries. It is not known if for any local reasons such absorption has been difficult or incomplete.

The third cause of involuntary unemployment is alleged to have been changes in lines of production. It has been suggested that the control of production of cloth and its varieties has led to changes in lines and of production and consequent unemployment. The Government orders were also stated to have led to a fall in earnings.

The large problem of provision for unemployment has never yet been tackled and still remains to be considered. The immediate question was whether in respect of involuntary unemployment caused by the present war situation any special provision should be made for the unemployed labour. The following points were considered - (1) If any benefits to labour are considered necessary, should these be paid after a short period of up to, say, 2 weeks, in which the labour may be expected to draw upon its previous earnings? (2) Should the liability be placed entirely on the employer or be shared by the employer and Government; should labour be asked to make any contribution during periods of employment? (3) Should the provision for benefits be confined only to industries which are engaged in war production and which may be regarded as better able to afford to pay some relief or to all industries?

There was unanimity of opinion that relief to workers involuntarily unemployed was unnecessary. On the first question, the Government of India was of opinion that any benefits paid should start after a month; but the other parties expressed the view that the benefits should begin immediately, that is, along with the onset of unemployment. On the question who is to bear the burden, employers expressed the view that it should be shared by employers and the Government, but the Government thought that employers alone should bear it. On the third question, the Conference suggested that the principle should be applicable to all industries.

(2) Social Security and Minimum Wages. - The subject of planned labour legislation in war time was placed before the third meeting of the Standing Labour Committee, but did not result in any concrete proposal for action. The Plenary Conference was invited to adopt a resolution recommending that the Government of India should appoint a Committee to prepare a Scheme on the lines of proposals in the Beveridge Report, with suitable modifications, and establish social security in India by providing for insurance against old age, unemployment, sickness and other such disabilities. In India, generally speaking, no benefits of these descriptions have so far been provided either by employers or the State or Workers' unions. Sickness insurance has already been taken up actively. On the other questions of old age and unemployment, very little material is at present available and a thorough preliminary investigation is essential before any advance can be made.

The question of wages and earnings was also invited to be considered in the present context. The item of minimum wages was referred to in the memorandum for the third meeting of the Standing Labour Committee. No discussion, however, on this question was felt to be realistic until reliable and fairly extensive data regarding wages and earnings in various employments were available. Certain general information regarding the total earnings of labour in various industries was being collected.

The Conference was invited to consider whether all Provinces and States should not be asked to undertake immediately either a full wage census on the lines of the 1934 wage census in Bombay or at least a sample wage census. Questions of finance, administration (including supply of trained personnel), and co-ordination, it was suggested, could be settled between the Governments of Provinces, States and the Central Government. Another point for consideration was whether it is desirable to take up the preparation of a limited unemployment insurance scheme on lines similar to the health insurance scheme with a view to its extension to all technical (skilled and semi-skilled) personnel in the first instance, and later to other classes of employees.

The memorandum on the question prepared by the Government of India pointed out that unless reliable data on wage rates, earnings and employment are available at an early date, formulation of post-war policy and in particular consideration of such questions as minimum wage legislation would be indefinitely held up. It seemed, therefore, essential according to the memorandum to undertake the wage census immediately as one of the most vital aids to planning. Two ways of tackling the question were suggested: (1) To have preliminary material collected in as short a time as possible through official agents and with the co-operation of employers and workers and then to consider the framing of policy. (In attempting to frame a policy, consultation with non-official bodies either in a formal or informal manner could be arranged); Or (2) To appoint straightaway a non-official committee or mixed committee. Such a committee however would be handicapped for want of material which could not be collected by hearing the evidence of officials or non-officials, but would have to be

gathered from numerous sources over a fairly considerable period of time.

consider

The Conference was invited to (a) whether it is desirable to examine measures to achieve as large a measure of social security for industrial workers as is practicable in India in the early post-war period or over a long period of time, and what method of enquiry is most likely to achieve satisfactory results in war time; (b) how best to associate Indian States in any investigations or enquiries it is decided to undertake; and (c) the need for associating non-officials with the enquiries and the stages at which this would be most useful.

On the question of planning social security, the Conference adopted a resolution urging the Government of India, in co-operation with the Governments of Provinces and Indian States, to set up machinery to investigate questions of wages and earnings of workers with a view to provide adequate materials on which to plan a policy of social security for labour. On receipt of the data collected by this means, the Government of India was urged to appoint a mixed Committee to draw up Social Security plans.

The specific questions raised in the memorandum were not taken up in detail and no decision was arrived at on each of them separately, though all these aspects figured in the discussion leading to the above resolution. But, in discussing minimum wage legislation, several speakers urged desirability of investigating into the conditions of wage-earning agricultural labourers. An employers' delegate moved a formal resolution urging such an investigation, and the President said that he would invite the Department of Education, Health and Lands to participate in the investigation.

(3) Dearness Allowance.- The subject of dearness allowances and profit bonuses ~~was~~ was discussed generally at the first meeting of the Standing Labour Committee. The need for having some uniformity in this sphere was brought out in those discussions but so far it has not been possible to secure any degree of uniformity. At present the scales of allowances and bonuses vary in respect of different classes of employees, in different industries and in different areas. A statement covering the available information on dearness allowances and bonuses was placed before the Conference. No information was available regarding Indian States. Discussion was invited to cover, inter alia, the following items:- (1) Is it necessary to have general uniform principles for fixing dearness allowance or bonus? (2) If the reply to (1) is in the affirmative, (a) What should be the general principles? Should the principles allow for different rates for different industries or for different regions? If so what should be the governing factors and the demarcation of regions? (b) Should it be laid down that the degree of assistance given towards the increased cost of living should diminish as wages increase above subsistence level? If so, how? (3) If and when such principles are laid down should they be so worked that not only are tendencies to give higher allowances checked, but that such allowances as fall below the prescribed standard are raised? (4) Should the allowance be automatically related to increases or decreases in the cost of living index? And should the scale of neutralisation diminish as prices rise above a certain level? (5) Should the allowances be fixed on a percentage of wages or incomes or at flat rates in slabs varying according to wage levels? (6) If the allowances are at flat rates should there be only one flat rate or two flat rates or more? (7) Should there be a limitation that no allowance or/and bonuses should place the persons in a better position than he enjoyed in 1939 before the war? (8) In view of the need to fight inflationary tendencies, should the cash element of allowances be fixed at a minimum and the bulk of the allowances be made available in kind, through supplies of essential articles at concessional rates? (9) How should the general principles

be implemented? Should there be legal compulsion or can voluntary experiment achieve the desired results? Should authorities be set up in different regions or for different industries to decide finally on all questions relating to dearness allowance and bonus, apart from the adjudication procedure already provided for? (10) How should the principles agreed to be extended to the States?

Bound up with the question of dearness allowance is the question of profit sharing bonus. The following points were suggested for consideration (a) Are such bonuses desirable and if so, to what extent? (b) Should the grant of such bonuses affect the quantum of dearness allowance or be related to dearness allowance? If so, how? (c) To check inflation, it seems desirable that the payment of some proportion of profit sharing bonus should be deferred until after the war. Are there objections to this? If so, what are they? If not, what proportion of bonus should be deferred? The Conference was also invited to consider whether a sub-committee should be appointed to formulate precise recommendations in the light of the discussions at the Conference.

The Conference decided (1) that uniform principles to fix dearness allowance, depending on cost of living on a regional basis should be adopted; (2) degree of compensation diminish as wages increase; (3) the allowances should be fixed at flat rates in slabs varying according to wage levels; there is to be only one flat rate for a slab; (4) the bulk of the allowance should be in kind, as far as possible; (5) the general principles should be enforced by compulsion if persuasion failed. As regards application of uniform principles in Indian States also, the representative of the Chamber of Princes agreed to circulate the principles (when formulated) to the various States, with a recommendation that these principles should be adopted by the States also with necessary changes to suit local conditions. The Conference also decided that bonuses are to be treated separately. A small committee is to be appointed by the Government of India to formulate definite principles in the light of the discussions on the question; the report of the Committee is to be submitted to the Standing Labour Committee.

(4) Standing Orders.- It had been suggested that provision may be made requiring every factory employing 250 or more workers to have a set of standing orders governing working conditions somewhat on the lines of Chapter V, of the Bombay Industrial Disputes Act (but omitting provision for an Industrial Court). The essential thing, it was pointed out, was to define these working conditions on a clearly recognised contractual basis and to have them approved by the Commissioner of Labour. A contract in the form of standing orders or otherwise is necessary before the penalty provided under section 9 of the Payment of Wages Act can be enforced for striking without notice. It was further suggested that contravention of standing orders may be made punishable equally with other offences under the Factories Act. The Government of India proposed to consider a more comprehensive amendment of the Trade Disputes Act than was at first under contemplation. It was intended however to undertake the amendment only after the war. Meanwhile the Government invited consideration if the suggestions made above may be given legal effect to even during war time under existing legal powers or by special legislation.

The Conference agreed to the above suggestions and added that the Standing Orders should have statutory force.

(5) Procedure for the Conference.- The sub-committee appointed by the Standing Labour Committee for drawing up the rules of procedure for the Conference had reported that in drawing up the rules, it had adopted the model of the constitution of the I.L. Conference. Without covering all the points dealt with by the I.L. Conference rules, the Sub-Committee has

confined itself, in the rules of procedure which it submitted, to the minimum necessary for the immediate working of the Conference and the Standing Labour Committee.

The rules submitted by the Sub-Committee were adopted by the Conference. ~~(a)~~

(6) Tripartite Machinery for Provinces.- At the first meeting of the Standing Labour Committee on 30th November and 1st December 1942, when the suggestion that tripartite organisations should be set up in the ~~provinces~~ provinces was raised, representatives of Bombay, C.P., Bihar and ~~U.P.~~ U.P. stated that the question of setting up such organisations in their provinces was under consideration. The Government of India reported to the Conference the views of the Provincial Governments on the question; almost all of them doubt the utility of setting up such machinery in view of the lack of adequate work for it in the provincial field.

(7) Labour representation in Public Bodies.- This subject was included for discussion at the request of one of the parties to the Conference. It had been stated that representation at present provided to labour is very inadequate and that steps should be taken to secure as large a representation as possible for labour on these bodies.

The workers' bloc in the Conference urged that representation ^{of labour} should be made equal to the combined representation of commerce, industry, mining and planning. The employers opposed this and contested that labour representation should be equal to that allotted to industry alone and that commerce was a quite different interest.

(8) Provident Fund.- This subject was discussed at the third Conference of Labour Ministers in January 1942. The discussions did not indicate any desire to have compulsory provident funds, but it was considered desirable that there should be model provident fund rules which could be circulated to employers. A set of model rules has now been prepared and submitted to the Conference. The rules were taken into consideration by the members before they are finally circulated.

(This unofficial report is for the information of the Office, and may be used only in summarised form for publication. The official report issued by the Government will be sent to you in due course.)

CONDITIONS OF WORK.

General

Training of Labour Welfare Officers: Bengal Scheme.

The Appointment Board of the Calcutta University has inaugurated, in co-operation with the Indian Jute Mills Association, a special course of social work for giving suitable training to Labour Welfare Officers engaged in jute mills. In framing the scheme the University had in view the following objects:- (1) The welfare requirements of the working classes. (2) The Labour Officer as a colleague of the other officers of the concern for the improvement of the workmen's efficiency and general uplift. (3) The Labour Officer as the representative of the employer entrusted with the task of supervising welfare work.

In order to make the training course really useful, it is proposed to give both practical and theoretical instruction. Owing to difficulties of arranging for practical training, however, in its ~~initial~~ initial stages, it is proposed that the course should be open only to those who are at present engaged as Labour Officers or are likely to be so employed.

In point of practical training extending to about ~~four~~ years, the following programme has been fixed: (1) A study of the jute industry intensively so as to appreciate the broader technical aspects and common terms used. (2) Gaining an insight into the social and physical environments of labourers by close study in their lines or residential bustees. (3) Attending night offices and Labour Commissioners' office to hear the recording of grievances and their disposal, as well as the clerical work involved in this line. (4) Study of the worker in the mill in relation to the industry. (5) Making a detailed study of social and welfare activities, sports, health, trade unions, etc., in the way of a factual survey, as it is desired to develop existing centres. (6) Conducting the hearing of cases, organise welfare and other activities, hold meetings, etc., and work on some definite constructive lines. (7) Visiting other industries.

The subjects included in the theoretical course of instruction are: social duty, applied economics, law, statistics, social and industrial psychology, practical training and public health administration.

A Committee consisting of representatives of the Calcutta University, the Jute Mills Association, the Labour Department of the Government of Bengal, and a woman representative, has been appointed to be in charge of this course.

("Indian Labour Gazette," July 1943.)

Statistics of Factory Workers in India in 1941.

The statistics, issued by the Labour Department, Government of India, of workers employed in factories in India, ~~are~~ ^{is} published at pages 42 to 47 of the August 1943 issue of the Indian Labour Gazette. It is pointed out that owing to shortage of paper, the printing of the annual report ("Statistics of Factories subject to the Factories Act, 1934") for general use has been discontinued, the last statistics published being those for 1940 (Reviewed at pages 3 to 6 of our April 1943 report).

According to the ~~statement~~ ^{statistics}, the average number of operatives employed in all factories, perennial and seasonal, in India, during the ~~year~~ ^{year} was 2,156,377, as against 1,844,428 in 1940, the highest figure recorded till then. Of these 2,156,377 workers, 220,086 were employed in Government and local fund factories (219,233 in perennial and 853 in seasonal factories)

and 1,936,291 in other factories (1,630,848 in perennial and 305,443 in seasonal factories). During the year the number of workers employed showed a clear increase in all the provinces; the increase was specially marked in Bombay (480,604 in 1940, 611,943 in 1941), the United Provinces (180,634 in 1940, 225,316 in 1941) and Bengal (593,425 in 1940, 648,711 in 1941). In Madras, the average number employed during the year was 234,072 as against 211,194 in 1940; in Sind, 30,254 as against 27,180; in the Punjab, 107,321 as against 81,197; in Bihar, 113,267 as against 104,599; in Orissa 6,816 as against 6,137; in the Central Provinces and Berar, 76,446 as against 68,225; in Assam, 54,869 as against 52,236 and in the North West Frontier Province, 1476 as against 1,195. Increase was also recorded in the centrally administered areas.

Workers in Textile Factories.- The number of workers employed in the textile industry (cotton spinning, weaving and other factories, jute mills, silk mills, woollen mills, etc.) was 953,320 in 1941 as against 829,162 in the previous year. Of these, 593,707 workers were employed in cotton factories (488,884 in 1940) and 310,624 in jute mills (303,777 in 1940).

(For fuller details see pages 42-43 of August 1943 issue of the "Indian Labour Gazette"; the Gazette is being received at Montreal). ,

ECONOMIC CONDITIONS

Government of India's New Scheme for Compiling Cost of Living Index Numbers on All-India Basis.

The July, 1943, issue of the Indian Labour Gazette, (a new Monthly published by the Labour Department of the Government of India) contains a note giving an outline of a new scheme for compiling cost of living index numbers for the various centres in India. Relevant points regarding the scheme are briefly noted below:-

The Existing Scheme - Its Discrepancies.- Soon after the world war of 1914-15 there was considerable industrial unrest in the country and great difficulty was experienced in settling industrial disputes because of the lack of reliable statistical data relating to changes in the cost of living. The Government of Bombay, therefore, decided to establish a Labour Bureau and one of the first duties with which it was charged was to make preparations for the compilation of a scientifically constructed cost of living index number. The province of Bombay was the first to compile such an index number and certain other provinces followed suit later. There is a great deal of diversity in the scope and method of construction of these indices as between province and province, both in the choice of the base periods and the manner of computation of the basic figures. For obtaining 'weights' for the indices family budget enquiries have been made from time to time in some of the provinces. Detailed and comprehensive studies have however been made only in a few places such as Bombay, Ahmedabad and Sholapur in Bombay Province, Madras City in Madras and Nagpur and Jabalpur in the Central Provinces. In these centres the enquiry extended over a considerable period, the scope was limited mostly to workers earning not more than Rs. 50 per month, and the data collected was adequate enough to justify generalisations. But in several other centres, notably in Bihar and Orissa, the 'weights' do not rest on any adequate statistical basis. Also, there is no uniformity in the various provinces as regards the agency employed for the collection of prices for the cost of living index numbers nor in the frequency with which the data are collected. In some centres prices are collected weekly, in others fortnightly, while in the Punjab centres prices are recorded only on the last day of each month. So far as the food group is concerned almost all the indices are fairly comprehensive. The index for Jharia in Bihar does not include the fuel and lighting group. The clothing group is somewhat unsatisfactory in most of the indices, firstly because in some of the indices very few items of clothing are included and secondly because of the difficulty of obtaining comparable price quotations. The indices for centres in Bihar, Orissa and the Central Provinces do not include house rent. The miscellaneous group shows the largest variation in composition from province to province. The Bombay and Madras lists are fairly comprehensive, but the Bihar and Orissa indices completely ignore these items.

The Rau Committee's Comment.- The Rau Court of Enquiry, which was appointed to investigate into the dispute regarding dearness allowance on the G.I.P. Railway (vide pages 42-43 of January 1941 report) made the following observations in their report:- "None of the cost of living index figures at present available are entirely satisfactory.... The first requisite for any satisfactory revision of the allowances that we have recommended is the preparation of up-to-date cost of living index figures for three distinct classes of areas, city, urban and rural.... We would accordingly recommend that the question of preparing and maintaining such figures for the purposes of the Central Government be considered by the Government of India."

In the debate on the Report of the Rau Committee in the Legislative Assembly on 27-2-1941, announcement regarding Government's intention to appoint a new body to investigate into the matter and institute a new scheme of collection of indices on an All-India basis was made by Sir Andrew Clow, the then Member for Communications, Government of India.

The New Schemes.- The Government accordingly formulated a centrally controlled scheme for the preparation and maintenance of cost of living index numbers in selected centres. A brief outline of this scheme was circulated to Provincial Governments in October, 1941, for eliciting opinion. The response of most of the Provincial Governments was most encouraging. The scheme was also discussed at the Third Conference of Labour Ministers held at Delhi in January, 1942, the Conference recording agreement on the principles involved. Government have now appointed an officer to make the necessary preparations for the compilation of cost of living index numbers in selected centres of British India on a uniform basis.

The scheme, however, is likely to take some time before its results become available as a guide for practical action and as it was felt that during the war period occasions may arise when some reliable figures giving an indication of the changes in the retail price level would be urgently required, Government have also decided, in consultation with the Provincial Governments, to proceed concurrently with a scheme for the compilation of retail price index numbers for those centres for which cost of living index numbers will also be ultimately compiled. It may be pointed out that the Third Conference of Labour Ministers which approved of this scheme came to the conclusion that, owing to difficulties of organisation, it may not be possible to compile retail price index numbers for rural centres at least for the time being. However, as a large body of railway employees are employed at way-side stations situated in rural tracts, it has been decided tentatively to select 15 rural centres situated in different parts of the country, including Indian State territory, and to make an endeavour to collect prices with a view to the compilation of retail price index numbers for such centres. Thus, the Government of India is proceeding with three distinct schemes:- (a) The main Cost of Living Index Number Scheme, (b) Retail Price Index Number Scheme, Urban Centres, and (c) Retail Price Index Number Scheme, Rural Centres.

The Main Cost of Living Index Number Scheme.- The scheme envisages the compilation, in consultation with the Provincial Governments, of cost of living index numbers for about 50 centres in British India. A Consultative Committee of provincial representatives has been appointed to advise the officer in charge of the scheme in regard to the various matters connected with it and the following are some of the decisions reached at a recent meeting of this Committee held in Bombay:-

- (1) Exploratory surveys should be undertaken for a period of about four to six weeks prior to starting family budget investigations.
- (2) In the schedule to be adopted only such items should be included as are necessary for the derivation of 'weights' for the proposed indices, although certain items of sociological interest might be allowed to remain.
- (3) In selecting the families whose budgets will be collected, either the tenements should be sampled or the sample should be selected from the pay rolls according as it suited local conditions.
- (4) While starting family budget investigations neither a minimum nor a maximum income limit should be imposed but the question of setting up a maximum limit should be taken up after the data had been collected and tabulated.
- (5) 'Single' persons should be covered along with families.
- (6) The scope of the investigations should be restricted to families the heads of which are in permanent employment and in receipt of a regular income.
- (7) In order to allow for seasonal fluctuations the enquiries should, as far as possible, be spread over a period

of twelve months. (8) The proposed family budget investigations should, as far as possible, be carried out concurrently in each province and also in all the provinces. (9) Subject to variations necessitated by local conditions, the schedule to be used for the enquiries in the different centres should be ~~uniform~~ uniform.

Owing to the somewhat abnormal conditions prevailing in the country at the present time and the many pre-occupations of provincial officers, the progress of these enquiries has not been as rapid as was originally expected. However, already the provinces of Bombay, Bengal, U.P., C.P., and Sind and the Administrations of Delhi and Ajmer have agreed to start family budget enquiries in connection with this scheme and it is expected that in the course of the financial year it will be possible to organize similar enquiries in the other provinces as well. If these expectations are fulfilled, it may be possible to collect some 20,000 family budgets in the various provinces with a view to obtaining the necessary 'weights' for the proposed cost of living index numbers. The list of items for the Retail Price Index Number Scheme have been so drawn up that, if and when family budget enquiries in the selected centres are completed and information regarding 'weights' becomes available, it may be possible immediately to proceed with the compilation of the necessary cost of living index numbers by making use of the retail price data already collected.

Retail Price Index Number Scheme:- Urban Centres: For this scheme the centres selected are the same as those selected for the main cost of living index scheme. The necessary organisation for this scheme is now well under way and weekly price returns for retail prices are being received from some 30 centres in the country. It may be pointed out, however, that owing to the abnormal economic conditions prevailing in the country great difficulty is being experienced in collecting comparable price data of many of the articles included in these indices. The main difficulties in this connection are the unavailability of certain important articles sometimes for weeks together, the unavailability of the articles comparable with those originally selected, abnormal fluctuations in prices from week to week, etc. These difficulties are most acutely experienced especially while dealing with the items included in the clothing group of ~~these~~ these indices. Care is being taken, however, to scrutinize the returns received from the centres and only comparable price data are being utilised for the preparation of these indices.

Rural Centres.- 15 rural centres have been selected for this scheme. These ~~have been~~ divided into three zones: the Northern zone, the Eastern zone and the Southern zone. The necessary preliminary investigations regarding the food and clothing habits of the poorer sections of the community at these centres are entrusted to three officers who are placed on special duty under the Director, Cost of Living Index Scheme. The lists of articles for which prices are to be collected have been drawn up and certain shops have been fixed in each of the selected centres for the collection of prices regularly every week. The collection of prices has been entrusted to the station masters of these stations and their work is regularly supervised by the inspectors of railway labour within whose beat these stations lie. All the returns are regularly scrutinised and tabulated in the office of the Director, Cost of Living Index Scheme: and monthly index numbers are now being maintained for all these centres.

("Indian Labour Gazette", July 1943.)

16

Tobacco Development:
Special Adviser to be Appointed.

In his speech introducing the budget for 1943-44 in the Central Legislative Assembly (vide pp. 12-15 of our February 1943 report), Sir Jeremy Raisman, Finance Member, Government of India, announced the Government's intention to impose an excise duty on tobacco produced or manufactured in India. He said there was considerable scope for the development of this important cash crop, by extending the cultivation of, and internal and external trade in, high quality leaf. He announced that Government proposed to make an annual grant of Rs. 1 million to finance measures designed to bring about a general improvement in the production and marketing of tobacco.

This was one of the subjects, considered by the Standing Finance Committee, which met in New Delhi on 31-7-1943 with Sir Jeremy Raisman in the chair. Pending decision as to the establishment of an Indian Central ~~Bank~~ Tobacco Committee, on the lines of the Indian Central Cotton and Jute Committees, to be entrusted with the carrying out of measures for the improvement of the tobacco crop, it was proposed, as a matter of convenience and expediency and to expedite the introduction of suitable schemes, to place the grant, at the disposal of the Imperial Council of Agricultural Research, which has a Tobacco Committee of its own and would, if the grant were for the time being placed at its disposal, be able to embark upon a development programme immediately. Among the terms of the proposed offer are the conditions that the Imperial Council of Agricultural Research, before submitting any scheme to be financed from this grant for the final approval of its Governing Body, will consult the Central Board of Revenue and the Finance Department and that it will also immediately appoint a wholetime Tobacco Adviser, to be paid from this grant, who will, inter alia, study the problems of tobacco development, submit suitable and co-ordinated schemes and supervise their working. It was pointed out to the Committee that these arrangements would ensure practical and realistic planning, centralised direction and control and a strong forward drive in tobacco development.

("Indian Information", dated 15-8-1943.)

Government of India to check flight of Capital and Migration
of Factories to ~~States~~ States +

According to the New Delhi Correspondent of "Independent India", New Delhi, the flight of capital and the migration of factories and industrial plant from British India to Indian States have been under the serious consideration of the Government of India, particularly the Finance Department. ~~The policy followed by the Examiner of Capital Issue has so far been to discourage and not to sanction companies incorporated in Indian States. The practice, so far regarded, against of purchasing subscribed share capital of companies incorporated in Indian States by investors in British India, has now been prohibited, and it has been made an offence for a British Indian subject to subscribe to the share capital of any company which has not been sanctioned by the Central Government. The re-sale of shares of such companies has also been prohibited.~~

Another proposal which is believed to be under consideration of Government, is to assume power to prevent the dismantling of any factory plant in British India. Anyone proposing to dismantle a factory or plant will, under the contemplated orders, have to obtain the prior permission of the Central Government and satisfy the authorities as to the purpose for which the plant is to be dismantled. Such powers, if taken, will further tighten the machinery for preventing the migration of factories to Indian States.

17

The attitude of Indian States towards equalising the cost of production with that of British India has not been sympathetic. So, too, their view in regard to measures to check inflation has not been sympathetic or encouraging.

("Independent India" dated 30-8-1943.)

Trade and Industrial Conditions in India in 1942

The following analysis of trade, currency, price control, cost of living and industrial conditions in India in 1942 is taken from the "Annual Market Review - 1942" (pp. 84) published by Messrs. Premchand Roychand and Sons, Ltd., Bombay, a leading firm of stock-brokers of Western India.

The War Situation.- During the year 1942 the war assumed truly global proportions. Japan which had started active operations when Germany was taking up "defensive" positions at the end of 1941, met with extraordinary success at the start during the first quarter of the year under review. She managed to achieve practically all that was on her blueprint for the New Order in East Asia. Malaya, Singapore, Java and Sumatra, together with the long chain of islands forming the perimeter round Upper Australia were occupied in quick succession. The Japanese Army ousted Allied troops from Burma and halted on the threshold of India when the rains came. In Europe, the Germans failed to achieve the objects which they had set for themselves in the campaign against Russia, and German armies were being halted and even pushed back by the Russian armies; and in North Africa, the Allied forces which met with initial reverses, were, by the end of 1942, steadily driving back the combined Italo-German armies.

International Trade gives place to Regional Trade: Blackout of Statistical Data.- On the economic front the dim-out on the statistical data assumed the shape of a total black-out. It is not possible, therefore, to deal either with the volume or the direction of international trade. In point of fact what was known as international trade has long since ceased to exist and is succeeded by regional trade dictated as it is mainly by political factors. There is, for instance, (i) the Anglo-American alliance together with the United Nations; (ii) Europe under Nazi Germany, and (iii) Japan with the newly acquired regions comprising the bulk of the world's strategic raw materials such as tin, rubber and oil. While news regarding European and Far Eastern trade is naturally unobtainable, the occasional glimpses that were allowed in respect of Allied trade are now being denied owing to the official policy of strictly withholding information. Exigencies of war are said to have dictated this necessity of international secrecy regarding trade and hence it is not possible to comment on this subject.

Cross Currents in Allied Policy.- One significant feature, which was emerging prominently early in 1943, was the shape of things to come after the war. The alliance of twenty-six nations against the Axis is by no means homogeneous and there are too many intricate cross currents. All want the war to be won, but the pattern for peace is by no means common. This is evidenced by the struggle for power of various French forces in North Africa, the struggle between the Polish Government in London and the Russian Government and the attitude of the different Allies towards the Indian question. Instances could be multiplied in respect of trade and currency policies as well as other problems, but they all bear out how divergent are the trends on the politico-economic front.

Trade: Exports.- Total exports on private account were smaller during 1942 than the two previous years and were valued at Rs. 2145.9 million as against Rs. 2361.8 million and Rs. 2189.1 million in 1941 and 1940 respectively. The decline may be in part due to restrictions on exports in the form of cotton manufactures comprising about 23.19 per cent. of the total exports. Jute manufactures and tea rank second and third, forming 19.56 per cent. and 14.73 per cent. respectively, while other raw materials contributed about 13.39 per cent. of the total. By countries, the United Kingdom and the British Empire countries excluding U.K. were easily the best markets and absorbed Rs. 634.4 million and Rs. 671.7 million, i.e., 30.93 per cent. and 32.75 per cent. of the total exports. Countries in the Middle East and U.S.A. are claiming more and more of Indian produce. Exports to U.S.A. amounted to Rs. 335.2 million in 1942 as against Rs. 410.2 million in the previous year and Rs. 265.9 million in 1940. Exports to Arabia, Iraq and Iran show a marked increase being Rs. 26.1 million in 1940, Rs. 36.1 million in 1941 and Rs. 165.7 million in 1942. No figures for exports on Government account are available but looking to the huge purchases of sterling by the Reserve Bank and the increasing scarcity of certain raw materials and manufactured goods produced in this country, these would appear to be constantly growing in volume and are perhaps as large, if not larger than the exports on private account. Imports into India on private account were considerably curtailed compared to the previous two years and were valued at Rs. 1137.3 million during 1942 as against Rs. 1835.4 million in 1941 and Rs. 1632.8 million in 1940. No information regarding imports on Government account is available. From the 1st of July 1942, the open general licences under which most goods from the United Kingdom, Australia, Canada and Newfoundland were allowed to be imported without special import licences were cancelled. Import quotas on the basis of previous imports during a specified period were fixed and no licences for fresh importers were given." Commenting on the restrictions on import, the review observes: "In view of India's continuous favourable balance of trade, it is rather difficult to understand these added restrictions on imports. If saving of shipping was the main consideration, freight itself could be controlled. The present device of the recognition of the standard period appears to favour the bigger offices and other vested interests and considerably handicaps the expansion of new business enterprise."

The main items of imports was oils - vegetable, mineral and animal - which took up 20.92 per cent. of India's total imports. Electrical goods and machinery and raw and waste cotton, are next best and take up about 11.55 per cent. and 9.82 per cent. respectively of the country's total imports. The U.K. and the British Empire other than U.K. once again took up the bulk, the former sharing 29.76 per cent. and the latter 32.75 per cent. of the total imports. Imports from U.S.A. were considerably less than in the previous years, and amounted to Rs. 204.3 million in 1942 as against Rs. 372.3 million and Rs. 245.7 million in 1941 and 1940 respectively. Imports from Iran were particularly marked up, having risen from Rs. 34.5 million in 1940 ~~and to~~ Rs. 144.6 million in 1942.

Currency.- Whereas both the United Kingdom and the United States Governments took strong measures to check inflation by curtailing the purchasing power in the hands of consumers by various devices, India witnessed a phenomenal rise in its currency circulation during 1942. In the United States, President Roosevelt formulated in early September a seven-point programme to check inflation by reiterating the programme presented on 27th April 1942. The Government of the United Kingdom managed to keep the cost of living and the price level practically

stabilised throughout. The particular method of financing the war adopted in India, however, brought about certain unsatisfactory consequences affecting the economy of the country. The abnormal expansion of paper currency against the growing accumulation of sterling balances proved to be the most discussed problem in the commercial as well as academic circles of the country. The total note circulation which stood at Rs. 1723.7 million on the 1st day of September 1939 went up to Rs. 3210.8 million at the end of 1941 and to Rs. 5782.5 million at the end of December 1942, and by 1st May 1943 it stood at Rs. 6776.1 million, a rise of 293 per cent. over the pre-war figure. Commenting on this expansion of currency, the review observes: "Much has been said and written about the utilisation of the sterling balances which form the principal reserve (over and above the gold coins and bullion which have remained constant at the pre-war figure of Rs. 440 million) against the rupee note issue. In our last year's report, we had referred to the inflationary possibilities lying behind these accumulations if they are used as a reserve against the rupee note issue to an unlimited extent and the currency and price trends during the current year have amply borne out what we had anticipated. The Reserve Bank Act lays down that note issue against Rupee securities is permissible up to 40 per cent., but is unlimited against sterling. If the worst fears of inflation and their dire consequences are to be avoided, some limit - such as 40 per cent. - should be placed in respect of the issue of notes against sterling securities also. If any additional notes are required, they should be issued against gold."

Price Control.- Since the war began and prices started soaring up, there have been at least six Price Control Conferences. Contending that these Conferences have not achieved much, the review quotes the Economist (London) of 26-12-1942: "At the beginning of the fourth year of India's war economy the price control policy, if there is any, is still confused and amateurish. It betrays conflict and competition of Central and Provincial objectives. That it has not been inspired as yet by economic foresight is clear from the fact that the price control policy is still being tackled in vacuo." The review goes on to say: "In fact, until the end of 1942 little was done beyond fixing maximum prices of certain articles. Towards the last quarter of the year, stray attempts were made at introducing a system of rations in certain towns, but once again the schemes were unco-ordinated and in some cases were abandoned after a short trial. Retail shops to provide cheap grains were started by certain industrial employers and some Provincial Governments also opened similar shops to stop further troubles. Restricted quantities of foodgrains and other necessities were made available in these places. But they failed to meet even the normal demands of the population as a whole. The division of the country into various regions, the lack of a centrally conceived plan and the policy of having different controls in different areas, combined with serious difficulties of transport, aggravated the already confused situation. To conclude that the entire control machinery proved a total failure would therefore not be wrong."

Cost of Living.- There was a marked increase in the price and cost of living indices in India during the year under review. Unlike the rise in 1941, the uptrend during 1942 was consistent, continuous and relatively steep. The index number of wholesale prices for Bombay went up steadily from 180 in December 1941 to 266 in December 1942. In Calcutta it advanced from 154 to 238 between December 1941 and December 1942. For the same period the rise in Cawnpore was from 129 to 217. The working class cost of living index in Bombay went up from 129 in December 1941 to 188 in December 1942 and in the case of Jamshedpur from 149 in +

December 1941 to 242 in November and to 226 in December 1942. As a contrast to this state of affairs index numbers in the United Kingdom and the United States of America revealed that the various indices in both these countries have been very nearly pegged over a long period, says the Review.

With regard to the suggestion made in certain quarters that the rise in the cost of living was due to larger disbursements to labour in the form of allowances and bonuses as also to a greater distribution of profits to shareholders of industrial concerns whose gross earnings reached record figures during the year, the review observes: "Although there may be a certain amount of truth in this assertion, the fact remains that, taking the country as a whole, the rise in the cost of living preceded and did not follow the increase in income and in a large majority of cases the increase in income was relatively negligible. In spite of the control measures, which, from their effects, seemed to be aimed at isolating industrial communities to a certain extent, by putting restrictions on imports and exports of various commodities, the price rise affected much wider groups and areas. It is also said that the increase in employment has led to a general rise in the standard of living and, instead of living on the brink of starvation, the people of the country are in a position to have two square meals a day and that this increased consumption is partly ~~responsible~~ responsible for the conditions of scarcity in respect of foodstuffs. Even here the statement is true in the case of certain selected communities engaged in war industries. In the case of a very large majority of industrial workers, the rise in wages followed the increase in the cost of living and did not precede it. In the case of the farmer, who constitutes a majority portion of the population, the cost of living went up because of the rise in prices of industrial goods, such as cloth, sugar, kerosene and agricultural implements, but the price of agricultural commodities has not advanced anywhere in like proportion. The only theoretical alternative for him was to increase production in order to make up for the deficiency in the rise of agricultural production, but owing to the absence of modernised farming it is not practicable for him to achieve this end."

"The beliefs entertained in some quarters that the conditions of scarcity, particularly in respect of foodstuffs and clothing are due to increased employment and the resultant general rise in the standard of living as a whole may be traced to false notions of the type of forced savings enforced on the country at present. The basic factor affecting the cost of living remains the prodigious expansion in currency. The additional purchasing power thus placed in the hands of the Government created an acute shortage of consumers' goods. Since the form of forced savings was not accompanied by any planned system of price control and rationing of consumers' goods, the higher costs meant lower standard of living except for the selected income groups which were benefited by the increased war expenditure."

Industrial Conditions: External and Internal Disturbing Factors. - The even tenor of industrial activity was disturbed by external as well as internal factors at intervals during the year under review. In the first quarter of the year the war was steadily approaching the shores and borders of India. At times, the populace felt a keen sense of a lack of security and nowhere was this experienced more than in the principal industrial areas of the country. The fear of insecurity specially affected the labouring classes and during March-April, exodus of the working class population to the outlying countryside was the most noticeable feature in the country. The two chief industries, jute and cotton, suffered most in this respect and official orders had to be

The monthly mill production which had reached a fresh peak of 444.5 million yards in the December of 1941, steadily declined to 332.8 million yards in April 1942. After an increase to 394.7 million yards in July, the production again dropped to 274 million yards in August, following strikes and stoppages of work after the arrest of national leaders in the first week. The total production for the nine months ending September 1942 amounted to 3,032 million yards as compared to 3,319.9 million yards during the corresponding period of 1941 and 2,944.9 million yards in 1940.

Decline in Imports; Increase of Exports.- While production of cotton yarn declined during the year, there was a drop in the import of cotton manufactures. No statistics regarding the quantity are available, but in value, cotton manufactures imported during 1942 amounted to Rs. ~~225~~ 22.582 million as against Rs. 86.689 millions in 1941 and Rs. 122.729 millions in 1940. Exports, on the other hand, were on an increased scale. Whereas exports were valued at Rs. 141.8 millions during 1940 and Rs. 279.4 millions during the following year, they totalled Rs. 485 millions during the year under ~~review~~ review.

Price of Manufactured Goods; Rise recorded.- Price of manufactures, in consequence, were inclined to be higher, but once again no official indices were available except for the first quarter during which period the price index registered a rise of 10 points from 180 (Base 1914=100) to 190.

Production of Raw Cotton; Decline in Imports and Exports of Raw Cotton.- The production of raw cotton amounted to 5,980,000 bales of 400 lbs each during 1941-42 as against 5,903,000 bales in the previous season and 4,909,000 bales in 1939-40. There was a falling off in imports which were valued at Rs. 111.7 millions during 1942 as against Rs. 154.7 millions in 1941 and Rs. 93.5 millions in 1940. Of special significance was the substantial fall in exports. These had been on a decline since July 1941, when trade relations with Japan were severed. From Rs. 25.852 millions in June 1941, the value of exports steadily declined to Rs. 2.727 millions in January 1942. During the following three months, they registered some rise and went up to Rs. 12.085 millions in April, but consistently declined thereafter till September which marked the low level of Rs. 0.125 million. There was a slight improvement to Rs. ~~0.801~~ 0.801 million during November and Rs. 0.691 million in December. The total of exports during 1942 was valued at Rs. 55.273 million as against Rs. 191.788 millions in 1941 and Rs. 271.177 millions in 1940. The price index number ~~remained~~ receded from 93 (base 1914=100) at the end of 1941 to 71 during March and April, the months of war panic in the whole of India, but thereafter regained the level of 94 in July and remained unchanged till November.

Reduction of Acreage under Cotton Cultivation; Food Crops Substituted.- Throughout the year, the cultivators of cotton were told by means of varied propaganda to turn to alternative crops of food grains. According to the Fourth All-India Forecast, the area under cultivation for 1943-44 was estimated at 18,716,000 acres as against 23,450,000 acres in 1942-43, a reduction of about 20 per cent. in acreage. The production of cotton is estimated at 4,429,000 bales in 1943-44 as against 6,413,000 bales in 1942-43.

Cotton Mills Work to Capacity; Increase in Mills, Looms and Spindles.- ~~Although~~ All through the year, the textile mills were working to capacity with some interruption as noted above, and as such the consumption of cotton during the year was estimated, according to the statement issued by the Bombay Millowners' Association for the year ended 31st August 1942, at ~~4~~ 4,740,722 bales (of 392 lbs. each) against 4,251,022 bales in the corresponding period of 1941, and 3,679,874 bales in 1940. The number of fully equipped mills amounted to 396 against 390 in 1941 and 388 in 1940. The total number of looms increased during the year by 1,596 to 200,170 as

against 198,574 in 1941 and 200,076 in 1940. The total number of spindles also increased during 1942 to 10,026,425 as against 9,961,178 in the preceding year and 10,005,785 in 1940.

Industrial Unrest.- In Bombay city alone there were 27 strikes in 1942 resulting in a loss of 224,000 man-working days as against 15 strikes and loss of 163,000 man-working days in the preceding year. In addition there were stoppages aggregating about 925,000 man-working days for political and other reasons, thus bringing the total loss of production in man-working days to 1,149,000 in 1942.

Jute Textiles.

Industry adversely affected by Japanese Threat: Drop in Production.- Jute factories being situated in the area immediately threatened by the Japanese invasion of Burma, manufactures were seriously affected, particularly after the fall of Rangoon. The fillip which had been given to the industry in the latter half of 1941, consequent on large Government orders, lasted till the second month of 1942. The monthly production of manufactures which amounted to 123,000 tons in December 1941, the highest of the year, declined to 105,600 tons in February 1942 and thereafter consistently went down till it touched 79,700 tons in June. There was a slight recovery for the next three months followed by the lowest of the first ten months figures, i.e., 75,700 tons in October. The total mill production of the ten months ending October amounted to 908,500 tons as compared to 955,700 tons in the corresponding period of the preceding year and 1,080,000 tons in the first ten months of 1940.

Decline in Exports.- Owing to the dislocation of shipping in the Bay of Bengal following Japanese successes in the Far East, exports of jute manufactures suffered a sharp setback in terms of quantity, though not so much perhaps in terms of value. During the first 11 months the exports of jute manufactures were valued at Rs. 371.9 millions as against Rs. 428.4 millions in the corresponding period of the previous year and Rs. 515.4 millions in the 11 months ending November 1940. The lowest for the last five years was touched in the month of May, when the value of exports amounted to only Rs. 5.209 millions as compared to Rs. 30.006 millions in May 1941 and Rs. 55.763 millions in May 1940.

Government Orders for Sandbags: Weekly Hours reduced from 60 to 54.- Export of manufactured jute has been the mainstay of the industry. The fall in exports during the year was to a large extent compensated by Government orders for sandbags. The reason for the fall in the export was not so much the lack of demand, but the transport difficulties and the situation in the Bay of Bengal. The stock position at the beginning of the summer necessitated a reduction of working hours from 60 to 54. Over and above this, it was decided to seal 10% of the looms further to ease the situation.

Price Fluctuations.- The index number of prices of manufactured jute which had been rising steadily since the outbreak of the present war and particularly during 1941, tended to decline in the early part of the year under review. In September 1941 the index number stood at 167, but came down to 149 in January 1942 and fell to 117 in April. By June the index number again moved up to 126 and after reaching to 123 in August, rose to 166 in November.

Production of Raw Jute.- The production of raw jute during the year under review amounted to 9,014,000 bales of 400 lbs. each as against 5,474,000 bales in the previous year and 13,186,000 in 1940, as under the Bengal Jute Control Act, the area under cultivation was fixed at two-thirds

of the area in 1940 or twice the area in 1941. Exports of raw jutes for the 11 months ended November 1942 were valued at Rs. 87.9 millions as compared to Rs. 88.9 millions in the corresponding period of the preceding year, and Rs. 141.4 millions in the first 11 months of 1940. The index number of prices moved down from 79 in January to 67 in May, but later improved to 76 in September and to 107 in November. With a view to ameliorate the conditions of jute cultivators, the Government of India decided to extend relief in the form of advances to the extent of Rs. 1.5 millions. The Government of Bengal also fell in line with this measure by allotting Rs. 10 millions for the purpose. It is reported that the acreage for the 1943-44 season has been fixed at half of 1940 figure, the estimated yield of jute being around 9.6 millions of bales from an area of 3.2 million of acres. +

The Reciprocity (Amendment) Act, 1943.

Reference was made at page 13 of our July 1943 report to the passing of the Reciprocity (Amendment) Bill, 1943, by the Central Legislative Assembly on 3-8-1943. The Bill was passed by the Council of State on 10-8-1943. The ~~bill~~ received the assent of the Governor General on 3-8-1943 and is published at pages 46 to 48 of Part IV of the Gazette India dated 21-8-1943.

The Bengal Agricultural Income-tax Bill, 1943

The Government of Bengal will be introducing in the next session of Bengal Legislative Assembly, the Bengal Agricultural Income-tax Bill. The Bill which is being piloted by the Hon'ble Mr. P.C. Goswami, M.L.A. Member, seeks to levy a tax on agricultural income arising from lands and buildings situated in Bengal. Only agricultural incomes in excess of Rs. 2,000 per annum are liable to be taxed. The rate of the proposed tax varies from 9 pies to two annas and six pies in the rupee. It is further proposed that the tax payable should in no case exceed the amount by which the total agricultural income exceeds Rs. 2,000. In the statement of objects and reasons of the Bill, it is pointed out: "The Government has decided to impose a tax on agricultural income both to secure additional revenue is urgently needed and because it considers it is equitable to impose such a tax.... The rates are slightly more steeply graded than those existing under the Indian Income-tax Act, but the exemption limit is the same as under that Act, and there is no super-tax."

(Pages 21-42 of Part IV-A, Calcutta Gazette dated 26-8-1943 and the Amrita Bazar Patrika dated 28-3-1943.)

Importance of Irrigation Research

The thirteenth annual meeting of the Research Committee of the Central Board of Irrigation concluded at Simla on 24-7-1943. After a five-day session. In his presidential address, Mr. G.A.M. Brown, President of the Board, emphasised the importance of research and congratulated the Government of Bengal on opening the River Research Institute, as the rivers of Bengal presented one of the most important problems in the Province. A number of technical problems were discussed at the meeting including river training, tidal rivers, the estimation of silt loads in rivers and canals, the design of efficient distributary heads, flood discharges from barrages and the lining of canals to prevent loss of water. The work done at the six irrigation research stations in India, and one in Ceylon, was also reviewed. Sir William Stampe, Irrigation Adviser to the Government of India, addressed the meeting on the subject of increasing the production of electric power by generating stations situated on canals in order to meet the fuel situation.

("Indian Information", dated 15-8-1943)

Hostel for Indian Seamen opened in Liverpool +

A new hostel for Indian seamen has been opened at Birkenhead in Liverpool area by Sir Samuel Runganadhan, High Commissioner for India in London. Hitherto, Indian seamen had to be content with privately owned boarding houses in Liverpool, which were of poor standard. The High Commissioner inspected some of these boarding houses and made a report to the Ministry of War Transport, at whose instance the hostel has been opened by the Liverpool ship-owners. Equipped with modern furniture, the hostel provides accommodation for 120 seamen, and contains a dispensary and a hospital, as well as a prayer room.

("Indian Information" dated 15-8-1943).

The Draft Calcutta Port Rules

The Government of India has, on 2-8-1943, gazetted the draft of Calcutta Port Rules, proposed to be adopted in supersession of similar rules published by the Government of Bengal on 15-7-1919 and 2-2-1934. The rules deal with: control of movements and equipment of outgoing and inland vessels; precautions against accidents, safety measures and signals; registration and licensing of flats and boats lying within the port area; and strict control of vessels carrying petroleum.

The draft will be taken up for consideration on or after 30-9-1943.

(Pages 871 to 879, Part I, Sec. I, The Gazette of India, dated 7-8-1943.) +

Workers' Organisations

North India Sugar Labour Union, Lucknow

A union of sugar-cane growers, sugar factory workers and middle-class consumers of sugar under the name of the North India Sugar Labour Union has recently been formed at Lucknow under the presidentship of Mr. Anand Singh, M.L.A. (United Provinces). Below in a statement issued on 14-9-1943, Mr. Anand Singh, the President, setting forth the objects of the Union, says:-

The sugar industry is about the only industry of the country which enjoys the advantage of effective protection and has at its disposal the free market. As such it enjoyed for a number of years, more favourable conditions than other industries. But the last four years of the War have not made the advantage more favourable and beneficial for the manufacturers. In spite of the advantage enjoyed by the manufacturers, they have not granted a commensurate rise, either in the prices of sugar-cane or in the wages of their labourers. The spiral rise in the price of sugar, which is checked by Government control, is due mainly to the manufacturers' refusal to fulfil the obligations arising out of the privilege granted to them by the Government in the form of protective tariff. The situation becomes considerably worse because, while the manufacturers are able to carry out their policy and make it effective through the sugar syndicate, neither the grower, nor the worker, nor the consumer has any organisation or any effective representation to his demands and views. Attempts during the last years by the growers and the workers for compensation for the increased cost of agriculture and of living proved hardly to be of any avail.

It is therefore clear that the cane-growers, the sugar factory workers, the lower middle class consumers need presenting their case effectively through some centralised body. The primary duty of the Union, therefore, will be to promote and co-ordinate the demands of the growers, the workers and the consumers on the basis of a scientific and objective examination of facts. It will shortly be presenting a charter of demands to the authorities. It has planned to hold before the beginning of the 'crushing season' this year (1943) a series of conferences at all important sugar manufacturing centres in the provinces.

("Independent India", dated
14-9-1943.)

All-India Trade Union Workers' Study Camp to be held
at Delhi on 8 to 17-9-1943.

The Central Office of the Indian Federation of Labour has organised an All-India Trade Union Workers' Study Camp in Delhi from September 8 to 17. The syllabus of studies at the Camp will include: organisation of society; classes of social classes, trade unions, labourers' rights and responsibilities; the proletariat (its rise, beginning of the modern movement, the future organisation of the future, class struggle in India); problems of production and distribution; and trade unions (their basis, organisation, movement, functions, strikes, agitation, propaganda).

(Bulletin of the Indian Federation of Labour,
June-July, 1943.)

Public Health Commission Appointed:
Industrial Health to receive Special Attention.

In the Council of State on 6-8-1943, Sir Jogendra Singh, Member Education, Health and Lands, announced that the Government of India decided to appoint a Commission to report on public health conditions in India and that Sir Joseph Bhore, a former Commerce Member, Government of India, had agreed to be its chairman.

Scope of Inquiry.- According to the New Delhi correspondent of the Times, the Commission will be the first of its kind to be appointed in this country: there was a Plague Commission in the closing years of the last century and a Commission to enquire into army health conditions about the outbreak of the Mutiny, but never a Public Health Commission with comprehensive powers of reference - excluding ~~those~~ by bodies like the International Sanitary Commission. The Commission will investigate every aspect of the problem of health, curative as well as preventive. The adequacy or otherwise of medical relief, the quality of medical education in India, the availability of drugs and possibilities of their indigenous manufacture, special facilities for making medical relief available to rural areas (including such proposals as mobile dispensaries), medical research - these and other interlinked questions will naturally engage the attention of the Commission. Problems relating to women and children will be another important aspect of the enquiry with which are associated training facilities for nurses and midwives, establishment of welfare institutions and suitable amenities, particularly in provinces like Bihar and the United Provinces where such amenities are notably lacking, ^{propaganda among} ~~encouragement of~~ communities which now regard the nursing profession with a certain amount of prejudice, and so forth. Nutrition research and balanced diets for different social classes, having regard both to the earning capacities of the people and their habits, will form an important branch of the Commission's task.

Industrial Hygiene.- The subject of industrial hygiene, which has hitherto received hardly any attention, and health problems of industrial workers will be within the scope of the enquiry. Inseparable from health improving conditions of labour in industrial areas, the high incidence of tuberculosis and venereal disease being closely linked up with appalling housing conditions. No aspect of public health will be excluded from the enquiry.

Co-ordination of Public Health Policy.- So far there has been little co-ordination, whether of policy or method, in handling problems of public health. Such information as is available is spread over many different sources of reports, and health problems as such have never been viewed with the importance they deserve and have attained in other countries. The war has pushed some of these into the forefront, such as the shortage of drugs, withdrawal of a number of medical men from civil life, inadequacy of nursing services, etc., but the Bhore Commission will approach its task mainly from the point of view of post-war reconstruction. *

Although no time-limit can be fixed for its completion, the authorities expect the report may be made ready within nine months of the commencement of the sittings of the Commission.

The Correspondent finds in this move the first tangible indication that the Government of India are beginning to take active interest in the problems of social security. He observes that the programme of the Government for the treatment of Post-War Reconstruction was conspicuous for the omission of all social problems, the report of the Sargent Committee on educational reconstruction not being considered worthy of mention. It is believed the Education Member is keenly alive to the necessity for post-war planning

gard to other problems also with which his Department deals.

(The Hīndū, 9-8-1943.)

Welcoming the appointment of the Commission as highly important post-war reconstruction, the "Times of India", in an editorial article on 20-8-1943, says: "... In India the level of health is low, death rate of 22.4 per thousand is higher than Java's 18.8 and Japan's 17.7. Expectancy of life in India is 27 years as compared to 67 in Australia and 77 in Japan. The death rate in India's chief cities is more than that in London and thrice that in New York. India requires in particular the development of health, education in a modern educational system before national health can reach a satisfactory level.... Our medical services are inadequate. There are approximately 42,000 doctors, of whom two-thirds are licentiates. The nursing situation is even more deplorable. There is one nurse to ten doctors in India whereas in Great Britain there are two nurses to each practising doctor. At present our medical colleges pass out 700 doctors and 1,000 licentiates annually. There were one physician per 2,000 of the population, India would require 200,000 doctors..... If the Commission's report is to be of value it should be ready in six to nine months; it should contain proposals to improve nutrition, to raise the standard of living, and to develop health education and public health services. By the manner in which the Commission weaves a pattern into which the various competing authorities can fit their labours will be judged and the success of its proposals assured."

Wages

Dearness Allowance of Railway Daily-Rated Staff

The Railway Department, Government of India, has on 29-8-1943, issued a notification to the effect that ~~existing~~ ^{existing} unpaid holidays, workshops and other daily-rated staff in railway employment, will be eligible for dearness allowance at the full rate applicable to them.

(Page 871, Part I, Sec.I, The Gazette of India, dated 7-8-1943.)

Industrial Disputes

Adjudication of Industrial Disputes

The existing provisions for the settlement of disputes occurring in British India include those of the Trade Disputes Act, 1929, the Bombay Industrial Disputes Act, 1938, and the Defence of India Rule A. Rule 81A provides *inter alia* for a reference by Government of India of industrial disputes to adjudication. The award of an adjudicator can be enforced by the Government concerned. Adjudication, it may be pointed out, is not equivalent to arbitration, but since adjudication awards can be enforced by an order of Government it becomes for all practical purposes, in such cases, arbitration. The number of cases referred to adjudication was 38 during 1942, and 19 up to 31-3-1943. The matters in dispute usually related to the grant of dearness allowances, bonus or special allowances, supply of foodgrains through canteen shops, etc. (For a tabular statement containing information with regard to important details of adjudication cases, see the July 1943 issue of the Indian Labour Gazette, published by the Labour Department of the Government of India, a copy of which was sent to Montreal with our Minute D.1/598/43 dated 30-7-1943.)

Machinery.- No permanent adjudication court has, so far, been set up in any province, but the establishment of such a court is under contemplation by one Provincial Government. Adjudicators are being appointed *ad hoc* in the case of each dispute. A continuity in the personnel of adjudicators is, however, maintained in practice in all the provinces. In many instances, the Labour Commissioner of the province is appointed adjudicator. In Bengal, however, some cases have been referred to the Workmen's Compensation Commissioner or the War Injuries Claims Officer. In Bombay, High Court judges, serving or retired, have been appointed in the case of disputes in Bombay City, and District Judges for mofussil areas.

Procedure.- Defence of India Rule 81A does not prescribe any procedure for adjudication, but leaves this to be laid down by the Government referring any dispute to adjudication. It has been usual for Governments to adopt suitably the procedure under the Trade Disputes Act. In Bombay, the Provincial Government has avoided ordering adjudication in cases where the machinery of the Bombay Industrial Disputes Act can be brought into use.

Results.- The machinery of adjudication has been extremely useful in the prevention and the early settlement of industrial disputes. Since the introduction of adjudication, the number of strikes has remained at a low figure, and where strikes have occurred, their duration has been small. Instances of strikes lasting for over two weeks have been very rare. There has been no case of any strike or lock-out during the pendency of adjudication procedure. Both employers and employees have been willing to abide by the procedure and by the decisions of

an adjudicator. In no case has there been any need for penal action under the rule in respect of adjudication proceedings in any province.

(The July 1943 issue of "Indian Labour Gazette" published by the Department of Labour, Government of India.)

War Transport

Transport Controllers' Conference

A conference of representatives of the War Transport Department, the Motor Transport Controllers of Madras, Bombay, Central Provinces and Berar, and also representatives of the Nizam's Dominions, Baroda, Coimbatore, Travancore, the Western India and the Central India States was held at Nagpur recently. Sir Kenneth G. Mitchell, Controller, Road Transport, Government of India, presided. The conference discussed a wide range of questions relating to war transport, particularly the distribution and control of the use of new motor trucks received on lease-lend and of spare parts for certain makes of trucks which also are now being received on a lease-lend basis in substantial quantities. The further use of producer gas plants was also discussed and it was decided that the majority of new vehicles received on lease-lend would have to be fitted with plants of the types to be approved by the Provincial and State Controllers as suitable for use on these vehicles. This meeting follows a similar regional meeting of Controllers held some time back at Calcutta and will be followed by other meetings in different regions of India with a view to pooling the experiences of the different Controllers and establishing closer contact between the inter-provincial and the Central authorities of the War Transport Department.

("Industrial Bulletin" of the Employers' Federation of India, dated 23-8-1943.)

Compensation for War Injuries

The War Injuries (Compensation Insurance) Act, 1943

Reference was made at page 37 of our July, 1943, report to the Government by the Indian Legislature of the War Injuries (Compensation Insurance) Bill, 1943. The Bill received the assent of the Governor-General on 2-9-1943 and is published at pages 49 to 56 of part IV of the Gazette of India dated 11-9-1943.

War Risk Insurance

The War Risks (Inland-Vessels) Insurance Ordinance, 1943

In order to make provision for the insurance of inland vessels against war risks and to make certain amendments in the War Risks (Factories) Insurance Ordinance, 1942. (vide pages 401-407, the Gazette of India Extraordinary dated 8-4-1942) and the War Risks (Goods) Insurance Ordinance, 1940 (vide pages 519 to 527, the Gazette of India Extraordinary dated 26-8-1940), the Government of India has on 17-7-1943 promulgated the War Risks (Inland Vessels) Insurance Ordinance, 1943 (Ordinance XXV of 1943). Under the Ordinance, the provisions of the War Risks (Factories) Insurance Ordinance, 1942, and of the War Risks (Factories) Insurance Scheme made thereunder will be extended, so as to apply in the same manner as they apply

the insurance of property insurable under the Ordinance in relation to a factory, to the insurance against war risks of inland vessels including the hull, machinery and fittings thereof, fuel and stores carried for the use of the crew), and the property belonging to any trading corporation or body of Port Trustees or Commissioners specified in this behalf by the Central Government, while such vessels, fuel and stores are not for the time being plant or materials insurable in relation to a factory under the said Ordinance and Scheme, or goods insurable under the War Risks (Goods) Insurance Scheme made under the War Risks (Goods) Insurance Ordinance, 1940 (IX of 1940). The present Ordinance imposes, on trading corporations, Port Trusts and Commissioners whose inland vessels are ~~insurable~~ insurable, an obligation to take out, in such date as may be specified in this behalf by the Central Government by notification in the official Gazette, a policy of insurance against war risks of the vessels, fuel and stores for a sum not less than their insurable value.

(Pages 535 to 536, The Gazette of India Extraordinary dated 17-7-1943.).

Employment

34

Government of India to take steps to prevent drift of their Clerical Personnel for securing Higher Pay.

From the correspondence that the Committee of the Bombay Chamber of Commerce reports to have passed between the Government of India and the Associated Chambers of Commerce of India, towards the end of June, 1943, it is understood that the Government intended taking steps in respect of its own clerical personnel to prevent drift for the purpose of securing better remuneration from one office to another. It appeared that there was not an actual shortage of clerical or administrative personnel but there was an increasing demand for clerical personnel with some experience and that, therefore, unless steps were taken there was likely to be a waste of man-power as a result of individual offices training clerks for their work who subsequently left them to better their prospects. The Government sought information as to whether such tendency of drift was occurring in industrial and commercial undertakings and whether such undertakings had developed any schemes for preventing such drift, and it requested the Associated Chambers of Commerce whether it could give the Government information on the following points:- (1) Whether it was generally felt that there was any shortage in respect of clerical personnel in industrial and commercial undertakings - leading to undesirable competition as between various undertakings for available clerical personnel; (2) whether, if such undesirable competition, in fact, existed, the Government had taken any steps to control it in so far as employment by members of the Association was concerned.

When their view was sought on the matter, the Committee of the Bombay Chamber of Commerce informed the Associated Chambers: that there was a main shortage in respect of trained clerical personnel in industrial and commercial undertakings, due in the majority of cases, to competition from other commercial undertakings but from Government concerns, viz., Defence Services, British and American. There had also been a certain amount of personnel from the older established banks and insurance companies, who had been attracted by the higher salaries being offered by newly established concerns. It had not been found possible to control the competition in question and the salaries offered, ~~by them~~, and the Committee requested what steps the Government of India were taking in respect of its clerical personnel.

(Excerpts from the Proceedings of the Committee of Bombay Chamber of Commerce for July, 1943.)

Employment of Discharged A.R.P. Personnel

Reports from those Provinces where A.R.P. establishments are being liquidated in accordance with the revised civil defence policy, indicate that discharged personnel are being absorbed quickly into other jobs. The labour market is so good and the personnel for discharge so scattered over so wide an area that no difficulty is being experienced. Wardens and former A.R.P. workers are being employed in connection with the food problem - compiling census for rationing schemes, in regulating queues at food distribution centres, etc. Many in the upper ranks of the Civil Defence Organisation, who had been holding other posts, have gone back to their former appointments and most of the clerks are reported to have found employment immediately on discharge. Civil Defence trained officers and men of the fire-fighting services have proved so useful in ordinary civil life that their retention even after the war is being considered by Provincial Governments. In Bombay, the Provincial Government has found the Civil Defence Transport Division of such value, both practical and economic, that it is likely to retain it permanently.

("Indian Information", 15-8-1943.)

+

35

Working of the National Service Labour Tribunals from July 1940
to March 1943

Nine National Service Labour Tribunals were constituted towards middle of 1940, under the National Service (Technical Personnel) ~~Ordinance, 1940~~ Ordinance, 1940, promulgated in June 1940 (see pages 33-34 of our June 1940 report). In June 1942 a tenth Tribunal was established for Delhi and Ajmer-Merwara. The jurisdiction of the Tribunals extends also to British subjects in Indian States. Chairmen of Tribunals were originally all part-time officers, but later it was found that this was not a satisfactory arrangement and full-time Chairmen were appointed for the Bengal, Bombay, Madras and Punjab Tribunals. The members of Tribunals usually represent the provincial Labour Offices, ordnance factories, railway administrations, organisations under the technical training scheme and the military training technical recruiting staff operating in the area concerned.

Since their establishment up to the end of March 1943, the Tribunals have taken into the national service 7,480 persons. 74 appeals were made against orders of the Tribunals taking personnel in the national service and in all cases the Tribunals' orders were modified. During this period the Tribunals received 5,351 applications from technical personnel employed in industrial undertakings for permission to leave their employment, and of these, permission was refused in 2,011 cases on the ground that the men were already engaged on work of national importance. Revised terms of service were fixed for 52 out of the 111 men refused permission. Prosecutions were launched for contravention of the provisions of the Ordinance in 2,194 cases out of which 1,194 were against employers. Most of the prosecutions against employees were for leaving their employment without the permission of the Tribunal and as they returned to work later the prosecutions were withdrawn.

In addition to their statutory functions, the Tribunals have been entrusted with the work of selecting and posting trainees under the Technical Training Scheme. They also make the preliminary selection of candidates for training under the Bevin Training Scheme. Their services are generally available to all industrial undertakings needing technical personnel and to unemployed personnel in search of employment. During the situation created by the influx of evacuees from Burma, Malaya and other eastern countries, the Tribunals maintained a register of evacuee technical personnel and made efforts to find employment for them. 2116 such personnel registered themselves with the Tribunals, out of whom employment was found for 510.

("Indian Labour Gazette", August, 1943).

Advanced Training of Machine Tool Artificers and Tool Makers

In order to meet the requirements of ordnance factories and civil industry for skilled machine tool artificers and tool-makers, a new scheme has been prepared by the Government Office in consultation with the Indian Engineering Association. Under this scheme, selected tool-maker and fitter trainees who have passed their trade tests from training centres under the Technical Training Scheme will be allotted to firms engaged in civil industry for advanced training under factory conditions. In addition to these trainees, similarly qualified trainees will also be taken from the ordnance factories' buffer training centres. During the period of training remuneration will be paid by Government at Rs. 1-10-0 per day in Bombay area, and Rs. 1-8-0 per day elsewhere,

any additional allowances current in the workshops to which the trainees are posted. The duration of training will be 6 to 9 months. On its completion the trainees will be trade tested and finally posted to the Chairman of National Service Labour Tribunals to suitable employment in ordnance factories and civil industry in consultation with the Director of Factory Recruitment, and the Indian Engineering Association.

("Indian Labour Gazette", August 1943).

The National Service (Technical Personnel) Amendment Ordinance, 1943.

The Government of India has, on 17-7-1943, issued the National Service (Technical Personnel) Amendment Ordinance, 1943, further amending the National Service (Technical Personnel) Ordinance, 1940 (see pages 33-34 of our June 1940 report). The more important changes in the ~~present~~ Ordinance are as follows:-

(a) The ^{parent} Ordinance is now applicable to technical personnel over 17 years instead of over 18 years.

(b) Under the Ordinance employers are under an obligation to re-employ persons released by them on the orders of the Tribunals for employment in the national service, on the termination of that service. It has now been made clear that this liability shall not extend to persons if they were employed in a probationary or temporary capacity. Special Tribunals will adjudicate on cases in which the employer refuses to reinstate, or denies his liability to reinstate.

(c) Hitherto, while technical personnel employed in an industrial undertaking on which an order under sub-section (1) of Section 13 has been served were required to obtain previous permission of the Tribunal before leaving their employment, the owner of such an undertaking had only to give notice to the Tribunal of his intention to discharge or dismiss technical personnel. In order to equalise the obligations on employers and employees it has now been laid down that the employer also shall be required to obtain the previous permission of the Tribunal. In considering applications for such permission, the Tribunal shall refuse permission to discharge or dismiss only on the ground that the employment of the technical personnel in that particular employment is in the national interest.

(d) Offences under the Ordinance have been made cognisable but courts will not take cognisance of such offences except with the sanction of a Tribunal, Special Tribunal or the Central Government.

(Pages 537 to 549 of the Gazette of India Extraordinary and "Indian Labour Gazette", August, 1943.)

Country-wide 'Save and Lend' Campaign to be
Launched: Target of Rs. 1000 million.

A 'save and lend' campaign with a target of ^{Rs.} 1000 million, to be reached by the end of March 1944, will be launched shortly by provincial Governments all over the country, according to a plan prepared by the Central Government. This comes of the realisation by the Government of India that an anti-inflationary drive to be successful must include in its scope both big money and the small investor. Government now feels that the measures it has recently adopted have been effectively with regard to the richer classes, and the present scheme is intended for tapping the surplus money in the hands of small investors.

The need for a 'save and lend' drive has been felt at this stage because the cultivator will, for the first time, reap the full benefit of the high prices of his produce during the next crop. It is calculated that cultivators will have about Rs. 2000 million in hand, over and above what they received in pre-war days. As the cultivator's fixed charges, such as land revenue and interest on debt, have not increased and represent a small part of his earning, it is feared he will use his surplus money for purchases that will result in further pushing up of prices all round. The peasant may also be tempted to borrow heavily on the strength of the inflated value of his land and other assets and when, after the war prices come down, he will be in the same depressed condition as after the last war.

The object of the proposed campaign is therefore to help the cultivator to lay by a part of his income which he can use to advantage after the war. And as the assurance of victory has already resulted in the small investor lending about Rs. 20 million a month to the Government without persuasion, it is felt that ~~it is now~~ the psychological moment to stimulate interest in small saving. The campaign aims at persuading each cultivator to subscribe individually to Defence Savings Certificates or to War Loans. Another method of freezing purchasing power suggested to provincial Governments is that they should raise the level of taxation and set aside funds so collected for post-war reconstruction. Amusements tax, sales tax, court fees and stamp and excise duties offer scope for additional taxation. It is considered particularly desirable that tax be levied on agricultural incomes and some provinces, at any rate, are expected to include such incomes. Whatever money is thus immobilized by a province, either by taxation or by subscriptions to Defence Loans, will be credited towards the target fixed for each province. But it is made clear that such collections must be over and above the average of loans and taxes collected by each province in the past year.

Since the Government of India has no adequate machinery at hand, the Provincial Governments have been authorised to work out their own programme for immobilizing purchasing power in the countryside. To carry the campaign into the countryside, group leaders will be appointed for various districts. These persons, whether official or non-official, will be chosen for their local influence, and National War Front and other official and non-official agencies will co-operate with them. The campaign has already been started in the United Provinces and Madras. It is expected that if all provinces co-operate the target of Rs. 1000 million should be passed before March 1944. Government hopes that every section of the community would co-operate in making the scheme a success, because it will keep down prices for all, build up a national reserve for postwar reconstruction and bring India up to the standard of modern States in which small investors lend direct to the State and have a stake in national economy.

(The Statesman, dated 27-8-1943.)

38

Textile Industry

The Bombay Cotton Cloth Dealers Licensing Order, 1943

The Government of Bombay has, under the Defence of India Rules, issued on 3-8-1943, the Bombay Cotton Cloth Dealers Licensing Order, 43, under which no person in the Province may, after 15-10-1943, sell, store for sale, cotton cloth except under and in accordance with the conditions of a licence granted by the licensing authority. The fee charged to a hawker for the grant of a licence is Re. 1 and that to any other dealer Rs. 5. Owners of textile mills and persons selling cloth for sale manufactured by themselves or the members of their family are exempted from the provisions of the Order.

(The Bombay Government Gazette Extraordinary dated 3-8-1943.)

Ceiling Prices to be fixed for Bobbins and Shuttles

According to a press note dated 24-8-1943, issued by the Textile Commissioner, Government of India, the Government has, on the advice of the Mill Stores and Priority Advisory Committee of the Textile Control Board, decided to fix new ceiling prices for bobbins and imported shuttles used in cotton mills. The new ceiling prices are to come into force in August 1943.

(The Hindustan Times, dated 25-8-1943.)

Ceiling Prices fixed for Cloth and Yarn

The Textile Commissioner, Government of India, announced on 18-8-1943 the fixation by the Government of ceiling prices for cotton textile cloth and yarn. As a result of the recommendations made at the recent meetings of the appropriate committees of the Textile Control Board, ~~the~~ ceiling prices have been fixed for twelve standard varieties of grey and bleached cotton cloth and a few varieties of cotton yarn. The Board will be expanding this list as much as practicable so as to include the largest possible number of well-known varieties. The prices fixed are for the best selling quality of each type and are only applicable for goods sold in India for internal consumption. It has been agreed by the Board that cloth and yarn will be sold at these prices, or at corresponding prices for other localities in retail, at a uniform maximum price all over India, which will not exceed a margin of 15 per cent. over the ceiling prices including freight and other charges, which will not be above 5 per cent. or a total gross margin of 20 per cent.

(The Hindu dated 20-8-1943.)

For a review of conditions in 1942 in the Indian textile industry (cotton and jute) see section: "Economic Conditions" of this report.

Allotment of India's Coastal Trade Quotas:
Charge of Neglect of Indian Shipping Companies.

In reply to interpellations put by Mr. K.C. Neogy in the Central Assembly on 12-8-1943, relating to the appointment of the Indian Shipping Minister and the allotment of quotas of India's coastal trade between the principal shipping companies operating in India, the British Indian Company and the Asiatic Steam Navigation Company (both British Companies), the Scindia Steam Navigation Company (an Indian company), the Commerce Minister stated that in 1941, the quota of carryings of the British Indian and the Scindia Steam Navigation Companies were short of their respective shares by 28,480 tons and 916 tons respectively, while those of the Asiatic Steam Navigation Company were in excess of their share ~~to~~ by 29,396 tons. In 1942, however, the Asiatic Steam Navigation Company ~~were~~ carried 16,314 tons and the British India Steam Navigation Company 30,264 in excess of their respective share of the quota carryings. While the two British Companies were allocated steamers by the Ministry of War Transport, the shortage of carryings by the Scindia Steam Navigation Company was chiefly due to the requisitioning of a large number of their vessels by the Government and also partly to the fact that Scindia did not, after about 1942, insure their ships against war risks in the Bay of Bengal and preferred to employ their free ships exclusively on the west coast.

In a statement to the press issued on 14-8-1943, commenting on the attitude of the Government of India towards Indian shipping industry, as expressed in the Commerce Member's statement, Mr. Shantikumar Morarjee of the Scindia Steam Navigation Company, points out that it was a matter of deep regret that the Government of India, while showing deep interest in actively helping to maintain the dominant position of British shipping in Indian waters, was not only adopting a stepmotherly attitude towards Indian shipping but raising false hopes by giving promises and assurances which will not or cannot fulfil. The Government first appointed a Scotchman closely connected with British shipping as Controller of Shipping in India. This was followed by the appointment of another European as Indian Shipping Adviser. The Indian commercial community protested against these appointments but the Government completely ignored these protests. In denying the appointment of the Indian Shipping Adviser, the Government of India advanced the plea that they would thereby enable Indian shipping to maintain its position and carry its quota in coastal trade. He added that the policy of the Government of India was in direct contrast with that followed by the British Government in regard to British shipping interests. The complete helplessness, on the one hand, of the Government of India, to come to the rescue of Indian shipping, and the active encouragement, on the other, of the British Ministry of War Transport, for increasing the domination of British shipping in India's national waters, constitute a deep tragedy for a maritime country of India's position, strategy and importance. Mr. Shantikumar appealed to the Commerce Member to see that at least justice is done to Indian shipping ~~to enable~~ ^{to enable} it to maintain its present position built up at such great sacrifices, ~~and devise means to enable it to carry on its quota of trade.~~

(The Hindu, dated 13-8-1943, ✓
The Amrita Bazar Patrika, 17-8-1943.)

Transport Controller's Conference

A conference of representatives of the War Transport Department, the Motor Transport Controllers of Madras, Bombay, Central Provinces and Berar, and also representatives of the Nizam's Dominions, Baroda, Mysore, Travancore, the Western India and the Central India States was held at Nagpur recently. Sir Kenneth G. Mitchell, Controller, Road Traffic, Government of India, presided. The conference discussed a wide range of questions relating to war transport, particularly the distribution and control of the use of new motor trucks received on lease-lend and of spare parts for certain makes of trucks which also are now being received on a lease-lend basis in substantial quantities. The further use of producer gas plants was also discussed and it was decided that the majority of new vehicles received on lease-lend would have to be fitted with plants of the types to be approved by the Provincial and State Controllers as suitable for use on these vehicles. This meeting follows a similar regional meeting of Controllers held some time back at Calcutta and will be followed by other meetings in different regions of India with a view to pooling the experiences of the different Controllers and establishing closer contact between the inter-provincial and the Central authorities of the War Transport Department.

("Industrial Bulletin" of the Employers' Federation of India, dated 23-8-1943.)

41

Control Measures

Transport of Cattle outside Sind Controlled

The Sind Government has, under the Defence of India Rules, issued on 20-8-1943, an order to the effect that cattle and camels should not be transported out of the province except under Government permit.

(The Sind Government Gazette Extraordinary,
dated, 20-8-1943.) +

The Bihar Control of Country Boat Traffic Order, 1943.

The Bihar Government has, under the Defence of India Rules, issued on 16-8-1943 the Bihar Control of Country Boat Traffic Order, 1943, under which owners of heavy country boats (those capable of carrying 10 maunds, i.e., 820 lbs. or more) plying in the province are required to register their boats with the registering officer within 15 days of the date of the order. Also no heavy country boats to transport foodgrains (rice, wheat, maize, barley, jowar, bajra, etc. and their products) without a pass issued by a District Magistrate.

(The Bihar Gazette Extraordinary,
dated, 19-8-1943.) +

Control of Drug Prices

The Government of India's decision to issue orders under the Defence of India Rules controlling the prices of drugs and medicines in common use in the country was announced by Mr. M.S.A. Hydari, Secretary, Department of Industries and Civil Supplies, Government of India, at a Conference with drug manufacturers and importers held at Bombay on 16 and 17-8-1943. The control which will come into force from November, 1943, will make it obligatory on distributors to sell proprietary and indigenous medicines of certain types at fixed prices. The articles will cover a wide range and will have a deal of control fixed on them. It is proposed to license distributors, who will be required to display a board indicating the rates at which the controlled drugs are sold by them.

(The Times of India, dated, 18-9-1943),

U.P. Order Prohibiting Removal of Sugar Factories from
the Province

The United Provinces Government has, under the Defence of India Rules, issued on 26-8-1943 an order under which no plant or factory situated within the United Provinces and producing sugar by means of vacuum pans may, without the previous permission of the Provincial Government, be removed from its existing site in the United Provinces with a view to its being re-erected and worked on a site outside the United Provinces. Any contravention of the provisions of the Order is punishable with imprisonment for a term which may extend to three years, or with fine, or with both.

(Page 4, the U.P. Gazette Extraordinary,
dated, 26-8-1943.) +

The Bengal Foodgrains Price Control Order, 1943

The Bengal Government has, under the Defence of India Rules, issued on 24-8-1943, the Bengal Foodgrains Price Control Order, 1943, under which the Government has assumed powers for notifying, in the Official Gazette, the maximum prices at which foodgrains may be sold or purchased in the province. Only paddy (unhusked rice) and rice are taken under control for the present. Other foodgrains may be included by Government notification.

(Pages 1382-1383, Part I, The Calcutta Gazette, dated 26-8-1943.)+

Bengal Order restricting number of Guests at Social Functions.

The Government of Bengal, has, under the Defence of India Rules, issued on 27-8-1943, an order under which no person acting as host may entertain anywhere in Calcutta and the surrounding industrial areas more than fifty persons on any one day in connection with a social function except under a permit issued by the Regional Controller of Civil Supplies for Calcutta and the Industrial Area.

(The Calcutta Gazette Extraordinary, Part I, dated 28-8-1943, pages 143-144.)+

Rationing to Begin in Madras City from 17-8-1943

By a notification dated 16-8-1943, the Government of Madras has announced that the Madras Rationing Order will come into force in the City of Madras on 17-8-1943.

(Page 776, Part I, Fort St. George Gazette dated 17-8-1943.)+

Rice Rationed in Madras City

In exercise of powers assumed under the Madras Rationing Order, 1943, (vide page 31 of our July 1943 report), the Government of Madras has issued on 21-8-1943 a notification declaring rice to be a rationed article in respect of the City of Madras.

(page 779 of Part I, Fort St. George Gazette, dated 24-8-1943.)+

Food Control Measures in Mysore State

According to a statement issued on 9-8-1943 by Mr. S. Narayana, Secretary, Supplies Department, Government of Mysore, the Government has issued an order under which all persons in the State possessing foodgrains above certain specified quantities are required to declare such stocks by 30-8-1943 and to sell them to Government at a certain increased rate above the present controlled rate by 11-9-1943. After that date, a programme of commandeering will be drastically enforced and compensation payable for foodgrains obtained by commandeering will be at rates not higher than the controlled rates which existed prior to 1-9-1943. Cost of such commandeering and transport will also be deducted from such compensation. In addition, false declarations and unauthorised retention of stocks will be punishable under the law with imprisonment to three years or fine or both.

It has been further ordered by Government that from 9-8-1943 to 9-1943, food grains in ~~excess~~ excess of quantities fixed by the Government should not be sold or transported by any person except to Government depots, or except under a permit from a valid authority for a vide personal consumption. Sales and purchases up to 5 seers (seer = 2 lbs.) in any single transaction are exempted. Stocks sold transported in contravention of Government are liable to be confiscated.

("Federal India and Indian States", Bangalore, dated 18-8-1943.) +

Foodgrains Policy:
Committee set up by Government of India.

In view of the situation which has arisen throughout India in respect the supply and distribution of foodgrains, the Governor General in Council has decided to set up a Foodgrains Policy Committee, which will review the past policy and present position of India in regard to the supply, distribution and price of foodgrains in the light of all relevant conditions including those imposed or liable to be imposed by the war, and make recommendations, both of policy and for administration, for securing, the duration of the war, maximum supply, equitable distribution and control of prices in relation to foodgrains. Free trade will not be considered except as an objective for the return of normal conditions.

Sir Theodore Gregory, Economic Advisor to the Government of India, is Chairman of the Committee, and Mr. A.D. Gorwala, its Vice-Chairman. M.M. Jinnah is the Secretary. It is composed of four representatives of the Government of India; one representative each from Madras, Bombay, United Provinces, Punjab, Bihar, Central Provinces and Berar, Sind and Baluchistan; one representative each from Hyderabad, Travancore and Cochin, and a nominee of the Chancellor of the Chamber of Princes; and two non-officials. The Committee will be financed from the central revenues. The sessions of the Committee began on 8-7-1943, and it was expected to report to the Government of India early in August 1943.

(Industrial Bulletin of the Employers' Federation of India, dated 9-8-1943.) +

The Bengal Foodgrains (Movement Control) Order, 1943

The Bengal Government has, under the Defence of India Rules, issued 21-8-1943, the Bengal Foodgrains (Movement Control) Order, 1943, prohibiting the export from the province of foodgrains (wheat, rice, jowar, ragi, etc.) in excess of two and a half maunds (1 maund = nearly 17 lbs.), except under a permit issued by the Director of Civil Supplies, Calcutta.

(The Calcutta Gazette Extraordinary dated 21-8-1943.) +

Tubewell Irrigation to Reinforce Food Drive:
100,000 uncultivated Acres to be brought under Foodgrains.

Several irrigation schemes, including the sinking of some 300 tubewells in the United Provinces and Bihar, so as to put under foodgrains, by the end of 1944, more than 100,000 acres of land hitherto either uncultivated or only partly cultivated, are shortly to be carried out. Similar emergency irrigation projects for other provinces, calculated to increase the country's food output during the war and to help in the post-war development of agriculture, are under consideration by the Government.

Central and Provincial Governments. The cost of the scheme is being borne mainly by the provinces, but the Government of India are helping with funds and in securing equipment in the shortest possible time.

("Indian Information", 1-9-1943).

Rationing in Urban Areas:
Recommendations made in Mr. W.H. Kirby's Report.

It is learnt that all preliminary steps will soon be taken for the introduction of food rationing in urban areas in the country and a course of instruction has been arranged in Bombay, where food rationing is already functioning satisfactorily, for Provincial and State Government officers. It is understood that this decision, arising directly out of the recommendation of the recent Food Conference (vide paras 28-29 of our July, 1943 report) has followed the submission of a report by Mr. W.H. Kirby, Rationing Adviser to the Government of India. Mr. Kirby is of opinion that an individual card-rationing scheme, suitably organised and enforced with determination, is workable with success in urban areas. Chief among the recommendations submitted by him for consideration by the Government are: (1) A comprehensive, efficient card-rationing scheme should be brought into immediate operation in all the larger cities of the country. (2) The fact that supply conditions are not yet satisfactory in certain areas is no reason for postponing rationing. The uncertainty of supply is an additional reason why strict rationing must be brought into force immediately. The basic ration can be increased as the supply position improves. (3) Provinces and States should keep a uniform model scheme but only alter ~~such details as~~ details to suit local conditions. All precautions should be taken to ensure an equitable distribution and rationing of all essential food supplies, and only those commodities which at present seem to be in short supply. It is desirable to establish Food Advisory Committees or Food Control Committees throughout the country. For any scheme of rationing to be successful, it is necessary to secure wherever possible, the co-operation of experienced wholesale grain merchants, who have a very good knowledge and experience of the grain trade.

It has been found that in places where Government has opened up shops and sells grain direct to the public, the experiment has gone a long way towards creating confidence. Mr. Kirby has made a number of other recommendations in his report, which is now under consideration by the Government.

("Indian Information", 1-9-1943).

Food Rationing in Urban Areas:
Government of India's Circular letter to Provincial and State Governments.

In a circular letter on the subject of introduction of food rationing in urban areas in the country, recently addressed to Provincial and State Governments, the Government of India is understood to have set forth for their guidance the following points:

The object of food rationing is not to reduce consumption but to distribute short supplies in an equitable manner. When supplies are short and irregular a closely controlled rationing scheme becomes even more necessary to ensure fair distribution to all. Rationing requires strict control. No matter how widespread rationing is, it will not ensure equitable distribution among all income groups, unless prices are kept low enough to enable everyone to buy his ration. Food rationing schemes

45

ld be, in policy and detail, as far as possible, uniform. Food
oning should be comprehensive. It is necessary to plan ahead
ing in mind probable expansion. All food control must have its
l sanctions, and for rationing, the authorities require powers for
eration, registration and distribution.

Local Food Advisory Councils or Food Control Committees should
et up, having as members representatives of trade, transport and
ribution, hotel and catering experts and welfare workers. Both
upply and distribution established wholesale and retail traders
ld be used, under Government licence and supervision to carry out
ations as Government's agents. Side by side with these, distri-
on can also be made through efficiently managed Government grain
s, many of which already exist.

("Indian Information", 1-9-1943.)+

Stricter Food Control in Travancore State

A Press Communiqué dated 24-8-1943 issued by the Travancore
rnment states that the Government have resolved to introduce
ughout the State a system of rationing applicable to all classes
eople alike under which the basic ration of rice will be uniform,
no difference between individuals and groups of individuals
nstitutions, except in regard to landholder or cultivator or to
essential services as may be prescribed by the Government in
behalf. The Communiqué explains that there is an annual deficit
67 thousand tons of rice in the State and ~~that~~ details
measures Government have taken to meet the extraordinary situation.
e measures include tapping of alternative sources of supply, pre-
ing of hoarding, prohibition of export of tapioca, prohibition of
ing of paddy in mills and popularisation of novel diets like
lets and gram.

(The Hindu, 25-8-1943.)+

216

Post-War Reconstruction

India's Post-War Financial Policy: Utilisation of Foreign Balances:
Mr. N.R. Sarker's Statement.

Mr. Nalini Ranjan Sarker, ex-Member of the Viceroy's Executive Council, in a statement to the press dated 9-2-1943, examines the two tentative post-war international currency plans recently published by British and American financial experts, and explains India's particular requirements in the light of which any international currency scheme acceptable to India has to be framed.

Recognition of India's Importance.- After emphasising the importance of having a comprehensive currency plan for the post-war period, and briefly touching upon the differences existing between the British and American plans, Mr. Sarker goes on to point out that India will have to be carefully watchful about such plans, inasmuch as she has certain special claims. He said that in regard to her status and voting rights, India should have a position that will be in consonance with her importance in agriculture, industry and international trade. She should have a seat of her own right on the Governing Body of the Clearing Union or the Executive Committee of the Stabilising Fund. But her most important claims are: (a) the position of the Sterling balance which may be treated as abnormal war balance and (b) future economic development and adoption of a correct fiscal and tariff policy for the purpose.

Sterling Balances for Industrialisation: Special Safeguards.- In regard to the treatment of foreign balances, he pointed out that no definite provisions have been made in the British and American schemes. What India should ask for and insist upon is some provision by which she should be able to utilise her foreign balances for the purchase of plants and machinery required for her industrial development in any country from which she can obtain them on the best possible terms. It will not serve her purpose if she cannot get immediately that proportion of such balances which she may require for this purpose. Any scheme which does not provide for this will fail to obtain her approval. Another point emphasised was that for a comparatively backward country like India, which intends to embark on planned industrial development, certain special facilities may be necessary. The level of industrial development in India is far behind that obtains in Western countries. At the same time this war has demonstrated the utter weakness of a country whose industrial potential is low for waging war. As India's resources both in men and material for industrial development are ample, the present position must be regarded as absurd and no time should be lost after the war to develop to the utmost her industrial potential. To this end, the importation of plant and machinery and industrial equipment for accelerating the industrialisation of the country as well as for laying the foundation of defence industries, particularly motor, ship-building and armament industries, would be necessary. For the development of such industries, she must be allowed to utilise her foreign balances abroad as well as enjoy certain special facilities in regard to fiscal, tariff and exchange policy as may be found necessary. If the proposed international monetary schemes are framed in such rigid terms that they will not take into consideration the special conditions and problems of backward countries like India, they may not be acceptable to such countries. As, however, it is the declared objective of the leading members of the United Nations to raise the standard of living in backward countries, there should be no objection to treating these countries in a special way so that necessary facilities for their economic development may be assured.

Mr. C.D. Deshmukh's Statement.- Similar views in regard to the utilisation of India's sterling balances were expressed by Mr. C.D. Deshmukh, Governor of the Reserve Bank of India, at a general meeting of the Bank's shareholders at Calcutta on 9-8-1943. He declared: ~~xxxxx~~ It is generally conceded that the balances have so far been used to good purpose, and have assisted in the transition of India from the position of a substantial debtor to a creditor on international account. But the increasing credits are assuming considerable dimensions. A part of them will be used up in repatriating some sterling obligations still outstanding and the transfer of such private investments as is spontaneously occurring in the business world. A substantial accumulation will still remain, however, and should be available for imports that will be needed on a large scale, after the war for the normal expansion of Indian industries, the reconstruction of India's industrial equipment and the economic development of rural areas. He said that the subject of post-war reconstruction deserved a larger place in the thoughts and programmes of the country. Every aspect of her economic life - industry, agriculture, transport, trade and distribution, as well as banking and the finance of each of these large fields of economic activity - besides the important subject of beneficial public works which might be undertaken if a slump should again occur, require forethought and long and careful preparation.

(The Amrita Bazar Patrika dated 11-8-1943 and the Hindu dated 10-8-1943.)

List of the more important publications received in this Office during August 1943

Economic Conditions.-

- (1) Annual Market Review, 1942; Premchand Roychand & Sons Ltd., Bombay, 1943.
- (2) Report on Currency and Finance for the year 1942-43. Reserve Bank of India, Bombay. 1943. Price Rs. 2-8-0 or 4s.6d.

~~Social Insurance~~

~~Report on the Administration of the Workmen's Compensation~~

Organisation, Congresses, etc. -

Federation of Indian Chambers of Commerce and Industry. Proceedings of the Sixteenth Annual Meeting held at Delhi on 27th and 28th March, 1943. Vol. III. 1943. 28, Ferozshah Road, New Delhi.